

SOUND TRANSIT

RESOLUTION NO. R98-49

**Adopting 1999 Budget
BACKGROUND AND COMMENTS**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/5/98	Recommend Board Approval	Jan Hendrickson	689-3148
Board of Directors	11/12/98	Approval		

ACTION:

Adoption of the Proposed 1999 Budget with Amendments.

BACKGROUND:

On September 21, 1998, the Executive Director submitted the Proposed 1999 Budget to the Board for its consideration. Throughout the fall, the Finance Committee has reviewed the Proposed Budget and discussed the elements of the operating budget, cost allocation plan, six-year capital plan, revenue forecast, and updated financial plan.

The Board also held a public hearing and a budget retreat on October 22, 1998 to review the Proposed Budget and Financial Plan.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Resolution No. 91, adopting the 1997 Budget
- Resolution No. 72, adopting Sound Move Financial Policies
- Resolution No. 98-4, adopting Budget Policies for Sound Transit
- Resolution No. 78-1, delegating authority to the Executive Director for expenditure of funds
- Resolution No. 101, adopting the 1998 Budget.
- Resolution No. R98-46, adopting the Service Implementation Plan for Regional Express (to be considered by the Board at its November 12, 1998 meeting).

KEY FEATURES:

The Proposed Budget approves \$442,991,575 of operating expenses and capital outlays by Sound Transit in 1999. Gross operating expenses (before allocation to capital) include \$469,165 for the Board, \$579,849 for the Executive's Office, \$3,526,180 for Legal Affairs, \$5,775,180 for Public and Governmental Affairs, \$7,456,084 for Finance and Administration, \$5,029,036 for Link Light Rail, \$1,832,181 for Sounder Commuter Rail, and \$2,827,871 for Regional Express.

Prior to its consideration of the Proposed Budget at its November 12th meeting, the Board will consider the final Service Implementation Plan (SIP) for Regional Express. The Budget Resolution provides that the final budget will be amended to be consistent with the SIP.

The Finance Committee has proposed a series of amendments to the Budget, which will be mailed to the Board separately. The Board will consider these amendments prior to the final adoption of the budget.

FUNDING:

Sound Transit's 1999 expenses and outlays will be funded by an estimated \$513,770,120 of revenue and other financing sources (on an accrual basis). Of this amount, an estimated \$180,718,000 will be collected from Retail Sales and Use Tax, \$46,523,000 from Motor Vehicle Excise Tax, \$68,000,000 from Federal Grants, \$17,704,000 from interest earnings, and \$825,120 from farebox revenue. In addition, the Budget assumes \$200 million in revenue from the issuance of bonds.

ALTERNATIVES:

While the Proposed Budget and amendment may be further amended by the Board, there is no alternative to ultimate passage of a budget by the Board.

CONSEQUENCES OF DELAY:

As November 12th is the final Board meeting of 1998 which is expected to have a quorum sufficient to pass the budget, failure to adopt the budget at its November 12th meeting would mean that the Sound Transit would likely begin 1999 without an adopted budget.

LEGAL REVIEW

The Background and Comments and the Resolution have been reviewed and approved by the Legal Department.

SOUND TRANSIT

RESOLUTION NO. R98-49

A Resolution of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period January 1 to December 31, 1999.

WHEREAS, by Resolution No. 72, adopted May 31, 1996, the Sound Transit Board adopted the Financial Policies to govern the financing and implementation of the Ten-Year Regional Transit Plan and to specify budgetary guidelines for providing subarea equity in accomplishing same; and

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority's (Sound Transit) District, the voters approved local-option taxes to support implementation of the Ten-Year Regional Transit System Plan; and

WHEREAS, the Sound Transit Board adopted on May 22, 1997 the Implementation Guide to provide a blueprint for the development of the significantly more detailed six-year capital and operating budgets for Sound Transit Board adoption; and

WHEREAS, by Resolution No. 98-4, the Sound Transit Board adopted budget policies; and

WHEREAS, the Sound Transit Executive Director has developed a work plan to be accomplished in calendar year 1999. Said work plan continues the implementation of the capital infrastructure and transit service projects identified in the Ten-Year Regional Transit Plan; and

WHEREAS, the Sound Transit Executive Director has developed a budget, attached with addenda as Exhibit A, to accomplish the 1999 work plan; and

WHEREAS, said budget is consistent with adopted Sound Transit financial policies as established by Resolution No. 72-1; and

WHEREAS, the Board has adopted in Resolution No. R98-46 a Service Implementation Plan for Regional Express which will implement the commitments for regional bus service included in Sound Move, and which the Board found generally consistent with the Sound Move financial plan;

NOW, THEREFORE, be it resolved by the Board of the Central Puget Sound Regional Transit Authority as follows:

Section 1. Subject to the provisions of Resolution No. 78-1 requiring Sound Transit Board approval of capital infrastructure projects and approval of contracts authorizing expenses exceeding \$200,000, Sound Transit is hereby authorized to incur \$24,184,038 in net operating expenses and \$418,807,536 million in capital outlays in calendar year 1999, or such amounts as contained in amendments to the Proposed Budget (Exhibit A) as adopted by the Board. Gross departmental operating expenses (before allocations to capital projects) in the following amounts, or in amounts as contained in amendments to the Proposed Budget (Exhibit A) as adopted by the Board, are hereby approved:

Board Administration	\$469,165
Executive's Office	\$579,849
Legal Department	\$3,526,180
Public and Governmental Affairs	\$5,775,418
Finance and Administration	\$7,456,084
Link Light Rail	\$5,029,036
Sounder Commuter Rail	\$1,832,181
Regional Express	\$2,827,871

Section 2. The budget for the period January 1, 1999 to December 31, 1999 ("Adopted Budget"), substantially in the Form of Exhibit A as amended and attached hereto, is hereby adopted. The Adopted Budget shall serve as a planning document and is not an authorization of expenses, except as specified in Section 1 above. The Adopted

Budget estimates collection of \$227,241,000 in Sale and Use Tax and Motor Vehicle Excise Tax.

Section 3. The Six-year Capital Plan described in Exhibit A is hereby endorsed. Such endorsement does not constitute final project authorization, pursuant to Section 9. B. of Resolution No. 78-1.

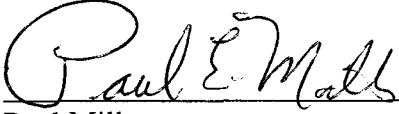
Section 4. The Adopted Budget is hereby amended to include the elements of the Board adopted Service Implementation Plan.

Section 5. The Board directs the Executive Director, or her or her designee, to review the final Adopted Budget with the Chair of the Board and the Chair of the Finance Committee to assure that the intent of the amendments made to the Adopted Budget are accurately reflected therein.

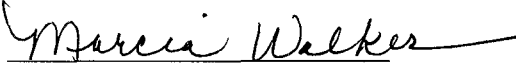
Section 6. The Executive Director, or his designee, shall provide regular budget reports to the Sound Transit Board and shall provide the Board with such information as may be necessary to compare actual financial performance with the Adopted Budget and to ensure conformance with the financial policies.

Section 7. The Board further authorizes the Executive Director, or his or her designee, to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on 11-12, 1998.


Paul Miller
Board Chair

ATTEST:


Marcia Walker
Board Administrator