

# Quarterly Financial Performance Report

## Q3 2018

Connecting Communities / Ride the Wave



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# Executive Summary

## 2018 Q3 STATEMENT OF NET POSITION

(in millions)

	Sept. 30, 2018	June 30, 2018	Dec. 31, 2017	% Change	
				Sept. vs. June	Sept. vs. Dec.
Current assets, excluding restricted assets	\$1,985	\$1,931	\$1,732	2.8%	14.6%
Restricted assets	107	93	95	14.3%	12.9%
Capital assets	10,146	9,811	9,130	3.4%	11.1%
Other non-current assets	390	392	394	(0.5%)	(0.9%)
<b>Total Assets</b>	<b>\$12,628</b>	<b>\$12,228</b>	<b>\$11,350</b>	<b>3.3%</b>	<b>11.3%</b>
<b>Deferred Outflows of Resources</b>	<b>\$34</b>	<b>\$35</b>	<b>\$37</b>	<b>(2.5%)</b>	<b>(7.1%)</b>
Current liabilities, excluding interest payable from restricted assets	\$363	\$366	\$288	(0.9%)	25.9%
Interest payable from restricted assets	38	24	24	57.7%	58.8%
Long-term debt	2,408	2,411	2,393	(0.1%)	0.6%
Other long-term liabilities	70	70	69	0.1%	1.5%
<b>Total Liabilities</b>	<b>\$2,879</b>	<b>\$2,871</b>	<b>\$2,774</b>	<b>0.3%</b>	<b>3.8%</b>
<b>Net Position</b>					
Net investment in capital assets	\$7,734	\$7,398	\$6,739	4.5%	14.8%
Restricted net position	69	69	69	(0.2%)	(0.6%)
Unrestricted net position	1,981	1,925	1,805	2.9%	9.7%
<b>Total Net Position</b>	<b>\$9,783</b>	<b>\$9,392</b>	<b>\$8,613</b>	<b>4.2%</b>	<b>13.6%</b>

- Current and restricted assets are comparable to Q2, however are up from December of 2017 mainly due to increased cash and investment balances. These balances have increased primarily due to higher revenues than anticipated and as compared to the timing of capital spending.
- While capital assets have grown significantly, capital spending associated with ST3 projects has not yet accelerated to match tax revenues due to related projects being in relatively early stages of development.

## 2018 Q3 REVENUES & OTHER FINANCING SOURCES

(in thousands)

	Annual 2018 Budget	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>	\$2,065,483	\$1,422,527	\$1,603,432	\$180,905	112.7%

- YTD Q3 revenues of \$1.6B are 12.7 percent above budget driven by higher sales and motor vehicle excise taxes, federal grants, and local & state contributions.
- YTD Q3 includes landbank contributions for Lynnwood Link Extension airspace leases totaling \$73.2M, which are reported as local & state contributions.

### 2018 Q3 DEPARTMENT BUDGETS

(in thousands)

	<b>Annual 2018 Budget</b>	<b>YTD 2018 Budget</b>	<b>YTD 2018 Actuals</b>	<b>YTD Budget Variance</b>	<b>% of YTD Budget</b>
<b>Department Budgets</b>	\$467,755	\$344,359	\$320,838	\$23,521	93.2%

- All departments below budget mainly due to a large number of staff vacancies. Also, lower than planned services spend primarily in Operations and Executive departments.

### 2018 Q3 TRANSIT MODES

(in thousands)

	<b>Annual 2018 Budget</b>	<b>YTD 2018 Budget</b>	<b>YTD 2018 Actuals</b>	<b>YTD Budget Variance</b>	<b>% of YTD Budget</b>
<b>Transit Modes</b>	\$321,362	\$240,287	\$227,243	\$13,044	94.6%

- All transit modes finished third quarter under budget primarily due to lower than planned fuel prices, security services, and overhead driven by high staff vacancies. Ridership continues to grow.

### 2018 Q3 PROJECT BUDGETS (excludes overhead charges to projects and G&A)

(in thousands)

	<b>Annual 2018 Budget</b>	<b>YTD 2018 Budget</b>	<b>YTD 2018 Actuals</b>	<b>YTD Budget Variance</b>	<b>% of YTD Budget</b>
<b>Project Budgets</b>	\$1,800,064	\$1,034,505	\$960,631	\$73,875	92.9%

- System expansion projects are below year-to-date budget. However, construction activity continues at a strong pace. Acquisition of right-of-way is behind schedule due to the unavailability of resources to manage the quantity and complexity of the parcels required.
- Since Q2, the annual 2018 budget has decreased by \$51.9M due to Federal Way Link Extension baselining \$(52.6)M; establishment of Rapid Ride C and D \$0.4M; and establishment of NE 130<sup>th</sup> St. Infill Station \$0.3M.

# Revenues & Other Financing Sources

- Tax revenues formed 83% of total YTD revenues.
- Sales taxes are the largest revenue source, comprising 60% of total YTD revenues.
- Property tax is projected to be \$6.3M below budget by year-end due to the certified property tax levy coming in lower than expected.
- Passenger fare revenue is 3.5% above budget due to higher Link ridership.
- Higher sales taxes in 2017 and 2018 reflect the ST3 sales tax rate increase of 0.5%, which took effect in Q2 2017.

YTD Q3 revenues of \$1.6B are \$180.9M or 12.7% above YTD budget, mainly due to higher taxes, federal grants, and local & state contributions.

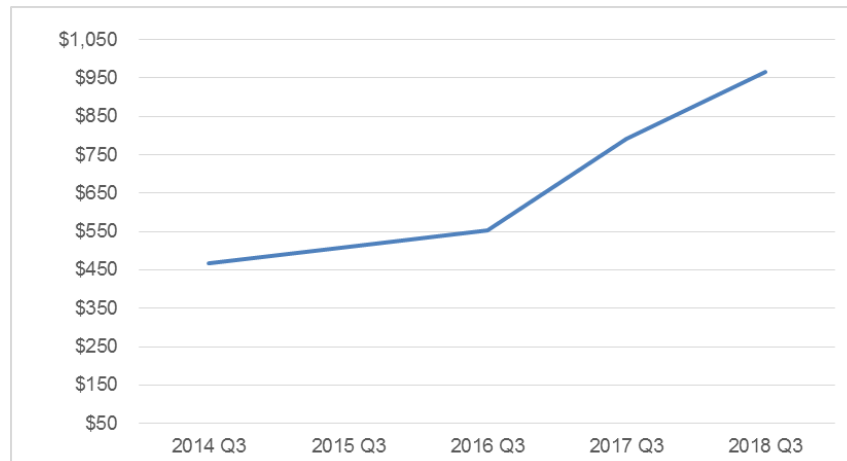
Tax revenues are \$70.7M or 5.6% above YTD budget, driven by higher sales taxes and motor vehicle excise taxes in our vibrant local economy. Federal grant drawdowns are \$27.6M above YTD budget, driven by the delayed receipt of 2017 federal grants, as well as earlier than budgeted grant drawdowns for projects including Link Operations & Maintenance Facility East, Federal Way Link Extension and Tacoma Link Extension.

Local & state contributions exceeded budget by \$73.2M due to the receipt of WSDOT landbank contributions for Lynnwood Link Extension airspace leases totaling \$73.2M, which were not budgeted for.

## 2018 Q3 REVENUES & OTHER FINANCING SOURCES (in thousands)

	YTD 2017 Actuals	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
Retail Sales and Use Tax	\$790,940	\$908,362	\$966,348	\$57,987	106.4%
Motor Vehicle Excise Tax	194,578	235,532	252,889	17,356	107.4%
Rental Car Tax	2,823	2,969	3,044	75	102.5%
Property Tax	104,442	112,500	107,743	(4,757)	95.8%
Passenger Fare Revenue	67,117	69,683	72,154	2,471	103.5%
Federal Grants	81,109	11,462	39,074	27,612	340.9%
Local & State Contributions	213,228	2,623	75,831	73,209	2891.5%
Investment Income	15,129	14,645	18,123	3,478	123.8%
Miscellaneous Revenues	10,969	8,146	11,619	3,473	142.6%
Bond & TIFIA Loan Proceeds	0	56,606	56,606	0	100.0%
<b>Revenues &amp; Other Financing Sources</b>	<b>\$1,480,335</b>	<b>\$1,422,527</b>	<b>\$1,603,432</b>	<b>\$180,905</b>	<b>112.7%</b>

## YTD Q3 SALES TAX REVENUE 2014 - 2018 (in millions)



# Operating Budget - Departments

## 2018 Q3 DEPARTMENT EXPENSES BY CATEGORY (in thousands)

- Salary and benefits below budget due to a higher than expected vacancy rate.

- Services below budget due to less than expected use of consulting services, security services, and lower than expected costs for fare collection related to ORCA inter-local.

- Purchased transportation below budget due to ST Express partner rates.

- Insurance below budget due to lower than expected premium rates.

- Taxes above budget due to higher than expected property taxes.

Expense Category	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
Salary and Benefits	\$99,556	\$90,853	\$8,703	91.3%
Services	70,622	57,968	12,653	82.1%
Materials & Supplies	10,322	9,980	343	96.7%
Utilities	5,112	5,037	76	98.5%
Insurance	6,517	5,940	577	91.1%
Taxes	2,264	2,447	(183)	108.1%
Purchased Transportation	132,826	131,868	958	99.3%
Miscellaneous Expenses	4,817	4,358	459	90.5%
Interest Expense	14	4	10	27.0%
Operating Rentals	12,309	12,383	(74)	100.6%
<b>Total</b>	<b>\$344,359</b>	<b>\$320,838</b>	<b>\$23,521</b>	<b>93.2%</b>

## 2018 Q3 EXPENSES BY DEPARTMENT (in thousands)

Department	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
Communications and External Affairs	\$8,302	\$7,622	\$680	91.8%
Design, Eng. and Construction Mgmt.	37,460	34,402	3,058	91.8%
Executive	24,606	19,527	5,078	79.4%
Finance	19,744	17,714	2,030	89.7%
Information Technology	19,586	17,659	1,926	90.2%
Legal	3,372	3,233	139	95.9%
Operations	221,988	211,921	10,067	95.5%
Planning, Environment and Proj. Dev.	9,303	8,759	544	94.2%
<b>Total</b>	<b>\$344,359</b>	<b>\$320,838</b>	<b>\$23,521</b>	<b>93.2%</b>

## 2018 Q3 VACANCY RATE

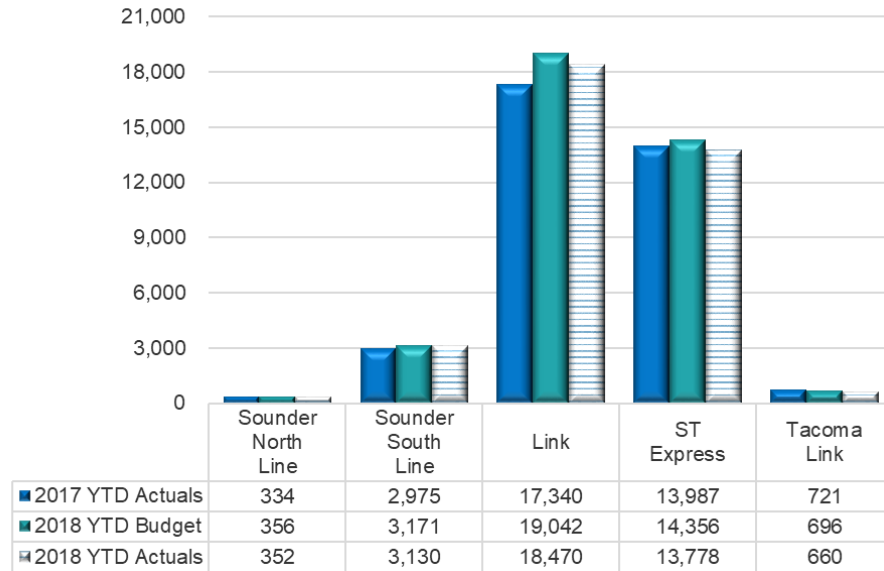
- Q3 vacancy rate is 13% vs. 8% budgeted.

	YTD Staffing Plan	YTD Filled Positions	Vacant Positions	% Vacant
Agency Total	1,068	929	139	13.0%

# Operating Budget - Transit Modes

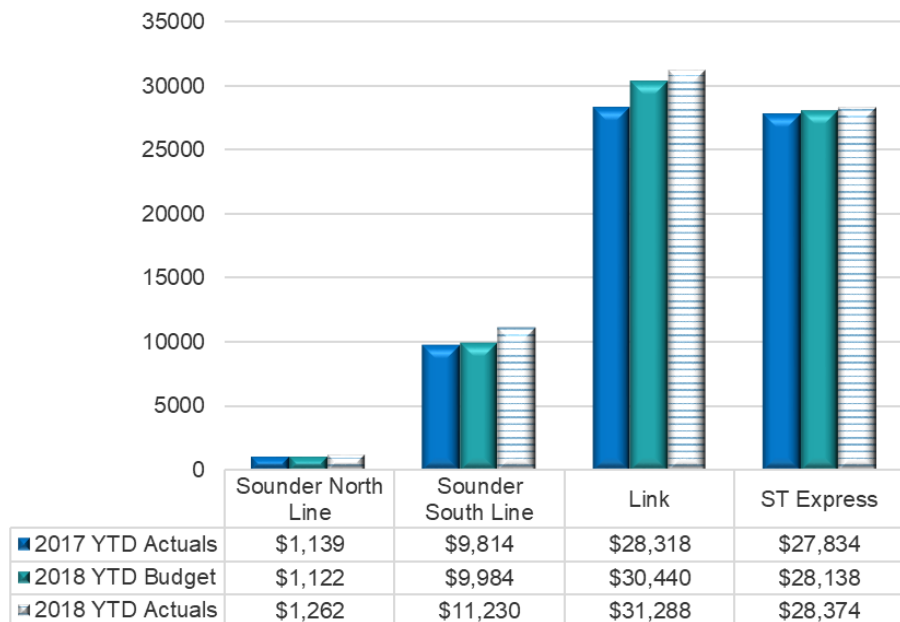
- Total boardings are under budget by 1.2M or 3%, and compared to 2017 they are up by 1.0M or 3%, with Link as the primary growth driver.
- ST Express ridership is less than budget and prior year due to park-and-ride closures from East Link construction.
- Tacoma Link is less than budget and prior year due to closure of Tacoma Dome for renovations.

2018 Q3 BOARDINGS  
(in thousands)



2018 Q3 FARE REVENUE BY MODE  
(in thousands)

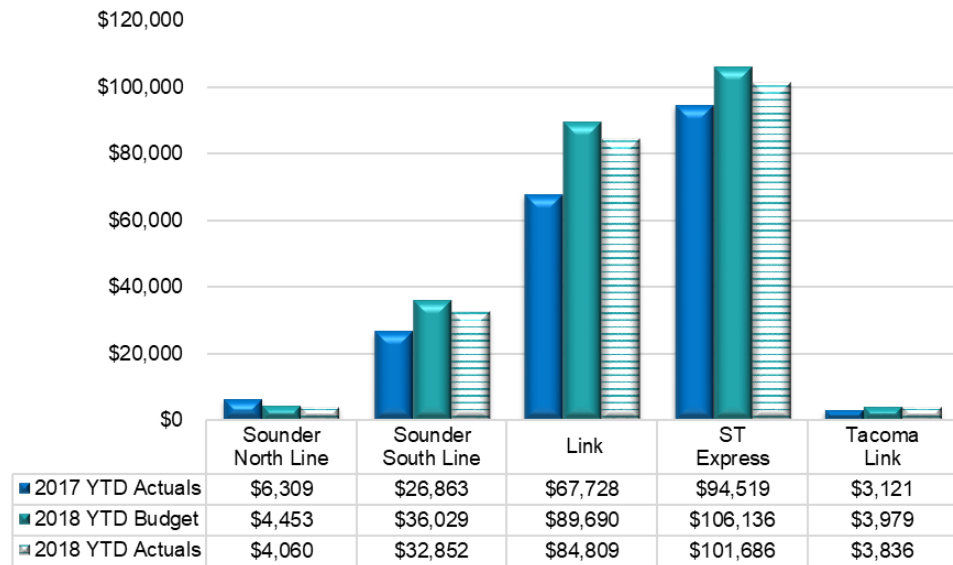
- Fare revenue is above budget by \$2.4M or 4%, with Sounder South leading the way at \$1.2M or 12% above budget.
- Despite lower than budgeted boardings, fare revenue is higher than budget due to increase in average fare per boarding driven by business passport accounts.



- All modes under budget by \$13.0M or 5%, primarily due to under spending for fuel, security services, and expense transfers. Expense transfers are down for all modes due to lower indirect charges driven by higher vacancies in Operations supporting divisions.

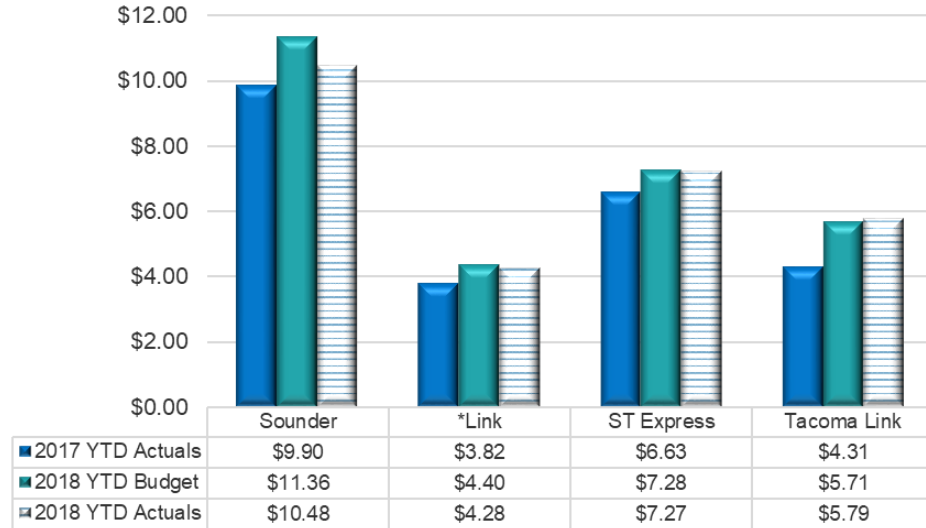
- All modes higher than prior year by \$28.7M or 14%, primarily due to increase in ST staff and higher purchased transportation services spend.

**2018 Q3 TRANSIT MODE BUDGET PERFORMANCE**  
(in thousands)



**2018 Q3 COST PER BOARDING BY MODE**

- The higher cost per boarding for ST Express reflects lower than budgeted ridership.



All cost per boarding exclude Leases & Rental expenses.  
\*Link cost per boarding excludes paratransit expenses.



## 2018 Q3 Link Light Rail

(in thousands)

▪ Fare revenue above budget due to increase in average fare per boarding.

▪ Expenses below budget driven by low spending in Security Services and lower than budgeted share of DSTT costs.

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>				
Passenger Fares	\$30,440	\$31,288	\$848	102.8%
Other Operating Revenue	1,238	1,046	(192)	84.5%
<b>Total</b>	<b>\$31,678</b>	<b>\$32,334</b>	<b>\$657</b>	<b>102.1%</b>
<b>Expenses</b>				
Salaries and Benefits	\$3,137	\$3,538	(\$401)	112.8%
Services	28,278	22,182	6,095	78.4%
Materials and Supplies	2,685	4,255	(1,570)	158.5%
Insurance	3,134	3,079	54	98.3%
Purchased Transportation Svcs	34,752	35,096	(344)	101.0%
Miscellaneous Expenses	146	192	(47)	132.0%
Expense Transfers	9,766	8,655	1,111	88.6%
Other Expenses	3,309	3,600	(291)	108.8%
<b>Total Expenses</b>	<b>\$85,206</b>	<b>\$80,598</b>	<b>\$4,608</b>	<b>94.6%</b>
Leases & Rentals	\$4,484	\$4,211	\$273	93.9%
<b>Total</b>	<b>\$89,690</b>	<b>\$84,809</b>	<b>\$4,881</b>	<b>94.6%</b>

## 2018 Q3 Sounder

(in thousands)

▪ Fare revenue above budget due to increase in average fare per boarding.

▪ Expenses below budget largely driven by lower than budgeted fuel costs, plus low spending in facilities maintenance due to timing.

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>				
Passenger Fares	\$11,106	\$12,492	\$1,386	112.5%
Other Operating Revenue	268	1,392	1,124	519.9%
<b>Total</b>	<b>\$11,374</b>	<b>\$13,884</b>	<b>\$2,510</b>	<b>122.1%</b>
<b>Expenses</b>				
Salaries and Benefits	\$1,704	\$1,644	\$60	96.5%
Services	16,554	15,099	2,181	91.2%
Materials and Supplies	5,663	3,767	1,897	66.5%
Insurance	1,744	1,536	208	88.1%
Purchased Transportation Svcs	9,236	9,543	(307)	103.3%
Miscellaneous Expenses	158	168	(9)	105.8%
Expense Transfers	3,230	2,894	336	89.6%
Other Expenses	1,794	1,856	(62)	103.5%
<b>Total Expenses</b>	<b>\$40,083</b>	<b>\$36,506</b>	<b>\$3,577</b>	<b>91.1%</b>
Leases & Rentals	\$399	\$406	(\$7)	101.7%
<b>Total</b>	<b>\$40,482</b>	<b>\$36,912</b>	<b>\$3,570</b>	<b>91.2%</b>

## 2018 Q3 Sounder North Line

(in thousands)

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>				
Passenger Fares	\$1,122	\$1,262	\$140	112.5%
Other Operating Revenue	27	141	114	519.9%
<b>Total</b>	<b>\$1,149</b>	<b>\$1,402</b>	<b>\$254</b>	<b>122.1%</b>
<b>Expenses</b>				
Salaries and Benefits	\$187	\$181	\$7	96.5%
Services	1,821	1,661	160	91.2%
Materials and Supplies	623	414	209	66.5%
Insurance	192	169	23	88.1%
Purchased Transportation Svcs	1,016	1,050	(34)	103.3%
Miscellaneous Expenses	17	18	(1)	105.8%
Expense Transfers	355	318	37	89.6%
Other Expenses	197	204	(7)	103.5%
<b>Total Expenses</b>	<b>\$4,409</b>	<b>\$4,016</b>	<b>\$393</b>	<b>91.1%</b>
Leases & Rentals	\$44	\$45	(\$1)	101.7%
<b>Total</b>	<b>\$4,453</b>	<b>\$4,060</b>	<b>\$393</b>	<b>91.2%</b>

## 2018 Q3 Sounder South Line

(in thousands)

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>				
Passenger Fares	\$9,984	\$11,230	\$1,246	112.5%
Other Operating Revenue	241	1,251	1,011	519.9%
<b>Total</b>	<b>\$10,225</b>	<b>\$12,482</b>	<b>\$2,257</b>	<b>122.1%</b>
<b>Expenses</b>				
Salaries and Benefits	\$1,516	\$1,463	\$53	96.5%
Services	14,733	13,438	1,295	91.2%
Materials and Supplies	5,040	3,352	1,688	66.5%
Insurance	1,552	1,367	185	88.1%
Purchased Transportation Svcs	8,220	8,493	(273)	103.3%
Miscellaneous Expenses	141	149	(8)	105.8%
Expense Transfers	2,875	2,576	299	89.6%
Other Expenses	1,596	1,652	(55)	103.5%
<b>Total Expenses</b>	<b>\$35,674</b>	<b>\$32,491</b>	<b>\$3,184</b>	<b>91.1%</b>
Leases & Rentals	\$355	\$361	(\$6)	101.7%
<b>Total</b>	<b>\$36,029</b>	<b>\$32,852</b>	<b>\$3,177</b>	<b>91.2%</b>

**2018 Q3 ST Express Bus**  
(in thousands)

▪ Fare revenue above budget due to increase in average fare per boarding.

▪ Expenses below budget due to lower fuel costs, lower partner rates, and lower than budgeted share of DSTT costs.

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>				
Passenger Fares	\$28,138	\$28,374	\$237	100.8%
Other Operating Revenue	592	1,177	585	198.8%
<b>Total</b>	<b>\$28,729</b>	<b>\$29,551</b>	<b>\$821</b>	<b>102.9%</b>
<b>Expenses</b>				
Salaries and Benefits	\$950	\$890	\$60	93.7%
Services	7,038	6,246	792	88.7%
Materials and Supplies	36	47	(11)	130.2%
Insurance	122	65	57	53.0%
Purchased Transportation Svcs	88,835	87,229	1,605	98.2%
Miscellaneous Expenses	97	149	(51)	152.9%
Expense Transfers	6,600	4,733	1,867	71.7%
Other Expenses	815	769	47	94.3%
<b>Total Expenses</b>	<b>\$104,493</b>	<b>\$100,127</b>	<b>\$4,366</b>	<b>95.8%</b>
Leases & Rentals	\$1,643	\$1,559	\$84	94.9%
<b>Total</b>	<b>\$106,136</b>	<b>\$101,686</b>	<b>\$4,450</b>	<b>95.8%</b>

**2018 Q3 Tacoma Link Light Rail**  
(in thousands)

▪ No passenger revenue for Tacoma Link as it is a fare free service.

	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenue</b>				
Passenger Fares	0	0	0	0%
Other Operating Revenue	\$16	\$3	(\$2)	0.0%
<b>Total</b>	<b>\$16</b>	<b>\$3</b>	<b>(\$13)</b>	<b>0.0%</b>
<b>Expenses</b>				
Salaries and Benefits	\$1,986	\$2,002	(\$16)	100.8%
Services	867	901	(33)	103.8%
Materials and Supplies	105	98	7	92.9%
Insurance	154	121	33	78.4%
Purchased Transportation Svcs	4	0	4	0.0%
Miscellaneous Expenses	18	24	(6)	131.7%
Expense Transfers	739	598	141	80.9%
Other Expenses	88	74	14	84.3%
<b>Total Expenses</b>	<b>\$3,962</b>	<b>\$3,817</b>	<b>\$145</b>	<b>96.3%</b>
Leases & Rentals	\$17	\$19	(\$2)	109.9%
<b>Total</b>	<b>\$3,979</b>	<b>\$3,836</b>	<b>\$143</b>	<b>96.4%</b>

# Project Budgets

- System expansion projects are 93% of the total capital program for 2018. Link expansion projects are 86% of the total capital program for 2018.

- Q3 Link spending behind plan as property acquisitions have occurred slower than planned. Partially offset by construction spending ahead of plan (106%).

- Q3 Sounder spending behind plan primarily due to slowed right-of way negotiations delaying design-build contract award for the Sumner and Puyallup Stations.

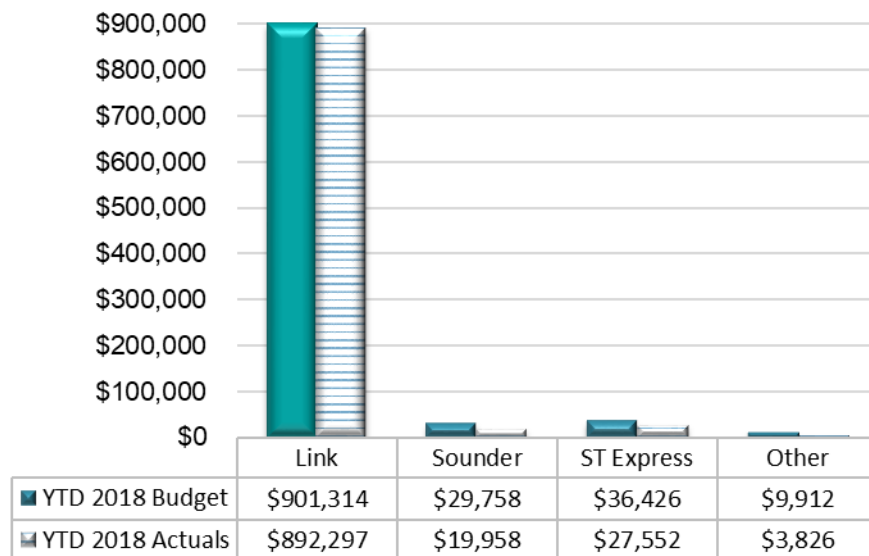
- Procurement of Sounder cab cars and locomotive has been deferred while contract piggyback opportunities are pursued.

- Q3 Regional Express spending behind plan primarily due to the late award of preliminary engineering contracts and lower than planned work commitment by the Bus Rapid Transit projects.

2018 Q3 PROJECT BUDGETS (excludes overhead charges to projects and G&A)  
(in thousands)

	2018 Budget	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Remaining	% of YTD Budget
<b>System Expansion</b>					
Link	\$1,553,506	\$901,314	\$892,297	\$9,018	99.0%
Sounder	39,420	\$29,758	\$19,958	9,800	67.1%
ST Express	63,764	\$36,426	\$27,552	8,873	75.6%
Other	22,379	\$9,912	\$3,826	6,086	38.6%
<b>System Expansion Total</b>	<b>\$1,679,069</b>	<b>\$977,410</b>	<b>\$943,633</b>	<b>\$33,777</b>	<b>96.5%</b>
<b>Enhancement</b>					
State of Good Repair	\$56,646	\$24,682	\$5,127	\$19,555	20.8%
Administrative	54,615	25,683	7,513	18,170	29.3%
<b>Total</b>	<b>\$1,800,064</b>	<b>\$1,034,505</b>	<b>\$960,631</b>	<b>\$73,875</b>	<b>92.9%</b>

2018 Q3 SYSTEM EXPANSION  
(in thousands)



## System Expansion Projects (in thousands)

	2018 Budget	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Remaining	% of YTD Budget
<b>LINK</b>					
400007 - FIRST HILL STREETCAR	\$8	\$6	\$3	\$2	60.2%
400008 - HILLTOP TACOMA LINK EXTENSION	19,305	11,450	4,221	7,229	36.9%
400009 - LINK O&M FACILITY EAST	116,381	77,170	38,333	38,837	49.7%
400032 - LRV FLEET EXPANSION	37,572	26,288	12,613	13,675	48.0%
400034 - ENHANCEMENTS TO TLE	1,966	1,334	869	465	65.2%
400053 - TACOMA DOME LINK EXTENSION	10,250	6,837	4,847	1,990	70.9%
400066 - WEST SEATTLE-BALLARD LINK	25,500	18,275	15,388	2,887	84.2%
400115 - NE 130TH STREET INFILL STATION	315	0	0	0	0%
4X100 - NORTHGATE LINK EXTENSION	311,397	236,792	216,011	20,781	91.2%
4X115 - LYNNWOOD LINK EXTENSION	229,256	84,623	72,071	12,552	85.2%
4X199 - NORTHGATE LINK EXT PROJ RESERV	0	0	0	0	0%
4X200 - UNIVERSITY LINK EXTENSION	5,454	4,175	3,191	984	76.4%
4X420 - S 200th LINK EXTENSION	424	193	243	(50)	125.9%
4X445 - FEDERAL WAY LINK EXTENSION	63,921	(24,854)	22,913	(47,766)	-92.2%
4X600 - EAST LINK	574,491	420,826	489,160	(68,334)	116.2%
4X630 - DOWNTOWN REDMOND LINK EXT	157,268	38,198	12,433	25,765	32.5%
<b>Total</b>	<b>\$1,553,506</b>	<b>\$901,314</b>	<b>\$892,297</b>	<b>\$9,018</b>	<b>99.0%</b>
<b>REGIONAL EXPRESS</b>					
500005 - ST EXPRESS BUS BASE	\$587	\$374	\$2	\$372	0.6%
500030 - BOTHELL TRANSIT-RELATE IMPRVT	0	0	1	(1)	0%
500050 - I-405 BRT	35,553	11,775	4,662	7,113	39.6%
500051 - SR 522 / NE 145th ST BRT	5,781	3,734	1,936	1,799	51.8%
500086 - BUS ON SHOULDER PROJECT	1,180	597	79	518	13.3%
500110 - RAPIDRIDE C and D	350	0	0	0	0%
5X387 - REX I-90 2 WAY TRANS& HOV III	4,955	4,588	5,488	(900)	119.6%
700720 - ST EXPRESS FLEET EXPANSION	15,357	15,357	15,384	(27)	100.2%
<b>Total</b>	<b>\$63,764</b>	<b>\$36,426</b>	<b>\$27,552</b>	<b>\$8,873</b>	<b>75.6%</b>
<b>SOUNDER</b>					
300004 - SOUNDER MAINTENANCE BASE	\$5,276	\$3,538	\$1,795	\$1,744	50.7%
300017 - PUYALLUP STATION IMPROVEMENTS	6,015	5,674	2,783	2,891	49.1%
300018 - SUMNER STATION IMPROVEMENTS	3,935	3,053	986	2,068	32.3%
300019 - LAKEWOOD STATION IMPROVEMENTS	0	0	0	(0)	0%
300021 - TACOMA TRESTLE TRACK & SIGNAL	5,864	5,347	6,663	(1,316)	124.6%
300026 - SOUNDER YARD EXPANSION	100	83	141	(59)	171.0%
300027 - PT DEFIANCE BYPASS	100	95	121	(26)	127.3%
300035 - KENT STATION ACCESS IMPRVMTS	2,651	1,778	934	845	52.5%
300040 - AUBURN STATION ACCESS IMPRVMT	2,652	1,779	922	858	51.8%
300056 - SOUNDER SOUTH CAPACITY EXPN	0	0	1	(1)	0%
300087 - EDMONDS & MUKILTEO STN P&A IMP	718	231	49	182	21.3%
3X135 - D ST - M ST TRACK & SIGNAL	50	37	5	32	13.5%
3X206 - MUKILTEO STATION-S PLATFORM	440	440	42	398	9.6%
3X236 - TUKWILA STATION	1,305	1,302	18	1,284	1.4%
3X510 - SOUNDER SOUTH EXPANDED SERVICE	5,050	1,137	3,706	(2,570)	326.1%
7X755 - SOUNDER FLEET EXPANSION	5,263	5,263	1,792	3,471	34.1%
<b>Total</b>	<b>\$39,420</b>	<b>\$29,758</b>	<b>\$19,958</b>	<b>\$9,800</b>	<b>67.1%</b>
<b>OTHER</b>					
3X212 - FARE COLLECTION	\$195	\$128	\$81	\$48	62.9%
5X410 - RESEARCH & TECHNOLOGY	\$613	\$469	\$219	\$250	46.8%
600016 - FARE ADMINISTRATION	\$1,630	\$1,222	\$52	\$1,170	4.3%
600038 - ORCA NEXT GENERATION	\$1,527	\$1,103	\$227	\$876	20.6%
600039 - RESEARCH & BUSINESS DEV PROG	\$300	\$130	\$23	\$107	17.9%
600073 - TRANSIT SYSTEM ACCESS PROGRAM	\$7,750	\$1,110	\$274	\$836	24.7%
600076 - INNOVATION & TECHNOLOGY PROG	\$4,250	\$1,416	\$556	\$859	39.3%
600668 - STart OPERATIONS & MAINTENANCE	\$231	\$170	\$117	\$53	68.8%
601000 - EFFICIENCY & SUSTAINABILITY	\$350	\$28	\$0	\$28	0.0%
6X668 - ST ART	\$2,134	\$1,600	\$1,402	\$198	87.6%
804300 - TOD PLANNING PROGRAM	\$400	\$349	\$63	\$286	18.0%
809100 - ST3 PLANNING	3,000	2,188	812	1,376	37.1%
<b>Total</b>	<b>\$22,379</b>	<b>\$9,912</b>	<b>\$3,826</b>	<b>\$6,086</b>	<b>38.6%</b>
<b>System Expansion Total</b>	<b>\$1,679,069</b>	<b>\$977,410</b>	<b>\$943,633</b>	<b>\$33,777</b>	<b>96.5%</b>

**Northgate Link Extension** – Project costs are running at 91% of year-to-date budget. ROW activities have exceeded plan as one parcel anticipated to close in 2019 was procured in 2018. Some underspend is due to late equipment delivery however, this is offset by higher ROW expenditures.

**Lynnwood Link Extension** – Project costs are running at 85% of year-to-date budget due to slower than anticipated ROW acquisition activities.

**Federal Way Link Extension** – This project was baselined and significantly reduced the 2018 budget. The adjustment is reflected in the year-to-date budget.

**East Link Extension** – Project costs are running at 116% of year-to-date budget. Good weather and soil conditions let construction contracts at all six segments progress faster than the annual budget assumed. Construction expenses remain unchanged and are within the project baseline budget.

**Downtown Redmond Link Extension** – Project costs are running at 33% of the year to date budget. Planned right-of-way activities have not been completed due to a lack of professional support resources.

**Operations and Maintenance Facility – East (OMF-East)** – Projects costs are running at 50% of year-to-date budget due to delays in permitting and approval of design packages. This has also effected the project construction schedule, which was scheduled to begin in Q3 of this year.

**REX I-90 2 Way Transit & HOV III** – Project costs are running at 10% of year-to-date budget. Substantial completion was reached and the project remains within the baseline budget.

**I-405 Bus Rapid Transit (BRT)** – Project costs are running at 40% of year-to-date budget. Preliminary engineering annual commitments have gone favorably resulting in less than the budget anticipated.

**SR 522 BRT** – Project costs are running at 52% of year-to-date budget mainly due to a late start of the preliminary engineering consulting contract.

**Souder Maintenance Base** – Project costs are running at 51% year-to-date due to preliminary engineering activities being delayed from the spring to summer. Improved budget to actual performance is expected by year end.

**Tacoma Trestle Track & Signal** – Project costs are running at 125% of year-to-date budget as some construction activities from 2017 were deferred to 2018.

**ORCA Next Generation** – Project costs are running at 21% of year-to-date budget as anticipated 2018 preliminary engineering contract award will not occur until Q1 2019.

**NE 130<sup>th</sup> Street Infill Station** – New project for the 3<sup>rd</sup> Quarter.

**Enhancement Projects** (in thousands)

	<b>2018 Budget</b>	<b>YTD 2018 Budget</b>	<b>YTD 2018 Actuals</b>	<b>YTD Budget Remaining</b>	<b>% of YTD Budget</b>
300011 - POSITIVE TRAIN CONTROL	\$3,055	\$3,053	\$2,341	\$712	76.7%
400044 - LINK OP SYST ENHANCEMENT/UPGRD	1,395	790	3	787	0.3%
4X340 - NOISE ABATEMENT	610	76	3	73	3.4%
5X261 - BUS MAINTENANCE FACILITY	12,776	0	0	0	0%
600029 - TACOMA LINK FARE COLLECTION	0	0	0	0	0%
600045 - OPENSIDEWALKS DATA DEVELOPMENT	10	0	0	0	0%
600080 - BIKE PARKING PROGRAM	640	91	1	90	0.9%
600084 - DIGITAL PASSENGER INFO SYSTEM	1,617	1,132	251	881	22.1%
600085 - SODO/MLK HAZARD MITIGATION	1,584	269	74	196	27.4%
700676 - TACOMA LINK RADIO UPGRADE	748	624	2	621	0.4%
700684 - LRV WIRELESS COMM UPGRADE	156	46	0	46	0.0%
700685 - EVERETT STATION SECURITY IMPRV	289	0	0	0	0%
700686 - SECURITY RADIO SYSTEM	915	282	0	282	0.0%
700687 - SOC VIDEO MONITORING IMPRV MNT	188	188	7	181	3.7%
700688 - LED LIGHTING PROGRAM	1,500	750	0	750	0.0%
700689 - PT GPS REPEATER	1,662	0	0	0	0%
700690 - CT ONBOARD COMM UPGRADE	2,080	0	0	0	0%
700691 - OMF LCC UPGRADES	400	350	0	350	0.0%
700692 - OMF EXPANDED PARKING	538	292	63	229	21.4%
700693 - OMF RENOVATIONS	3,225	405	58	347	14.3%
700696 - KING ST STATION PLATFORM IMPRV	295	45	24	21	53.0%
700697 - LRV BETWEEN CAR BARRIERS	108	(1)	0	(1)	0.0%
700706 - OMF ENERGY EFFICIENCY	182	182	98	84	53.7%
700707 - BELLEVUE TC SECURITY SYSTEM	150	113	72	40	64.4%
700708 - CUSTOMER EMERGENCY STATIONS	800	600	244	356	40.7%
700710 - LOCOMOTIVE INBOARD CAMERAS	300	300	0	300	0.0%
700711 - SCR PASSENGR EMERGENCY INTRCOM	1,500	733	0	733	0.0%
700712 - LRV WHEEL FLAT SOFTWARE	250	208	0	208	0.0%
700713 - LRV WASH BAY MODIFICATIONS	300	293	17	276	5.8%
700723 - DT SEATTLE & REG MOBILITY IMP	9,070	6,482	9	6,473	0.1%
700724 - PUYALLUP STN LED LIGHTING	34	34	1	33	4.1%
700725 - SUMNER STN LED LIGHTING	35	35	1	34	2.2%
700726 - KENT STN PLATFORM LIGHTING	102	68	1	67	1.8%
700727 - KENT STN PARKING LOT PAVING	627	0	0	0	0%
700730 - OMF LRV LIFT	4,238	3,967	688	3,279	17.3%
700736 - UNION STN GARDEN LEVEL REMODEL	221	138	90	48	65.1%
700774 - C LINK HVAC-INSTRU HSE/UPS RM	408	408	0	408	0.0%
700775 - C LINK CARD READERS	292	6	0	6	0.0%
700777 - C LINK OH CAT SYS TIE SWITCH	125	72	0	72	0.3%
700781 - NON-REVENUE SUPPORT VEHICLES	674	337	106	231	31.5%
700793 - SIGNAGE IMPROVEMENTS	773	426	81	344	19.1%
7X753 - BIKE LOCKER PROGRAM	114	0	2	(2)	0%
804100 - TOD PROPERTY DISPOSITION	2,660	1,886	891	995	47.2%
<b>Enhancement Total</b>	<b>\$56,646</b>	<b>\$24,682</b>	<b>\$5,127</b>	<b>\$19,555</b>	<b>20.8%</b>

Overall, Enhancements achieved 21% of YTD spending plan. Out of 34 projects with budget in Q3, 10 have yet to start. Several projects have been delayed to future years, primarily Bus Maintenance Facility (\$12M), DSTT Mobility Improvements (\$6.4M), and OMF renovations (\$2.9M). OMF LRV Lift delayed due to need to rebid lift installation and forecast spend is \$1.2M in 2018 with the remainder to be spent in Q1 2019.

**Downtown Seattle and Regional Mobility Improvements** – In response to work being performed and not invoiced, Sound Transit has agreed to a progress payment schedule commencing in Q4, establishing fixed payments of \$1.3M per quarter until the full \$10M obligation is complete. Payments will be reflected in this report beginning next quarter.

**State of Good Repair** (in thousands)

	2018 Budget	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Remaining	% of YTD Budget
400046 - CONVENTION PL SYSTEM RETROFIT	\$1,547	\$1,489	\$119	\$1,370	8.0%
600033 - LINK CCTV SYSTEM UPGRADE	2,468	623	0	623	0.0%
600077 - SAFETY OVERSIGHT APPROVAL PROG	200	100	0	100	0.0%
600092 - PT DEFIANCE BYPASS REPAIR	0	0	0	0	0%
700677 - LINK LRV OVERHAUL	5,100	3,323	22	3,301	0.7%
700680 - LINK OPERATING TECH UPGRADES	500	340	0	340	0.0%
700681 - LINK SCADA SUPPORT	250	200	0	200	0.0%
700682 - TACOMA LINK HVAC/BLDG UPGRADE	400	200	0	200	0.0%
700683 - KING ST STN VERTICAL GLAZING	767	383	0	383	0.0%
700695 - ACCESS CONTROL CARD UPGRADE	520	520	0	520	0.0%
700704 - LINK RADIO UPGRADE	1,000	270	0	270	0.0%
700705 - LINK BRIDGE REPAIRS	165	104	0	104	0.0%
700716 - OHELLO TPSS PARKING LOT	249	249	302	(53)	121.3%
700718 - TACOMA LINK LRV OVERHAUL	580	290	0	290	0.0%
700728 - LINK STN BRAIDED TILE RPLCMNT	435	218	0	218	0.0%
700769 - LRV OVERHAUL	3,081	3,081	(104)	3,185	-3.4%
700770 - SOUNDER VEHICLE OVERHAUL PROG	2,137	1,571	150	1,421	9.6%
700771 - STATION MIDLIFE MAINTENANCE	583	583	5	579	0.8%
7X356 - TACOMA DOME STATION	3,553	3,139	0	3,139	0.0%
7X701 - ST EXPRESS FLEET REPLACEMENT	26,195	5,627	5,821	(194)	103.4%
7X740 - SMALL WORKS PROGRAM	3,581	2,285	346	1,939	15.1%
870100 - IT TECH INFRASTRUCTURE	1,162	974	852	122	87.5%
870101 - IT TRANSIT SYSTEMS	143	113	0	113	0.0%
<b>State of Good Repair Total</b>	<b>\$54,615</b>	<b>\$25,683</b>	<b>\$7,513</b>	<b>\$18,170</b>	<b>29.3%</b>

Overall, State of Good Repair achieved 29% of year-to-date spending plan. Out of 22 projects with budget in Q3, 13 have yet to start. Underspend in active projects is due to 3<sup>rd</sup> party dependencies, procurement delays, and internal staff vacancies. Also, costs for the LRV Overhaul project were covered by warranty.

**Convention PI System Retrofit** – Project costs are running at 8% of year-to-date budget. Construction work was delayed due to procurement efforts with contractor and coordination of tunnel access with King County resulting in a completion delay from Q3 to Q4.

**Link LRV Overhaul (700677)** – Work has begun on the overhaul program, which is triggered when the vehicle reaches 600,000 miles.

**Tacoma Dome Station** – Pierce Transit is leading the repairs to the Tacoma Dome Station. Sound Transit will provide financial support when the work is complete.



**LRV Overhaul (700769)** – Project remains open pending acceptance testing of completed repairs of the gear units and traction motors completed in 2017.

**Souder Vehicle Overhaul** – Project costs are running at 10% of year-to-date budget. Work is underway, but delays with vendors have pushed some work to early 2019.

**ST Express Fleet Replacement** – Project costs are running at 103% of year-to-date budget. No additional deliveries are planned for 2018, so project is forecasted to be \$20M under budget, with additional deliveries deferred to 2019.

**Small Works** – Project costs are running at 15% of year-to-date budget. Project includes large contingency for emergent work, which has not been needed.

**IT Technology Infrastructure** – Project costs are running at 88% of year-to-date budget. Project anticipates achieving 100% year-end budget performance with license renewals (VMware) and an additional procurement for storage units/backup hardware to support agency network demands.

***Administrative Projects*** (in thousands)

	2018 Budget	YTD 2018 Budget	YTD 2018 Actuals	YTD Budget Remaining	% of YTD Budget
600025 - ENVIRONMENTAL MITIGATN/MONITR	121	52	2	50	3.4%
802000 - ADMINISTRATIVE CAPTIAL	6,249	4,233	1,455	2,778	34.4%
803800 - INFORMATION TECH PROGRAM	3,265	2,446	2,892	(447)	118.3%
804500 - SURPLUS PROPERTY DISPOSITION	100	0	8	(8)	0%
<b>Administrative Total</b>	<b>\$9,735</b>	<b>\$6,731</b>	<b>\$4,358</b>	<b>\$2,373</b>	<b>64.7%</b>

**Administrative Capital** – A delay in the delivery of non-revenue fleet procured in 2017 resulted in the associated costs being recognized in 2018. Also, deferral of planned HVAC replacement work will result in an under spend for 2018.

**Information Tech Program** – The project is performing at 118% of year-to-date budget due to a large number of technology resources focused on completing the Responsive Web project.

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