



## Resolution No. R2020-26

### Amending the Adopted 2020 Budget for System Expansion - Link

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	12/10/2020 12/17/2020	Recommend to Board Final action	Tracy Butler, Executive Director, Finance <b>Ron Lewis, Executive Director Design, Engineering and Construction Management</b> <b>Ryan Fisher, Director FP&amp;A</b>

### Proposed action

Amends the Adopted 2020 Annual Budget to increase the System Expansion – Link budget by \$30.0 million from \$1,965,286,311 to \$1,995,286,311 to account for higher category spending in 2020, without an increase to the Authorized Project Allocation for any individual Link project.

### Key features summary

- 2020 Annual spending for System Expansion – Link projects is forecasted to exceed the revised adopted annual budget of \$1,965,286,311 by \$30 million, or 1.5%.
- There are no changes necessary to the Authorized Project Allocation for any individual Link project. Higher project spending in 2020 will be offset by lower project spending in future years.
- Primary drivers for the forecasted spending include:
  - Implementation of the Alternative Technical Concepts and advancement of work at the Midway Landfill as part of the Federal Way Link Extension;
  - Earlier than anticipated acquisition of key properties and faster than anticipated ramp up of contractor mobilization in preparation for construction activities as part of the Downtown Redmond Link Extension; and
  - Completion of drilled shaft work ahead of schedule allowing subsequent construction activities to advance earlier than planned as part of the Lynnwood Link Extension.
- Forecasted 2020 spending on System Expansion projects as a whole is projected to be \$2.1 billion or 97.2% of plan.

### Background

Under the Board's Budget Policy adopted through Resolution No. R2020-24, the Board controls and monitors revenue and other financing sources and budget appropriations. Board action is required to change the amounts established in the adopted annual budget or adopted TIP for the total annual operating budget, annual project budgets by project type, and authorized project allocation to date for each project, among other controls. Under the policy, spending cannot exceed the amount established by the Board for each project category.

The Sound Transit Board adopted the 2020 Sound Transit Annual Budget and Transit Improvement Plan (TIP) which included a cumulative total of Authorized Project Allocations for all active projects. An

annual budget of \$2,063,066,083 was established for System Expansion – Link projects which was revised in accordance with the Budget Policy and subsequent project amendments to \$1,965,286,311.

### **Fiscal information**

This action will increase the annual authorized spending on System Expansion - Link projects by \$30 million. There is no change to any authorized project allocation, as all System Expansion - Link projects comply with existing budget policies and previously established baseline budgets or authorized project allocations. Project cashflow revisions will be addressed during the budget rebalance process.

The proposed action is for existing projects already in construction and within the guidance of the Board on realignment. As such, the proposed action is not expected to change the existing affordability of the financial plan, which is uncertain at this point. The economic situation, magnitude of revenue loss, and associated impact on the long-term financial capacity of the Agency will not be fully understood for some time.

### **Disadvantaged and small business participation**

Not applicable to this action.

### **Public involvement**

Not applicable to this action.

### **Time constraints**

A one-month delay could result in annual spending on System Expansion – Link projects exceeding authorized spending limits established by Resolution No. R2019-30.

### **Prior Board/Committee actions**

Resolution No. R2019-30: Adopting the Proposed 2020 Budget and 2020 Transit Improvement Plan.

**Environmental review** – KH 12/2/20

**Legal review** – JW 12/7/20



## Resolution No. R2020-26

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2020 Annual Budget to increase the System Expansion – Link budget by \$30.0 million from \$1,965,286,311 to \$1,995,286,311 to account for higher category spending in 2020, without an increase to the Authorized Project Allocation for any individual Link project.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) 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 permanently 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, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, in December 2019, through Resolution No. R2019-30, the Board adopted the 2020 Budget and Transit Improvement Plan (TIP) authorizing annual spending for operating costs and project costs by category; and

WHEREAS, the Board established an annual budget of \$2,063,066,083 for all System Expansion – Link projects that was revised to \$1,965,286,311 through the budget rebalance process and amendments during the fiscal year; and

WHEREAS, annual spending on Operations and Maintenance Facility – East, Lynnwood Link, Federal Way Link and Downtown Redmond Link Extensions is forecasted to exceed annual budgets contributing to a forecasted expenditure of \$30 million, or 1.5%, over the annual System Expansion – Link budget for all Link light rail projects; and

WHEREAS, System Expansion – Link projects are not forecast to exceed authorized project allocations but accelerated milestone achievements have resulted in annual spending in advance of plan; and

WHEREAS, under the Board's adopted budget policy, project type annual spending cannot exceed the amount established by the Board; and

WHEREAS, increasing the System Expansion – Link budget by \$30 million to cover anticipated 2020 spending will allow existing Link projects to proceed and be in compliance with the Board's budget policy; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the adopted 2020 budget.

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2020 Annual Budget is amended to increase the System Expansion – Link budget by \$30.0 million from \$1,965,286,311 to \$1,995,286,311 to account for higher category spending in 2020, without an increase to the Authorized Project Allocation for any individual Link project.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on \_\_\_\_\_.

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Kent Keel  
Board Chair

**Attest:**

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Kathryn Flores  
Board Administrator