

## **SOUND TRANSIT**

### **RESOLUTION NO. R2001-17**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2002.

WHEREAS, by Resolution No. 72, adopted May 31, 1996, the Sound Transit Board adopted 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 the 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, by Motion No. 32 adopted on May 22, 1997, the Sound Transit Board approved the Implementation Guide, providing 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 2002, which 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 2002 work plan; and

WHEREAS, the Sound Transit Executive Director implemented changes to the annual budget process that included individually justifying all proposals, ensuring affordability, converting all budget information to year of expenditure dollars, and reviewing and adjusting where appropriate all schedules for preparation of the 2002 budget; and

WHEREAS, the Executive Director re-organized the agency in 2001 to ensure the project control function was properly structured, lines of authority are clear, and management systems integrated; and

WHEREAS, said budget was developed from a zero base, proposing no increase to staff operations levels from 2001 and proposing appropriate increases to transit operations and capital projects consistent with increased transit services and ramping up construction levels in 2002; and

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

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 Finance Committee or Board approval of contracts authorizing expenses exceeding \$200,000, Sound Transit is hereby authorized to incur \$47,356,216 for staff operating expenses; \$20,751,000 for Regional Fund projects (Phase II Planning, Research and Technology, Fare Integration); and \$17,163,888 for payment of debt service on outstanding bonds. Sound Transit is hereby authorized to incur \$51,567,288 in expenses for transit operations for Regional Express and \$17,993,864 in expenses for transit operations for Sounder commuter rail. In addition, Sound Transit is hereby authorized to incur \$622,356,073 in capital outlays (including allocations) and line of business non-capitalizable

costs in calendar year 2002, or such amounts as are contained in amendments to the proposed budget (Attachment A) as adopted by the Board.

Section 2. The budget for the period January 1, 2002, to December 31, 2002 ("Adopted Budget"), substantially in the form of Attachment 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 projects the collection of \$430,090,160 in total revenues including \$266,915,091 in Sales and Use Tax and Motor Vehicle Excise Tax.

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

Section 4. Sound Move is hereby amended by (1) the removal of the Sounder Commuter Rail Boeing Access Road station and distribution of remaining funds to other Sounder projects in South King subarea in accordance with Resolution No. R2001-10, and (2) the removal of the Regional Express flyer stop on I-405 at Southcenter as justified by Attachment B.

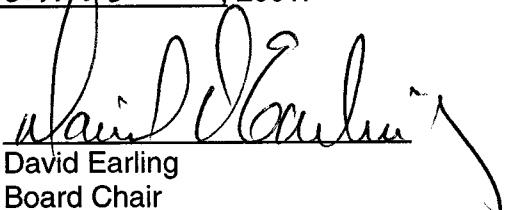
Section 5. The Board directs the Executive Director, or designee, to submit the final Adopted Budget to the Chair of the Board and the Chair of the Finance Committee to assure that the intent of the amendments made to the Adopted Budget is accurately reflected therein.

Section 6. The Executive Director, or 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 Executive Director, or designee, shall provide to the Board additional information and recommendations on the following items related to the 2002 Budget by April 30, 2002: long-term costs for agency administration; potential reprogramming of Regional Fund project costs for Research and Technology, Phase II Planning, and Fare Integration; long-term capital plan for Pierce subarea consistent with available resources; funding plan for extension of Sounder Commuter Rail from Seattle to Everett; proposed changes to the agency's budget policies to improve accountability and implement a revised cost structure; an evaluation of options for funding additional parking for the Issaquah Highland Park and Ride (King County Project); and a proposed 2001 budget amendment to adjust agency life-to-date administrative costs between capital and operating expense classes.

Section 8. The Board further authorizes the Executive Director, or 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 the 13<sup>th</sup> day of December, 2001.

  
David Earling  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator

**Proposed Amendments to the  
Proposed 2002 Sound Transit Budget  
as Submitted to the Finance Committee on December 6, 2001**

<b>Amendment 1</b>	
Sponsor	Staff Submitted
Amendment	<p>Amend budget document text and tables to reflect the capitalization of an estimated \$9.8 million in 2002 for the interest portion of debt service associated with the construction of capital assets.</p> <p>This amendment further clarifies the amount of debt service interest capitalized during construction as required by generally accepted accounting principles and as reviewed annually by the agency's outside financial auditors.</p>
Budget Impact	No net budget impact

<b>Amendment 2</b>	
Sponsor	Staff Submitted
Amendment	Amend the "Sound Transit 2001 Cash vs. Accrual Budget" (p. 40 of the Proposed 2002 Budget) and other related text and tables to reflect the impact of all Board approved budget amendments and related resolutions.
Budget Impact	No budget impact

<b>Amendment 3</b>	
Sponsor	Staff Submitted
Amendment	Add one full-time equivalent construction manager and one full-time equivalent project coordinator position with salary and benefits to the Sounder staff operating budget. The need for these positions became apparent once the agency's 2001 reorganization was fully implemented, after staff budgets were drafted.
Budget Impact	Net impact on Sound Transit agency budget: zero. Increase Sounder staff operating budget by \$203,700 – increase has been offset by decreases in other components of staff operating budgets (see Amendment 6).

<b>Amendment 4</b>	
Sponsor	Staff Submitted
Amendment	<p>Increase budget for Finance and Information Services by \$270,789 for increased insurance costs.</p> <p>As a result of the events of September 11, 2001, a number of Sound Transit insurance premiums will be higher than those projected in the Proposed Budget. The costs of corporate insurance will rise by \$270,789, as reflected in this amendment.</p> <p>The costs of insurance for capital projects will also rise. Review of these premiums is underway and it is anticipated that any increases will be absorbed within existing capital budgets.</p>
Budget Impact	Net impact on Sound Transit agency budget: zero. The increase to the Finance & Information budget is being offset by reductions in other departments' staff operating budgets (see Amendment 6.)

<b>Amendment 5</b>	
Sponsor	Staff Submitted
Amendment	<p>Reduce the staff operating budgets for the Executive Department by \$168,136; Administrative Services Department by \$77,637; Communications Department by \$118,994; Finance &amp; Information Services Department by \$67,688; Board Administration by \$1,811; Legal Department by \$6,311; Sounder by \$5,899; Link by \$22,674; and Regional Express by \$10,850 to offset the budget increases outlined in Amendments 4 and 5 (above).</p>
Budget Impact	Reduction of Sound Transit departmental staff operating budgets by a total of \$480,000. These program reductions will offset the increases necessitated by Amendments 4 and 5.

<b>Amendment 6</b>	
Sponsor	Staff Submitted
Amendment	<p>Eliminate Project 135 (I-405 at Southcenter) from the Regional Express Program.</p> <p>Based on an analysis by WSDOT, completion of the proposed flyer stop would compromise the existing freeway-to-freeway HOV connections at the I-5 and I-405 interchange. Please see Attachment B, "Proposed Change to Sound Move: Deletion of Southcenter Flyer Stop Project."</p>
Budget Impact	Reduce long-term capital budget for Regional Express by \$25.258 million.

<b>Amendment 7</b>	
Sponsor	Board submitted
Amendment	Amend the agency's staff operating budget to remove debt service payments. In their review of the Proposed 2002 Budget, Finance Committee members recommended that debt service on bonds be reflected separately from the agency's staff operating budget, as the expense is not a staff cost. If approved, staff will revise affected tables and charts within the budget to report debt service as a separate expense. This change would bring Sound Transit's budget structure into alignment with other governmental entities in the region.
Budget Impact	None.

<b>Amendment 8</b>	
Sponsor	Staff Submitted
Amendment	Update revenue and expense projections for the Regional Express Bus program in South King County by \$75,000 to reflect a contribution by the Washington Department of Transportation to supplement bus service between Pierce County, Federal Way, and SeaTac (Route 574).
Budget Impact	Increase miscellaneous revenue projections and Regional Express long-term transit operations budget for South King County by \$75,000.

<b>Amendment 9</b>																																											
Sponsor	Staff Submitted																																										
Amendment	<p>Amend the Link Light Rail budget to reflect action taken by the Board regarding Central Link in Motion No. M2001-104 and resolutions passed on November 29, 2001. The Proposed 2002 Budget is amended to reflect the following <u>lifetime</u> project budgets:</p> <table border="0"> <thead> <tr> <th></th> <th><u>Proposed</u></th> <th><u>Sept. Briefing</u></th> <th><u>Amended</u></th> </tr> </thead> <tbody> <tr> <td>Northgate to NE 45<sup>th</sup></td> <td>\$5.4 m</td> <td>\$29.0 m</td> <td>\$9.0 m</td> </tr> <tr> <td>NE 45<sup>th</sup> to CPS</td> <td>56.4 m</td> <td>98.0 m</td> <td>101.0 m</td> </tr> <tr> <td>CPS to S 154<sup>th</sup></td> <td>2,088.2 m</td> <td>2098.0 m</td> <td>2,070.0 m</td> </tr> <tr> <td>S154th to S 200<sup>th</sup></td> <td><u>26.9 m</u></td> <td><u>14.0 m</u></td> <td><u>20.0 m</u></td> </tr> <tr> <td>Total</td> <td>\$2,176.9 m</td> <td>\$2,239.0 m</td> <td>\$2,200.0 m</td> </tr> </tbody> </table> <p>When the proposed budget was prepared in the early August, the actual costs and the revised cost estimates had not been fully incorporated. The amended budget includes the proper costs and is \$39 million less than the projections presented to the Board in September.</p> <p>The Proposed 2002 Budget is amended to reflect the following capital budgets for activity in the <u>Year 2002</u>:</p> <table border="0"> <thead> <tr> <th></th> <th><u>Proposed</u></th> <th><u>Amended</u></th> </tr> </thead> <tbody> <tr> <td>Northgate to NE 45<sup>th</sup></td> <td>\$1.36 m</td> <td>\$1.97 m</td> </tr> <tr> <td>NE 45<sup>th</sup> to CPS</td> <td>16.30 m</td> <td>18.58 m</td> </tr> <tr> <td>CPS to S 154<sup>th</sup></td> <td>220.34 m</td> <td>127.23 m</td> </tr> <tr> <td>S154th to S 200<sup>th</sup></td> <td><u>-0.00 m</u></td> <td><u>2.55 m</u></td> </tr> <tr> <td>Total</td> <td>\$238.00 m</td> <td>\$150.33 m</td> </tr> </tbody> </table>		<u>Proposed</u>	<u>Sept. Briefing</u>	<u>Amended</u>	Northgate to NE 45 <sup>th</sup>	\$5.4 m	\$29.0 m	\$9.0 m	NE 45 <sup>th</sup> to CPS	56.4 m	98.0 m	101.0 m	CPS to S 154 <sup>th</sup>	2,088.2 m	2098.0 m	2,070.0 m	S154th to S 200 <sup>th</sup>	<u>26.9 m</u>	<u>14.0 m</u>	<u>20.0 m</u>	Total	\$2,176.9 m	\$2,239.0 m	\$2,200.0 m		<u>Proposed</u>	<u>Amended</u>	Northgate to NE 45 <sup>th</sup>	\$1.36 m	\$1.97 m	NE 45 <sup>th</sup> to CPS	16.30 m	18.58 m	CPS to S 154 <sup>th</sup>	220.34 m	127.23 m	S154th to S 200 <sup>th</sup>	<u>-0.00 m</u>	<u>2.55 m</u>	Total	\$238.00 m	\$150.33 m
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Budget Impact	<p>The Amended project budget is increased by \$23.1 million above Proposed 2002 Budget, but decreased by \$39.0 million from the projections presented to the Board in September 2001. The Amended Budget for the Year 2002 is reduced by \$87.67 million vs. the Proposed 2002 Budget.</p>																																										



<b>Amendment 10</b>	
Sponsor	Staff Submitted
Amendment	<p>Amend the Link Light Rail budget to reflect action taken by the Board in Motion No. M2001-122 (C-925 contract) pertaining to the Tacoma Link capital project. The total proposed 2002 budget for the Tacoma Link capital budget remains at \$80.4 million.</p> <p>The 2002 proposed budget for this project was built from estimates that were developed through July 2001. Subsequently, bids for this contract came in higher than expected (reflected in Board Finance Committee Motion No. M2001-122 approving the Totem Electric systems equipment contract). This amendment brings the budget for this contract up to date with recent Board activity for this contract.</p>
Budget Impact	There is no change to the total proposed budget. This amendment shifts \$1,650,550 from the contingency phase to the construction phase. The construction phase budget for 2002 increases by \$533,000 with the balance added in 2003.

<b>Amendment 11</b>	
Sponsor	Staff Submitted
Amendment	Update the Agency's revenue projections for 2002 from \$430,090,160 to \$416,628,655 to reflect revised projections of tax, grant, and farebox revenues. This change will result in a decrease of \$13.5 million in total revenues and a corresponding change in expected cash balances.
Budget Impact	(\$13,461,505) net change in revenues and yearend cash balance.

<b>Amendment 12</b>	
Sponsor	Staff Submitted
Amendment	<u>Appendix B</u> , "Sound Move Implementation Timeline" within the Proposed Budget is for informational purposes only and is not adopted by the Board. Staff is directed to present an updated nine-year implementation timeline for consideration for adoption by the Board by second quarter of 2002.
Budget Impact	None

<b>Amendment 13</b>											
Sponsor	Staff Submitted										
Amendment	<p>Adjust cash flow for Sounder Track and Facilities capital outlays in the Pierce County subarea to reflect more current schedule and match the subarea's update revenue forecast of available funds. In addition, staff is directed to return to the Board with a comprehensive subarea revenue and program assessment by March 15, 2002.</p> <p>Awaiting the subarea capacity review, the following cash flow in the Proposed 2002 Budget would be shifted in the Sounder Track and Facilities capital outlays for the Pierce County subarea Tacoma Dome to Lakewood (Project 130) and Auburn to Tacoma Dome (Project 120):</p> <p>YOE \$000</p> <table border="0"> <thead> <tr> <th><u>2002</u></th> <th><u>2003</u></th> <th><u>2004</u></th> <th><u>2005</u></th> <th><u>2006</u></th> </tr> </thead> <tbody> <tr> <td>(\$23,106)</td> <td>(\$28,314)</td> <td>(\$33,333)</td> <td>\$41,379</td> <td>\$43,374</td> </tr> </tbody> </table>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	(\$23,106)	(\$28,314)	(\$33,333)	\$41,379	\$43,374
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>							
(\$23,106)	(\$28,314)	(\$33,333)	\$41,379	\$43,374							
Budget Impact	<p>The shift of cash flow does not increase the total capital budget for Sounder in year-of-expenditure dollars (YOES). The change does increase the financial capacity of the subarea and allows the amended subarea budget to be affordable within projected revenues.</p>										

## ATTACHMENT B

### Proposed Change to Sound Move Deletion of Southcenter Flyer Stop Project

The proposed action deletes the Southcenter flyer stop project and re-directs the project funds to the Tukwila Freeway Route alignment of Central Link in the City of Tukwila. The proposed action's compliance with criteria to change Sound Move is described below.

- A. Consistency with Sound Transit's enabling legislation: The proposed change will re-direct funds to Central Link which is already part of the Sound Move plan and which is fully consistent with Sound Transit's enabling legislation.
- B. Consistency with Sound Transit's funding requirements and priorities: The proposed action re-directs the funds originally set aside for the Southcenter flyer stop which further engineering analysis has raised the question about the continued viability of the project. The funds are re-directed to Link to help finance the Tukwila Freeway Route (TFR) — a route that the Board identified as its "preferred alternative" subject to conditions. One of the conditions was developing the financial capacity to pay for TFR's additional costs that exceeded the International Boulevard route. A policy issue for the Board involves the deletion of a Regional Express project and the re-direction of the funds to help pay for a Link route. The shift of funds remains entirely within the South King County subarea.
- C. Consistency with the November 1996 election proposal: After the 1996 election, WSDOT undertook additional work on all of the HOV direct access ramps and flyer stops in the Central Puget Sound region. In this work, the Southcenter flyer stop analysis showed that development of the project at this challenging location may require that the existing freeway HOV connections might have to be eliminated or substantially reconfigured, and that future options for additional freeway HOV connections would be substantially limited. This is due to the flyer stop's proposed location at Southcenter and I-405, in close proximity to the complicated ramp connections associated with the I-5 and I-405 interchange.

In addition, the flyer stop would not likely be heavily used by transit vehicles. Upon further examination and bus planning, only one Sound Transit route would use the facility. Furthermore, King County Metro had no routes that would use the flyer stop. Passengers coming from or going to Southcenter would face difficult challenges in accessing the facility, walking across, over, or under several major traffic-bearing streets, and a large parking lot in order to get to their destination.

As a result of the geometrics of the freeways and HOV connectors in the area, the usage of the stops by transit agencies, and the passenger environment, the feasibility of continuing with this project was called into question.

In addition, the region recently began the I-405 Study which is looking at alternatives to increase general purpose and transit facilities in the I-405 corridor to better meet future travel demands. Many of the options looked at in the I-405 Study would be negated if the Southcenter flyer stop were built; or conversely, implementation of many of the I-405 options would cause the flyer stop to be replaced at some future date.

- D. Consistency with and support of the transportation goals, commitments, projects, and corridors served in Sound Move: As noted above, the flyer stop is no longer regarded as a feasible alternative in the Regional Express program. Its deletion would help in the region's determination about the appropriate transportation investment in the I-405 corridor. At the same time, the Board has identified the TFR as a preferred alternative for the Link route through Tukwila, subject to its funding. A major contributor to financing the extra costs of the TFR is the redirection of funds from the Southcenter flyer stop to the TFR.
- E. Adequacy of environmental review: The Southcenter flyer stop's environmental review was not started because of the engineering issues identified and described above. The TFR has undergone a Supplemental EIS process, which was completed in October 2001.
- F. Extent of subarea, local jurisdiction, and community support: The proposed change has been discussed with the South King County Transportation Board and, by letter dated June 20, 2001, SCATBd expressed its support for this action. WSDOT has written a March 12, 2001, letter that is supportive of the deletion of the Southcenter flyer stop. The City of Tukwila supports the transfer of funds to the TFR and supported this proposed action at the SCATBd venue.

**SOUND TRANSIT  
STAFF REPORT**

**RESOLUTION NO. R2001-17**

**Adoption of the Proposed 2002 Budget with Amendments**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee Board	12/06/01  12/13/01	Discussion/Possible Action to Recommend Board Approval Action	Brian McCartan, Deputy Director of Finance & Information	206-398-5100

**OBJECTIVE OF ACTION**

- Adopt the Proposed 2002 Budget authorizing the Agency's operating and transit operations expenditures and capital outlays for the year 2002.

**ACTION**

- Adoption of the Proposed 2002 Budget.

**KEY FEATURES**

The resolution approves \$47.4 million for staff operations, \$20.8 million for Regional Fund projects (Phase II Planning, Research and Technology and Fare Integration), \$69.6 million for transit operations, and \$17.2 million for payment of debt service on outstanding bonds by Sound Transit in 2002. In addition, the resolution authorizes \$622.4 million in capital outlays and non-capitalizable costs by Sound Transit in 2002, including \$231.3 million in capital outlays for Sounder, \$273.0 million in capital outlays for Link, \$107.4 million in capital outlays for Regional Express, and \$9.5 million in capital outlays for Regional Fund projects.

**Highlights of Action:**

- Establishes a 2002 Budget for Sound Transit. This proposal features a zero-increase budget for staff operations over 2001 adopted levels, while transit operations and capital budgets increase by 16.7% and 16.9% respectively, as transit services and construction ramp up in 2002.
- Approves \$47.4 million in staff operating expenses, \$69.6 million in transit operating expenses, \$20.8 million in Regional Fund expenses, and \$17.2 million in debt service expenses
- Approves \$622.4 million in capital outlays and non-capitalizable line of business expense for Sound Transit in 2002.
- Recognizes two changes to Sound Move: first, the removal of Sounder's Boeing Access Road Station and distribution of remaining funds to other commuter rail in the South King subarea, and second, the elimination of Regional Express' I-405 at Southcenter flyer stop.
- Allows the allocation process for agency administrative costs to be adjusted resulting in costs from capital to non-capitalizable expenses for the adopted 2002 budget.

## **BUDGET**

Sound Transit's Proposed 2002 Budget requests funding authorization totaling \$731,206,378 (without depreciation) in operating expenditures and capital outlays. The Agency's expenses and outlays will be funded by an estimated \$430,090,160 in revenue and other financing sources (on an accrual basis) and by an estimated positive cash position in January 2002 of \$784,964,006. Of this amount, an estimated \$209,601,559 will be collected from Retail Sales and Use Tax; \$57,313,532 from Motor Vehicle Excise Tax; \$94,580,000 from federal grants; \$46,381,078 interest earnings; \$11,741,190 from farebox revenues; and \$10,472,801 in miscellaneous revenues. The budget assumes that the Agency will not sell any bonds in calendar year 2002.

## **FINANCIAL IMPACTS**

The Proposed 2002 Budget is fully affordable within the agency's existing revenue projections and financial policies, with the exception of a \$32 million funding shortfall in the Pierce County subarea. This shortfall is addressed by Budget Amendment 13, which adjusts the cash flow of Sounder track and facilities capital work to close the \$32 million gap and make the budget fully affordable within projected resources.

## **HISTORY OF PROJECT**

### **Prior Board or Committee Actions and Relevant Board Policies**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
Resolution No. 2001-10	Adopting updated cost-to-complete estimates for Sounder Tacoma-to-Seattle capital projects.	8/9/01
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 <u>Implementation Guide</u> , 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

### **Additional Background**

2002 Workplan. In addition to the policy and programmatic issues outlined in the 2002 Budget document, several related items will be brought to the Board for discussion during the first quarter of 2002. These issues include (1) long term costs for agency administration; (2) potential reprogramming of Regional Fund project costs for Research and Technology, Phase II Planning, and Fare Integration; (3) a long-term capital plan for the Pierce subarea consistent

with available resources; (4) a funding plan for extension of Sounder Commuter Rail from Seattle to Everett; (5) proposed changes to the agency's budget policies improving accountability, and implementing a revised cost structure change; and (6) review a proposed 2001 budget amendment prior to February 15, 2002, when the 2001 accounting records are closed for adjusting agency administrative costs to date between capital and operating expense.

Sound Move Change – Sounder. In August 2001, the Board adopted Resolution No. R2001-10 updating Sounder's cost-to-complete estimate for the Tacoma-to-Seattle segment. As part of that update, the Boeing Access Road station was removed from Sound Move facilities listings set forth in Appendix A, and remaining project funds were redistributed among capital projects in the same subarea.

Sound Move Change – Regional Express. Based on an analysis by WSDOT, construction of Regional Express' proposed flyer stop on I-405 at Southcenter would compromise the existing freeway-to-freeway HOV connections at the I-5 and I-405 interchange. The possibility of reprogramming these funds to support the proposed Tukwila Freeway Route of the Central Link line is under consideration among the partner agencies. A detailed discussion of the Sound Move implications of this project elimination is attached to the accompanying resolution amendments as Attachment B: "Proposed Change to Sound Move: Deletion of Southcenter Flyer Stop Project."

## **ALTERNATIVES**

- The Proposed Budget may be further amended by the Board
- There is no alternative to ultimate Board passage of a budget authorizing expenditures and outlays during 2002.

## **CONSEQUENCES OF DELAY**

December 13, 2001, is the final Board meeting of 2001. Failure to adopt the budget at this meeting would leave the Agency legally unable to transact business in 2002.

## **LEGAL REVIEW**

JDW 12/3/01