



Board Report

File #: 2021-0685, File Type: Program

Agenda Number: 17.

**FINANCE, AUDIT AND BUDGET COMMITTEE
NOVEMBER 17, 2021**

SUBJECT: PROGRAM FUNDS FOR METROLINK SERVICE RESTORATION

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVE up to \$1,526,932 in additional funding to the Southern California Regional Rail Authority (SCRRA) FY-2021-22 budget to pay for Metro’s share to partially restore Metrolink commuter rail service, effective December 2021.

ISSUE

Due to a steady increase in Metrolink commuter rail ridership, SCRRA wishes to restore 22 additional weekday trains in December 2021. The SCRRA has proposed a Metrolink service restoration package which will increase service from 108 weekday trains today to 130 weekday trains. The staff recommended action will provide the additional funding needed for Metrolink’s service restoration.

BACKGROUND

Prior to COVID, SCRRA ran 175 weekday trains on the Metrolink commuter rail service. On March 26, 2020, SCRRA reduced service by more than 30% and is currently operating 108 trains per weekday. Since then, ridership has gradually increased from 5,000 passengers per weekday in April 2020 to 12,000 passengers per weekday in October 2021. This is a 140% increase in ridership since the COVID pandemic began. However, ridership is still considerably less than the 40,000 per weekday ridership pre-COVID.

DISCUSSION

Staff is recommending approval of up to \$1,526,932 for Metro’s share of the Metrolink’s service restoration that will take effect in December 2021. Refer to Attachment A- SCRRA Service Restoration Board Report dated October 15, 2021.

Change in Budget	METRO	OCTA	RCTC	SBCTA	VCTC	Total
Revenue <i>(estimated)</i>	710,121	28,674	96,641	127,907	93,776	1,057,119
Expense	2,237,053	(416,513)	293,719	510,112	328,766	2,953,138
Funding Required <i>(estimated)</i>	1,526,932	(445,187)	197,078	382,205	234,990	1,896,018

In the Summer of 2021, as Metrolink ridership started to increase, SCRRA began to plan for service restoration. When SCRRA built the service restoration proposal, special consideration was given to the following:

- 1) Customer comments and closing gaps in service.
- 2) Restoring slots that had best opportunity to build ridership or provide new service options.
- 3) A scalable restoration that can be completed in one or multiple phases.
- 4) Best use of available resources with minimal impact to the budget.
- 5) Use of existing on duty crews, and more efficient use of existing equipment.

In October 2021, SCRRA approved a mid-year budget amendment to add funds to their FY 2021-22 budget to support service restoration (Attachment A). The item was approved unanimously by the SCRRA Board and the other four SCRRA member agencies are supportive of the service restoration. Approval of the staff recommended action will provide sufficient funding to restore additional 22 weekday Metrolink trains as early as December 6, 2021.

DETERMINATION OF SAFETY IMPACT

This Board action will have no direct impact to safety standards for Metro. The restored Metrolink service will be implemented by SCRRA in accordance with Federal Railroad Administration (FRA) and class 1 railroad safety regulations.

FINANCIAL IMPACT

Up to \$1,526,932 in additional LA Metro member agency subsidy is required to restore service with an additional 22 weekday trains. Metro will utilize SCRRA surplus funds, Measure M 1% and/or Proposition C 10% commuter rail funds, which are available to fund Metrolink operations.

EQUITY PLATFORM

The Metrolink service restoration of 22 weekday trips is a 20% increase in commuter rail service and will provide better transit options for Metrolink riders. More frequent service will make it easier for riders to get to jobs, housing, appointments and access the greater LA Metro public transportation system at Los Angeles Union Station. The majority of the Metrolink service restoration, 12 out of the 22 trips, will occur on the more ethnically diverse Antelope Valley and San Bernardino lines. Annual household income, automobile availability, and employment levels are lowest on the Antelope Valley and San Bernardino lines. It is anticipated that service restoration on these lines specifically will serve Metrolink customers with the greatest needs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation to restore 22 Metrolink weekday trains is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling

Goal 2: Deliver outstanding trip experiences for all users of the transportation system

Goal 3: Enhance communities and lives through mobility and access to opportunity

ALTERNATIVES CONSIDERED

An alternative is to not restore the Metrolink service at this time. This is not recommended since Metrolink ridership has steadily increased and the restored service will generate a 12% growth in additional projected ridership. The restored service will also fill in service gaps and give riders greater commuter service options, including highly desirable peak hour commute service on the Antelope Valley, Riverside and Ventura County lines.

NEXT STEPS

With Metro Board approval of the recommendation, SCRRA will proceed forward with plans to restore the 22 weekday trains, effective as early as December 6, 2021.

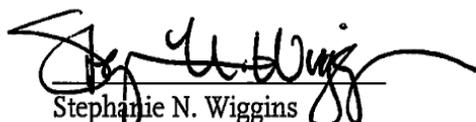
ATTACHMENTS

Attachment A - SCRRA Service Restoration Board Report

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Stephanie N. Wiggins
Chief Executive Officer



METROLINK.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

metrolinktrains.com/meeting

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ITEM ID: 2020-530-0

TRANSMITTAL DATE: October 15, 2021

MEETING DATE: October 22, 2021

TO: Board of Directors

FROM: Darren Kettle, Chief Executive Officer

SUBJECT: Amendment to FY22 Adopted Budget to include Mobilization Expense and Service Restoration

Issue

On February 26, 2021, the Board of Directors approved the awarding of a contract for Track, Structure and Signal Maintenance (Mini Bundle) to Herzog. That contract included an amount of \$3,517,751.00 for Mobilization related to this new vendor. The portion of this Mobilization due in FY2020-21 (879,437.75) was covered by savings in the FY2020-21 Budget. At that time, Members were informed that we would not include the balance of the Mobilization (\$2,638,313.25) in the Budget, but that the Authority would instead use CARES Act funds to cover this cost.

Staff is adding the expense associated with Service Restoration into the FY22 Budget.

Recommendation

AUDIT AND FINANCE COMMITTEE RECOMMENDED (5-0) the Board:

- 1) Adopt the Amendment to the FY22 Budget for Mobilization Expense and
- 2) Adopt Service Restoration to the FY22 Budget

Strategic Commitment

This report aligns with the Strategic Commitments of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Consolidating Track, Structure and Signal Maintenance in a single agreement has efficiencies in work product and cost savings.
- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to delight them. The restoration of these services, and the trains selected, are the result of customer feedback and information received regarding services from the Title VI review of the services suspended as a result of the COVID-19 national emergency. Meeting the needs of the customer, being responsive to customer comments, closing gaps in service, and improving connectivity, were the factors used to determine the services to be restored.

Background

Mobilization Expense

At the time of the decision to use CARES Act funding to cover the Mobilization costs, funding for SCRRRA operational activities was provided by a combination of Member Agencies Subsidies and CARES Act funds. With the continuing effects of the COVID-19 pandemic, many Member Agencies have decided that they wish to use CARES Act funds to cover all required operational funding amounts for FY2021-22 which are eligible under the CARES Act grants.

Service Restoration

In July 2021, in response to customer comments, and increasing ridership on some trains, staff was requested to explore restoring some train services that had been suspended due to the COVID-19 national emergency.

Discussion

As a result of the change in funding circumstance, which makes use of CARES Act funding for all expenses eligible under that grant, the Mobilization cost and Service Restoration estimated to be incurred in FY2021-22, should be included with all other expenses in the FY2021-22 Budget. This action is in keeping with best accounting practices.

The allocation method used for Mobilization expense is Route miles owned. The allocation used for Service Restoration will be train miles.

Budget Impact

Mobilization Expense

Upon approval of this request by the Board, the FY2021-22 Adopted Budget will be amended to include an additional \$2,638,313.25.

Service Restoration

Upon approval of this request by the Board, the FY2021-22 Adopted Budget will be amended to include an additional \$85,645 per week for the remainder of FY22. If service is restored beginning December 1st, the cost is estimated to total \$2,398,048.96 through June 30. This does not include the farebox revenue associated with the restored service.

Next Steps

Determine the revenue and expense break out by member agency for Service Restoration. Breakout by Member Agency will be determined by the October 22, 2021 Board Meeting.

Anticipated future Budget amendments: Arrow Service Budget and FY22 Expenses and San Clemente Emergency Track Work.

Prepared by: Christine Wilson, Senior Manager, Finance

Approved by: Alex Barber, Interim Chief Financial Officer

Attachment(s)

[Presentation - Mobilization Amendment](#)

Effect of Service Restoration on FY22 Budget

FY22 Adopted Budget	METRO	OCTA	RCTC	SBCTA	VCTC	Total
Revenue	29,213,825	15,604,054	5,044,779	7,252,509	2,244,130	59,359,297
Expense	127,593,263	54,756,602	26,519,363	29,770,267	14,394,215	253,033,710
Funding Required	98,379,438	39,152,549	21,474,584	22,517,758	12,150,085	193,674,413

Change in Budget	METRO	OCTA	RCTC	SBCTA	VCTC	Total	<i>Change</i>
Revenue <i>(estimated)</i>	710,121	28,674	96,641	127,907	93,776	1,057,119	1.8%
Expense	2,237,053	(416,513)	293,719	510,112	328,766	2,953,138	1.2%
Funding Required <i>(estimated)</i>	1,526,932	(445,187)	197,078	382,205	234,990	1,896,018	1.0%

FY22 Budget with Restored Service as of December	METRO	OCTA	RCTC	SBCTA	VCTC	Total
Revenue	29,923,946	15,632,728	5,141,420	7,380,415	2,337,906	60,416,416
Expense	129,830,316	54,340,089	26,813,082	30,280,379	14,722,981	255,986,847
Funding Required	99,906,370	38,707,362	21,671,662	22,899,963	12,385,075	195,570,432

FY22 Service Restoration - Train Miles

By Member Agency						
	METRO	OCTA	RCTC	SBCTA	VCTC	Total
Train Miles - FY22 Adopted Budget	1,083,609	543,967	227,075	255,052	75,286	2,184,988
Added Miles for Restored Service	117,931	14,437	18,137	27,289	11,672	189,466
Train Miles with Restored Service	1,201,540	558,404	245,212	282,341	86,957	2,374,454
<i>Share of added train miles</i>	62%	8%	10%	14%	6%	100%
<i>% Increase in train miles</i>	11%	3%	8%	11%	16%	9%

By Line									
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	Deadhead Miles	Total
Train Miles - FY22 Adopted Budget	520,798	193,274	413,712	107,489	389,891	305,311	233,688	20,826	2,184,988
Added Miles for Restored Service	51,810	21,273	45,675	35,441	16,202	0	19,065	0	189,466
Train Miles with Restored Service	572,609	214,546	459,387	142,930	406,093	305,311	252,752	20,826	2,374,454
<i>Share of added train miles</i>	27%	11%	24%	19%	9%	0%	10%	0%	100%
<i>% Increase in train miles</i>	10%	11%	11%	33%	4%	0%	8%	0%	9%
<i># Trains restored</i>	6	2	6	4	2	0	2	0	22