

RESOLUTION NO. R2016-37
Proposed 2017 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	12/15/2016	Final Action	Brian McCartan, Executive Director Finance & Information Technology

PROPOSED ACTION

Adopts an annual budget for the period from January 1 through December 31, 2017, and adopts the 2017 Transit Improvement Plan.

KEY FEATURES SUMMARY

- The Proposed 2017 Budget requests funding authorization of \$1.6 billion. This request is comprised of:
 - \$396.2 million for Operating budgets (including \$287.5 million for transit modes, \$2.8 million for ORCA expenses, and \$105.9 million in charges to projects);
 - \$1.2 billion for Projects; and
 - \$129.0 million for Other Budgets (including debt service).
- The Proposed 2017 Transit Improvement Plan (TIP) totals \$14.6 billion and provides a long-term forecast of project and transit mode costs, plus reserves set aside for potential future expenditures. It contains \$12.2 billion in authorized project allocations to date that have been approved by the Board in accordance with the Phase Gate process, and six-years of forecasted costs for Transit Modes consistent with the Service Implementation Plan.
- The Proposed 2017 Budget would be funded by an estimated \$1.0 billion in revenues and an estimated \$787.2 million in unrestricted cash balances projected for the end of 2016. As of October 2016, the agency had an unrestricted cash balance of \$810.3 million.
- The Proposed 2017 Budget and Proposed 2017 TIP are fully affordable within the agency's existing revenue projections and financial policies.

BACKGROUND

The Sound Transit Board adopts the Sound Transit annual budget and the transit improvement plan, which contains the agency's budget for revenue and financing, administrative expenses, transit mode expenses, projects, and debt service. Sound Transit's annual budget and TIP are organized by three primary program areas: Operating Budgets (including transit modes), Project Budgets, and Other Budgets. Sound Transit's annual budget and fiscal year runs from January 1st to December 31st.

The Sound Transit Board adopts the TIP, a cumulative total of authorized project allocations to date for all active projects. The adopted TIP is the proposed TIP and associated revisions adopted by the Board, plus any one-time actions that the budget policy authorizes the CEO to take after the Board adopts the annual budget and TIP resolution. Also included in the TIP for reference are summary-level, six-year forecasts for Transit Mode expenses that reflect the forecasted cost of the detailed service plans contained in the annual Service Implementation Plan.

The resolution approves the following revenues and expenditures for 2017:

Revenues – \$1.0 billion of estimated revenues include:

- \$750.6 million from Retail Sales and Use Tax

- \$88.7 million from Motor Vehicle Excise and Rental Car Taxes
- \$88.1 million from federal grants
- \$8.5 million from local and state contributions
- \$88.0 million from passenger fare revenues
- \$9.6 million in interest income
- \$12.0 million in miscellaneous revenues

Operating Budgets - \$396.2 million includes:

- \$287.5 million for transit modes made up of \$4.6 million for Tacoma Link, \$98.5 million for Link Light Rail, \$54.5 million for Sounder Commuter Rail and \$130.0 million for ST Express.
- \$105.9 million for administrative project support costs is distributed and recognized in the Project Budgets.
- \$2.8 million for the regionally shared operation and maintenance costs under for the ORCA fare collection system.

Project Budgets – \$1.2 billion for the delivery of projects:

System Expansion Projects – \$1.1 billion which includes:

- \$976.9 million for Link
- \$68.7 million for Sounder
- \$43.0 million for Regional Express
- \$11.9 million for Other

Enhancement Projects – \$26.3 million

Rehabilitation and Replacement Projects – \$16.7 million

Administrative Projects – \$76.6 million

Other Budgets – \$124.0 million for Debt Service and \$5.0 million for Donations to Other Governments.

Reserves – The resolution also provides for the agency to reserve funds for the following purposes:

- \$66.0 million for an operating reserve equal to two months of operating expenses
- \$3.0 million for the Emergency/Loss Reserve

The resolution also authorizes:

- Revisions and cashflow changes approved by the Capital Committee and the Operations and Administration Committee and those adopted by the Board as part of this action. Approved revisions are shown in Attachment C.
- After the Board adopts the budget, the chief executive officer may take the following one-time actions to produce the final adopted annual budget and adopted TIP documents:
 - Include an executed copy of the annual budget and TIP resolution and a reconciliation of changes between the proposed annual budget and adopted annual budget and between the proposed TIP and adopted TIP;
 - Incorporate budget amendments adopted by the Board after the proposed annual budget and proposed TIP are submitted to the Board for review and before the adopted annual budget and adopted TIP are published;
 - Replace prior year forecasts with prior year actual outlays and expenses;
 - Allow unspent operating budgets from the prior year to lapse;
 - Shift annual project budgets between the upcoming fiscal year and the prior year to align annual project budget with expenditures;

- Move authorized project allocation to date between phases of the same project;
 - Revise the adopted annual budget and adopted TIP documents to correct any nonmaterial errors; and
 - Reformat, as necessary before publishing, the adopted annual budget and adopted TIP documents to uniformly present information.
- Approval of changes to the authorized project allocation to date for seven projects and the establishment of nine projects with an authorized project allocation to date increase of \$26.3 million which are included in the proposed 2017 TIP, or as amended by the Board.
 - The chief executive officer provides quarterly reports to the Board that compare actual financial performance to the current adopted annual budget.

FISCAL INFORMATION

The Proposed 2017 Budget and Proposed 2017 Transit Improvement Plan are fully affordable within the agency's existing revenue projections and financial policies.

Sound Transit's Proposed Annual 2017 Budget requests funding authorization totaling \$1,636,615,506 in operating expenditures and project costs. The agency's expenses and outlays will be funded by an estimated \$1,045,541,038 in revenue and other financing sources (on an accrual basis) and by a projected positive cash position in January 2017 of \$787,231,000. As of October 2016, the agency had an unrestricted cash balance of \$810,249,763.

Since the Proposed 2017 Budget and TIP were published, voters have passed the ST3 Plan, producing estimated additional tax revenues of \$552,171,095 in 2017.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

PUBLIC INVOLVEMENT

The Sound Transit Board reviewed the Proposed 2017 Budget and Proposed 2017 Transit Improvement Plan at public meetings that took place in September, October, and November 2016. On October 27, 2016, a public hearing was held in order to provide an opportunity for testimony from interested members of the public.

TIME CONSTRAINTS

A one-month delay would postpone adoption of the Proposed 2017 Budget and Proposed 2017 TIP into the 2017 fiscal year and the agency would have no spending authority beginning January 1, 2017.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R72-1: Rescinded Resolution 72 and amended the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund.

Resolution No. R2002-08: Adopted revised budget policies and superseded Resolution No. 98-4.

Resolution No. R2016-16: Adopted revised financial policies and superseded Resolution No. R2008-10.

ENVIRONMENTAL REVIEW

JI 11/29/2016

LEGAL REVIEW

JW 12/13/2016



RESOLUTION NO. R2016-37

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, 2017, and adopting the 2017 Transit Improvement Plan.

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 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 Sound Transit District on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit is successfully building and operating the first, second and third phases of the regional transit system plan that were approved by voters in 1996, 2008 and 2016; and

WHEREAS, Sound Transit is meeting a high standard of public accountability through effective monthly progress reports and quarterly financial reporting; and

WHEREAS, the Sound Transit Board adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, the chief executive officer submitted a Proposed 2017 Budget and Proposed 2017 Transit Improvement Plan (TIP) for Board consideration; and

WHEREAS, the Proposed 2017 Budget and Proposed 2017 TIP are consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2016-16 and complies with the Budget Policies as adopted by Resolution No. R2002-08; and

WHEREAS, in 2010 the Sound Transit Board designated the Capital Committee and the Operations and Administration Committee as permanent committees with specific responsibilities, including reviewing proposed annual budgets, and authorized project allocations to date included in the TIP and providing recommendations to the Board; and

WHEREAS a public hearing was held on October 27, 2016, to take public testimony on the Proposed 2017 Budget and Proposed 2017 TIP; and

WHEREAS, at its December 1, 2016, meeting, the Operations and Administration Committee adopted Motion No. M2016-124 recommending the Proposed 2017 Operating Budgets (including agency revenues and other financing sources, operating expenses including transit mode budgets, debt service, donations to other governments, and contributions to reserves) and revisions approved by the Committee to the Board; and

WHEREAS, at its December 8, 2016, meeting, the Capital Committee adopted Motion No. M2016-126 recommending the Proposed 2017 Project Budgets (annual and authorized project allocations to date) and revisions approved by the Committee to the Board; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the Proposed 2017 Budget and Proposed 2017 TIP with revisions.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1a – Revenues. The Proposed 2017 Budget projects the collection of \$1,045,541,038 in total revenues including Sales and Use Tax - \$750,583,490, Motor Vehicle Excise Tax and Rental Car Tax - \$88,736,671, federal grants - \$88,100,619, local and state contributions - \$8,500,000, passenger fare revenues - \$87,961,200, interest income - \$9,646,108 and miscellaneous revenues- \$12,012,950 and/or such amounts as are contained in revisions to the Proposed 2017 Budget as adopted by the Board.

Section 1b – Operating Budgets. Sound Transit is authorized to incur \$396,235,596 in operating expenses, including \$287,487,802 for transit mode budgets, \$2,825,105 for ORCA expenses, and \$105,922,689 for charges to projects.

- Transit Modes: Sound Transit is authorized to incur \$129,974,613 for ST Express bus expenses; \$4,550,352 for Tacoma Link light rail expenses; \$98,477,114 for Link light rail expenses; \$54,485,723 for Sounder commuter rail expenses; and/or such amounts as are contained in revisions to the Proposed 2017 Budget as adopted by the Board.
- ORCA: The chief executive officer is authorized to incur \$2,825,105 for the regionally shared operation and maintenance costs under the Interlocal Agreement (ILA) for the ORCA fare collection system.
- Charges to projects of \$105,922,689 include direct charges of salaries and benefits for employees that work on projects and allocations of administrative overhead to assets and administrative projects.

Section 1c – Project Budgets. Sound Transit is authorized to incur a total of \$1,220,152,865 for project outlays, comprised of budgets for the following project types: System Expansion – Link \$976,890,483; System Expansion – Sounder \$68,733,297; System Expansion – Regional Express \$42,992,391; System Expansion – Other \$11,924,050; Enhancement projects \$26,269,569; Rehabilitation and Replacement projects \$16,726,941; and Administrative projects \$76,616,134; and/or such amounts as are contained in revisions to the Proposed 2017 Budget as adopted by the Board.

Section 1d – Debt Service. Sound Transit is authorized to incur \$90,739,839 in fixed and variable rate interest and fees on debt and \$33,235,000 in principal repayments for a total of \$123,974,839 for debt service on outstanding bonds, and/or such amounts as are contained in revisions to the Proposed 2017 Budget as adopted by the Board.

Section 1e – Donations to Other Governments. Sound Transit is authorized to incur \$5,000,000 in cash donations to other governments, and/or such amounts as are contained in revisions to the Proposed 2017 Budget as adopted by the Board.

Section 1f – Reserves. Sound Transit is authorized to place in reserve the following amounts; \$3,000,000 for Emergency/Loss and \$66,039,266 for Operations and Maintenance.

Section 2. The Proposed 2017 TIP includes changes in authorized project allocations to date not previously adopted by the Board in the amount of \$26,334,725, including \$19,178,486 for existing projects and \$7,156,239 for new projects. The specific projects impacted are referenced in Attachment D – Changes to Authorized Project Allocations To Date in the Proposed 2017 TIP.

Section 3. The budget for the period January 1, 2017 to December 31, 2017 as set forth in Attachment A (Proposed 2017 Budget) and Attachment B (Proposed 2017 TIP), and the approved revisions to the Proposed 2017 Budget and Proposed 2017 TIP in Attachment C together constitute the Adopted 2017 Budget and Adopted 2017 TIP as adopted by this Resolution.

Section 4. The Adopted 2017 Budget and Adopted 2017 TIP are not an exclusive authorization of expenses or capital outlays, except as specified in Section 1b– ORCA and Section 1d– Debt Service. Authorization of expenditures must comply with Resolution No. 78-2, Sound Transit’s Procurement and Delegation of Authority Policy.

Section 5. After the Board adopts the budget, the chief executive officer may take the following one-time actions to produce the final adopted annual budget and adopted TIP documents:

Section 5a – Include an executed copy of the annual budget and TIP resolution and a reconciliation of changes between the proposed annual budget and adopted annual budget and between the proposed TIP and adopted TIP;

Section 5b – Incorporate budget amendments adopted by the Board after the proposed annual budget and proposed TIP are submitted to the Board for review and before the adopted annual budget and adopted TIP are published;

Section 5c – Replace prior year forecasts with prior year actual outlays and expenses;

Section 5d – Allow unspent operating budgets from the prior year to lapse;

Section 5e – Shift annual project budgets between the upcoming fiscal year and the prior year to align annual project budget with expenditures;

Section 5f – Move authorized project allocation to date between phases of the same project;

Section 5g – Revise the adopted annual budget and adopted TIP documents to correct any nonmaterial errors; and

Section 5h – Reformat, as necessary before publishing, the adopted annual budget and adopted TIP documents to uniformly present information.

Section 6. The chief executive officer may record spending as a capital outlay or operating expenditure to comply with Generally Accepted Accounting Principles and Governmental Accounting Standards Board regulations.

Section 7. The chief executive officer provides quarterly reports to the Board that compare actual financial performance to the current adopted annual budget.

Section 8. The Board further authorizes the chief executive officer to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 15, 2016.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Board Administrator



Resolution No. R2016-37
Attachment C – Approved Amendments

Amendments approved by the Operations and Administration Committee on December 1, 2016

O-1 Operating Budget – CEA Department; Regional Transit ORCA Marketing Project

Total Revision: \$536,500

Funding Source: New Appropriation

Description: Increase the Department budget to reflect the agency's participation in the Regional Transit ORCA Marketing Project. This project is grant funded.

Justification: ST will participate in the Regional Transit ORCA Marketing Project in consultation with the Regional Marketing Committee partner transit agencies, to increase ORCA awareness and the number of ORCA card users. King County Metro Transit Division, as lead agency for this grant project, will reimburse ST up to \$536,500 in WSDOT Puget Sound Transit Coordination Grant funds for costs incurred by ST on this project. ST will also provide matching funds of \$59,611 in staff time, which have already been included in the Proposed 2017 Department budget.

Budget/Schedule Risk: Low/Low

O-2 Revenue Budget - Regional Transit ORCA Marketing Project

Total Revision: \$536,500

Funding Source: WSDOT Puget Sound Transit Coordination Grant

Description: Increase the revenue budget to reflect the receipt of WSDOT Puget Sound Transit Coordination Grant funds for the Regional Transit ORCA Marketing Project.

Justification: ST will participate in the ORCA Regional Marketing Project with the Regional Marketing Committee partner transit agencies to increase ORCA awareness and the number of ORCA card users in the central Puget Sound region. King County Metro Transit Division, as lead agency for this grant project, will reimburse ST up to \$536,500 in WSDOT Puget Sound Transit Coordination Grant funds for costs incurred by ST on this project.

Budget/Schedule Risk: Low/Low

O-3 Revenue Budget - Transit Security Grant Program

Total Revision: \$240,000

Funding Source: Department of Homeland Security Transit Security Grant

Description: Increase the revenue budget to reflect the receipt of a Department of Homeland Security Transit Security Grant for a Video Monitoring System at Union Station.

Justification: This grant to procure and install a video monitoring system at Union Station will allow the Security Operations Center personnel to monitor activities and events in real time as they occur in the field. The Department of Homeland Security Transit Security Grant Program helps mitigate some of the identified system gaps while allowing security the ability to sustain core capabilities and day to day operations. The agency will receive 100% reimbursement for costs incurred. A corresponding \$240,000 budget revision is being requested for the Link CCTV System Upgrade project.

Budget/Schedule Risk: Low/Low

O-4 Operating Budget – DECM Department Consulting Services Budget Increase

Total Revision: \$175,000

Funding Source: New Appropriation

Description: Increase consultant services for noise and vibration analysis for the Link light rail system.

Justification: \$175,000 is requested for software and consultant services to provide monitoring equipment and data analysis of outputs of noise and vibration on the active light rail operating system. The results of this analysis would be used to inform future light rail design and to monitor existing noise and vibration levels vs. requirements.

\$175,000 was originally planned to be charged to the capital program, but a change in accounting treatment after the preparation of the Proposed 2017 Budget now requires that these funds, if approved, be charged as operating costs.

Budget/Schedule Risk: Low/Low

O-5 Operating Budget – DECM Department Consulting Services Budget Increase

Total Revision: \$170,000

Funding Source: New Appropriation

Description: Increase consultant services to complete a standard specifications document for capital projects.

Justification: The \$170,000 would be used for completion of a standard specification for physical assets and infrastructure for the light rail system for future system design and construction.

\$150,000 was originally budgeted in 2016 for this effort of which only \$30,000 is forecasted to be spent, requiring a \$130,000 reauthorization of funds for 2017. In addition, costs for the existing scope have grown by \$20,000 and new scope for Building Information Management (BIM) specifications have been added to the proposed costs – resulting in a \$170,000 budget request (\$130,000 carry forward + \$20,000 higher cost +\$20,000 for new BIM scope).

Budget/Schedule Risk: Low/Low

O-6 Operating Budget - DECM Department Staff Increase

Total Revision: \$267,616

Funding Source: New Appropriation

Description: Two new FTEs added to the 2017 Budget, both effective Q1 2017:

1. Executive Project Director, Federal Way
2. Project Coordinator, Federal Way

Justification: Additional staff for Federal Way Link Extension is still very much needed to navigate the technical work of the project with stakeholders, property owners and third party partners.

Executive Project Director directs, manages, and coordinates the delivery of major corridor projects within DECM Department, coordinates assigned activities with other programs and divisions throughout the Agency and major external partners including City of Federal Way, Washington State Department of Transportation (WSDOT), federal transit administration (FTA), Federal Highway Administration (FHWA), King County Metro and other jurisdictions; provides highly responsible and complex technical, policy, and administrative support to the Executive Director.

Project Coordinator position is necessary to assist in the day-to-day management of the team and interface with external partners.

Budget/Schedule Risk: Low/Low

O-7 Operating Budget - Operations Department Facilities Repairs Carry Over

Total Revision: \$1,190,096

Funding Source: New Appropriation

Description: Nine operating facilities repair and maintenance activities included in the 2016 budget are deferred until 2017. An extensive list of routine maintenance and scheduled maintenance is established for completion at the beginning of every budget year. A variety of factors impact our ability to complete all of them including unanticipated needs of a higher priority as well as weather and resource constraints. The activities deferred until 2017 include restriping and sealing of parking lots, elevator upgrades, asphalt patching and resurfacing, and other miscellaneous repairs and studies.

Justification: These activities are incomplete so are deferred to 2017.

Budget/Schedule Risk: Low/Low

O-8 Operating Budget - Operations Department Additional Facilities Repairs

Total Revision: \$417,673

Funding Source: New Appropriation

Description: Three additional repair and maintenance activities have been identified for inclusion in the Operations Department/Facilities Division budget for 2017.

1. OMF YA Track Repair – In the OMF yard the earthen structure supporting the YA track has been partially eroded and must be repaired. (\$110,142)
2. Gilliam Creek Fish Exclusion – Emergency interim repair to ensure proper drainage through a culvert off of an ST parking lot located under the elevated light rail guideway within the City of Tukwila. Work is to begin shortly before the beginning of the rainy season. (\$200,000)
3. Storm water Services - The Tukwila Sounder Station and Lynnwood Transit Center have a total of seven retention ponds that must be cleaned out (\$90,531). In addition, on-call services are estimated higher than initially budgeted. (\$17,000)

Justification: Critical additional work was identified as needed in 2017.

Budget/Schedule Risk: Low/Low

O-9 Operating Budget – Operations Department OMF Office Renovation

Total Revision: \$47,044

Funding Source: New Appropriation

Description: At the Operations & Maintenance Facility - renovate Office #103 to create two offices.

Justification: One office is being split into two offices to accommodate rail supervisors and their staff.

Budget/Schedule Risk: Low/Low

O-10 Revenue Budget – Federal Grants

Total Revision: \$22,844,911

Funding Source: FRA and FTA

Description: Increase 2017 federal grant revenue budget to reflect updated 2017 eligible project costs for grant drawn down.

Justification: Updated 2017 eligible project costs for drawn down include:

- An additional \$14.0 million FRA (WSDOT) grant for the Point Defiance Bypass project
- An additional \$6.9 million in FTA funds for the University Link Extension project
- An additional \$3.1 million in FTA funds for the Sounder Vehicle Overhaul project
- A reduction of \$2.0 million in CMAQ funds (for Puyallup and Auburn Station Access projects) due to PSRC region reaching the 2017 appropriation amount.

Budget/Schedule Risk: Low/Low

O-11 Operating Budget – EXEC Department Staff Increase

Total Revision: \$449,735

Funding Source: New Appropriation

Description: Addition of five FTEs to the 2017 budget.

1. Government & Community Relations Office (South Corridor)
2. Design & Construction Contracts Analyst
3. Design and Construction Administrator (1 of 2)
4. Design and Construction Administrator (2 of 2)
5. Sr. HR Generalist Recruiter

Justification: Additional staff are needed to support the ST3 program.

Budget/Schedule Risk: Low/Low

O-12 Operating Budget – PEPD Department Staff Increase

Total Revision: \$1,104,949

Funding Source: New Appropriation

Description: Addition of eight FTEs to the 2017 budget.

1. HCT Corridor Development Director (East Corridor)
2. HCT Corridor Development Director (West Corridor)
3. HCT Corridor Development Director (South Corridor)
4. HCT Corridor Development Director (North Corridor)
5. Project Manager – PEPD – Light Rail Segment (Ballard)
6. Project Manager – PEPD – Light Rail Segment (West Seattle)
7. Project Manager – PEPD – Light Rail Segment (Downtown Seattle)
8. Sr TOD (Housing) Analyst

Justification: Additional staff are needed to support the ST3 program.

Budget/Schedule Risk: Low/Low

O-13 Operating Budget – Operations Department Staff Increase

Total Revision: \$326,882

Funding Source: New Appropriation

Description: Addition of four FTEs to the 2017 Budget

1. Bus/Rail service Modeler/Scheduler
2. BRT Implementation Coordinator
3. Design Review Project Manager
4. Space Planner

Justification: Additional staff are needed to support the ST3 program.

Budget/Schedule Risk: Low/Low

O-14 Operating Budget – FIT Department Consultant for ST2/ST3 Combined Model

Total Revision: \$75,000

Funding Source: New Appropriation

Description: Consultant support for the development of a combined ST2 and ST3 financial planning model.

Justification: The agency needs the ability to manage revenues and expenses for both the ST2 and ST3 programs as a whole.

Budget/Schedule Risk: Low/Low

O-15 Operating Budget –Funding for Naming Conventions Study.

Total Revision: \$50,000

Funding Source: New Appropriation

Description: Develop naming conventions and standards for all ST projects as they progress through construction and transition into service.

Justification: This work would ensure the naming conventions are used consistently and easily understood by existing and future customers.

Budget/Schedule Risk: Low/Low

O-16 Operating Budget – Leased Office Space

Total Revision: \$1,215,000

Funding Source: New Appropriation

Description: Nine month lease of additional 45,000 square feet at \$36 per foot.

Justification: Additional space will be leased at 705 5th Avenue S to accommodate additional staff and the increasing number of consultants working onsite.

Budget/Schedule Risk: Low/Low

O-17 Operating Budget – Organizational Design and Facilitation Consulting Support

Total Revision: \$150,000

Funding Source: New Appropriation

Description: Consulting support for organizational review and facilitation services.

Justification: A current assessment and potential changes to the organizational structure may be necessary given the size and complexity of the ST3 program.

Budget/Schedule Risk: Low/Low

O-18 Operating Budget – Human Resource Expenses for Additional Hiring

Total Revision: \$189,975

Funding Source: New Appropriation

Description: Expected increase in expenses to recruit and hire additional staff required for ST3 early mobilization.

Justification: Recruiting and hiring the additional positions to support ST3 will require support from executive search firms and may require candidate travel as well as relocation expenses for new hires.

Budget/Schedule Risk: Low/Low

O-19 Operating Budget – Tax Collection Fees

Total Revision: \$2,414,577

Funding Source: New Appropriation

Description: Additional tax collection fees to DOR and DOL for ST3 approved taxes.

Justification: The agency must pay the Department of Revenue and the Department of Licensing to collect the additional tax revenue approved for ST3. The collection fees are not offset from the revenue budget.

Budget/Schedule Risk: Low/Low

O-20 Operating Budget – Light Rail Modeling Consultant

Total Revision: \$180,000

Funding Source: New Appropriation

Description: Increase modeling consultant contract costs.

Justification: This work will support the agency's decision whether to exercise options it has to purchase additional light rail vehicles.

Budget/Schedule Risk: Low/Low

O-21 Operating Budget – Service Standards Update Consultant

Total Revision: \$240,000

Funding Source: New Appropriation

Description: Consulting support to update service standards in combination with the Comprehensive Operations Analysis planned for 2017.

Justification: Sound Transit's service standards are refreshed every three to four years and the last update was in 2014. New service standards are required for ST3 due to the addition of Bus Rapid Transit as a mode as well as and updated standards for ST Express. The additional consulting support will be used to update the service standards, which requires an inclusive public process with multiple rounds of meaningful engagement with stakeholders and the Board.

Budget/Schedule Risk: Low/Low

O-22 Capital Budget – Tenant Improvements and Furnishings for Leased Space

Total Revision: \$3,800,000

Funding Source: New Appropriation

Description: Tenant improvements and furnishings for an additional 45,000 square feet of office space.

Justification: The ST3 Program will require substantial additions of both staff and consultants and current office space is currently near maximum capacity.

Budget/Schedule Risk: Low/Low

O-23 Revenue Budget – ST3 Sales & Use Taxes

Total Revision: \$273,889,383

Funding Source: Sales & Use Taxes

Description: ST3 is funded by an increase in the sales tax rate of 0.5 percent.

Justification: Additional sales & use taxes will be used to fund the voter-approved ST3 Program.

Budget/Schedule Risk: Low/Low

O-24 Revenue Budget – ST3 Motor Vehicle Excise Taxes

Total Revision: \$151,696,825

Funding Source: Motor Vehicle Excise Taxes

Description: ST3 is funded by an increase in the motor vehicle excise tax rate of 0.8 percent.

Justification: Additional motor vehicle excise taxes will be used to fund the voter-approved ST3 Program.

Budget/Schedule Risk: Low/Low

O-25 Revenue Budget – ST3 Property Taxes

Total Revision: \$126,584,887

Funding Source: Property Taxes

Description: ST3 is funded by a property tax increase of 25 cents per \$1,000 of assessed valuation.

Justification: ST3 property taxes will be used to fund the voter-approved ST3 Program.

Budget/Schedule Risk: Low/Low

O-26 Operating Budget – Operations Department Staff Increase

Total Revision: \$950,196

Funding Source: New Appropriation

Description: Addition of nine new FTEs to the 2017 Budget.

1. Operations Technology Director
2. Senior Systems Engineer (1 of 2)
3. Senior Systems Engineer (2 of 2)
4. Transit Systems Engineer
5. Sr Network Engineer
6. Sr IT Systems Engineer (1 of 2)
7. Sr IT Systems Engineer (2 of 2)
8. Sr IT Project Managers (1 of 2)
9. Sr IT Project Managers (2 of 2)

Justification: The technology required to operate transit services on all modes, including safety/security and passenger information, has become increasingly complex and requires a highly skilled organization to support and manage these critical systems.

Budget/Schedule Risk: Low/Low

O-27 Operating Budget – Operations Department SCADA Training and Support

Total Revision: \$350,000

Funding Source: New Appropriation

Description: Enhanced training and contractor support for DECM and Operations engineers/administrators to enable Sound Transit to make basic database changes and user interface enhancements to the SCADA system.

Justification: SCADA is integral to the operations of the light rail system and must be maintained and updated on a timely basis.

Budget/Schedule Risk: Low/Low

Amendments approved by the Capital Committee on December 8, 2016

C-1 #4X115 Lynnwood Link Extension – Additional Allocation for Permit Costs

Total Amendment: \$500,000

Funding Source: ST2 Cost Estimate

Description: Increase Construction phase to account for project early permit costs.

Justification: This project is currently in final design and permit costs are accounted for in construction phase which is not funded until baseline. However, there are recently identified early permitting costs which need to be funded.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ 7,225		\$ 7,225	\$ 88,305		\$ 88,305
Preliminary Engr / Environmental Documentation	\$ -		\$ -	\$ 42,000		\$ 42,000
Final Design	\$ 37,750		\$ 37,750	\$ 111,453		\$ 111,453
Third Party	\$ 4,396		\$ 4,396	\$ 17,400		\$ 17,400
Row Acquisition and Permits	\$ 57,025		\$ 57,025	\$ 123,779		\$ 123,779
Construction	\$ -	\$ 100	\$ 100	\$ -	\$ 500	\$ 500
Construction Management	\$ 9,800		\$ 9,800	\$ 104,925		\$ 104,925
Vehicles						
Contingency						
Total	\$ 116,196	\$ 100	\$ 116,296	\$ 487,861	\$ 500	\$ 488,361

C-2 #400008 Tacoma Link Expansion – Additional Allocation for Pre-Construction Costs

Total Amendment: \$1,070,000

Funding Source: ST2 Cost Estimate

Description: This amendment would provide funding for construction management pre-construction costs and City of Tacoma services for design review and permitting.

Justification: Accounts for costs that are incurred in advance of the baseline of the project.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ 1,606	\$ -	\$ 1,606	\$ 10,600		\$ 10,600
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 5,872		\$ 5,872
Final Design	\$ 4,475	\$ 1,300	\$ 5,775	\$ 10,830		\$ 10,830
Third Party	\$ 100	\$ 650	\$ 750	\$ 500	\$ 810	\$ 1,310
Row Acquisition and Permits	\$ 2,565	\$ -	\$ 2,565	\$ 3,200		\$ 3,200
Construction	\$ -	\$ -	\$ -	\$ -		\$ -
Construction Management	\$ 440	\$ 160	\$ 600	\$ 550	\$ 260	\$ 810
Vehicles	\$ 800		\$ 800	\$ 2,000		\$ 2,000
Contingency						
Total	\$ 9,986	\$ 2,110	\$ 12,096	\$ 33,552	\$ 1,070	\$ 34,622

C-3 # 300018 Sumner Station Access Improvements – Additional Allocation for Right of Way Acquisitions

Total Amendment: \$1,501,935

Funding Source: ST2 Cost Estimate

Description: Increase allocation to the Right of Way phase to acquire the necessary properties in a timely manner.

Justification: This allocation would normally occur during a phase gate action but the time of the phase gate and the necessity for the funds requires this amendment to ensure a timely acquisition of properties.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	144		144	762		762
Preliminary Engineering	518		518	2,685		2,685
Final Design						
Third Party Agreements						
Right of Way		1,615	1,615	2,912	1,502	4,414
Construction	39		39	113		113
Construction Services						
Vehicles						
Contingency						
Total	701	1,615	2,316	6,472	1,502	7,974

C-4 #300004 Sounder Maintenance Base – Early ROW Activity

Description: Allocation from the project cost estimate to accommodate early ROW activities in advance of Phase Gate, Gate 4 (Enter Final Design) when right of way funds are traditionally allocated. Additionally, adjust the 2017 cash-flow to anticipate potential ROW action.

Justification: To allow the flexibility to acquire property that may become available prior to any phase gate actions.

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ 186	\$ -	\$ 186	\$ 860		\$ 860
Preliminary Engr / Environmental Documentation	\$ 3,066	\$ -	\$ 3,066	\$ 5,116		\$ 5,116
Final Design						\$ -
Third Party						\$ -
Row Acquisition and Permits	\$ 115	\$ 2,448	\$ 2,563	\$ 865	\$ 2,127	\$ 2,992
Construction						
Construction Management						
Vehicles						
Contingency						
Total	\$ 3,367	\$ 2,448	\$ 5,815	\$ 6,841	\$ 2,127	\$ 8,968

C-5 #600016 Fare Administration – Increase 2017 Spending

Total Amendment: \$1,872,931

Funding Source: N/A

Description: Increase to 2017 spending in support of OCRA. A shift in phase allocation to budget administrative costs. No change to total budget allocation.

Justification: Proposed TIP was developed before a mature scope of work and schedule could be completed. This change reflects the completed work plan.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ -	\$ 115	\$ 115		\$ 115	\$ 115
Preliminary Engr / Environmental	\$ 200	\$ 35	\$ 235	\$ 1,646		\$ 1,646
Research & Technology	\$ 400	\$ 1,722	\$ 2,122	\$ 14,457	\$ (115)	\$ 14,342
Final Design						
Third Party						
Row Acquisition and Permits						
Construction						
Construction Services						
Vehicles						
Contingency						
Total	\$ 600	\$ 1,873	\$ 2,473	\$ 16,103	\$ -	\$ 16,103

C-6 #804100 TOD Property Surplus Disposition – Reduce Annual Spending

Total Amendment: (\$1,033,195)

Funding Source: N/A

Description: Reduce annual project budget. No change in total project allocation.

Justification: Reduction is in line with anticipated work plan and cash flow.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ 530		\$ 530	\$ 2,326		\$ 2,326
Preliminary Engr / Environmental Documentation						
Final Design						
Third Party						
Row Acquisition and Permits	\$ 1,715	\$ (820)	\$ 895	\$ 8,444		\$ 8,444
Construction	\$ 513	\$ (213)	\$ 300	\$ 845		\$ 845
Construction Services						
Vehicles						
Contingency						
Total	\$ 2,758	\$ (1,033)	\$ 1,725	\$ 11,615	\$ -	\$ 11,615

C-7 #300017 Puyallup Station Access Improvements – Establish 2017 Annual Budget

Description: 2017 Annual increase to allow for establishment of the final design phase. This action is in conjunction with a November 2016 project budget allocation from the cost estimate and Phase Gate 4 increasing the project budget by \$2,594,563.

Justification: Establish 2017 annual spending consistent with budgets changes approved under a separate 2016 Board action.

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration	\$ 140	\$ 384	\$ 524	\$ 1,223		\$ 1,223
Preliminary Engineering	\$ 518	\$ 302	\$ 820	\$ 2,996		\$ 2,996
Final Design		\$ -				
Third Party Agreements		\$ 50	\$ 50	\$ 105		\$ 105
Right of Way	\$ 3,720	\$ 837	\$ 4,557	\$ 6,555		\$ 6,555
Construction		\$ -				
Construction Services		\$ 63	\$ 63	\$ 130		\$ 130
Vehicles		\$ -				
Contingency		\$ -				
Total	\$ 4,379	\$ 1,635	\$ 6,014	\$ 11,009	\$ -	\$ 11,009

C-8 #700793 Signage Improvements – Study Sign Identification and Wayfinding Issues

Total Amendment: \$200,000

Funding Source: New Appropriation

Description: Study wayfinding issues in relationship to location, size and ease of identification to assist in the ease of access to Link services. Identify solutions.

Justification: Study is in response to recent customer complaints of wayfinding signs not readily identifiable for instruction to and location of link services.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Amendment	Amended Proposed Budget	Authorized Project Allocation	Amendment	Amended Authorized Project Allocation
Agency Administration	\$ 22		\$ 22	\$ 76		\$ 76
Preliminary Engr / Environmental Documentation						
Final Design				\$ 94		\$ 94
Third Party		\$ 200	\$ 200		\$ 200	\$ 200
Row Acquisition and Permits						
Construction	\$ 712	\$ -	\$ 712	\$ 728		\$ 728
Construction Services				\$ 33		\$ 33
Vehicles						
Contingency						
Total	\$ 735	\$ 200	\$ 935	\$ 931	\$ 200	\$ 1,131

C-9 #600033 Link CCTV System Upgrade – Increase for grant funding video monitoring system

Total Amendment: \$240,000

Funding Source: Grant funded

Description: Procure and install a video monitoring system at Union Station aiding Security Operations Center in monitoring events in the field.

Justification: This procurement is fully funded by a recently awarded Homeland Security Grant.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Amendment	Amended Proposed Budget	Authorized Project Allocation	Amendment	Amended Authorized Project Allocation
Agency Administration	\$ 20		\$ 20	\$ 20		\$ 20
Preliminary Engr / Environmental Documentation						
Final Design	\$ 50		\$ 50	\$ 50		\$ 50
Third Party						
Row Acquisition and Permits						
Construction	\$ 2,084	\$ 240	\$ 2,324	\$ 2,784	\$ 240	\$ 3,024
Construction Services						
Vehicles						
System Testing & Startup						
Contingency						
Total	\$ 2,154	\$ 240	\$ 2,394	\$ 2,854	\$ 240	\$ 3,094

C-10 #TBD Access Control System Upgrade

Total Amendment: \$1,114,000

Funding Source: New Appropriation

Description: Upgrade of the existing access control system which manages the secure access to agency facilities. The existing system utilizes General Electric (GE) Secure Perfect system was installed in 2008 and is no longer supported by GE. A new system will allow for a single access control platform for all Sound Transit Facilities.

Justification: The current system has been unsupported by GE since 2013. King County had maintained the system with a reliable source of spare parts. However, very recently, spare parts have been more difficult to source necessitating the need for a system replacement and upgrade of features and functionality.

Budget/Schedule Risk: Medium/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration						
Preliminary Engr / Environmental Documentation						
Final Design						
Third Party						
Row Acquisition and Permits						
Construction		\$ 1,114	\$ 1,114		\$ 1,114	\$ 1,114
Construction Management						
Vehicles						
Contingency						
Total	\$ -	\$ 1,114	\$ 1,114	\$ -	\$ 1,114	\$ 1,114

C-11 # TBD LRV Between Car Barriers

Total Amendment: \$560,000

Funding Source: New Appropriation

Description: Procure and install barriers 21 Link Stations to prevent access to space between LRV vehicles.

Justification: To comply with FTA Regulation 49 CFR 38.85 requiring barriers between LRV vehicles when stopped at stations to ensure that visually impaired riders do not mistaken the space between vehicles as an open door. This project was originally anticipated to be a small works project in 2016, once the cost estimate was established for the scope and staff oversight, the project did not meet small works eligibility moving it to a full capital budget consideration.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration		\$ 152	\$ 152		\$ 152	\$ 152
Preliminary Engr / Environmental Documentation						
Final Design						
Third Party						
Row Acquisition and Permits						
Construction		\$ 368	\$ 368		\$ 368	\$ 368
Construction Management						
Vehicles						
Contingency						
Total	\$ -	\$ 520	\$ 520	\$ -	\$ 520	\$ 520

C-12 # TBD King Street Station Platform Improvements

Total Amendment: \$300,000

Funding Source: New Appropriation

Description: Participate in a local partnership to design and construction passenger access improvements to King Street Station improving access to Century Link Field.

Justification: This partnership was not formalized, nor was the cost established until after the submission deadline for the 2017 TIP. The partnership is between ST, WSDOT and Amtrak to improve special event train access to King Street Station. Special events requiring 7 car platform support limit train access to other platforms. This will allow improvements to track 9 for game days and special events reducing platform crowding and improving overall safety to passengers. This will be partially funded by a grant from the Federal Railway Administration.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration		\$ 25	\$ 25		\$ 25	\$ 25
Preliminary Engineering		\$ 25	\$ 25		\$ 25	\$ 25
Final Design		\$ 50	\$ 50		\$ 50	\$ 50
Third Party Agreements						
Right of Way*		\$ 75	\$ 75		\$ 75	\$ 75
Construction		\$ 125	\$ 125		\$ 125	\$ 125
Construction Services						
Vehicles						
Contingency						
Total		\$ 300	\$ 300		\$ 300	\$ 300

C-13 # TBD Convention Place Development System Retrofit

Total Amendment: \$2,549,150

Funding Source: New Appropriation

Description: Retrofit existing power distribution control and monitoring system at Pine Street. Install new 26kV feeder breakers at Pine Street and feeder cables to new convention place traction power substation and install new 480kV back-up power cables from Pine Street to Westlake and University Stations.

Justification: Current power distribution infrastructure in Convention Place/Pine Street area is scheduled for redevelopment necessitating relocation and decommissioning of existing equipment located on the Convention Place site. The scope of work and cost estimate was only recently established.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration		233	233		233	233
Preliminary Engineering						
Final Design		72	72		72	72
Third Party Agreements						
Right of Way						
Construction		2,025	2,025		2,025	2,025
Construction Services		220	220		220	220
Vehicles						
Contingency						
Total		2,549	2,549		2,549	2,549

C-14 # TBD Link Operating Segment System Enhancements and Upgrades

Total Amendment: \$1,400,000

Funding Source: New Appropriation

Description: The purpose of this project is to deliver enhancements and upgrades to systems on the existing link operating segment. Systems covered include but are not limited to AC power distribution, traction power, overhead catenary system, signals and communications systems upgrades, and enhancements to existing engineering infrastructure of link operating segment.

Justification: To assure continued safe and reliable operation of existing link systems via enhancements and upgrades identified based on system operational performance.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Proposed Budget	Revision	Revised Authorized Project Allocation
Agency Administration		185	185		185	185
Preliminary Engineering						
Final Design		185	185		185	185
Third Party Agreements						
Right of Way						
Construction		950	950		950	950
Construction Services		80	80		80	80
Vehicles						
Contingency						
Total		1,400	1,400		1,400	1,400

C-15 # TBD On-Demand Bike Locker Pilot

Total Amendment: \$60,000

Funding Source: New Appropriation/Grant

Description: Installation of 16 bike lockers with on-demand technology at Mercer Island Transit Center to test and evaluate system for potential use at other locations. This project recently received partial funding through a local grant making this project affordable.

Justification: Provides a low cost review and experience of new technologies to better achieve full utilization bike lockers for active bike riders at locations where a high demand for lockers exist.

Budget/Schedule Risk: Low/Low

Phase	2017 Annual Budget			Total Authorized Project Allocation		
	Proposed Budget	Revision	Revised Proposed Budget	Authorized Project Allocation	Revision	Revised Authorized Project Allocation
Agency Administration						
Preliminary Engr / Environmental Documentation						
Final Design						
Third Party						
Row Acquisition and Permits						
Construction		\$ 60	\$ 60		\$ 60	\$ 60
Construction Management						
Vehicles						
Contingency						
Total	\$ -	\$ 60	\$ 60	\$ -	\$ 60	\$ 60



Resolution No. R2016-37
Attachment D – Changes to Authorized Project Allocation to Date in Transit Improvement Plan

Adoption of the Proposed 2017 Transit Improvement Plan will approve the changes to the authorized project allocation to date for the following projects:

	2016 TIP	\$ Change	2017 TIP
Existing Projects			
Tacoma Link Expansion	\$33,002,000	\$550,000	\$33,552,000
ST Express Fleet Expansion	26,184,555	13,572,214	39,756,769
Fare Administration	17,611,406	(1,508,239)	16,103,167
Link CCTV System Upgrade	700,000	2,153,500	2,853,500
Sounder Vehicle Overhaul	24,301,406	800,000	25,101,406
Station Midlife Refurbishment Program	1,450,000	245,441	1,695,441
Small Works Program	7,942,164	3,365,570	11,307,734
Subtotal Existing Projects	\$111,191,531	\$19,178,486	130,370,017
New Projects			
Fare Policy	-	\$1,508,239	\$1,508,239
LRV Wash Bay Modifications	-	300,000	300,000
LRV Wheel Flat Software	-	250,000	250,000
OMF Energy Efficiency	-	1,098,000	1,098,000
Customer Emergency Stations	-	800,000	800,000
SCR Passenger Emergency Intercom	-	1,500,000	1,500,000
Bellevue Transit Center Security System	-	150,000	150,000
Link Bridge Repairs	-	550,000	550,000
Link Radio Upgrade	-	1,000,000	1,000,000
Subtotal New Projects	-	\$7,156,239	\$7,156,239
Total	\$111,191,531	\$26,334,725	\$137,526,256