

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2009-19

Amendment to the Adopted 2009 Budget

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/17/09	Discussion/Possible Action to Recommend Board Approval	Brian McCartan, Executive Director Finance & Information Technology	(206) 398-5100
Board	9/24/09	Action	Pete Rogness, Finance & Budget Manager	(206) 398-5102

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate		Property Acquisition	

PROPOSED ACTION

Amend the Adopted 2009 Budget

KEY FEATURES of PROPOSED ACTION

This resolution authorizes amending the lifetime budgets for the following projects:

- Sounder Commuter Rail
 - D-M Street Track and Signal amended from \$101.0 million to \$161.6 million
 - ST2 Seattle - Auburn Track and Signal amended from \$101.7 million to \$104.8 million
 - ST2 Auburn – Tacoma Track and Signal amended from \$83.3 million to \$85.9 million

This resolution authorizes establishment of a budget for the following projects:

- Light Rail
 - Central Link Switch Heaters with a lifetime budget of \$3.3 million
 - First Hill Link Connector with a lifetime budget of \$132.8 million
- Regional Express
 - Burien Transit Center Parking Expansion with a lifetime budget of \$15.2 million

This resolution authorizes the following annual capital budgets for 2009:

- D-M Street Track and Signal amended from \$29.9 million to \$38.4 million
- ST2 Seattle – Auburn Track and Signal amended from \$30.8 million to \$31.7 million
- ST2 Auburn – Tacoma Track and Signal amended from \$25.2 million to \$26.0 million
- Central Link Switch Heaters: \$3.3 million
- North Link – Northgate to 45th Street amended from \$2.3 million to \$1.1 million
- North Link – UW Station to Brooklyn Station amended from \$6.1 million to \$3.5 million
- First Hill Link Connector: \$2.5 million

This resolution also authorizes amending the 2009 budget for tax revenues to incorporate:

- the additional 0.5% sales and use tax which the agency began collecting in June, 2009, and
- reduced tax revenues anticipated due to the recent economic downturn.

Total tax revenues are amended from \$353.0 million to \$573.4 million.

As part of the Adopted 2009 Budget, the Board authorized the CEO to spend an additional \$300,000 for early ramp-up of staff and consultants to support the work of the agency as it begins implementation of the ST2 capital and operational programs. Over the course of the year, staff has assessed the program, identifying the sequencing of activities and has begun to develop staffing plans to support the implementation. Based on the assessment of the program, staff has identified 18 new positions needed to be hired in 2009, which the CEO has authorized under the authority provided to her through the Board's budget policy and through the 2009 budget.

These positions will be hired through the second half of the year, and no additional budget authority will be needed to fund these positions in 2009.

BUDGET IMPACT SUMMARY

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Line of Business		
This Project		
This Phase		
Budget amendment required	✓	This action will amend the Adopted 2009 Budget.
Key Financial Indicators:	✓	Comments on Checked Items
Contingency funds required		
Subarea impacts		
Funding required from other parties other than what is already assumed in financial plan		

Not checked = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET and FINANCIAL PLAN DISCUSSION

The 2009 Budget that was adopted by the Board in December 2008 included four known early project expenditures related to new ST2 projects as well as additional budget in the CEO contingency account to fund additional staff costs related to early implementation of the ST2 program.

At that time, it was anticipated that staff would prepare an amendment to include any other budget authority needed to execute Sound Transit's program in 2009. This budget amendment provides budget authority in support of anticipated expenditures or contracting authority that will be requested through the end of 2009.

The proposed amendment to the Adopted 2009 Budget requests budget authorization totaling \$12.1 million in additional annual capital budget for 2009 and a total increase in the lifetime capital budget of \$217.5 million.

The amendment also requests an increase in budget for tax revenues of \$220.3 million for 2009.

The proposed amendment to the Adopted 2009 Budget is fully affordable within the agency's existing revenue projections and financial policies.

BUDGET TABLE

N/A

SMALL BUSINESS PARTICIPATION

N/A

Prior Board/Committee Actions

Motion/ Resolution Number & Date	Summary of Action
R2008-14 12/18/ 2008	Adopting the 2009 budget.
R72-1 4/13/06	Rescinding Resolution 72, and amending the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund
R2002-08 7/25/02	Adopting revised budget policies, and superseding Resolution No. 98-4
Motion No. 32 5/22/97	Adoption of Sound Move Implementation Guide, which provides a blueprint for the development of detailed 6-year capital and operating budgets.

CONSEQUENCES of DELAY

None.

PUBLIC INVOLVEMENT

N/A

ENVIRONMENTAL COMPLIANCE

Jl, 9/10/09

LEGAL REVIEW

JW 9/10/09

SOUND TRANSIT

RESOLUTION NO. R2009-19

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2009 Budget.

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 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 Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 8, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Resolution No. 72-1, adopted on April 13, 2006, Resolution No. R2007-05, adopted on May 24, 2007, and Resolution No. R2008-10, adopted on July 24, 2008 amended the agency's financial policies; and

WHEREAS, by Resolution No. R2002-08 the Sound Transit Board adopted revised budget policies; and

WHEREAS, by Resolution No. R2008-14, adopted on December 11, 2008, the Sound Transit Board adopted the 2009 Budget; and

WHEREAS, the Adopted 2009 Budget included funding in the CEO's contingency to allow for hiring of new staff positions and other costs related to implementation of the agency's projects and operations prior to the Board further amending the budget; and

WHEREAS, the recent economic downturn has adversely affected the agency's tax revenues resulting in a more than 15% decrease in forecasted revenues for the agency over the period of 2009 through 2023, and

WHEREAS, the agency staff has formed a team of project managers, program managers and other subject matter experts to review the ST2 program implementation to identify opportunities for added efficiencies and cost savings; and

WHEREAS, certain projects have been identified that require expenditures or contract execution prior to the end of 2009 that were not included in the agency's Adopted 2009 Budget, and

WHEREAS, this budget amendment is consistent with and affordable under adopted Sound Transit financial policies as established by Resolution No. R2008-10 and consistent with Sound Transit budget policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority to amend the Adopted 2009 Budget as follows:

Section 1: The Sounder D – M Street Track and Signal project is amended to increase the lifetime budget from \$101.025 million to \$161.581 million. The 2009 annual budget for the project is amended from \$29.914 million to \$38.4 million.

Section 2: The Sounder ST2 Seattle to Auburn Track and Signal project is amended to increase the lifetime budget from \$101.676 million to \$104.842 million. The 2009 annual budget for the project is amended from \$30.778 million to \$31.702 million.

Section 3: The Sounder ST2 Auburn - Tacoma Track and Signal project is amended to increase the lifetime budget from \$83.324 million to \$85.919 million. The 2009 annual budget for the project is amended from \$25.222 million to \$25.979 million.

Section 4: Establish budget for Central Link Switch Heaters with a lifetime budget of \$3.253 million and a 2009 annual budget of \$3.253 million.

Section 5: Establish budget for the project titled First Hill Link Connector with a lifetime budget of \$132.78 million and a 2009 annual budget of \$2.5 million.

Section 6: Establish budget for the project titled Burien Transit Center with a lifetime budget of \$15.175 million.

Section 7: The North Link – Northgate to 45th Street project's 2009 annual budget is amended from \$2.313 million to \$1.125 million.

Section 8: The North Link – UW Station to Brooklyn Station project's 2009 annual budget is amended from \$6.103 million to \$3.503 million.

Section 9: The phase-level budgets for the projects in Sections 1 through 8 are reflected in Attachment 1.

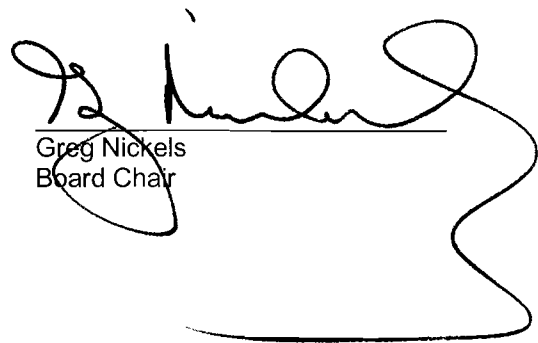
Section 10: The budget for Sales and Use tax for 2009 is amended from \$278,661,569 to \$499,955,443.

Section 11: The budget for Motor Vehicle Excise Tax and Car Rental Tax is amended from \$74,386,360 to \$73,431,297.

ADOPTED by a 2/3 majority of the Board of the Central Puget Sound Regional Transit Authority, at a regular meeting thereof held on September 24, 2009.

ATTEST:

Marcia Walker
Marcia Walker
Board Administrator


Greg Nickels
Board Chair

Resolution No. R2009-19 Attachment 1

Proposed Amendment to the Adopted 2009 Sound Transit Budget (\$000)

135 D Street - M Street Track & Signal

Phase	2009 Annual Budget			Lifetime Budget		
	Current 2009 Project Budget	Budget Transfer	Revised Project Budget	Current 2009 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 1,065	\$ 880	\$ 1,945	\$ 4,111	\$ 4,783	\$ 8,894
Preliminary Engr / Environmental Review	\$ -	\$ 6	\$ 6	\$ 1,745	\$ (29)	\$ 1,716
Final Design / Specifications	\$ 5,097	\$ 3,557	\$ 8,654	\$ 14,886	\$ (522)	\$ 14,364
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 41	\$ 41	\$ 11,572	\$ 59,557	\$ 71,129
Vehicles	\$ -	\$ -	\$ -	\$ 8,953	\$ -	\$ 8,953
ROW Acquisition and Permits	\$ 23,752	\$ 4,002	\$ 27,754	\$ 47,257	\$ 2,866	\$ 50,123
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 12,500	\$ (6,099)	\$ 6,401
Total	\$ 29,914	\$ 8,485	\$ 38,400	\$ 101,025	\$ 60,556	\$ 161,581

The Adopted 2009 Budget will be amended to reflect the total costs of constructing the D Street - M Street Track and Signal project. The additional funding will come from available Pierce County financial capacity. In the 2010 budget savings of \$15 million will be captured from the Auburn - Tacoma Track & Signal project. These savings will be removed from the Sounder program to help offset this increase.

510 Seattle to Auburn

Phase	2009 Annual Budget			Lifetime Budget		
	Current 2009 Project Budget	Budget Transfer	Revised Project Budget	Current 2009 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 923	\$ 923	\$ -	\$ 3,054	\$ 3,054
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ 112	\$ 112
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 30,778	\$ (30,778)	\$ -	\$ 101,676	\$ (101,676)	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ 30,779	\$ 30,779	\$ -	\$ 101,677	\$ 101,677
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 30,778	\$ 924	\$ 31,702	\$ 101,676	\$ 3,166	\$ 104,842

The Adopted 2009 Budget included costs for the contractual payment to BNSF for the four perpetual easements for Sounder service expansion. Additional budget is required for costs of appraisal, title reports, document and filing fees as well as contracted real estate services that are assisting in this acquisition. The 2009 budget showed the payments in construction they are now being moved to Right of Way.

520 Auburn to Tacoma

Phase	2009 Annual Budget			Lifetime Budget		
	Current 2009 Project Budget	Budget Transfer	Revised Project Budget	Current 2009 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 757	\$ 757	\$ -	\$ 2,502	\$ 2,502
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ 91	\$ 91
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 25,222	\$ (25,222)	\$ -	\$ 83,324	\$ (83,324)	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ 25,223	\$ 25,223	\$ -	\$ 83,325	\$ 83,325
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 25,222	\$ 757	\$ 25,979	\$ 83,324	\$ 2,595	\$ 85,919

The Adopted 2009 Budget included costs for the contractual payment to BNSF for the four perpetual easements for Sounder service expansion. Additional budget is required for costs of appraisal, title reports, document and filing fees as well as contracted real estate services that are assisting in this acquisition. The 2009 budget showed the payments in construction; they are now being moved to Right of Way.

Resolution No. R2009-19 Attachment 1

Proposed Amendment to the Adopted 2009 Sound Transit Budget (\$000)

Central Link Switch Heaters

in 000's

Phase	2009 Annual Budget			Lifetime Budget		
	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget
Agency Administration	\$ -	\$ 120	\$ 120	\$ -	\$ 120	\$ 120
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ 361	\$ 361	\$ -	\$ 361	\$ 361
Construction Services	\$ -	\$ 241	\$ 241	\$ -	\$ 241	\$ 241
Third Party	\$ -	\$ 120	\$ 120	\$ -	\$ 120	\$ 120
Construction	\$ -	\$ 2,409	\$ 2,409	\$ -	\$ 2,409	\$ 2,409
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 3,253	\$ 3,253	\$ -	\$ 3,253	\$ 3,253

The Adopted 2009 annual and lifetime capital budget will be amended to create a budget for the Link light rail Central Link Switch Heaters project to provide the full build-out of switch heaters at the Central Link Operations and Maintenance Facility yard, yard entrance, and the Airport station cross-over switches. The 2009 annual and lifetime budgets will be increased by \$3.3 million, which includes: \$0.1 million in the Agency Administration phase for agency and Link direct charges; \$0.4 million in the Final Design phase for final design and design services during construction (DSDC); \$0.2 million in the Construction Services phase for construction management; \$0.1 million in the Third Party phase for work by other agencies; and \$2.4 million in the Construction phase for installation and power distribution.

400007 - First Hill Link Connector

in 000's

Phase	2009 Annual Budget			Lifetime Budget		
	Current 2009 Project Budget	Budget Transfer	Revised Project Budget	Current 2009 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 73	\$ 73	\$ -	\$ 3,867	\$ 3,867
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ 2,427	\$ 2,427	\$ -	\$ 128,913	\$ 128,913
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 2,500	\$ 2,500	\$ -	\$ 132,780	\$ 132,780

This is an ST2 project, this amendment will provide budget that allows the initial transfer of funds to the City of Seattle to begin design work.

500006 - Burien Transit Center Parking Expansion

in 000's

Phase	2009 Annual Budget			Lifetime Budget		
	Current 2009 Project Budget	Budget Transfer	Revised Project Budget	Current 2009 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ 442	\$ 442
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ 14,733	\$ 14,733
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ 15,175	\$ 15,175

This is an ST2 project, this amendment will provide budget for a capped contribution for the expansion of transit parking at the joint City of Burien and King County Transit Oriented Development at the Burien Transit Center.

Resolution No. R2009-19 Attachment 1

Proposed Amendment to the Adopted 2009 Sound Transit Budget (\$000)

North Link - Northgate to 45th Street

Phase	2009 Annual Budget			Lifetime Budget		
	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget
Agency Administration	\$ 1,225	\$ (1,100)	\$ 125	\$ 2,320	\$ (1,100)	\$ 1,220
Preliminary Engr / Environmental Review	\$ 308	\$ (124)	\$ 184	\$ 5,142	\$ (124)	\$ 5,018
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 1,034	\$ -	\$ 1,034
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ 95	\$ 35	\$ 130	\$ 225	\$ 35	\$ 260
Construction	\$ -	\$ 600	\$ 600	\$ -	\$ 1,789	\$ 1,789
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ 9	\$ -	\$ 9	\$ 10,150	\$ -	\$ 10,150
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ 677	\$ (600)	\$ 77	\$ 677	\$ (600)	\$ 77
Total	\$ 2,313	\$ (1,189)	\$ 1,125	\$ 19,548	\$ -	\$ 19,548

The North Link - Northgate to 45th Street project lifetime budget will be amended to transfer surplus budget within other phases to the Third Party and Construction phases to fund the installation of additional track at the Central Link Operations and Maintenance Facility that will accommodate future expansion for this segment of North Link, as approved by the Link Change Control Board in January 2009 (LCR-02547-00): decrease the Agency Administration phase by \$1.1 million unallocated contingency; decrease the Preliminary Engineering phase by \$0.1 million unallocated contingency; increase the Third Party phase by \$0.04 million; increase the Construction phase by \$1.8 million; and decrease the Contingency phase by \$0.6 million project contingency. The total 2009 annual budget cash flow will be reduced by \$1.2 million based on the current construction schedule for the trackwork installation.

North Link UW Station to Brooklyn Station (at 45th Street)

Phase	2009 Annual Budget			Lifetime Budget		
	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget	Adopted 2009 Project Budget	Budget Amendment	Amended Project Budget
Agency Administration	\$ 372	\$ -	\$ 372	\$ 1,681	\$ -	\$ 1,681
Preliminary Engr / Environmental Review	\$ 461	\$ (200)	\$ 261	\$ 9,000	\$ (200)	\$ 8,800
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 5,350	\$ -	\$ 5,350
Construction Services	\$ 270	\$ -	\$ 270	\$ 300	\$ -	\$ 300
Third Party	\$ -	\$ 100	\$ 100	\$ 1,134	\$ 100	\$ 1,234
Construction	\$ 5,000	\$ (2,500)	\$ 2,500	\$ 6,844	\$ 100	\$ 6,944
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 2,133	\$ -	\$ 2,133
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2
Total	\$ 6,103	\$ (2,600)	\$ 3,503	\$ 26,444	\$ -	\$ 26,444

The North Link - UW Station to Brooklyn Station (45th Street) project lifetime budget will be amended to transfer surplus budget within the Preliminary Engineering phase to the Third Party and Construction phases to fund the installation of additional track at the Central Link Operations and Maintenance Facility that will accommodate future expansion for this segment of North Link, as approved by the Link Change Control Board in January 2009 (LCR-02547-00): decrease the Preliminary Engineering phase by \$0.2 million unallocated contingency; increase the Third Party phase by \$0.1 million to provide construction support services; increase the Construction phase by \$0.1 million. The total 2009 annual budget cash flow will be reduced by \$2.6 million based on the current construction schedule for the trackwork installation.