



Proposed 2018 Budget

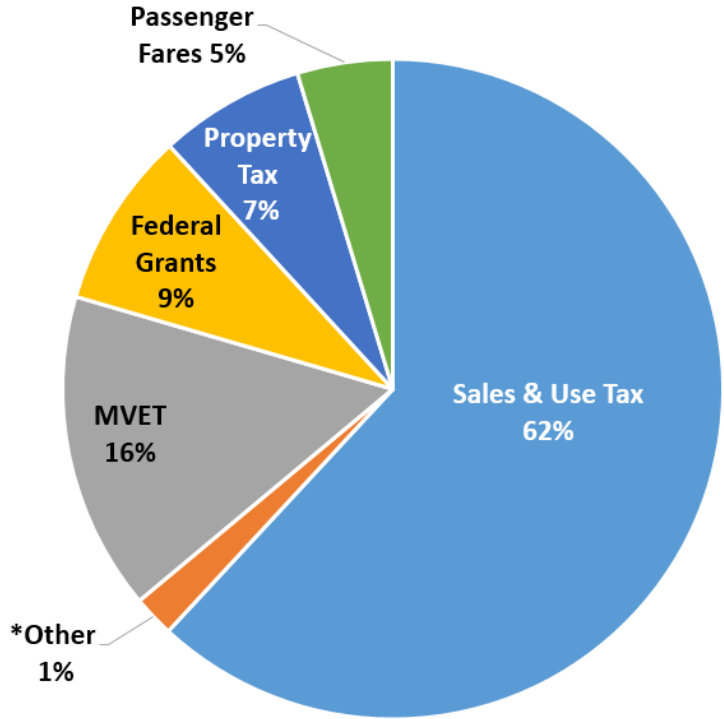
Operations and Administration Committee
November 2, 2017

Proposed Annual 2018 Budget – Key Drivers

- New System Expansion Implementation Plan.
- Construction activity reaching its highest level to date.
- Right-of-way and construction cost increases.
- Customer experience enhancements.
- Link ridership growth.



Proposed 2018 Annual Revenue & Financing - \$2.0B



First Full Year of ST3 Revenues for:

- Sales & use tax – 0.5% rate increase effective April 2017.
- MVET – 0.8% rate increase effective March 2017.

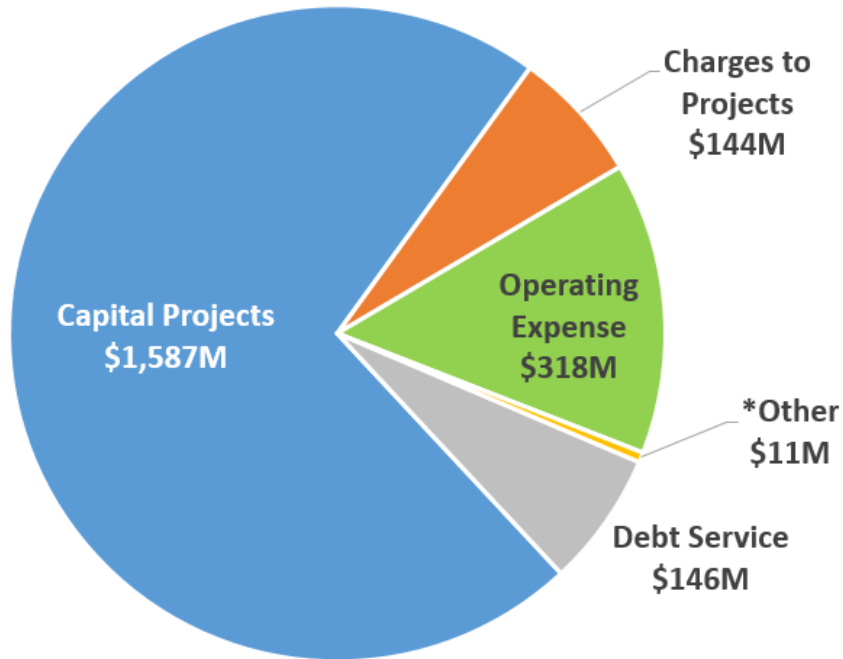
Property Tax - \$150M:

- Includes increase of 1%.

Budget will require ~\$200 million drawdown in agency Cash balances

*Misc. includes investment income, local & state contributions, rental car tax, etc.

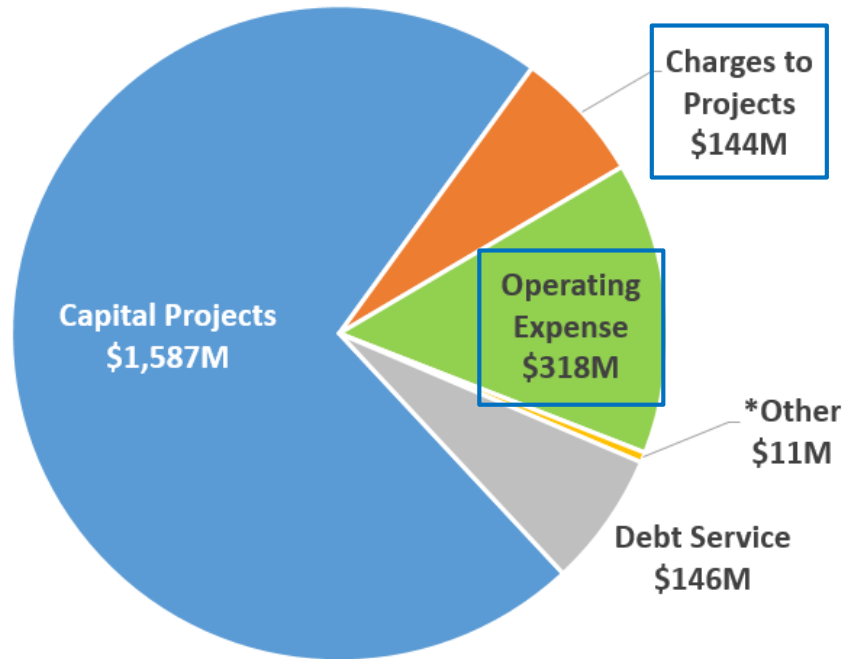
Proposed 2018 Annual Budget - \$2.2B



- Project budgets are \$1.7B – primarily Link extensions.
- Transit mode operating budgets are \$318M driven by increase in number of staff and service rate.
- Debt service is \$146M.
 - \$36M principal repayment.
 - \$95M capitalized interest.
 - \$14M interest expense.
 - \$1M financing expense

*Other includes \$5M in donations and \$6M in tax revenue collection costs.

Proposed 2018 Operating Budget - \$462M



Departments (in thousands)	2018 Budget
Communications & External Affairs	\$9,502
Design, Engineering & Construction Mgmt.	53,725
Executive	32,111
Finance & Information Technology	53,260
Legal	4,662
Operations	296,106
Planning, Environment & Project Dev.	12,202
	461,568

*Other includes \$5M in donations and \$6M in tax revenue collection costs.

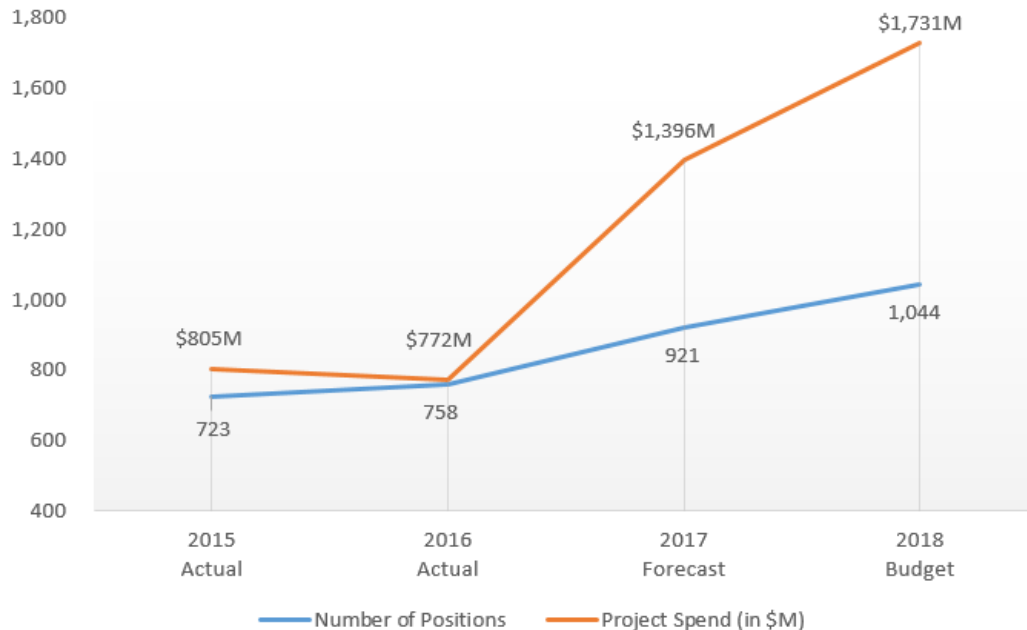
Operating Budget - \$75M Higher than 2017 FC

Departments (in thousands)	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	2018 Budget vs. 2017 FC (\$)	2018 Budget vs. 2017 FC (%)
Communications & External Affairs	\$6,553	\$7,571	\$7,438	\$9,502	\$2,064	28%
Design, Engineering & Construction Mgmt.	38,031	47,022	42,112	53,725	11,613	28%
Executive	17,411	25,352	21,356	32,111	10,755	50%
Finance & Information Technology	38,032	43,973	43,780	53,260	9,480	22%
Legal	3,135	3,889	3,255	4,662	1,407	43%
Operations	230,026	267,822	260,030	296,106	36,076	14%
Planning, Environment & Project Dev.	7,049	9,378	8,371	12,202	3,831	46%
	340,236	405,006	386,342	461,568	75,226	19%

Cost Type (in thousands)	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	2018 Budget vs. 2017 FC (\$)	2018 Budget vs. 2017 FC (%)
Salaries & Benefits	89,738	109,176	100,816	134,579	33,764	33%
Purchased Transp Svcs	146,536	163,026	161,140	177,101	15,961	10%
Services	63,343	82,320	75,120	94,081	18,961	25%
Other	40,619	50,483	49,266	55,806	6,540	13%
	340,236	405,006	386,342	461,568	75,226	19%

Workforce Growth to Support Capital Program

Project Spend vs. Positions by Year



123 New Positions Proposed from 2017 to 2018:

- 79 to support increasing capital project activities.
- 23 to support growing operations.
- 21 to support growing administrative needs.

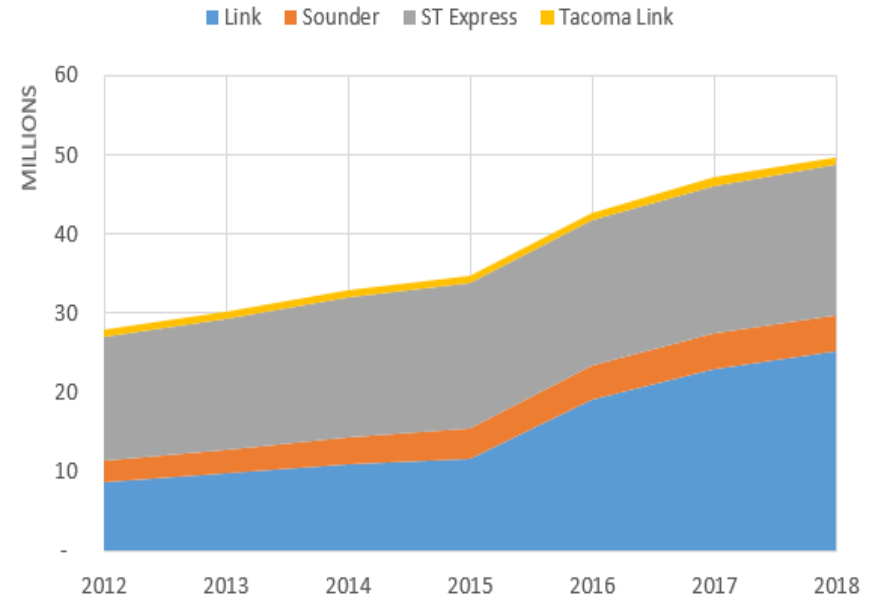
Revision to Proposed Annual 2018 Budget

Workforce development and pre-apprentice programs - \$850,000.

- Trades Mentoring Program - \$200,000.
- Pre-Apprentice Training Support - \$350,000.
- Support Services - \$195,000.
- Respectful Project Site/Rise Up - \$85,000.

2018 Ridership Could Surpass 50M

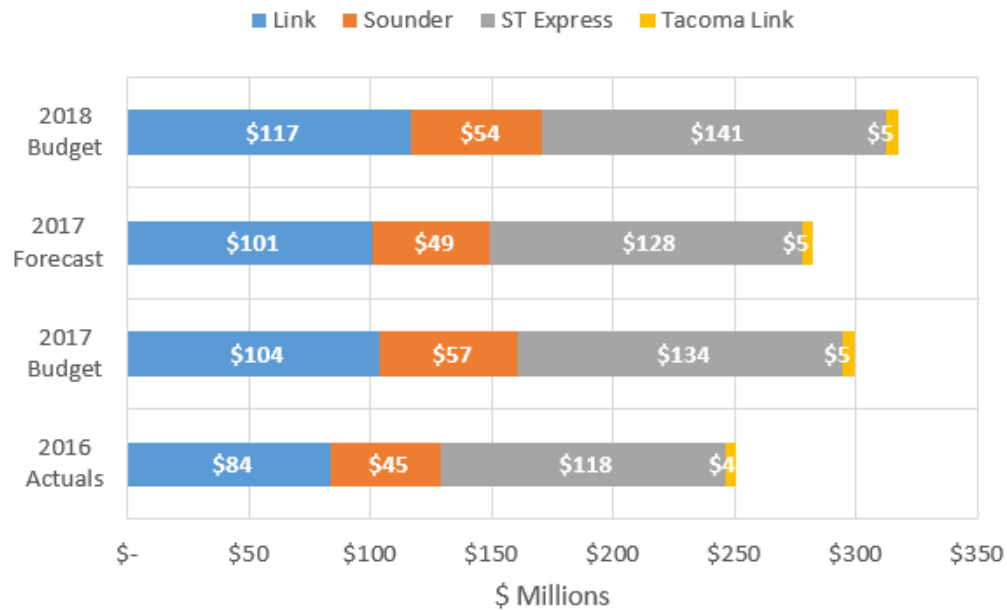
- Ridership to reach 49.7M, up by 4.3%.
- Link continues to grow with 7.7% increase.
- Sounder up by steady 3.3%.
- ST Express up by 0.5%.
- Tacoma Link up by 3.3%.



Please note % change is from 2017 Ridership Forecast.

Proposed 2018 Transit Mode Budgets - \$318M

- Transit Mode budget is up 12%.
- Purchased Transportation is \$177M, up 10% - increases in Link vehicle hours and labor rates
- Security is \$25M, up 16% - DSTT takeover in 2019.
- Contract maintenance is \$35M, up 25% - higher share of tunnel costs and aging assets.



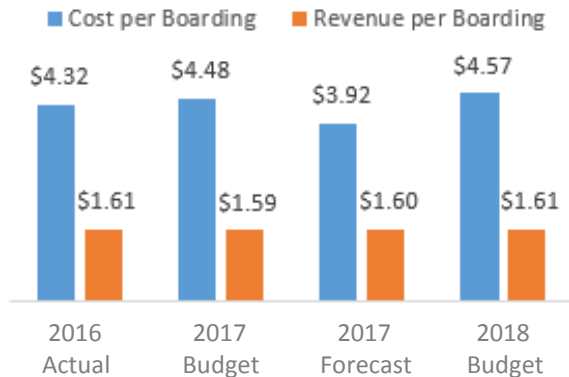
Please note % change is from 2017 Forecast.

Proposed 2018 Link Budget - \$117M

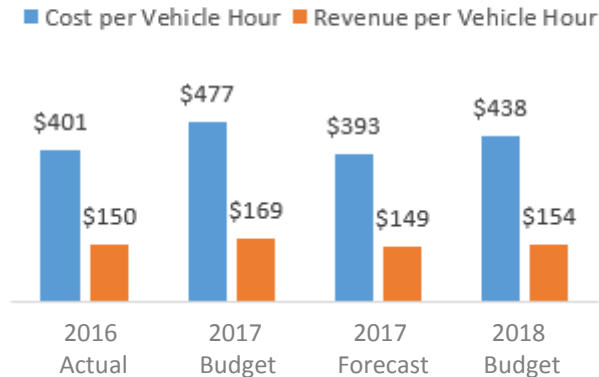
	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Change from 2017 Forecast
Total Boardings	19,121,621	22,900,000	23,400,000	25,200,000	7.7%
Vehicle Hours	204,824	214,900	251,758	263,064	4.5%
Operating Expenses*	\$ 82,216,534	\$ 102,523,859	\$ 98,897,917	\$ 115,169,737	16.5%
Passenger Revenues	\$ 30,787,213	\$ 36,414,800	\$ 37,466,911	\$ 40,572,000	8.3%

*Operating Expenses excludes paratransit

\$ per Boarding



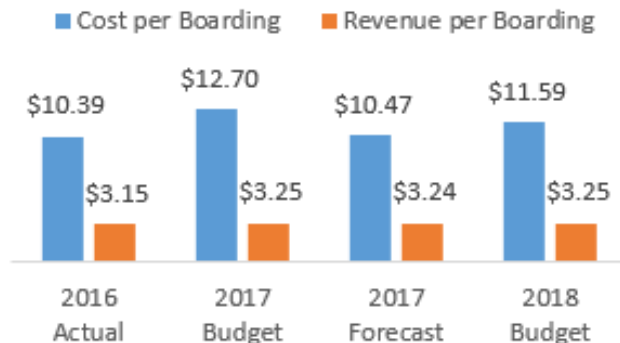
\$ per Vehicle Hour



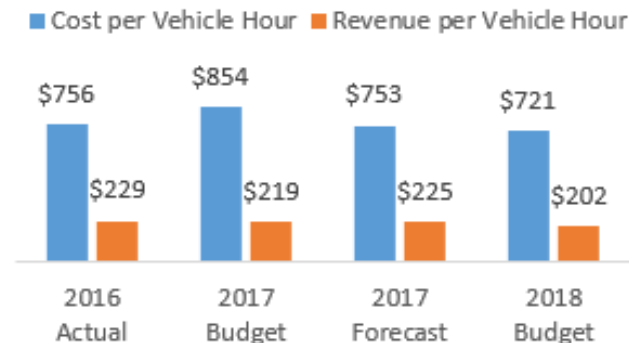
Proposed 2018 Sounder Budget - \$54M

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Change from 2017 Forecast
Total Boardings	4,312,113	4,480,000	4,500,000	4,650,000	3.3%
Vehicle Hours	59,275	66,576	64,641	74,789	15.7%
Operating Expenses	\$ 44,819,343	\$ 56,880,111	\$ 48,699,682	\$ 53,899,846	10.7%
Passenger Revenues	\$ 13,580,801	\$ 14,560,000	\$ 14,574,227	\$ 15,127,847	3.8%

\$ per Boarding



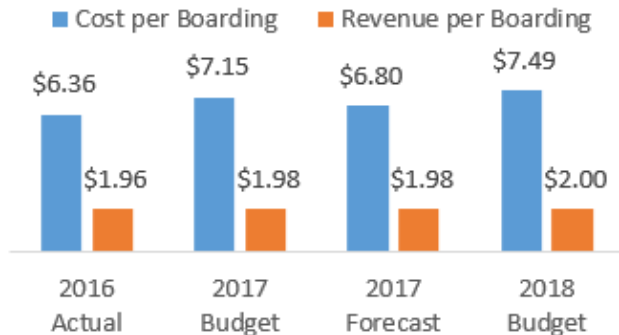
\$ per Vehicle Hour



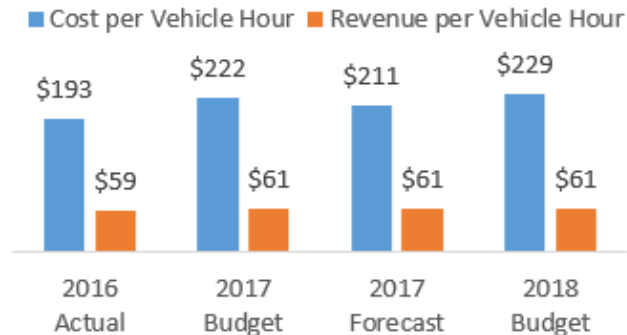
Proposed 2018 ST Express Budget - \$141M

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Change from 2017 Forecast
Total Boardings	18,470,408	18,680,000	18,770,000	18,860,000	0.5%
Vehicle Hours	609,563	602,500	608,578	617,710	1.5%
Operating Expenses	\$ 117,528,060	\$ 133,649,397	\$ 128,211,410	\$ 141,303,915	10.2%
Passenger Revenues	\$ 36,194,309	\$ 36,986,400	\$ 37,247,717	\$ 37,733,598	1.3%

\$ per Boarding



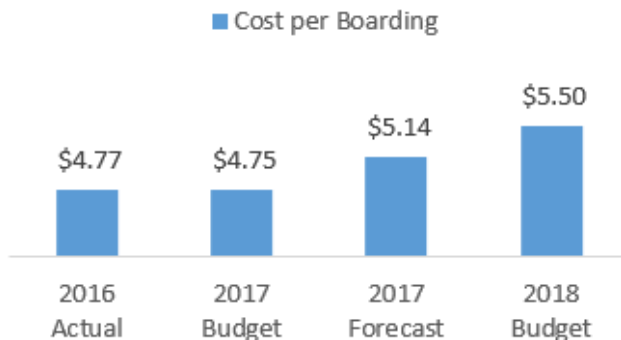
\$ per Vehicle Hour



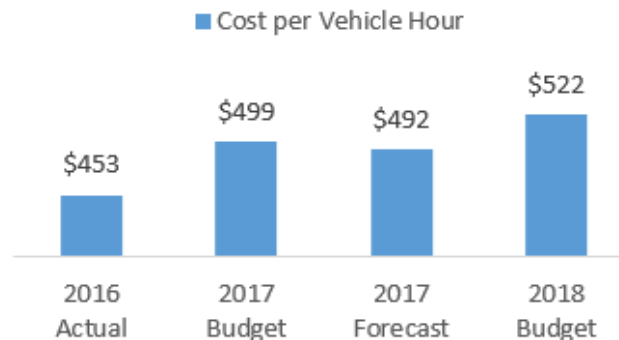
Proposed 2018 Tacoma Link Budget - \$5M

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Change from 2017 Forecast
Total Boardings	938,315	1,040,000	910,000	940,000	3.3%
Vehicle Hours	9,868	9,900	9,809	9,900	0.9%
Operating Expenses	\$ 4,471,829	\$ 4,944,182	\$ 4,828,838	\$ 5,171,156	7.1%
Passenger Revenues	\$ -	\$ -	\$ -	\$ -	N/A

\$ per Boarding

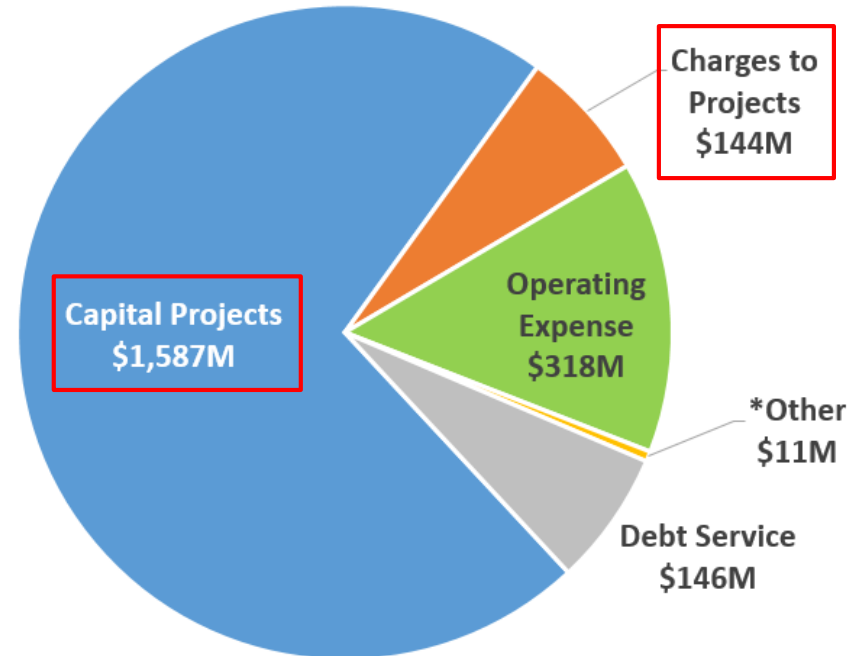


\$ per Vehicle Hour



Proposed 2018 Annual Project Budget - \$1.7B

- Peak of construction activity to date.
- Link - 82% of total 2018 construction spending.
 - East Link \$575M.
 - Northgate Link \$311M.
 - Federal Way Link \$123M.
 - Lynnwood Link \$148M.
 - Tacoma Link \$20M.



*Other includes \$5M in donations and \$6M in tax revenue collection costs.

2018 Presentation Schedule



Oct 26 – Full Board
 Nov 2 – O&A Committee
 Nov 2 – Citizen’s Oversight Panel
 Nov 9 – Capital Committee
 Nov – Subarea Briefings

Oct 19 – Citizen’s Oversight Panel
 Nov 2 – O&A Committee
 Nov 16 – Full Board

Oct 26 – Full Board
 Nov 2 – Executive Committee
 Nov – Subarea Briefings
 Dec 7 – Executive Committee

Dec 7 – O&A Committee
 Dec 14 – Capital Committee
 Dec 21 – Full Board

RIDE THE NEW WAVE

CHINATOWN
INTERNATIONAL
DISTRICT



SOUNDTRANSIT
RIDE THE WAVE

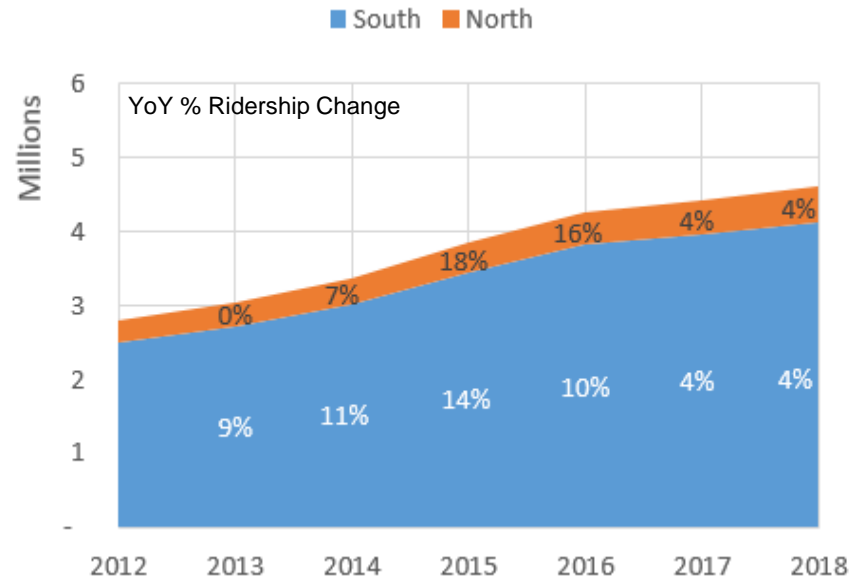


SOUNDTRANSIT



Appendix - Sounder South and North

- South line accounts for ~90% of Sounder Ridership.
- Projected 4% growth driven by annualizing additional trips to South line in 2017.
- North line continues to grow steadily based on historical trend.



Appendix - Less Crowded ST Express

- Ridership up 1% while Service Level to increase by 2.2%.
- Continuing improvement on over crowded ST Express YoY.

Year	Ridership (in 000)	Platform Hours (in 000)	Ridership per Hour	YoY% Ridership Rate
2012	15,431	690	22.4	N/A
2013	16,604	706	23.5	5.2%
2014	17,670	717	24.6	4.7%
2015	18,314	728	25.2	2.1%
2016	18,470	765	24.1	-4.0%
2017	18,680	777	24.0	-0.5%
2018	18,860	795	23.7	-1.2%