

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2006-09

Amending the Adopted 2005 Budget

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/4/06	Discussion/Possible Recommendation to the Board	Hugh Simpson, Chief Financial Officer	(206) 398-5082
Board	5/11/06	Discussion/Possible Action	Peter Rogness, Budget Manager	(206) 398-5102

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.*

PROPOSED ACTION

Amend the Adopted 2005 Budget for Sounder Commuter Rail operations depreciation and amortization.

KEY FEATURES

- Amend the 2005 budget for depreciation and amortization in the Sounder Commuter Rail Transportation Services program from \$12,743,191 to \$16,793,191.

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 the Adopted 2005 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 a budget increase of \$4,050,000 for depreciation and amortization in the Sounder Commuter Rail service delivery program.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

This action is affordable within the agency's 2005 Financial Plan.

BUDGET TABLE

Not applicable to this action.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PROJECT DESCRIPTION AND BACKGROUND FOR PROPOSED ACTION

This action amends the Adopted 2005 Budget for Sounder Commuter Rail operations and depreciation. In December 2005, the budget for Sounder depreciation and amortization was increased by approximately \$4 million to reflect the amortization.

As part of the review of 2005 financial activity during the year-end close process in early 2006, assets were identified related to the Phase 1 & 2 construction activity between Tacoma and Seattle, the permanent easements in the Everett to Seattle segment and the temporary stations at Edmonds and Tukwila. In keeping with proper accounting treatment, these assets were put into place and depreciation and amortization charged to Sounder operations for the period of time they were in service in 2005. This is a non-cash transaction.

Fully allocated transit operations and contingency (including all accounts except depreciation and amortization) ended the year approximately \$1.3 million under the adopted budget. When the increased depreciation and amortization was added to the previously recorded depreciation and amortization, this budget category was above the amended budget by approximately \$4 million, which resulted in the total Sounder Transportation Services expenditures exceeding budget.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
R2005-25	Amended the Adopted 2005 Budget for transfers from operating to capital budgets and other budget transfers.	12/8/05
R2004-19	Adopted an annual budget for the period from January 1 through December 31, 2005.	12/9/04
R2002-08	Adopted revised budget policies, and superseding Resolution No. R98-4.	7/25/02

CONSEQUENCES OF DELAY

No adverse impacts.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 4/26/06

SOUND TRANSIT

RESOLUTION NO. R2006-09

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2005 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 high capacity transit in the Central Puget Sound Region; and

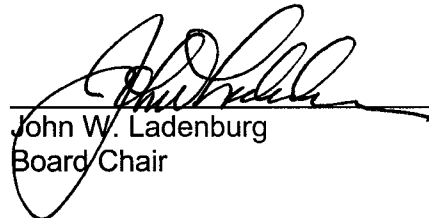
WHEREAS, this amendment to the Adopted 2005 Budget is to reflect Sounder Commuter Rail operations depreciation and amortization; and

WHEREAS, the Sound Transit Board adopted the 2005 budget on December 9, 2004, and

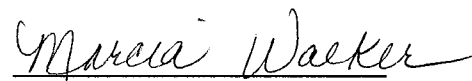
WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2005 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority to amend the Adopted 2005 Budget to increase the 2005 Sounder Commuter Rail transit operations budget by \$4,050,000 to account for increased depreciation and amortization expense being charged to transit operations.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 25, 2006.


John W. Ladenburg
Board Chair

ATTEST:


Marcia Walker
Board Administrator