

## *METRO TRANSIT DIVISION*

***Mission:***

**Metro Transit Division**

Provide the best possible public transit services to get people on the bus and improve regional mobility and quality of life in King County.

### ***OVERVIEW***

Metro Transit, the largest division of the King County Department of Transportation, is responsible for providing public transportation services to the residents of King County. Metro Transit buses delivered 118.6 million passenger trips in 2013—a 2.8 percent increase over 2012 and 80 percent of the total transit boardings in King County. Metro Transit provides other transportation services as well, including vanpools and paratransit. In 2013, the vanpool program provided 3.5 million passenger trips in more than 1,300 vanpools, and the paratransit services provided 1.2 million passenger trips.

Metro Transit is also the operator for Sound Transit (ST) of LINK light rail. LINK currently operates from SeaTac airport to downtown Seattle and will extend to the University of Washington and south of the SeaTac airport to Angle Lake in 2016. Link ridership grew 11 percent in 2013. In addition, Metro Transit provides close to 250,000 hours of bus service as part of Sound Transit’s Regional Express Bus Service. Finally, Metro Transit operates the South Lake Union Streetcar and will also operate the First Hill Streetcar when it begins operation in late 2014.

Metro Transit operations are funded by the Public Transportation Fund, which is comprised of four sub-funds: the operating, capital, fleet replacement, and bond funds. There are several revenue sources for the Public Transportation Fund, including support of revenue-backed activities such as LINK and ST Regional Express Bus Service, but the major revenue sources for general operations are sales taxes and fares.

### **2015/2016 Key Issues**

The major issues in the Metro Transit Division budget for 2015/2016 include reductions of fixed route bus and DART services, exploration of alternative service delivery models, implementation of the Low-Income Fare and moving toward reducing the use of cash fares, reductions in support positions and lower priority areas, and funding of new needs.

#### **Fixed Route Bus Service and DART Reductions**

With ridership on the rise, Metro Transit has been striving to preserve service levels and quality despite an ongoing revenue shortfall stemming from the 2008 recession. To sustain service levels, Metro Transit has taken many actions to control costs, increase revenue, and make administration and operations more efficient and productive—including using its Service Guidelines to make extensive revisions to the bus system.

Metro Transit has also sought to obtain a sustainable funding structure. In 2013, a broad-based community coalition advocated for new statewide transportation funding, but the 2013 Washington Legislature did not agree on a solution. In April 2014, county voters rejected a ballot measure that would have provided funding to preserve Metro Transit service. Since Metro’s funding structure is not generating enough revenue to sustain the current level of service, Metro Transit must reduce service to balance the budget.

As part of the 2015/2016 budget development process, Metro Transit and the King County Executive looked for ways to mitigate the need for service reductions, including identifying efficiencies, reducing the cost growth of central and other support services, and reducing less critical program elements while still maintaining the quality and integrity of the remaining Metro Transit system. Additionally, economic conditions have improved, resulting in unanticipated revenue and reduced costs. Despite these actions, in order to create a sustainable system with current revenue sources, it is estimated that Metro Transit will have to cut up to 400,000 annual hours of bus service, about 11 percent of the current system. The additional resources identified during the budget development process have reduced planned service cuts by 150,000 annual hours compared to earlier forecasts.

### **Planning for a Recession**

Part of the financial analysis to determine the size of the service reductions that would result in a sustainable system included planning for a future recession through a revenue stabilization reserve. Transit's primary revenue source is sales tax, which is highly volatile and subject to changes in the economy. The county's financial forecasts have not included a recession scenario; despite the fact that a recession is inevitable, it is extremely difficult to predict when or how severe a recession will be. The county's chief economist worked closely with executive and Metro staff to model several recession scenarios and develop a financial policy for sizing a revenue stabilization reserve. The Executive's proposed budget contains a revenue stabilization reserve large enough so that Metro would not need to make service reductions if a moderate recession were to occur after 2018. If a recession were to occur earlier, or were more significant than the moderate scenario, policy makers would need to consider additional service reductions.

### **Community Mobility Contracts and Alternative Services**

In response to community concerns regarding the pending service cuts, Metro Transit is in the process of developing a Community Mobility Contract (CMC) program to allow cities to purchase transit service in addition to the service that Metro Transit is able to provide. The CMC cost model assumes that Metro Transit recovers the full cost of providing transit service. As no CMCs have been executed to date, the budget does not include assumptions regarding purchased service levels or revenues. However, if cities/communities enter into CMC over the course of the biennium, the budget will be revised as necessary.

While CMC costs and revenues will not be included in the budget, the budget will include \$6 million in funding to implement a new 'toolbox' of alternative services during the biennium. The items in this toolbox build on Metro Transit's history of providing new and innovative ways to attract individuals to mobility options other than driving alone. The program elements are intended to provide services that can better meet market needs in areas not well suited to fixed route transit service. Specifically, the program will involve consideration of the following elements:

- Community Shuttle services involve smaller buses that run on a designated route serving a flexible service area provided through a community partnership. Shuttle vehicles would be provided by Metro Transit along with funds to pay a driver. Community partners could contribute resources and marketing/promotion. Shuttles would be open to the general population, operate during pre-determined hours and focus on common destinations helping riders with all-day travel needs.
- Community Hub services include creation of multi-modal transportation hubs where individuals can access services such as community shuttles/vans and bicycles as well as information on transportation options. Community van services, which can provide both regularly scheduled trips as well as one-time trips as necessary, and bike sharing services create a strong centralized focal point within a community and rely on strong community partners to be successful.

- Flexible Rideshare provides the opportunity for individuals to participate in variable ridesharing as an alternative to the current vanpool program. Individuals can use their own or a Metro Transit-provided vehicle and use a web-based or mobile application to find rides, designate specific pick-up points and connect to other services such as fixed route bus to complete their commute.

The budget funding level will be sufficient to meet the needs of several areas that might otherwise be losing fixed route bus services as part of the service reductions or where the fixed route bus services are replaced or supplemented to address unmet travel needs. This alternative services funding, coupled with the new CMC program and the Transit Now Service Partnership program, provide opportunities for local jurisdictions to enhance the transit service in their communities.

### **Low-Income Fare Implementation**

In February 2014, the King County Council approved fare increases and created a low-income fare that will take effect March 1, 2015. Including the 2015 increase, Metro Transit's fares will have gone up five times since 2008, and the low-income fare will help mitigate the impact of the fare increases on people who depend on Metro Transit buses as their primary source of transportation. The Council also established a task force to review and evaluate Metro Transit's plan to implement the new low-income fare. The task force completed its work in summer 2014, offering comments on plans to promote awareness of the low-income fare program to stakeholder communities and the process for establishing eligibility to participate in the program.

Throughout fall 2014, Metro Transit will be working with agency partners on plans to conduct outreach and verify eligibility of program applicants. Metro Transit will also be testing key functions and processes of the low-income fare program. The low-income fare will be available only with an ORCA card, and successful implementation of the program will be essential for achieving Metro Transit's objectives for increasing use of ORCA cards and reducing fare payment with cash.

### **Support Positions/Lower Priority Area Reductions**

More than 75 percent of Metro Transit's costs are associated with the direct provision of transit service, with the remainder for non-direct and support functions. During this biennium, Metro Transit will make some reductions in non-direct and support functions, but such reductions are limited in the biennium as support staff is needed to implement the service reductions and respond to a changing environment. Metro Transit will also be reducing some lower-priority activities and positions in order to free up resources to address new needs. These reductions include the following:

**Streamline Organization:** The budget will eliminate management positions in several areas of the organization to streamline operations. Whenever possible, Metro Transit will eliminate these positions when current employees retire.

**Eliminate Some Vacant Positions:** Over the past year, Metro Transit has delayed filling vacant positions both to determine how critical some positions are to the organization and to capture savings that help address its financial situation. Several positions that have been held vacant were eliminated in the 2015/2016 budget because they were determined to be less important than new needs.

**Eliminate Timetables:** The budget includes an initiative to eliminate the production of paper timetables starting in fall 2016, following the completion of service reductions. A detailed plan to mitigate impacts on customers who do not have access to smart phones or computers will be developed in 2015.

**Cell Phone Assignments and Usage:** Changes in the way emergency communications are handled and the County's new "bring your own device" policy introduce the opportunity to reduce the number of cell phones assigned to employees and paid for by Metro Transit.

### Funding New Needs

The Metro Transit budget includes proposals to fund new critical needs of the organization while offsetting the increases by reducing resources assigned to lower priority efforts. There are a number of changes being proposed, including:

- **Long Range Plan:** Metro Transit will begin development of a long range plan that will include a Transit Access Study as well as long term integration with Sound Transit services and addressing the transportation needs of the region.
- **Regional Access to Downtown Seattle:** The budget includes funds for Metro Transit to participate in the 5-agency group that is addressing issues such as regional access to downtown Seattle. Funds are also included in the capital program to complete RapidRide facilities and to establish bus pathways as this work is completed.
- **Employee Relations:** Additional resources are proposed for Metro Transit's Labor Relations group in order to respond to increased grievances. Failure to adequately address grievances or the practices that result in grievances will result in labor issues that might otherwise be avoidable.
- **Workforce Development:** Building on the workforce development program that was launched in 2013 with the hiring of a dedicated program manager, the 2015/2016 budget includes funding for training and development opportunities for staff participating in the program.
- **Operations Training:** The budget includes funding to change the current 3-year refresher training to an annual basis. Operators will receive 4 hours of refresher training each year. Training provided will focus on improving the safety of operators and customers consistent with the finding in the Office of Risk Management audit. Topics such as safe driving techniques and customer communications will be included.
- **Operations and Maintenance:** Over the past several years, Metro Transit has implemented a number of technological systems including Transit Signal Priority, Enterprise Asset Management, ORCA, On-Board Systems, and a new radio system. This budget recognizes the need to provide adequate resources to manage the day-to-day needs of these systems.

### Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ), the continued effort to find efficiencies throughout the government, and investment in ways to reduce energy usage and mitigate climate impacts. Each of these areas relative to the Metro Transit Division budget is discussed below.

#### Equity and Social Justice

Metro Transit strives to provide access to jobs, education, and other destinations for all customers, particularly those who have been historically disadvantaged. In addition, the organization strives to create a diverse and inclusive workplace. Supporting activities include:

- In the service guidelines that are part of the strategic plan, social equity is one of three priorities that are considered when plans are made to allocate, maintain and reduce service. When setting target service levels for corridors in its all-day and peak network, Metro Transit takes into account the number of people who board buses in areas that have a relatively high concentration of low-income and/or minority residents.

- Metro Transit complies with federal laws regarding historically disadvantage populations, including reporting requirements under Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act, which require the public transportation system to be equitable, accessible, and just.
- In February 2014, the King County Council created a low-income fare that will take effect March 1, 2015. The low-income fare will help low-income individuals obtain access to Metro Transit mobility options.
- Established in 1993, Metro Transit's Human Services Ticket Program sells bus tickets at a significant discount to human service agencies. The agencies then provide the tickets to their clients so they can get to shelters, medical appointments, and job training/interviews. This program is administered by the King County Department of Community and Human Services and the City of Seattle's Human Services Department.
- To reduce the impacts on low- and no-income populations of the elimination of the Ride Free Area in downtown Seattle, Metro Transit assisted Solid Ground and the City of Seattle with operation of a free downtown circulator service in the downtown area. The City of Seattle fully funds this shuttle service.
- In 2013, Metro Transit launched the Partnership to Achieve Comprehensive Equity (PACE) as part of an effort to build and enhance the processes, tools, and standards for advancing diversity and equal opportunity for all Metro Transit employees. Employee committees are evaluating recruitment and selection practices, discipline and adverse action, communicating progress, equal opportunity and customer service and customer complaints, and training and workforce development. PACE will complete an initial report in 2014, and Metro Transit will be reviewing and determining actions necessary to respond to recommendations or conclusions in the report through 2015 and 2016.

### Efficiencies

Metro Transit responds daily to changing circumstances and is constantly looking for ways to improve. Over the past several years, Metro Transit has been identifying and capturing efficiencies.

- Metro Transit's adopted service guidelines, used to develop proposals to reduce, add or change service, emphasize productivity, social equity and geographic value. Metro Transit used these guidelines as it proposed a series of service reductions. Lower-performing routes that do not meet route productivity thresholds were among the first proposed for reduction.
- In Vehicle Maintenance, Metro Transit has been working to improve parts inventory with the goal of reducing spending and days of supply on hand, with excess parts being returned, auctioned, or sold to other transit agencies.
- Service efficiencies have resulted in a reduction of 40 buses from the fleet. These vehicles have been removed from service with no customer impacts. This is a continued result of service efficiencies implemented over the past few years.
- Metro Transit will also be using benchmarking efforts to identify potential process improvements or areas where costs must be monitored more closely. Benchmarking activities include comparison with the International Bus Benchmarking Group (IBBG), 30 national peer agencies using the National Transit Database (NTD), and the American Public Transportation Association (APTA).
- Improving project delivery will be addressed in the budget through funding to implement a system that will provide comprehensive capital project management level information as well as provide project managers with more and better information than is currently available.

- Maintaining assets is also an element of the proposed budget. Maintaining assets in a state of good repair can serve to reduce ongoing maintenance costs and also ensure that investments in infrastructure are maximized.
- Lastly, as mandated by King County Council Motion 14149, an outside auditor will evaluate Metro Transit's existing fund management policies in late-2014/early-2015.

### **Energy Investment and Climate**

For over 30 years, Metro Transit has been committed to providing environmentally sustainable and energy-wise transportation. Every step Metro Transit takes to make transit a more accessible, competitive and attractive transportation option helps to counter climate change and improve air quality. In addition, Metro Transit is engaged in various activities designed to improve the environmental sustainability of its own operations.

- In 2015, Metro Transit will begin operation of its new trolley fleet. The new, all-electric trolleybus coaches will use up to one-third less energy than the existing fleet and have the capability to run on a battery for a short distance. Metro Transit currently operates the second largest electric trolley fleet in the nation.
- In addition to the trolley fleet, Metro Transit utilizes a fleet of diesel hybrid vehicles that use less energy than traditional diesel buses and have lower emissions.
- Metro Transit operates the largest publicly owned vanpool program in the country with more than 3.5 million trips per year. More than 9,000 people use these vans Monday through Friday, eliminating at least 8,000 vehicles from area roads.
- The budget includes funding for audits that help Metro Transit strategically target and prioritize conservation actions. Metro Transit is continuing to collect data to manage energy consumption, which means expanding the gas and electrical sub-metering network.
- Metro Transit also continues to adopt energy technology that provides a good return on investment, such as upgrading to LED lighting, harvesting daylight, and connecting equipment to building management systems so building systems can be scheduled to run based on occupancy.
- With respect to the capital program, all projects now consider energy improvements as part of routine project planning.

**2015/2016 Proposed Financial Plan**  
**Public Transportation Enterprise Fund**

| Category                                | 2013/2014<br>Budget    | 2013/2014 LTD<br>Actuals <sup>1</sup> | 2013/2014<br>Estimated | 2015/2016<br>Proposed  | 2017/2018<br>Projected <sup>2</sup> | 2019/2020<br>Projected <sup>2</sup> |
|---|------------------------|---------------------------------------|------------------------|------------------------|-------------------------------------|-------------------------------------|
| <b>Beginning Fund Balance</b>           | <b>\$ 420,527,517</b>  | <b>\$ 410,591,530</b>                 | <b>\$ 410,591,530</b>  | <b>514,768,220</b>     | <b>368,272,614</b>                  | <b>538,873,174</b>                  |
| <b>Revenues</b>                         |                        |                                       |                        |                        |                                     |                                     |
| Fares (Bus, Access, Vanpool, Streetcar) | 295,484,572            | 301,943,497                           | 301,943,497            | 300,516,981            | 308,983,842                         | 333,359,673                         |
| Other Operations Revenue                | 34,626,096             | 36,093,802                            | 36,093,802             | 40,926,679             | 44,143,377                          | 46,393,192                          |
| Sales Tax                               | 858,184,860            | 909,571,651                           | 909,571,651            | 1,017,625,331          | 1,117,665,391                       | 1,216,307,832                       |
| Property Tax                            | 46,589,460             | 48,922,962                            | 48,922,962             | 53,049,702             | 55,452,501                          | 57,874,351                          |
| Congestion Reduction Charge             | 39,523,588             | 43,339,853                            | 43,339,853             | -                      | -                                   | -                                   |
| Interest Income                         | 3,324,926              | 3,952,873                             | 3,952,873              | 7,839,225              | 15,860,312                          | 40,273,472                          |
| Grants                                  | 211,973,155            | 124,761,520                           | 124,761,520            | 290,585,594            | 84,242,120                          | 133,701,821                         |
| Payments from Sound Transit             | 163,356,492            | 161,704,411                           | 161,704,411            | 179,822,559            | 182,305,720                         | 187,953,825                         |
| Support of other KC Divisions           | 4,035,053              | 4,161,499                             | 4,161,499              | 4,190,124              | 4,484,101                           | 4,697,804                           |
| Miscellaneous                           | 27,823,210             | 39,097,351                            | 39,097,351             | 39,752,319             | 19,449,487                          | 22,762,554                          |
| Employee Benefit Fund Rebate            |                        |                                       | 945,297                |                        |                                     |                                     |
| <b>Total Revenues</b>                   | <b>1,684,921,412</b>   | <b>1,673,549,419</b>                  | <b>1,674,494,716</b>   | <b>1,934,308,514</b>   | <b>1,832,586,851</b>                | <b>2,043,324,524</b>                |
| <b>Expenditures</b>                     |                        |                                       |                        |                        |                                     |                                     |
| Transit Division Operating              | (1,352,406,974)        | (1,329,373,637)                       | (1,329,373,637)        | (1,358,006,440)        | (1,419,782,674)                     | (1,517,070,127)                     |
| DOT Director's Office                   | (11,547,893)           | (10,793,165)                          | (10,793,165)           | (11,291,411)           | (12,167,807)                        | (12,839,883)                        |
| Capital Program                         | (468,965,820)          | (231,828,582)                         | (231,828,582)          | (691,383,831)          | (210,924,227)                       | (305,328,665)                       |
| Debt Service                            | (31,423,730)           | (30,849,383)                          | (30,849,383)           | (30,810,593)           | (30,776,123)                        | (24,745,396)                        |
| Underexpenditure - Operating            | 13,702,534             |                                       |                        | 6,845,864              | 7,159,752                           | 7,649,550                           |
| <b>Total Expenditures</b>               | <b>(1,850,641,883)</b> | <b>(1,602,844,767)</b>                | <b>(1,602,844,767)</b> | <b>(2,084,646,411)</b> | <b>(1,666,491,079)</b>              | <b>(1,852,334,521)</b>              |
| <b>Other Fund Transactions</b>          |                        |                                       |                        |                        |                                     |                                     |
| Debt Proceeds                           |                        |                                       |                        |                        |                                     | 15,000,000                          |
| Miscellaneous Balance Adjustments       | 5,134,156              | 32,526,741                            | 32,526,741             | 3,842,291              | 4,504,788                           | 4,956,256                           |
| <b>Total Other Fund Transactions</b>    | <b>5,134,156</b>       | <b>32,526,741</b>                     | <b>32,526,741</b>      | <b>3,842,291</b>       | <b>4,504,788</b>                    | <b>19,956,256</b>                   |
| <b>Ending Fund Balance</b>              | <b>259,941,201</b>     | <b>513,822,923</b>                    | <b>514,768,220</b>     | <b>368,272,614</b>     | <b>538,873,174</b>                  | <b>749,819,433</b>                  |
| <b>Reserves <sup>3</sup></b>            |                        |                                       |                        |                        |                                     |                                     |
| Operating Reserve                       | 56,950,167             | 56,950,828                            | 56,950,828             | 56,391,180             | 59,784,610                          | 63,991,553                          |
| Revenue Stabilization Reserve           |                        | 178,437,699                           | 178,437,699            | 169,879,700            | 280,316,124                         | 322,000,000                         |
| Capital Projects Reserve                | 170,879,053            | 170,879,053                           | 170,879,053            | 76,000,000             | 85,000,000                          | 51,000,000                          |
| Capital Designated Reserves             |                        |                                       |                        | 21,000,000             | 23,000,000                          | 26,000,000                          |
| RFRF Reserve                            | 101,149,919            | 84,727,011                            | 84,727,011             | 27,945,273             | 71,499,661                          | 110,219,762                         |
| Bond Reserve                            | 15,236,343             | 15,236,343                            | 15,236,343             | 15,255,069             | 15,651,208                          | 5,515,635                           |
| Sinking Fund Reserve                    | 1,125,105              | 1,125,105                             | 1,125,105              | 1,724,051              | 2,348,650                           | -                                   |
| <b>Total Reserves</b>                   | <b>345,340,587</b>     | <b>507,356,039</b>                    | <b>507,356,039</b>     | <b>368,195,273</b>     | <b>537,600,253</b>                  | <b>578,726,950</b>                  |
| Reserve Shortfall                       | (85,399,386)           | -                                     | -                      |                        |                                     |                                     |
| <b>Ending Undesignated Fund Balance</b> | <b>-</b>               | <b>6,466,884</b>                      | <b>7,412,181</b>       | <b>77,341</b>          | <b>1,272,921</b>                    | <b>171,092,483</b>                  |

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 LTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

<sup>2</sup> Out year projections are based on expenditure and revenue assumptions including forecasts from OEFA for Sales Tax, COLA, Diesel Fuel. Fare Revenue is based on system average fare per boarding using Transit's econometric model. Capital program costs and revenues reflect the 6-year CIP.

<sup>3</sup> Reserve levels are consistent with the adopted Fund Management Policies as well as regulatory or other requirements.

# ***PUBLIC TRANSPORTATION***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Provide public transit services to improve regional mobility and quality of life in King County.

### ***OUTCOMES***

- Improve customer and employee safety and security
- Increase access to public transportation products and services
- Increase public transportation market share throughout King County, and in centers and areas of concentrated economic activity
- Reduce environmental footprint (normalized against service growth)

### ***PRODUCT FAMILIES***

- Bus Trips
- Passenger Ferry Trips
- Rail/Streetcar Trips
- Paratransit Trips
- Vanpool Trips



**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
TRANSIT (EN\_A46410\_Input)**

| Title   | Appropriation   | Estimated Revenues | Regular FTEs | TLTs     |
|---|-----------------|--------------------|--------------|----------|
|   | 2015/2016       | 2015/2016          | Dec 2016     | Dec 2016 |
| <b>2013/2014 Adopted Budget</b>   | \$1,352,406,965 | \$1,364,863,841    | 3,993.53     | 27.00    |
| <b>Adjustments to 2013/2014 Adopted Budget</b>                                    | 62,253,360      | (41,785,135)       | (28.98)      | -9.00    |
| <b>Direct Service Changes</b>   |                 |                    |              |          |
| DS_001 Reduce/Adjust Metro Transit Bus Direct Service Provision                   | (42,319,612)    | 0                  | (132.00)     | 0.00     |
| DS_004 Adjust Access Paratransit Baseline Costs                                   | (1,713,491)     | 0                  | 0.00         | 0.00     |
| DS_005 Adjust Vanpool Baseline Costs  | 549,945         | 0                  | 2.00         | 0.00     |
| DS_008 Move to Two Service Changes  | (190,000)       | 0                  | 0.00         | 0.00     |
| DS_012 Add Employee Grievance and Labor Position                                  | 278,901         | 0                  | 1.00         | 0.00     |
| DS_013 Support Partnership to Achieve Comprehensive Equity (PACE) Program         | 174,594         | 0                  | 0.00         | 0.00     |
| DS_014 Add Systems Operations & Maintenance (O&M) Position                        | 265,712         | 0                  | 1.00         | 0.00     |
| DS_015 Add O&M Resources for Transit Signal Priority (TSP) System                 | 476,393         | 0                  | 1.00         | 0.00     |
| DS_016 Support Workforce Development Activities                                   | 220,800         | 0                  | 0.00         | 0.00     |
| DS_017 Reduce Cell Phones   | (150,000)       | 0                  | 0.00         | 0.00     |
| DS_018 Add Resources for Security Camera O&M                                      | 801,008         | 0                  | 3.00         | 0.00     |
| DS_019 Fund Development of Alternative Transportation Services                    | 6,000,000       | 0                  | 0.00         | 0.00     |
| DS_020 Add Positions for Leave Coordination and Support                           | 470,509         | 0                  | 0.00         | 2.00     |
| DS_021 Reduce Positions Associated with Operations Service Support                | (1,641,037)     | 0                  | (8.00)       | 0.00     |
| DS_022 Continue Downtown Seattle Transit Tunnel Boarding Assistance Pilot         | 463,687         | 0                  | 2.00         | 0.00     |
| DS_023 Increase Construction Coordination Support                                 | 275,651         | 0                  | 1.00         | 0.00     |
| DS_024 Reduce Operations Training Positions                                       | (531,713)       | 0                  | (2.00)       | 0.00     |
| DS_025 Increase Frequency of Operations Refresher Training                        | 668,557         | 0                  | 0.00         | 0.00     |
| DS_026 Reorganize Transit Control Center and Service Quality                      | (170,578)       | 0                  | (1.00)       | 0.00     |
| DS_027 Eliminate Operations Service Auditor                                       | (228,526)       | 0                  | (1.00)       | 0.00     |
| DS_032 Reduce Non-Direct Service Vehicle Maintenance Positions                    | (1,195,301)     | 0                  | (10.00)      | 0.00     |
| DS_034 Reduce Vehicle Maintenance Parts Costs Consistent with Lean Activities     | (1,036,591)     | 0                  | 0.00         | 0.00     |
| DS_035 Reflect Base Automation Efficiencies                                       | (1,036,593)     | 0                  | (6.00)       | 0.00     |
| DS_041 Reflect Efficiencies Associated with Power & Facilities Energy Initiatives | (556,659)       | 0                  | 0.00         | 0.00     |
| DS_042 Fund Continued Implementation of Energy Reduction Projects and Activities  | 500,000         | 0                  | 0.00         | 0.00     |

**FOOTNOTES:**

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
TRANSIT (EN\_A46410\_Input)**

| Title  | Appropriation | Estimated Revenues | Regular FTEs | TLTs     |
|--|---------------|--------------------|--------------|----------|
|  | 2015/2016     | 2015/2016          | Dec 2016     | Dec 2016 |
| DS_043 Fund Maintenance Activities at New Transit Facilities   | 449,064       | 0                  | 0.50         | 0.00     |
| DS_044 Fund Hoist and Fall Protection Inspection   | 124,800       | 0                  | 0.00         | 0.00     |
| DS_045 Fund University Link Tunnel Support   | 722,226       | 0                  | 0.00         | 0.00     |
| DS_046 Fund Paving and Envelope Repairs  | 660,000       | 0                  | 0.00         | 0.00     |
| DS_047 Support Enterprise Asset Management O&M   | 265,393       | 0                  | 1.00         | 0.00     |
| DS_049 Fund King County Obligations for First Hill Street Car  | 1,188,305     | 0                  | 4.50         | 0.00     |
| DS_050 Provide Support for North Lake Union Sediment Remediation   | 400,000       | 0                  | 0.00         | 0.00     |
| DS_051 Adjust Design and Construction Operating Costs  | 200,000       | 0                  | 0.00         | 0.00     |
| DS_052 Fund Design and Construction Revenue-Backed Activities  | 700,000       | 700,000            | 0.00         | 0.00     |
| DS_053 Reduce Design and Construction Positions  | (190,399)     | 0                  | (4.00)       | 0.00     |
| DS_061 Fund Department of Community and Health Services Activities in Support of Human Services Ticket Program | 61,540        | 0                  | 0.00         | 0.00     |
| DS_062 Reduce Service Development Positions  | (735,642)     | 0                  | (3.00)       | 0.00     |
| DS_064 Reorganize Service Development and Customer Communications and Services                                 | 0             | 0                  | 0.00         | 0.00     |
| DS_065 Support Regional Coordination and Downtown Seattle Access Activities                                    | 1,089,800     | 0                  | 0.00         | 0.00     |
| DS_066 Fund Development of Long Range Plan   | 1,100,000     | 0                  | 0.00         | 0.00     |
| DS_074 Improve Access Productivity by Increasing Taxi Overflow Use   | (1,322,783)   | 0                  | 0.00         | 0.00     |
| DS_075 Convert Access Vehicles to Liquid Propane Gas   | (524,932)     | 0                  | 0.00         | 0.00     |
| DS_076 Reduce Rideshare Position and Costs   | (198,362)     | 0                  | (1.00)       | 0.00     |
| DS_081 Adjust Costs for Customer Services Center/ORCA-Related Services   | 1,771,082     | 0                  | 0.00         | 0.00     |
| DS_082 Restore Staffing for Lost and Found   | 265,393       | 0                  | 0.00         | 1.00     |
| DS_084 Fund Implementation of Low-Income Fare  | 6,053,203     | 0                  | 9.00         | 4.00     |
| DS_085 Adjust Security Cost Baseline   | 161,186       | 0                  | 0.00         | 0.00     |
| DS_086 Eliminate Printed Timetables  | (208,993)     | 0                  | (2.00)       | 0.00     |
| DS_087 Reduce Revenue Processing Center Detailed Operators   | (283,328)     | 0                  | 0.00         | 0.00     |
| DS_088 Reorganize Rider Information Section  | 2,140         | 0                  | 0.00         | 0.00     |
| DS_089 Reduce Customer Services Lead   | (256,151)     | 0                  | (1.00)       | 0.00     |
| DS_091 Adjust Link Light Rail Revenue-Backed Services Budget   | 1,344,775     | 0                  | 0.00         | 0.00     |
| DS_092 Adjust South Lake Union Streetcar Revenue-Backed Budget   | (648,040)     | 0                  | (1.00)       | 0.00     |
| DS_093 Adjust First Hill Streetcar Revenue-Backed Budget   | 1,197,423     | 0                  | (0.50)       | 0.00     |

**FOOTNOTES:**

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
TRANSIT (EN\_A46410\_Input)**

|   |  | <b>Appropriation</b>   | <b>Estimated Revenues</b> | <b>Regular FTEs</b> | <b>TLTs</b>     |
|---|--|------------------------|---------------------------|---------------------|-----------------|
|   | <b>Title</b>   | <b>2015/2016</b>       | <b>2015/2016</b>          | <b>Dec 2016</b>     | <b>Dec 2016</b> |
| DS_094  | Support University Link and Angle Lake Link Light Rail Expansion                                     | 11,648,170             | 0                         | 60.00               | 0.00            |
| <b>Technical Adjustments</b>                        |  |                        |                           |                     |                 |
| TA_110  | Community Services Area (CSA) Contribution Update  | (14,849)               | 0                         | 0.00                | 0.00            |
| TA_010  | Net-Zero Clean-Up  | 6,676                  | 0                         | 0.00                | 0.00            |
| TA_011  | Cost of Living Adjustment (COLA)   | 534,976                | 0                         | 0.00                | 0.00            |
| TA_012  | Step/Merit   | 3,858,823              | 0                         | 0.00                | 0.00            |
| TA_013  | Vacancy Rate Adjustment  | (2,740,000)            | 0                         | 0.00                | 0.00            |
| TA_015  | Annualize September 2014 Service Reductions and Apply Inflationary Cost Factors to Operator Baseline | (17,177,209)           | 0                         | (88.53)             | 0.00            |
| TA_026  | Adjust Transit Security Costs  | 1,584,529              | 0                         | 0.00                | 0.00            |
| TA_031  | Adjust Trolley Power and Diesel Costs  | (333,600)              | 0                         | 0.00                | 0.00            |
| TA_032  | Transfer Vehicle Maintenance Tire Costs to Component Supply Center                                   | 0                      | 0                         | 0.00                | 0.00            |
| TA_033  | Change Accounting for Vehicle Maintenance Warranty Expense   | 2,887,632              | 0                         | 0.00                | 0.00            |
| TA_041  | Adjust Building Maintenance Position   | (15,201)               | 0                         | 0.00                | 0.00            |
| TA_050  | Revenue Adjustment   | 0                      | 168,475,117               | 0.00                | 0.00            |
| TA_051  | Implement Loan-Out Labor to Capital  | (24,840,110)           | 0                         | 0.00                | 0.00            |
| TA_062  | Adjust Costs for Park and Ride Leased Lots   | 143,350                | 0                         | 0.00                | 0.00            |
| TA_071  | Fund Move Costs for Access Staff   | 455,000                | 0                         | 0.00                | 0.00            |
| TA_081  | Adjust Costs for Transit Incentive Program   | (1,302,376)            | 0                         | 0.00                | 0.00            |
| TA_082  | Adjust Funding For Home Free Guarantee Program   | 60,000                 | 0                         | 0.00                | 0.00            |
| TA_091  | Adjust Link Light Rail Reimbursable Overtime and Benefits  | 24,335                 | 0                         | 0.00                | 0.00            |
| TA_093  | Implement Link Light Rail Net Zero Adjustments   | 0                      | 0                         | 0.00                | 0.00            |
| TA_099  | King Street Center Lease Adjustment  | 1,904,046              | 0                         | 0.00                | 0.00            |
| <b>Central Rates</b>                                |  | (7,101,432)            | 0                         | 0.00                | 0.00            |
| <b>Total Decision Package</b>                       |  | (56,653,885)           | 169,175,117               | (175.03)            | 7.00            |
| <b>Ending Biennium FTE Count</b>                    |  | <b>\$1,358,006,440</b> | <b>\$1,492,253,823</b>    | <b>3,789.52</b>     | <b>25.00</b>    |
| <b>Executive Proposed Budget</b>                    |  | <b>\$1,358,007,000</b> | <b>\$1,492,254,000</b>    | <b>3,870.18</b>     | <b>25.00</b>    |
| <b>Percent Change over 2013/2014 Adopted Budget</b> |  | <b>0.4%</b>            | <b>9.3%</b>               | <b>-3.1%</b>        | <b>-7.4%</b>    |

**FOOTNOTES:**

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Metro Transit Operating Budget Adjustments

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Metro Transit Division is \$1.36 billion with funding for 3,870.18 FTEs and 25.00 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Direct Service Changes**

#### **Reduce/Adjust Metro Transit Bus Direct Service Provision – (\$42,319,612)/ (132.00) FTE<sup>1</sup>**

This proposal reduces fixed-route bus and DART service levels for the biennium in February 2015 and March 2016. When combined with reductions taken in September 2014, the reductions total to 400,000 annual hours. In addition to reduced service hours, this proposal also reflects a reduced number of miles operated (9.43 million fewer miles) over the biennium. This package also includes costs to operate the Alaskan Way Viaduct mitigation service from January 2015 through September 2015, reflecting current commitments from the Washington State Department of Transportation to fund these services through June 2015. Altogether, these service reductions will result in an average of 70 fewer FTE positions in 2015 and 130 fewer FTE positions in 2016. Position reductions are comprised primarily of operators, but also include direct service staff in vehicle maintenance (e.g., utility workers, mechanic leads, mechanics, equipment service workers, electronic technicians, sheet metal workers, and equipment painters). As these reductions have been anticipated for some time, staffing levels have been gradually adjusted in order to minimize the number of individuals who will be laid off and the resulting separation costs.

#### **Adjust Access Paratransit Baseline Costs - (\$1,713,491) Expenditure**

This item updates Access paratransit service for projected changes in ridership and the \$0.50 fare increase scheduled for March 2015. Current projections for ridership estimate a decline in annual trips in part due to an elasticity response to the fare increase. The decline in the number of annual trips results in a corresponding reduction in annual operating expenses.

#### **Adjust Vanpool Baseline Costs - \$549,945 Expenditure / 2.00 FTE**

This change supports existing commuter van service and allows the vanpool program to expand in order to serve more customers. Ridership is expected to increase by 6 percent in 2015 and another 4 percent in 2016 to bring the total program ridership to over 3.9 million annual passenger trips. The increase is expected to fund an additional 60 vanpool and 6 van share groups each in 2015 and 2016. The total number of groups increases to 1,537 in 2015 and to 1,603 in 2016. This proposal also includes adjustments for gas, van maintenance, and insurance. This estimated growth in vanpool and van share groups does not include increased vanpool/vanshare demand that may result from reduced levels of fixed route bus service during the biennium. Operating costs associated with these programs are revenue backed.

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<sup>1</sup> As operators are budgeted in a pooled position and include a significant number of part time workers, the FTE value for Transit operators indicated here reflects average annual values, not year-end 2016 values.

### **Move to Two Service Changes - (\$190,000) Expenditure**

This proposal results in savings associated with reducing the number of service changes (shake-ups) from three times per year to two times per year beginning in 2016. Currently the three service changes occur in February, June, and September of each year. Starting in 2016 and going forward, service changes will take place in mid-March and mid-September. Overtime for staff who change the bus signs and printing costs associated with schedules will be reduced.

### **Add Employee Grievance and Labor Position - \$278,901 Expenditure / 1.00 FTE**

This item adds a position in the Employee & Labor Relations Unit to handle increased workload associated with the increased number and complexity of grievances, complaints, disciplinary actions, and lawsuits. The intent of this proposal is to provide quality advice and to work to avoid monetary loss. The workload in this area has increased to the point that current staff cannot adequately meet the need.

### **Support Partnership to Achieve Comprehensive Equity (PACE) Program - \$174,594 Expenditure**

This item adds resources to support the Partnership to Achieve Comprehensive Equity (PACE) initiative, which was launched in 2014. This effort is aimed at building and enhancing the processes, tools, and standards to make advances in diversity and equal opportunity for all within the Metro Transit Division. Resources will be used to strengthen the program coordination and provide efficiencies by centralizing some of the program efforts. In addition, a position within Metro Transit is being moved to support these and other diversity and equal opportunity efforts of the division.

### **Add Systems Operations & Maintenance (O&M) Position - \$265,712 Expenditure / 1.00 FTE**

This package increases the ability of the Systems Development and Operations Unit to successfully transition various large transit technology projects into an operational phase. Currently, this group struggles with the transition of large transit technology capital projects into operational status. This can result in delays in deployment of technology and disruption to operational groups that depend on a smooth and organized transition. An additional functional analyst position will help provide adequate operational metrics for deployed systems and provide timely and comprehensive testing of new software, parameters, and data for better quality assurance and day-to-day operations.

### **Add O&M Resources for Transit Signal Priority (TSP) System - \$476,393 Expenditure / 1.00 FTE**

This proposal adds resources to support and sustain 179 transit signal priority locations along Rapid Ride and non-Rapid Ride corridors. The scope for this initiative aims to optimize transit signal priority operation to provide the best benefit possible for transit operations. This change item includes an additional functional analyst to support this work as well as a shift in funding from the capital program to the operating program to support the revised nature of the work.

### **Support Workforce Development Activities - \$220,800 Expenditure**

This adjustment adds resources to support the workforce development program. Initiatives include designing and launching a succession management program featuring robust development resources including 360 feedback, customized individual development planning, coaching, site visits, job rotations, and action learning projects. Efforts will also include the deployment of staff career development resources across the division.

### **Reduce Cell Phones - (\$150,000) Expenditure**

This item reduces the number of cell phones that are assigned to Metro Transit division employees, reducing the cost of cellular phones and plans. Metro Transit has historically used "push-to-talk" functionality as an emergency communications tool. The push-to-talk functionality is no longer provided via separate networks and processes from cellular functionality. As a result, Metro Transit is no longer requiring the use of specific devices to be used by staff and can utilize the county's Bring Your Own Device Program to meet the day to day communication needs of employees.

### **Add Resources for Security Camera O&M - \$801,008 Expenditure / 3.00 FTE**

This proposal adds resources to pilot activities to improve the reliability of the on-board camera systems and provides additional resources to meet the increasing number of requests for images while a longer range proposal is developed for the future of on-board cameras. Additional electronic technicians are proposed to implement a preventative maintenance program for the on-board camera systems. Resources will be used to provide temporary support to assist in the labor-intensive process to locate coaches and download images. The longer range proposal will address questions such as how many coaches should be equipped, cost effective means of retrieving images, and ensuring that systems operate at a high level of reliability.

### **Fund Development of Alternative Transportation Services - \$6,000,000 Expenditure**

This adjustment adds resources to support the provision of expended alternative transportation services as discussed earlier in this section. Funds are provided to establish a variety of alternatives to fixed route transit for communities that may be losing their service due to service reductions.

### **Add Positions for Leave Coordination and Support - \$470,509 Expenditure / 2.00 TLT**

This proposal adds resources including two positions in the biennium to improve the process around leaves administration. Current processes are costly, time consuming, and inconsistent. Specific efforts will include an environmental scan of current process, procedures and policies, and tools in use within the Metro Transit Division and King County along with the collection of input from key stakeholders. This information will be used to develop a strategic leaves management program to be implemented within the Metro Transit Division. This effort is anticipated to significantly impact the Metro Transit Division's efficiency in this area.

### **Reduce Positions Associated with Operations Service Support – (\$1,641,037) Expenditure / (8.00) FTE**

This item reduces service support in operations. Direct service reductions will significantly lower the number of transit operators. Accordingly, support staffing is proposed to be reduced to reflect the reduced operator staffing level. Position reductions over the biennium include chiefs, instructors, and supervisors.

### **Continue Downtown Seattle Transit Tunnel Boarding Assistance Pilot - \$463,687 Expenditure / 2.00 FTE**

This change adds two positions for the biennium to continue to pilot a program of providing ongoing rear door loading and payment assistance in the Downtown Seattle Transit Tunnel (DSTT). This activity was part of a pilot project following the closure of the Ride Free Area to improve bus operation through the DSTT in the afternoon peak period. Previously, there were four positions assigned to this effort. Initial data gathered in the fall of 2012 indicated that boarding assistance in the DSTT helped reduce dwell time, particularly following the change to pay-on-entry, but these results need to be further tested before making an ongoing investment in these positions. Longer travel times through the DSTT have cumulative impacts on subsequent trips and increased overtime costs. Initial data suggest savings to Metro Transit service of \$179,000 per year with additional savings accruing to Sound Transit for quicker boarding for Regional Express and Link Light Rail services.

### **Increase Construction Coordination Support - \$275,651 Expenditure / 1.00 FTE**

This proposal adds a new position to help with the overwhelming workload of the two existing construction coordinators in operations. This group handles the coordination of large and small construction projects of other jurisdictions as well as construction work that results in the need for trolley overhead wire deactivation. This work helps to improve customer service and ensure safe working conditions for Metro Transit employees with respect to construction coordination efforts. The additional of this position is offset by increased revenue from the Trolley Deactivation Fee.

### **Reduce Operations Training Positions - (\$531,713) Expenditure / (2.00) FTE**

This item reduces two positions associated with operations training. One position is an operations training chief and the other position is an occupational education & training program administrative support position.

### **Increase Frequency of Operations Refresher Training - \$668,557 Expenditure**

This change adds resources to support annual refresher classes for all transit operators. Every year there are a number of issues, events and changes to the transit operators' work that require additional training, such as pedestrian awareness, invisible disabilities, strategic communication, service animals, etc. The current training refresher class is offered to operators once every 3 years. Transit industry best practices and a 2013 Office of Risk Management performance audit recommend annual training for transit operators.

### **Reorganize Metro Transit Control Center and Service Quality - (\$170,578) Expenditure / (1.00) FTE**

This proposal builds on the results of the 2014 peer review, which identified potential improvements to be gained through strategically changing how service is managed. As a first step, this change item combines Service Quality and the Transit Control Center in 2015, resulting in one less superintendent position.

### **Eliminate Operations Service Auditor - (\$228,526) Expenditure / (1.00) FTE**

This proposal eliminates the operations service auditor within the Operations Section. This position was initially added to the Metro Transit Division budget in 2006 in order to provide a mechanism for anonymous observation of driver actions while in service. During the biennium, Metro Transit will be taking steps to enable operations chiefs to spend more time in the field observing operators, reducing the need for this dedicated position.

### **Reduce Non-Direct Service Vehicle Maintenance Positions – (\$1,195,301) Expenditure / (10.00) FTE**

This item reduces various non-direct service related positions throughout the Vehicle Maintenance section. With fewer vehicle miles traveled and a fewer coaches to maintain, the Vehicle Maintenance Section is estimating a reduced number of specialty positions as a direct result of the overall service reductions and will be reducing the number of lead positions associated with these job classifications. Position reductions include leads among the following positions: electronic techs, equipment painters, sheet metal workers, maintenance machinists, and mechanics. Other positions not directly associated with service provision are also reduced as part of this item.

### **Reduce Vehicle Maintenance Parts Costs Consistent with Lean Activities - (\$1,036,591) Expenditure**

This adjustment results in savings associated with various Lean efforts in the Vehicle Maintenance section. Vehicle Maintenance is currently undergoing an extensive continuous improvement process related to the use of coach parts and inventory management. Savings are anticipated in the biennium as a result of using standard jobs and kitting to reduce the number of parts used for repairs. Longer-term efforts will result in a smaller parts inventory being maintained.

### **Reflect Base Automation Efficiencies - (\$1,036,593) Expenditure / (6.00) FTE**

This adjustment reduces resources and positions across several transit bases as a result of base automation efforts, which eliminates the need for data entry. Prior to the implementation of the base automation project, each base had two transit information processing positions to handle the volume of data entry required to maintain work orders and payroll. With base automation, shop personnel are able to enter their information directly rather than manually prepare timesheets, which were then given to someone else to input. The positions being eliminated represent one transit information processing position at each base.

### **Reflect Efficiencies Associated with Power & Facilities Energy Initiatives - (\$556,659) Expenditure**

This item reflects net savings associated with reduced power consumption resulting from energy initiatives. This proposal does not incorporate electrical utility charges for additional facilities that will come on line.

### **Fund Continued Implementation of Energy Reduction Projects and Activities - \$500,000 Expenditure**

This proposal allows for the implementation of energy conservation and operational energy reduction projects and activities at various Metro Transit facilities. Types of activities include lighting changes, control system installation and refinement, variable frequency drives for motors, building commissioning, sub meters, and energy audits. Implementation of these efforts will allow for continuing progress toward the County's energy reduction goals and achieve compliance with the energy program as set forth by the King County Executive and Council.

### **Fund Maintenance Activities at New Transit Facilities - \$449,064 Expenditure / 0.50 FTE**

This change adds resources, including a partial position to support maintenance activities at recently constructed transit facilities such as the Kirkland and Burien parking structures and the new SR 520 in-line transit stations. This proposal will support additional staffing to maintain the facilities and also pay for contracted services for items such as elevator maintenance, fire protection and utility contracts.

### **Fund Hoist and Fall Protection Inspection - \$124,800 Expenditure**

This item adds resources in the Power & Facilities section to perform inspections of vehicle maintenance fall restraint equipment and provide certification for use. It will also cover inspections on numerous ground hoists and axle lift hoists. This body of work represents a regulatory requirement and must be performed by a certified vendor. This proposal to fund additional inspection work will mitigate risk and increase operating efficiency of vehicle maintenance equipment.

### **Fund University Link Tunnel Support - \$722,226 Expenditure**

This adjustment supports the Sound Transit University Link light rail extension. This work is expected to occur in 2015 and includes testing, certification process, and integration of U-Link with Central Link and the DSTT for the mandatory systems, fire, life, safety and SCADA. This work is revenue backed by Sound Transit and is expected to allow for Sound Transit to meet the Federal, State, and local rules and regulations.

### **Fund Paving and Envelope Repairs - \$660,000 Expenditure**

This item increases resources to allow for ongoing maintenance and repair of paving and building envelopes including roof repair and upkeep for projects under \$100,000 that previously met the capital threshold. This work is necessary to ensure the safety of Metro Transit customers and employees and to extend the useful life of these infrastructure assets.

### **Support Enterprise Asset Management O&M - \$265,393 Expenditure / 1.00 FTE**

This proposal adds a functional analyst III to the Power & Facilities Section to support the Enterprise Asset Management System (EAM). This item is consistent with the 2015/2016 initiative that addresses the need to provide appropriate ongoing operations and maintenance support for Metro Transit's technology assets. Federal requirements for transit agencies have been evolving in recent years with an emphasis on "State of Good Repair." In order to receive federal funding, agencies must meet certain requirements associated with identifying and inventorying assets and performing ongoing condition assessments. To meet these requirements, Metro Transit has been expanding the use of its EAM. Prior to this budget, grant funds have been used to support this activity; this request recognizes the ongoing need for this resource.

### **Fund King County Obligations for First Hill Street Car - \$1,188,305 Expenditure / 4.50 FTE**

This package provides for staffing and materials necessary to maintain the portions of the First Hill Streetcar line that King County Metro Transit is obligated to maintain per the inter-local agreement with the City of Seattle for streetcar operations & maintenance. The main items included are the overhead catenary system, sub stations, platform electrical systems and some passenger facilities. This work is revenue backed by the City of Seattle.

### **Provide Support for North Lake Union Sediment Remediation - \$400,000 Expenditure**

This change adds funding in the biennium to pursue final cleanup activities at the Metro Transit North Lake Union (NLU) property and seek closure of the Department of Ecology NLU Consent Decree as well as begin discussions of off-shore sediment cleanup. The NLU property is a contaminated property that Metro Transit has an obligation to clean. Resources will be used in support of Design and Construction section staff as well as the PAO and outside legal and technical expertise. Clean up efforts may continue into 2017/2018.



### **Adjust Design and Construction Operating Costs - \$200,000 Expenditure**

This item makes adjustments to the Design and Construction section budget to provide support for an increased workload within the operating fund. This is due primarily to work associated with outside agencies and lower capitalization thresholds, which shift work traditionally funded from the capital program to the operating program.

### **Fund Design and Construction Revenue-Backed Activities - \$700,000 Expenditure / \$700,000 Revenue**

This revenue-backed adjustment allows for increased support of reimbursable work in the Design and Construction section. In 2015 and 2016, it is anticipated that Design and Construction will provide service and review for the City of Seattle Streetcar program as well as work with the Washington State Department of Transportation. This reimbursable work allows for better coordination with external agencies on projects that can have an impact on Metro Transit services.

### **Reduce Design and Construction Positions - (\$190,399) Expenditure / (4.00) FTE**

This item reduces staffing in the Design and Construction Section including vacant positions within the capital program as well as staff within the real estate group. As a result of the peer review and the initiative to improve project delivery, the staffing within Design and Construction will be further examined during the biennium to identify the appropriate positions to support the Metro Transit program.

### **Implement Stop-Based Scheduling - \$61,540 Expenditure**

This change allows Metro Transit to transition to "stop-based scheduling" and support the standardization of Metro Transit's schedule data, consistent with industry best practices, modern transit vendor tools, and Metro Transit's interest in better data/systems integration. Specifically, this effort will involve having core schedule data be based on stops, instead of time points. The proposal includes a reorganization of positions and resources within three business units (Scheduling, Route Facilities and Customer Information and Technology groups) to consolidate responsibility and accountability into one team that will reside in the Scheduling group.

### **Reduce Service Development Positions - (\$735,642) Expenditure / (3.00) FTE**

This proposal eliminates certain vacant positions in the Service Development section. The vacant positions include two transportation planner II positions and one project/program manager II position.

### **Reorganize Service Development and Customer Communications and Services - \$0 Expenditure**

This change reflects the movement of employer product-related activities from the Market Development and Service Development Grants groups within the Service Development section to the Customer Communications and Services Section. This movement results in a net zero impact with respect to FTEs and resources and provides a centralized resource for managing relationships with Metro Transit's large customers in support of their transportation needs.

### **Support Regional Coordination and Downtown Seattle Access Activities - \$1,089,800 Expenditure**

This item funds Metro Transit's ongoing effort to support partner agencies' transit access, capital planning, and pre-design projects that have no King County appropriation. It will also serve as a coordination clearing house for external projects. This proposal will fully or partially fund a combination of staff support and various studies such as transit/traffic circulation and layover studies, transit ridership forecasting, transit priority treatments, traffic model development and analysis, and other activities to leverage and shape Metro Transit's vision as a regional transit provider. Key stakeholders include the Seattle Department of Transportation (SDOT), Washington State Department of Transportation, Sound Transit, Community Transit, and other jurisdictions within King County. Many of these agencies are contributing resources to this coordination effort in the form of in-kind staff support.

### **Fund Development of Long Range Plan - \$1,100,000 Expenditure**

This package adds resources in the biennium to develop a long range public transportation plan as required by the Regional Transit Committee. The plan will specifically include a Transit Access study and will also identify Metro Transit's role in providing mobility in King County. The plan will identify a service network concept and supporting capital and operating investments consistent with the Strategic Plan for Public Transportation. Additional resources are needed in 2015 and 2016 to complete this effort, which will include consulting services.

### **Improve Access Productivity by Increasing Taxi Overflow Use - (\$1,322,783) Expenditure**

This change increases the use of non-dedicated providers from the current 5 percent to a proposed 10 percent of trips provided. This proposal anticipates an increase to Access productivity (rides per service hour) from 1.61 to 1.65 by shifting less efficient rides to the non-dedicated providers (e.g., taxi vendors). By shifting less efficient trips to these vendors, Access productivity is expected to improve because the remaining trips will entail more direct trips and reduced wait times.

### **Convert Access Vehicles to Liquid Propane Gas - (\$524,932) Expenditure**

This item reflects estimated operating budget savings in the Access program associated with the conversion of 78 Access Paratransit Vans from gasoline to liquid propane gas (LPG) as well as the establishment of an onsite LPG fueling station at the Access operations South Park Base location. The conversion of the first batch of Paratransit vans is projected to save approximately \$93,000 in 2015, followed by an estimated \$432,000 savings in 2016 with additional operating savings each year thereafter of nearly \$500,000 per year. The operating savings are expected to occur primarily as a result of lower fuel costs but also from reduced vehicle service hours and miles associated with onsite fueling. Savings on the operating side will be offset initially by expenses in the capital program related to the conversion of vehicles and installation of onsite fueling equipment. In addition to the operating cost savings, this proposal is estimated to result in a 22 percent reduction in carbon emissions.

### **Reduce Rideshare Position and Costs - (\$198,362) Expenditure / (1.00) FTE**

This proposal eliminates one position in the Ride Match Services group and reduced expenses in various administrative accounts, including supplies, parking garage fees, and printing.

### **Adjust Costs for Customer Services Center/ORCA-Related Services - \$1,771,082 Expenditure**

This item increases spending authority in the Customer Communications and Services Section to match the projected program expenses and to match Metro Transit's portion of the regional budget for ORCA-related functions per the inter local agreement between the regional ORCA partners. The regional ORCA budget is updated annually by the participating agencies and adopted by the Joint Board. As part of the regional ORCA agreement, all ORCA partners bear the cost of a portion of ORCA related costs. As the largest ORCA member, Metro Transit is responsible for the majority of these costs (66 percent). For 2015 and 2016, the costs will be increasing for the following items: ORCA card stock and fees paid to the software vendor and to the fiscal agent (Sound Transit) for various services. This proposal also incorporates a net-zero adjustment between accounts to cover the updated printing costs for the remaining ticket book programs.

### **Restore Staffing for Lost and Found - \$ 265,393 Expenditure / 1.00 TLT**

This proposal temporarily restores resources to the Customer Communications and Services (CCS) section to assist Metro Transit customers with articles that have been left on the bus. These resources were reduced in the 2013/2014 adopted budget. At the time the resource was cut from the budget, there was a plan to shift this service to a different provider. Metro Transit has not been able to implement this alternative. This work is currently being done by assigning it to staff from elsewhere in CCS, which has created a backlog of activities elsewhere in the section while not providing consistent hours of operation. Restoring a TLT position to support this work will provide more consistent hours of service at the lost and found window at King Street Center, help increase the number of lost items returned to customers, and help reduce customer complaints about lost and found services while the agency continues to pursue an alternative way to deliver these services.

### **Fund Implementation of Low-Income Fare - \$6,053,203 Expenditure / 9.00 FTE / 4.00 TLT**

This adjustment covers the financial impacts of the 2015/2016 start-up and implementation of the Low Income Fare Program. It includes a mix of additional staff in Pass Sales along with operating costs such as ORCA card stock, resources to support contracts with third-party verifying agencies, and various supplies and services. The low-income fare will be available March 1, 2015 for customers at or below 200 percent of the federal poverty level. The low income fare will be available only through the ORCA smartcard system. New staff in pass sales will focus on issuing, registering, distributing and tracking low income ORCA cards to customers. Additional efforts will focus on program promotion, including mobile outreach as well as interfacing with third-party agencies doing income verification. The FTE positions are related to estimated ongoing work in order to accommodate a significant increase in customer visits and back-office processes necessary to support an anticipated heavy workload at third party verifying agencies. The TLT positions are related to the increased temporary work associated with start-up activities and an estimated large number of customers to be assisted in signing up for the program for the first time.

### **Fund DCHS Activities in Support of Human Services Ticket Program - \$161,186 Expenditure**

This proposal adds expenses in the Customer Communications and Services section to support the administrative costs in the King County Department of Community and Health Services related to the Human Services Ticket Program. These costs are anticipated to be incurred in order to meet the new internal control requirements identified by the auditors for the Human Service Ticket Program.

### **Eliminate Printed Timetables - (\$208,993) Expenditure / (2.00) FTE**

This change discontinues printed timetables by mid-2016. This proposal removes two positions mid-year 2016 and printing costs on the same schedule. Full-year effect of the change will be seen in 2017 and beyond. The Marketing and Service Information unit produces, stores and distributes printed bus timetable information, including schedule information, route maps, rates of fare, and adverse weather routes. The timetables are updated three times per year to coincide with service changes. The number of printed timetables that get used has decreased steadily over the past ten years as customers have come to rely more heavily on electronic, real-time information tools. A number of mitigation and educational activities will need to be put into place to support customers shift from paper timetables.

### **Reduce Revenue Processing Center Detailed Operators - (\$283,328) Expenditure**

This modification reduces the funding for detailed operators who are temporarily assigned to the Revenue Processing Center to assist with the processing of farebox cash in preparation for daily deposits. With the implementation of the Low-Income Fare Program in March 2015, eligible customers will be using ORCA for fare payment. Combined with anticipated service reductions, this is expected to result in fewer cash paying customers and subsequently less farebox cash. As a result, fewer detailed drivers will be needed.

### **Reorganize Rider Information Section - \$2,140 Expenditure**

This item eliminates a supervisor in the customer information call center and creates a new communications specialist position. The intent of this change is to improve both the quality and the response time for these communications. Direct supervision of the call center will be reassigned within the section to an existing supervisor, resulting in operational efficiencies.

### **Reduce Customer Services Lead - (\$256,151) Expenditure / (1.00) FTE**

This proposal removes one customer services coordinator from the Customer Services unit within the Communications and Customer Services section. This change will leave two remaining lead positions to cover the day-to-day hands on coordination, work-load balancing, and problem-solving. Current staffing has been sufficient for the period that this position has been vacant.

## **PHYSICAL ENVIRONMENT**

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### **Adjust Link Light Rail Revenue-Backed Services Budget - \$1,344,775 Expenditure**

This revenue-backed adjustment includes additional resources for miscellaneous operating supplies, maintenance parts and materials as well as for third party contracts. The additional resources will allow the Rail Section to meet contractual obligations for maintenance and on-time performance of the light rail service. This work will be fully reimbursed through the intergovernmental agreement between King County and Sound Transit.

### **Adjust South Lake Union Streetcar Revenue-Backed Budget - (\$648,040) Expenditure / (1.00) FTE**

This modification represents a slight reduction in operating expenses associated with the South Lake Union Streetcar line. The South Lake Union Streetcar line is operated and maintained by King County Metro Transit. Both Metro Transit and the City of Seattle share in the funding of the operating costs. Under a proposed interlocal agreement between the City of Seattle and Metro Transit, the cost-sharing arrangement will change beginning in 2015. Metro Transit's financial participation will become a defined contribution over the life of the contract. The small reduction in 2015 reflects the removal of a one-time increase for streetcar spare parts that occurred in 2014.

### **Adjust First Hill Streetcar Revenue-Backed Budget - \$ 1,197,423 Expenditure / (0.50) FTE**

This revenue-backed proposal increases the budget for the First Hill Streetcar line operations and maintenance. The First Hill Streetcar is a 2.5 mile streetcar line serving Seattle's Capitol Hill, First Hill, International District and Pioneer Square neighborhoods. Service is expected to begin in late 2014. The operating and maintenance costs for the First Hill Streetcar will be fully reimbursed by the City of Seattle per the interlocal agreement between King County and the City of Seattle.

### **Support University Link and Angle Lake Link Light Rail Expansion - \$11,648,170 / 60.00 FTE**

This revenue-backed proposal reflects an increased budget to support the Sound Transit Central Link Light Rail system extensions to the north via University of Washington (U Link) and to the South via South 200th Street (Angle Lake). U Link will connect the University of Washington and Capitol Hill to downtown Seattle. Angle Lake extension will provide an elevated 1.6 mile extension to the south from the current SeaTac Airport terminus. This proposal will support service quality functions, communications systems, training, emergency response, employee management and assignment, safety and special events. All expenditures will be reimbursed by Sound Transit via the Intergovernmental Agreement between the two agencies.

## **Technical Adjustments**

### **Community Services Area (CSA) Contribution Update - (\$14,849)**

This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/2014 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

### **Net Zero Clean-Up - \$6,676**

This item implements minor net zero changes to align budget with impacted expenditure categories and cost centers.

### **Cost of Living Adjustment (COLA) - \$534,976 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay for non-operator positions. COLA amounts are defined by the labor agreements associated with the positions.

### **Step/Merit - \$3,858,823 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than 0.75 percent across County employees and this amount is budgeted to inflate salary budgets. This item reflects step/merit for all non-operator positions.

### **Vacancy Rate Adjustment - (\$2,740,000) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

### **Annualize September 2014 Service Reductions and Apply Inflationary Cost Factors to Operator Baseline – (\$17,177,209) Expenditure / (88.53) FTE <sup>2</sup>**

This item annualizes the September 2014 service reductions and applies inflationary cost factors to operator labor and benefit costs. Both operator and vehicle maintenance staff reductions are included in this change.

### **Adjust Transit Security Costs - \$1,584,529 Expenditure**

This item accounts for inflation in costs for the Metro Transit security function.

### **Adjust Trolley Power and Diesel Costs - \$333,600 Expenditure**

This proposal adjusts the rates for trolley power and ultra-low sulfur diesel in the Power and Facilities group for the biennium per updated information from Seattle City Light and according to the latest forecast for diesel prices, respectively.

### **Transfer Vehicle Maintenance Tire Costs to Component Supply Center - \$0 Expenditure**

This net-zero change is related to the tire contract consolidation. Currently, the tire contract is paid through multiple cost centers, which results in a distribution of the tire costs applied to various accounts. This proposed change will create an efficiency by consolidating the budget to one cost center, simplifying the payment process, and allowing for more accurate distribution of costs.

### **Change Accounting for Vehicle Maintenance Warranty Expense - \$2,887,632 Expenditure**

This technical change aligns the budget to reflect a change in accounting treatment for the reimbursement of warranty work. The purchase of new buses results in work associated with warranty repairs that are the responsibility of the bus vendor. Staff in the Vehicle Maintenance section receives certification from the vendor to perform warranty work for which the Metro Transit Division is reimbursed for time and materials. Historically, the offset for this work was included as a negative expenditure in the budget and was recorded that way for actual reporting purposes. The Finance and Business Operations Division has determined that the accounting treatment of this reimbursement needs to change from being an offset to expenditure to being an expense and related revenue, resulting in the need for increased expenditure authority.

### **Adjust Building Maintenance Position - (\$15,201) Expenditure**

This item reflects position reclassification from a maintenance constructor to a lead maintenance constructor. The increase in salary is offset by other efficiencies in work practices. This change is anticipated to result in better continuity, facilitation of work tasks, and higher productivity.

### **Revenue Adjustment - \$168,475,117 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages. Major changes include an increase in anticipated property taxes of \$6 million, an increase in sales tax of \$100 million, a decrease in the congestion relief charge revenue of \$26 million, an increase in grant funding of \$45 million, and an increase in fare revenue of approximately \$15 million.

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<sup>2</sup> As operators are budgeted in a pooled position and include a significant number of part time workers, the FTE value for Transit operators indicated here reflects average annual values, not year-end 2016 values.

### **Implement Loan-Out Labor to Capital - (\$24,840,110) Expenditure**

This item reflects the anticipated cost of loan out labor to the capital program. In the 2013/2014 adopted budget, Metro Transit used the allocation functionality of the budget system to account for loan out labor. However, this functionality does not carry through to subsequent years, so all labor costs accrued to the operating fund in Pro Forma. This change reinstates the loan out labor account to allocate labor costs to the capital program. The loan out labor account totals are consistent with labor needs of the capital program based on yearly projections.

### **Adjust Costs for Park and Ride Leased Lots - \$143,350 Expenditure**

This proposal aligns the budget with current commitments and projected costs for the leased park and ride lot program. This proposal supports a small expansion of the program to accommodate growing park and ride lot demand and respond to changes in service. Additional program costs include: the opening of two new lots per year near permanent lots that are at full capacity, adjusting leases for increased costs due to inflation, legal and PAO charges for services, real estate permitting assistance, graphics services, and GIS work.

### **Fund Move Costs for Access Staff - \$455,000 Expenditure**

This proposal funds the anticipated 2015/2016 move of Access staff currently located in the Exchange Building to the King Street Center and allocates rent costs for 2016. In subsequent years, the rent costs for the Access space will be incorporated into the long term lease rate, so this is a one-time adjustment.

### **Adjust Costs for Transit Incentive Program - (\$1,302,376) Expenditure**

This item reflects an adjustment to reduce expenditures related to the end of the Congestion Reduction Charge Ticket (Voucher) Incentive Program. This program was associated with the temporary two-year Congestion Reduction Charge which expired in June 2014. This program included an option for individuals to donate the value of several free ride tickets to participating community service agencies for distribution to eligible clients. With the end of this program, these donations will no longer be made. This change item reduces expenditures related to coordination and distribution of the free bus tickets as well as associated printing and binding costs. The impact of the end of this program on revenue is incorporated in the revenue adjustment change item.

### **Adjust Funding For Home Free Guarantee Program - \$60,000 Expenditure**

This proposal increases spending authority in the Customer Communications and Services Section for the revenue-backed Home Free Guarantee Program. In the most recent three-year period there has been an increase in overall program activity associated with economic and employment conditions. The Home Free Guarantee Program provides convenient and affordable options for employees who experience emergencies or other unanticipated events while at work and are unable to return home via their usual commute option. The Metro Transit Division enters into agreements with businesses and other organizations establishing the fee and other terms and conditions under which the program will pay the fares (i.e., taxi) for eligible persons employed by the participating organization.

### **Adjust Link Light Rail Reimbursable Overtime and Benefits - \$24,335 Expenditure**

This package increases spending authority for the revenue-backed work related to the operations and maintenance of Link Light Rail per the intergovernmental agreement between King County and Sound Transit.

### **Implement Link Light Rail Net Zero Adjustments - \$0 Expenditure**

This change is net zero adjustment related to the Rail Section. The Rail Section provides operations and maintenance support of the Link Light Rail service, which is revenue backed by Sound Transit per the intergovernmental agreement between King County and Sound Transit.

**King Street Center Lease Adjustment - \$1,904,046**

Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

**Central Rates**

**Central Rate Adjustments - (\$7,101,432) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Public Transportation Operating / 000004641**

| Category  | 2013/2014<br>Budget    | 2013/2014<br>Actuals <sup>1</sup> | 2013/2014<br>Estimated | 2015/2016<br>Proposed  | 2017/2018<br>Projected <sup>3</sup> | 2019/2020<br>Projected <sup>3</sup> |
|---|------------------------|-----------------------------------|------------------------|------------------------|-------------------------------------|-------------------------------------|
| <b>Beginning Fund Balance</b>                             | <b>\$ 130,808,509</b>  | <b>\$ 131,823,163</b>             | <b>\$ 131,823,163</b>  | <b>236,333,824</b>     | <b>227,216,177</b>                  | <b>341,046,031</b>                  |
| <b>Revenues</b>   |                        |                                   |                        |                        |                                     |                                     |
| Bus Fares   | 272,443,587            | 280,403,909                       | 280,403,909            | 275,952,257            | 284,015,631                         | 304,850,142                         |
| ACCESS Fares  | 1,694,918              | 1,116,743                         | 1,116,743              | 2,670,651              | 2,660,895                           | 3,099,556                           |
| Vanpool Fares   | 20,181,931             | 18,673,110                        | 18,673,110             | 19,627,000             | 19,800,228                          | 22,609,316                          |
| South Lake Union Fares                                    | 1,164,137              | 1,749,735                         | 1,749,735              | 2,267,073              | 2,507,088                           | 2,800,660                           |
| Other Operations  | 34,626,096             | 36,093,802                        | 36,093,802             | 40,926,679             | 44,143,377                          | 46,393,192                          |
| Sales Tax   | 707,674,943            | 750,378,332                       | 750,378,332            | 840,570,900            | 923,944,043                         | 1,011,305,298                       |
| Property Tax  | 46,589,460             | 48,922,962                        | 48,922,962             | 53,049,702             | 55,452,501                          | 57,874,351                          |
| Congestion Reduction Charge                               | 39,523,588             | 43,339,853                        | 43,339,853             | -                      | -                                   | -                                   |
| Payments from Sound Transit                               | 153,035,078            | 148,555,339                       | 148,555,339            | 169,508,479            | 171,988,811                         | 182,794,931                         |
| Support of other KC Divisions                             | 4,035,053              | 4,161,499                         | 4,161,499              | 4,190,124              | 4,484,101                           | 4,697,804                           |
| Operating grants  | 73,350,715             | 49,796,783                        | 49,796,783             | 66,813,837             | 36,052,326                          | 53,212,092                          |
| Interest  | 639,921                | 1,255,757                         | 1,255,757              | 3,558,269              | 8,752,397                           | 24,755,768                          |
| Miscellaneous   | 14,493,060             | 21,371,273                        | 21,371,273             | 17,308,976             | 4,819,185                           | 5,048,858                           |
| Employee Benefit Fund Rebate                              |                        |                                   | 945,297                |                        |                                     |                                     |
| <b>Total Revenues</b>                                     | <b>1,369,452,485</b>   | <b>1,405,819,097</b>              | <b>1,406,764,394</b>   | <b>1,496,443,947</b>   | <b>1,558,620,583</b>                | <b>1,719,441,968</b>                |
| <b>Expenditures</b>                                       |                        |                                   |                        |                        |                                     |                                     |
| Transit Division  | (1,352,406,974)        | (1,329,373,637)                   | (1,329,373,637)        | (1,358,006,440)        | (1,419,782,674)                     | (1,517,070,127)                     |
| DOT Director's Office                                     | (11,547,893)           | (10,793,165)                      | (10,793,165)           | (11,291,411)           | (12,167,807)                        | (12,839,883)                        |
| <b>Total Expenditures</b>                                 | <b>(1,363,954,867)</b> | <b>(1,340,166,802)</b>            | <b>(1,340,166,802)</b> | <b>(1,369,297,851)</b> | <b>(1,431,950,481)</b>              | <b>(1,529,910,010)</b>              |
| <b>Underexpenditure</b>                                   |                        |                                   |                        |                        |                                     |                                     |
| Underexpenditure <sup>4</sup>                             | 13,702,534             |                                   |                        | 6,845,864              | 7,159,752                           | 7,649,550                           |
| <b>Other Fund Transactions</b>                            |                        |                                   |                        |                        |                                     |                                     |
| Misc Fund Balance Adj                                     | 0                      | 4,318,028                         | 4,318,028              |                        |                                     |                                     |
| Transfer (to)/from Capital Program <sup>6</sup>           | (110,590,319)          | 1,228,067                         | 1,228,067              | (49,000,000)           | (20,000,000)                        | 18,000,000                          |
| Transfer (to)/from Revenue fleet replacement <sup>6</sup> | (71,749,194)           | 32,366,974                        | 32,366,974             | (94,109,607)           | -                                   |                                     |
|   |                        |                                   | -                      | -                      |                                     |                                     |
| <b>Total Other Fund Transactions</b>                      | <b>(182,339,513)</b>   | <b>37,913,069</b>                 | <b>37,913,069</b>      | <b>(143,109,607)</b>   | <b>(20,000,000)</b>                 | <b>18,000,000</b>                   |
| <b>Ending Fund Balance</b>                                | <b>(32,330,852)</b>    | <b>235,388,527</b>                | <b>236,333,824</b>     | <b>227,216,177</b>     | <b>341,046,031</b>                  | <b>556,227,539</b>                  |
| <b>Reserves</b>   |                        |                                   |                        |                        |                                     |                                     |
| Operating Reserve <sup>3</sup>                            | 56,950,167             | 56,950,828                        | 56,950,828             | 56,391,180             | 59,784,610                          | 63,991,553                          |
| Revenue Stabilization Reserve <sup>5</sup>                |                        | 178,437,699                       | 178,437,699            | 169,879,700            | 280,316,124                         | 322,000,000                         |
| <b>Total Reserves</b>                                     | <b>56,950,167</b>      | <b>235,388,527</b>                | <b>235,388,527</b>     | <b>226,270,880</b>     | <b>340,100,734</b>                  | <b>385,991,553</b>                  |
| Reserve Shortfall   | (89,281,019)           | -                                 | 945,297                | 945,297                | 945,297                             | 170,235,986                         |
| <b>Ending Undesignated Fund Balance</b>                   | <b>(89,281,019)</b>    | <b>-</b>                          | <b>945,297</b>         | <b>945,297</b>         | <b>945,297</b>                      | <b>170,235,986</b>                  |

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 LTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

<sup>2</sup> Out year projections are based on expenditure and revenue assumptions including forecasts from OEFA for Sales Tax, COLA, Diesel Fuel. Fare Revenue is based on system average fare per boarding using Transit's econometric model.

<sup>3</sup> Operating Reserve represents 30 days of operating expenses as provided in the adopted Fund Management Policies

<sup>4</sup> Starting in 2015, underexpenditures represent .5% of operating expenses. The operating expense values include an adjustment for vacant positions which was previously considered in the underexpenditure calculation.

<sup>5</sup> Starting in 2015, the resources in the Revenue Stabilization Reserve will accumulate from year to year until such time as available revenue stabilization reserves equal 50 percent of the following year's forecasted total sales tax revenues. This reserve is established to sustain transit service through a moderate recession or allow policy makers to adjust service or other policies in a more severe recession.



**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
TRANSIT REV FLEET REPLACEMENT (EN\_A75600\_Input)**

| Title   | Appropriation        | Estimated Revenues   | Regular FTEs | TLTs        |
|---|----------------------|----------------------|--------------|-------------|
|   | 2015/2016            | 2015/2016            | Dec 2016     | Dec 2016    |
| <b>2013/2014 Adopted Budget</b>                     | \$262,629,618        | \$91,230,731         | 0.00         | 0.00        |
| <b>Adjustments to 2013/2014 Adopted Budget</b>      | 131,182,386          | 30,935,055           | 0.00         | 0.00        |
| <b>Technical Adjustments</b>                        |                      |                      |              |             |
| TA_050 Revenue Adjustment                           | 0                    | 25,724,152           | 0.00         | 0.00        |
| TA_096 Adjustment to Transfer to Capital            | (64,444,812)         | 0                    | 0.00         | 0.00        |
| <b>Total Decision Package</b>                       | (64,444,812)         | 25,724,152           | 0.00         | 0.00        |
| <b>Ending Biennium FTE Count</b>                    | <b>\$329,367,192</b> | <b>\$147,889,938</b> | <b>0.00</b>  | <b>0.00</b> |
| <b>Executive Proposed Budget</b>                    | <b>\$329,368,000</b> | <b>\$147,890,000</b> | <b>0.00</b>  | <b>0.00</b> |
| <b>Percent Change over 2013/2014 Adopted Budget</b> | <b>25.4%</b>         | <b>62.1%</b>         | <b>0.0%</b>  | <b>0.0%</b> |

**FOOTNOTES:**

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## **Metro Transit Revenue Fleet Replacement Fund Budget Adjustments**

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Metro Transit Revenue Fleet Replacement Fund is \$329.4 million.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

### **Technical Changes**

#### **Revenue Adjustment - \$25,724,152**

This change item makes adjustments to revenues to match anticipated values.

#### **Adjustment to Transfer to Capital – (\$64,444,812)**

This proposal supports Metro Transit's replacement of fleet over the biennium as detailed in the capital program.

**2015/2016 Proposed Financial Plan**  
**Public Transportation Revenue Fleet Replacement / 000004642**

| Category   | 2013/2014<br>Budget   | 2013/2014 BTD<br>Actuals <sup>1</sup> | 2013/2014<br>Estimated | 2015/2016<br>Proposed | 2017/2018<br>Projected <sup>2</sup> | 2019/2020<br>Projected <sup>2</sup> |
|--|-----------------------|---------------------------------------|------------------------|-----------------------|-------------------------------------|-------------------------------------|
| <b>Beginning Fund Balance</b>                      | <b>\$ 168,432,635</b> | <b>\$ 170,431,309</b>                 | <b>\$ 170,431,309</b>  | <b>84,727,011</b>     | <b>27,959,364</b>                   | <b>71,513,752</b>                   |
| <b>Revenues</b>                                    |                       |                                       |                        |                       |                                     |                                     |
| Sales Tax  | 89,766,706            | 33,373,108                            | 33,373,108             | 146,575,179           | 57,873,498                          | 91,299,184                          |
| Interest Income                                    | 1,464,025             | 1,046,947                             | 1,046,947              | 1,314,759             | 2,211,217                           | 7,482,697                           |
| Other Income                                       |                       | 447,987                               | 447,987                |                       |                                     |                                     |
| <b>Total Revenues</b>                              | <b>91,230,731</b>     | <b>34,868,042</b>                     | <b>34,868,042</b>      | <b>147,889,938</b>    | <b>60,084,715</b>                   | <b>98,781,881</b>                   |
| <b>Expenditures</b>                                |                       |                                       |                        |                       |                                     |                                     |
| <b>Total Expenditures</b>                          |                       |                                       |                        |                       |                                     |                                     |
| <b>Other Fund Transactions</b>                     |                       |                                       |                        |                       |                                     |                                     |
| Misc Fund Balance Adj                              |                       | 682,306                               | 682,306                |                       |                                     |                                     |
| Fleet Replacement Transfer to CIP                  | (230,262,642)         | (88,887,672)                          | (88,887,672)           | (329,367,192)         | (16,530,327)                        | (60,061,779)                        |
| Transfer (to)/from Capital Sub Fund <sup>4</sup>   |                       |                                       |                        | 30,600,000            |                                     |                                     |
| Transfer (to) from Operating Sub Fund <sup>4</sup> | 71,749,194            | (32,366,974)                          | (32,366,974)           | 94,109,607            |                                     |                                     |
| <b>Total Other Fund Transactions</b>               | <b>(158,513,448)</b>  | <b>(120,572,340)</b>                  | <b>(120,572,340)</b>   | <b>(204,657,585)</b>  | <b>(16,530,327)</b>                 | <b>(60,061,779)</b>                 |
| <b>Ending Fund Balance</b>                         | <b>101,149,918</b>    | <b>84,727,011</b>                     | <b>84,727,011</b>      | <b>27,959,364</b>     | <b>71,513,752</b>                   | <b>110,233,854</b>                  |
| <b>Reserves</b>                                    |                       |                                       |                        |                       |                                     |                                     |
| RFRF Year End Balance Calculation <sup>3</sup>     | 101,149,919           | 84,727,011                            | 84,727,011             | 27,945,273            | 71,499,661                          | 110,219,762                         |
| <b>Total Reserves</b>                              | <b>101,149,919</b>    | <b>84,727,011</b>                     | <b>84,727,011</b>      | <b>27,945,273</b>     | <b>71,499,661</b>                   | <b>110,219,762</b>                  |
| Reserve Shortfall                                  | -                     | -                                     | -                      | -                     | -                                   | -                                   |
| <b>Ending Undesignated Fund Balance</b>            | <b>(1)</b>            | <b>-</b>                              | <b>-</b>               | <b>14,091</b>         | <b>14,091</b>                       | <b>14,092</b>                       |

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflects 2013 Actuals and projected 2014.

<sup>2</sup> Outyear projections were based on Adopted Fund Management Policies for revenue distribution and Capital Plan Fleet Replacement Schedules.

<sup>3</sup> Per the Adopted Fund Management Policies, the ending funding balance represents 30% of the value of replacing the fleet.

<sup>4</sup> Transfers noted here are not appropriated. Transit will request appropriation as required per revenue and expenditure accruals and potential policy changes.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
TRANSIT DEBT SERVICE (EN\_A84300\_Input)**

| Title   | Appropriation       | Estimated Revenues  | Regular FTEs | TLTs        |
|---|---------------------|---------------------|--------------|-------------|
|   | 2015/2016           | 2015/2016           | Dec 2016     | Dec 2016    |
| <b>2013/2014 Adopted Budget</b>                     | \$31,423,734        | \$34,008,634        | 0.00         | 0.00        |
| <b>Adjustments to 2013/2014 Adopted Budget</b>      | 20,668              | 24,586              | 0.00         | 0.00        |
| <b>Technical Adjustments</b>                        |                     |                     |              |             |
| TA_050 Revenue Adjustment                           | 0                   | (2,407,434)         | 0.00         | 0.00        |
| <b>Central Rates</b>                                | (633,809)           | 0                   | 0.00         | 0.00        |
| <b>Total Decision Package</b>                       | (633,809)           | (2,407,434)         | 0.00         | 0.00        |
| <b>Ending Biennium FTE Count</b>                    | <b>\$30,810,593</b> | <b>\$31,625,786</b> | <b>0.00</b>  | <b>0.00</b> |
| <b>Executive Proposed Budget</b>                    | <b>\$30,811,000</b> | <b>\$31,626,000</b> | <b>0.00</b>  | <b>0.00</b> |
| <b>Percent Change over 2013/2014 Adopted Budget</b> | <b>-1.9%</b>        | <b>-7.0%</b>        | <b>0.0%</b>  | <b>0.0%</b> |

**FOOTNOTES:**

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## **Metro Transit Debt Fund Budget Adjustments**

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Metro Transit Debt Fund is \$30.8 million.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

### **Technical Adjustments**

#### **Revenue Adjustment - (\$2,407,434)**

This change item makes adjustments to revenues to match anticipated values.

### **Central Rates**

#### **Central Rate Adjustments - (\$633,809)**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Public Transportation Bond Sub-fund / 000008640**

| <b>Category</b>                            | <b>2013/2014<br/>Budget</b> | <b>2013/2014 LTD<br/>Actuals <sup>1</sup></b> | <b>2013/2014<br/>Estimated</b> | <b>2015/2016<br/>Proposed</b> | <b>2017/2018<br/>Projected <sup>2</sup></b> | <b>2019/2020<br/>Projected <sup>2</sup></b> |
|--|-----------------------------|---|--------------------------------|-------------------------------|---|---|
| <b>Beginning Fund Balance</b>              | <b>\$ 17,077,705</b>        | <b>\$ 16,969,459</b>                          | <b>\$ 16,969,459</b>           | <b>17,767,600</b>             | <b>18,582,793</b>                           | <b>19,748,152</b>                           |
| <b>Revenues</b>                            |                             |   |                                |                               |   |   |
| Sales Tax                                  | 30,488,552                  | 30,488,570                                    | 30,488,570                     | 30,479,252                    | 30,520,238                                  | 9,949,118                                   |
| Federal Debt Subsidies                     | 941,064                     | 942,868                                       | 942,868                        | 930,287                       | 880,484                                     | 817,268                                     |
| Interest                                   |                             | 171,570                                       | 171,570                        | 216,247                       | 540,760                                     | 581,073                                     |
| Miscellaneous                              |                             | 83,940  | 83,940                         |                               |   |   |
| <b>Total Revenues</b>                      | <b>31,429,616</b>           | <b>31,686,948</b>                             | <b>31,686,948</b>              | <b>31,625,786</b>             | <b>31,941,482</b>                           | <b>11,347,459</b>                           |
| <b>Expenditures</b>                        |                             |   |                                |                               |   |   |
| Bond Debt Payments                         | (31,423,730)                | (30,849,383)                                  | (30,849,383)                   | (30,810,593)                  | (30,776,123)                                | (24,745,396)                                |
| <b>Total Expenditures</b>                  | <b>(31,423,730)</b>         | <b>(30,849,383)</b>                           | <b>(30,849,383)</b>            | <b>(30,810,593)</b>           | <b>(30,776,123)</b>                         | <b>(24,745,396)</b>                         |
| <b>Other Fund Transactions</b>             |                             |   |                                |                               |   |   |
| Sinking Fund Transfers <sup>3</sup>        | 574,347                     |   |                                |                               |   |   |
| Balance Sheet Adjustments                  |                             | (39,424)                                      | (39,424)                       |                               |   |   |
| Transfer (to)/from Capital Fund            |                             |   |                                |                               |   |   |
| <b>Total Other Fund Transactions</b>       | <b>574,347</b>              | <b>(39,424)</b>                               | <b>(39,424)</b>                | <b>0</b>                      | <b>0</b>                                    | <b>0</b>                                    |
| <b>Ending Fund Balance</b>                 | <b>17,657,938</b>           | <b>17,767,600</b>                             | <b>17,767,600</b>              | <b>18,582,793</b>             | <b>19,748,152</b>                           | <b>6,350,215</b>                            |
| <b>Reserves</b>                            |                             |   |                                |                               |   |   |
| Annual Net Debt Service Reserve (One Year) | 15,236,343                  | 15,236,343                                    | 15,236,343                     | 15,255,069                    | 15,651,208                                  | 5,515,635                                   |
| Sinking Bond Reserve <sup>3</sup>          | 1,125,105                   | 1,125,105                                     | 1,125,105                      | 1,724,051                     | 2,348,650                                   | -   |
| <b>Total Reserves</b>                      | <b>16,361,448</b>           | <b>16,361,448</b>                             | <b>16,361,448</b>              | <b>16,979,120</b>             | <b>17,999,858</b>                           | <b>5,515,635</b>                            |
| Reserve Shortfall                          | -                           | -   | -                              | -                             | -   | -   |
| <b>Ending Undesignated Fund Balance</b>    | <b>1,296,490</b>            | <b>1,406,152</b>                              | <b>1,406,152</b>               | <b>1,603,673</b>              | <b>1,748,294</b>                            | <b>834,580</b>                              |

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 LTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

<sup>2</sup> Outyear projections were based on the payment schedules associated with the current bond issuances.

<sup>3</sup> Sinking fund requirements are currently being held in the sinking fund reserve.

## **Metro Transit Capital Improvement Program**

### ***PROGRAM OVERVIEW***

The purpose of the Public Transportation Fund Capital Program is to provide for the ongoing replacement of aging infrastructure and to support service delivery and expansion. The goal is to achieve the optimal set of capital assets in conjunction with service that best meet the Strategic Goals as presented in the Adopted King County Metro Transit Strategic Plan for Public Transportation 2011-2021.

The 2015/2016 Public Transportation Capital Improvement Program (CIP) proposed appropriations are projected to total \$388.4 million. This is in addition to \$402 million of unspent appropriation estimated at the end of 2014. The major program elements are revenue fleet, technology infrastructure and facility replacements to attain a “state of good repair”.

### **2015/2016 Significant New Appropriation Proposals**

Significant project proposals in the 2015/2016 budget requiring new appropriation include:

#### **60-Ft Bus Project - \$286.4 Million**

This project funds the ongoing replacement and expansion of Metro Transit’s fleet of 60-ft buses. For the 2015/2016 biennium, funding is requested for 200 replacement 60-ft hybrid buses that will be purchased and put into service in 2016. Anticipated appropriation in the 2017/2018 biennium will fund an additional 100 replacement buses that will be put into service between 2019 and 2021. The new fleet of 60-ft hybrid buses will be low-floor buses with a service life of 12 years.

#### **Vanpool Fleet Project - \$11.0 Million**

The project funds the purchase of new vans needed to support the County’s Vanpool Program. New vans are purchased to replace vans at the end of their useful vanpool life and to expand service. This is an on-going project where the number and type of vehicles changes yearly based on projected service assumptions, customer usage and preference, and vehicle manufacturer capacity and availability. Each budget year, a multi-year fleet plan is created that identifies the quantity, seating capacity and unit cost of vans. This appropriation will fund 244 replacement vans and 200 expansion vans during the biennium.

#### **Replace 4.9 GHz Network and Mobile Access Router Project - \$14.7 Million**

This project is proposed because the County’s network vendor has scheduled the end of support for the 4.9 GHz wireless network equipment that Metro Transit uses to upload and download data from the bus fleet as well as the ORCA readers, transit signal priority system and real-time information signs on the RapidRide corridors. The proposed solution is to design, purchase, install, and test a replacement network that provides the same or better network connectivity supporting these Metro Transit business operations.

#### **Transit Asset Maintenance Program - \$23.2 Million**

The Transit Asset Management Program (TAMP) provides funding for major refurbishment and/or replacement of King County Metro Transit capital plant and infrastructure assets. Examples of projects funded through TAMP include replacement of roofs, asphalt or concrete pavement, building utility systems such as heating, ventilation and air conditioning (HVAC), plumbing, lifts, cranes and lighting. The TAMP also replaces those mission critical capital systems, structures and equipment that fail during the course of a given year, though they may not have been pre-scheduled for replacement during that year. New projects resulting from a facility assessment include replacing fuel island control units, electrical switch gear, additional paving replacement and exterior building surfaces. Other large efforts are DSTT elevator refurbishment, East Base Roof and North Base Lift replacements.

### **40-Ft Bus Project- \$81.8 million**

This ongoing project funds the replacement of Metro Transit's fleet of 40-ft buses. For the 2015/2016 biennium, funding is requested to purchase 105 replacement vehicles that will be put into service between 2017 and 2020. Some of the cost of these vehicles is supported by existing appropriation. This appropriation request reflects \$8 million in contract savings from the 2014/15 bus procurement.

### **Significant Expenditures in 2015/2016 Supported by Existing Appropriations**

In addition to the above new project appropriations, Metro Transit will also be using existing appropriation to fund significant project expenditures in the biennium, including:

#### **40-Ft Trolley: \$97 Million Expenditure**

This project funds the replacement of King County Metro Transit's fleet of 100 40-ft electric trolley buses with 86 40-ft electric trolley buses. 86 buses were ordered from New Flyer in 2013. All of these buses will be delivered in 2015. The new fleet of 40-ft electric trolley buses will be low-floor buses with an FTA service life of 15 years

#### **60-Ft Trolley: \$87 Million Expenditure**

This project funds the replacement of King County Metro Transit's fleet of 55 60-ft electric trolley buses. 55 buses were ordered from New Flyer in 2013. Twelve of these buses will be delivered in 2015 and 43 in 2016. The new fleet of 60-ft electric trolley buses will be low-floor buses with an FTA service life of 15 years.

#### **Ryerson Base Lift Replacement: \$9 Million Expenditure**

The project will replace the existing hydraulic bus lifts in the eight primary maintenance bays at Metro Transit's Ryerson Base with units with increased capacity to lift the coach types currently planned for the base, including the heavier hybrid buses.

#### **Trolley Overhead, Shelters, Equipment: \$8 Million Expenditure**

The Trolley Overhead, Shelter and Equipment Replacement program consists of five parts:

- Trolley Overhead (TOH) replacement of intersection electrical hardware and wooden poles
- Pole mast arm replacements
- University Bridge Steel pole replacement
- Bus Stop Shelter Refurbishing
- Non IT Equipment Replacement

#### **ORCA Replacement: \$8 Million Expenditure**

This project is for replacement of the existing ORCA smart card regional fare collection system. The regional ORCA transit fare collection system was deployed in 2009. The current operating and maintenance contract for the ORCA system is scheduled to end in 2020. King County Metro Transit, along with its regional partners in the ORCA system, has embarked on planning for a new system to replace the current system (although ORCA as a regional brand will be retained). The project will ensure that Metro Transit can continue to collect transit fare revenue beyond 2020, using modern, supportable technology.

#### **3<sup>rd</sup> Avenue Improvements: \$9 Million Expenditure**

The Third Avenue Transit Corridor Improvement and RapidRide Facilities project will provide bus stop, streetscape and transit street priority improvements to the region's primary transit corridor – Third Avenue between S. Jackson Street and Denny Way in Seattle. This project is largely grant funded.



**New Project Requests**

| <b>Project Name</b>                   | <b>Project #</b> | <b>2015/2016 Request</b> |
|---------------------------------------|------------------|--------------------------|
| Access Alt Fuel (LPG)                 | 1124439          | \$1,800,728              |
| Radio Infrastructure Replacement      | 1124234          | \$1,387,923              |
| Replace 4.9 GHz Network & Routers     | 1124429          | \$14,711,713             |
| Replace Signal Priority Equipment     | 1124427          | \$683,460                |
| Regional Transit Connectivity         | 1124256          | \$3,619,000              |
| Bus Security Camera Replacement       | 1124538          | \$6,785,250              |
| A/C Operations & Warehouse Demolition | 1124125          | \$3,256,511              |
| Interim Police Facility               | 1124395          | \$1,975,800              |
| S&R Corridor Program                  | 1124069          | \$4,050,000              |
| Real Time Improvements                | 1124413          | \$625,565                |
| HASTUS Planning Module                | 1124415          | \$398,539                |
| Business Reporting Database           | 1124420          | \$936,633                |
| ORCA Replacement                      | 1124456          | \$884,000                |

**Disappropriations**

In addition to funding the projects and needs identified above, Metro Transit is also disappropriating funding from several projects resulting from cost savings on unit costs or changes in scope or timing of work, as listed below:

- System BRT Corridor - (\$14 million)
- 60-Ft Trolleys - (\$9 million)
- 40-Ft Trolleys - (\$46 million)
- Northgate TOD - (\$10 million)
- RapidRide F to Burien - (\$3 million)
- 35-Ft Bus - (\$8 million)

**2015/2016 Proposed Financial Plan**  
**Public Transportation Capital Fund / 000003641**

| Category   | 2013/2014<br>Budget   | 2013/2014 LTD<br>Actuals <sup>1</sup> | 2013/2014<br>Estimated | 2015/2016<br>Proposed | 2017/2018<br>Projected <sup>2</sup> | 2019/2020<br>Projected <sup>2</sup> |
|--|-----------------------|---------------------------------------|------------------------|-----------------------|-------------------------------------|-------------------------------------|
| <b>Beginning Fund Balance</b>                      | <b>\$ 104,208,668</b> | <b>\$ 91,367,599</b>                  | <b>\$ 91,367,599</b>   | <b>175,939,782</b>    | <b>94,514,277</b>                   | <b>106,565,235</b>                  |
| <b>Revenues</b>                                    |                       |                                       |                        |                       |                                     |                                     |
| Sales Tax <sup>3</sup>                             | 30,254,659            | 95,331,659                            | 95,331,659             | 0                     | 105,327,611                         | 103,754,231                         |
| Interest Income                                    | 1,220,979             | 1,478,579                             | 1,478,579              | 2,764,043             | 4,355,938                           | 7,453,934                           |
| Sound Transit Payments                             | 10,321,414            | 13,149,070                            | 13,149,070             | 10,314,080            | 10,316,909                          | 5,158,894                           |
| Capital Grants                                     | 137,681,377           | 74,021,870                            | 74,021,870             | 222,827,377           | 47,309,310                          | 79,672,461                          |
| Miscellaneous                                      | 13,330,150            | 17,194,151                            | 17,194,151             | 22,443,343            | 14,630,302                          | 17,713,695                          |
| <b>Total Revenues</b>                              | <b>192,808,579</b>    | <b>201,175,329</b>                    | <b>201,175,329</b>     | <b>258,348,843</b>    | <b>181,940,070</b>                  | <b>213,753,215</b>                  |
| <b>Expenditures</b>                                |                       |                                       |                        |                       |                                     |                                     |
| Budget: Current Biennium                           | (410,528,549)         | (410,528,549)                         | (410,528,549)          | (388,422,983)         | (311,924,132)                       | (161,107,587)                       |
| Budget: Carryover from Prior Biennium              | (246,495,190)         | (246,495,190)                         | (246,495,190)          | (425,195,157)         | (122,204,309)                       | (221,579,187)                       |
| Budget: Total                                      | (657,023,739)         | (657,023,739)                         | (657,023,739)          | (813,618,140)         | (434,128,441)                       | (382,686,774)                       |
| Budget: Unexpended at Year End                     | 188,057,920           | 425,195,157                           | 425,195,157            | 122,204,309           | 221,579,187                         | 77,358,108                          |
| <b>Total Expenditures</b>                          | <b>(468,965,819)</b>  | <b>(231,828,583)</b>                  | <b>(231,828,583)</b>   | <b>(691,383,831)</b>  | <b>(210,924,227)</b>                | <b>(305,328,226)</b>                |
| <b>Other Fund Transactions</b>                     |                       |                                       |                        |                       |                                     |                                     |
| Misc Fund Balance Adj                              | 2,747,809             | 25,753,831                            | 25,753,831             | 2,030,291             | 2,692,788                           | 3,144,256                           |
| Debt Proceeds                                      |                       |                                       |                        |                       |                                     | 15,000,000                          |
| RFRF Funds for Fleet Replacement                   | 230,262,642           | 88,887,672                            | 88,887,672             | 329,367,192           | 16,530,327                          | 60,061,779                          |
| Lease and Prepaid Lease Offset                     | 1,812,000             | 1,812,000                             | 1,812,000              | 1,812,000             | 1,812,000                           | 1,812,000                           |
| Transfer (to) from Operating Sub Fund <sup>4</sup> | 110,590,318           | (1,228,067)                           | (1,228,067)            | 49,000,000            | 20,000,000                          | (18,000,000)                        |
| Transfer (to) from RFRF <sup>4</sup>               |                       |                                       |                        | (30,600,000)          |                                     |                                     |
| Transfer (to) from Bond Sub Fund <sup>4</sup>      |                       |                                       |                        |                       |                                     |                                     |
| <b>Total Other Fund Transactions</b>               | <b>345,412,769</b>    | <b>115,225,436</b>                    | <b>115,225,436</b>     | <b>351,609,483</b>    | <b>41,035,115</b>                   | <b>62,018,035</b>                   |
| <b>Ending Fund Balance</b>                         | <b>173,464,197</b>    | <b>175,939,782</b>                    | <b>175,939,782</b>     | <b>94,514,277</b>     | <b>106,565,235</b>                  | <b>77,008,258</b>                   |
| <b>Reserves</b>                                    |                       |                                       |                        |                       |                                     |                                     |
| Capital Policy Reserve <sup>5</sup>                | 170,879,053           | 170,879,053                           | 170,879,053            | 76,000,000            | 85,000,000                          | 51,000,000                          |
| Designated Reserves <sup>6</sup>                   |                       |                                       |                        | 21,000,000            | 23,000,000                          | 26,000,000                          |
| <b>Total Reserves</b>                              | <b>170,879,053</b>    | <b>170,879,053</b>                    | <b>170,879,053</b>     | <b>97,000,000</b>     | <b>108,000,000</b>                  | <b>77,000,000</b>                   |
| Reserve Shortfall                                  | 0                     | 0                                     | 0                      | 0                     | 0                                   | 0                                   |
| <b>Ending Undesignated Fund Balance</b>            | <b>2,585,144</b>      | <b>5,060,729</b>                      | <b>5,060,729</b>       | <b>(2,485,723)</b>    | <b>(1,434,765)</b>                  | <b>8,258</b>                        |

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 LTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and estimates for 2014

<sup>2</sup> Outyear projections were based on the 6-year capital program and the application of the adopted fund management policies

<sup>3</sup> In the 2015/2016 Proposed Budget, according to the Transit Financial Policies, the sales tax that would have been deposited in the CIP fund is instead deposited in the RFRF to build the fund balance necessary to facilitate transfers to the CIP fund for bus purchases.

<sup>4</sup> Transfers noted in this financial plan are not appropriated. Transit will request appropriation as required per revenue and expenditure accruals and potential policy changes.