

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2004-20

To Amend the Adopted 2004 Budget

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/2//04	Discussion, Possible Recommendation to the Board	Hugh Simpson, Chief Financial Officer	(206) 398-5082
Board	12/9/04	Action		

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Interlocal Agreement		Contingency Funds (Budget) Required	
Purchase/Sale Agreement		Budget Amendment Required	✓

✓ *Applicable to proposed transaction.*

ACTION

Amends the adopted 2004 budget for transfers from operating to capital budgets and other related budget transfers.

KEY FEATURES

- Decrease the staff operating budget by \$5,500 and increase the administrative capital budget by \$5,500 for the purchase of a server to support enhanced web activities.
- Decrease the subarea capital program reserve budgets by \$275,440 and increase the related subarea non-capitalized operating expense budget by \$187,440 for the Phase I and Phase II upgrade of Expedition software and \$88,000 for ongoing support for the agency's project control system.
- Create a project support capital account for each subarea to budget and accrue capital costs for overall program support and systems. The initial amount to be reclassified from the lifetime program reserve capital budgets for Souder and Regional Express is for the agency project forecasting tool. The adopted 2004 capital budget will be amended to include the transfer between capital accounts of \$160,000 and the adopted 2005 budget will reflect this methodology.
- Transfer \$2,000,000 from the Community Development Fund's advances category to mitigation in order to reflect disbursement demand in 2004.
- Increase administrative capital budget by \$45,017 for office equipment that was budgeted and ordered in 2003 but not received until 2004.

- Amend the 2004 budget to allow for transfers between capital budgets and operating budgets (net \$0 change in overall budget) in order to comply with Generally Accepted Accounting Principles and Government Accounting Standards Board Pronouncements. Staff will report back to the Board during the first quarter of 2005 the result of any transfers during the fourth quarter financial results review.
- Increase the Administrative capital budget by \$620,000 for photocopiers. Rather than budget for payments over the life of the copiers, their full value will be booked in the year they are procured and depreciated over their useful life.

BUDGET IMPACT SUMMARY

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
Budget amendment required	Y	Requires amendment to 2004 budget
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	N	
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	N	

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

This action includes the transfer of budget in the amount of \$47,017 from 2003 to 2004 and an increase of the administrative capital budget of \$620,000. All other transfers are within budgets already included in the adopted budget.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

This action is affordable within the agency's 2004 Financial Plan.

BUDGET TABLE

Not applicable to this action.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable to this action.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
R2003-19	Adopting an annual budget for the period from January 1 through December 31, 2004.	12/11/04
R2002-08	Adopting revised budget policies, and superseding Resolution No. 98-4.	7/25/02
R98-22	Adopting criteria to guide evaluation of proposals to amend Sound Move.	7/23/98
Resolution No. 98-4	Adopting detailed budget policies governing budget content and processes/timeframes for budget submittal and adoption.	2/26/98
Motion No. 32	Adoption of Sound Move Implementation Guide, which provides a blueprint for the development of detailed 6-year capital and operating budgets.	5/22/97
Resolution No. 72	Adopting financial policies and guidelines for providing subarea equity within the 10-Year Regional Transit Plan.	5/31/96

CONSEQUENCES OF DELAY

Delay in adopting this resolution past December 31, 2004, would result in budget overruns for the subject items.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 11/24/04

SOUND TRANSIT

RESOLUTION NO. R2004-20

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the 2004 Budget.

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

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority district, the voters approved local funding for Sound Move, the ten-year plan for high capacity transit in the Central Puget Sound Region; and

WHEREAS, the Sound Transit Board adopted the 2004 budget on December 12, 2003, and

WHEREAS, an amendment to revise the 2004 Board-adopted budget requires supermajority approval of the Sound Transit Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority to amend the 2004 Board-adopted budget as follows:

(1) Decrease the staff operating budget f by \$5,500 and increase the administrative capital budget by \$5,500 for the purchase of a web server.

(2) Decrease the subarea capital program reserve budgets for Sounder and Regional Express by \$275,440 and increase the related subarea non-capitalized operating expense budget by \$187,440 for the Phase I and Phase II upgrade of Expedition software and \$88,000 for ongoing support for the agency's project control system. The budget change (total: \$275,440) for non-capitalized operating expenses is allocated by subarea as follows:

	Souder	Regional Express	Total
Snohomish	41,648	29,207	70,856
North King	-	-	-
South King	26,134	13,892	40,026
East King	-	128,661	128,661
Pierce	<u>35,898</u>	<u>-</u>	<u>35,898</u>
Total	103,680	171,760	275,440

(3) Create a project support capital account for each subarea to budget and accrue capital costs for program support and systems. The initial project to be reclassified from the lifetime capital budgets for Souder and Regional Express is for the agency project forecasting tool. The adopted 2004 capital budget will be amended to include the transfer between capital accounts of \$160,000 and the adopted 2005 budget will reflect this methodology. This reclassified budget will be allocated to project support capital projects by subarea as follows:

	Souder	Regional Express	Total
Snohomish	30,127	14,454	44,582
North King	-	-	-
South King	18,905	6,875	25,779
East King	-	63,671	63,671
Pierce	25,968	<u>-</u>	<u>25,968</u>
Total	75,000	85,000	160,000

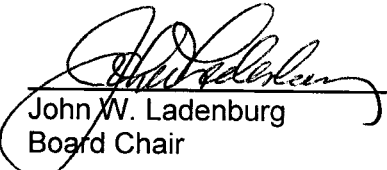
(4) Transfer \$2,000,000 from the Community Development Fund's advances category to mitigation in order to reflect demand in 2004.

(5) Increase administrative capital budget by \$45,017 for office equipment that was budgeted and ordered in 2003 but not received and paid for until 2004.

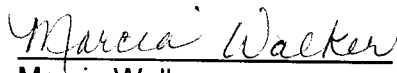
(6) Amend the 2004 budget to allow for transfers between capital budgets and operating budgets (net \$0 change in overall budget) in order to comply with Generally Accepted Accounting Principles and Government Accounting Standards Board Pronouncements.

(7) Increase the Administrative capital budget by \$620,000 for photocopiers. Rather than budget for payments over the life of the copiers, their full value will be booked in the year they are procured and depreciated over their useful life.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 9, 2004.


John W. Ladenburg
Board Chair

ATTEST:


Marcia Walker
Board Administrator