


# 2016

**Adopted** Budget

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March 2016

To: Sound Transit Board of Directors  
From: Peter Rogoff, Chief Executive Officer   
Subject: Adopted 2016 Budget

The year 2016 will be a significant one for Sound Transit with the opening of two new light rail segments that will greatly increase ridership and change the way many people travel around our region. Sound Transit ridership, already at record highs, will jump to over 41.5 million in 2016. On March 19, the University Link Extension opened, connecting three busy urban centers in Seattle – downtown, Capitol Hill, and University District. The project is \$200 million under budget and six months ahead of schedule. In the fall, the South 200th Link Extension will open connecting the SeaTac/Airport Station to Angle Lake Station in the city of SeaTac where a new 1,050-space parking facility will make it more convenient for residents of South King and Pierce counties to use Sound Transit's light rail system.

Work will also continue in 2016 on Link extensions to the east, south, and north. Construction will begin on the 14-mile East Link Extension connecting Redmond, Bellevue, and Mercer Island to the existing light rail line at Seattle's International District Station. Work continues on the Northgate extension from University of Washington Station to serve the University District and Roosevelt neighborhoods and Northgate Mall. The two tunnel boring machines that are mining between Northgate and University of Washington Station are expected to complete their work this year.

In addition, Sound Transit will continue exploring a major expansion of the region's high-capacity transit system. New taxing authority was granted to Sound Transit by the Washington State Legislature and work is continuing to shape a Sound Transit 3 (ST3) ballot measure that could go to voters this November.

### 2016 Budget

Sound Transit's adopted 2016 budget is \$1.3 billion, 5.1 percent higher than the 2015 budget. We expect to collect revenues of \$998.4 million in 2016, 6.9 percent higher than the 2015 budget. Bond proceeds in 2015 were \$600 million. All revenue categories are trending higher with the exception of federal grants. This is due to construction on University Link winding down. Sound Transit anticipates receiving up to a \$1.2 billion federal grant for construction of the light rail extension from Northgate to Lynnwood and another \$75 million to extend Tacoma Link. This grant revenue will show in future annual budgets.

The adopted 2016 operating budget is \$362.6 million, 14.2 percent higher than 2015. The increase includes the addition of 25 positions in 2016 and the full year's cost of 31 positions added in 2015. Nearly 85 percent of the operating budget increase is due to increased transit service levels: opening of two new Link segments and additional service hours on ST Express to address passenger overloads and on-time performance issues. The addition of 19,750 service hours in 2016 equates to an annualized amount of 32,000 hours in 2017, which will meet the full commitment to ST Express bus service made in the ST2 plan. An additional round trip will also be added on Sounder between Seattle and Lakewood in September 2016.

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**Peter M. Rogoff**



More than two-thirds of the 2016 budget, or \$947 million, will be spent on project development, design, and construction. We will continue to perform quality and safety audits on major capital projects and carefully monitor project budgets and schedules. We will continue to engage Small and Disadvantaged Business Enterprises to perform work for Sound Transit. Major projects and initiatives driving the 2016 budget include:

- Service increases on Sounder commuter rail and ST Express bus, and opening of Link light rail service to Capitol Hill and the University of Washington and light rail service to South 200<sup>th</sup> Street.
- Continued progress of the ST2 program with the completion of the U Link and South 200<sup>th</sup> Street Link extensions, continuing construction on Northgate Link, the initiation of construction on East Link, and the continuing environmental and design work on Lynnwood Link, Federal Way Link, Tacoma Link, and the new Operations and Maintenance Satellite Facility.
- Increased security and public safety spending as new stations open and ridership increases.
- Additional safety positions and expenditures reflecting new federal requirements, an increased number of projects needing safety certification, and expanded light rail and commuter rail operations.
- Increased operating costs in the Downtown Seattle Transit Tunnel as expanded light rail service reduces the number of buses in the tunnel, necessitating increased debt and maintenance payments and investments on surface streets and in-tunnel operations.
- An increased number of active projects, continued technology improvements, and an increased level of operations requires additional support positions in Finance and Information Technology, Small Business Development and Labor Compliance, and Procurement and Contracts.
- Completion of the ST3 System Plan. A significant amount of work is needed to complete the technical analysis required to develop a system plan for voter consideration in November 2016. This work requires specialized technical expertise as well as extensive engagement with other public agencies, local jurisdictions, business and community organizations, interest groups, and the general public.

### **Ridership**

Ridership will reach a new high in 2016 with the U Link and South 200<sup>th</sup> Street light rail openings, expanded ST Express bus service and increased Sounder service. The ridership forecast for 2016 is 41.5 million boardings, a 19 percent increase over 2015.

### **Sustainability**

Sustainability is a key part of how we do business, and that remains true in 2016 as we continue to implement our sustainability initiatives. Sound Transit's environmental program looks for ways to conserve natural resources, reduce construction-related pollution, increase the efficiency of our transit vehicles, and integrate sustainability measures in decision-making. In 2016 we will perform a sustainability analysis of the ST3 plan, update the ST Express and Sounder Fuel Efficiency Strategy, and integrate sustainability into the Federal Way and Lynnwood Link extension projects.

### **Employee Engagement and Continued Process Improvement**

Key to Sound Transit's success is the engagement, commitment, and quality of its employees. Our annual Employee Engagement Survey shows employees have a strong belief in the agency's mission, high levels of job satisfaction, and trust for supervisors and fellow employees. The Adopted 2016 Budget reflects a commitment to continuous improvement throughout the organization. The budget reflects this commitment to a well-trained workforce with the Management Excellence Program expanding to 40 participants in 2016. About 50 participants completed this award-winning training in 2014 and 2015. Our Knowledge Transfer program and other training programs will be further enhanced in 2016.



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# Agency Overview

## Our Story

The Central Puget Sound Regional Transit Authority – better known as Sound Transit – was created by the Washington State legislature in 1993. Sound Transit plans, builds, and operates a regional mass transit system that connects people to their communities and jobs throughout urban areas of King, Pierce, and Snohomish counties. We have grown from a planning agency to one that carried 30.4 million passengers in 2013; 33.0 million passengers in 2014; and 34.9 million passengers in 2015 on our trains and buses. Our ridership forecast for 2016 is 41.5 million. We continue building extensions to light rail, transit centers, stations, and other transportation infrastructure.

In 1996 voters in the region approved implementation of the Sound Move plan. The plan includes a mix of transportation improvements establishing four transit modes: ST Express bus service in 1999, Sounder commuter rail in 2000, Tacoma Link in 2003, and Link light rail in 2009. The vast majority of Sound Move projects have been completed and closed or are pending closeout. Active Sound Move projects include: University Link Extension from downtown Seattle to the University of Washington opening in March 2016; HOV lane work on I-90 to accommodate light rail across Lake Washington to Bellevue and Overlake; and Mukilteo Station South Platform.

In 2008 voters of the Central Puget Sound region approved the Sound Transit 2 (ST2) ballot measure. This program includes the addition of 36 miles of track with 18 new stations to create a 50-mile regional light rail system. Due to the Great Recession and resulting reduction in tax revenues, the ST2 program was realigned to maintain affordability. Current ST2 light rail projects include: South 200<sup>th</sup> Street Link Extension from Airport Station to Angle Lake Station in SeaTac; extensions east to Bellevue and the Overlake area of Redmond, north to Northgate and Lynnwood, and south to Kent/Des Moines in the area of Highline Community College; as well as planning for future extensions south to Federal Way, east to downtown Redmond, and expansion of Tacoma Link. Regional Express bus projects include fleet expansion, a bus base, bus storage, and transit center facilities. Sounder commuter rail projects include station access improvements, permanent stations for Tukwila and Edmonds, track and signal improvements, fleet expansion, and a Sounder yard and shops facility. ST2 also provided for the addition of ST Express bus and Sounder commuter rail service.

ST2 included funding to identify and evaluate additional regional high-capacity transit (HCT) alternatives – referred to as Sound Transit 3 (ST3) Planning. Voters will consider a ST3 ballot measure in November 2016.

## Safeguarding Tax Dollars

Sound Transit takes its stewardship responsibilities very seriously and is committed to protecting taxpayers' money.



*Dow Constantine, Chair  
Sound Transit Board of Directors*

An 18-member Board made up of local elected officials and the Secretary of the Washington State Department of Transportation governs Sound Transit. The Board establishes policies, gives direction to agency staff, and authorizes all spending.

The Board's four committees dig into the details and provide strategic direction for capital projects, and the operation of our trains and buses, as well as monitor our annual financial reports and external and internal audits.

In addition, an independent Citizen Oversight Panel (COP) was created in 1997 to independently monitor Sound Transit and make sure it meets its commitment to voters to build and operate a regional bus, light rail, and commuter rail transit system. COP members are appointed by the Sound Transit Board and are tasked with asking hard questions, reviewing details and reporting findings back to the Board.

Both the Board and the COP receive regular briefings from Sound Transit staff. For more information, please visit [www.soundtransit.org](http://www.soundtransit.org) then click on "About Sound Transit."



## Our People

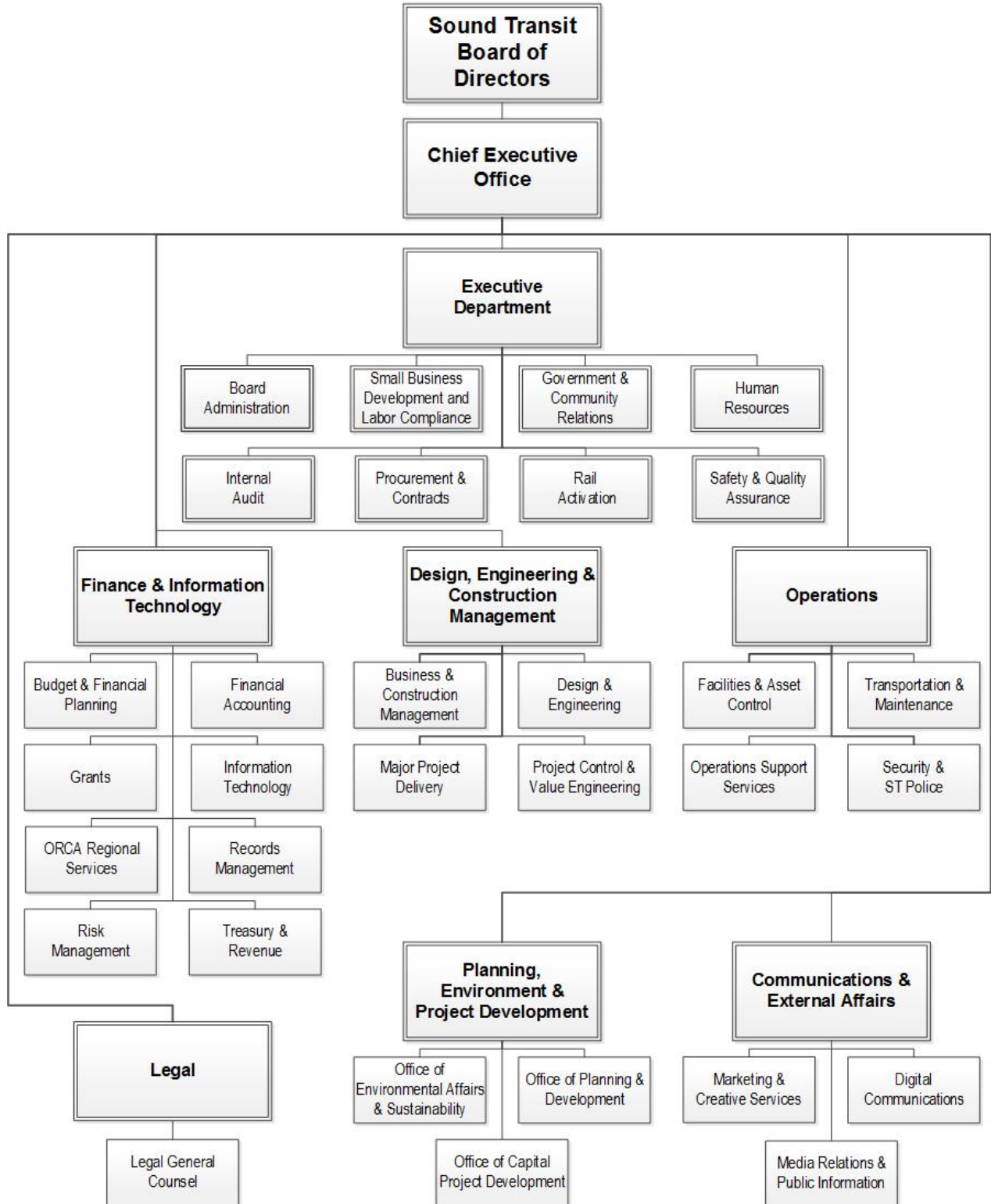
Sound Transit's departments are organized in a way that ensures taxpayer dollars are aligned with our mission of planning, building, and operating the regional transit system. An organization chart follows the department descriptions.

- Executive Department includes the Chief Executive Office as well as Board Administration, Small Business and Labor Compliance, Government & Community Relations, Human Resources, Internal Audit, Procurement & Contracts, Rail Activation, and Safety & Quality Assurance.
- Planning, Environment & Project Development (PEPD) leads the initial project activities that engage the public and inform Board decisions on projects' scope and alignment. Our ST3 planning effort, sustainability, and transit oriented development programs are led by PEPD.
- Design, Engineering & Construction Management (DECM) is principally responsible for final design and construction of all major capital projects. DECM supplies professional and technical resources throughout the design and construction phases of each project and also supports the Operations Department in design and delivery of small capital projects for our facilities. The department provides project control and real estate services for the entire agency.
- Operations oversees transit service, maintenance, and security for Central Link light rail, Tacoma Link light rail, Sounder commuter rail, ST Express bus, and all Sound Transit facilities. The department also directly operates and maintains Tacoma Link light rail.
- Finance & Information Technology (FIT) is responsible for all financial activities including financial planning, budgeting, accounting, treasury, revenue collection, grants, records management, and risk management, as well as managing information technology. The Information Technology division manages the implementation of new technology and maintains our network and software for both transit operations and administrative systems.
- Communications & External Affairs (CEA) focuses on marketing and creative services, customer outreach and public involvement, media relations and public information, and digital communications.
- Legal provides analysis and advice on a variety of legal subjects including real estate, labor, environmental, construction, land use, permitting, litigation, contracts and interagency issues.

*A great day for a parade.*



# SOUND TRANSIT ORGANIZATION CHART





## **Our Key Financial Policies**

Sound Transit's financial policies provide the framework for planning, building, and operating the regional transit system. Our key policies are outlined below.

### **Financial Policies**

Sound Transit's Financial Policies were amended July 24, 2008. The "Financial Policies reflect Sound Transit's commitment to subarea equity while maintaining the flexibility necessary to manage the financing of the System Plan on a consolidated basis and within legal constraints."

Subarea equity is defined as utilizing local tax revenues for projects and services that provide transportation benefits to the residents and businesses in each of the subareas generally in proportion to the level of revenues each subarea generates. The Sound Transit District is divided into five geographic subareas: Snohomish County, Pierce County, and three subareas within King County – North King County, East King County, and South King County. The regional transit system plan addresses unique needs in each of these subareas.

The policies cover implementation of subarea equity and debt management for current and future phases. The full document can be found in the Appendices section.

### **Budgeting Policies**

The budget policies, amended July 25, 2002 (Resolution No. R2002-08), outline the contents of the agency's annual budget and the processes for its submittal, adoption, and modification.

### **Phase Gate**

Phase Gate is a project management process designed around a series of eight defined gates. Gates represent key transition and/or decision points in a project's progression through planning and environmental review, design, construction, and transition to operations. Internally, management and staff representatives throughout the agency review all aspects of a project including budget, schedule, risk mitigation, design, and operational startup plans to determine if the project is ready to advance. The process ensures that the Board and public have visibility into project scope, schedule, and budget through routine staff reporting. And, the process gives the Board control over key project decisions – specifically, approval of budget and project scope and schedule. The 2016 Transit Improvement Plan provides more information on our Phase Gate process.

### **Basis of Budgeting and Accounting**

Sound Transit maintains a financial reporting system that records expenditures on an accrual basis. Budgets are prepared on the same basis with a few exceptions. Tax revenues are recorded on a modified accrual basis.

Principal payments on long-term debt are applied to the outstanding liability. Assets that are transferred to another governmental entity are expensed as a donation upon completion.

### **Balanced Budget**

In a situation where Sound Transit's annual revenues are less than annual expenditures, the budget is balanced with a contribution from unrestricted cash balance. Because of Sound Transit's ability to borrow to build capital projects, revenues do not need to equal expenditures.

### **Enterprise Fund**

Sound Transit uses a single or general fund to account and budget for operating and capital transactions. Funds are not segregated for specific purposes.

### **Financial Plan**

Sound Transit maintains a financial plan that projects the total revenues and costs of Sound Move and ST2 plans through 2040. The plan is used to verify long-term viability of the programs and confirm the maintenance of subarea equity.

### **Procurement**

Resolution No. 78-2 grants the Chief Executive Officer or his/her delegate authority to approve transactions of \$200 thousand or less within current budget authorization and \$50 thousand or less outside of budget authorization. Sound Transit's Capital Committee and the Operations and Administration Committee are authorized to approve the award of contracts when the contract value does not exceed \$5.0 million. The full Sound Transit Board must approve contracts above \$5.0 million.

## **Our Business Planning and Reporting**

With guidance from the Board, Sound Transit's executive management establishes the agency's objectives and priorities each year. Departments use these to create their annual scorecard – establishing their strategies and performance measures. Departments also update their business plans which enable us to align resource use with strategic priorities and strengthen collaboration within and across departments. The plans identify issues and opportunities, and specify the resources and inter-departmental support necessary to execute the initiatives and achieve the goals. Business planning is a critical step to building a more strategic and efficient budget.

Each year we set agency milestones to establish accountability in the areas of customer service and communications, asset management, ridership growth, system-expansion planning, major infrastructure projects, and sustainability including transit oriented development



and energy efficiency initiatives. Performance relative to these milestones is reported to the Board.

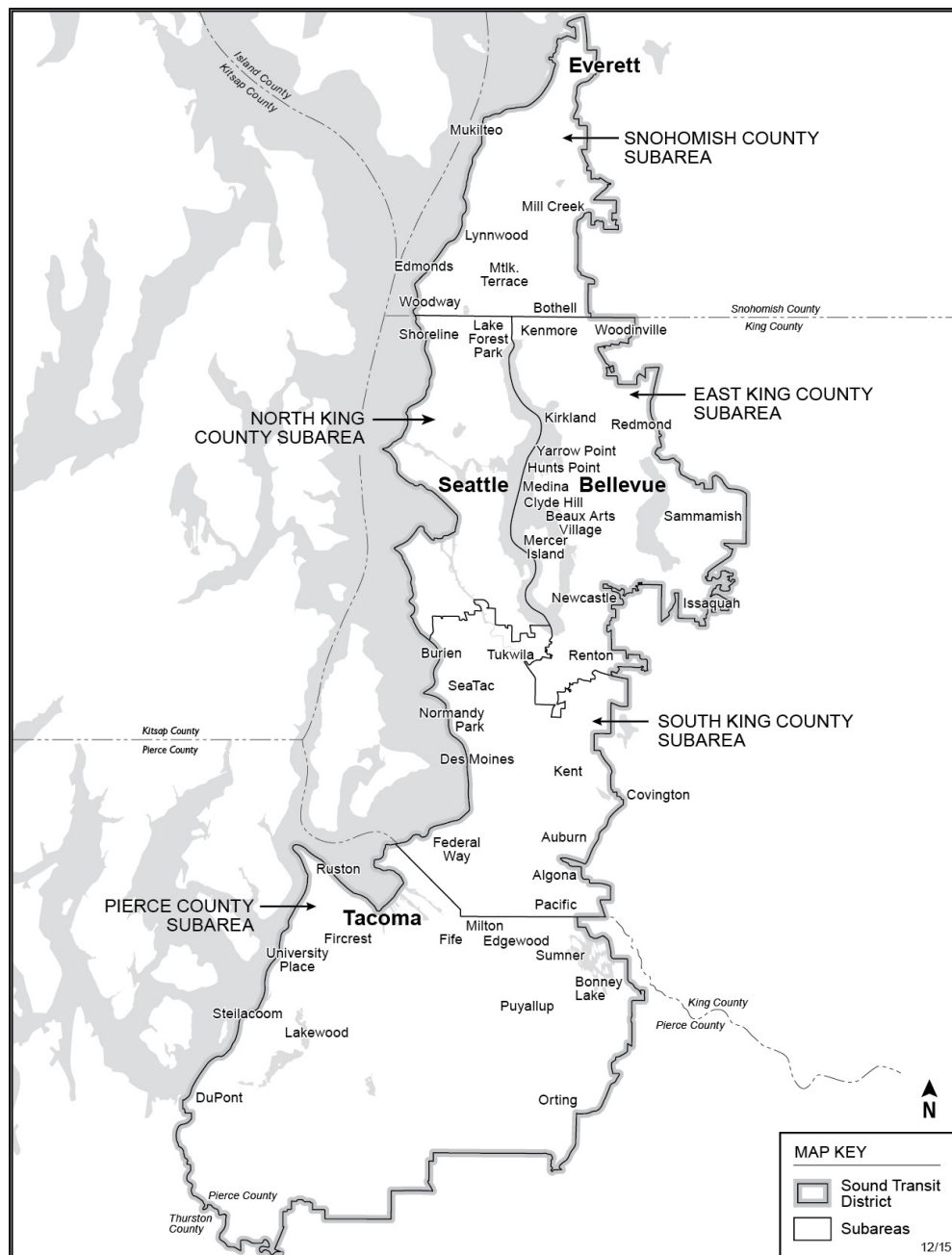
In close coordination with the agency's budget and long-range financial plan, Sound Transit's service planning division prepares a Service Implementation Plan (SIP). The SIP describes service and revisions for the upcoming year and cost estimates for the subsequent five-year period.

Performance relative to the adopted budget is presented to the Audit and Reporting Committee and is published in the agency's Quarterly Performance Report; Capital program performance is detailed in the Agency Progress Report.

## Sound Transit District

Sound Transit's boundaries, shown on the accompanying map, generally follow the urban-growth boundaries created by each county in accordance with Washington State's Growth Management Act. The Sound Transit District is divided into five subareas: Snohomish County, Pierce County, and three subareas within King County – North King, East King, and South King. Revenues and expenses are allocated to the subareas.

To learn more about Sound Transit, please visit [www.soundtransit.org](http://www.soundtransit.org).



## The Region We Serve – Puget Sound

Sound Transit operates in a dynamic, growing, and geographically diverse metropolitan region. The Puget Sound area has long been considered one of America's best places to live due to its natural beauty, recreational opportunities, ports, proximity to some of the world's biggest and best companies, research institutes, and world-class universities. We continue to see tremendous job growth, residential and commercial construction, and immigration. Our natural and economic assets will continue to drive population growth and increase pressure on our region's infrastructure. Sound Transit is working every day to expand the region's public transportation system and to carry an estimated 41.5 million passengers in 2016.

### Population and Where We Live

In 2015, the Central Puget Sound was the seventh fastest growing region in the United States among metro areas above two million in population. (Source US Census Bureau)

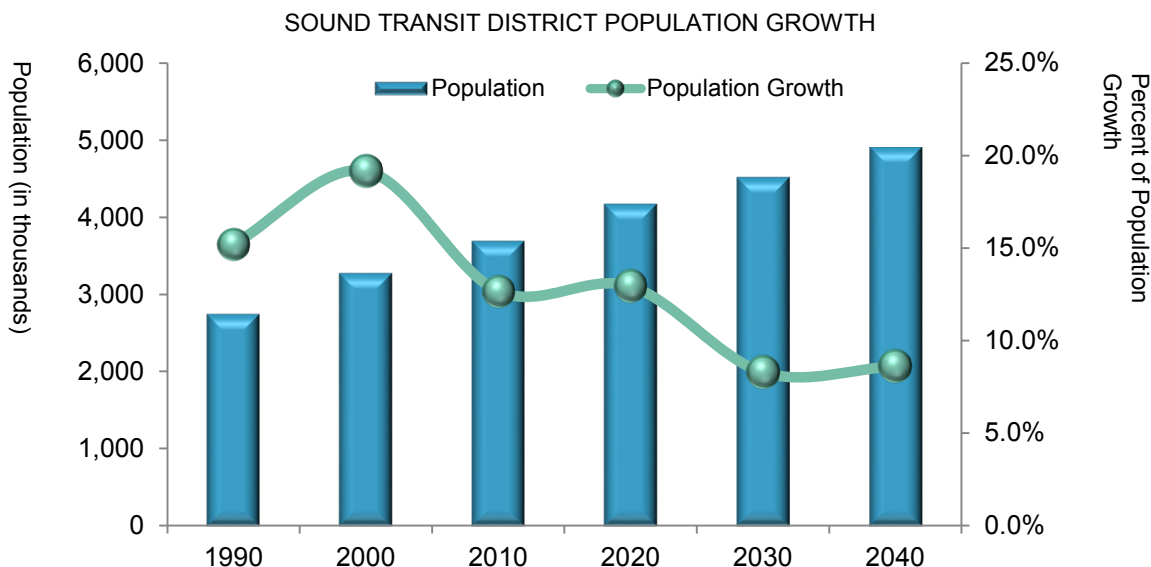
- Four counties – King, Kitsap, Snohomish, and Pierce
- 6,267 square miles – 622 people per square mile
- Fifteenth most populated metro area in the U.S. (Source: U.S. Census Bureau)

- 2015 population estimate 3,898,720; forecasted 2020 population 4,168,267 (Source: Puget Sound Regional Council Economic and Demographic Forecast)
- Total employment 2015 estimate 2,186,000; by 2020 2,290,588 (Source: Puget Sound Regional Council)
- 1.57 million housing units – average household size 2.49 (Source: Puget Sound Regional Council)

### Traffic

According to 2014 data, Seattle has the seventh worst commute in the country based on hours of delay, and the fifth worst annual congestion cost per vehicle. (Source: TTI Annual Urban Mobility Scorecard 2015)

- 2.8 million licensed drivers (Source: State of Washington Office of Financial Management)
- 70 percent of commuters drive to work alone
- 11 percent carpool to work
- 9 percent use public transportation
- 4 percent walk to work
- 1 percent bike to work
- Remainder either work from home or use private transit options (Source: U.S. Census Bureau 2009)



(Source: U.S. Census Bureau, WA State Office of Financial Management)

## Local Economy

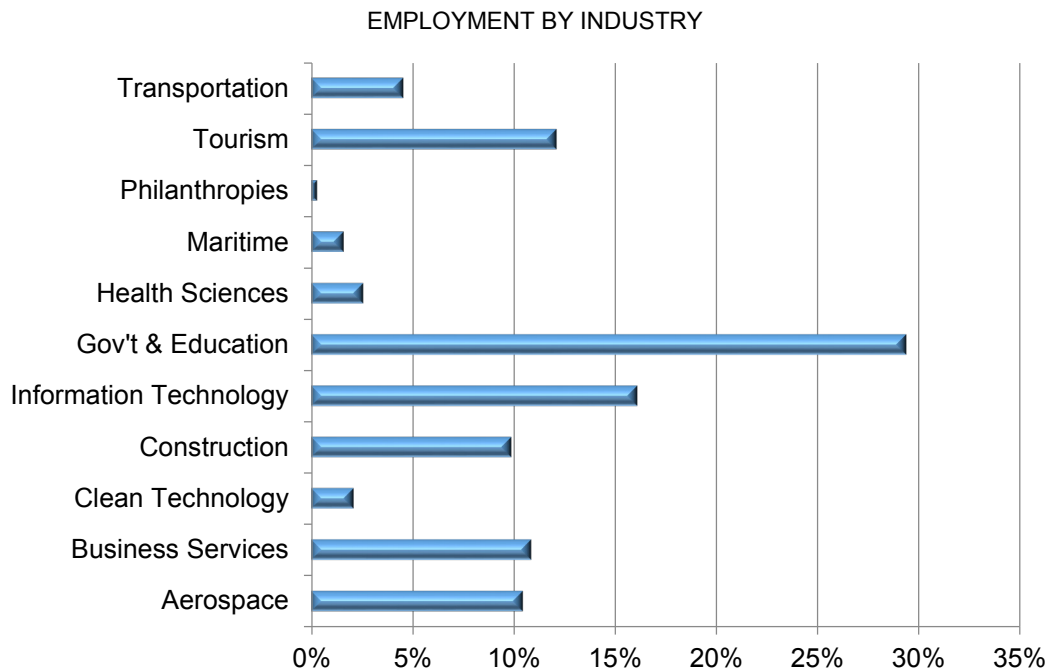
The Seattle area is the largest economy in the Pacific Northwest and sixth largest in exports for the United States. Economic indicators show regional economic growth has increased by 7.0 percent since 2010.

- Eleventh largest economy in the U.S. at \$309 Billion Gross Metropolitan Production (GMP) (Source: U.S. Mayors Conference, report by Global Insight June 2015)
- Fiftieth largest economy in the world (Source: U.S. Mayors Conference, report by Global Insight June 2015)
- 2015 December unemployment rate of 5.3 percent (Source: Employment Security Department, December 2015 Report)
- Median household income of \$63,525 and the sixth highest of the 25 most populous U.S. Metro areas (Source: U.S. Census Bureau for 2012)

The region has shown a strong recovery from the Great Recession. In 2015 the region added 54,300 new jobs, the fifth consecutive year of job growth.

We are fortunate to have both diverse industries and major employers represented within the Sound Transit district that have continued to add to their payrolls.

1. Boeing – 70,000
2. Microsoft – 40,000
3. University of Washington – 25,000
4. Amazon – 15,000
5. Weyerhaeuser – 10,000



(Source: Puget Sound Regional Council – employment covered under the state's Unemployment Insurance program and constitutes approximately 85-90% of total employment.)



## 2016 Agency Scorecard

Every year the agency establishes objectives and priorities that align with the strategic direction set by the Board. In 2016, we will focus on improving our customers' experiences and collaborating with our transit partners to deliver the most effective and efficient regional transit system possible. We will continue to strengthen our relationships with the citizens of the communities we impact, our many contractors, and employees. We will renew the agency's long-term commitments to financial stewardship, sustainability, transit-oriented development, and station access. The Adopted 2016 Budget aligns with the strategic direction set in the following 2016 Agency Scorecard. Our priorities include continuing to:

- Engage the community.
- Maintain a balanced financial plan.
- Maximize the use of disadvantaged and small businesses.
- Implement transit-oriented development and parking management programs.
- Integrate sustainable practices into all agency activities.
- Seek integration opportunities with the region's transportation providers.
- Improve workforce programs to retain and engage talented staff.



*Senator Patty Murray joins former Sound Transit CEO Joni Earl and area leaders to dedicate the Tukwila Station.*

# 2016 AGENCY SCORECARD

**Vision** | Easy connections...to more places...for more people.

**Mission** | Sound Transit plans, builds and operates regional transit systems and services to improve mobility for Central Puget Sound.

**Values** | As employees of Sound Transit, we will exemplify these values in our work as we achieve our vision of a regional transit system. Accountability, Excellence, Inclusiveness, Innovation, Integrity, Public Trust, Respect and Transparency.

## Objective #1: Successfully deliver voter approved capital projects

Priorities	Performance Measures
Deliver quality projects on schedule	80% of Agency Milestones relating to capital projects met
Deliver quality projects on budget	Cost of each project phase maintained within the approved budget
	Cost of construction change orders issued for design conflicts or design errors and omissions kept below 5% of the contract value
Ensure project safety and safety certification requirements are met	Loss Time Injury rate on construction projects below the national average
	Design and construction safety certification milestones met
Engage and inform communities and stakeholders	Positive response rate of 70% or higher on outreach surveys achieved

## Objective #2: Increase ridership and deliver a safe, high quality customer experience

Priorities	Performance Measures
Increase systemwide ridership	40 million riders served
Increase transit use for off-peak travel	Average weekly off-peak ridership increased by 5%
Improve service quality and efficiency	On-time performance objectives for each mode met
	Fewer customer complaints received per 100,000 boardings than the modal targets
	No preventable accidents occurred on rail modes. Less than 0.80 accidents occurred per 100,000 miles traveled on ST Express buses
	Downtown Seattle Transit Tunnel nine minute travel time (less than 11 minutes for 90% of the time) between Stadium and Westlake Stations achieved
	Customer Satisfaction Survey score of 3.3 or above
	Rate of Transit Conduct incidents kept below 10 per 100,000 boardings
Increase transit mode split in commuter travel	Barriers to transit use for 500,000 potential boardings identified
	Share of non-SOV (single occupancy vehicle) arrivals at Sound Transit facilities with parking increased by 5%

**Objective #2: Increase ridership and deliver a safe, high quality customer experience**

Priorities	Performance Measures
Maintain Sound Transit business and services during and after an emergency event	Service restoration plan developed within 48 hours in the case of a major service interruption
	Continuity of Operations Plan implemented
Maintain Sound Transit facilities and assets to a state of good repair	80% of 2016 enterprise asset management plan goals met
	Preventive maintenance targets for each mode met
	Condition rating of 2.5 (as defined by the Federal Transit Administration) achieved for all assets undergoing condition assessment

**Objective #3: Maintain and enhance effective business practices and improve financial and environmental sustainability**

Priorities	Performance Measures
Maintain a balanced financial plan	Debt service coverage ratio maintained above policy level (cash flow at least 1.5 times debt service costs)
	Farebox recovery ratio of 23% for Sounder, 27% for Link and 20% for ST Express achieved
	90% of grant drawdown goals in the Financial Plan achieved
Improve internal business processes	100% of Continuous Process Improvement events completed as scheduled
	100% of priority policy changes completed as scheduled and in accordance with the agency's Policy Development and Adoption Policy and Procedures
	100% of audit recommendations addressed within the schedules set by management responses
Integrate or implement sustainability throughout the agency	85% of annual sustainability targets met
Maximize use of Disadvantaged Business Enterprises and local small businesses	Disadvantaged Business Enterprise agency goal of 12.4% on all federally funded contracts and all agency small business goals met
Ensure procurement activities maintain high performance, integrity and sustainability standards	Contract solicitations issued on time in accordance with targets for each procurement type
	Green procurement goals established and tracked at the agency and department levels
	Procurement integrity training completed by 90% of staff
Promote a safety culture	Priority safety plans, programs and procedures (Safety System Management Plan, Safety System Certification Plan and Safety System Program Plans) reflecting current business practices adopted and implemented
	Job Safety Training Assessments and all required safety trainings completed
Integrate service and planning efforts with partner agencies	Puget Sound Regional Council Transit Integration Report completed



**Objective #4: Enhance talent management and organizational vibrancy**

Priorities	Performance Measures
Advance strategic workforce planning and continuous alignment of people, strategy and performance	Demographics of the region reflected in the Sound Transit workforce
	100% of performance evaluations submitted to the Human Resources Division before the anniversary date
	In-depth performance management training provided to at least 70% of managers
Enhance cross-departmental collaboration, inclusiveness and support	85% of staff trained in Rapid Office Kaizen
	Interdepartmental relations score in the 2016 Employee Engagement Survey improved to 3.2 or above
Provide consistent, equitable, respectful and inclusive leadership and culture	Diversity and inclusion refresher training completed by 90% of staff
	Three or fewer formal equal employment opportunity complaints filed
Maximize talent potential, preserving and further developing critical skills and knowledge	Department-level succession planning program piloted by Q3 2016
	Internal promotions, transfers and job reclassifications tracked quarter-to-date for baselines of career growth opportunities
Support high level of personal engagement and pride in the agency's work	2016 employee engagement scores received at or above national norms in all dimensions, including key engagement dimensions
	Focus on employee retention: percent of voluntary turnover (excluding retirements) and percent of retirements

### Objective #5: Plan for system expansion

Priorities	Performance Measures
Deliver actionable information for the Sound Transit Board to use in adopting the next System Plan	System planning requirements met, and System Plan adopted by the Board on schedule to allow a November 2016 ballot measure
Deliver sustainable long-term financing scenarios for system expansion	ST3 financial plan finalized
Engage the community in system expansion planning	Support for system expansion maintained at 80% or greater
Deliver a ballot measure in time for the November 2016 election, if the Sound Transit Board elects to place a measure before the voters	Ballot measure adopted by the Board and forwarded to Snohomish, King and Pierce counties for action to place it on the November 2016 ballot

### Objective #6: Open University Link and S. 200<sup>th</sup> Link extensions for passenger service

Priorities	Performance Measures
Ensure readiness for passenger service	Safety certification completed as required in the activation schedule
	Operations staff trained and ready to open the system
	Substantial completion of construction and system integration testing completed 30 days before revenue service
	Certificate of Occupancy Permit secured before opening day
Engage and inform communities and stakeholders	Communications and marketing plan for launches delivered
	2.9 million residents of the Sound Transit district reached
	Safety education campaign completed with 100% of priority audiences
Start up new service	University Link opened in Q1 2016
	South 200 <sup>th</sup> Link Extension opened in Q3 2016



*Sound Transit employees and friends march in the Seattle Pride Parade.*

# Budget Overview

## 2016 Changes to Budget Documents

### New Look for Budget and TIP

This year we have changed the format of the Budget and TIP documents to enhance readability and sustainability. Since they have a short shelf life, the proposed versions of the books excluded some of the supplemental materials, photos, and appendices that are included in the Adopted versions. However, none of the budget tables have been abbreviated. As usual, the books will be posted on the agency's website [www.soundtransit.org](http://www.soundtransit.org) to improve access.

### Change to Operating Budgets

In prior years, direct transit mode costs appeared in transit mode budgets and non-modal costs appeared in separate department budgets. Beginning in 2016, all operating costs are budgeted by department. This approach makes clear which costs are managed by each department. Reports that show the direct and indirect costs charged to each transit mode are still included, unchanged from prior years.

### Structural Changes

To reflect the new look and changes to operating budgets, we created a new section for *Revenues and Other Financing Sources*, combined Service Delivery and Agency Administration into *Operating Budgets*, and Project Delivery is now *Project Budgets*. Debt service, donations, and reserves are covered in *Other Budgets*.

### Expanded Budget Discussion

Although the 2016 budget book is more concise, we have enhanced the discussion of operating budgets by providing highlights of prior year activities and accomplishments, as well as 2016 budget highlights for each department. Transit modal budgets and performance statistics are also discussed.

## 2016 Budget Highlights

The 2016 budget includes revenues of \$998.4 million and outlays of \$1.3 billion. The agency's unrestricted cash balance of \$795.6 million at the end of 2015 together with 2016 revenues will fund annual expenditures and reserve contributions, yielding a projected unrestricted cash balance of \$448.7 million at the end of 2016.

## Revenues & Other Financing Sources

We expect to collect revenues of \$998.4 million in 2016, which is 6.9 percent higher than the 2015 budget, mainly due to higher sales tax and passenger fare revenues. On August 4, 2015, Sound Transit executed a \$1.0 billion bond sale, which closed on September 10, 2015. The bonds generated \$601.1 million in new proceeds and \$433.8 million for repayment of bonds issued previously, generating present value savings of over \$30 million.

### Operating Budgets

Beginning in 2016, departments will report all operating expenses under their management, regardless of where the expenses are ultimately charged. All department costs are either direct charged or allocated to transit service modes or projects. Sound Transit employs a cost allocation model to allocate administrative overhead to transit modes and to construction in progress. Use of the approved model increases the amounts eligible for reimbursement through federal grants.

The total operating budget of \$362.5 million is up 14.2 percent compared to the 2015 budget, driven primarily by transit service increases and specifically by the two new Link extensions, new Sounder service, and additional bus hours slated to begin in 2016. Of the operating budget, \$262.8 million or 72.5 percent will be charged to transit modes and the remaining \$99.7 million or 27.5 percent to projects.

### Project Budgets

Total project spending is budgeted at \$947.0 million for 2016. Approximately 89.1 percent or \$843.5 million is budgeted to continue with planning, design, and build-out of current voter-approved programs, Sound Move and ST2, and to plan for the next extension to the regional transit system. An additional \$39.8 million is budgeted to enhance or maintain current service and operational capabilities. Administrative infrastructure projects, project staffing, and agency support are budgeted at \$63.7 million.



2016 BUDGET SUMMARY  
(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
<b>Revenues and Other Financing Sources</b>				
Retail Sales And Use Tax	\$639,890	\$651,825	\$692,974	\$708,394
Motor Vehicle Excise Tax	74,166	75,604	78,621	80,289
Rental Car Tax	3,092	2,879	3,227	3,280
Federal Grants	184,719	121,420	136,301	105,488
Local & State Contributions	10,940	3,934	4,607	6,666
Passenger Fare Revenue	60,180	60,062	65,492	72,046
Investment Income	14,759	6,952	5,129	10,250
Miscellaneous Revenues	11,092	10,957	40,469	11,958
Bond Proceeds	-	-	601,141	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$998,837</b>	<b>\$933,633</b>	<b>\$1,627,960</b>	<b>\$998,371</b>
<b>Expenses &amp; Outlays</b>				
<b>Operating Budgets</b>				
<b>Departments</b>				
Communications & External Affairs	\$6,137	\$7,405	\$6,979	\$8,014
Design, Engineering & Construction Management	30,652	35,772	34,964	40,639
Executive	13,861	17,512	16,300	19,091
Finance & Information Technology	29,782	38,327	34,983	42,760
Legal	2,653	3,113	2,776	3,368
Operations	196,062	207,732	203,701	241,345
Planning, Environment & Project Development	6,692	7,599	6,444	7,329
<b>Subtotal Department Budgets</b>	<b>285,837</b>	<b>317,460</b>	<b>306,146</b>	<b>362,547</b>
Charges to Projects	(78,411)	(89,047)	(87,606)	(99,748)
Charges to Transit Modes	<b>207,426</b>	<b>228,413</b>	<b>218,540</b>	<b>262,799</b>
<b>Project Budgets</b>				
System Expansion	674,010	806,521	686,932	843,504
Enhancement	22,682	35,230	16,350	26,494
Rehabilitation & Replacement	27,735	27,292	24,048	13,290
Administrative	53,511	61,135	55,569	63,679
<b>Subtotal Project Budgets</b>	<b>777,938</b>	<b>930,179</b>	<b>782,899</b>	<b>946,967</b>
<b>Debt Service</b>	<b>105,757</b>	<b>108,255</b>	<b>107,206</b>	<b>121,842</b>
<b>Donations to Other Governments</b>	<b>3,090</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Total Expenses &amp; Outlays</b>	<b>\$1,094,211</b>	<b>\$1,271,847</b>	<b>\$1,113,645</b>	<b>\$1,336,609</b>
<b>Unrestricted Cash Balance</b>				
<b>Unrestricted Cash Balance as of 1/1/16</b>				<b>\$795,600</b>
<b>Sources</b>				
Total Revenues and Other Financing Sources				<b>998,371</b>
<b>Uses</b>				
Expenses & Outlays				<b>(1,336,609)</b>
Reserves (unrestricted)				<b>(8,625)</b>
<b>Projected Unrestricted Cash Balance as of 12/31/16</b>				<b>\$448,700</b>

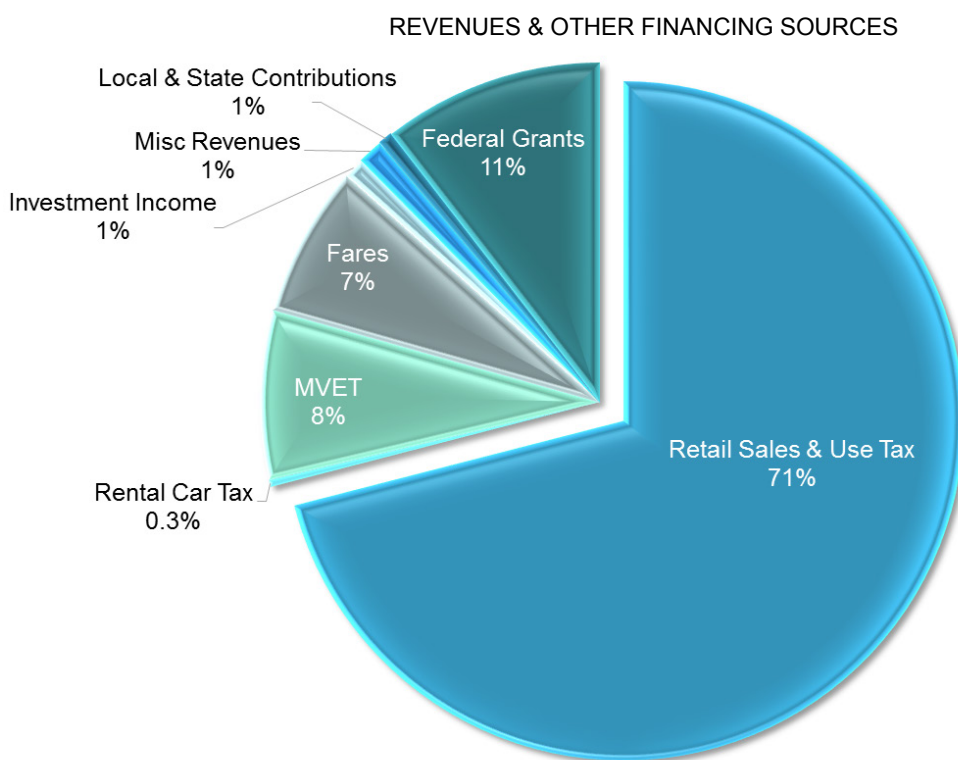
# Revenues & Other Financing Sources

Funding for Sound Transit's operations and capital programs comes from local retail sales and use tax, motor vehicle excise tax (MVET), rental car tax, federal grants, passenger fare revenue, investment income on cash balances, bond issues, and miscellaneous revenues, such as advertising on our vehicles and property rentals. Our sales and use tax and MVET revenue forecasts are based on data and assumptions provided by an independent forecaster.

We expect to collect \$998.4 million in revenues in 2016, which is 6.9 percent or \$64.7 million higher than the 2015 budget, mainly due to higher sales tax and passenger fare revenues. 2015 revenues of \$1.6 billion include \$601.1 million from the sale of bonds in August 2015.

## REVENUES & OTHER FINANCING SOURCES (in thousands)

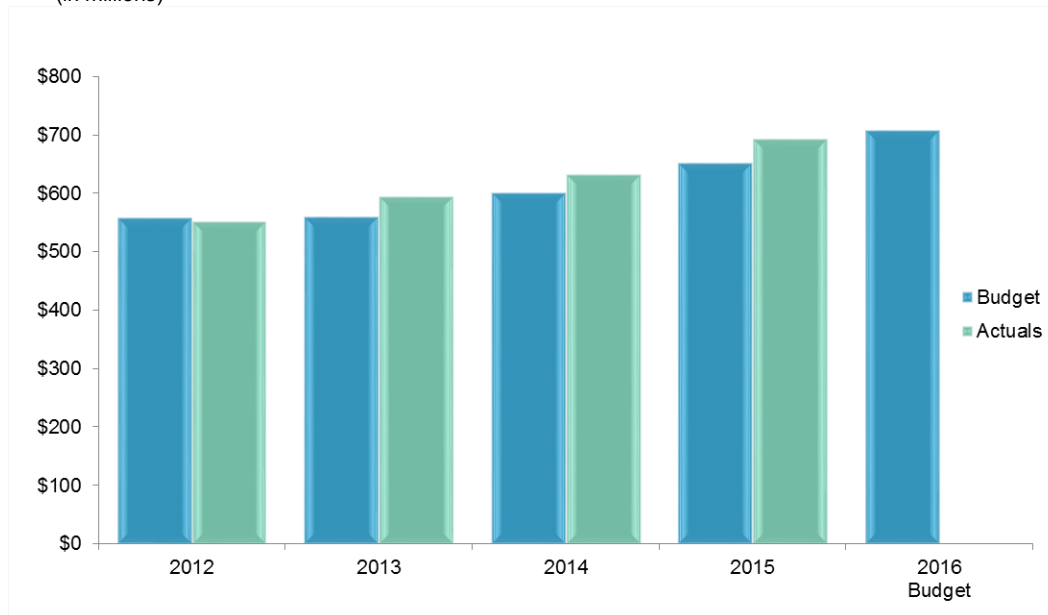
Retail Sales & Use Tax	\$708,394
MVET	80,289
Rental Car Tax	3,280
Federal Grants	105,488
Local & State Contributions	6,666
Passenger Fare Revenue	72,046
Investment Income	10,250
Misc Revenues	11,958
<b>Total</b>	<b>\$998,371</b>



### Retail Sales and Use Tax

- Sound Transit receives 0.9 percent of transactions subject to sales and use taxes generated within the Sound Transit district.
- Retail Sales and Use Tax is Sound Transit's largest revenue source at 71.0 percent of total revenues, with \$708.4 million projected in 2016.
- 2016 receipts of \$708.4 million are projected to be 8.7 percent or \$56.6 million higher than the 2015 budget, and 2.2 percent or \$15.4 million higher the 2015 receipts, reflecting a booming construction sector and stronger consumer spending in the regional economy.

**SALES TAX REVENUE 2012 – 2016**  
(in millions)



#### **Motor Vehicle Excise Tax (MVET)**

- Sound Transit receives 0.3 percent of vehicle license renewals within the Sound Transit district.
- Receipts of \$80.3 million in 2016 are 6.2 percent or \$4.7 million higher than the 2015 budget.

#### **Rental Car Tax**

- Sound Transit receives 0.8 percent of rental car payments within the Sound Transit district.
- Receipts of \$3.3 million in 2016 are 13.9 percent or \$401 thousand higher than the 2015 budget.

#### **Federal Grants**

- Federal grant revenues are projected to be \$105.5 million in 2016 and include grant drawdowns from the following projects:
  - University Link – FTA grant of \$25.0 million for construction, vehicles, startup, and capitalized interest.
  - Point Defiance Bypass – construction costs reimbursed through Federal High Speed Rail grant administered by WSDOT at \$30.0 million.

- Tacoma Trestle Track & Signal – FTA grant of \$6.1 million for construction, TIGER Award of \$5.0 million for construction
- I-90 Two Way Transit & HOV Operations Stage 3 – construction TIGER Award of \$10.5 million.
- Northgate Link Extension – FTA grant of \$7.0 million for construction.

- Federal grant revenues of \$105.5 million are 13.1 percent or \$15.9 million lower than the 2015 budget, and 22.6 percent or \$30.8 million lower than the 2015 revenues, mainly due to lower anticipated grant drawdowns for the University Link Extension, which will start revenue service in March 2016.

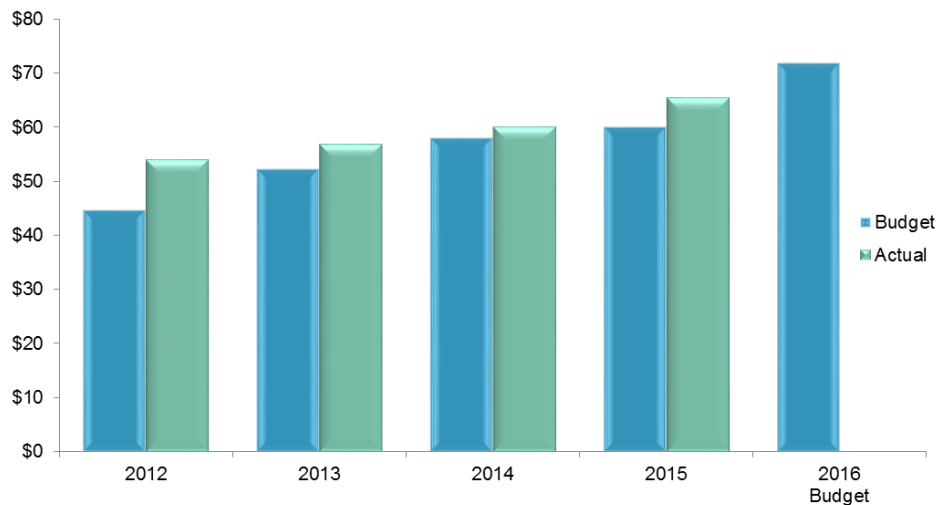
#### **Local & State Contributions**

- This category includes state grants for projects and operating grants, as well as any contributions from local jurisdictions.
- The 2016 budget of \$6.7 million includes reimbursements for Overlake Transit Center Bridge & Station improvements, Overlake Village Pedestrian Bridge and Infiltration Vault, and University District Station TOD Overbuild.

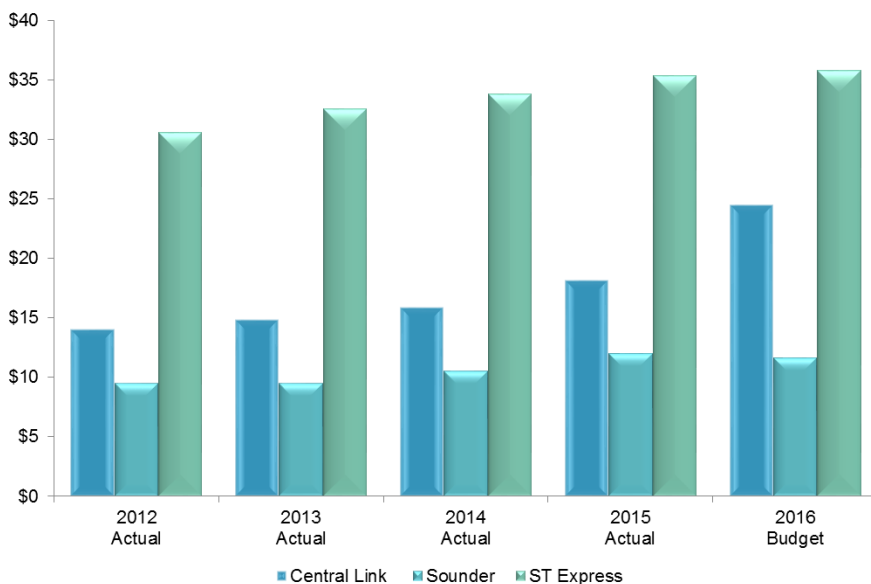
## Passenger Fare Revenue

- Passenger fare revenues are projected to be \$72.0 million in 2016, up 20.0 percent or \$12.0 million over the 2015 budget, reflecting (i) the launch of new light rail service in 2016 from downtown Seattle to the University of Washington and from SeaTac Airport to South 200th Street, (ii) the implementation of fare revenues for Tacoma Link from Q4 of 2016 and (iii) an additional Sounder trip.
- Total 2016 ridership is forecast to increase by 26.5 percent over the 2015 budget. Boardings for bus, light rail, and commuter rail modes will increase over the 2015 budget; light rail increasing by 5.8 million boardings or 50.9 percent, ST Express bus boardings will increase by 2.3 million or 13.4 percent, and Sounder ridership will increase by 630 thousand or 20.3 percent. Only Tacoma Link is expected to lose ridership, approximately 5.0 percent due to the implementation of fare collection in Q4 2016.
- Average fare per boarding assumptions for the 2016 budget: Link \$1.42; Tacoma Link, \$0.99; Sounder, \$3.10; ST Express, \$1.89.

PASSENGER FARE REVENUE 2012 – 2016  
(in millions)



PASSENGER FARE REVENUE BY MODE 2012 – 2016  
(in millions)



### Investment Income

- Sound Transit receives investment income on surplus cash and restricted funds invested in accordance with Washington State law and overseen according to Board-approved investment policy (Asset Liability Management Policies).
- Investment income is projected at \$10.3 million for 2016, up 47.4 percent or \$3.3 million compared to the 2015 budget, mainly due to additional investments resulting from the sale of bond proceeds in 2015.

### Miscellaneous Revenue

- Miscellaneous revenues include advertising revenues, rental income from Sound Transit properties, ORCA regional program billing reimbursements, operating & maintenance reimbursements for Sounder and ST Express, and federal government bond subsidy payments.

- 2016 revenues of \$12.0 million are 9.1 percent or \$1.0 million higher than the 2015 budget mainly due to higher reimbursements for the ORCA Regional Program.

### Bond Proceeds

- Bonds are issued to finance capital projects. On August 4, 2015, Sound Transit executed a \$1.0 billion bond sale (including premiums), which closed on September 10, 2015. The bond sale generated \$601.1 million in new proceeds, while \$433.8 million of the bonds refinanced debt issued previously at higher interest rates. There are no current plans to issue debt in 2016; however, we will continue to evaluate this based on market conditions and liquidity needs.



*At a transportation bill signing ceremony, Governor Jay Inslee names former Sound Transit CEO Joni Earl, left, Washingtonian of the Day.*



# Operating Budgets

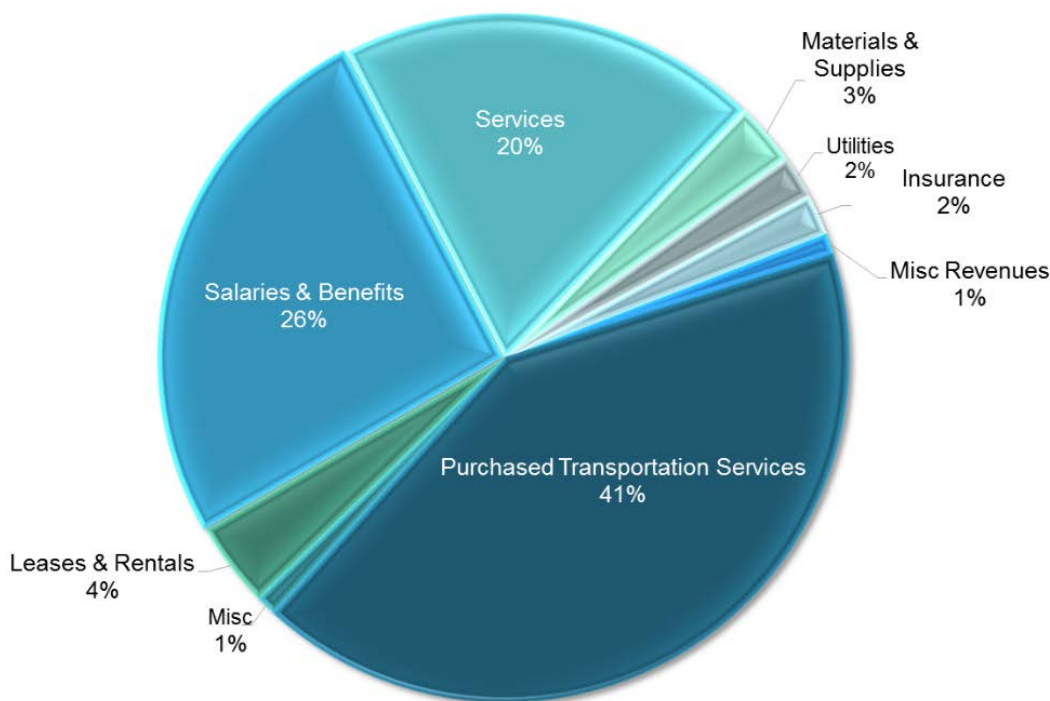
## Departments

Sound Transit's adopted 2016 operating budgets are \$362.5 million, of which \$262.8 million is allocated to transit modes and \$99.7 million to projects and capital assets. Reporting operating budgets by the department responsible is a change from prior years, when direct charges to transit modes were included in modal budgets and not department budgets.

For each department, this section includes a discussion of 2015 activities and accomplishments, 2016 budget highlights, and budget summary. Also, an overview of staffing changes by department is provided. Later in this section, transit mode budget reports, 2016 budget highlights, and performance statistics are included for all transit modes.

Major drivers of the \$45.1 million or 14.2 percent increase in department budgets are startup of light rail service to the University of Washington and South 200<sup>th</sup> Street in SeaTac. Purchased Transportation Services, Security & Safety, and Contract Maintenance account for almost two-thirds of the increase in the operating budgets. Salaries and Benefits contribute 9.7 percent of the increase due to an anticipated 3.5 percent average increase in existing salaries, a full year of costs for 31 positions added in 2015, along with 25 new positions added in 2016.

OPERATING BUDGET BY EXPENSE CATEGORY



# DEPARTMENT BUDGETS SUMMARY

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$45,497	\$52,246	\$51,392	\$57,002	\$4,757	9.1%
Benefits	27,433	32,834	32,431	36,369	3,535	10.8
<b>Subtotal</b>	<b>72,930</b>	<b>85,079</b>	<b>83,824</b>	<b>93,371</b>	<b>8,292</b>	<b>9.7</b>
<b>Services</b>						
Advertising Fees	216	262	283	261	(1)	(0.4)
Professional & Technical	5,431	7,242	6,190	10,245	3,003	41.5
Temporary Services	525	149	460	530	381	256.7
Contract Maintenance	26,687	27,655	26,537	33,701	6,046	21.9
Security & Safety	13,167	14,579	14,290	18,530	3,951	27.1
Other Services	7,476	8,981	7,970	9,242	261	2.9
<b>Subtotal</b>	<b>53,502</b>	<b>58,867</b>	<b>55,729</b>	<b>72,509</b>	<b>13,642</b>	<b>23.2</b>
<b>Materials &amp; Supplies</b>	<b>9,321</b>	<b>11,240</b>	<b>9,073</b>	<b>11,656</b>	<b>416</b>	<b>4.6</b>
<b>Utilities</b>	<b>4,165</b>	<b>4,531</b>	<b>4,809</b>	<b>5,587</b>	<b>1,056</b>	<b>22.0</b>
<b>Insurance</b>	<b>4,691</b>	<b>6,194</b>	<b>5,165</b>	<b>6,424</b>	<b>230</b>	<b>4.5</b>
<b>Taxes</b>	<b>1,946</b>	<b>2,061</b>	<b>2,218</b>	<b>2,305</b>	<b>218</b>	<b>9.8</b>
<b>Purchased Transportation Services</b>						
Paratransit	1,456	1,710	1,317	1,906	196	11.5
Purchased Transportation	125,155	133,989	131,019	151,155	17,166	12.8
<b>Subtotal</b>	<b>126,611</b>	<b>135,699</b>	<b>132,336</b>	<b>153,061</b>	<b>17,362</b>	<b>12.8</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	375	544	443	610	67	12.3
Travel & Meetings	557	661	554	793	132	19.9
Advertising & Promotion Media	1,658	1,645	1,643	2,111	466	28.3
Training	410	541	406	550	8	1.6
Other Miscellaneous	321	743	336	734	(9)	(1.2)
<b>Subtotal</b>	<b>3,322</b>	<b>4,135</b>	<b>3,382</b>	<b>4,799</b>	<b>664</b>	<b>16.1</b>
<b>Leases &amp; Rentals</b>						
Transit Way	5,449	5,410	5,740	7,267	1,857	34.3
General Administrative Facilities	3,901	4,244	3,872	5,566	1,322	31.2
<b>Subtotal</b>	<b>9,350</b>	<b>9,654</b>	<b>9,612</b>	<b>12,834</b>	<b>3,180</b>	<b>32.9</b>
<b>Department Budgets Total</b>	<b>\$285,837</b>	<b>\$317,460</b>	<b>\$306,146</b>	<b>\$362,547</b>	<b>\$45,087</b>	<b>14.2%</b>

The following table shows the 2016 operating budget for each department and the amounts charged directly to the transit modes, as well as to projects. The remaining

administrative costs are allocated to transit modes or projects.

**DEPARTMENT BUDGETS CHARGED TO TRANSIT MODES AND PROJECTS**  
(in thousands)

<b>Department</b>	<b>2016 Budget</b>	<b>Tacoma Link</b>	<b>Link Sounder</b>	<b>ST Express</b>	<b>Projects</b>	<b>Allocated Admin</b>
Communications & External Affairs	\$8,014	\$18	\$378	\$278	\$296	\$ -
Design, Engineering & Construction Mgmt	40,639					31,519
Executive	19,091					19,091
Finance & Information Technology	42,760	539	5,904	2,684	1,974	1,863
Legal	3,368					3,368
Operations	241,345	3,702	72,762	38,157	115,033	
Planning, Environment & Project Dev	7,329					5,301
Overhead Alloc. to Transit Modes		874	8,811	4,607	6,782	
Overhead Alloc. to Projects						61,065
	<b>\$362,547</b>	<b>\$5,133</b>	<b>\$87,855</b>	<b>\$45,726</b>	<b>\$124,085</b>	<b>\$99,748</b>
						<b>\$ -</b>

**Agency Staffing**

Staffing growth in 2015 and 2016 is driven primarily by capital project activities and expansion of light rail service. Sound Transit tracks and forecasts long-term staffing needs, balancing the addition of permanent positions with the use

of consultants to ensure capital and operating programs are adequately supported and affordable. Changes in departmental staffing levels since the 2015 budget are summarized below.

**AGENCY STAFFING SUMMARY**

<b>Department</b>	<b>2014 Staffing</b>	<b>2015 Staffing</b>	<b>Mid-Year Adds</b>	<b>Current Staffing</b>	<b>2016 Changes</b>	<b>2016 Staffing</b>	<b>2016 vs 2015</b>
Communications & External Affairs	35	38	1	39	-	39	1
Design, Engineering & Construction Mgmt	240	245	1	246	9	255	10
Executive	108	111	2	113	6	119	8
Finance & Information Technology	135	142	2	144	6	150	8
Legal	16	16	-	16	-	16	-
Operations	108	114	2	116	4	120	6
Planning, Environment & Project Dev	49	49	-	49	-	49	-
<b>Total</b>	<b>691</b>	<b>715</b>	<b>8</b>	<b>723</b>	<b>25</b>	<b>748</b>	<b>33</b>



*A bike rider chats with a Sound Transit staff member at the Tukwila Station dedication.*



## **Communications & External Affairs**

Communications & External Affairs (CEA) provides high-quality communications that build public trust and connect Sound Transit to customers, prospective riders, stakeholders, and the community. CEA contributes to the success of the agency by maintaining transparency into Sound Transit operations, creating awareness of our projects, and reporting our performance on milestone achievements, project updates, and financial goals. CEA helps to grow ridership by engaging existing riders, educating the public about the benefits of mass transit, and continuously improving the customer experience through the delivery of relevant, timely rider information through cost-effective digital communication channels, such as the web, e-mail, and social media.

### **2015 Activities and Accomplishments**

The Marketing & Creative Services Division hired an event planning consultant to prepare for the agency's two new light rail segment launches in 2016. The Events and Customer Outreach team participated in numerous events, including the Seattle Pride Parade and local fairs and festivals, as well as outreach for the September 2015 service change.

Digital Communications substantially increased e-mail subscribers, Facebook reach, Twitter followers, and web traffic across PC and mobile platforms, providing the public with information in the communication channels they use today. Deliverables included completing mobile web usability studies, launching a desktop improvements project, and conducting social media campaigns, including the Federal Way Link Extension public survey, capital project milestones, and Sound Transit 3 (ST3). Digital Communications also engaged in projects to improve Search Engine Optimization (SEO), track customer service issue patterns, and response rates on Twitter.

The Media Relations & Public Information Division (MRPI) focused extensively on supporting efforts that secured the

ST3 revenue authority that the Board requested and on implementing the first round of public involvement to help shape the list of candidate projects for the measure. Other media relations highlights included promoting the Board's selection of a preferred alignment for Lynnwood Link through traditional and social media channels and highlighting progress completing the University Link and South 200th Link Extension projects. MRPI will continue to focus on increasing awareness of regional transit benefits and the agency's successful project delivery, with particular focus on ST3 and University Link.

### **2016 Budget Highlights**

CEA's budget for 2016 increased by \$609 thousand or 8.2 percent above the 2015 budget as the department prepares for the opening of the University Link and South 200th Link extensions. CEA will conduct marketing, digital, and earned media campaigns to highlight the new service, as well as conduct the opening day events.

Budgets for Services are expected to decrease by \$215 thousand mainly due to lower expenses for video & audio production, market research, and printing. The Advertising & Promotion Media budget request increased by \$396 thousand, with \$168 thousand allocated for opening event advertising.

CEA will continue to devote resources to meet customer expectations through the use of mobile trip planner, web, and other digital tools. The Digital Communications Division's budget request includes \$69 thousand for web-based subscription services, social media metrics software, and social media content management services.

CEA also will continue public involvement efforts and solicit input from the public, transit partners, local jurisdictions, and other stakeholders regarding the anticipated ST3 expansion program. CEA has no new position requests.

# COMMUNICATIONS & EXTERNAL AFFAIRS

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$2,005	\$2,445	\$2,405	\$2,673	\$228	9.3%
Benefits	1,264	1,623	1,525	1,690	67	4.1
<b>Subtotal</b>	<b>3,269</b>	<b>4,068</b>	<b>3,930</b>	<b>4,363</b>	<b>295</b>	<b>7.3</b>
<b>Services</b>						
Advertising Fees	216	261	281	261	(0)	(0.0)
Professional & Technical	451	490	345	443	(47)	(9.6)
Contract Maintenance	4	15	3	13	(2)	(10.3)
Other Services	574	744	539	577	(167)	(22.4)
<b>Subtotal</b>	<b>1,246</b>	<b>1,509</b>	<b>1,168</b>	<b>1,294</b>	<b>(215)</b>	<b>(14.2)</b>
<b>Materials &amp; Supplies</b>	<b>32</b>	<b>102</b>	<b>95</b>	<b>166</b>	<b>64</b>	<b>1</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	210	270	278	301	31	11.6
Travel & Meetings	19	21	21	27	6	26.9
Advertising & Promotion Media	1,341	1,400	1,464	1,796	396	28.3
Training	13	28	19	27	(1)	(2.5)
Other Miscellaneous	1	2	1	31	30	1,966.7
<b>Subtotal</b>	<b>1,584</b>	<b>1,720</b>	<b>1,783</b>	<b>2,182</b>	<b>462</b>	<b>26.8</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	6	6	3	9	3	56.4
<b>Subtotal</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>56.4</b>
<b>Department Total</b>	<b>\$6,137</b>	<b>\$7,405</b>	<b>\$6,979</b>	<b>\$8,014</b>	<b>\$609</b>	<b>8.2%</b>

## ***Design, Engineering & Construction Management***

Design, Engineering & Construction Management (DECM) is principally responsible for final design, engineering, and construction management for all major capital projects, as well as community outreach, right-of-way acquisition, and support for capital improvements to the existing transit system. Additionally, DECM manages agency-owned surplus and holding properties, and administers the agency's public art program.

DECM is also engaged during earlier phases as projects progress from conceptual to preliminary engineering by matrixing technical staff to Planning, Environment and Project Development department led project teams. Collaboration with other departments ensures a smooth handoff of the engineering, enhances buildability, reduces project risks, and ultimately delivers effective transit facilities that operate efficiently.

### **2015 Activities and Accomplishments**

DECM made significant progress in delivering voter-approved projects in 2015. By the end of the fourth quarter in 2015: University Link construction was approximately 99 percent complete; Capitol Hill Station and University of Washington Station were both substantially complete; Angle Lake Station for South 200th Link Extension was 92.5 percent complete. Construction of the I-90 two-way transit project will continue in 2016. DECM hosted numerous community outreach public meetings in Bellevue and supported the Sound Transit Board in adopting permanent station names for East Link Extension. The department made significant progress towards completing the installation of Positive Train Control (PTC) for Sounder in September 2016, two years ahead of the new federal deadline. PTC is an integrated communication and control

system that utilizes real-time position tracking of trains in order to slow them down if necessary to prevent derailments and collisions. The installation of this cutting-edge technology complies with federal law and furthers the agency's commitment to passenger safety. For ST Express, DECM has completed a bus storage facility that has been transitioned to the Operations Department.

### **2016 Budget Highlights**

DECM's priorities in 2016 include successfully completing University Link and South 200th Link extension projects, and the startup of passenger service. 2016 marks the beginning of final design work for Lynnwood Link Extension and Link Operations & Maintenance Satellite Facility, as well as the procurement of light rail vehicles for extensions. Breaking ground on East Link Extension and Tacoma Trestle Track and Signal will be key milestones in 2016.

The department has requested nine new positions to maintain appropriate levels of staffing to ensure on-time project completion.

Contract Maintenance for landscaping, security, janitorial, utilities, and structural services needs are expected to increase by \$348 thousand to manage an increased number of properties acquired for East Link and Lynnwood Link extension projects. Requests for Professional & Technical consulting services will be augmented by approximately \$238 thousand. DECM plans to develop specifications for Building Information Modeling (BIM) and Civil Information Modeling (CIM) to maximize collaboration with designers and construction consultants and adopt standard civil and structural design specifications.

DESIGN, ENGINEERING & CONSTRUCTION MANAGEMENT

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$16,351	\$18,712	\$18,495	\$20,193	\$1,481	7.9%
Benefits	9,746	11,531	11,742	12,954	1,423	12.3
<b>Subtotal</b>	<b>26,097</b>	<b>30,243</b>	<b>30,236</b>	<b>33,147</b>	<b>2,903</b>	<b>9.6</b>
<b>Services</b>						
Advertising Fees	0	1	0	0	(1)	(100.0)
Professional & Technical	141	111	226	348	238	214.9
Temporary Services	1	30	3	30	0	0.0
Contract Maintenance	758	926	745	1,274	348	37.6
Security & Safety	6	155	7	325	170	109.7
Other Services	58	10	6	9	(1)	(7.4)
<b>Subtotal</b>	<b>965</b>	<b>1,232</b>	<b>987</b>	<b>1,986</b>	<b>754</b>	<b>61.2</b>
<b>Materials &amp; Supplies</b>	<b>54</b>	<b>79</b>	<b>62</b>	<b>70</b>	<b>(8)</b>	<b>(10.3)</b>
<b>Utilities</b>	<b>50</b>	<b>183</b>	<b>260</b>	<b>271</b>	<b>89</b>	<b>48.5</b>
<b>Insurance</b>	<b>32</b>	<b>35</b>	<b>24</b>	<b>35</b>	<b>0</b>	<b>0.0</b>
<b>Taxes</b>	<b>90</b>	<b>133</b>	<b>101</b>	<b>133</b>	<b>0</b>	<b>0.0</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	39	69	44	66	(3)	(4.1)
Travel & Meetings	108	151	87	171	20	13.4
Advertising & Promotion Media	0	0	0	1	1	100.0
Training	136	172	130	174	2	1.2
Other Miscellaneous	(5)	0	12	6	6	100.0
<b>Subtotal</b>	<b>278</b>	<b>392</b>	<b>273</b>	<b>418</b>	<b>26</b>	<b>6.5</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	3,085	3,475	3,020	4,578	1,103	31.7
<b>Subtotal</b>	<b>3,085</b>	<b>3,475</b>	<b>3,020</b>	<b>4,578</b>	<b>1,103</b>	<b>31.7</b>
<b>Department Total</b>	<b>\$30,652</b>	<b>\$35,772</b>	<b>\$34,964</b>	<b>\$40,639</b>	<b>\$4,867</b>	<b>13.6%</b>



## **Executive**

This department includes the Chief Executive Office and divisions that report directly to the CEO or Deputy CEO. The department's staff support the agency's mission by ensuring open public access to the Sound Transit Board's proceedings, engaging local, state, and federal officials regarding public transit needs, managing purchasing and contracting for agency projects, and conducting independent audits to confirm the adequacy of internal controls and identify improvement opportunities. They also administer the agency's human resources, diversity, construction safety and quality assurance programs.

### **2015 Activities and Accomplishments**

The Executive Department is actively engaged in improving the efficiency and effectiveness of the agency's processes. Some important processes that are being tackled include IT procurement, agreement management, job order contracting, and architecture and engineering invoice processing. Support comes from both external consultants and employees trained to teach a process improvement methodology called Rapid Office Kaizen.

The Procurement & Contracts Division was an early adopter of Kaizen and has made significant improvements in the quality and timeliness of their processes. They lead the agency in the use of alternative contracting methods, including General Contracting/Construction Management (GC/CM) and job order contracting. Their Green Procurement Policy, along with guidelines and training, is under development and will be rolled out in 2016.

Human Resources, in partnership with Accounting, Budget, and Information Technology, contracted with a vendor, who developed and installed a fully integrated Human Resources Information Management System that successfully launched in January 2016. They continuously develop new ST University offerings and train their staff to be instructors.

The Safety & Quality Assurance Division's role in the launch of new Link service in 2016 is to ensure safety certification is received on time. As of the fourth quarter of 2015, they have achieved a Loss Time Injury rate far below the national average for the agency's construction projects, and they contributed to a significantly low rates of preventable accidents.

Government & Community Relations focused intensely on achieving its most significant goal for the year: the Governor of Washington State signed legislation authorizing \$15 billion in new revenue authority for Sound Transit.

### **2016 Budget Highlights**

The Executive Department's budget is higher than the 2015 budget by 9.0 percent with significant increases coming from Salaries & Benefits and Professional & Technical services. Seven new positions are added for 2016 to support the agency's procurements and contracts, small business development, and safety and quality assurance functions.

New federal safety regulations, increasing levels of design and construction activity, and hiring and training staff to prepare for the opening of new Link services in 2016 requires the addition of four positions in the Safety and Quality Assurance Division. Professional & Technical services for safety planning and auditing is adding \$478 thousand to the department's budget request.

The Executive Department leads the agency's efforts in managing performance through scorecard development and broad employee engagement in continuous process improvement. All employees are trained to analyze and redesign processes in their own work groups and those that cross organizational boundaries. Approximately \$220 thousand is budgeted within Professional & Technical services to support these ongoing programs.

Human Resources is budgeting \$245 thousand in Advertising & Promotion Media to assist with recruitment of engineers, technology, finance, and various professionals as competition among employers in the local job market increases. Knowledge transfer and succession planning are supported with \$100 thousand of Professional & Technical services to ensure a smooth transition as a number of key personnel reach retirement. Also, ST University continues to expand its Management Excellence Program, with plans to spend \$76 thousand to train 40 employees in 2016.

Internal Audit has \$240 thousand budgeted in Professional & Technical services for electrical and mechanical contract close-out audits for the University Link Station. Independent cost audits are required when GC/CM contracting is used.

## EXECUTIVE

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$6,812	\$8,073	\$7,564	\$8,757	\$684	8.5%
Benefits	4,314	5,124	4,811	5,589	465	9.1
<b>Subtotal</b>	<b>11,126</b>	<b>13,197</b>	<b>12,375</b>	<b>14,346</b>	<b>1,149</b>	<b>8.7</b>
<b>Services</b>						
Advertising Fees	0	0	1	0	0	0
Professional & Technical	1,426	2,257	2,580	2,735	478	21.2
Temporary Services	176	44	169	34	(10)	(23.0)
Contract Maintenance	0	3	0	28	26	1,020.0
Other Services	245	664	354	495	(168)	(25.4)
<b>Subtotal</b>	<b>1,847</b>	<b>2,967</b>	<b>3,104</b>	<b>3,292</b>	<b>325</b>	<b>10.9</b>
<b>Materials &amp; Supplies</b>	<b>125</b>	<b>136</b>	<b>140</b>	<b>154</b>	<b>18</b>	<b>13.0</b>
<b>Utilities</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>100.0</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	22	50	30	64	14	28.1
Travel & Meetings	175	207	190	264	57	27.6
Advertising & Promotion Media	312	243	177	311	68	28.1
Training	67	76	82	64	(12)	(16.0)
Other Miscellaneous	106	553	156	510	(43)	(7.7)
<b>Subtotal</b>	<b>682</b>	<b>1,128</b>	<b>634</b>	<b>1,213</b>	<b>85</b>	<b>7.5</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	79	83	47	86	3	3.6
<b>Subtotal</b>	<b>79</b>	<b>83</b>	<b>47</b>	<b>86</b>	<b>3</b>	<b>3.6</b>
<b>Department Total</b>	<b>\$13,861</b>	<b>\$17,512</b>	<b>\$16,300</b>	<b>\$19,091</b>	<b>\$1,580</b>	<b>9.0%</b>

## ***Finance & Information Technology***

Finance & Information Technology (FIT) divisions are responsible for accounting, budgeting, financial planning, grant applications and drawdowns, records management, revenue collection, risk management, and treasury functions. The Information Technology Division supports implementation of new technology and maintains the agency's network and various software applications used throughout the agency. FIT's ORCA ST Regional Services Division acts as the fiscal agent for the ORCA system. All ORCA ST 2016 costs will be reimbursed by the ORCA regional partners, and this reimbursement is captured in miscellaneous revenues.

### **2015 Activities and Accomplishments**

The department focused its efforts on maximizing the agency's fiscal stability by successfully closing the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan, the second largest single TIFIA loan in the program's history and the lowest rate in program history. The Treasury Division completed the successful sale of the world's largest issuance of municipal green bonds. Additionally, the agency closed on a large bond sale in September 2015 that will save \$30 million in interest costs and contribute \$601.1 million in new proceeds to fund ST2 projects. Tacoma Link Small Starts grant of \$74.9 million was successfully included in the US President's 2015 Budget to contribute funding for extending Tacoma Link. ST was awarded a \$2 million Federal Transit Authority (FTA) Transit Oriented Development (TOD) grant for investments to support TOD along Tacoma Link expansion route. In support of the agency's ST3 plan, the department made significant progress on critical financial planning required to move ST3 planning forward.

### **2016 Budget Highlights**

The 2016 FIT budget includes additional resources to support fare collection efforts, which will expand with the start of new Link service in 2016. Rising use of Ticket Vending Machines (TVMs) and a jump in the number of riders in our system require additional enforcement for our fare collection efforts; a supplemental \$332 thousand is budgeted for that support in Other Services. IT is investing resources to enhance reliability of the agency's technology in transit systems, rider technology, including security remediation, project delivery, and disaster recovery efforts. An additional \$340 thousand for Insurance is driven primarily by ridership on the new University Link and South 200th Street light rail services.

Information Technology has added four new positions to support implementation of transit operations technology: transit systems, agency infrastructure, and IT project development. One new position has been added in Accounting. Two new positions—one of which is reimbursable from the ORCA regional partnership—will be added that directly support enhancing rider experience by developing ORCA 2, the next fare collection system. Sound Transit is the lead agency in the development of the new ORCA 2 system, and an additional \$800 thousand is included in Other Services to begin planning and development. This cost is largely reimbursed by the ORCA regional partnership. To ensure that Sound Transit assets are in a state of good repair, \$175 thousand is included in Professional & Technical services to continue development and implementation of an enterprise asset management system.

FINANCE & INFORMATION TECHNOLOGY

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$7,832	\$9,952	\$9,955	\$11,382	\$1,429	14.4%
Benefits	4,680	6,355	6,011	7,298	943	14.8
<b>Subtotal</b>	<b>12,511</b>	<b>16,308</b>	<b>15,966</b>	<b>18,680</b>	<b>2,372</b>	<b>14.5</b>
<b>Services</b>						
Professional & Technical	2,323	3,052	2,338	4,067	1,015	33.3
Temporary Services	235	70	251	245	175	250.0
Contract Maintenance	2,409	3,627	2,529	3,121	(506)	(14.0)
Other Services	5,426	6,274	5,838	6,978	704	11.2
<b>Subtotal</b>	<b>10,393</b>	<b>13,023</b>	<b>10,957</b>	<b>14,411</b>	<b>1,388</b>	<b>10.7</b>
<b>Materials &amp; Supplies</b>	<b>956</b>	<b>1,588</b>	<b>1,720</b>	<b>1,692</b>	<b>104</b>	<b>6.5</b>
<b>Utilities</b>	<b>647</b>	<b>697</b>	<b>698</b>	<b>735</b>	<b>45</b>	<b>6.6</b>
<b>Insurance</b>	<b>4,666</b>	<b>6,049</b>	<b>4,994</b>	<b>6,389</b>	<b>340</b>	<b>5.6</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	40	42	30	77	35	83.6
Travel & Meetings	109	132	120	152	20	15.1
Training	104	126	87	139	13	10.3
Other Miscellaneous	176	159	121	161	1	0.7
<b>Subtotal</b>	<b>430</b>	<b>459</b>	<b>357</b>	<b>528</b>	<b>69</b>	<b>15.0</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	178	202	261	294	92	45.3
<b>Subtotal</b>	<b>178</b>	<b>202</b>	<b>261</b>	<b>294</b>	<b>92</b>	<b>45.3</b>
<b>Department Total</b>	<b>\$29,782</b>	<b>\$38,327</b>	<b>\$34,983</b>	<b>\$42,760</b>	<b>\$4,410</b>	<b>11.5%</b>



## **Legal**

The Legal Department monitors changes in law and regulations on behalf of the agency and provides analysis and advice on real estate acquisitions, labor and employment, municipal zoning and land use, environmental law, construction claims, permitting, litigation, railroad easements, contracts, and interagency issues.

### **2015 Activities and Accomplishments**

The Legal Department achieved a major milestone in 2015 with the negotiation and execution of the Bellevue Memorandum of Understanding (MOU), an agreement which will allow us to move forward with the construction of the East Link Extension and that finalizes Bellevue's \$100 million contribution of funds for the project. The MOU provides for the inclusion of a downtown tunnel, as well as terms for the mitigation of construction and operational impacts on neighborhoods and the environment. The department prevailed in attaining approval of the Bellevue shoreline permit, which removed the last legal obstacle prior to the commencement of East Link construction. The staff supported the agency's efforts to seek approval from the

Washington State legislature and the Governor of Senate Bill 5987–2015-16, which will allow Sound Transit to request up to \$15 billion from taxpayers for system expansion in the ST3 ballot measure. Legal arranged for new agreements for Regional Express operations and maintenance, more financially sustainable payments on leases of state property, and licensing agreements to install wireless systems for mobile service in underground facilities. The department answered 366 public disclosure requests in 2015, which furthers the agency's goal of maintaining public trust through open accountability.

### **2016 Budget Highlights**

Legal will focus on the development of the ST3 ballot to ensure that all legal requirements are complete, and the ballot is approved for placement in all three counties. Legal has no new position requests. Professional & Technical services is budgeted \$115 thousand or 22.6 percent lower than in 2015, based on reduced expected needs for external legal services in 2016.

## LEGAL

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$1,580	\$1,623	\$1,639	\$1,732	\$109	6.7%
Benefits	828	921	1,041	1,098	177	19.2
<b>Subtotal</b>	<b>2,409</b>	<b>2,544</b>	<b>2,680</b>	<b>2,830</b>	<b>286</b>	<b>11.2</b>
<b>Services</b>						
Professional & Technical	186	508	44	393	(115)	(22.6)
Temporary Services	0	0	0	79	79	100.0
Other Services	0	1	1	1	0	27.3
<b>Subtotal</b>	<b>186</b>	<b>509</b>	<b>45</b>	<b>472</b>	<b>(36)</b>	<b>(7.1)</b>
<b>Materials &amp; Supplies</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>0.2</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	41	37	36	40	2	6.2
Travel & Meetings	3	5	5	7	3	53.0
Training	11	15	7	15	0	0.9
<b>Subtotal</b>	<b>55</b>	<b>57</b>	<b>47</b>	<b>62</b>	<b>5</b>	<b>8.2</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	0	1	0	1	0	0.0
<b>Subtotal</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0.0</b>
<b>Department Total</b>	<b>\$2,653</b>	<b>\$3,113</b>	<b>\$2,776</b>	<b>\$3,368</b>	<b>\$255</b>	<b>8.2%</b>

## Operations

The Operations Department is responsible for all modal operations. They operate Tacoma Link directly and oversee agreements with our transit partners to provide operations and maintenance for Link light rail, ST Express bus, and paratransit services. Sounder commuter rail service and rail access is fulfilled through a contract with Burlington Northern Santa Fe (BNSF); maintenance is provided through a contract with Amtrak. Department personnel are also responsible for transit asset management, facilities maintenance, service planning, customer service, and Americans with Disabilities Act accessibility. The department also manages security for all transit and administrative facilities through a contract with Securitas Services and an agreement with the King County Sheriff's Office.

### 2015 Activities and Accomplishments

New bus operating agreements with Community Transit and Pierce Transit were executed in June, and the current King County Metro agreement was completed in December 2015. Many departmental activities in 2015 were focused on supporting Link expansion, including adapting to a new SCADA system for train control and reporting, training staff, and supporting contractors. Other activities included testing and implementing the new positive train control system to improve Sounder safety, implementing a new Maintenance Management Information System for Link maintenance, and embarking on a fuel efficient driving program with Community Transit bus operators. The department also coordinated with King County, the City of Seattle, Community Transit, and the Washington State Department of Transportation on integrated service changes.

### 2016 Budget Highlights

The Operations Department budget includes four new positions for 2016 to support higher levels of transit services and an expanded number of facilities to manage and maintain.

The Services budget increased by \$11.8 million, driven primarily by increases in security services, the Downtown Seattle Transit Tunnel costs, Facilities Maintenance, Consulting Services, and Utilities.

- Security services are anticipated to increase by \$3.7 million to support Link expansion to University of Washington Station to the north, and Angle Lake Station to the south.
- Downtown Seattle Transit Tunnel costs are anticipated to increase by approximately \$3.1 million to support the expansion of Link service in the DSTT from eight to ten trains per hour with six minute headways.
- Facilities Maintenance is anticipated to increase by \$1.7 million to support 14 mid-life maintenance/repair projects at various stations, as well as increases to current contractual values, plus escalation.
- Professional & Technical and Other Services are anticipated to increase by \$1.5 million, to include Job Order Contracts and engineering consultant support.
- Utilities are anticipated to increase by \$930 thousand to cover increasing traction power costs and utilities at new stations related to Link expansion.

Purchased Transportation Services are anticipated to increase by \$17.4 million to support service expansion across three Sound Transit modes in 2016.

- ST Express will add 19,750 service hours over two service changes to relieve overloads and increase efficiencies due to traffic congestion. An initial 17,000 hours will be added in March 2016, followed by the remaining 2,750 hours in September 2016.
- Sounder will add one more round trip between Seattle and Lakewood in September 2016.
- Link will begin revenue service north to Capitol Hill and the University of Washington and south to Angle Lake in 2016.

OPERATIONS

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$7,174	\$7,290	\$7,750	\$8,166	\$876	12.0%
Benefits	4,448	4,818	5,027	5,105	287	6.0
<b>Subtotal</b>	<b>11,622</b>	<b>12,108</b>	<b>12,777</b>	<b>13,271</b>	<b>1,163</b>	<b>9.6</b>
<b>Services</b>						
Advertising Fees	0	1	0	0	(1)	(100.0)
Professional & Technical	369	219	246	1,784	1,565	713.1
Temporary Services	113	2	36	143	141	6,709.5
Contract Maintenance	23,304	22,801	23,153	29,265	6,464	28.3
Security & Safety	13,154	14,424	14,283	18,205	3,781	26.2
Other Services	1,147	1,283	1,232	1,179	(104)	(8.1)
<b>Subtotal</b>	<b>38,087</b>	<b>38,730</b>	<b>38,950</b>	<b>50,576</b>	<b>11,846</b>	<b>30.6</b>
<b>Materials &amp; Supplies</b>	<b>8,148</b>	<b>9,325</b>	<b>7,049</b>	<b>9,564</b>	<b>240</b>	<b>2.6</b>
<b>Utilities</b>	<b>3,494</b>	<b>3,650</b>	<b>3,850</b>	<b>4,580</b>	<b>930</b>	<b>25.5</b>
<b>Insurance</b>	<b>(7)</b>	<b>110</b>	<b>146</b>	<b>0</b>	<b>(110)</b>	<b>(100.0)</b>
<b>Taxes</b>	<b>1,855</b>	<b>1,928</b>	<b>2,088</b>	<b>2,142</b>	<b>214</b>	<b>11.1</b>
<b>Purchased Transportation Services</b>						
Paratransit	1,456	1,710	1,317	1,906	196	11.5
Purchased Transportation	125,155	133,989	131,019	151,155	17,166	12.8
<b>Subtotal</b>	<b>126,611</b>	<b>135,699</b>	<b>132,336</b>	<b>153,061</b>	<b>17,362</b>	<b>12.8</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	14	63	19	47	(16)	(25.3)
Travel & Meetings	117	102	98	106	4	3.8
Advertising & Promotion Media	4	1	1	3	2	266.7
Training	71	101	60	105	4	4.1
Other Miscellaneous	44	29	46	26	(3)	(9.6)
<b>Subtotal</b>	<b>249</b>	<b>296</b>	<b>225</b>	<b>287</b>	<b>(9)</b>	<b>(2.9)</b>
<b>Leases &amp; Rentals</b>						
Transit Way	5,449	5,410	5,740	7,267	1,857	34.3
General Administrative Facilities	553	476	541	596	121	25.4
<b>Subtotal</b>	<b>6,002</b>	<b>5,885</b>	<b>6,281</b>	<b>7,863</b>	<b>1,978</b>	<b>33.6</b>
<b>Department Total</b>	<b>\$196,062</b>	<b>\$207,732</b>	<b>\$203,701</b>	<b>\$241,345</b>	<b>\$33,614</b>	<b>16.2%</b>

## ***Planning, Environment & Project Development***

Planning, Environment & Project Development (PEPD) leads the initial project activities beginning with public outreach, environmental impact analysis, and system planning to ensure the integrity of our long-range plan, as well as potential future plans to be decided by voters. They provide preliminary engineering and environmental compliance pursuant to state and national regulations. Once project development is complete and project scopes are defined, project management responsibility shifts to the Design, Engineering & Construction Management (DECM) Department to oversee design and construction. In addition to project development, PEPD is responsible for the agency's sustainability programs and efforts to encourage residential and commercial development near transit stations.

### **2015 Activities and Accomplishments**

PEPD completed public outreach efforts focused on the Draft Priority Project List, including six open houses in the three-county region. The department has engaged in critical work regarding reducing storm water runoff from construction sites and important mitigation plans to reduce the amount of waste generated during the construction process. These efforts are driven by the agency's dedication to efficient project management, meeting or exceeding environmental requirements, and sustainability goals. They have obtained Federal Transit Authority (FTA) - National

Environmental Policy Act (NEPA) approval for Northgate Link Expansion and Tacoma Link Expansion, and the Final Environmental Impact Study (FEIS) has been issued for Lynnwood Link Expansion. As part of the department's goal to increase mass transit usage, reduced fare ORCA LIFT cards have been issued to 10,000 riders region-wide.

### **2016 Budget Highlights**

PEPD will focus on ST3 planning and corridor development this year, resulting in a considerable increase in planning and design work. The department is now fully staffed in anticipation of the upcoming workload, and no new temporary services or permanent position requests have been made for 2016. The staff is committed to integrating sustainability initiatives in our projects, and we are proud that the agency has become only the second transit agency in the nation to earn Platinum Level recognition from the American Public Transportation Association (APTA). A significant portion of the budget includes \$475 thousand for Professional & Technical consulting. Consulting services are intended to further study sustainable infrastructure design and construction techniques, waste reduction, and facility energy conservation. The use of new technologies and alternative fuels could increase fuel efficiency and decrease carbon emissions. These strategies are crucial for reducing the agency's ecological footprint.



PLANNING, ENVIRONMENT & PROJECT DEVELOPMENT

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$3,743	\$4,150	\$3,583	\$4,099	\$(51)	(1.2%)
Benefits	2,152	2,461	2,275	2,635	174	7.1
<b>Subtotal</b>	<b>5,895</b>	<b>6,611</b>	<b>5,858</b>	<b>6,734</b>	<b>123</b>	<b>1.9</b>
<b>Services</b>						
Professional & Technical	535	605	411	475	(130)	(21.5)
Temporary Services	0	3	0	0	(3)	(100.0)
Contract Maintenance	211	283	107	0	(283)	(100.0)
Other Services	3	6	1	3	(3)	(53.0)
<b>Subtotal</b>	<b>749</b>	<b>897</b>	<b>519</b>	<b>478</b>	<b>(420)</b>	<b>(46.7)</b>
<b>Materials &amp; Supplies</b>	<b>4</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>(1)</b>	<b>(16.0)</b>
<b>Utilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.0</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	8	13	7	16	3	21.7
Travel & Meetings	26	44	33	66	22	51.4
Advertising & Promotion Media	0	1	1	1	(0)	(20.0)
Training	9	23	21	25	2	8.8
Other Miscellaneous	0	1	0	1	(0)	(20.0)
<b>Subtotal</b>	<b>43</b>	<b>81</b>	<b>63</b>	<b>108</b>	<b>27</b>	<b>33.1</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	0	2	0	3	1	40.0
<b>Subtotal</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>40.0</b>
<b>Department Total</b>	<b>6,692</b>	<b>7,599</b>	<b>6,444</b>	<b>7,329</b>	<b>\$(270)</b>	<b>(3.6%)</b>

## Transit Modes

Transit Mode budgets for 2016 total \$262.8 million, \$34.4 million or 15.1 percent higher than the 2015 Adopted Budget total of \$228.4 million. In 2016, Sound Transit expects to surpass 41.5 million boardings by providing over 821 thousand vehicle service hours across our four transit modes of service.

Transit Mode costs include operations and vehicle maintenance provided primarily through contracts with our transit agency partners. Sound Transit employees perform only Tacoma Link operations and maintenance. Our light rail, commuter rail, and express bus services are supported by 31 rail stations, six ST-owned transit centers, and five ST-owned park-and-ride lots. Sound Transit also operates through numerous facilities owned by other agencies. Expansion of service in 2016 will add three light rail stations and a parking facility.

Beginning with the Adopted 2016 Budget, all costs are reported by the department that manages them. The Transit Mode budgets shown in this section represent all operating budget activities associated with the mode, including agency overhead. Modal budgets are comprised of costs managed primarily by Operations, Finance & Information Technology, and Communications and External Affairs departments.

Operations Department staff manage our facilities, overseeing hundreds of contractors including many small and minority-owned businesses. Information Technology Division staff installs, repairs, and maintains ticket vending machines, closed-circuit television (CCTV) cameras, automatic passenger counters, passenger information systems, and other technology used in the delivery of service. The Marketing & Creative Services Division manages all advertising and promotions, including our attendance

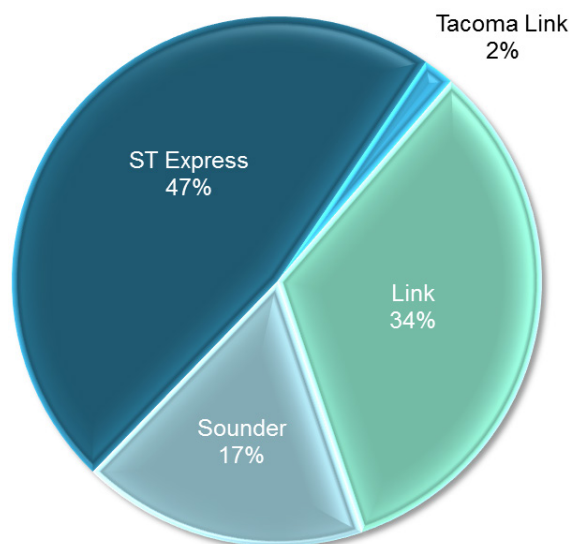
at community events and festivals to promote public transit ridership.

Readers may be interested in two other companion documents that also incorporate the Adopted 2016 Budget for the Transit Modes and provide subsequent five-year financial estimates of operating and maintenance costs. The first is the Adopted 2016 Transit Improvement Plan (TIP), which contains discussion of projected costs for the Transit Modes and capital projects that will enhance revenue service during the TIP time period. The second is the Service Implementation Plan (SIP) prepared by the Service Planning division, which includes service levels for each mode and expenditure forecasts for the same six-year period. The 2016 SIP provides the service plan detail on which the Adopted 2016 Budget is based.

The chart below illustrates the share of each transit mode's budget to the total. ST Express budget makes up the largest portion of the Transit Modes with 47 percent of the budget, down from 51 percent of last year's total budget. Sounder's share of the total budget declined to 17 percent, compared to 19 percent in 2015. Tacoma Link's budget share remains the same as last year, at 2 percent of total. Link light rail's share of the budget increased from 28 percent last year to 34 percent of the total in 2016.

2016 BUDGET BY TRANSIT MODE (in thousands)	
Link	\$87,855
Sounder	45,726
ST Express	124,085
Tacoma Link	5,133
<b>Total</b>	<b>\$262,799</b>

TOTAL BUDGET BY TRANSIT MODE



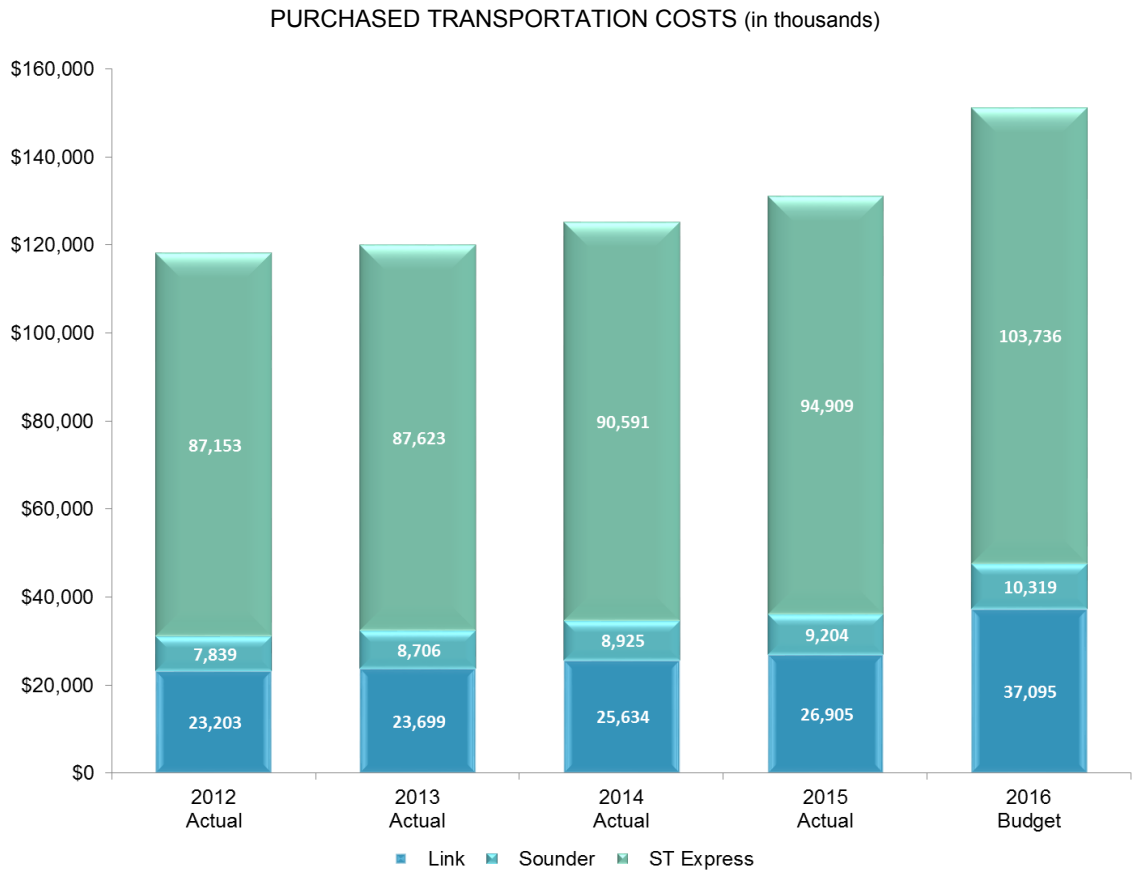
# TRANSIT MODES BUDGET SUMMARY

	2014	2015	2015	2016	Budget \$	Budget %
(in thousands)	Actual	Budget	Actual	Budget	Change	Change
<b>Salaries &amp; Benefits</b>						
Salaries	3,082	3,940	3,787	4,190	249	6.3
Benefits	1,884	2,412	2,370	2,603	191	7.9
<b>Subtotal</b>	<b>4,966</b>	<b>6,352</b>	<b>6,157</b>	<b>6,793</b>	<b>440</b>	<b>6.9</b>
<b>Services</b>						
Advertising Fees	73	85	82	85	(0)	(0.0)
Professional & Technical	463	443	171	896	453	102.1
Contract Maintenance	23,013	22,691	22,094	28,612	5,921	26.1
Security & Safety	13,014	14,305	14,175	18,075	3,770	26.4
Other Services	3,769	4,202	3,492	4,582	380	9.1
<b>Subtotal</b>	<b>40,332</b>	<b>41,727</b>	<b>40,014</b>	<b>52,251</b>	<b>10,525</b>	<b>25.2</b>
<b>Materials &amp; Supplies</b>	<b>8,116</b>	<b>9,262</b>	<b>6,955</b>	<b>9,462</b>	<b>200</b>	<b>2.2</b>
<b>Utilities</b>	<b>3,395</b>	<b>3,528</b>	<b>3,683</b>	<b>4,435</b>	<b>907</b>	<b>25.7</b>
<b>Insurance</b>	<b>1,904</b>	<b>5,357</b>	<b>4,381</b>	<b>5,323</b>	<b>(34)</b>	<b>(0.6)</b>
<b>Taxes</b>	<b>1,854</b>	<b>1,924</b>	<b>2,081</b>	<b>2,136</b>	<b>213</b>	<b>11.1</b>
<b>Purchased Transportation Services</b>						
Paratransit	1,456	1,710	1,317	1,906	196	11.5
Purchased Transportation	125,155	133,989	131,019	151,155	17,166	12.8
<b>Subtotal</b>	<b>126,611</b>	<b>135,699</b>	<b>132,336</b>	<b>153,061</b>	<b>17,362</b>	<b>12.8</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	1	43	1	3	(40)	(94.0)
Travel & Meetings	35	57	42	57	(0)	(0.2)
Advertising & Promotion Media	458	500	495	600	100	20.0
Training	48	78	14	46	(32)	(41.1)
Other Miscellaneous	42	28	45	25	(3)	(10.3)
<b>Subtotal</b>	<b>585</b>	<b>706</b>	<b>597</b>	<b>730</b>	<b>25</b>	<b>3.5</b>
<b>Leases &amp; Rentals</b>						
Transit Way	5,449	5,410	5,740	7,267	1,857	34.3
General Administrative Facilities	255	173	204	265	92	53.1
<b>Subtotal</b>	<b>5,705</b>	<b>5,583</b>	<b>5,943</b>	<b>7,532</b>	<b>1,949</b>	<b>34.9</b>
<b>Expense Transfers</b>						
Operations Department	0	0	4,991	5,831	5,831	100.0
Administrative Departments	13,959	18,275	11,401	15,244	(3,031)	(16.6)
<b>Subtotal</b>	<b>13,959</b>	<b>18,275</b>	<b>16,392</b>	<b>21,075</b>	<b>2,799</b>	<b>15.3</b>
<b>Transit Modes Budget Total</b>	<b>\$207,426</b>	<b>\$228,413</b>	<b>\$218,540</b>	<b>\$262,799</b>	<b>\$34,386</b>	<b>15.1%</b>

## Purchased Transportation

By far the largest budget item in the Transit Modes budget is purchased transportation services. This category of expense covers the negotiated agreements with our partners to deliver three of our transit modes: Link light rail, Sounder commuter rail, and ST Express

bus services. For these three modes, the costs of purchased transportation make up \$151.2 million, over 58 percent, of their total budgets for 2016. Tacoma Link is operated by Sound Transit employees and does not purchase transportation services. The cost trend for five years – 2012 through 2016 – is shown by mode in the chart below.



## Service Changes

Service increases for 2016 are planned for three of the agency's four modes:

- Tacoma Link has no service changes planned for 2016.
- Link extensions between Westlake and UW stations and from Airport to Angle Lake stations will begin in 2016.
- Sounder will add an additional round trip from Seattle to Lakewood in late 2016.
- ST Express hours will increase by 19,750, with additions in March and September to address overcrowding on some routes and to provide connections to new Link and Sounder services.

## 2016 RIDERSHIP FORECAST (in thousands)

Transit Mode	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Change from Actual	% Change
Link	10,938	11,800	11,708	17,200	5,492	46.91
Sounder	3,361	3,200	3,812	3,730	(82)	-2.15
Tacoma Link	974	960	981	950	(31)	-3.13
ST Express	17,670	17,583	18,314	19,500	1,186	6.48
Paratransit	56	67	46	70	24	52.06
<b>Total All Modes</b>	<b>32,999</b>	<b>33,610</b>	<b>34,860</b>	<b>41,450</b>	<b>6,590</b>	<b>18.9%</b>

## Ridership Forecast

2016 systemwide ridership is expected to pass the 41 million mark, 18.9 percent higher than 2015 boardings of 34.9 million. Projected ridership for 2016 is based on modal trends for 2015 through the second quarter, with added factors for newly planned service during 2016.

Tacoma Link ridership is expected to decrease 3.1 percent from the 2015 actual of about 981,000 after the implementation of this line's first passenger fares in the fourth quarter of 2016.

Link ridership is anticipated to rise sharply to 17.2 million, a 46.9 percent increase, as a result of new service to University of Washington and Angle Lake. Also, Link's current ridership growth trend on the existing system will continue.

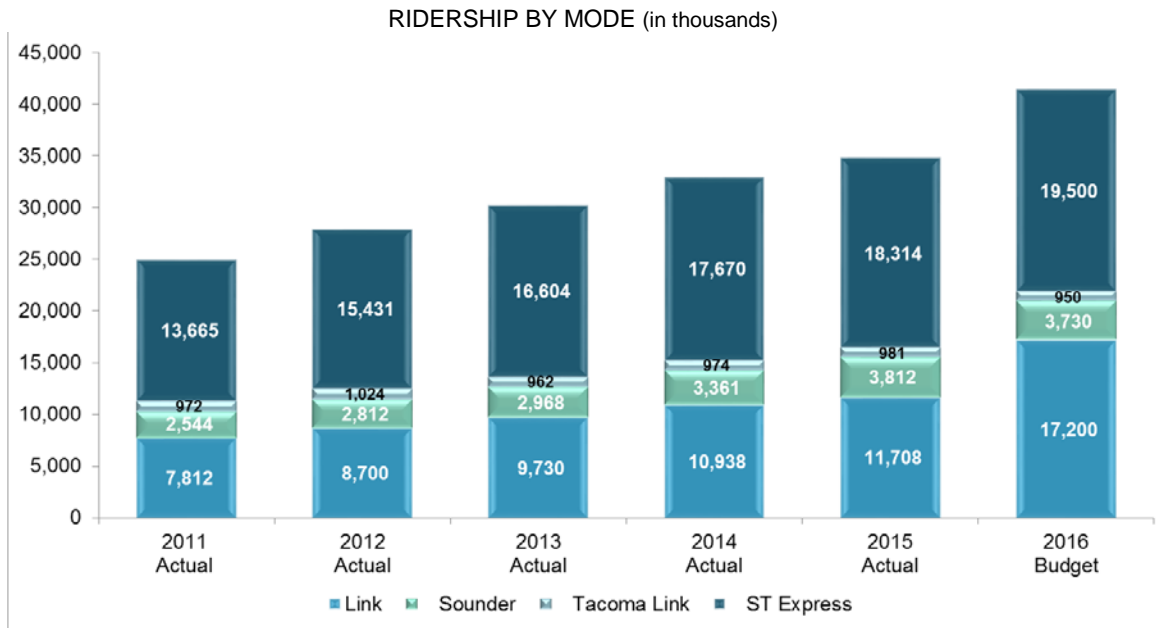
Sounder ridership is projected to decrease to 3.7 million, or 2.2 percent from 2015 actuals. However,

after the ridership projections were adopted mid-year, 2015 ridership rate increases on both North and South lines remained higher than anticipated. Also, the addition of one more round trip in September 2016 should contribute to Sounder surpassing the 2016 forecast.

ST Express ridership is expected to continue its steady growth, increasing to 19.5 million, or a 6.5% increase over 2015 boardings. Service hours are being added to address capacity issues on several routes during 2016.

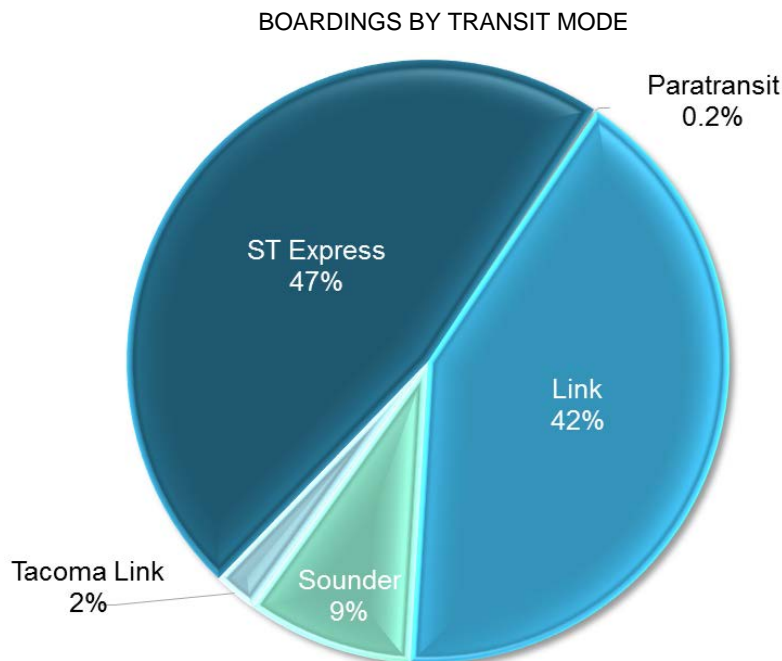
Paratransit ridership is expected to grow as Link services increase since it connects eligible people who are otherwise unable to connect to our buses and trains. Costs for paratransit are included with Link operations.





The 2016 budget forecast for ridership by mode is represented in the pie chart below, showing the estimated proportion of riders in each of Sound Transit's modes. These modal proportions may shift each year, depending on changes in service levels and other factors specific to each mode (service area population, employment centers, fare changes, etc.). Although three of the four modes will offer additional service and expect increased boardings in 2016, light rail service, with its higher passenger capacity and

additional stations, is projected to grow the most, from 34 percent of system boardings in 2015 to 41 percent of system boardings in 2016. ST Express, which last year carried a majority of ST system riders at 53 percent, is projected to carry 47 percent of boardings, still the largest passenger segment. Sounder will represent 9 percent of system boardings (down from 11 percent in 2015), and Tacoma Link will carry 2 percent (down from 3 percent in 2015).





*Zap Gridlock and a Sound Transit staff member celebrate Sounder's 15th.*

## Link Light Rail

In 2016, Link light rail trains will run between University of Washington and Angle Lake station in the city of SeaTac, serving 16 passenger stations, including the 4 stations in the Downtown Seattle Transit Tunnel, the SeaTac Airport station, and three new stations – Capitol Hill and University of Washington (March 2016) and Angle Lake (Fall 2016).

Sound Transit operates Link light rail out of our operations and maintenance facility in Seattle's SODO neighborhood. King County Metro (KCM) performs operations and maintenance of the system through an intergovernmental agreement. Agency staff oversees operations and maintenance of the trains. Sound Transit is directly responsible for security, spare parts, insurance, traction power, and other utilities. Agency Information Technology staff provide maintenance for ticket vending machines, security cameras, and other passenger related technology.

Beginning in 2016, KCM will employ 247 staff, including control center personnel, service supervisors, maintenance-of-way personnel, maintenance technicians, facilities custodians, and light rail operators. King County staff provides supervision and operations of the trains, maintenance of the vehicles, and maintenance of the stations and track facilities.

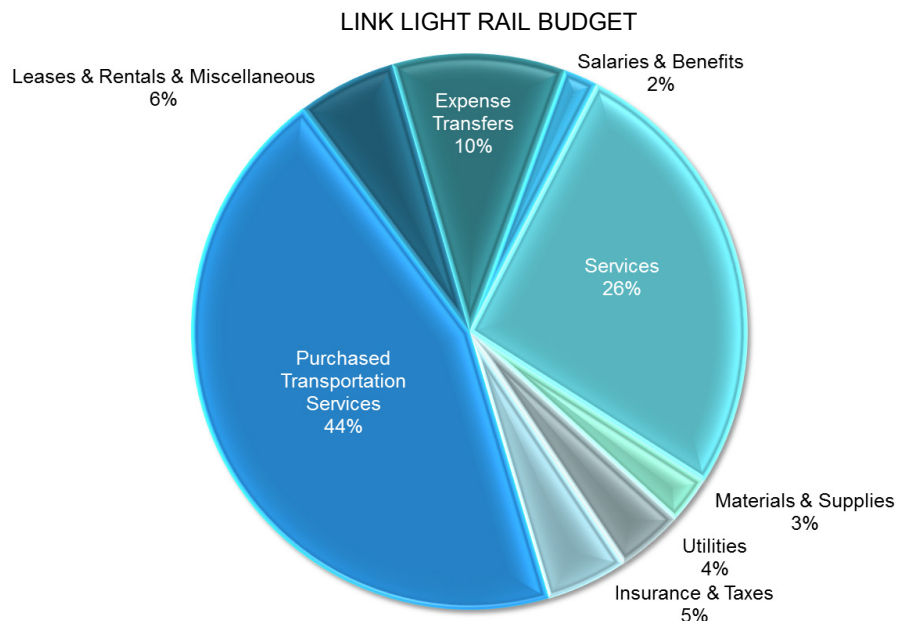
The Link fleet consists of 62 single-car vehicles, including 27 vehicles to accommodate the extension of service to the University of Washington and Angle Lake in 2016. Each of these vehicles has the capacity to carry 74 seated passengers plus another 74 standing passengers.

The 17.2 million boardings for 2016 represent a 45.8 percent increase over the 2015 budget. Increased service plus strong population growth in the Puget Sound area continue to push ridership upward.

### Link 2016 Budget Highlights

The budget for Link light rail is expected to increase 38.5 percent to \$87.9 million in 2016.

- Security services will increase by 52 percent, or \$4.5 million, due to expanded service to University of Washington and to Angle Lake. In addition to a larger geographic area to patrol, the extensions will add three stations and a large parking facility. Contract rate increases also account for a portion of the increase.
- Professional & Technical services will increase by \$483 thousand, or 191.7 percent, due primarily to engineering consulting support for facilities repair projects.
- Purchased Transportation Services will increase 29.2 percent, or \$8.8 million over 2015 budget, due to increased operating and maintenance costs associated with the Link expansion. The higher 2016 budget is being driven by an increase in the number of King County Metro staff that operate Link as well as an increase in the contract rate.
- Agency Administrative expense allocations are forecast higher by 71.5 percent, or \$3.7 million, over last year due to a higher base budget, excluding Purchased Transportation Services.

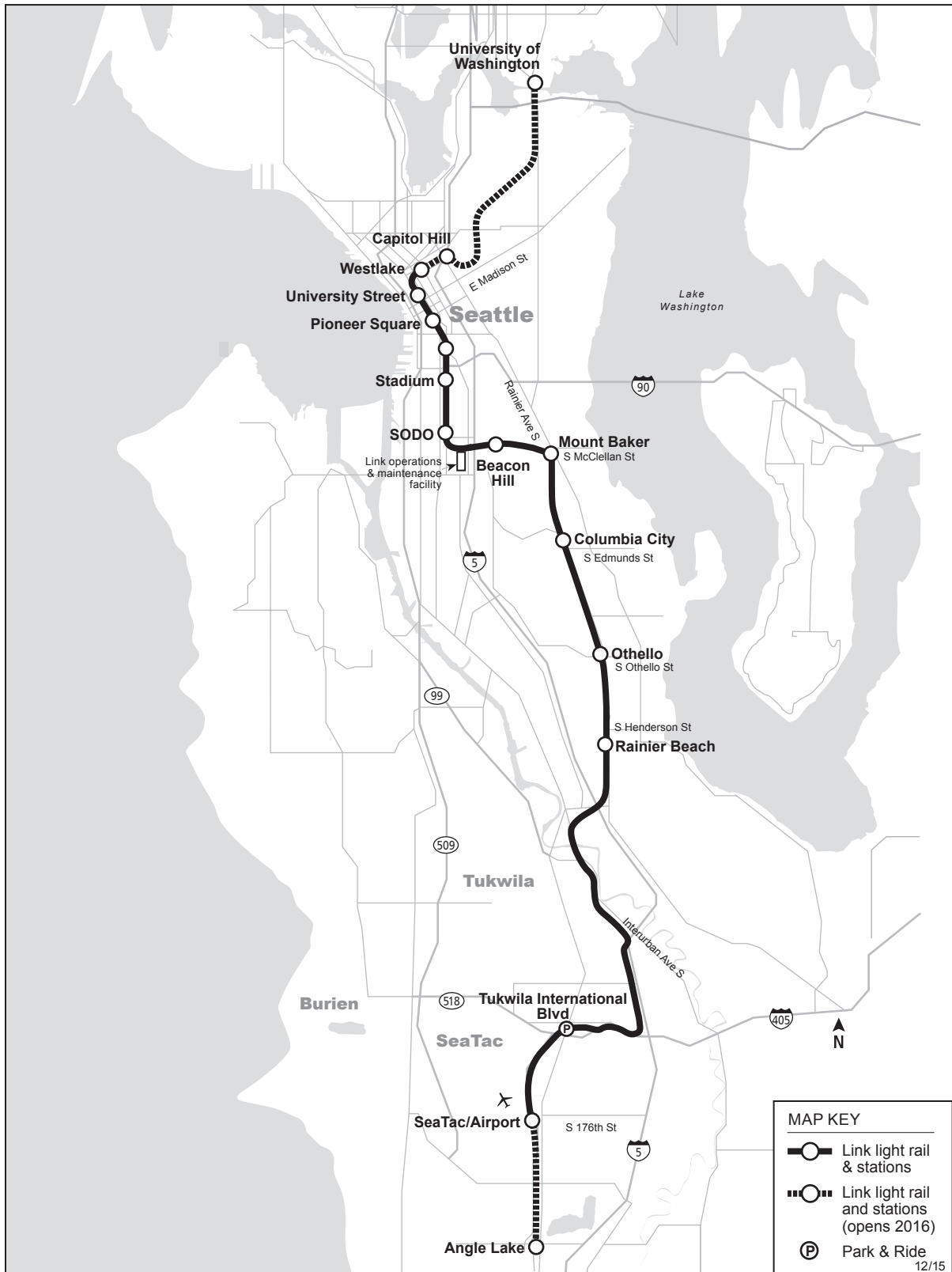


LINK

(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$815	\$1,010	\$996	\$1,091	\$81	8.0%
Benefits	462	618	633	693	75	12.1
<b>Subtotal</b>	<b>1,276</b>	<b>1,629</b>	<b>1,629</b>	<b>1,785</b>	<b>156</b>	<b>9.6</b>
<b>Services</b>						
Advertising Fees	24	28	27	28	(0)	(0.0)
Professional & Technical	272	252	80	735	483	191.7
Contract Maintenance	5,387	5,280	5,119	7,930	2,651	50.2
Security & Safety	8,432	8,561	8,591	13,013	4,452	52.0
Other Services	1,080	1,047	878	1,507	460	43.9
<b>Subtotal</b>	<b>15,196</b>	<b>15,168</b>	<b>14,696</b>	<b>23,214</b>	<b>8,046</b>	<b>53.0</b>
<b>Materials &amp; Supplies</b>	<b>1,901</b>	<b>2,214</b>	<b>2,289</b>	<b>2,431</b>	<b>216</b>	<b>9.8</b>
<b>Utilities</b>	<b>2,115</b>	<b>2,172</b>	<b>2,213</b>	<b>3,408</b>	<b>1,236</b>	<b>56.9</b>
<b>Insurance</b>	<b>1,488</b>	<b>3,504</b>	<b>2,358</b>	<b>3,567</b>	<b>63</b>	<b>1.8</b>
<b>Taxes</b>	<b>400</b>	<b>411</b>	<b>455</b>	<b>596</b>	<b>185</b>	<b>45.0</b>
<b>Purchased Transportation Services</b>						
Paratransit	1,456	1,710	1,317	1,906	196	11.5
Purchased Transportation	25,634	28,468	26,905	37,095	8,627	30.3
<b>Subtotal</b>	<b>27,090</b>	<b>30,177</b>	<b>28,222</b>	<b>39,001</b>	<b>8,823</b>	<b>29.2</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	0	1	0	1	0	3.0
Travel & Meetings	15	26	27	28	2	9.3
Advertising & Promotion Media	157	175	162	270	95	54.3
Training	4	16	1	11	(4)	(27.9)
Other Miscellaneous	1	0	0	0	0	0.0
<b>Subtotal</b>	<b>177</b>	<b>217</b>	<b>191</b>	<b>310</b>	<b>93</b>	<b>42.9</b>
<b>Leases &amp; Rentals</b>						
Transit Way	2,816	2,814	3,013	4,723	1,909	67.8
General Administrative Facilities	7	11	10	10	(0)	(2.6)
<b>Subtotal</b>	<b>2,823</b>	<b>2,825</b>	<b>3,022</b>	<b>4,733</b>	<b>1,909</b>	<b>67.6</b>
<b>Expense Transfers</b>						
Operations Department	0	0	1,421	2,166	2,166	100.0
Administrative Departments	3,998	5,136	3,914	6,645	1,509	29.4
<b>Subtotal</b>	<b>3,998</b>	<b>5,136</b>	<b>5,335</b>	<b>8,811</b>	<b>3,675</b>	<b>71.5</b>
<b>Mode Total</b>	<b>\$56,462</b>	<b>\$63,453</b>	<b>\$60,410</b>	<b>\$87,855</b>	<b>\$24,402</b>	<b>38.5%</b>

# LINK LIGHT RAIL SERVICE ROUTE





## Link Performance Statistics

Budget projections for 2016 show increased ridership and increased operating costs, which result in mixed performance statistics for Link.

- About 178,000 revenue vehicle hours are expected to be delivered, an increase of 22.1 percent over the 2015 budget. Cost per vehicle hour is expected to increase by 14 percent, from \$423.79 to 483.10.
- Ridership is forecasted at 51,800 weekday boardings and 17.2 million annual boardings, a 45.8 percent gain over the 2015 forecast resulting in a decrease in cost per boarding from \$5.23 to \$5.00, or 4.5 percent lower in 2016.
- Operating costs for Link (excluding Paratransit, which is not included in Link performance statistics) are projected to rise by 39.2 percent, to \$85.9 million, in 2016.
- Over 3.5 million revenue vehicle miles are planned for 2016, an increase of 31.9% over 2015 budget. Cost per revenue vehicle mile is projected to increase by 5.5 percent, from \$23.08 to \$24.36.

### LINK PERFORMANCE STATISTICS

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 v 2015 Budget
<b>SUMMARY DATA</b>					
<b>Service Provided</b>					
Revenue Vehicle Hours Operated	143,887	145,693	172,153	177,911	22.1%
Revenue Vehicle Miles Operated	2,697,521	2,675,000	2,759,825	3,528,190	31.9%
Revenue Train Hours Operated	72,032	75,005	84,299	94,692	26.2%
Trips Operated	90,500	90,500	93,004	100,664	11.2%
<b>Service Consumed</b>					
Total Boardings	10,937,099	11,800,000	11,707,604	17,200,000	45.8%
Average Weekday Boardings	33,054	35,300	35,683	51,800	46.7%
<b>SERVICE PERFORMANCE MEASURES</b>					
Total Boardings/Revenue Vehicle Hour	76.0	81.0	68.0	96.7	19.4%
Total Boardings/Trip	123	130	126	171	31.0%
Percentage of Scheduled Trips Operated	99.5%	98.5%	99.0%	98.5%	0.0%
Headway Management	94.2%	>90%	93.7%	>90%	0.0%
Complaints/100,000 Boardings	1.2	<15.0	1.2	<15.0	0.0%
Preventable Accidents/100,000 Service Miles	0	<0.3	0	<0.3	0.0%
<b>FINANCIAL PERFORMANCE MEASURES</b>					
<b>Fare Revenues</b>	\$15,872,737	\$15,386,000	\$18,152,813	\$24,424,100	58.7%
<b>Operating costs (less deprec. &amp; paratransit)</b>	\$55,005,820	\$61,743,181	\$59,093,300	\$85,948,466	39.2%
Cost/Revenue Vehicle Hour	\$382.28	\$423.79	\$343.26	\$483.10	14.0%
Cost/Revenue Vehicle Mile	\$20.39	\$23.08	\$21.41	\$24.36	5.5%
Cost/Revenue Train Hour	\$763.63	\$823.19	\$701.00	\$907.66	10.3%
Cost/Boarding	\$5.03	\$5.23	\$5.05	\$5.00	-4.5%
<b>Farebox Recovery</b>	28.9%	24.9%	30.7%	28.4%	14.0%

### **Sounder Commuter Rail**

Sounder commuter rail spans three counties, serving commuters making their way from Lakewood on the south end and Everett on the north end of central Puget Sound. Sounder service operates via a contract with Burlington Northern Santa Fe (BNSF), owner of the railway between Tacoma and Everett. Sound Transit owns the railway from M Street in Tacoma to Lakewood.

South line commuter service currently offers ten daily round trips between Seattle and Tacoma. Six of these round trips extend service to Lakewood. In late 2016 an additional round trip will be added between Lakewood and Seattle on the South line. North line Sounder service offers four daily round trips between Everett and Seattle. No service additions are scheduled for the North line in 2016.

Sounder service is supported by 12 stations and 11 parking facilities. The Sounder fleet consists of 14 locomotives, 40 coaches, and 18 cab cars that include an engineer's cab. Nine cab cars are expected to be delivered in late 2016. All vehicles are maintained by Amtrak at their Holgate Yard in Seattle during the day with overnight storage for the four North line trains in Everett and the six South line trains in Tacoma. Sounder also utilizes numerous other supporting contracts, such as services for security, station agents, and facilities maintenance.

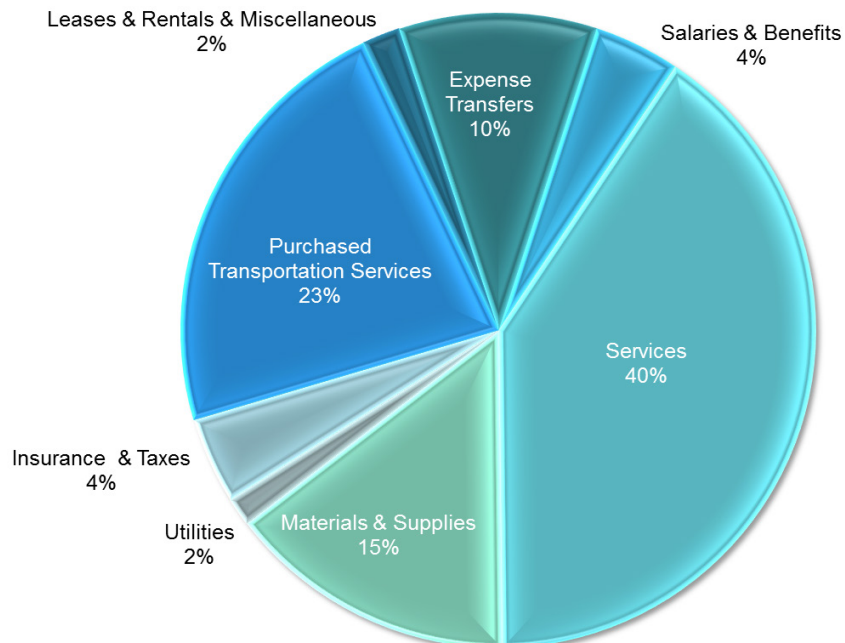
Sounder boardings in 2016 are expected to increase from 3.2 million budgeted in 2015, to 3.7 million in 2016, an increase of 16.6 percent.

### **Sounder 2016 Budget Highlights**

The 2016 Sounder budget is \$45.7 million, an increase of 5.0 percent, from \$43.6 million in 2015.

- Contract Maintenance is expected to increase \$2.2 million primarily due to increased costs of vehicle maintenance by Amtrak. In addition to a 2.5% rate increase, there will be nine additional vehicles in September 2016. Positive Train Control requirements will add \$70 thousand in operating and maintenance costs.
- Security and Safety costs are expected to decrease by \$618 thousand, or 20.2 percent, in the Sounder mode because of a proportional shift between modes due to Link using a larger share of resources with new station and facility openings in 2016. Part of the decrease to this mode was offset by contract rate increases.
- Purchased Transportation base costs charged by BNSF to operate our Sounder service are expected to increase \$887 thousand or 9.4 percent, due to an increase in contracted rates for service and the addition of another round trip in September 2016.
- Agency Administrative expense allocations will decrease by \$269 thousand or 5.5 percent in 2016 from last year due to a lower proportional allocation to Sounder modal budget.

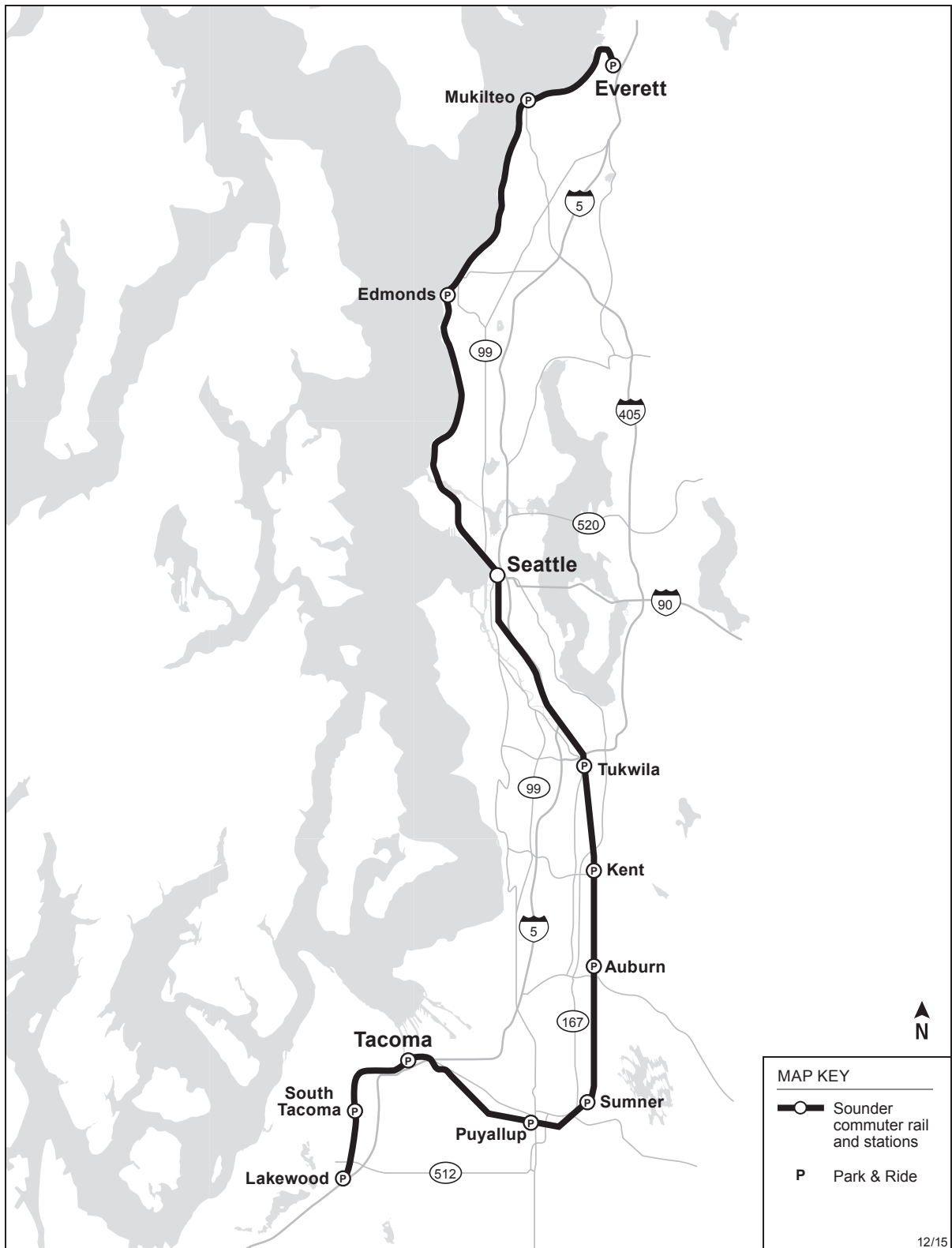
**SOUNDER COMMUTER RAIL BUDGET**



SOUNDER  
(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$766	\$1,022	\$1,116	\$1,235	\$212	20.8%
Benefits	437	608	708	777	170	27.9
<b>Subtotal</b>	<b>1,203</b>	<b>1,630</b>	<b>1,824</b>	<b>2,012</b>	<b>382</b>	<b>23.4</b>
<b>Services</b>						
Advertising Fees	24	28	27	28	(0)	(0.0)
Professional & Technical	132	124	54	107	(17)	(13.7)
Contract Maintenance	12,258	12,196	11,875	14,438	2,242	18.4
Security & Safety	2,856	3,063	2,920	2,445	(618)	(20.2)
Other Services	1,368	1,522	1,464	1,466	(56)	(3.7)
<b>Subtotal</b>	<b>16,639</b>	<b>16,934</b>	<b>16,340</b>	<b>18,484</b>	<b>1,550</b>	<b>9.2</b>
<b>Materials &amp; Supplies</b>	<b>5,876</b>	<b>6,768</b>	<b>4,491</b>	<b>6,749</b>	<b>(19)</b>	<b>(0.3)</b>
<b>Utilities</b>	<b>827</b>	<b>923</b>	<b>1,011</b>	<b>661</b>	<b>(262)</b>	<b>(28.4)</b>
<b>Insurance</b>	<b>296</b>	<b>1,275</b>	<b>1,657</b>	<b>1,177</b>	<b>(97)</b>	<b>(7.6)</b>
<b>Taxes</b>	<b>781</b>	<b>873</b>	<b>917</b>	<b>835</b>	<b>(39)</b>	<b>(4.4)</b>
<b>Purchased Transportation Services</b>						
Purchased Transportation	8,926	9,433	9,204	10,319	887	9.4
<b>Subtotal</b>	<b>8,926</b>	<b>9,433</b>	<b>9,204</b>	<b>10,319</b>	<b>887</b>	<b>9.4</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	0	1	0	1	0	44.0
Travel & Meetings	3	6	8	11	5	89.2
Advertising & Promotion Media	177	175	171	180	5	2.9
Training	2	12	2	5	(8)	(63.2)
Other Miscellaneous	42	28	45	25	(3)	(10.3)
<b>Subtotal</b>	<b>223</b>	<b>222</b>	<b>225</b>	<b>221</b>	<b>(0)</b>	<b>(0.2)</b>
<b>Leases &amp; Rentals</b>						
Transit Way	493	474	379	422	(52)	(11.0)
General Administrative Facilities	234	144	176	238	94	65.1
<b>Subtotal</b>	<b>728</b>	<b>618</b>	<b>555</b>	<b>660</b>	<b>42</b>	<b>6.8</b>
<b>Expense Transfers</b>						
Operations Department	0	0	1,194	760	760	100.0
Administrative Departments	3,385	4,876	2,869	3,847	(1,029)	(21.1)
<b>Subtotal</b>	<b>3,385</b>	<b>4,876</b>	<b>4,063</b>	<b>4,607</b>	<b>(269)</b>	<b>(5.5)</b>
<b>Mode Total</b>	<b>\$38,885</b>	<b>\$43,552</b>	<b>\$40,288</b>	<b>\$45,726</b>	<b>\$2,174</b>	<b>5.0%</b>

# SOUNDER COMMUTER RAIL SERVICE ROUTE



## Sounder Performance Statistics

- Operating costs for Sounder are projected to rise by 5.0 percent, to \$45.7 million, in 2016.
- In late 2016, we will have eleven daily round trips between Seattle and Tacoma, seven of which will go to Lakewood. We expect to deliver more than 56,000 service hours.
- Ridership is expected to be 3.7 million total boardings, a 16.6 percent rise, or 14 thousand boardings per weekday. This increase in ridership both improves farebox recovery and reduces cost per boarding. Farebox recovery is projected to increase to 25.3 percent from 22.4 percent last year. Cost per boarding will decrease to \$12.26 in 2016 from \$13.61 last year.
- Sounder cost per revenue vehicle hour is projected to decrease from \$853.97 in 2015 to \$814.36 in 2016, a decrease of 4.6 percent. This is driven by a 10.1 percent increase in the number of revenue vehicle hours operated.
- Sounder cost per vehicle mile is projected to decrease from \$25.69 in 2015 to \$24.50 in 2016, or 4.6 percent, driven by an increase in revenue vehicle miles operated.

## SOUNDER PERFORMANCE STATISTICS

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 v 2015 Budget
<b>SUMMARY DATA</b>					
<b>Service Provided</b>					
Revenue Vehicle Hours Operated	50,375	51,000	53,054	56,150	10.1%
Revenue Vehicle Miles Operated	1,603,802	1,695,000	1,662,963	1,866,151	10.1%
Trips Operated	7,048	7,340	7,270	7,362	0.3%
<b>Service Consumed</b>					
Total Boardings	3,361,318	3,200,000	3,812,040	3,730,000	16.6%
<b>Average Weekday Boardings</b>	12,744	11,628	14,567	14,022	20.6%
<b>SERVICE PERFORMANCE MEASURES</b>					
Total Boardings/Revenue Vehicle Hour	64	63	72	66	5.9%
Total Boardings/Trip	477	436	524	507	16.2%
Percentage of Scheduled Trips Operated	96.7%	>99.5%	98.9%	>99.5%	0.0%
On-time Performance	95.1%	≥ 95%	96.2%	≥ 95%	0.0%
Complaints/100,000 Boardings	7.6	<15	6.3	<15	0.0%
Preventable Accidents/1 Million Total Miles	0	≤1	0	≤1	0.0%
<b>FINANCIAL PERFORMANCE MEASURES</b>					
<b>Farebox Revenue</b>	\$10,464,741	\$9,765,000	\$11,037,534	\$11,563,000	18.4%
<b>Operating costs (less depreciation)</b>	\$38,884,663	\$43,552,314	\$40,287,656	\$45,726,001	5.0%
Cost/Revenue Vehicle Hour	\$771.90	\$853.97	\$759.37	\$814.36	-4.6%
Cost/Revenue Vehicle Mile	\$24.25	\$25.69	\$24.23	\$24.50	-4.6%
Cost/Boarding	\$11.57	\$13.61	\$10.57	\$12.26	-9.9%
<b>Farebox Recovery</b>	26.9%	22.4%	27.4%	25.3%	12.8%



### ST Express Bus

ST Express offers fast, frequent, two-way service on 28 routes along 20 corridors, connecting Snohomish, King, and Pierce Counties. Sound Transit provides this bus service via contracts with transit partners, including King County Metro (KCM), Pierce Transit (PT), and Community Transit (CT).

Sound Transit provides 309 buses to support ST Express service. The bus fleet is maintained by our transit partners KCM (119 buses), PT (129 buses), and CT (61 buses). ST Express provides service to 25 transit centers and 33 park-and-ride lots.

Service levels will be increased by 19,750 hours in 2016 to address overcrowding on some routes, primarily in East King County, as well as to provide connections to new Link and Sounder service.

The third year of a Regional Mobility Grant awarded to Intercity Transit has enabled us to continue the extension of Route 592 to the south, beyond Lacey, to Olympia. With the extension, we are able to provide six rush-hour trips each weekday between Seattle and Olympia.

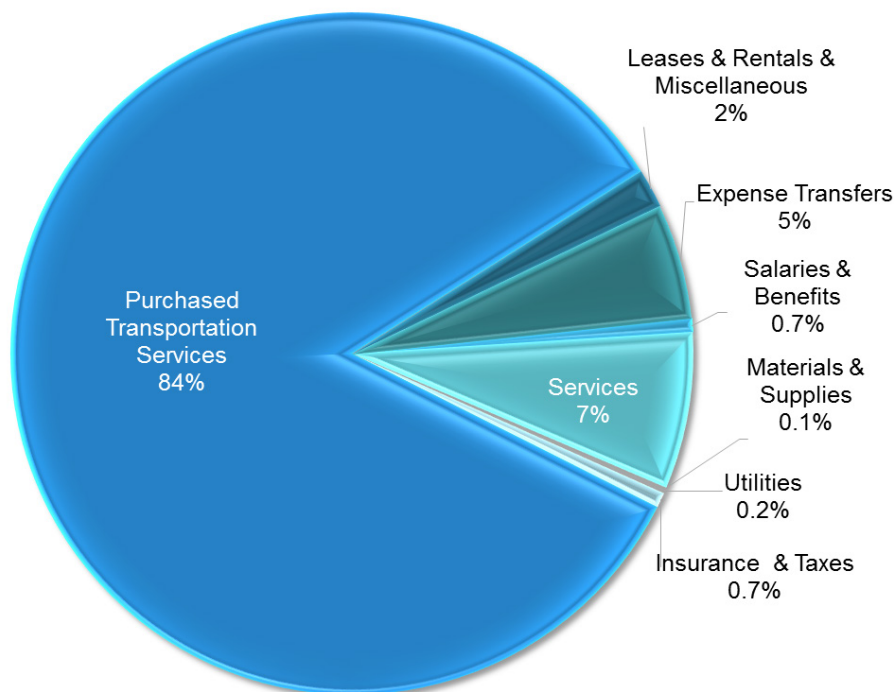
Boardings in 2016 are expected to continue a steady growth trend with an increase of 10.9 percent, or 1.9 million, over our 2015 budget.

### ST Express 2016 Budget Highlights

ST Express's 2016 budget will increase to \$124.1 million, up 6.3 percent, from \$116.8 million in the 2015 budget.

- Contract Maintenance is expected to increase by \$481 thousand, to \$5.3 million in 2016, as major repairs are scheduled at several ST Express stations.
- Security and Safety costs are expected to decrease by \$16 thousand, or 0.7 percent, in the ST Express mode because of a proportional shift between modes due to Link using a larger share of resources with new station and facility openings in 2016. Part of the decrease to this mode was offset by contract rate increases.
- Purchased Transportation Services are expected to increase by \$7.7 million or 8.0 percent. This increase reflects increased rates with all three transit partners, as well as an increase of 19,750 service hours during 2016.
- Agency Administrative expense allocations are forecast to decrease by \$763 thousand or 10.1 percent in 2016 from last year due to a lower proportional allocation to ST Express modal budget.

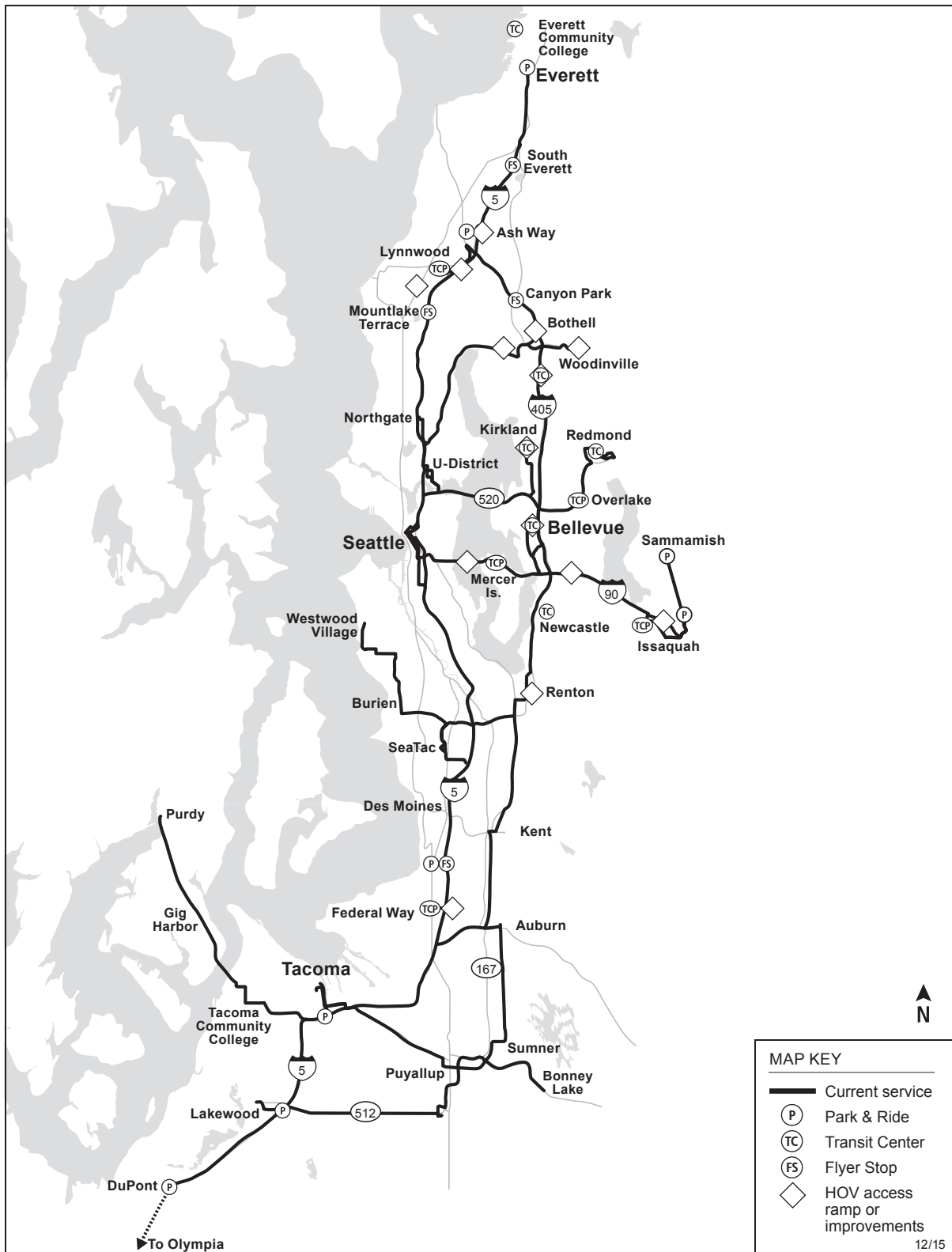
ST EXPRESS BUDGET



ST EXPRESS  
(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	\$3	\$544	\$423	\$526	\$(18)	(3.3%)
Benefits	193	274	269	300	26	9.4
<b>Subtotal</b>	<b>523</b>	<b>818</b>	<b>692</b>	<b>826</b>	<b>8</b>	<b>1.0</b>
<b>Services</b>						
Advertising Fees	24	28	27	28	0	0.0
Professional & Technical	31	36	28	36	1	1.9
Contract Maintenance	5,085	4,834	4,677	5,315	481	10.0
Security & Safety	1,352	2,216	2,211	2,200	(16)	(0.7)
Other Services	1,284	1,612	1,144	1,587	(26)	(1.6)
<b>Subtotal</b>	<b>7,776</b>	<b>8,726</b>	<b>8,087</b>	<b>9,166</b>	<b>440</b>	<b>5.0</b>
<b>Materials &amp; Supplies</b>	<b>234</b>	<b>113</b>	<b>70</b>	<b>106</b>	<b>(7)</b>	<b>(6.3)</b>
<b>Utilities</b>	<b>347</b>	<b>330</b>	<b>376</b>	<b>264</b>	<b>(66)</b>	<b>(20.0)</b>
<b>Insurance</b>	<b>(47)</b>	<b>195</b>	<b>138</b>	<b>214</b>	<b>19</b>	<b>9.8</b>
<b>Taxes</b>	<b>673</b>	<b>639</b>	<b>709</b>	<b>702</b>	<b>63</b>	<b>9.9</b>
<b>Purchased Transportation Services</b>						
Purchased Transportation	90,591	96,084	94,909	103,736	7,652	8.0
<b>Subtotal</b>	<b>90,591</b>	<b>96,084</b>	<b>94,909</b>	<b>103,736</b>	<b>7,652</b>	<b>8.0</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	0	41	1	1	(40)	(97.5)
Travel & Meetings	6	14	5	6	(8)	(58.8)
Advertising & Promotion Media	124	150	162	150	0	0.0
Training	0	0	10	0	(0)	(16.3)
<b>Subtotal</b>	<b>131</b>	<b>205</b>	<b>177</b>	<b>157</b>	<b>(48)</b>	<b>(23.4)</b>
<b>Leases &amp; Rentals</b>						
Transit Way	2,140	2,122	2,348	2,122	0	0.0
General Administrative Facilities	4	7	8	9	2	22.6
<b>Subtotal</b>	<b>2,144</b>	<b>2,129</b>	<b>2,356</b>	<b>2,131</b>	<b>2</b>	<b>0.1</b>
<b>Expense Transfers</b>						
Operations Department	0	0	2,081	2,788	2,788	100.0
Administrative Departments	5,757	7,545	4,003	3,995	(3,551)	(47.1)
<b>Subtotal</b>	<b>5,757</b>	<b>7,545</b>	<b>6,085</b>	<b>6,782</b>	<b>(763)</b>	<b>(10.1)</b>
<b>Mode Total</b>	<b>\$108,129</b>	<b>\$116,785</b>	<b>\$113,600</b>	<b>\$124,085</b>	<b>\$7,300</b>	<b>6.3%</b>

# ST EXPRESS BUS SERVICE ROUTE



## ST Express Performance Statistics

- ST Express cost per revenue vehicle hour is projected to increase from \$214.09 in 2015 to \$214.68 in 2016, an increase of 0.3 percent.
- We expect 19.5 million boardings in 2016, an increase of 10.9 percent from the 2015 budget. This yields a cost per boarding 4.2 percent lower than in 2015, a decrease from \$6.64 to \$6.36 per boarding.
- Operating expenses for ST Express are projected to rise by 6.3 percent, to \$124.1 million, in 2016.
- Revenue vehicle hours are expected to rise by 6.0 percent over 2015. Platform hours are planned to increase by 4.6 percent over 2015. A cost per platform hour rate of \$166.56 is expected in 2016, up 1.5 percent from 2015 budget cost of \$164.02.
- ST Express will deliver a planned 11,994,000 revenue vehicle miles in 2016, an increase of 3.6% over the 2015 budget. This will result in an increase in cost per revenue vehicle mile from \$10.09 to \$10.35 in 2016, due to operating costs increasing at a faster pace than mileage.

### ST EXPRESS PERFORMANCE STATISTICS

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 v 2015 Budget
<b>SUMMARY DATA</b>					
<b>Service Provided</b>					
Revenue Vehicle Hours Operated	575,262	545,500	562,319	578,000	6.0%
Revenue Vehicle Miles Operated	11,668,550	11,575,000	11,602,605	11,994,000	3.6%
Trips Operated	452,034	452,000	452,051	466,000	3.1%
Platform Hours	720,764	712,000	722,937	745,000	4.6%
<b>Service Consumed</b>					
Total Boardings	17,600,924	17,583,000	18,313,617	19,500,000	10.9%
Average Weekday Boardings	60,944	58,795	63,121	67,903	15.5%
<b>SERVICE PERFORMANCE MEASURES</b>					
Total Boardings/Revenue Vehicle Hour	30.6	32.2	32.6	33.7	4.7%
Total Boardings/Trip	38.9	38.9	40.5	41.8	7.6%
Percentage of Scheduled Trips Operated	99.9%	99.80%	99.9%	99.8%	0.0%
On-time Performance	85.9%	85.0%	82.2%	85.0%	0.0%
Complaints/100,000 Boardings	13.5	<15.0	14.8	<15.0	0.0%
Preventable Accidents/100,000 revenue miles	0.84	<0.80	0.8	<0.80	0.0%
<b>FINANCIAL PERFORMANCE MEASURES</b>					
<b>Farebox Revenues</b>	\$33,838,941	\$34,396,560	\$34,666,496	\$35,796,600	4.1%
<b>Operating costs (less depreciation)</b>	\$108,128,843	\$116,784,774	\$113,599,753	\$124,084,727	6.3%
Cost/Revenue Vehicle Hour	\$187.96	\$214.09	\$202.02	\$214.68	0.3%
Cost/Revenue Vehicle Mile	\$9.27	\$10.09	\$9.79	\$10.35	2.5%
Cost/Platform Hour	\$150.02	\$164.02	\$157.14	\$166.56	1.5%
Cost/Boarding	\$6.14	\$6.64	\$6.20	\$6.36	-4.2%
<b>Farebox Recovery</b>	31.3%	29.5%	30.5%	28.8%	-2.1%

### Tacoma Link Light Rail

Tacoma Link is a 1.6-mile light rail passenger line that runs through the heart of downtown Tacoma. There are six unique stations complete with artwork that reflects the history and community of Tacoma. Trains run every 12 minutes during peak hours and every 24 minutes at all other times.

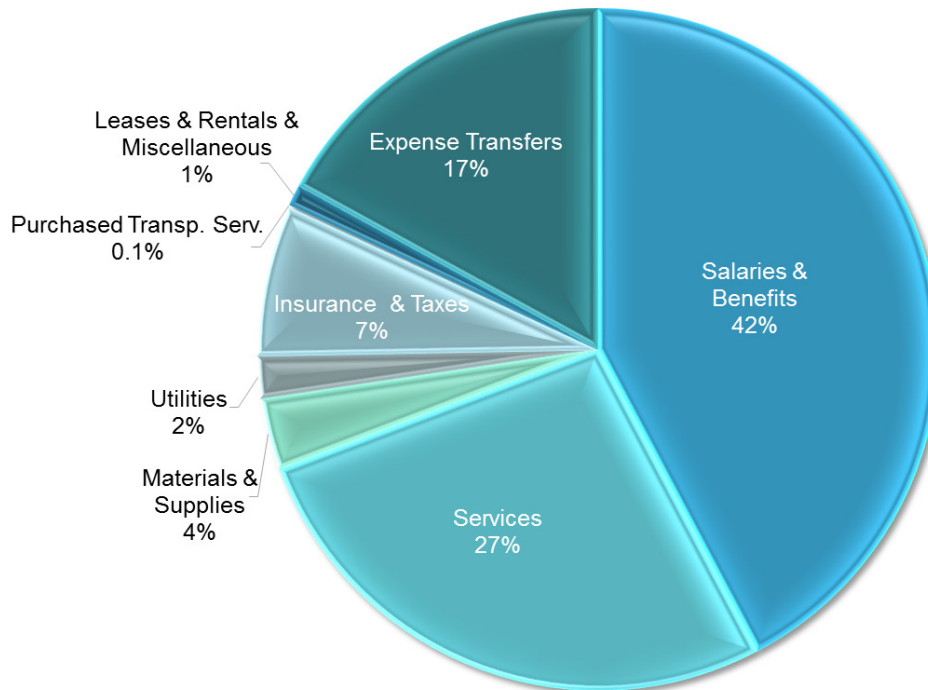
Sound Transit performs routine maintenance work out of our operations and maintenance facility in the Tacoma Dome District. We typically contract for track, signal, and station maintenance services.

### Tacoma Link 2016 Budget Highlights

The total 2016 budget is \$5.1 million, 11.1 percent higher than the 2015 budget.

- Contract Maintenance is higher by \$547 thousand driven by a \$350 thousand repair project for concrete failure along the system right-of-way. There is also an increase in light rail vehicle maintenance contracts of \$125 thousand to help maintain the aging fleet.
- Administrative expense allocations in 2016 are budgeted higher than 2015 by \$157 thousand, or 21.9 percent due to a higher base budget.

TACOMA LINK BUDGET

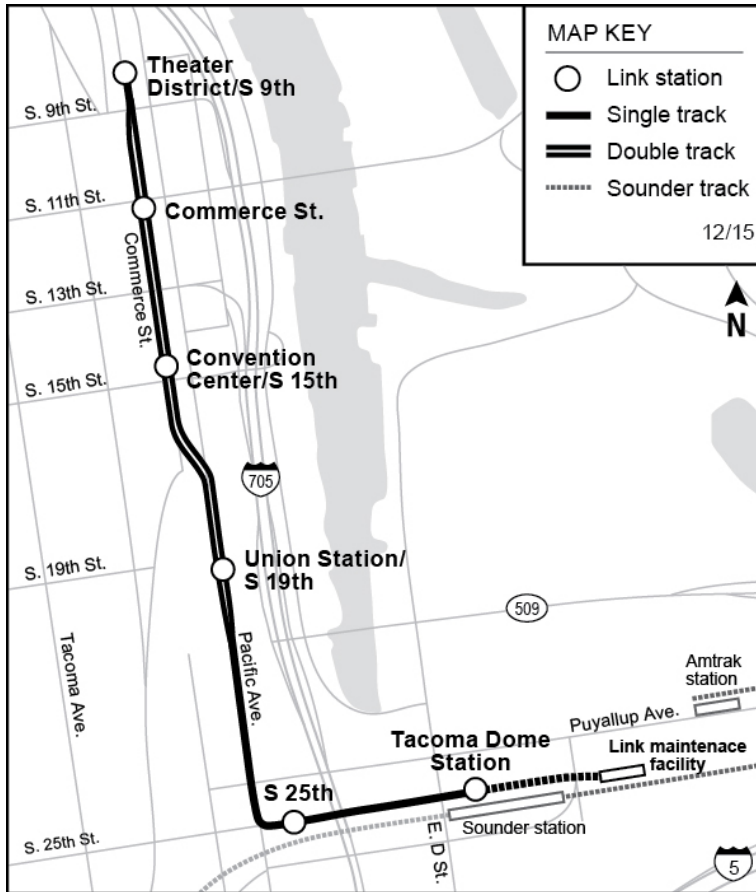


TACOMA LINK  
(in thousands)

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	Budget \$ Change	Budget % Change
<b>Salaries &amp; Benefits</b>						
Salaries	1,171	1,363	1,252	1,337	(26)	(1.9)
Benefits	792	912	761	832	(79)	(8.7)
<b>Subtotal</b>	<b>1,963</b>	<b>2,275</b>	<b>2,012</b>	<b>2,170</b>	<b>(105)</b>	<b>(4.6)</b>
<b>Services</b>						
Professional & Technical	29	31	10	18	(14)	(44.3)
Contract Maintenance	283	381	423	928	547	143.6
Security & Safety	375	465	453	418	(48)	(10.2)
Other Services	36	20	6	22	2	10.3
<b>Subtotal</b>	<b>722</b>	<b>898</b>	<b>891</b>	<b>1,386</b>	<b>488</b>	<b>54.3</b>
<b>Materials &amp; Supplies</b>	<b>105</b>	<b>167</b>	<b>106</b>	<b>177</b>	<b>10</b>	<b>5.9</b>
<b>Utilities</b>	<b>106</b>	<b>104</b>	<b>83</b>	<b>103</b>	<b>(1)</b>	<b>(0.8)</b>
<b>Insurance</b>	<b>167</b>	<b>383</b>	<b>227</b>	<b>365</b>	<b>(18)</b>	<b>(4.7)</b>
<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>100.0</b>
<b>Purchased Transportation Services</b>						
Purchased Transportation	4	5	0	5	0	0.0
<b>Subtotal</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0.0</b>
<b>Miscellaneous</b>						
Dues & Subscriptions	0	0	0	0	(0)	(62.5)
Travel & Meetings	11	12	2	13	1	4.2
Training	42	50	1	30	(20)	(40.0)
<b>Subtotal</b>	<b>53</b>	<b>62</b>	<b>3</b>	<b>43</b>	<b>(20)</b>	<b>(31.7)</b>
<b>Leases &amp; Rentals</b>						
General Administrative Facilities	10	11	10	8	(3)	(28.7)
<b>Subtotal</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>(3)</b>	<b>(28.7)</b>
<b>Expense Transfers</b>						
Operations Department	0	0	294	117	117	100.0
Administrative Departments	819	717	615	757	40	5.6
<b>Subtotal</b>	<b>819</b>	<b>717</b>	<b>910</b>	<b>874</b>	<b>157</b>	<b>21.9</b>
<b>Mode Total</b>	<b>\$3,951</b>	<b>\$4,623</b>	<b>\$4,243</b>	<b>\$5,133</b>	<b>\$511</b>	<b>11.1%</b>



# TACOMA LINK SERVICE ROUTE



*Link light rail catches spring in the Rainier Valley.*

## Tacoma Link Performance Statistics

Budget projections for 2016 show a slight decrease in ridership and an increase in operating costs, which results in a performance decline in 2016 when compared to 2015.

- Expected ridership is 950,000 boardings or an average of 3,234 per weekday. Ridership is projected to decrease slightly compared to the 2015 budget, resulting in an increase in cost per boarding from \$4.82 in 2015 to \$5.40 in 2016 or by 12.2 percent.
- Operating costs are projected to increase to \$5.1 million or 11.1 percent in 2016. Service will remain relatively unchanged; therefore, the cost per hour is expected to increase by 10.2 percent.
- Approximately 9,844 revenue vehicle hours are expected to be delivered, a 0.8 percent increase over 2015. The cost per revenue vehicle hour will increase from \$473.15 to \$521.48, an increase of 10.2 percent.
- Revenue vehicle miles are planned to increase 0.8 percent in 2016, to 76,291. The cost per revenue vehicle mile will also increase from \$61.05 in 2015 to \$67.29 in 2016, an increase of 10.2 percent.

### TACOMA LINK PERFORMANCE STATISTICS

	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 v 2015 Budget
<b>SUMMARY DATA</b>					
<b>Service Provided</b>					
Revenue Vehicle Hours Operated	9,784	9,770	9,857	9,844	0.8%
Revenue Vehicle Miles Operated	75,605	75,718	76,167	76,291	0.8%
Trips Operated	49,447	49,100	49,071	49,481	0.8%
<b>Service Consumed</b>					
Total Boardings	963,695	960,000	980,706	950,000	-1.0%
Average Weekly Boardings	3,286	3,400	3,326	3,234	-4.9%
<b>SERVICE PERFORMANCE MEASURES</b>					
Total Boardings/Revenue Vehicle Hour	98.5	98.3	99.5	96.5	-1.8%
Total Boardings/Trip	19.5	19.6	20.0	19.2	-1.8%
Percentage of Scheduled Trips Operated	99.9%	98.5%	99.9%	98.5%	0.0%
On-time Performance	99.9%	98.5%	99.9%	98.5%	0.0%
Complaints/100,000 Boardings	0.7	<15.0	0.2	<15.0	0.0%
Preventable Accidents/100,000 Service Miles	0.0	<1.7	0.0	<1.7	0.0%
<b>FINANCIAL PERFORMANCE MEASURES</b>					
<b>Operating costs (less depreciation)</b>	\$3,950,655	\$4,622,669	\$4,242,715	\$5,133,496	11.1%
Cost/Revenue Vehicle Hour	\$403.79	\$473.15	\$430.43	\$521.48	10.2%
Cost/Revenue Vehicle Mile	\$52.25	\$61.05	\$55.70	\$67.29	10.2%
Cost/Boarding	\$4.10	\$4.82	\$4.33	\$5.40	12.2%

# Project Budgets

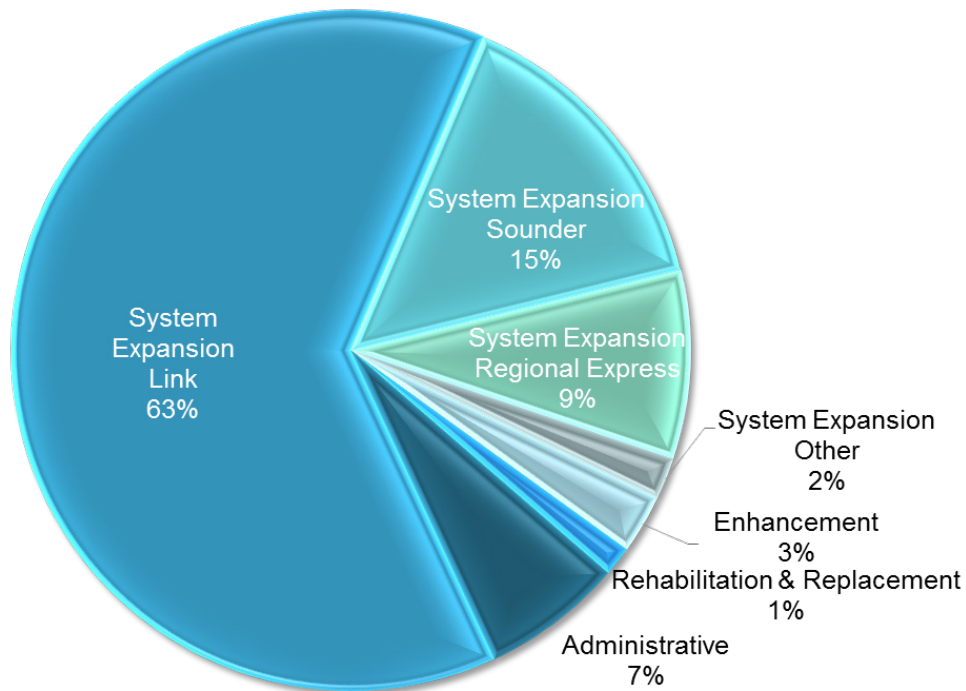
The annual budget for projects is \$947.0 million for 2016. The Transit Improvement Plan (TIP) includes history and forecasts for all Board-approved budgets of active projects. Both the Adopted Budget and TIP present projects by category (defined below) and then by program: Link, Sounder, Regional Express, and Other (non-mode specific).

## PROJECT BUDGETS

(in thousands)

<b>System Expansion</b>	
Link	\$599,809
Sounder	140,089
Regional Express	85,060
Other	18,546
<b>System Expansion Subtotal</b>	<b>\$843,504</b>
Enhancement	\$26,494
Rehabilitation & Replacement	13,290
Administrative	63,679
<b>Total</b>	<b>\$946,967</b>

## PROJECT BUDGET BY CATEGORY



### System Expansion

*Grow the regional mass transit system, specifically projects that are part of a voter-approved program — ST2 and Sound Move.*

#### System Expansion - Link 2016 Budget Highlights

Link light rail projects account for \$599.8 million or 63.3 percent of the total annual projects budget and include plans to:

- Start revenue service on University Link and South 200th Link extensions.
- Continue with final design and right-of-way acquisition for East Link Extension.

- Begin final design and continue right-of-way acquisition for Link Operations and Maintenance Satellite Facility (OMSF).
- Complete station final design and continue with tunnel construction, right-of-way acquisition, and design of track electrification, signals, and communication system for Northgate Link Extension.
- Begin final design and continue with planning for Federal Way and Lynnwood link extensions.

SYSTEM EXPANSION - LINK PROJECTS  
(in thousands)

Project	Description	2016 Activities	2016 Budget
East Link Extension	Extend light rail to East King County via I-90, from downtown Seattle to downtown Bellevue, and to the Overlake Transit Center in Redmond.	Continue final design and right-of-way acquisition. Begin heavy construction and tunneling work in Bellevue. Begin construction work in Redmond with the award of a design-build contract for the Bel-Red segment.	\$203,268
Enhancements to Tacoma Link Expansion	Provide Preliminary Engineering for transit improvements and station access enhancements, in conjunction with the Tacoma Link Expansion project.	Provide grant administration for a \$2,000,000 grant from the Federal Transit Administration. The City of Tacoma will manage the project and provide \$500,000 in local matching funds.	\$500
Federal Way Link Extension	Plan for expansion of light rail south of S. 200th to Federal Way.	Complete Final Environmental Impact Statement (FEIS) and Preliminary Engineering.	\$25,194
First Hill Streetcar	Provide a fixed contribution for the planning, design, and construction of a streetcar from Capitol Hill to the International District Station.	Complete processing of invoices related to final construction and systems testing.	\$137
Link Operations & Maintenance Satellite Facility	Develop, design, and construct a light rail operations and maintenance facilities to support link system expansion.	Commence final design and early ROW activities.	\$49,853
Lynnwood Link Extension	Extend light rail over 8.5 miles north from Northgate to Lynnwood.	Commence final design and right of way activities.	\$70,366
Northgate Link Extension	Extend light rail 4.3 miles from the UW Station north to Northgate.	Continue construction of tunnels and station boxes, complete utility relocation at Northgate, and demolition/remediation at Key Bank parcel. Complete station final design and continue systems design. Continue preconstruction work on station finishes. Complete major right-of-way acquisitions.	\$164,837
South 200th Link Extension	Extend light rail approximately 1.6 miles south from Sea-Tac/Airport Station to Angle Lake Station at South 200th Street.	Conclude construction of elevated guideway, Angle Lake station, 1,050 stall parking garage, and road improvements.	\$23,010
ST2 Light Rail Vehicle Fleet Expansion	Procure 122 new light rail vehicles (LRVs) to meet fleet requirements to support revenue service of all the ST2 light rail expansion projects.	Issuance of Notice to Proceed (NTP); contractor and subcontractor mobilization; submittal of preliminary schedules; approval of general vehicle drawings, and safety and test plans.	\$10,511
Tacoma Link Expansion	Expand Tacoma Link from north downtown Tacoma to the Stadium District and Hilltop, in cooperation with the city of Tacoma and Pierce Transit,	Begin procurement of final design consultant and coordinate the startup of final design activities.	\$7,452

Project	Description	2016 Activities	2016 Budget
University Link Extension	Extend light rail 3.15 miles from downtown Seattle to the University of Washington.	Finish Capitol Hill Station, systems installation, and start-up activities to achieve substantial completion. Begin revenue service.	\$40,561
Downtown Redmond Link Extension	Complete preliminary engineering to extend light rail approximately 3.7 miles from Redmond Technology Center Station (Overlake Transit Center) to Downtown Redmond with two planned stations.	Procure preliminary engineering consultant; perform design validation, value engineering, and risk assessment on the conceptual engineering design; and update environmental documents if necessary.	\$4,120
<b>Total System Expansion – Link</b>			<b>\$599,809</b>

### System Expansion - Sounder 2016 Budget Highlights

Sounder commuter rail projects are budgeted at \$140.1 million and include plans to:

- Continue preliminary engineering for station improvements at Puyallup and Sumner stations.
- Construct a second track adjacent to Sound Transit's existing main line between South Tacoma and Lakewood, a key component of the Point Defiance Bypass project.
- Complete final design and begin construction to replace Tacoma Trestle Bridge and expand the third layover track in Lakewood.
- Secure environmental permits and finalize wetland mitigation to enable additional Sounder service between Lakewood and Seattle.

### SYSTEM EXPANSION - SOUNDER COMMUTER RAIL PROJECTS (in thousands)

Project	Description	2016 Activities	2016 Budget
D St-M St Track & Signal	Design and construct a 1.4-mile rail extension between Tacoma Dome Station and M Street in Tacoma.	Complete minor drainage repairs, pedestrian safety items, and rail repairs required by the City of Tacoma prior to project closeout.	\$460
Lakewood Station Improvements	Design and construct a pedestrian overpass connecting Lakewood Station with the community northwest of the station, in partnership with the City of Lakewood.	Provide local grant match of \$100 thousand for station improvements and additional budget for associated administrative costs.	\$138
M St-Lakewood Track & Signal	Reconstruction of approximately 7 miles of existing track between M Street in Tacoma and Lakewood.	Complete boundary survey and project closeout.	\$5
Mukilteo Station, S Platform	Design and construct of a south boarding platform at Mukilteo Station.	Complete requirements to begin revenue service and perform right of way activities as required.	\$2,819

Project	Description	2016 Activities	2016 Budget
Point Defiance Bypass	Construct a new second track adjacent to Sound Transit's existing main line between South Tacoma and Lakewood. Upgrade Sound Transit's existing track between Lakewood and Nisqually. Make improvements at the connection to BNSF's main line near Nisqually and at some existing at-grade crossings.	Track and signal improvements from 66th Street in Tacoma to Nisqually.	\$52,482
Puyallup Station Improvements	Improve station access at Puyallup Sounder station.	Continue preliminary engineering and environmental review.	\$5,945
Sounder South Expanded Service	Purchase of four easements, track and signal improvements, and environmental permitting/mitigation for four additional daily round trips between Seattle and Lakewood.	Secure environmental permits through King County's Mitigation Reserve Program.	\$4,300
Sounder ST2 Fleet Expansion	Expand fleet to add trips between Seattle and Lakewood.	Purchase nine new passenger cab cars.	\$8,982
Sounder Yard & Shops Facility	Evaluate commuter rail vehicle storage and maintenance requirements and strategies to identify cost efficient ways to develop commuter rail operations and maintenance facilities.	Continue preliminary engineering, environmental planning, and site selection.	\$4,786
Sounder Yard Expansion	Increase track capacity at the layover facility in Lakewood to store up to seven train sets.	Complete final design and begin construction under a design-build contract.	\$11,405
Sumner Station Improvements	Improve station access at Sumner Sounder station.	Continue preliminary engineering and environmental review.	\$1,173
Tacoma Trestle Track & Signal	Design and build additional track, bridge and station platforms between Tacoma Dome Station and near M Street in Tacoma.	Complete final design and right-of-way acquisition. Begin construction.	\$46,868
Tukwila Station	Design and construct permanent boarding platform, parking, and station amenities.	Complete follow-on work. Project is substantially complete.	\$727
<b>Total System Expansion – Sounder</b>			<b>\$140,089</b>



### System Expansion - Regional Express 2016 Budget Highlights

Regional Express projects are budgeted at \$85.1 million and include continuation of construction of I-90 High-Occupancy-Vehicle (HOV) lanes and preliminary engineering for a new bus base.

#### SYSTEM EXPANSION REGIONAL EXPRESS PROJECTS

(in thousands)

Project	Description	2016 Activities	2016 Budget
Kirkland Transit Center/3rd	Design and construct transit center and intersection improvements in downtown Kirkland.	Close out project.	\$45
I-90 Two-Way Transit & HOV Operations, Stage 3	Provide two-way transit and HOV lanes eastbound and westbound on I-90 between 80th Avenue SE in Mercer Island and Rainier Avenue/I-5 in Seattle.	Upgrade fire life safety components in outer tunnels of I-90, to include fire suppression, upgraded exhaust fans and integration of system into WSDOT control center.	\$75,368
ST Express Bus Base	Planning and preliminary design for a bus operations and maintenance base to improve cost efficiency of ST Express Bus operations and maintenance.	Continue with preliminary engineering, environmental planning and permitting, and site selection.	\$587
ST Express Fleet Expansion	Increase the ST Express bus fleet by 27 buses to support an additional 32,000 peak service bus hours,	Order and accept delivery of 11 Compressed Natural Gas (CNG) buses and order 16 double decker buses for delivery and acceptance in 2017.	\$9,061
<b>Total System Expansion - Regional Express</b>			<b>\$85,060</b>

### System Expansion - Other 2016 Budget Highlights

Other projects are budgeted at \$18.5 million and include finalizing a new system expansion plan ballot measure for voters to consider in November 2016.

#### SYSTEM EXPANSION – OTHER (in thousands)

Project	Description	2016 Activities	2016 Budget
Fare Administration	Manage fares for Sound Transit. Support initiatives for generating earned revenue from services such as parking and concessions. Fund upgrades to the ORCA system.	Source an ORCA parking integration solution that allows validation of parking with ORCA cards for the parking permit program. Execute strategic planning initiatives in support of ORCA 2 as established by the Joint Board.	\$1,494
Fare Collection	Facilitate capital maintenance, support, and software/hardware upgrades and enhancements that ensure reliable and cost effective performance of fare collection enforcement systems.	Maintain TVMs already placed in service by installing systemwide upgrades and software enhancements that prolong the useful life of the TVM system and increase machine performance. Develop software and purchase hardware necessary to provide electronic citation equipment to fare enforcement officers.	\$788
Research & Technology	Assess and implement technologies to improve passenger safety, security, service, and information.	Continue work on regional data repository, develop real time customer facing applications, and improve station signage systems. Deliver real time web and mobile applications for Sounder and Link passengers.	\$2,727
ST3 Planning	Plan next expansion of the regional transit system beyond Sound Move and ST2 programs. Develop project estimate methodologies, system alternatives, project priority list, and ridership forecasting, as well as election costs in support of a November 2016 public vote.	Develop project estimate methodologies, systems alternatives, project priority list, ridership forecasting, and administrative election cost estimates for a November 2016 public vote.	\$11,968
STart	Integrate public art into Sound Transit projects.	Manage public art development process for ten East Link stations, three Northgate Link stations, Angle Lake Station, Capitol Hill Station, and two locations along the Sounder Lakewood corridor as well as temporary art to mitigate construction impacts at the Northgate Link stations.	\$1,254
STart Operations & Maintenance	Maintain Sound Transit art installations, including documentation, monitoring, cleaning, and repairing.	Restore existing art installations at Kent Station, repair art at Sumner Station, and repaint lamp posts on Pacific Overpass in Everett.	\$250

Project	Description	2016 Activities	2016 Budget
Central & East HCT Study	Identify and evaluate high capacity transit alternatives in the following corridors: Ballard to U-District, U-District to Kirkland to Redmond, Eastside Rail Corridor, I-405 Bus Rapid Transit, Kirkland to Bellevue to Issaquah.	Evaluate alternative modes, alignments and station locations. Develop ridership forecasts. Develop conceptual design and cost estimate. Prepare summary reports.	\$65
<b>Total System Expansion – Other</b>			<b>\$18,546</b>

### Enhancement

*Improve the public's riding experience, increase the system's functionality, or reduce operating costs.*

### Enhancement 2016 Budget Highlights

Enhancement projects are budgeted at \$26.5 million and include plans to:

- Finalize Positive Train Control system testing, which is scheduled to start up in September 2016.
- Install a second light rail vehicle lift at Link Operations and Maintenance Facility.
- Facilitate transit oriented development near transit stations.

### ENHANCEMENT PROJECTS (in thousands)

Project	Description	2016 Activities	2016 Budget
<b>LINK</b>			
Central Link Card Readers	Install card readers on Central Link facility doors to improve security and eliminate the need to physically issue keys to all staff requiring access.	Complete card reader installation.	\$379
Central Link HVAC - Instrument House and UPS Room	Install air conditioning in uninterruptable power supply (UPS) rooms and signal houses to reduce the potential impact of high temperatures on system operation components.	Procure right-of-way for space to install equipment in support of the design, and installation of the HVAC systems.	\$853
Central Link Overhead Catenary System Tie Switch	Install tie switches to connect overhead catenary system (electrical lines that power light rail trains) sections so traction power substations can be inspected and maintained without interrupting Link service.	Acquire materials and complete a portion of the work, pending the start of revenue service for University Link and South 200th Link extensions.	\$150
Link Remote Switch Heaters	Install remote switch heaters to maintain all-weather capability for light rail between Tukwila and Westlake.	Install remote switch heaters at Rainier Beach and Stadium stations.	\$200
LRV On Board Energy Storage	Design, procure, and install energy storage units on vehicles for capturing and storing energy generated by vehicle braking to lower energy consumption and reduce operating costs.	Complete installation of energy storage units.	\$93

Project	Description	2016 Activities	2016 Budget
Noise Abatement	Install rail lubricators, grind rails, erect noise barriers, and retrofit residential properties to reduce noise near rail lines in Tukwila and Rainier Valley.	Complete residential noise insulation installation and monitoring of noise levels to ensure regulatory compliance along the Initial Segment alignment.	\$26
Non-revenue Support Vehicles	Purchase additional or replacement maintenance vehicles that support operations and maintenance work.	Replace four and purchase two additional maintenance vehicles. Take delivery of specialty Boom Truck.	\$1,006
Signage Improvements	Upgrade signage at existing Link and Sounder stations and Ticket Vending Machine (TVM) locations to improve wayfinding to reflect system expansion.	Design, fabricate, and install upgraded signage at King Street and International District/Chinatown stations and reface TVMs to reflect system expansion.	\$843
Tacoma Link Fare Collection	Implement fare collection for Tacoma Link.	Implement ticket sales and fare enforcement for Tacoma Link. Install and commission ticket vending machines. Conduct public outreach.	\$392
Link CCTV System Upgrade	Replace Closed Circuit Television (CCTV) system video recorders and central storage servers to be compatible with the new system installed for University Link and South 200th Street extensions and to ensure the system can continue to be supported.	Install new video recorders and central storage services for Closed Circuit Television (CCTV) compatibility upgrade.	\$700
<b>SOUNDER</b>			
Kent Station Parking Lot Paving	Improve unused ST property adjacent to Kent Station to provide overflow parking.	Complete site survey, environmental review, and construction of 39 parking spaces.	\$700
Kent Station Platform Lighting	Install energy efficient lighting at Kent Station.	Replace existing conventional lighting with energy efficient LED lighting.	\$236
Positive Train Control	Design and install remote operations monitoring and control system to minimize the risk of passenger train collisions.	Complete final testing and commissioning of fully operational positive train control system.	\$8,081
Puyallup Station LED Lighting	Install energy efficient lighting at Puyallup Station.	Replace existing conventional lighting with energy efficient LED lighting.	\$178
Sumner Station LED Lighting	Install energy efficient lighting at Sumner Station.	Replace existing conventional lighting with energy efficient LED lighting.	\$134
<b>REGIONAL EXPRESS</b>			
Bus Maintenance Facility	Enhance capacity to maintain Sound Transit's fleet.	Contribute funds to Pierce Transit for a maintenance base expansion study.	\$1,407
Pierce Transit Radio System Upgrade	Replace mobile radios on Sound Transit buses operated by Pierce Transit. Upgrade infrastructure to comply with Federal Communications Commission regulations by December 2016.	Project completed. Any remaining funds are considered surplus.	\$438
ST Express Mobile Communications	Upgrade mobile communications systems to be compatible with our transit	Project completed. Any remaining funds are considered surplus.	\$220

Project	Description	2016 Activities	2016 Budget
	partners, ensuring safety and improving customer service planning information.		
<b>OTHER</b>			
Bike Locker	Install bike parking and other bike and pedestrian amenities at various Sounder, Link and ST Express stations.	Close out project.	\$161
Downtown Seattle Transit Tunnel Mitigation	Complete street improvements in Seattle to enable King County Metro buses to transition out of Downtown Seattle Transit Tunnel (DSTT) to accommodate an increase in light rail traffic.	Provide a fixed payment to fund Seattle street improvements.	\$1,728
OMF LRV Wash Heater System	Install a heating system within the OMF LRV washbay facility that includes overhead radiant heaters, water line heat tracing, and a small unit heater.	Design and install heater system.	\$195
Operations & Maintenance Facility LRV Vehicle Lift	Design, procure, and install a second light rail vehicle lift in the Link Operations & Maintenance Facility (OMF).	Design and award contract for installation of light rail vehicle lift.	\$2,475
Regional Parking Pilot Project	Test and evaluate parking management strategies to implement customer parking permits.	Close out project.	\$280
Transit Oriented Development Property Disposition	Prepare properties for sale or lease that have been identified as having potential for transit oriented development.	Assess joint development and public/private or public/public partnerships opportunities to develop Sound Transit owned sites near stations.	\$4,261
Union Station Garden Level Remodel	Renovate the Garden Level of Union Station to accommodate additional staff and consultants.	Complete renovations to increase work stations.	\$1,360
<b>Total Enhancement</b>			<b>\$26,494</b>

### **Rehabilitation & Replacement**

*Extend the life of existing transit system assets or replace those at the end of their useful life.*

### **Rehabilitation & Replacement 2016 Budget Highlights**

Rehabilitation & Replacement projects are budgeted at \$13.3 million and include plans to:

- Complete repairs to light rail vehicle gear units and traction motors.
- Overhaul Sounder locomotive engines to extend their useful life and improve energy efficiency.

REHABILITATION & REPLACEMENT PROJECTS  
(in thousands)

Project	Description	2016 Activities	2016 Budget
<b>LINK</b>			
Link Station Braided Tile Replacement	Demolish and reinstall braided wayfinding tile at five link stations:	Install and replace existing tiles as needed and complete project.	\$435

Project	Description	2016 Activities	2016 Budget
	Stadium, SODO, Columbia City, Othello and Rainier Beach.		
LRV Overhaul	Repair the gear units and traction motors on Sound Transit's fleet of light rail vehicles (LRVs) to eliminate the premature wear of the bearings in the traction motors and gear units.	Complete repairs to gear units and traction motors on ST's light rail vehicles.	\$3,787
Tacoma Link Announcement/Sign System	Replace outdated communications system.	Project completed. Any remaining funds are considered surplus.	\$29
Tacoma Link Light Rail Vehicle Overhaul	Repair, replace and overhaul Tacoma Link LRV's traction motor and truck per manufacturer's 375,000 mile overhaul guidelines.	Overhaul one of Tacoma Link's light rail vehicle's traction and truck and begin overhaul of a second vehicle.	\$372
<b>SOUNDER</b>			
Sounder Vehicle Overhaul Program	Overhaul locomotives, engines, train cars, and replace of passenger door motors.	Upgrade one locomotive to Tier-3 quality and two locomotives to Tier-0+ quality engine. Tier-3 being the higher standard.	\$5,301
Station Midlife Refurbishment Program	Refurbish stations that have been in service for fifteen or more years.	Rehabilitate Auburn Bus Loop, King Street Station, and Weller Street bridge.	\$650
<b>REGIONAL EXPRESS</b>			
Federal Way Post Tension Cable Repair	Remediate post tension cables that reinforce the structural slab at the Federal Way Transit Center Parking Garage. Remove failed grout pockets and replace the grease-filled caps.	Close project since it was determined to be unnecessary. Any remaining funds are considered surplus.	\$521
ST Express Fleet Replacement	Replace of 185 buses over the period 2013 through 2021.	Procure and accept delivery of single replacement bus.	\$824
<b>OTHER</b>			
IT Transit Systems	Rehabilitate and replace closed-circuit television (CCTV) and Passenger Announcement (PA) technology at Sounder and ST Express transit centers.	Upgrade closed circuit television (CCTV) and Passenger Announcement (PA) system upgrades at Sounder and ST Express transit centers. Upgrade automatic passenger count back office systems.	\$515
Small Works Program	Repair or replace in-service assets when the total cost is less than \$200,000.	Continue work in progress: Link OMF Entrance Gate Improvements, Canopy/Safety Cable Upgrades, Generator on Trailer for Sumner and Auburn, HVAC for Communications Room at Beacon Hill Station, and Wireless Microphone System for Sounder stations.	\$856
<b>Total Rehabilitation &amp; Replacement</b>			<b>\$13,290</b>



### **Administrative**

*Support transit projects and operations indirectly including administrative infrastructure and overhead expenses.*

#### **Administrative 2016 Budget Highlights**

Administrative Projects are budgeted at \$63.7 million and include plans to:

- Continue implementation of enterprise asset management system and human resource information management systems.
- Continue funding IT hardware and software programs to increase agency productivity and efficiency.

#### **ADMINISTRATIVE PROJECTS** (in thousands)

Project	Description	2016 Activities	2016 Budget
<b>OTHER</b>			
Administrative Capital	Maintain administrative facilities and purchase equipment or other assets to support administrative activities.	Procure and replace eight non-revenue administrative vehicles, replace asphalt shingle portion of Union Station roof, and procure furnishings for newly constructed maintenance of way building at the Link Operations & Maintenance Facility and other facilities in support of increased space needs.	\$1,097
Agency Administration Operating	Fund staff-related expenses that support projects and agency administration.	Fund department costs allocated to projects as administrative overhead that may be eligible for partial reimbursement from federal grants. Also, fund department costs that are unallocated.	\$60,104
Environmental Mitigation, Monitoring & Maintenance	Monitor and maintain post-construction environmental mitigation including groundwater and plant establishment.	Monitor and maintain mitigation maintenance activities at Tukwila, McKinley Park, and Ashway.	\$194
Information Technology Program	Invest in IT hardware and software to improve productivity and ensure system integrity.	Continue design and implement Enterprise Asset Management System (EAMS), maintain agency IT infrastructure, finalize implementation of the Human Resource Information Management System (HRIMS), replace eBid (vendor solicitation) system, and begin development of Business Intelligence program.	\$2,164
Surplus Property Disposition	Prepare agency-owned surplus property for sale. Includes properties not considered to have transit oriented development potential, due to size or location.	Prepare surplus properties for sale.	\$120
<b>Total Administrative</b>			<b>\$63,679</b>

# Other Budgets

For 2016 debt service costs of \$121.8 million include interest, principal repayments, and financing fees. Cash donations to other governments are budgeted at \$5.0 million. Reserves totaling \$69.0 million will be set aside in 2016 but are not included in the spending authorization request.

## Debt Service

As of December 31, 2015, Sound Transit has \$1.9 billion of outstanding long-term bonds. Bond proceeds finance construction of capital projects. Interest on long-term debt is capitalized to fixed assets to the extent that the underlying debt funds construction in progress; otherwise it is expensed.

Sound Transit executed a \$1.0 billion (including premiums) bond sale which closed on September 10, 2015. The bond sale generated \$601.1 million in new proceeds while \$433.8 million refinanced previously issued debt, generating present value savings of over \$30.0 million. \$150.0 million of the new issue are variable interest rate bonds.

For 2016 debt service is budgeted at \$121.8 million including:

- \$30.4 million of principal repayment
- \$91.1 million of capitalized interest
- \$0.3 million for financing expenses

## Legal Debt Limit

Sound Transit is currently authorized to incur debt in an amount equal to 1.5 percent of the value of taxable property within the service area without securing voter approval for bonds. Under state law, issuance of bonds payable from any type of tax is subject to statutory debt limitations. With approval of 60 percent of the region's voters, Sound Transit may incur aggregate indebtedness of up to 5 percent of the value of taxable property within the service area. Each county assessor in the service area is required to report to Sound Transit annually on the value of the property within its taxing district.

DEBT SERVICE REQUIREMENTS BY MATURITY\*  
(in thousands)

<b>Year Ending</b>			
<b>December 31, 2015</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$30,430	\$91,591	\$122,021
2017	33,235	90,053	123,288
2018	35,560	88,340	123,900
2019	39,520	86,408	125,928
2020	42,915	84,322	127,237
2021-2025	293,460	384,236	677,696
2026-2030	323,100	301,814	624,914
2031-2035	339,605	233,041	572,646
2036-2040	377,340	139,985	517,325
2041-2045	233,000	66,369	299,369
2046-2050	162,395	22,917	185,312
<b>Total</b>	<b>\$1,910,560</b>	<b>\$1,589,076</b>	<b>\$3,499,636</b>

\* Debt service requirements are maintained on a cash basis but are budgeted on an accrual basis, so there will be a slight budget variance. Debt service does not deduct for Build America Bond 35% subsidy on interest payments.

2015 DEBT CAPACITY STATUS FOR SOUND TRANSIT  
(in millions)

Assessed Valuation in 2014 for collection of taxes in 2015	\$	467,256
Maximum non-voted debt (1.5% of assessed valuation)	\$	7,009
Less: Existing Series Bonds and Other Long-Term Debt		<u>-3,241</u>
Non-voted debt capacity remaining	\$	3,768
Maximum voted debt (5% of assessed valuation)	\$	23,363
Less: Existing Series Bonds and Other Long-Term Debt		<u>-3,241</u>
Voted debt capacity remaining	\$	<u>20,122</u>

## Donations to Other Governments

Sound Transit makes donations to other governments in the form of non-cash capital assets or cash contributions for operations and maintenance. A \$5.0 million cash donation to the city of Seattle for First Hill Streetcar operating and maintenance expenses is budgeted for 2016 and annually through 2023.

## Reserves

Sound Transit maintains reserves in anticipation of future financial obligations. Amounts budgeted as reserves are not included in our spending authorization request. If reserved funds are to be used, the Board's approval is required in advance.

- \$3.0 million contribution to the emergency/loss reserve to cover the retention/deductible in the event of an insured loss. Reserve balance is currently \$11.9 million.
- \$5.6 million contribution to the insurance systemwide reserve, beginning in 2016, to partially pay for builders' risk insurance in conjunction with funds provided by building contractors.

- \$60.4 million for an operating reserve consisting of two months of operating expenses consistent with the Board-adopted financial policies.
- \$300 million minimum reserve is maintained by the agency for unanticipated expenditures that may be necessary to keep the system in good working condition. In addition, the agency also maintains a forecast of the funds necessary to repair and replace existing assets to keep the regional transit system in a "state of good repair" consistent with industry standards. These long-term estimates are included in the agency's long-term financial plan as a financial commitment. When such investments are identified as needed within the TIP time period, they are added to the budget and TIP as "repair and replacement" projects. The reserve balance is currently \$306.4 million.

# Appendix A – Budget Process

Sound Transit's budget process is structured to serve two purposes. Within the agency, the development of the budget provides a forum for joint planning of objectives and strategies, with executive and Board review of programs. For the region's citizens, the budget reports on the status of projects and services, detailing the agency's proposed activities and their costs for the coming year.

The internal process is a collaborative and iterative one, with the agency's senior management providing strategic direction and critical review, managers and project managers preparing resource proposals, and budget staff providing analysis and technical support for the process. Once the proposed budget and transit improvement plan have been published, the Sound Transit Board and the

public provide an external review of project and service proposals from a policy standpoint.

The annual budget process begins with business planning beginning in March, budget development beginning in May and with budget adoption anticipated in December. Major phases of this process are outlined below. In addition, a Service Implementation Plan is also prepared that guides the delivery of transit services and is approved by the Board.

Amendments to the budget after adoption require the CEO to submit a budget resolution to the Board. Amending the budget is required if spending is to exceed the total annual operating budget for the agency or the authorized budget for a capital project. Budget resolutions must be passed by a two-thirds majority vote of the Board.

## BUDGET PROCESS

	Business Planning
Mar – May	<ul style="list-style-type: none"> <li>Executive team sets strategic direction for the agency based on direction from the Board.</li> <li>Team of Senior Managers from across the agency update departmental business plans and identify initiatives to achieve the agency's strategy.</li> <li>Executive team reviews business plans and approves initiatives to move forward to budget.</li> </ul>
	Budget Development
May – June	<ul style="list-style-type: none"> <li>Managers prepare budget requests for all operating divisions and projects.</li> <li>Department Executive Directors review and approve their managers' budget requests.</li> <li>Budget staff review budget requests and work with departments to finalize budget submissions to the Deputy CEO.</li> <li>CFO presents key agency objectives, strategies, and performance measurements to the Board.</li> </ul>
	Internal Review
Jul - Aug	<ul style="list-style-type: none"> <li>Department Executive Directors present budget and position requests to Deputy CEO for review.</li> <li>Deputy CEO communicates new position and budget request decisions to departments and allows time for appeals.</li> <li>Deputy CEO presents the budget to CEO.</li> <li>CEO makes final decisions on proposed budget.</li> </ul>
	Proposed Budget Documentation
Aug - Sept	<ul style="list-style-type: none"> <li>Budget staff develop proposed budget and TIP documents.</li> <li>CEO presents the proposed budget to the Board.</li> <li>Operations Department executives present the Proposed Service Implementation Plan (SIP) to the Operations and Administration Committee who recommend to the Board for approval.</li> </ul>
	Board Review
Oct - Dec	<ul style="list-style-type: none"> <li>Finance staff provide budget and finance plan briefings to the various board committees and Citizen Oversight Panel.</li> <li>Board holds a public hearing on the budget.</li> <li>Budget staff prepare any necessary revisions to the proposed budget and brief committee members for their recommendation to the Board for approval.</li> </ul>
	Budget Adoption
Dec - Mar	<ul style="list-style-type: none"> <li>Board adopts the budget with revisions.</li> <li>Budget staff prepare the adopted budget and TIP publications.</li> </ul>

# **Appendix B – Financial Policies**

## **Sound Transit Financial Policies**

As Adopted May 31, 1996 (Resolution No. 72)  
As Amended April 13, 2006 (Resolution No. 72-1)  
As Amended May 24, 2007 (Resolution No. R2007-05)  
As Amended July 24, 2008 (Resolution No. R2008-10)\*

**The Sound Transit Board may amend these Financial Policies from time to time; the most current version of the Financial Policies is available at [www.soundtransit.org](http://www.soundtransit.org)**

### **PURPOSE**

The Sound Transit Board (“the Board”) adopted an initial framework for the financing of Sound Move, by setting local tax rates, focusing on minimal debt financing, requiring conservative projections for federal and state funding, and establishing a definition by which equity will be measured. The Financial Policies reflect the Board's policy intent for implementing the financial framework for completing *Sound Move* and subsequent System Plans and for providing the tools to the Board to appropriately manage toward and respond to future conditions.

### **LEGAL RESPONSIBILITIES**

In adopting these Financial Policies, the Board recognizes certain legal responsibilities. Existing state law grants all legislative and policy authority to the Board, and does not allow the Board to abrogate, transfer or delegate such authority to other agencies or to the five subareas within the Sound Transit District. Consequently, all funds collected by or provided to Sound Transit, including local tax revenues, federal and other government grants, bond proceeds, fare box revenues, interest earnings, and private development revenues, may be disbursed only with approval of the Board. Priorities for disbursements will be determined within Sound Transit's annual budgetary process, which by law requires a favorable vote by two-thirds of the Board.

Similarly, the Board recognizes that bonds issued by Sound Transit will be secured by a pledge of repayment through local taxes. When the bonds are issued, Sound Transit will enter a binding contract with its bondholders that requires a first claim against local tax revenues for repayment. Stated differently, bondholders will have a legal priority to Sound Transit's local tax revenues, above and beyond any commitment Sound Transit may wish to make with its subareas that no subarea will pay another subarea's debt. Therefore, these Financial Policies reflect Sound Transit's commitment to subarea equity while maintaining the flexibility necessary to manage the financing of the System Plan on a consolidated basis and within legal constraints.

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\* Resolution No. R2008-10 provides that these amended Financial Policies take effect upon the earlier of either the approval of local funding for the ST2 Plan by the voters at an election, or upon Board adoption of the amended Financial Policies by separate Resolution.

## **EQUITY**

### **Definition of equity**

Equity will be defined as utilizing local tax revenues for projects and services that provide transportation benefits to the residents and businesses in each of the subareas generally in proportion to the level of revenues each subarea generates. Subareas may fund projects or services located outside of the geographic subarea when the project substantially benefits the residents and businesses of the funding subarea. The Financing Plan for Sound Transit activities addresses this equity principle by providing a financial plan for each of the five Sound Transit subareas, comprised of the subarea's share of local taxes, bonding capacity, farebox proceeds and an assumption for federal funding. The five subareas are defined as Snohomish County, North King County/Seattle, East King County, South King County, and Pierce County. While the Financing Plan will be managed by the Board on a consolidated basis, the Board will report annually on individual subarea performance.

The Board agrees, therefore, that the facilities, projects and services identified in all voter-approved System Plans represent a reasonable definition of equity for purposes of satisfying both public policy concerns and statutory requirements. The Financial Plan for voter-approved System Plans will serve as the starting point for evaluating the equity principle.

## **IMPLEMENTATION POLICY**

### **Subarea Reporting**

1. The Financial Plan will provide projections for each of the five subareas, comprised of the subarea's projected share of local taxes, use of bonds, farebox proceeds, an assumption for federal funding and related expenditures.
2. Local taxes will be allocated for subarea reporting based on actual tax receipts collected by subarea and within the Sound Transit District. The annual Financial Plan will incorporate updated forecasts based on these actual receipts. A portion of local taxes from each subarea will be allocated to fund system-wide costs as identified by the Board.
3. For subarea reporting purposes, government funding that is received for a specific project or service will be allocated to subarea(s) on a basis consistent with the allocation of costs for the project or service, unless the board takes action to allocate the funds to other subareas as it deems in the best interest of Sound Transit after consideration of the funding needs to complete, enhance or extend the system plan.

For subarea reporting purposes, government funding that is received that is agency-wide or general in scope will be allocated by the board as it deems in the best interest of Sound Transit after consideration of the funding needs to complete, enhance or extend the system plan.

4. Miscellaneous revenues, such as those generated through private-public partnerships, advertising and terminal concessions will be allocated for subarea reporting based on subarea investment in the facility and/or service from which the revenue is generated.



5. Debt will be allocated for subarea reporting based on a subarea's share of total long-term bonding requirements or as otherwise directed by the Board as deemed in the best interest of Sound Transit.
6. Subarea expenditures will be allocated for subarea reporting based on facilities and services to be provided, their projected costs and project contingencies, associated operating costs, debt service, reserves for debt service, operations and maintenance and capital replacement. The allocation of expenditures for reporting purposes for facilities and services that cross subarea boundaries will be made by the Board to ensure safe and efficient operation of the system-wide facilities and services after due consideration to subarea benefits and priorities.

### **Monitoring function**

1. Sound Transit will establish a system that on an annual basis reports subarea revenues and expenditures. This monitoring and reporting function will be incorporated into Sound Transit's financial cycle. The Board may at its discretion conduct an independent assessment of the consistency of subarea reporting with Board policy guidance.
2. Sound Transit will appoint an advisory Citizen Oversight committee to monitor Sound Transit performance under these policies (see Public accountability below).

### **Adjustments to subarea projects and services**

1. Subarea capital projects and transit services will be evaluated and adjusted annually as a part of the Board's consideration and adoption of an annual budget which requires a two-thirds favorable vote of the Board. Adjustments to subarea capital projects and services can include additional priority projects and/or services within that subarea should funding be available. This adjustment process recognizes that some fluctuation in revenues and expenditures against forecasts will occur.
2. For those cases where a subarea's actual and projected expenditures exceed its actual and projected revenues and funding sources by 5 percent or greater, and/or where unforeseen circumstances occur which would result in an inability to substantially complete projects within such subarea's plan, the Board shall take one or more of the following actions:
  - Correct the shortfall through use of such subarea's uncommitted funds and/or bond capacity which is available to the subarea; and/or
  - Scale back the subarea plan or projects within the plan to match a revised budget; and/or
  - Extend the time period of completion of the subarea plan; and/or
  - Seek legislative authorization and voter approval for additional resources.
3. For those cases where a subarea's actual and projected revenue to be collected until the system plan is completed will exceed its actual and projected expenditures by five percent or greater, and/or where unforeseen circumstances occur which would result in the subarea's ability to fund additional projects and services not identified in the Plan, then Sound Transit may use such surplus funds to complete, extend or enhance the System Plan to provide transportation benefits for the subarea's residents or businesses as determined by the Board.

4. Contributions from other parties, including the State, local governments and private sector can be programmed by the Board to complete, extend or enhance the System Plan, consistent with agreements with the other party.

## **SYSTEM-WIDE EXPENDITURES**

The Board shall fund such system-wide expenditures as necessary to maintain and plan for an integrated regional transit system consistent with voter-approved System Plans. Such system-wide expenditures shall include fare integration, research and technology programs, future phase planning and agency administration and other such expenditures as determined by the Board to be appropriate. Properties authorized for purchase by the Board to preserve required right-of-way will be funded as a system-wide cost until such time as the right-of-way is utilized by a subarea(s), at which time the cost will be allocated to the subarea(s) consistent with Board approved allocation. System-wide expenditures, not funded by dedicated system-wide agency interest earnings, revenues or other specific funding sources, shall be allocated to subareas proportional to the subarea's share of total local tax revenues, population, benefits received, or on another basis as deemed appropriate by the Board.

## **DEBT MANAGEMENT**

### **Legal Definition of Sound Transit Debt Financing Capacity**

Sound Transit's enabling legislation defines Sound Transit's capacity for issuing general obligation debt at one and one-half percent of the value of the taxable property within the boundaries of the Sound Transit District (and with approval of three-fifths of voters voting within the Sound Transit District, up to five percent of the value of the taxable property within the district's boundaries). There is no dollar limit for revenue indebtedness.

### **Debt Service Coverage Requirements**

The Board recognizes that its future bondholders will hold first claim against taxes pledged as repayment for outstanding bonds. However, Sound Transit's debt financing capacity will be calculated on a more conservative basis, by evaluating all revenues and deducting total operating expenses for net revenues available for debt service.

For long-term planning purposes, Sound Transit agency debt service coverage ratio policy will be set at an average coverage ratio of 2.0x for net revenues over annual debt service costs, not to fall below 1.5x in any single year. However, as voter-approved plans are implemented, prudent changes to coverage ratios may be made by the Board as appropriate. Prior to bond issuance, Sound Transit will establish the appropriate debt service coverage ratio to incorporate into its bond covenants.

### **Uses of Debt Financing**

1. Debt financing for capital projects covers two distinct types of borrowing, the first related to long term debt financing, and the second related to short term debt financing.
2. Short-term debt financing (with terms of ten years or less) is expected to be used primarily to bridge the gap between the necessary timing of expenditures and the anticipated receipt of revenues.

3. The use of long term financing (with terms of more than ten years) is expected to be limited to capital and related costs for portions of the program that have a useful life in excess of the term of the debt. Long-term financing should be preserved for those aspects of the program for which other sources of funds are not likely to be available.

### **Allocation of Sound Transit Debt**

1. For reporting purposes, the amount of long-term debt financing used to benefit each of the subareas will be based on each subarea's ability to repay debt after covering operating costs. The Board may determine appropriate debt service limits by subarea.
2. While the above policy prescribes the use of debt financing for subarea reporting, the Board will manage the agency's debt capacity on a consolidated basis so as to maximize resources between subareas.

### **SETTING PRIORITIES FOR EXPENDITURES**

The Board will adopt expense budgets for transit operations and agency administration and maintain a multi-year capital improvement plan. A two-thirds vote of the Board is required for budget adoption. Sound Transit will establish guidelines for its budgeting process and criteria by which to establish priorities for expenditures.

### **FINANCIAL MANAGEMENT**

Sound Transit shall maintain policies for debt and investment management, risk management, capital replacement, fares and operating expenses and grants management so as to effectively manage voter-approved revenues and efficiently operate the regional public transit system.

### **PUBLIC ACCOUNTABILITY**

To ensure that the construction program development and implementation occurs within the framework and intent of these policies, Sound Transit will:

1. Conduct an annual independent audit of its financial statements in compliance with state and federal requirements;
2. Implement a performance audit program; and
3. Appoint and maintain an advisory citizen oversight committee, charged with an annual review of Sound Transit's performance and financial plan, for reporting and recommendations to the Board.

## **FUTURE PHASES**

### **Voter Approval Requirement**

The Board recognizes that the voter-approved taxes are intended to be used to implement the System Plan and to provide permanent funding for future operations, maintenance, capital replacement and debt service (“permanent operations”) for voter-approved programs and services. The Board has the authority to fund these future costs through a continuation of the local taxes authorized by the voters. However, as a part of its commitment to public accountability, the Board pledges that the local taxes will be rolled back to the level required for permanent operations and debt service after the voter-approved ST2 and *Sound Move* plans are completed and implemented. The rollback procedure is prescribed in the Tax Rate Rollback section. The Board further pledges that, after the voter-approved ST2 and *Sound Move* plans are completed any subsequent phase capital programs that would continue local taxes after the System is completed at tax rates higher than necessary for permanent operations will require approval by a vote of those citizens within the Sound Transit District.

### **Tax Rate Rollback**

When the voter-approved capital projects in ST2 and *Sound Move* are completed, the Board will initiate two steps to roll back the rate of sales tax collected by Sound Transit.

1. First, Sound Transit will initiate an accelerated pay off schedule for any outstanding bonds whose retirement will not otherwise impair the ability to collect tax revenue and complete ST2 or Sound Move, or impair contractual obligations and bond covenants. Sound Transit will implement a sales tax rollback to a level necessary to pay the accelerated schedule for debt service on outstanding bonds, System operations and maintenance, fare integration, capital replacement, and ongoing system-wide costs and reserves.
2. Once all debt is retired, Sound Transit will implement a tax rollback to a level necessary to pay for system operations and maintenance, fare integration, capital replacement and ongoing system-wide costs and reserves.

### **Financial Policies Review**

These Financial Policies may be amended from time to time as the Board deems necessary to implement and complete the System Plan. These policies, as they may be amended, will apply to future capital programs. The Financial Policies will be reviewed for applicability prior to any submittal of a future capital program to the Sound Transit District voters.

# Appendix C – Resolution R2015-36

## RESOLUTION NO. R2015-36

### Proposed 2016 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	12/17/15	Final Action	Brian McCartan, Executive Director Finance & Information Technology <b>Pete Rogness, Director, Budget and Financial Planning</b>

### PROPOSED ACTION

Adopts an annual budget for the period from January 1 through December 31, 2016, and adopts the 2016 Transit Improvement Plan.

### KEY FEATURES SUMMARY

- The Proposed 2016 Budget requests funding authorization of \$1.2 billion. This request is comprised of \$359.8 million for Operating budgets of which \$264.3 million will be charged to transit modes, \$802.9 million for Projects, and \$126.8 million for Other budgets (including debt service).
- The Proposed 2016 Transit Improvement Plan (TIP) totals \$15 billion and provides a long-term forecast of project and transit mode costs, plus reserves set aside for potential future expenditures. It contains \$12.9 billion in project lifetime budgets that have been approved by the Board in accordance with the Phase Gate process, and six-years of forecasted costs for Transit Operating Costs consistent with the Service Implementation Plan.
- The Proposed 2016 Budget would be funded by an estimated \$997.9 million in revenue and \$645.6 million in projected unrestricted cash balances available at the end of 2015.
- The Proposed 2016 Budget and Proposed 2016 TIP are fully affordable within the agency's existing revenue projections and financial policies.

### BACKGROUND

The Sound Transit Board adopts the Sound Transit's annual budget and the transit improvement plan, which contains the agency's budget for revenue and financing, administrative expenses, transit operations, and capital and other projects. Sound Transit's annual budget and TIP are organized by three primary program areas: Operating (including transit modes), Projects, and Other. Sound Transit's annual budget and fiscal year runs from January 1st to December 31st.

The Sound Transit Board adopts a Transit Improvement Plan (TIP) that provides projected capital and operating expenditures for the construction and operation of the Sound Transit regional high-capacity transit system. The TIP contains information on scope, budget, and risk as well as changes in lifetime budget and schedule for all active phases of both capital and operating programs. Also included in the TIP for reference are summary-level six-year forecasts for Transit Mode expenses that reflect the forecasted cost of the detailed service plans contained in the annual Service Implementation Plan.

The resolution approves the following expenditures for 2016:

Operating Budgets - \$359.8 million includes:

- \$264.3 million for transit modes made up of \$5.1 million for Tacoma Link, \$87.6 million for

Link Light Rail, \$45.8 million for Sounder Commuter Rail and \$125.8 million for ST Express. The resolution authorizes expenditures at the modal level to exceed these levels by up to 2% so long as the total modal operating budget of \$264.3 million is not exceeded.

- \$95.5 million for administrative project support costs is distributed and recognized in Project Budgets.

Project Budgets - \$802.9 million for the delivery of projects:

System Expansion Projects - \$715.0 million which includes:

- \$133.2 million for Sounder
- \$480.3 million for Link
- \$83.1 million for Regional Express
- \$18.5 million for Other

Enhancement Projects - \$17.2 million

Rehabilitation and Replacement Projects - \$10.5 million

Administrative Projects - \$60.1 million

Other Budgets - \$126.8 million which includes:

- Debt Service - \$121.8 million
- Donations to Other Governments - \$5 million

The resolution also provides for the agency to reserve funds for the following purposes:

- \$5.6 million for the Insurance Systemwide Reserve
- \$60.0 million for an operating reserve equal to two months of operating expenses
- \$3.0 million for the Emergency/Loss Reserve

The resolution also includes estimated revenues of:

- \$708.4 million from Retail Sales and Use Tax
- \$83.6 million from Motor Vehicle Excise and Rental Car Taxes
- \$105.0 million from federal grants
- \$6.7 million from State and Local contributions
- \$72.0 million from farebox revenues
- \$10.3 million in interest earnings
- \$12.0 million in miscellaneous revenues

The resolution also authorizes:

- Amendments and cashflow changes approved by the Capital and Operations and Administration Committees and those adopted by the Board as part of this action. Approved amendments are shown in Attachment C.
- The authority to perform capital project phase changes, including shifting of budget authority between 2015 and 2016 for projects to reflect actual expenditure levels in 2015, provided such changes are authorized by the CEO and do not change the project's total lifetime project budget.
- Approval of changes to the lifetime budget for nine projects and the establishment of

seven projects with a lifetime budget increase of \$26 million which are included in the proposed TIP, or as amended by the board.

For 2016 budget management, staff will continue providing quarterly briefings to the Audit and Reporting Committee on budget and TIP progress to date.

## **FISCAL INFORMATION**

The Proposed 2016 Budget and Proposed 2016 Transit Improvement Plan are fully affordable within the agency's existing revenue projections and financial policies.

Sound Transit's Proposed 2016 Budget requests funding authorization totaling \$1,193,950,600 in operating expenditures and capital outlays. The agency's expenses and outlays will be funded by an estimated \$997,870,903 in revenue and other financing sources (on an accrual basis) and by a projected positive cash position in January 2016 of \$645,600,000.

## **SMALL BUSINESS PARTICIPATION**

Not applicable to this action.

## **EQUAL EMPLOYMENT WORKFORCE PROFILE**

Not applicable to this action.

## **PUBLIC INVOLVEMENT**

The Sound Transit Board reviewed the Proposed 2016 Budget and Proposed 2016 Transit Improvement Plan at public meetings that took place in September, October, and November. On October 22, 2015, a public hearing was held in order to provide an opportunity for testimony from interested members of the public.

## **TIME CONSTRAINTS**

A one-month delay would postpone adoption of the Proposed 2016 Budget into the 2016 fiscal year.

## **PRIOR BOARD/COMMITTEE ACTIONS**

Resolution No. R72-1: Rescinded Resolution 72 and amended the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund.

Resolution No. R2002-08: Adopted revised budget policies and superseded Resolution No. 98-4.

## **ENVIRONMENTAL REVIEW**

Jl 12/7/2015

## **LEGAL REVIEW**

JW 12/15/2015



**RESOLUTION NO. R2015-36**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2016, and adopting the 2016 Transit Improvement Plan.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit District on November 5, 1996, and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit is successfully building and operating the first and second phases of the regional transit system plan that were approved by voters in 1996 and 2008; and

WHEREAS, Sound Transit is meeting a high standard of public accountability through effective monthly progress reports and quarterly financial reporting; and

WHEREAS, the Sound Transit Board adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, the chief executive officer submitted a Proposed 2016 Budget and Proposed 2016 Transit Improvement Plan (TIP) for Board consideration; and

WHEREAS, the Proposed 2016 Budget and Proposed 2016 TIP are consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2008-10 and complies with the Budget Policies as adopted by Resolution No. R2002-08; and

WHEREAS, in 2010 the Sound Transit Board designated the Capital Committee and the Operations and Administration Committee as permanent committees with specific responsibilities, including reviewing proposed annual budgets and lifetime project budgets included in the TIP and providing recommendations to the Board; and

WHEREAS a public hearing was held on October 22, 2015, to take public testimony on the Proposed 2016 Budget and Proposed 2016 TIP; and

WHEREAS, at its December 3, 2015, meeting, the Operations and Administration Committee adopted Motion No. M2015-112 recommending the Proposed 2016 Operating budgets (including the transit modal budgets, debt service, cash donations to other governments, and contributions to reserves) and amendments approved by the Committee to the Board; and

WHEREAS, at its December 10, 2015, meeting, the Capital Committee adopted Motion No. M2015-121 recommending the Proposed 2016 Project annual and lifetime budgets and amendments approved by the Committee to the Board; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the Proposed 2016 Budget and Proposed 2016 TIP with amendments.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

(1) Section 1a – Debt Service. Sound Transit is authorized to incur \$91,412,463 in fixed and variable rate interest and fees on debt and \$30,430,000 in principal repayments for a total of \$121,842,463 for debt service on outstanding bonds, or such amounts as are contained in amendments to the Proposed 2016 Budget as adopted by the Board.

Section 1b – Operating Budgets. Sound Transit is authorized to incur \$359,768,619 in operating expenses, including transit mode budgets, and \$5,000,000 in cash donations to other governments.

Section 1c – Transit Modes. Sound Transit is authorized to incur \$264,251,768 of the total operating budget to operate its transit modes to include: \$125,823,029 for ST Express bus expenses; \$5,068,135 for Tacoma Link light rail expenses; \$87,596,429 for Link light rail expenses; \$45,764,175 for Sounder commuter rail expenses; or such amounts as are contained in amendments to the Proposed 2016 Budget as adopted by the Board. Expenditures against individual Transit Mode budgets for Sounder, Link, ST Express, and Tacoma Link may exceed the levels contained in the Adopted 2016 Budget for that mode by up to 2% provided the Transit Mode expenses for the total of the four transit modes do not exceed the total Board-approved budget amount of \$264,251,768, or such amount as is contained in amendments to the Proposed 2016 Budget as adopted by the Board. If expenditures for a mode are forecasted to exceed the modal budget by more than 2%, the CEO will seek Board adoption of a budget amendment.

Section 1d – Project Budgets. Sound Transit is authorized to incur a total of \$802,856,369 for project outlays, comprised of budgets for the following project types: System Expansion – Link \$480,292,150, System Expansion – Sounder \$133,167,962, System Expansion – Regional Express \$83,128,371 and System Expansion – Other \$18,455,219; Enhancement projects \$17,192,225; Rehabilitation and Replacement projects \$10,546,755; and Administrative projects \$60,073,687; or such amounts as are contained in amendments to the Proposed 2016 Budget as adopted by the Board.

Section 1e – Reserves. Sound Transit is authorized to place in reserve the following amounts; \$3,000,000 for Emergency/Loss; \$5,625,000 for Insurance Systemwide, and \$59,961,436 for Operations and Maintenance.

Section 1f – Revenues. The Proposed 2016 Budget projects the collection of \$997,870,903 in total revenues including Sales and Use Tax - \$708,393,610 and Motor Vehicle Excise Tax and Rental Car Tax - \$83,568,806, federal grants - \$104,988,257, state and local contributions - \$6,666,000, farebox collections - \$72,045,761, interest earnings - \$10,250,428 and miscellaneous revenues \$11,958,042 or such amounts as are contained in amendments to the Proposed 2016 Budget as adopted by the Board.

Section 1g – ORCA. The chief executive officer is authorized to incur \$2,812,040 for the regionally shared operation and maintenance costs under the Interlocal Agreement (ILA) for the ORCA fare collection system.

Section 2. The Proposed 2016 TIP includes project lifetime budget changes not previously adopted by the Board in the amount of \$26,046,060, including \$8,130,537 for existing projects and \$7,915,523 for new projects. The specific projects impacted are referenced in Attachment D – Changes to Lifetime Budgets in the TIP.

Section 3. The budget for the period January 1, 2016 to December 31, 2016 as set forth in Attachment A (Proposed 2016 Budget) and Attachment B (Proposed 2016 TIP) and the approved amendments and cash flow changes to the Proposed 2016 Budget and Proposed 2016 TIP in Attachment C together constitute the Adopted 2016 Budget and Adopted 2016 TIP as adopted by this Resolution.

Section 4. The Adopted 2016 Budget and Adopted 2016 TIP are not an exclusive authorization of expenses or capital outlays, except as specified in Section 1a – Debt Service and Section 1g – ORCA. Authorization of expenditures must comply with Resolution No. 78-2, Sound Transit's Procurement and Delegation of Authority Policy.

Section 5. The chief executive officer is authorized to conform and reformat the budget and TIP documents as necessary to uniformly present the information, to revise the Adopted 2016 Budget and Adopted 2016 TIP to correct nonmaterial errors, and to update the Subarea Allocations Appendix, to be consistent with Board actions.

Section 6. The chief executive officer is authorized to amend the Adopted 2016 Budget and Adopted 2016 TIP to allow for transfers between capital budgets and operating budgets with no net change in overall budgetary level, in order to comply with Generally Accepted Accounting Principles and Governmental Accounting Standards Board pronouncements. Staff will report any such changes to the Board on a quarterly basis.

Section 7. The chief executive officer is authorized to amend the fiscal year budget reflected in the published Adopted 2016 Budget and Adopted 2016 TIP to reflect actual expenditures for 2015, project phase changes for 2016, including shifting of budget authority between 2015 and 2016 for projects, provided the adopted total lifetime budget is not changed.

Section 8. The chief executive officer is directed to submit the Adopted 2016 Budget and the Adopted 2016 TIP to the Sound Transit Board Chair to ensure any amendments are accurately reflected.

Section 9. The chief executive officer is directed to provide the Board with regular budget reports and such information as may be necessary to compare actual financial performance with the Adopted 2016 Budget and Adopted 2016 TIP and to ensure conformance with the Financial Policies.

Section 10. The Board further authorizes the chief executive officer to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 17, 2015.

ATTEST:

  
Kathryn Flores  
Board Administrator

  
Dow Constantine  
Board Chair

**Resolution No. R2015-36**  
**Attachment C – Approved Amendments**

**Amendments approved by the Operations and Administration Committee on December 3, 2015**

**O-1 Operating Budget – Medical benefit increase**

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Total Amendment: \$1,159,660

Funding Source: New Appropriation

Description: Increase budget for medical/vision premiums and health reimbursement accounts.

Justification: The proposed budget for medical premiums and health reimbursement is based on an estimate developed in July when the proposed budget was produced. Negotiations of rates for 2016 concluded in October, after the budget had been published. Based on rates negotiated with the insurance providers, premiums will be approximately 14.7 percent and deductibles approximately 16.7 percent higher than 2015. The amendment reflects an increase in medical rates, deductibles, and staffing level for the agency.

Budget / Schedule Risk: Low/Low

**O-2 Operating Budget – Reduction of anticipated rail insurance premiums**

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Total Amendment: (\$662,658)

Funding Source: n/a

Description: Recognition of final negotiated insurance premium costs for Light rail and commuter rail property and liability insurance.

Justification: The proposed budget for insurance premiums is based on an estimate developed in July when the proposed budget was being developed. Risk Management was able to secure lower premium rates than originally budgeted resulting in the \$662,658 reduction in budget needed for 2016.

Budget / Schedule Risk: Low/Low

**O-3 Operating Budget – Increased capital project support**

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Total Amendment: \$320,500

Funding Source: Project Budget

Description: Increases the Departmental budget to add two (2) new positions to the DECM Department Budget, one Principal Construction Manager and one Deputy Project Director to support the Lynnwood Link Extension project delivery. Additionally, two existing DECM positions are reclassified to provide project support.

Justification: As we gear up for the start of Lynnwood Link Extension final design, and eventual construction, staff has been developing a staffing plan that ensures the agency has the necessary technical capacity for project delivery. To address the complex nature of the work in this corridor, it has become clear the need to add a Deputy Director who can focus on technical and specialized areas that require considerable attention and a Principal Construction Manager who can participate early in the GC/CM process as final design gets underway.

Budget / Schedule Risk: Low/Low

## O-4 Operating Budget – Additional Office Space for Capital Project Consultant Teams

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Total Amendment: \$990,000

Funding Source: Project Budgets

Description: This amendment reflects lease cost and IT hardware, software and support for new office space for up to 200 co-located design consultants supporting several light rail projects entering final design.

Justification: The agency has found that having design consultants co-located with staff to be more efficient than having consultants located at their home office. Existing Sound Transit administrative office space is almost fully occupied. Additional consultants for projects entering final design, such as the Lynnwood Link Extension, the Link OMSF, and the Tacoma Link Expansion project will require adding space in close proximity to the ST campus in the International District.

Budget / Schedule Risk: Low/Low

## O-5 Operating Budget – Operations Department; Sounder Operational Cost Increase

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Total Amendment: \$327,858

Funding Source: New Appropriation

Description: This amendment reflects the added cost for Sounder Commuter Rail service due to Amendment 4 to the BNSF-South Memorandum of Understanding, which the Board will consider in November.

Justification: The adoption of Amendment 4 to the BNSF-South Memorandum of Understanding includes increased costs as a result of the introduction of positive train control into operating parameters and increased operational and administrative support associated with the expansion of commuter rail service to Lakewood. The increase in on-going operational costs associated with the service extension to Lakewood and BNSF's operational and administrative support on ST's ROW are accounted for in the overhead rate BNSF charges as a percent of direct crew labor. This amendment was negotiated with BNSF through the fall and was not completed in time to include in the proposed budget document.

Budget / Schedule Risk: N/A.

## O-6 Operating Budget – Operations Department; Sounder Operational Cost Increase

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Total Amendment: \$350,110

Funding Source: New Appropriation

Description: This amendment reflects the added cost for Sounder Commuter Rail service for maintenance of the commuter rail fleet performed by Amtrak.

Justification: The proposed budget for fleet maintenance is based on an estimate developed in July when the proposed budget was being developed. Since that time, Amtrak maintenance rates for 2016 have been finalized, resulting in a slightly higher base rate charged for maintenance of vehicles, a slight increase in administrative fees, and a change in the way Amtrak will allocate facilities cost. These factors result in higher costs for the storage and maintenance of the Sounder fleet for 2016 than what was included in the proposed budget.

Budget / Schedule Risk: N/A.



## O-7 Operating Budget – Operations Department; Third Party Security Cost Decrease

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Total Amendment: (\$671,744)

Funding Source: n/a

Description: This amendment reduces the budget for security and fare enforcement

Justification: The proposed budget for third party security costs is based on an estimate developed in July when the proposed budget was being developed. This amendment reduces the proposed budget to match the current forecasted 2016 costs for third party security support for modal operations.

Budget / Schedule Risk: Low/Low.

## O-8 Operating Budget –Administrative Overhead Rate Correction

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Total Amendment: (\$992,974)

Funding Source: n/a

Description: This amendment reduces the total agency administrative cost being allocated to modes by \$992,974, which is comprised of an increase to Link of \$737,306; an increase to Sounder of \$161,092; a reduction to ST Express of (\$2,127,649); and an increase to Tacoma Link of \$236,278.

Justification: The agency has an A87 Eligible Cost Allocation Plan that is used to determine the amount of administrative expenses to be charged to each of the agency's four modes as well as to capital assets.

At the time that the proposed budget was finalized the model had not been updated to be used for the 2016 budget so the 2015 budget rates were used to calculate the overhead charges in the proposed budget. This amendment incorporates actual rates.

Budget / Schedule Risk: Low/Low.



## Amendments approved by the Capital Committee on December 10, 2015

### C-1 #TBD TOD - Improvements – Tacoma Link Expansion

Total Amendment: \$2,000,000

Funding Source: FTA Grant

Description: Creation of a new project to provide preliminary engineering for transit improvements and enhancements to station access in conjunction with the Tacoma Link Expansion. The grant deliverables include: (1) a multi-modal mobility plan, including a complete streets design for all six expansion stations and (2) a new Equity and Empowerment (E&E) Initiative designed to secure tangible benefits from new Tacoma downtown public and private investments for disadvantaged residents in the Hilltop community that includes four of the Tacoma Link Expansion stations. This scope of work is independent of the Tacoma Link Expansion Project.

Sound Transit is the designated grant recipient and will administer the grant while the City of Tacoma will execute the deliverables. The total award is \$2,000,000 requiring an additional \$500,000 match which will be provided by the City of Tacoma.

Justification: These activities will independently support the design of potential transit improvements along the designated additional segments of Tacoma Link. This grant is not part of the City of Tacoma contribution to the Tacoma Link Expansion project. This project has no cost to the Agency beyond staff time to administer the grant.

Budget / Schedule Risk: Medium/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration		\$ 100	\$ 100	\$ -	\$ 400	\$ 400
Preliminary Engr / Environmental Documentation		\$ 400	\$ 400	\$ -	\$ 1,600	\$ 1,600
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

### C-2 #TBD Tacoma Link LRV Overhaul – New Project

Total Amendment: \$731,058

Funding Source: New Appropriation

Description: Creation of a new project to provide funds for the overhaul and mid-life maintenance of the Tacoma Link LRV Fleet.

Justification: This project will provide necessary maintenance to the Tacoma Link LRV fleet to extend the useful life of the vehicles and maintain them in good state of repair. The overhaul includes the mid-life maintenance for traction motors and trucks. This action would support a 375,000 mile milestone for the Tacoma Link vehicles. All three vehicles exceeded 350,000 miles in 2014. The duration of this work is 2 years.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration		\$ 20	\$ 20		\$ 41	\$ 41
Preliminary Engr / Environmental Documentation		\$ 19	\$ 19		\$ 25	\$ 25
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles		\$ 333	\$ 333		\$ 666	\$ 666
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 372</b>	<b>\$ 372</b>	<b>\$ -</b>	<b>\$ 731</b>	<b>\$ 731</b>

## C-4 #700723 Downtown Seattle Transit Tunnel Mitigation – Recognize Additional Planning Costs

Total Amendment: \$1,000,000

Funding Source: New Appropriation

Description: This amendment would fund additional planning work related to surface street improvements.

Justification: This project is the Sound Transit contribution to a partnership for a series of mitigation improvements, including street improvements in downtown Seattle to improve bus operations as busses transition from the DSTT to surface streets to accommodate more frequent light rail service in the tunnel. This amendment would fund additional planning work as has been identified through the fall.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration			\$ -			\$ -
Preliminary Engr / Environmental Documentation			\$ -			\$ -
Final Design			\$ -			\$ -
Third Party	\$ 728	\$ 1,000	\$ 1,728	\$ 1,334	\$ 1,000	\$ 2,334
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 728</b>	<b>\$ 1,000</b>	<b>\$ 1,728</b>	<b>\$ 1,334</b>	<b>\$ 1,000</b>	<b>\$ 2,334</b>

## C-5 #802000 Administrative Capital – Furniture for Leased Space

Total Amendment: \$150,000

Funding Source: New Appropriation

Description: This amendment would provide an increased lifetime and annual budget to allow for the procurement of furniture for space to be used by final design consultants.

Justification: The agency has found that having design consultants co-located with staff to be more efficient than having consultants located at their home office. Existing Sound Transit administrative office space is almost fully occupied. Additional consultants for projects entering final design, such as the Lynnwood Link Extension, the Link OMSF, and the Tacoma Link Expansion project will require adding space in close proximity to the ST campus in the International District. The space that has been identified includes most of the furniture needed. This budget will be needed to purchase a small amount of furniture and fixtures needed for the space.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Admin Capital	\$ 715	\$ 150	\$ 865	\$ 12,150	\$ 150	\$ 12,300
Contingency	\$ 50		\$ 50	\$ 1,184	\$ -	\$ 1,184
<b>Total</b>	<b>\$ 765</b>	<b>\$ 150</b>	<b>\$ 915</b>	<b>\$ 13,334</b>	<b>\$ 150</b>	<b>\$ 13,484</b>

## C-6a #809100 ST3 Planning –Transfer of Unspent Budget from Corridor Projects

Total Amendment: \$797,033

Funding Source: N/A

Description: This amendment recognizes a transfer of \$797,033 in unspent budget from corridor projects back to the ST3 Planning project

Justification: Reflects updated expenditures in the corridor projects.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 1,300		\$ 1,300	\$ 5,811	\$ 27	\$ 5,838
Preliminary Engr / Environmental Documentation	\$ 10,442		\$ 10,442	\$ 45,759	\$ 770	\$ 46,529
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits	\$ 200		\$ 200	\$ 300		\$ 300
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 11,942</b>	<b>\$ -</b>	<b>\$ 11,942</b>	<b>\$ 51,870</b>	<b>\$ 797</b>	<b>\$ 52,667</b>

## C-6b #4X446 South Corridor Alternatives Analysis – Recognize Project Savings

Total Amendment: (\$850,000)

Funding Source: N/A

Description: This project is the planning study for Federal Way to Tacoma High Capacity Transit Corridor. The project is projected to close in 2015 and savings are being recognized.

Justification: Project is complete.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration			\$ -	\$ 271	\$ (50)	\$ 221
Preliminary Engr / Environmental Documentation			\$ -	\$ 2,767	\$ (800)	\$ 1,967
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,038</b>	<b>\$ (850)</b>	<b>\$ 2,188</b>

## C-6c #809103 Central and East HCT Study – Reduce projected savings to cover additional costs

Total Amendment: \$52,963

Funding Source: N/A

Description: This is project studied the high capacity transit options in Central and East King County.  
Project is preparing to closeout.

Justification: The proposed budget reduced the lifetime budget of the project by \$2.4M. Some unanticipated charges require additional funds to close out the project reducing previous anticipated project savings.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration			\$ -	\$ 142	\$ 22	\$ 164
Preliminary Engr / Environmental Documentation			\$ -	\$ 1,957	\$ 31	\$ 1,988
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Management			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,099</b>	<b>\$ 53</b>	<b>\$ 2,152</b>

## C-7 Project 5X410 Research and Technology – Phase Adjustment and Lifetime Correction

Total Amendment: (\$613,794)

Funding Source: N/A

Description: This is a lifetime budget correction to an error in the lifetime budget in the Proposed budget and a phase shift in the annual budget.

Justification: Reduce the project lifetime budget to accurately reflect intended lifetime budget. Also shifts annual budget between phases.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Operations and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations and Maintenance - Agency	\$ -	\$ -	\$ -	\$ 276	\$ -	\$ 276
Agency Administration	\$ -	\$ -	\$ -	\$ 805	\$ (3)	\$ 802
Preliminary Engineering	\$ 380	\$ (333)	\$ 47	\$ 4,281	\$ (3,264)	\$ 1,017
Research and Technology	\$ 2,347	\$ 333	\$ 2,679	\$ 15,251	\$ 2,653	\$ 17,905
<b>Total</b>	<b>\$ 2,727</b>	<b>\$ -</b>	<b>\$ 2,727</b>	<b>\$ 20,614</b>	<b>\$ (614)</b>	<b>\$ 20,000</b>

## C-8 Project 4X100 Northgate Link Ext – Inclusion of UW Over Build Agreement

**ACTION:** Amends the 2016 Annual budget for the Northgate Link Extension to include changes as a result of previous amendment actions for removing the LRV vehicle costs from the project and including the UW Overbuild. The Lifetime budget was amended in September and October by Resolution Nos. R2015-23 and R2015-25 resulting in a net reduction in the lifetime budget of (\$231,645,500)

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 13,057	\$ -	\$ 13,057	\$ 147,879	\$ -	\$ 147,879
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 15,077	\$ -	\$ 15,077
Final Design	\$ 14,031	\$ (1,828)	\$ 12,203	\$ 129,167	\$ -	\$ 129,167
Third Party	\$ 1,710	\$ (0)	\$ 1,710	\$ 11,800	\$ -	\$ 11,800
Row Acquisition and Permits	\$ 2,173	\$ -	\$ 2,173	\$ 127,300	\$ -	\$ 127,300
Construction	\$ 112,833	\$ 4,732	\$ 117,565	\$ 1,328,023	\$ -	\$ 1,328,023
Construction Services	\$ 18,128	\$ 0	\$ 18,128	\$ 118,310	\$ -	\$ 118,310
Vehicles	\$ 500	\$ (500)	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 22,200	\$ -	\$ 22,200
<b>Total</b>	<b>\$ 162,433</b>	<b>\$ 2,404</b>	<b>\$ 164,837</b>	<b>\$ 1,899,756</b>	<b>\$ -</b>	<b>\$ 1,899,756</b>

## C-9 Project 400032 ST2 LRV Fleet Expansion – Establish 2016 Annual Budget

**ACTION:** This action establishes the 2016 Annual Budget for this project. This project was established in September 2015 by Resolution No. R2015-24.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ -	\$ 936	\$ 936		\$ 4,748	\$ 4,748
Preliminary Engr / Environmental Documentation	\$ -		\$ -			\$ -
Final Design	\$ -		\$ -			\$ -
Third Party	\$ -		\$ -			\$ -
Row Acquisition and Permits	\$ -		\$ -			\$ -
Construction	\$ -		\$ -		\$ 714,168	\$ 714,168
Construction Services	\$ -	\$ 989	\$ 989		\$ 14,090	\$ 14,090
Vehicles	\$ -	\$ 8,587	\$ 8,587			\$ -
Contingency	\$ -		\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 10,512</b>	<b>\$ 10,512</b>	<b>\$ -</b>	<b>\$ 733,006</b>	<b>\$ 733,006</b>

## C-10 Project 4X115 Lynnwood Link Extension – Amend 2016 Annual Budget

**ACTION:** 2016 Annual increase to allow for completion of PE, commencement of final design and early ROW activities. This action is in conjunction with a November 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$423,742,313.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 3,615	\$ 2,916	\$ 6,531	\$ 88,305		\$ 88,305
Preliminary Engr / Environmental Documentation	\$ 2,724	\$ (2,311)	\$ 413	\$ 42,000		\$ 42,000
Final Design	\$ -	\$ 20,900	\$ 20,900	\$ 111,453		\$ 111,453
Third Party	\$ 398	\$ 1,921	\$ 2,319	\$ 17,400		\$ 17,400
Row Acquisition and Permits	\$ 475	\$ 32,478	\$ 32,953	\$ 123,778		\$ 123,778
Construction	\$ -	\$ -	\$ -	\$ -		\$ -
Construction Services	\$ -	\$ 7,250	\$ 7,250	\$ 104,925		\$ 104,925
Vehicles	\$ -	\$ -	\$ -	\$ -		\$ -
System Testing & Startup			\$ -	\$ -		\$ -
Contingency			\$ -	\$ -		\$ -
<b>Total</b>	<b>\$ 7,212</b>	<b>\$ 63,154</b>	<b>\$ 70,366</b>	<b>\$ 487,861</b>	<b>\$ -</b>	<b>\$ 487,861</b>

## C-11 Project 400008 Tacoma Link Expansion – Establish 2016 Annual Budget\*

ACTION: 2016 Annual increase to allow for completion of PE, commencement of final design and early ROW activities. This action is in conjunction with a December 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$25,216,228.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration		\$ 1,332	\$ 1,332	\$ 10,600	\$ -	\$ 10,600
Preliminary Engr / Environmental Documentation		\$ 260	\$ 260	\$ 5,872	\$ -	\$ 5,872
Final Design		\$ 2,450	\$ 2,450	\$ 10,830		\$ 10,830
Third Party		\$ 125	\$ 125	\$ 500		\$ 500
Row Acquisition and Permits		\$ 2,285	\$ 2,285	\$ 3,200		\$ 3,200
Construction		\$ -	\$ -			\$ -
Construction Services		\$ -	\$ -	\$ -		\$ -
Vehicles		\$ 1,000	\$ 1,000	\$ 2,000	\$ -	\$ 2,000
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 7,452</b>	<b>\$ 7,452</b>	<b>\$ 33,002</b>	<b>\$ -</b>	<b>\$ 33,002</b>

\*Contingent upon Board approval of Resolution No. R2015-33.

## C-12 Project 400009 Link Operations & Maintenance Satellite Facility – Establish 2016 Annual Budget\*

ACTION: 2016 Annual increase to allow for completion of PE, commencement of final design and early ROW activities. This action is in conjunction with a December 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$96,499,895.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 1,597	\$ 228	\$ 1,825	\$ 3,237	\$ -	\$ 3,237
Preliminary Engr / Environmental Documentation	\$ 1,315	\$ 1,514	\$ 2,829	\$ 10,191		\$ 10,191
Final Design	\$ -	\$ -	\$ -	\$ -		\$ -
Third Party	\$ 385	\$ 675	\$ 1,060	\$ 1,650		\$ 1,650
Row Acquisition and Permits	\$ 42	\$ 42,602	\$ 42,644	\$ 117,950		\$ 117,950
Construction	\$ -	\$ -	\$ -	\$ -		\$ -
Construction Services	\$ -	\$ 180	\$ 180	\$ 300		\$ 300
Vehicles	\$ -	\$ -	\$ -	\$ -		\$ -
System Testing & Startup			\$ -			\$ -
Contingency			\$ -	\$ -		\$ -
<b>Total</b>	<b>\$ 3,339</b>	<b>\$ 45,199</b>	<b>\$ 48,538</b>	<b>\$ 133,328</b>	<b>\$ -</b>	<b>\$ 133,328</b>

\*Contingent upon Board approval of Resolution No. R2015-34.

## Project Cash Flow Changes Requests

### C-13 Project 4X600 East Link Ext – Reduce Annual Cash Flow

ACTION: Phase adjustments and reduction of annual cash flow.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 14,755		\$ 14,755			
Preliminary Engr / Environmental Documentation	\$ 340		\$ 340			
Final Design	\$ 41,643		\$ 41,643			
Third Party	\$ 3,572		\$ 3,572			
Row Acquisition and Permits	\$ 62,000		\$ 62,000			
Construction	\$ 74,744	\$ (19,000)	\$ 55,744			
Construction Management	\$ 23,285	\$ 1,929	\$ 25,214			
Vehicles			\$ -			
Contingency			\$ -			
<b>Total</b>	<b>\$ 220,339</b>	<b>\$ (17,071)</b>	<b>\$ 203,268</b>	<b>\$ 3,677,150</b>	<b>\$ -</b>	<b>\$ 3,677,150</b>

### C-14 Project 3X206 Mukilteo Station

ACTION: Increase the 2016 annual budget to account for a shift in right of way acquisition from 2015 to 2016.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 70	\$ -	\$ 70	\$ 1,540		\$ 1,540
Preliminary Engr / Environmental Documentation		\$ -	\$ -			
Final Design	\$ 100	\$ -	\$ 100	\$ 2,647		\$ 2,647
Third Party		\$ -	\$ -	\$ 35		\$ 35
Row Acquisition and Permits	\$ -	\$ 1,250	\$ 1,250	\$ 1,778		\$ 1,778
Construction	\$ 620	\$ -	\$ 620	\$ 10,363		\$ 10,363
Construction Services	\$ 250	\$ -	\$ 250	\$ 1,950		\$ 1,950
Vehicles		\$ -	\$ -			
Contingency		\$ -	\$ -			
<b>Total</b>	<b>\$ 1,040</b>	<b>\$ 1,250</b>	<b>\$ 2,290</b>	<b>\$ 18,313</b>	<b>\$ -</b>	<b>\$ 18,313</b>

### C-15 Project 300021 Tacoma Trestle – Project Phase Shifts

ACTION: Increase in 2016 annual budget and an annual and lifetime phase adjustment. Lifetime budget shift from preliminary engineering to final design for increases from L Street Crossover work.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 1,195	\$ -	\$ 1,195	\$ 4,086	\$ -	\$ 4,086
Preliminary Engr / Environmental Documentation	\$ 300	\$ (300)	\$ -	\$ 4,750	\$ (253)	\$ 4,497
Final Design	\$ 2,513	\$ -	\$ 2,513	\$ 13,228	\$ 253	\$ 13,481
Third Party	\$ 454	\$ -	\$ 454	\$ 1,077	\$ -	\$ 1,077
Row Acquisition and Permits	\$ -	\$ 500	\$ 500	\$ 10,061	\$ -	\$ 10,061
Construction	\$ 36,721	\$ -	\$ 36,721	\$ 81,641	\$ -	\$ 81,641
Construction Services	\$ 2,400	\$ -	\$ 2,400	\$ 5,666	\$ -	\$ 5,666
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 43,583</b>	<b>\$ 200</b>	<b>\$ 43,783</b>	<b>\$ 120,509</b>	<b>\$ -</b>	<b>\$ 120,509</b>



## C-16 Project 300027 Point Defiance By-Pass – Increase 2016 Annual Spending

ACTION: Increase in 2016 Annual Construction Phase budget to account for additional utility relocations scheduled to occur in 2016.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 1,235	\$ -	\$ 1,235	\$ 2,700		\$ 2,700
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -		\$ -
Final Design	\$ -	\$ -	\$ -	\$ 200		\$ 200
Third Party	\$ -	\$ -	\$ -	\$ -		\$ -
Row Acquisition and Permits	\$ 10	\$ -	\$ 10	\$ 1,000		\$ 1,000
Construction	\$ 41,437	\$ 2,000	\$ 43,437	\$ 114,500		\$ 114,500
Construction Services	\$ 7,800	\$ -	\$ 7,800	\$ 9,600		\$ 9,600
Vehicles	\$ -	\$ -	\$ -	\$ -		\$ -
Contingency	\$ -	\$ -	\$ -	\$ -		\$ -
<b>Total</b>	<b>\$ 50,482</b>	<b>\$ 2,000</b>	<b>\$ 52,482</b>	<b>\$ 128,000</b>	<b>\$ -</b>	<b>\$ 128,000</b>

## C-17 Project 4X300 Initial Segment – Decrease 2016 Annual Spending

ACTION: Decrease 2016 Annual spending to correct an error.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 39	\$ (39)	\$ -	\$ 186,862		\$ 186,862
Preliminary Engr / Environmental Documentation			\$ -	\$ 33,268		\$ 33,268
Final Design			\$ -	\$ 143,997		\$ 143,997
Third Party			\$ -	\$ 61,101		\$ 61,101
Row Acquisition and Permits			\$ -	\$ 205,046		\$ 205,046
Construction	\$ 250	\$ (250)	\$ -	\$ 1,210,541		\$ 1,210,541
Construction Management			\$ -	\$ 102,529		\$ 102,529
Vehicles			\$ -	\$ 131,799		\$ 131,799
Contingency			\$ -	\$ 16,625		\$ 16,625
<b>Total</b>	<b>\$ 289</b>	<b>\$ (289)</b>	<b>\$ -</b>	<b>\$ 2,091,768</b>	<b>\$ -</b>	<b>\$ 2,091,768</b>

## C-18 Project 300004 Sounder Yard and Shops – Reduce 2016 Annual Budget

ACTION: Decrease the 2016 annual budget for preliminary engineering.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 518	\$ -	\$ 518	\$ 860		\$ 860
Preliminary Engr / Environmental Documentation	\$ 3,674	\$ (193)	\$ 3,481	\$ 5,116		\$ 5,116
Final Design	\$ -	\$ -	\$ -	\$ -		\$ -
Third Party	\$ -	\$ -	\$ -	\$ -		\$ -
Row Acquisition and Permits	\$ 814	\$ -	\$ 814	\$ 865		\$ 865
Construction	\$ -	\$ -	\$ -	\$ -		\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -		\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -		\$ -
Contingency	\$ -	\$ -	\$ -	\$ -		\$ -
<b>Total</b>	<b>\$ 5,006</b>	<b>\$ (193)</b>	<b>\$ 4,813</b>	<b>\$ 6,841</b>	<b>\$ -</b>	<b>\$ 6,841</b>

## C-19 Project 300019 Sumner Station – Reduce 2016 Annual Phase Budget

ACTION: Decrease in the 2016 annual budget for the Agency Administration phase.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 270	\$ (4)	\$ 266	\$ 762		\$ 762
Preliminary Engr / Environmental Documentation	\$ 737	\$ -	\$ 737	\$ 2,685		\$ 2,685
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits	\$ 170		\$ 170	\$ 2,912		\$ 2,912
Construction			\$ -	\$ 113		\$ 113
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 1,177</b>	<b>\$ (4)</b>	<b>\$ 1,173</b>	<b>\$ 6,472</b>	<b>\$ -</b>	<b>\$ 6,472</b>

## C-20 Project 5X387 I-90 Two-Way Transit & HOV Operations, Stage 3 – Phase Adjustment

ACTION: 2016 Increase in the annual budget for the Construction Phase to account for additional utility relocations identified.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 138		\$ 138	\$ 3,648		\$ 3,648
Preliminary Engr / Environmental Documentation			\$ -	\$ 1,549		\$ 1,549
Final Design	\$ 15	\$ 65	\$ 80	\$ 22,121		\$ 22,121
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction	\$ 75,150		\$ 75,150	\$ 198,330		\$ 198,330
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 75,303</b>	<b>\$ 65</b>	<b>\$ 75,368</b>	<b>\$ 225,648</b>	<b>\$ -</b>	<b>\$ 225,648</b>

## C-21 Project 500005 ST Express Bus Base – Reduction of Annual Spending

ACTION: Reduction of the annual budget to focus work in 2016 on completion of unfinished ongoing activities.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 223	\$ (151)	\$ 72	\$ 859		\$ 859
Preliminary Engr / Environmental Documentation	\$ 2,540	\$ (2,035)	\$ 505	\$ 4,748		\$ 4,748
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits	\$ 30	\$ (20)	\$ 10	\$ 201		\$ 201
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 2,793</b>	<b>\$ (2,206)</b>	<b>\$ 587</b>	<b>\$ 5,808</b>	<b>\$ -</b>	<b>\$ 5,808</b>

## C-22 Project 804100 TOD Property Disposition – Phase Adjustment

ACTION: Lifetime Phase adjustment shifting funds into preliminary engineering.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration	\$ 435	\$ 11	\$ 446	\$ 2,093	\$ (49)	\$ 2,044
Preliminary Engr / Environmental Documentation		\$ 100	\$ 100		\$ 494	\$ 494
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits	\$ 3,336	\$ (206)	\$ 3,130	\$ 8,876	\$ (659)	\$ 8,217
Construction	\$ 154	\$ 431	\$ 585	\$ 646	\$ 214	\$ 860
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 3,925</b>	<b>\$ 336</b>	<b>\$ 4,261</b>	<b>\$ 11,615</b>	<b>\$ -</b>	<b>\$ 11,615</b>

## C-23 Project 7X753 – Bike Locker Program – Phase Shift to Allow for Project Closeout

ACTION: Phase shift to account for delays in project closeout from 2015 to 2016.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration		\$ 60	\$ 60	\$ 280	\$ 103	\$ 383
Preliminary Engr / Environmental Documentation			\$ -			\$ -
Final Design			\$ -	\$ 108	\$ (10)	\$ 98
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -	\$ 23	\$ (9)	\$ 14
Construction		\$ 101	\$ 101	\$ 944	\$ (84)	\$ 860
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 161</b>	<b>\$ 161</b>	<b>\$ 1,355</b>	<b>\$ -</b>	<b>\$ 1,355</b>

## C-24 Project 7X701 – ST Express Fleet Replacement – Phase Shift and Unscheduled Vehicle Replacement

ACTION: Reduction of the annual budget for 2016 anticipated bus deliveries. Current projections expect bus deliveries to be completed in November 2015. Additionally, one bus was added to the schedule in 2016 having been destroyed in a fire. The cost for that bus will largely be offset by insurance proceeds.

Phase	2016 Annual Budget			Lifetime Budget		
	Proposed Budget	Amendment	Amended Proposed Budget	Proposed Budget	Amendment	Amended Proposed Budget
Agency Administration			\$ -			\$ -
Preliminary Engr / Environmental Documentation			\$ -			\$ -
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -	\$ 47		\$ 47
Construction Services			\$ -			\$ -
Vehicles	\$ 3,352	\$ (2,528)	\$ 824	\$ 189,222		\$ 189,222
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 3,352</b>	<b>\$ (2,528)</b>	<b>\$ 824</b>	<b>\$ 189,269</b>	<b>\$ -</b>	<b>\$ 189,269</b>

## C-25 Project 4X445 – Federal Way Link Ext – Phase Shift

ACTION: Reduction to the 2016 annual budget to shift funds into future year spending.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 5,810	\$ 102	\$ 5,912	\$ 9,385		\$ 9,385
Preliminary Engr / Environmental Documentation	\$ 15,130	\$ (993)	\$ 14,137	\$ 30,883		\$ 30,883
Final Design			\$ -			\$ -
Third Party	\$ 1,413	\$ (16)	\$ 1,397	\$ 1,575		\$ 1,575
Row Acquisition and Permits	\$ 620	\$ (302)	\$ 318	\$ 1,034		\$ 1,034
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 22,973</b>	<b>\$ (1,209)</b>	<b>\$ 21,764</b>	<b>\$ 42,877</b>	<b>\$ -</b>	<b>\$ 42,877</b>

## C-26 Project 700730 – Operations and Maintenance Facility LRV Vehicle Lift – Phase Shift

ACTION: Shifting of budget from construction phase to PE, Final Design, and Construction Services where the costs will be charged.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 175	\$ -	\$ 175	\$ 299		\$ 299
Preliminary Engr / Environmental Documentation		\$ 200	\$ 200		\$ 200	\$ 200
Final Design		\$ 900	\$ 900		\$ 900	\$ 900
Third Party		\$ -	\$ -			\$ -
Row Acquisition and Permits		\$ -	\$ -			\$ -
Construction	\$ 2,300	\$ (1,231)	\$ 1,069	\$ 4,599	\$ (1,363)	\$ 3,236
Construction Services		\$ 132	\$ 132		\$ 263	\$ 263
Vehicles		\$ -	\$ -		\$ -	\$ -
System Testing & Startup		\$ -	\$ -			\$ -
Contingency		\$ -	\$ -			\$ -
<b>Total</b>	<b>\$ 2,475</b>	<b>\$ -</b>	<b>\$ 2,475</b>	<b>\$ 4,898</b>	<b>\$ -</b>	<b>\$ 4,898</b>

## C-27 Project 0X002 – Agency Administration Operating – Cash Flow Change

ACTION: Increase to the 2016 annual budget related to an update in administration overhead rates charged to capital assets.

Phase	2016 Annual Budget			Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget			
Agency Administration	\$ 56,834	\$ 2,636	\$ 59,470	\$ 791,918		\$ 791,918
Preliminary Engr / Environmental Documentation			\$ -	\$ -	\$ -	\$ -
Final Design			\$ -			\$ -
Third Party			\$ -			\$ -
Row Acquisition and Permits			\$ -			\$ -
Construction			\$ -			\$ -
Construction Services			\$ -			\$ -
Vehicles			\$ -			\$ -
System Testing & Startup			\$ -			\$ -
Contingency			\$ -			\$ -
<b>Total</b>	<b>\$ 56,834</b>	<b>\$ 2,636</b>	<b>\$ 59,470</b>	<b>\$ 791,918</b>	<b>\$ -</b>	<b>\$ 791,918</b>

## Amendment approved by the Board on December 17, 2015

### C-3 #TBD ST Express Fleet Expansion – New Project

Total Amendment: \$26,184,555

Funding Source: New Appropriation

Description: Budget to fund expansion of the ST Express bus fleet by 27 buses to support added peak service hours.

Justification: This budget request would fund the acquisition of 11 CNG buses and 16 double decker, diesel buses to provide the added bus service (19,750 hours in 2016, 32,000 hours annualized) included in the Proposed 2016 budget. The added service hours will include 29,000 hours of peak service period. The existing fleet is already in use in that time period, requiring additional buses.

Budget / Schedule Risk: Low/Low

Phase	2016 Annual Budget			Lifetime Budget	Proposed Budget	Amendment	Amended Proposed Budget
	Proposed Budget	Amendment	Amended Proposed Budget				
Agency Administration		\$ -	\$ -		\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation		\$ -	\$ -		\$ -	\$ -	\$ -
Final Design		\$ -	\$ -		\$ -	\$ -	\$ -
Third Party		\$ -	\$ -		\$ -	\$ -	\$ -
Row Acquisition and Permits		\$ -	\$ -		\$ -	\$ -	\$ -
Construction		\$ -	\$ -		\$ -	\$ -	\$ -
Construction Services		\$ -	\$ -		\$ -	\$ -	\$ -
Vehicles		\$ 9,061	\$ 9,061		\$ 26,185	\$ 26,185	\$ 26,185
System Testing & Startup		\$ -	\$ -		\$ -	\$ -	\$ -
Contingency		\$ -	\$ -		\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 9,061</b>	<b>\$ 9,061</b>	<b>\$ -</b>	<b>\$ 26,185</b>	<b>\$ 26,185</b>	<b>\$ 26,185</b>

**Resolution No. R2015-36**
**Attachment D – Changes to Lifetime Budgets in the Transit Improvement Plan**

Adoption of the Proposed 2016 Budget and 2016 Transit Improvement Plan will enact the following changes to lifetime budgets:

<b>Project</b>	<b>Prior Lifetime</b>	<b>\$ Change</b>	<b>New Lifetime</b>
Puyallup Station Improvements	\$3,547,000	\$4,867,437	\$8,414,437
Souder Yard & Shops Facility	6,280,870	560,000	6,840,870
Central & East HCT Study	4,524,720	(2,425,820)	2,098,900
HCT Corridor Planning Studies	564,804	(499,652)	65,153
Research & Technology	14,656,260	5,343,740	20,000,000
ST3 Planning	48,925,345	2,925,472	51,850,817
Small Works Program	6,763,164	1,179,000	7,942,164
Central Link HVAC – Instrument House and UPS Room	571,000	660,600	1,231,600
Transit Oriented Development Planning	1,640,457	(494,151)	1,146,306
Transit Oriented Development Property Disposition	5,601,266	6,013,911	11,615,178
<b>Subtotal</b>	<b>\$93,074,886</b>	<b>\$18,130,537</b>	<b>\$99,590,247</b>

The following projects are established within the 2016 Transit Improvement Plan:

<b>Project</b>	<b>Prior Lifetime</b>	<b>\$ Change</b>	<b>New Lifetime</b>
Kent Station Parking Lot Paving	\$ -	\$700,000	\$700,000
Kent Station Platform Lighting	-	236,173	236,173
Puyallup Station LED Lighting	-	178,050	178,050
Sumner Station LED Lighting	-	134,140	134,140
Downtown Seattle Transit Tunnel Mitigation	-	1,334,000	1,334,000
Operations & Maintenance Facility LRV Vehicle Lift	-	4,898,160	4,898,160
Link Station Braided Tile Replacement	-	435,000	435,000
<b>Subtotal</b>	<b>\$ -</b>	<b>\$7,915,523</b>	<b>\$7,915,523</b>
<b>Total</b>	<b>\$93,074,886</b>	<b>\$26,046,060</b>	<b>\$107,505,770</b>

# Appendix D – Reconciliation of Proposed 2016 Budget to Adopted 2016 Budget

The proposed 2016 budget and proposed 2016 Transit Improvement Plan (TIP) were submitted for Board review in September 2015. By Resolution No. R2015-36, the Board adopted the annual budget for the period January 1 through December 31, 2016. Consistent with budget policies, the resolution adopted the operating and capital plan contained in the proposed budget, and authorized Sound Transit to expend \$1.194 billion in the operating and capital program subject to changes identified in selected amendments and administrative adjustments.

## Adjustments to the Operating & Project Budgets for Fiscal Year 2016

Project cash flow projections are developed during the month of July. In order to include the most current information in the adopted budget, assumptions leading to these projections were reviewed during October and November. If changed circumstances warranted, cash flow projections were updated, prior to board-adoption of the budget. These cash flow change requests are shown in attachment C of Resolution No. R2015-36.

The adopted 2016 budget document was produced after the close of fiscal year 2015. Based on a comparison of the forecasted expenditures for 2015 contained in the proposed 2016 budget to actual expenditures, project budget cash flows are adjusted to reflect actual 2015 expenditures. These adjustments may result in offsetting adjustments to the 2016 fiscal year budget.

As part of the budget review process, board committees reviewed the proposed 2016 budget, cash flow change requests and amendments before the final approval of the budget by the board. These changes made by the board as part of the review process are included in the following reconciliation.

As a result, there are four primary sources for changes from the proposed to the adopted budget:

1. Budget amendments and cash flow change requests to the proposed budget that were adopted by the board.
2. Updated project cash flows to reflect actual 2015 capital outlays.
3. Any other changes per Resolution No. R2015-36.
4. Other budget amendments adopted by the Board since budget adoption.

Consistent with budget policies and Resolution No. R2015-36, the following changes were made to the proposed 2016 budget. In total, these changes increased the operating & capital outlay budget for 2016 by \$142.7 million to a new total of \$1.34 billion.

(in thousands)

Proposed Expenses & Outlays for 2016	\$1,193,951
1a. Budget Amendments	140,625
1b. Cash flow Change Requests	(16,851)
2. Cash flow Changes	12,974
3. Any Other Changes Per Resolution R2015-36	(1,640)
4. Any other Budget Amendments adopted by the Board	7,550
Adopted Expenses & Outlays for 2016 *	\$1,336,609

\* Numbers may not sum due to rounding.



## 1a. Changes to Budgets Reflected in Amendments

Budget/Project Category	Project Name or Description	2016 Change (\$000)	Comments
<b>OPERATING BUDGETS</b>			
DEPARTMENT BUDGET	SALARY & BENEFITS BUDGET	1,160	Increase budget for medical/vision premiums and health reimbursement accounts.
TRANSIT MODES	RAIL INSURANCE PREMIUMS	-663	Final negotiated insurance premium costs for light rail and commuter rail property and liability insurance.
DEPARTMENT BUDGET	SALARY & BENEFITS BUDGET	321	Funding for two new positions in the DECM department; Principal Construction Manager and Deputy Project Director.
DEPARTMENT BUDGET	OFFICE SPACE FOR CAPITAL PROJECT CONSULTANT TEAMS	990	Additional office space and IT hardware, software and support for 200 co-located design consultants supporting light rail projects entering final design.
TRANSIT MODES	SOUNDER OPERATIONAL COST	328	Amendment 4 to the BNSF-South Memorandum to include additional costs as a result of introducing positive train control and commuter rail service expansion to Lakewood.
TRANSIT MODES	SOUNDER OPERATIONAL COST	350	Increase reflects the final negotiated 2016 Sounder fleet maintenance performed by Amtrak.
TRANSIT MODES	THIRD PARTY SECURITY COSTS	-672	Decrease reflects the current forecasted 2016 costs for third party security support for transit modes.
TRANSIT MODES	ADMINISTRATIVE OVERHEAD RATE CORRECTION	-993	Decrease reflects actual overhead rates charged to the transit modes.
<b>PROJECT BUDGETS</b>			
SYSTEM EXPANSION -LINK	400008 - TACOMA LINK EXPANSION	7,452	Project entered final design per Resolution R2015-33 adopted by the Board in December 2015.
SYSTEM EXPANSION -LINK	400009 - LINK O&M SATELLITE FACILITY	45,199	Project entered final design per Resolution R2015-34 adopted by the Board in December 2015.
SYSTEM EXPANSION -LINK	400032 - ST2 LRV FLEET EXPANSION	10,511	This project was established by Resolution R2015-24 to purchase Light Rail Vehicles (LRVs) for Northgate Link Extension, East Link Extension and Lynnwood Link Extension.
SYSTEM EXPANSION -LINK	400034 - ENHANCEMENTS TO TLE	500	Perform engineering and streetscape design for transit access improvements and station area enhancements around the Tacoma Link Expansion project. ST is grant recipient and administrator.
SYSTEM EXPANSION -LINK	4X100 - NORTHGATE LINK EXTENSION	2,404	The annual budget was amended to transfer budget for Vehicles to the new ST2 LRV Fleet Expansion project; and to increase the baseline budget for changes to the U District Station to accommodate transit-oriented development.
SYSTEM EXPANSION -LINK	4X115 - LYNNWOOD LINK EXTENSION	63,154	Project entered final design per Resolution R2015-30 adopted by the Board in November 2015.
SYSTEM EXPANSION -LINK	700718 - TACOMA LINK LRV OVERHAUL	372	New Project: The project provides necessary maintenance to the Tacoma Link Light Rail Vehicle (LRV) fleet to extend the useful life of the vehicles and maintain them in a good state of repair.
SYSTEM EXPANSION -REGIONAL EXPRESS	700720 - ST EXPRESS FLEET EXPANSION	9,061	Funding expansion of the ST Express bus fleet by 27 buses to support added peak service hours.
ENHANCEMNT OTHER	700723 - DSTT MITIGATION	1,000	Amendment to fund additional planning work related to surface street improvements.
ADMINISTRATIVE OTHER	802000 - ADMINISTRATIVE CAPITAL	150	Procurement of furniture for space to be used by final design consultants for Lynnwood Link Extension, Link OMSF and Tacoma Link Expansion projects.
	<b>Total</b>	<b>140,625</b>	

## 1b. Changes to Budgets Reflected in Cash Flow Change Requests

Cash flow change requests for certain projects shift dollars between years and phases, to reflect changes in the treatment of prior expenditures and result in a change to proposed budget spending in 2016. The following cash flow change requests were approved by the Capital Committee on 12/10/15 and the Board on 12/17/15:

Project Category	Project Name or Description	2016 Change (\$000)	Comments
ADMINISTRATIVE OTHER	0X002 - AGENCY ADMIN OPERATING	2,636	Increase reflects updated agency administration overhead rates charged to capital assets.
SYSTEM EXPANSION SOUNDER	300004 - SOUNDER YARD & SHOPS FACILITY	-193	Reduction in preliminary engineering work in 2016.
SYSTEM EXPANSION SOUNDER	300018 - SUMNER STATION IMPROVEMENTS	-4	Reduction in agency administration phase.
SYSTEM EXPANSION SOUNDER	300021 - TACOMA TRESTLE TRACK & SIGNAL	200	Remaining ROW acquisition delayed from 2015 to 2016.
SYSTEM EXPANSION SOUNDER	300027 - PT DEFIANCE BYPASS	2,000	Increase for additional utility relocations scheduled to occur in 2016.
SYSTEM EXPANSION SOUNDER	3X206 - MUKILTEO STATION-S PLATFORM	1,250	Right of way acquisition shifted from 2015 to 2016.
SYSTEM EXPANSION -LINK	4X300 - INITIAL SEGMENT	-289	Decrease 2016 annual spending to correct an error.
SYSTEM EXPANSION -LINK	4X445 - FEDERAL WAY LINK EXTENSION	-1,209	Cash flow was reduced to reflect anticipated project activities in 2016.
SYSTEM EXPANSION -LINK	4X600 - EAST LINK	-17,071	Reduced cash flow reflects updated project schedule for 2016.
SYSTEM EXPANSION REGIONAL EXPRESS	500005 - ST EXPRESS BUS BASE	-2,206	Reduction of annual spending reflects project focus to complete remaining 2015 activities.
SYSTEM EXPANSION REGIONAL EXPRESS	5X387 - REX I-90 2 WAY TRANS& HOV III	65	Additional utility relocations identified.
Rehabilitation and Replacement	7X701 - ST EXPRESS FLEET REPLACEMENT	-2,528	Anticipated 2016 bus deliveries were received in 2015.
ENHANCEMNT OTHER	7X753 - BIKE LOCKER PROGRAM	161	Delays in project closeout from 2015 to 2016.
ENHANCEMNT OTHER	804100 - TOD PROPERTY DISPOSITION	336	Addition of potential TOD locations to 2016 project scope.
	<b>Total</b>	<b>(16,851)</b>	

## 2. Updated Project Cash Flows Based on Actual Expenditures in 2015

Project cash flows within the proposed 2016 budget document included a forecast for 2015 expenditures. As part of developing the adopted 2016 budget document, the proposed 2016 budget annual project cash flows are updated to reflect actual capital outlays for the preceding year (2015). The effect of this change is an increase of \$13.0 million for cash flow adjustments. The following projects' fiscal year 2016 projected cash flows were adjusted:

Project	Proposed 2016 (\$000)	Revised 2016 (\$000)	Difference (\$000)	Comments
<b>System Expansion - Link Light Rail</b>				
400009 - LINK O&M SATELLITE FACILITY*	48,538	49,853	1,315	Lower spending in 2015, balance carried forward to 2016.
4X445 - FEDERAL WAY LINK EXTENSION	25,195	25,194	-1	Higher spending in 2015, balance carried forward into 2016.
<b>System Expansion - Sounder</b>				
300004 - SOUNDER YARD & SHOPS FACILITY*	4,813	4,786	-27	Lower spending expected in 2016 due to change in construction contract.
300021 - TACOMA TRESTLE TRACK & SIGNAL*	43,783	46,866	3,083	Delays in Right of Way activities from 2015 to 2016.
3X206 - MUKILTEO STATION-S PLATFORM*	2,290	2,819	529	Delays in Right of Way activities from 2015 to 2016.
3X236 - TUKWILA STATION	730	727	-2	Higher spending in 2015, balance carried forward into 2016.
7X755 - SOUNDER ST2 FLEET EXPANSION	8,897	8,982	85	Lower spending in 2015, balance carried forward to 2016.
<b>System Expansion - Regional Express</b>				
500030 - BOTHELL TRANSIT-RELATE IMPRVT	5,032	0	-5,032	Project spending linked to City of Bothell's input for ST3. No spending expected in 2016.
5X142 - KIRKLAND TRANSIT CENTER/3rd	0	45	45	Project close out activities carried into 2016.
<b>System Expansion - Other</b>				
809100 - ST3 PLANNING	11,942	11,868	-74	Lower than anticipated project savings from Central and East HCT Study
809103 - CENTRAL & EAST HCT STUDY	0	165	165	Expanded cooridor deliverables in 2016.
<b>Enhancement</b>				
300011 - POSITIVE TRAIN CONTROL	2,694	8,081	5,386	Lower spending in 2015, balance carried forward to 2016.
5X261 - BUS MAINTENANCE FACILITY	275	1,407	1,132	Lower spending in 2015, balance carried forward to 2016.
600033 - LINK CCTV SYSTEM UPGRADE	0	700	700	New project established after proposed 2016 budget.
700733 - OMF LRV WASH HEATER SYSTEM	0	195	195	Work was not completed as expected in 2015.
700736 - UNION STN GARDEN LEVEL REMODEL	1,353	1,360	7	Lower spending in 2015, balance carried forward to 2016.
700774 - C LINK HVAC-INSTRU HSE/UPS RM	904	853	-51	Higher spending in 2015, balance carried forward into 2016.
700775 - C LINK CARD READERS	393	379	-15	Higher spending in 2015, balance carried forward into 2016.
700777 - C LINK OH CAT SYS TIE SWITCH	100	150	50	Work was not completed as expected in 2015.
700781 - NON-REVENUE SUPPORT VEHICLES	865	1,006	140	Installation of vehicle accessories delayed until 2016
700784 - REGIONAL PARKING PILOT PROJECT	115	280	165	Pilot was completed June 2015, surplus budget carried over to 2016.
700798 - LINK REMOTE SWITCH HEATERS	165	200	35	Work was not completed as expected in 2015.

Project	Proposed 2016 (\$000)	Revised 2016 (\$000)	Difference (\$000)	Comments
<b>Rehabilitation &amp; Replacement</b>				
700769 - LRV OVERHAUL	0	3,787	3,787	Work was not completed in 2015; extended into 2016.
700770 - SOUNDER VEHICLE OVERHAUL PROG	4,573	5,301	728	Lower spending in 2015, balance carried forward to 2016.
700771 - STATION MIDLIFE MAINTENANCE	265	650	385	Lower spending in 2015, balance carried forward to 2016.
700793 - SIGNAGE IMPROVEMENTS	784	843	59	Work was not completed in 2015; extended into 2016.
<b>Administrative</b>				
802000 - ADMINISTRATIVE CAPITAL	912	1,097	185	Lower spending in 2015, balance carried forward to 2016.
<b>Total</b>	<b>163,706</b>	<b>176,495</b>	<b>12,974</b>	

\* Proposed 2016 Budget shown in this table for these projects reflects any amendments approved by the board, the changes here therefore only reflect budget in addition to these approved amendments.

As a result of incorporating actual 2015 capital outlays, the following projects contain changes to the project cash flow between individual phases, with no change to the total project fiscal year 2016 budget:

<b>System Expansion:</b>	<b>Enhancement</b>
3X510 - SOUNDER SOUTH EXPANDED SERVICE	700730 - OMF LRV VEHICLE LIFT
3X212 - FARE COLLECTION	
5X410 - RESEARCH & TECHNOLOGY	<b>Administrative</b>
	803800 - INFORMATION TECH PROGRAM

### 3. Any Other Changes per Resolution No. R2015-36

Resolution No.2015-36, section 5, authorizes the CEO to revise the Adopted 2016 Budget to correct for non-material errors and these are shown below:

Budget/Project Category	Project Name or Description	2016 Change (\$000)	Comments
PROJECT BUDGETS	0X002 - AGENCY ADMIN OPERATING	634	Reflects recalculation of administrative overhead charges based on higher project capital costs for 2016.
OPERATING BUDGETS	SALARIES & BENEFITS	960	Addition to vacation benefit budget to correct a formula error.
OPERATING BUDGETS	SALARIES & BENEFITS	4	Change in formula used to calculate benefits.
OPERATING BUDGETS	DEPARTMENT BUDGET -CHARGES TO PROJECTS	-3,238	Higher charges to projects (which reduces the department budget) due to an increase in project budgets for 2016.
<b>Total</b>		<b>(1,640)</b>	

#### 4. Other Budget Amendments Adopted by the Board since Budget Adoption.

The following are other budget amendments adopted by the Board since budget adoption on 12/17/15:

Budget/Project Category	Project Name or Description	2016 Change (\$000)	Comments
SYSTEM EXPANSION -LINK	461600 - DOWNTOWN REDMOND LINK EXTENSION	4,120	Project established per Resolution 2016-05 in February 2016.
SYSTEM EXPANSION -LINK	4X445 - FEDERAL WAY LINK EXTENSION	3,430	Expands the scope of the project to include PE from the Kent/Des Moines Station to the Federal Way Transit Center, per Resolution R2016-04 adopted in February 2016.
<b>Total</b>		<b>7,550</b>	

#### Adopted 2016 Revenue Budget

Resolution No. R2015-36 projected annual revenues of \$997.9 million subject to changes identified in the following revenue amendment adopted by the Board on 12/17/15:

Budget/Project Category	Project Name or Description	2016 Change (\$000)	Comments
REVENUE BUDGET	400034 - ENHANCEMENTS TO TACOMA LINK EXPANSION	500	New Project: Engineering and streetscape design for transit access improvements and station area enhancements around the Tacoma Link Expansion project. ST is grant recipient and administrator, with anticipated grant revenues of \$500,000 in 2016.

# Appendix E – Glossary

**A87** – A federal government Office of Management and Budget circular that establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments. The A-87 Revised (effective June 9, 2004) rescinds and supersedes Circular A-87 (issued May 4, 1995).

**ADA (Americans with Disabilities Act)** – Federal law passed in 1990 that prohibits discrimination in services, facilities, and employment against individuals with disabilities.

**Adopted Budget** – The Board-approved budget and capital plan for Sound Transit for the current fiscal year.

**Average Weekday Boardings** – Number of one-way passenger movements (trips) between two points on a single vehicle on all routes on an average weekday.

**Baseline** – A plan, design, specification, contract, or other approved document or configurations against which actual performance is measured. Baseline can also refer to a schedule or budget used for management control and reporting purposes.

**BNSF** – Burlington Northern Santa Fe Railway - The railroad company that contractually operates Sounder, Sound Transit's commuter rail service.

**Board** – The Sound Transit Board of Directors, made up of 18 members: 17 elected officials from local jurisdictions within the Sound Transit district and the Secretary of the Washington State Department of Transportation.

**Boarding** – The number of one-way passenger trips between two points on a single vehicle. Also synonymous with unlinked passenger trip, rider, or passenger.

**Capital Asset** – Individual assets costing \$5,000 or more and having useful lives greater than one year. Also, significant alterations, renovations, or structural changes that increase the usefulness of a Sound Transit owned asset, enhance its efficiency, or prolong its useful life by more than one year.

**Capital Outlay** – An expense that results in the acquisition of or addition to fixed assets.

**Capital Projects** – Projects that purchase or construct capital assets.

**Catenary** – Suspended overhead wire that carries high voltage for electrically-powered transit vehicles (such as light rail) from a central power source.

**CCTV (Closed Circuit Television)** – Cameras installed aboard transit vehicles and at passenger stations for security purposes.

**CEA** – Communications & External Affairs department

**CEO** – Chief Executive Officer of Sound Transit who reports directly to the Board of Directors.

**COLA (Cost-of-Living Adjustment)** – Refers to the annual percentage increase applied to an employee's salary for inflationary factors.

**Commuter Rail** – Railway for urban passenger train service consisting of local short distance travel operating between a central city and adjacent suburbs.

**Complaints per 100,000 Boardings** – The performance metric (calculated for each mode) that measures the number of service complaints per 100,000 passenger boardings.

*Calculation = ((Service Complaints Received/ Modal Passenger Boardings) \* 100,000)*

**Contingency** – A budgetary reserve put aside for emergencies or unforeseen expenses.

**COP (Citizen Oversight Panel)** – An independent panel of 15 volunteers appointed by the Board of Directors representing each of Sound Transit's five subareas. Its mission is to monitor the agency's commitment to the public, reviewing projects, budgets, and performance, and reporting its findings and recommendations for improvement to the Board.

**Cost per Boarding** – Calculated for each mode, this metric represents the fully allocated cost of providing service to a passenger.

*Calculation = (Modal Operating Expenses/Modal Passenger Boardings)*

**Cost per Platform Hour** – Calculated for each mode, this metric measures the fully allocated cost of providing one hour of service, inclusive of revenue and non-revenue time.

*Calculation = (Modal Operating Expenses/Modal Platform Hours)*

**Cost per Revenue Vehicle Hour** – Calculated for each mode, this metric represents the fully allocated cost of providing one revenue vehicle hour of service.

*Calculation = (Modal Operating Expense/Modal Revenue Vehicle Hours)*

**CPI (Cost Performance Index)** – A measure of the value of the work completed compared to the actual cost or progress made on the project.

**Deadhead** – The amount of non-revenue service time or miles when a bus or train is not carrying revenue passengers, usually a trip from, to, or between lines, yards, or garages.

**Debt Service** – The payment of interest and the repayment of principal on long-term borrowed funds according to a predetermined schedule.

**DECM** – Design, Engineering & Construction Management department

**DB (Design-build)** – A procurement method used to minimize design and construction risks while reducing the project delivery schedule by overlapping the design phase and construction phase of a project. Using DB, the owner contracts with a single entity for all engineering, design, and construction services for a transit facility/system.

**Department** – Highest organizational unit of Sound Transit, consisting of Communications & External Affairs; Design, Engineering & Construction Management; Executive; Finance & Information Technology; Legal; Operations; and Planning, Environment & Project Development.

**Depreciation** – A method by which the costs of property and equipment are systematically and rationally allocated over their useful life.

**Division** – Organizational sub-unit within departments.

**DSTT** – Downtown Seattle Transit Tunnel

**EIS (Environmental Impact Statement)** – A study of the impacts of a major project on the environment and surrounding areas, required for any capital construction project for which federal funds are used.

**Expense** – A decrease in net current assets. Expenses include salaries and benefits, administrative expenses, debt service, and those current operating costs that require the use of current assets.

**Farebox Recovery** – Calculated for each mode collecting fares, this metric represents the percentage of operating cost of each mode that is paid by transit riders.

*Calculation = (Modal Operating Expenses/Modal Passenger Fare Revenue)*

**FCC** – Federal Communications Commission

**Fiscal Year** – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. Sound Transit's fiscal year is concurrent with the calendar year.

**FIT** – Finance & Information Technology department

**FTA (Federal Transit Administration)** – The federal agency responsible for the administration of federal transit programs, including the allocation of grant funds. FTA is a part of the U.S. Department of Transportation.

**FTE (Full Time Equivalent)** – The fractional equivalent of one full-time employee working a 40-hour work week for one calendar year.

**FY** – Fiscal Year

**GCCM (General Contractor/Construction Manager)** – A procurement method used to reduce construction risk. Using GCCM, the owner has access to construction expertise and experience prior to completion of design. Services offered by a GCCM contractor include assistance with decision-making, constructability reviews, value engineering, budget control, cost estimating, and schedule control.

**GFOA (Government Finance Officers Association)** – An organization whose purpose is to enhance and promote the professional management of governments for the public's benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

**GIS** – Geographic Information Services

**HCT (High Capacity Transit)** – Public transportation within an urbanized region operating principally on exclusive rights of way, including interim express services and high occupancy vehicle lanes, which taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

**HOV (High-Occupancy Vehicle)** – A vehicle containing two or more passengers. Occupancy designations are used on designated auto traffic lanes to encourage car-pooling, ride sharing, or the use of public transportation.

**IT** – Information Technology

**KCM (King County Metro)** – The public transit division of King County Department of Transportation, responsible for providing bus, trolley bus, light rail, water taxi, paratransit, and vanpool services in a service area of about 2,000 square miles. Sound Transit contracts a portion of its express bus service as well as all of its light rail service with KCM.

**Light Rail** – Service using trains powered with overhead catenary power, operating on tracks embedded in city streets or along a separate right-of-way. Passengers are picked up and discharged at fixed locations (stations) located along the tracks.

**LRV (Light Rail Vehicle)** – A vehicle with overhead catenary power operating on tracks. It may be connected to other vehicles and operated as a train.

**MMIS (Maintenance Management Information System)** – The Maintenance Management Information System is an online system that helps gather and analyze data about an organization's maintenance operations with the intention of helping management make informed decisions and staff do their jobs more effectively.

**Mode** – A system for carrying transit passengers described by specific right-of-way, technology, and operational features. Sound Transit modes are light rail, commuter rail, and regional express bus.



**MVET (Motor Vehicle Excise Tax)** – Also called the “car tab” tax; this is a tax on vehicles based on the depreciated value of the vehicle using the Manufacturer's Suggested Retail Price (MSRP) as the initial vehicle value. The tax on commercial trucks and trailers is based on the depreciated value using the latest purchase price and year as the initial vehicle value. Sound Transit currently assesses a 0.3 percent MVET within its taxing district.

**NRV (Non-Revenue Vehicles)** – Agency fleet consisting of cars, trucks, vans, SUVs, specialty vehicles, and equipment used for administrative purposes.

**O&M** – Operations and Maintenance

**OMF** – Operations Maintenance Facility

**On-Time Performance** – A performance ratio that measures how often a transit service is on time (i.e., at a designated pick-up spot within a predetermined timeframe). The timeframe differs based on mode and frequency of service.

*Calculation = ((# Scheduled Trips – # Trips Early or Late)/Total # of Scheduled Trips)*

**ORCA (One Regional Card for All)** – A stored-value smart card used for payment of public transit fares in the Central Puget Sound region.

**Paratransit** – The comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed-route (bus and rail) service. The vehicles used do not operate over a fixed route or on a fixed schedule.

**PE/ED** – Preliminary Engineering and Environmental Documentation

**PEPD** – Planning, Environment & Project Development department

**Percentage of Scheduled Trips Operated** – A performance ratio that measures the number of times a Sound Transit vehicle or mode of service completes its scheduled route/trip

**Phase Gate** – Phase Gate is a project management process designed around a series of eight defined gates. Gates represent key transition and/or decision points in a project's progression through planning and environmental review, design, construction, and transition to operations.

**PLA (Project Labor Agreement)** – PLAs are collective bargaining agreements between building trade unions and contractors. They govern terms and conditions of employment for all craft workers – union and nonunion – on a construction project.

**Platform Hours (also called Service Hours)** – For any mode, the total time the operator operates the vehicle, including revenue service (scheduled route, special event, and layover time) and non-revenue service (pullout and pull-in times from first/last stop to garage).

**Platform Miles (also called Service Miles)** – For any mode, the total miles traveled by a vehicle from pullout of garage/yard to return to garage/yard at end of revenue service, including any layover time and time when not carrying passengers.

**Preventable Accidents per 100,000 Revenue Miles** – For any mode, the number of preventable accidents reported per 100,000 miles of actual revenue vehicle mileage. A preventable accident is one in which the driver failed to do everything that reasonably could have been done to avoid the crash.

*Calculation = (Preventable Accidents / Actual Revenue Mileage) \* 100,000*

**Proposed Budget** – The recommended and unapproved Sound Transit budget submitted by the CEO to the Board.

**Purchased Transportation** – Transportation service provided to a public transit agency from a public or private transportation provider, based on a written contract.

**Revenue Vehicle Hours** – The number of hours that a vehicle is in revenue service and there is a reasonable expectation of carrying passengers (includes layover time, but not deadhead).

**Revenue Vehicle Miles** – The number of miles that a vehicle is in revenue service and there is a reasonable expectation of carrying passengers (includes layover time, but not deadhead).

**Revenues** – Increases in proprietary fund type net total assets from other than expense refunds and capital contributions.

**ROW (Right-of-Way)** – A right-of-way is a right to make a way over a piece of land, usually to and from another piece of land. A right of way is a type of easement granted or reserved over the land for transportation purposes. Also used to describe the land on which a railroad line, road, or utility is built.

**Sales Tax** – A 0.9 percent tax levied on sales of eligible items within the boundaries of the Sound Transit District and collected by the State for the benefit of Sound Transit.

**SCADA (Supervisory Control and Data Acquisition)** – A centralized system to control signals, systems, and substations on Sound Transit's light rail system. The system also provides real-time location data to a control center.

**Service Hours (also called Platform Hours)** – For any mode, the total time the operator operates the vehicle, including revenue service (scheduled route, special event, and layover time) and non-revenue service (pullout and pull-in times from first/last stop to garage).

**Service Miles (also called Platform Miles)** – For any mode, the total miles traveled by a vehicle from pullout of garage/yard to return to garage/yard at end of revenue service, including any layover time and time when not carrying passengers.

**SIP (Service Implementation Plan)** – This document is produced annually by the Service Planning division and approved by the Board. It details the development of each mode of service, describes any service changes planned for the year, and contains preliminary service proposals and financial projections for the following five years.

**Smart Card** – A small card, usually plastic, with an imbedded computer chip good for one or more trips that is usually altered by a fare collection machine removing some or all of the stored value as each trip is taken.

**SODO** – The general area south of downtown Seattle; also, the name of one of Sound Transit's light rail stations located in that neighborhood.

**Sound Move** – Voter-approved plan (1996) to build a high-capacity public transit system.

**Sound Transit** – The Central Puget Sound Regional Transit Authority

**SPI (Schedule Performance Index)** – A measure of schedule efficiency on a project. It is the ratio of earned value (EV) to planned value (PV).

**SR** – State Route

**ST2 (Sound Transit 2)** – Voter-approved (2008) second phase of Sound Transit's plan for mass transit expansion.

**ST3 (Sound Transit 3)** – The third phase of Sound Transit's plan for mass transit expansion.

**STart (Sound Transit Art Program)** – Program whose purpose is to incorporate public art into Sound Transit systems and facilities that will reflect the communities served and enhance the customer experience.

**STU (Sound Transit University Program)** – Refers to a range of training courses, both on-site and off-site, offered for Sound Transit employees to improve professional and technical skills.

**Subarea** – Five subareas of the Sound Transit District defined for planning and budgeting purposes consisting of Snohomish County, North King County, East King County, South King County, and Pierce County.

**System Plan** – (see Sound Move).

**TCO (Total Cost of Ownership)** – A financial estimate intended to help buyers and owners determine the direct and indirect costs of a product or system.

**TGT (Technology Governance Team)** – Team of Sound Transit employees who provide leadership and direction for the Information Technology (IT) division to ensure reliable, consistent, cost-effective, and accountable services.

**TIFIA (Transportation Infrastructure Financing and Innovation Act)** – A direct loan, loan guarantee, and standby line of credit program allowing the USDOT to provide credit assistance of up to 33 percent of the construction costs of a regionally or nationally significant surface transportation project. Loans are made at U.S. Treasury rates and may be repaid over as long as 35 years after substantial completion of the project.

**TIP (Transit Improvement Plan)** – This document provides projected capital and operating expenditures for the construction and operation of the Sound Transit regional transit system in the central Puget Sound. The TIP contains information on scope and budget as well as changes in budget and schedule for all active phases of both capital and operating programs.

**TOD (Transit-Oriented Development)** – The development of residential, commercial, and retail uses within walking distance of a transit station or stop.

**TPSS (Traction Power Sub Station)** – A wayside unit that converts electric power from the form provided by the public utility to an appropriate voltage, current type, and frequency to supply traction power to the motor of the light rail vehicle through the overhead catenary.

**TVM (Ticket Vending Machine)** – Automated equipment located at customer facilities that enable the purchase of fare media for access to the Sound Transit transportation system.

**UPS** – Uninterrupted Power Supply

**UW** – University of Washington

**Variance** – The difference between planned costs and actual costs.

**WSDOT** – Washington State Department of Transportation

**YOE (Year of Expenditure)** – refers to the representation of a project's cost inclusive of an annual inflationary factor calculation.





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