



## Board Report

File #: 2022-0243, File Type: Public Hearing

Agenda Number: 15.

**REVISED**  
**BUDGET PUBLIC HEARING**  
**FINANCE, BUDGET AND AUDIT COMMITTEE**  
**MAY 18, 2022**

**SUBJECT: FISCAL YEAR 2023 (FY23) BUDGET**

**ACTION: ADOPT THE FY23 BUDGET**

**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the proposed FY23 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net <https://www.metro.net/about/financebudget/>](https://www.metro.net/about/financebudget/));
1. AUTHORIZING \$8.8 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
  2. AUTHORIZING a total of 10,596 FTEs with 8,778 Represented FTEs and 1,818 Non-Represented FTEs; and
  3. AUTHORIZING an average 3.5% performance-based merit increase for Non-Represented employees. The wage increases for Represented employees, in accordance with the pre-negotiated Collective Bargaining Agreements, is an average 3.5% (except for SMART); and
  4. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment A; and
  5. AMENDING the proposed budget to include any Board approved actions currently under consideration, from now to the end of fiscal year (June 30, 2022); and
  6. AMENDING the proposed budget by \$3.2 million, taking it from \$6.8 million to \$10.0 million for Crenshaw Northern for a technical correction; and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY23 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and

- C. APPROVING the addition of one new Non-Represented pay grade to alleviate the pay progression and maintain a consistent pay range from mid-point to mid-point as shown in Attachment E; and
- D. APPROVING pay grade upgrade for the Board Clerk job classification.

**SOLIS AMENDMENT:** With that, I would like propose an amendment to this item that directs Metro staff to explore, if feasible, utilizing that excess \$35 million for non-freeway purposes in the San Gabriel Valley.

I would like staff to report back in August on if and how that funding can be used to support non-freeway projects like bus lanes or even support some partner agencies like ACE.

## **ISSUE**

California Public Utilities Code Section 130105 requires Metro to adopt an annual budget to manage the revenues and expenses of the Agency's projects and programs. The budget is the legal authorization to obligate and spend funds and to implement Board policy. It includes all operating, capital, planning and programming, subsidy funds, debt service requirements, and general fund activities for the fiscal year. The legal level of control is at the fund level. Total annual expenditures cannot exceed the final appropriation by the Board at the fund level except for capital expenditures, which is authorized on a life of project basis.

Since February 2022, staff has provided a series of status updates on the FY23 Budget development process to the Board. Before kickoff to the budget development process, an extensive public outreach process was launched in October 2021 with the first of three telephone town halls to communicate the budget proposal and to collect public comments for consideration in the budget development. On May 3, 2022, the FY23 Proposed Budget in its entirety was made available to the public at [www.metro.net](http://www.metro.net) <<http://www.metro.net>>, in printed copies through the Records Management Center (RMC) at [RMC@metro.net](mailto:RMC@metro.net) <<mailto:RMC@metro.net>>, and on the plaza level of the Gateway building. The public hearing is scheduled on May 18, 2022. On April 21, 2022, advanced public notifications of the Budget Public Hearing were issued through advertisements posted in more than 10 news publications and in various languages.

## **DISCUSSION**

### **Budget Summary**

The proposed \$8.8 billion budget for FY23 is balanced and centers on restoring and enhancing transit service back to pre-pandemic levels with a clear focus on the customer experience and resuming Metro's core business of planning, operations, and construction activities through an equity

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lens. This year's budget started with early, improved and expanded public engagement and incorporated comments received through this process. Metro's budget, representing an 8.8% increase over FY22, is making more investments in core businesses.

Thanks to the American Rescue Plan Act (ARPA) one-time federal funding for the Metro Transit Program, the FY23 Proposed Budget can not only restore transit services to pre-pandemic levels but also enhance the customer experience through a cleanliness surge, reimagining public safety, and continue to make Bus/Rail improvements. However, FY23 represents the final year of Federal relief funding for COVID-19. By the end of FY23, Metro will consume all ARPA funding, and with no additional relief funding available, Metro will face immediate financial challenges in the short run, starting in FY24.

Also, in the FY23 Proposed Budget plan, Metro will continue to advance transportation by keeping transit assets in a state of good repair and progressing Measure R and M projects as several are moving into the construction phase while projects in the planning phase are moving towards shovel readiness for new transportation infrastructure projects. Funding will continue according to the forecasted economic recovery for local cities and operators under regional transportation activities.

FY23 Budget Summary and Document can be accessed at:  
<https://www.metro.net/about/financebudget/>

### **Resources Summary**

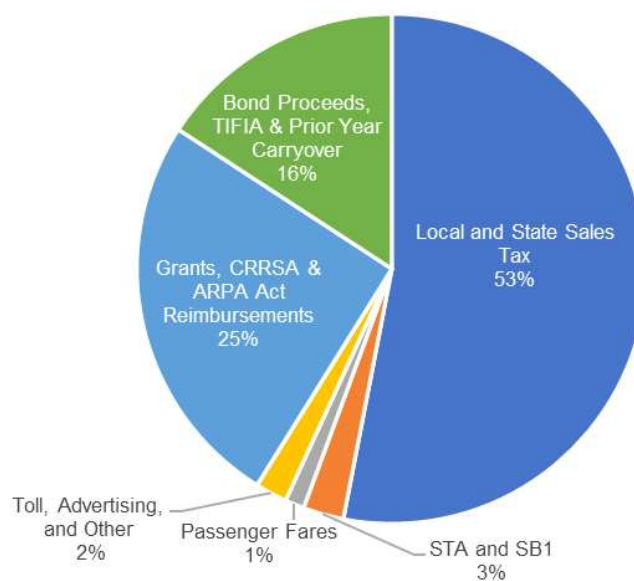
The FY23 Proposed Budget ensures resources are available to meet the planned Metro program and project delivery schedules for the upcoming fiscal year. Revenue projections are based on the current socio-economic conditions such as the continuing impacts of the pandemic, economic growth projections in FY23, leading regional forecasting sources, and recent transit system usage. The total FY23 Proposed Budget planned resources are \$8.8 billion which is 8.8% more than the FY22 Budget. The increase in sales tax revenues is based on the positive FY22 year to date actual receipt. Strong economic growth continues to rebound from the depths of the pandemic, the impacts of Federal stimulus funding on personal consumption and inflation have been the primary factors.

	Resources (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	Local and State Sales Tax	\$ 3,892.5	\$ 4,643.1	\$ 750.6	19.3%
2	STA and SB1	127.8	225.6	97.8	76.5%
3	<b>Sales Tax and STA/SB1 Revenues Subtotal</b>	<b>\$ 4,020.3</b>	<b>\$ 4,868.7</b>	<b>\$ 848.4</b>	<b>21.1%</b>
4	Passenger Fares	73.2	106.5	33.3	45.5%
5	Toll, Advertising, and Other	179.9	177.0	(2.9)	-1.6%
6	<b>Operating &amp; Other Revenues Subtotal</b>	<b>\$ 253.1</b>	<b>\$ 283.5</b>	<b>\$ 30.4</b>	<b>12.0%</b>
7	Grant, CRRSA & ARPA Act Reimbursements	1,857.5	2,216.8	359.3	19.3%
8	Bond Proceeds, TIFIA & Prior Year Carryover <sup>(1)</sup>	1,909.3	1,382.3	(527.0)	-27.6%
9	<b>Capital &amp; Bond Resources Subtotal</b>	<b>\$ 3,766.8</b>	<b>\$ 3,599.2</b>	<b>\$ (167.7)</b>	<b>-4.5%</b>
10	<b>Resources Total</b>	<b>\$ 8,040.2</b>	<b>\$ 8,751.4</b>	<b>\$ 711.2</b>	<b>8.8%</b>

<sup>(1)</sup> Represents use of Bond Proceeds and sales tax revenues received and unspent in prior years.

Note: Totals may not add up due to rounding.

Resources % of FY23 Budget



## Expenditure Summary

The total proposed budget of \$8.8 billion, is aligned with Board priorities of service restoration and enhancement, as well as improving the customer experience and public safety through an equity lens. Each program, function, and department budget were developed accordingly to reflect the new

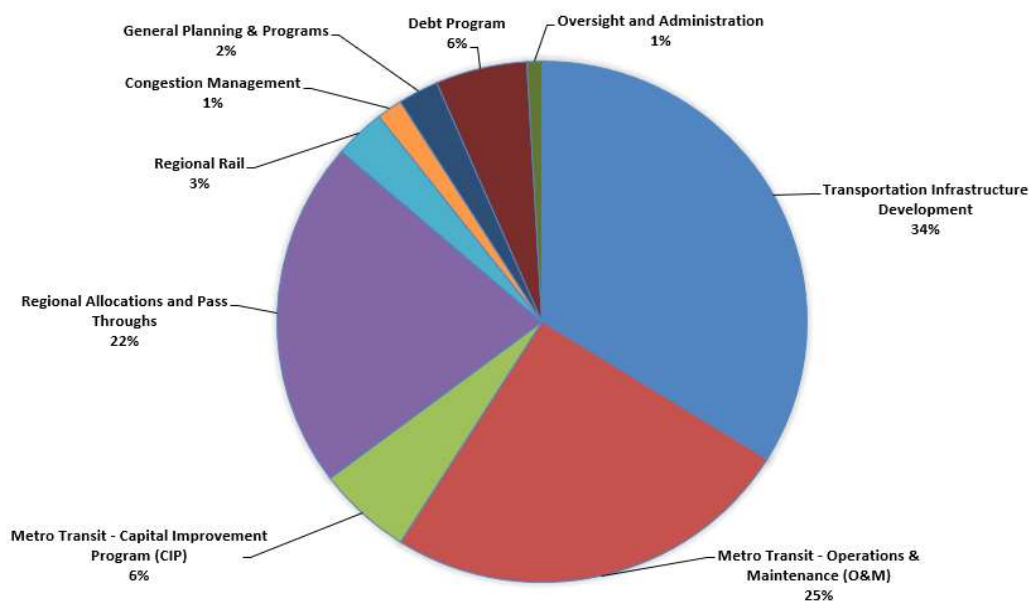
economic realities and progress on projects. The table below illustrates the expenditures by program type in FY23 Proposed Budget.

Expenditures by Program Type (\$ in millions)		FY22 Budget	FY23 Proposed	\$ Change	% Change
1	Transportation Infrastructure Development	\$ 3,012.1	\$ 2,961.5	\$ (50.6)	-1.7%
2	Metro Transit	2,558.3	2,704.9	146.6	5.7%
3	Metro Transit - Operations & Maintenance (O&M)	2,067.1	2,198.8	131.7	6.4%
4	Metro Transit - Capital Improvement Program (CIP)	491.2	506.1	14.9	3.0%
5	Regional Allocations and Pass Throughs	1,380.9	1,888.8	507.9	36.8%
6	Regional Rail <sup>(1)</sup>	233.0	273.3	40.3	17.3%
7	General Planning & Programs	166.1	216.6	50.5	30.4%
8	Congestion Management	104.4	137.1	32.7	31.3%
9	Debt Program	515.6	489.2	(26.4)	-5.1%
10	Oversight and Administration	69.8	80.1	10.3	14.7%
11	<b>Total Proposed Budget</b>	<b>\$ 8,040.2</b>	<b>\$ 8,751.4</b>	<b>\$ 711.2</b>	<b>8.8%</b>

Note: Totals may not add up because of rounding.

<sup>(1)</sup> Metrolink's FY23 Proposed Budget is preliminary, pending the transmittal of Metrolink's official budget request.

EXPENDITURE % OF FY23 PROPOSED BUDGET



### **Full-Time Equivalent (FTE) Summary**

The FY23 Proposed FTE Budget includes a total of 10,596 FTEs, an increase of 246 FTEs from FY22. The 246 new additions consist of 98 Non-Represented FTEs and 148 Represented FTEs.

Non-Represented FTEs for FY23 total 1,818 including the addition of 98 new positions to service our core focuses: Customer Experience, Performance Management, Mega Project Management Model, and Valuing our People.

Agencywide FTEs	Customer Experience	Performance Management	Mega Project Mgmt Model	Valuing Our People	New Positions
1 Chief Executive Office & Chief of Staff		2		3	5
2 Chief People Office	2			2	4
3 Chief Safety Office	4				4
4 Customer Experience	10			2	12
5 Office of Innovation				1	1
6 Operations	5	2		1	8
7 Planning and Development		12			12
8 Program Management			35		35
9 Strategic Financial Management	2	7		5	14
10 Board of Directors: County Counsel, Ethics, Inspector General, & Office of Board Administration				3	3
11 Non-Represented	23	23	35	17	98

\* Customer Experience encompass: CX Plan, Homeless Outreach, Reimagine Public Safety and Nextgen

\*\* Performance Management include: Process Improvement, Risk Mitigation, Data Management

Represented FTEs for FY23 total 8,778 including 148 new positions for cleaning programs, pre-revenue service operations, increasing efficiency and reliability of the transit system, and reimagining public safety by adding unarmed security personnel.

Agencywide FTEs	Cleaning Bus/Rail	K Line (Crenshaw/LAX)	Regional Connector	Metro Micro	Nextgen	Reimagining Public Safety	New Positions
1 Finance and Budget--TAP		1					1
2 Operations	26	4	52	31	4		117
3 Procurement and Supply Chain Management		2					2
4 System Security and Law Enforcement		3				25	28
5 Represented	26	10	52	31	4	25	148

\*Total of 56 Represented FTEs for Cleaning initiatives: 26 FTEs for Bus and Rail system and 30 FTEs to upkeep K Line (Crenshaw/LAX) and Regional Connector

### **Labor Summary**

The FY23 Proposed Budget includes contract wage increases of an average of 3.5% according to the pre-negotiated Collective Bargaining Agreements with the represented union groups AFSCME,

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ATU, TCU, and Teamsters. Collective bargaining for a new contract to begin in FY23 for SMART-represented employees is in progress. An average 3.5% performance increase is included for non-represented employees which will be distributed on a merit-based system.

Health and welfare benefits for represented employees are based on Collective Bargaining Agreements. Non-represented medical and dental benefits reflect the carrier contract rates previously approved by the Board.

### **Life of Project (LOP) Budgets**

New capital projects with LOP budgets exceeding \$5.0 million must be approved by the Board as separate Board actions.

Attachment A includes a detailed listing of new capital projects for FY23 with LOP in excess of \$5.0 million. These new capital projects in the FY23 Proposed Budget include New Flyer/EI Dorado Bus Midlife, Closed-Circuit Television (CCTV) System Upgrade, NextGen Cloud-Based Transit Signal Priority (TSP), Metro C (Green) Line Substation Replacement, Advanced Transportation Management System II, as well as other new State of Good Repair projects.

### **Reimbursement Resolution**

Per Federal tax law, bond proceeds can only be used for capital expenditures incurred after the issuance of bonds. Metro must pass a resolution indicating the intent to issue bonds at a later date, in order to reimburse expenditures incurred prior to the bond issuance. See Attachment B for Reimbursement Resolution.

### **Debt Program**

Debt financing is one of the budget tools Metro uses to help deliver projects. Debt issuance is authorized by applicable state and federal legislation and the local sales tax ordinances. The Board-adopted Debt Policy establishes parameters for the issuance and management of debt that follow best practices and set affordability limits.

Debt is not an additional source of revenue. It must be paid back with interest using existing funding sources, in most cases local sales tax revenues. However, it is a way to spread out over multiple years the impact of large spikes in capital costs. For this reason, most of Metro's large projects have utilized, or are expected to utilize debt during the construction phase to facilitate delivery.

As of July 2022, Metro has \$5.5 billion of outstanding debt for previously completed and current on-going capital investments. The annual debt service cost in FY23 is estimated at \$485.9 million, a decrease of 5% over last year, primarily due to the savings from Prop C refunding. In FY23, it is anticipated that Crenshaw/LAX, Airport Metro Connector, Westside D Line (Purple) Section 1,2, 3 & Division 20 Turnback and portal, Rail Infrastructure & Rail Cars procurement, East San Fernando Rapidway, Regional Surface Trans & Local Traffic System, and Rail to Rail, among other projects, will

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utilize debt proceeds.

### **Early, Improved & Expanded Public Engagement**

As an industry leader in equity, the CEO helped lay the groundwork for more equitable outcomes as Metro developed the FY23 Budget. The public engagement on the FY23 budget began early with Telephone Town Hall meetings in September 2021, October 2021, and March 2022. Over 11,000 callers, including Spanish callers, participated, and Metro's senior leadership was there to listen and respond to community concerns. In addition, Metro held stakeholder outreach meetings with 24 committees or councils participating.

This year, OMB collaborated with the Office of Equity and Race (OER), Communications, and Customer Experience to develop a budget survey. Metro targeted the equity focused and other communities throughout LA County via social media (Facebook, Twitter, NextDoor) and email lists. The budget survey received over 8,000 responses and over 4,100 written comments. OMB staff summarized the written comments, and per the CEO's direction they were used to initiate conversations between departments while developing their budgets. Budget survey results and other budgetary information are available on the new Metro budget portal at [metrobudget.net](https://metrobudget.net).

The budget public hearing is legally required, pursuant to California PUC codes 130106 which states *"Notice of time and place of the public hearing for the adoption of the annual budget shall be published pursuant to Section 6061 of the Government Code, and shall be published not later than the 15th day prior to the date of the hearing."*

A summary of the public comments and stakeholder outreach efforts are shown in Attachment C.

Public interest increased in the FY23 Budget process since the kickoff. Various committee meetings, sub-committee meetings and stakeholder meetings brought about public inquiries and Board follow-up items. The 4 main items that surfaced were NextGen and Bus Capital Improvement project list, NextGen Bus Plan update, Reimagining Public Safety resource deployment details, and Bus Stop Shading "Shade for All" Campaign found in Attachment D.

### **New Non-Represented Pay Grade**

The Non-Represented salary structure was last adjusted in July 2021. To support the addition of the Deputy Chief Officer job classifications, the Chief People Office will be adjusting the current salary structure by adding a pay grade between the current HCC and HDD. The current Pay Grade HCC will be renamed to HCC1 and will retain its current minimum, mid-point, and maximum values. The new pay grade will be called HCC2 and will be created by averaging the minimum, mid-point, and maximum values of Pay Grades HCC and HDD. There will be no salary adjustment to any current employees due to the addition of this pay grade. The proposed salary structure improves the pay progression and maintains a consistent spread from mid-point to mid-point between pay grades. After implementation, the pay progression between HCC1 and HCC2 will be 11% and the pay progression



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between HCC2 and HDD will be 10%, which is consistent with the majority of the salary grades. The spread for each grade will be maintained at approximately 50%, which is consistent with all other pay grades in the structure. Please refer to Attachment E for more details.

### **Board Clerk Pay Grade Upgrade**

As a result of the CEO's realignment, it is recommended that the Board Clerk position be upgraded from Pay Grade H1P to Pay Grade HAA for the following reasons:

- The addition of the Research Department to the Office of Board Administration, which includes the Dorothy Peyton Gray Research Library & Archive, the Records Management Center, and Systems/Electronic Records
- Board Administration staffing has more than doubled from 9 to 22 employees
- Board Administration budget has significantly increased from \$500K to \$2.3M

### **EQUITY ASSESSMENT**

Starting in the FY21 Mid-Year budget process, Metro has applied the Metro Budget Equity Assessment Tool (MBEAT) to its budget requests for operations costs and capital projects. With the launch of the Equitable Zero-Based Budgeting (EZBB) process for the FY23 budget, the MBEAT scope was significantly expanded to assess every budget request and capital project across the agency. The FY23 EZBB MBEAT was applied to nearly 1,300 budget requests and over 750 capital project budgets.

The FY23 EZBB MBEAT process also increased equity fluency amongst staff by challenging program and project managers to consider and articulate how seemingly neutral budget requests, such as bus midlife repair program funds, might impact marginalized groups and communities. The MBEAT continues to evolve through the iterative process of implementing equity at Metro, including how Metro defines and measures equity as well as how staff further understand and implement equity in their work.

To further prioritize equity through the FY23 budget process, OER provided four Equity Principles (1. Focus & Deliver, 2. Listen & Learn, 3. Define & Measure, 4. Train and Grow) to guide staff on how to advance equity under Metro's Equity Platform Framework. Staff were instructed to consider and prioritize projects, programs, and services that support the Equity Principles. Budget highlights that support these four principles were included in the FY23 Proposed Budget (pg. 12-15) earlier this month.

### **DETERMINATION OF SAFETY IMPACT**

This recommendation will not have an impact on safety standards at Metro.

### **FINANCIAL IMPACT**

The FY23 Proposed Budget (provided in a separate submittal) at \$8.8 billion is balanced and appropriates the resources necessary to fund them. The proposed budget demonstrates Metro's ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from federal and state governments and to administer regional transportation funding to local cities and municipal operators.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendation supports the following Metro Strategic Plan Goal:

Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

### **ALTERNATIVES CONSIDERED**

The annual budget serves as the legal authority to obligate and spend funds. Failure to adopt the budget would severely impact Metro's stated goal of improving transportation in Los Angeles County.

### **NEXT STEPS**

Upon Board authorization and adoption of the FY23 Proposed Budget, Metro will make funds available for the planned transit and transportation programs outlined in this document and program funding to regional transit/transportation partnering agencies, cities and recipients.

Staff will closely monitor the financial situation and provide regular performance updates to the Board.

### **ATTACHMENTS**

FY23 Budget Summary and Document can be accessed at:

[<https://www.metro.net/about/financebudget/>](https://www.metro.net/about/financebudget/)

Attachment A - FY23 New Capital Projects

Attachment B - Reimbursement Resolution of Metro for FY23

Attachment C - FY23 Public Outreach (Public Comments)

Attachment D - Public Inquiry and Board Requests

Attachment E - FY23 New Non-Represented Pay Grade

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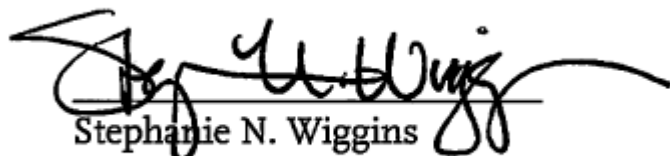
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## **FY23 New Capital Projects**

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## FY23 New Capital Projects

### Capital Improvement Program (CIP)

1	<b>PROJECT: New Flyer/El Dorado Bus Midlife</b>	
	PROJECT OWNER: Operations - Bus Maintenance	
	LOP: \$205,000,000	Budget Request: \$37,842,100
	SCOPE: The Bus Midlife Program provides preventive midlife maintenance service to Metro buses. The maintenance services provided include: engine package change-out, suspension and steering system rebuild, wheelchair securement and lift system retrofit, body repair, painting, interior refurbishment, and graffiti abatement.	
	JUSTIFICATION: The Bus Midlife Program improves the safety, performance, and reliability of Metro buses. The buses in the Midlife program should be midlified by the 7th or 8th year of service. The improved overall condition of the program's vehicles also helps to reduce ongoing maintenance costs and the amount of maintenance work performed at the Metro Bus Operating divisions. The program promotes the efficient use of Metro and Central Maintenance resources by having each bus series go through a planned production process in which labor, material and facilities are scheduled, versus reacting to unplanned problems as they arise. The planned maintenance program also enables Central Maintenance to manage demand for heavy bus repairs.	
	ELIGIBLE FUNDING SOURCE: \$17.3M Sec 5339 Bus and Bus Facilities Formula Grants. \$20.8M TDA 4	
2	<b>PROJECT: Advanced Transportation Management System II (ATMS)</b>	
	PROJECT OWNER: Operations - Bus Maintenance	
	LOP: \$117,000,000	Budget Request: \$2,605,500
	SCOPE: Improvement and modernization to the Advanced Transportation Management System (ATMS) program. The ATMS II program will deploy Metro's second generation ATMS using computer-aided dispatch (CAD) and automatic vehicle location (AVL) technologies to manage its fixed-route bus, light rail vehicle (LRV), and heavy rail vehicle (HRV) operations. ATMS II shall be fully integrated with Metro's IT and network environment.	
	JUSTIFICATION: Metro's ATMS Bus Fleet Management system is over 20 years old and in need of replacement. The current hardware is obsolete and cannot be upgraded to meet current technology and fleet demands.	
	ELIGIBLE FUNDING SOURCE: TDA Article 4	

3	<b>PROJECT: Metro C (Green) Line Substation Replacement</b>
	PROJECT OWNER: Operations - Rail Maintenance
	LOP: \$98,500,000 Budget Request: \$350,000
	SCOPE: Replacement of C (Green) Line Traction Power Substations that have exceeded their useful life.
	JUSTIFICATION: The traction power substations are starting to age which is starting to create a challenge for Maintenance of Way (MOW) to keep them operational and maintain them in a state of good repair. New technology is reaching the market place making maintenance of the new traction power substations easier and more efficient.
	ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed
4	<b>PROJECT: Metro B (Red) Line Vital Processor Upgrade</b>
	PROJECT OWNER: Operations - Rail Maintenance
	LOP: \$50,100,000 Budget Request: \$300,000
	SCOPE: Metro B (Red) Line Train Control Vital Processor Replacement and Track Module Upgrade.
	JUSTIFICATION: The Train Control Vital Processor and Track Modules are aging and starting to create a challenge for maintenance of way (MOW) to keep operational and in a state of good repair. The manufacturer notified Metro that some of the circuit boards will no longer be manufactured by the end of 2022 and others will be obsolete in the near future.
	ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed
5	<b>PROJECT: P3010 Fleet Component Overhaul</b>
	PROJECT OWNER: Operations - Rail Vehicle Maintenance
	LOP: \$36,000,000 Budget Request: \$520,000
	SCOPE: Component Overhaul of the P3010 light rail vehicles as recommended by the manufacturer (Kinkyshario) to ensure safe and reliable operation of the rail vehicles. The manufacturer's component overhaul recommendations have been reviewed by the Rail Fleet Service Component Overhaul Project Team, Rail Fleet Services, Rail Vehicle Engineering and Consultants to determine the viability of this project.
	JUSTIFICATION: Component Overhaul of noted vehicle systems is recommended by the vehicle manufacturer (Kinkyshario) at the 600,000 mile interval. This project is in accordance with Metro's state of good repair principles and regulatory mandates to keep the fleet in a safe operating condition with good reliability.
	ELIGIBLE FUNDING SOURCE: PA 35% Cash

6	<b>PROJET: Environmental Compliance Capital Project (FY23 - FY27)</b>	
	PROJECT OWNER: Program Management	
	LOP: \$35,000,000	Budget Request: \$5,698,400
	SCOPE: Effectuate upgrades to under/above ground storage tanks and other systems as identified by the State Water Board per the Consent Decree. Upgrade Metro operations systems as necessary to comply with various environmental regulatory bodies such as Air Quality Management District, State and Regional Water Resource Board and California Air Resources Board. Upgrade all Veeder Root systems with INCON monitoring systems.	
	JUSTIFICATION: This is the next five-year segment of the capital investment to effectuate the environmental compliance as Metro operates its transit services. This project keeps Metro's storage tanks and appurtenances, HVAC systems, storm and waste water drainage systems, and other regulatory related equipment and/or systems in a state of good repair.	
	ELIGIBLE FUNDING SOURCE: TDA Article 4, Green Fund 20%	
7	<b>PROJECT: Closed-Circuit Television (CCTV) System Upgrade</b>	
	PROJECT OWNER: Operations - Rail Maintenance	
	LOP: \$15,630,000	Budget Request: \$500,000
	SCOPE: Replacement of current CCTV (Closed-Circuit Television) System with a new Video Management System and replacement of local station video recorders and video cameras.	
	JUSTIFICATION: This project will replace obsolete analog cameras, video recorders and network devices installed on rail lines, and the G (Orange) Line. There is a high failure rate on the obsolete analog cameras, video recorders, and related network devices. There are no replacement parts available for those obsolete parts. This project will replace CCTV system components (cameras, video recorders), selected network devices, and cables/wiring to build a more efficient and effective system. This system will meet current Federal and State safety and security requirements for public transit, and will provide improved real time visibility of the stations and wayside facilities for the Rail Operations staff and Rail Operations Control (ROC).	
	ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed	

8	<b>PROJECT: NextGen Cloud-Based Transit Signal Priority (TSP)</b>	
	PROJECT OWNER: Operations	
	LOP: \$15,000,000	Budget Request: \$1,901,900
	SCOPE: Replacement of the existing Transit Signal Priority (TSP) system which uses loop-based technology with transponders on the Metro Rapid arterial network. Metro in partnership with LADOT will replace the loop-based technology with implementation of a wireless cloud-based TSP system within the City of Los Angeles to support the NextGen Transit First Bus Plan. This project includes the development and implementation of an upgraded Wireless Cloud-Based Transit Signal Priority system, and the addition of 200 traffic signals to the wireless system on the NextGen Tier one Corridors in the City of Los Angeles. Upgraded software on over 2,000 Transit Metro buses, allowing them to communicate with the wireless cloud-based TSP systems along the NextGen Tier 1 Corridors within the City of Los Angeles.	
	JUSTIFICATION: LADOT's existing transit signal priority (TSP) system uses loop-based technology with transponders on the previous Metro Rapid arterial network. Metro in partnership with LADOT will replace the loop-based technology with the implementation of a wireless cloud-based TSP system within the City of Los Angeles. This project will develop a new cloud-based software, install a software upgrade on over 2,000 Metro buses to allow real-time bus locations to the cloud service and install ethernet communication equipment at 200 traffic signals and communication hubs. This project will enable the TSP function with a resilient traffic control communication system, improving the speed and schedule adherence of Tier One bus service.	
	ELIGIBLE FUNDING SOURCE: TDA Article 4	
9	<b>PROJECT: FY23 Non-Revenue Vehicle and Equipment Replacement</b>	
	PROJECT OWNER: Operations - Central Maintenance	
	LOP: \$13,700,000	Budget Request: \$500,000
	SCOPE: This includes: trucks, vans, sedans, carts, forklifts, generators, hi-rail support vehicles, rail bound support vehicles, floor scrubbers, compressors, tractors, trailers, tow motors and other vehicles and equipment. This effort is agency-wide and includes all department vehicles and equipment. The vehicles and equipment being replaced have reached their useful life.	
	JUSTIFICATION: The vehicles identified for replacement have exceeded their useful life in age and mileage. They are in poor operating condition and are now scheduled for retirement. Further, the cost of repairs, downtime, safety, and the impact to support department's ability to respond to repair/service activities reduces operational effectiveness.	
	ELIGIBLE FUNDING SOURCE: TDA Article 4	



10	<b>PROJECT: Core Server and Ticket Vending Machine Upgrade</b>
	PROJECT OWNER: Strategic Financial Management
	LOP: \$13,300,000 Budget Request: \$2,000,000
	SCOPE: Update the current version of software and equipment of the Universal Fare System (UFS), remediate the TAP systems software versions reaching end of life as well as addressing PCI Compliance requirements.
	JUSTIFICATION: The current equipment and software for the UFS are at end of life and are no longer supported by vendors. The project is to update the current version of software and equipment, refresh and introduce major new components such as a new version of the certified payment gateway, a new Merchant Acquirer. Other components to upgrade include various software, the single board computer on TVMS, PIN pads on Ticket Vending Machines (TVMs), the DIP reader, Windows OS for TMVs and security and monitoring systems. Failing to update the equipment and software may render the system unable to perform transactions at an acceptable rate, impact Metro's ability to process payment via credit and debit cards, and to remain PCI compliant.
	ELIGIBLE FUNDING SOURCE: TDA Article 4 and PC 40%
11	<b>PROJECT: Light Rail Protective Relay</b>
	PROJECT OWNER: Operations - Rail Maintenance
	LOP: \$12,600,000 Budget Request: \$294,100
	SCOPE: Upgrade and replacement of light rail substation protective relays.
	JUSTIFICATION: The existing protective relays are 10 to 20 years old. Spare parts for some of the oldest relays are no longer available. These protective relays are safety sensitive devices required for safe and reliable service.
	ELIGIBLE FUNDING SOURCE: Prop A 35 Bond proceed
12	<b>PROJECT: Union Station Gateway (USG) Building Complex Drainage Pipe Replacement</b>
	PROJECT OWNER: Facilities Maintenance
	LOP: \$11,260,000 Budget Request: \$340,000
	SCOPE: Replacement of all Union Station Gateway (USG) building complex's drainage piping (Plaza Level 4 - 28th floor) including sewer, storm and overflow piping positioned horizontally or vertically.
	JUSTIFICATION: The sewer, storm & overflow drainage piping throughout the USG complex are original to the facility and in the last few years have needed emergency repairs due to cracks and breakage which have resulted in substantial costs and loss of operating time. This piping replacement will help ensure many additional years of uninterrupted operation. This will also avoid periodic down time and it will mitigate breakdowns and emergency repair costs.
	ELIGIBLE FUNDING SOURCE: PC 40% Cash

13	<b>PROJECT: Metro A Line (Blue) Train Control Non-Vital Relay Replacement</b>
	<b>PROJECT OWNER: Operations - Rail Maintenance</b>
	LOP: \$11,100,000 Budget Request: \$200,000
	SCOPE: This project will obtain an outside consultant to evaluate the existing non-vital relay systems used throughout the transit agency. The consultant will generate a biddable scope of work to implement required or recommended changes to the existing non-vital system. Once the biddable package is complete, this project will go out for bid and a contract will be awarded. After the contract is awarded, the project manager will execute and implement the contract.
	JUSTIFICATION: The non-vital relays associated with the train control system are starting to age and are beginning to reach obsolescence. Some components are no longer supported by the original equipment manufacturer. This project will keep the non-vital relay system current with the latest technologies related to non-vital relay systems. Failure of existing parts will cause delays and may impact service reliability, passenger safety, and comfort.
	<b>ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed</b>
14	<b>PROJECT: A650 Low Voltage Power Supply and Friction Brake Overhaul</b>
	<b>PROJECT OWNER: Operations - Rail Vehicle Maintenance</b>
	LOP: \$11,000,000 Budget Request: \$1,500,000
	SCOPE: Component overhaul program for the heavy rail A650 fleet addressing next cycle overhauls of the following systems: coupler, friction brake, gearbox, and includes procurement of new static converter equipment.
	JUSTIFICATION: The friction brake/air compressor and coupler overhauls are replaced on a time based (5 year) interval as mandated by the car builder and California Public Utilities Commission (CPUC) regulations. The gearbox overhaul is mileage based targeting replacement at 600,000 miles. The static converters cannot be repaired due to parts obsolescence.
	<b>ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed</b>

15	<b>PROJECT: Countywide Transit Signal Priority (TSP) Upgrade and Expansion</b>
	<b>PROJECT OWNER: Operations</b>
	LOP: \$10,620,000 Budget Request: \$4,114,896
	<b>SCOPE:</b> Countywide Wireless Transit Signal Priority Improvement and Expansion Project to install, replace and improve the existing wireless transit signal priority infrastructure at 367 intersections in the Los Angeles County area outside of the City of Los Angeles.
	<b>JUSTIFICATION:</b> This is a NextGen project to improve the speed and reliability of Metro services. Metro and other municipalities have installed a wireless transit signal priority system on select corridors outside of the City of Los Angeles. The NextGen Transit First Service Plan introduces an expanded number of high-frequency bus corridors that will require transit signal priority at additional intersections to achieve increased service speeds. Increasing the number of intersections with transit signal priority on high-frequency corridors will reduce travel time for buses as they significantly reduce dwell times for buses at signalized intersections. This project will allow Metro and municipal bus operators to operate faster and more efficient service.
	<b>ELIGIBLE FUNDING SOURCE:</b> TDA Article 4
16	<b>PROJECT: Rail Communication System UPS and Battery Replacement</b>
	<b>PROJECT OWNER: Operations - Rail Maintenance</b>
	LOP: \$10,300,000 Budget Request: \$1,100,000
	<b>SCOPE:</b> Replace obsolete Uninterrupted Power Supply (UPS) units and batteries on Metro rail communications system facilities (rooms, cabinets, buildings) system-wide.
	<b>JUSTIFICATION:</b> The replacement of UPS units and batteries for the Metro rail system is necessary to maintain the system in a state of good repair. The battery chargers for the Metro rail system are at the end of their useful life. Replacement of batteries/battery charger units and UPS units ensure trains will remain fully operational without interruption to rail service.
	<b>ELIGIBLE FUNDING SOURCE:</b> Prop A 35% Bond Proceed
17	<b>PROJECT: Emergency Power Replacement</b>
	<b>PROJECT OWNER: Operations - Rail Maintenance</b>
	LOP: \$10,100,000 Budget Request: \$450,000
	<b>SCOPE:</b> Improve and replace emergency power and lighting at light rail stations.
	<b>JUSTIFICATION:</b> The existing emergency systems consists of emergency lights & Uninterrupted Power Supplies (UPS). These emergency lights are 10 to 20 years old, not reliable, and require intensive maintenance for proper functioning.
	<b>ELIGIBLE FUNDING SOURCE:</b> Prop A 35% Bond Proceed

18	<b>PROJECT: Division 1 Street Closure</b>
	<b>PROJECT OWNER: Program Management</b>
	LOP: \$9,500,000 Budget Request: \$1,169,500
	<b>SCOPE:</b> Remove the existing street and sidewalk currently bi-secting Division 1 Bus Facility. Relocate utilities and replace the street to match existing Division 1 hardscape.
	<b>JUSTIFICATION:</b> The proposed action addresses both an operational necessity and a legal obligation pursuant to the Public Streets, Highways and Service Easements Vacation Law. The City of Los Angeles has completed its review of Metro's application for the Industrial Street Vacation between Alameda Street and Central Avenue (within the Division 1 Bus Facility). In July 2021, the City of LA proposed that for Metro paying the bike/ATP improvements from Alameda to Kohler Street, the City of Los Angeles would waive BOE Report Conditions 5, 6, 12, and 13 as Metro acquires Industrial Street as private driveway. Those conditions were part of the permit the City granted Metro to close Industrial Street. The permit is good for two years and one year has passed since Metro received the permit.
	This project increases efficiency by combining Division 1 Bus Facility parcels that are physically separated by Industrial Street. This increases efficiency at the division and provides safe movement for staff, buses and equipment between two separate parcels on either side of the city street.
<b>ELIGIBLE FUNDING SOURCE: TDA Article 4, PC 25%</b>	
19	<b>PROJECT: Metro L (Pasadena Gold) Line Weight Poles and Air Brakes</b>
	<b>PROJECT OWNER: Operations - Rail Maintenance</b>
	LOP: \$9,200,000 Budget Request: \$960,000
	<b>SCOPE:</b> Replacement of Overhead Catenary Systems (OCS) parts/materials - weight stacks with spring tension unit and air brakes with section insulators.
	<b>JUSTIFICATION:</b> The existing L (Pasadena Gold) Line Overhead Catenary Systems (OCS) poles are short and cannot maintain proper tension on OCS contact wires during hot weather, causing trains to slow down, mitigating pantograph entanglement. These weight stacks need to change to spring tension units, enabling them to handle hot weather. Additionally, air brake system contact cables are sagging during high temperatures and require new section insulators to improve safety and reliability.
<b>ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed</b>	
20	<b>PROJECT: Metro B (Red) Line SEG-3 Supervisory Control and Data Acquisition (SCADA) System Equipment Replacement</b>
	<b>PROJECT OWNER: Operations - Rail Maintenance</b>
	LOP: \$8,300,000 Budget Request: \$100,000
	<b>SCOPE:</b> Replacement of Metro Rail SCADA systems including Fire/Emergency Management (FEM) Programmable Logic Controllers (PLC) and Local Emergency Management Panels (EMP).

JUSTIFICATION: The majority of the Metro B (Red) Line Segment 3 equipment is obsolete and spare parts are no longer available. Equipment is Fire/Life/Safety critical and must be replaced.
ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed

21	<b>PROJECT: LA Union Station Electrical System Upgrade</b>
	PROJECT OWNER: Planning
	LOP: \$6,325,000 Budget Request: \$725,000
	SCOPE: Construct a new Vault 5 to step down existing 5Kv power to lower voltage to increase accessibility to adequate power for future development such as Forecourt/Esplanade, Link US and tenants/events, upgrade existing 25 year old Electrical Vaults 1-4 switchgear, fuse disconnects, and downstream equipment. These improvements will increase equipment life expectancy and mitigate the risk of station-wide power system failure.
	JUSTIFICATION: High risk mitigation and to prevent potentially catastrophic power failures.
	ELIGIBLE FUNDING SOURCE: PC 40% Cash

22	<b>PROJECT: Maintenance of Way (MOW) Vehicles and Equipment - Replacement &amp; Expansion</b>
	PROJECT OWNER: Operations - Rail Maintenance
	LOP: \$6,100,000 Budget Request: \$100,000
	SCOPE: This project is for the expansion and replacement of MOW non-revenue vehicles and equipment. This project includes vehicles and equipment for the Track Maintenance, Signals, Rail Communications and Signals Departments.
	JUSTIFICATION: These Maintenance of Way vehicles and equipment have exceeded their useful life in age and mileage, or are in poor operating condition and are now scheduled for retirement. Replacement and expansion vehicles/equipment are critically needed to efficiently address any MOW activities on the various Metro rail lines.
	ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed

23	<b>PROJECT: Metro G (Orange) Line Communication Transmission System (CTS) Nodes Replacement</b>
	PROJECT OWNER: Operations - Rail Maintenance
	LOP: \$5,650,000 Budget Request: \$1,100,000
	SCOPE: Replacement of the Metro G (Orange) Line Communication Transmission System (CTS) Nodes including UPS upgrades, cabling, wiring installation, HVAC cooling, and integration with the Rail CTS Network.
	JUSTIFICATION: Existing CTS nodes are no longer supported by the vendor and there are no spare parts or technical support available. Replacing with standard Fujitsu CTS nodes similar to one used in rail communications system. Unification will reduce spare parts cost, maintenance cost, and training costs.
	ELIGIBLE FUNDING SOURCE: Prop A 35% Bond Proceed

24	<b>PROJECT:</b> Metro L (Gold) Line ElectroCode 5/Vital Harmon Logic Processor Upgrade
	<b>PROJECT OWNER:</b> Operations - Rail Maintenance
	<b>LOP:</b> \$5,580,000 <b>Budget Request:</b> \$150,000
	<b>SCOPE:</b> Replacement of vital processors and track circuit equipment that control the gate grade crossing and interlocking of the switch machine on Metro L (Gold) Line with like equipment.
	<b>JUSTIFICATION:</b> The ElectroCode 5/ Vital Harmon Logic Control (EC5/VHLC) equipment is at the end of its useful life. The replacement of equipment is required for continued rail operations processes. VHLC controls grade crossing gates and interlocking switch machines.
	<b>ELIGIBLE FUNDING SOURCE:</b> Prop A 35% Bond Proceed

## Transportation Infrastructure Development (TID)

1	<b>PROJECT:</b> Beverly Hills North Portal
	<b>PROJECT OWNER:</b> Program Management - Purple Line Extension Section 2
	<b>LOP:</b> \$29,250,000 <b>Budget Request:</b> \$0
	<b>SCOPE:</b> This project will provide the funding necessary to assist the City of Beverly Hills in designing and constructing a new half-portal at the future Wilshire Rodeo Station of the Purple (D Line) Extension Section 2 Project. Upon completion, this new half-portal will consist of stairs, one “up” escalator, and two elevators located on the west side of North Beverly Drive in the City of Beverly Hills, within the existing street and sidewalk right-of-way, north of Wilshire Boulevard. The footprint will be approximately 9,200 square feet and extend from Wilshire Boulevard approximately 165 feet north up North Beverly Drive. The adjacent sidewalk on the west side of Beverly Drive will be widened.
	<b>JUSTIFICATION:</b> This project satisfies the terms and conditions set forth in a Settlement Agreement executed by and between LA Metro and City of Beverly Hills on November 10, 2020. The Agreement requires Metro to assist the City in designing and constructing a new half portal to the future Wilshire/Rodeo Station (One of the Stations on Metro’s Purple “D” Line Extension) on the north side of Wilshire Boulevard, also known as the “City’s Project”, and contributing up to 50% of the Agreement’s total not to exceed \$78,500,000 inclusive of all in-kind services and funding contributions. (FY23 cashflow, if required, will be addressed through WPLE Section 2; LOP required for multiyear encumbrance transactions.)
	<b>ELIGIBLE FUNDING SOURCE:</b> MR 35% Transit

2	<b>PROJECT: Regional Connector Catch-All</b>	
	PROJECT OWNER: Program Management	
	LOP: \$10,000,000	Budget Request: \$10,000,000
	SCOPE: Claims management and smaller scale task orders and efforts to wrap up the main project.	
	JUSTIFICATION: As the main Regional Connector project reaches substantial completion, smaller task orders become apparent to neatly wrap up the project. Rather than engaging the original contractor to provide the task order work, Metro can benefit from having a different contractor engaged in smaller work orders.	
	ELIGIBLE FUNDING SOURCE: MR 35% Transit	

**DRAFT**

**ATTACHMENT B**

**REIMBURSEMENT RESOLUTION  
OF THE  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
FOR FISCAL YEAR 2023**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the “Metro”) desires and intends to finance certain costs relating to (i) the design, engineering, construction, equipage and acquisition of light rail lines including the Crenshaw/LAX Transit Corridor project ; (ii) the design, engineering, construction, equipage and acquisitions for the Rail and Bus State of Good Repair Program including station improvements and rail gating installations; (iii) the design, engineering, construction, equipage related to Purple Line Extension Sections 1, 2, and 3; (iv) the engineering, construction, renovation, maintenance, and/or acquisition of various capital facilities and equipment, including buses and rail cars, related to service operation; (v) the engineering, construction, renovation, maintenance, and/or acquisition of various highway/surface transportation assets; and (vi) other transit related projects (each a “Project” and collectively, the “Projects”);

WHEREAS, to the extent that federal and/or state grant funding budgeted to be received during FY22 is delayed or reduced, the Los Angeles County Metropolitan Transportation Authority desires and intends to finance certain costs relating to the Projects;

WHEREAS, Metro expects to issue debt through the issuance of tax-exempt bonds to pay for these expenditures, each bond issue will have its own separate security source, Proposition A, Proposition C, Measure R and Measure M sales tax revenues, respectively, or grant revenues to finance the costs of the Projects on a permanent basis (the “Debt”);

WHEREAS, Metro expects to expend moneys of the Enterprise Fund (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Projects prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles;

WHEREAS, Metro reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt;

WHEREAS, Metro expects that the amount of Debt that will be issued to pay for the costs of the Projects will not exceed \$200.0 million for Proposition A, \$100.0 million for



Proposition C, \$100.0 million for Measure R, \$350.0 million for Measure M and \$100 million for grant revenues.

WHEREAS, at the time of each reimbursement, Metro will evidence the reimbursement in writing, which identifies the allocation of the proceeds of the Debt to Metro, for the purpose of reimbursing Metro for the capital expenditures made prior to the issuance of the Debt;

WHEREAS, Metro expects to make reimbursement allocations no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure for the Project is paid or (ii) the date on which the Project is placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the Project is paid;

WHEREAS, Metro will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received by way of a reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., Metro will not pledge or use the proceeds received as reimbursement for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW THEREFORE, BE IT RESOLVED, that (i) all of the foregoing recitals are true and correct and (ii) in accordance with Section 1.150-2 of the Treasury Regulations, Metro declares its intention to issue Debt in an amount not to exceed \$200.0 million for Proposition A, \$100.0 million for Proposition C, \$100.0 million for Measure R, \$350.0 million for Measure M and \$100 million for grant revenues; the proceeds of which will be used to pay for the costs of the Projects, including the reimbursement to Metro for certain capital expenditures relating to the Projects made prior to the issuance of the Debt.

## **FY23 Proposed Budget - Summary of Public Comments**

### **Public Engagement Tactics**

The FY23 Proposed Budget Public Engagement effort began in Fall 2021, prior to the start of the budget development process to ensure community, stakeholder, and rider feedback was incorporated to the greatest extent possible. Under the direction of the CEO, expanded and strategic public engagement for the FY23 Proposed Budget was comprised of several different tactics for obtaining a broad range of stakeholder input. Below is a listing of the engagement tactics employed: Telephone Town Hall (TTH) meetings, a budget survey that allowed written open-ended comments to be submitted, an email address for comment submittal, an increased schedule of stakeholder and public engagement meetings, and an online Budget portal where interested parties can visit to obtain information on the budget development schedule, public meeting times and locations, survey results, past budget documents and current reports as presented to the Board.

<b>September 2021 – May 2022</b>	
<b>Public Engagement</b>	<b>FY23 Participation</b>
Telephone Town Hall #1 - <i>September 2021</i>	4,025
Telephone Town Hall #2 - <i>October 2021</i>	3,763
Telephone Town Hall #3 - <i>March 2022</i>	3,412
Budget Survey Responses	>8,000
Budget Survey Comments	>4,300
Budget Portal Visits – metrobudget.net	>7,000 (as of May 15, 2022)
Email Blasts	>300,000
Stakeholder & Public Engagement Meetings	24

### **Incorporating Feedback**

Overall, the key areas of concern in the feedback received included: transit system cleanliness, system safety, rail expansion, and bus service levels including issues related to service reliability and frequency. Based on the public comments received, the proposed budget includes resources for initiatives that seek to address these issues.

For example, to improve system cleanliness, the budget includes funding to implement a cleaning surge on the bus and rail system comprised of accelerating replacement of fabric seats with vinyl throughout the system, power washing hot-spot areas, and instituting enhanced bus interior and end-of-line rail car cleaning. Safety is also a major priority in the proposed budget and proposes funding for Metro's Reimagining Public Safety initiative which will double the Transit Ambassador Program, expand the current unhoused outreach efforts including mental health assistance, and add 15 unarmed security officers to the system.

The proposed budget also includes the anticipated opening of the Crenshaw/LAX and Regional Connector rail projects, funding for the development and construction of

several rail lines that expand the Metro Rail system including Westside Subway Extension (Sections 1, 2 & 3), Airport Metro Connector, Foothill Extension in East San Gabriel Valley, East San Fernando Valley Line, West Santa Ana Branch and the Sepulveda Transit Corridor. To increase bus service levels, the budget includes funding that restores bus service hours to pre-pandemic levels. In addition, the budget proposes resources to continue implementation of NextGen capital improvements that enhance service reliability and frequency by constructing bus priority lanes, installing fare collection equipment to support all-door boarding and give traffic signal preference to Metro buses traveling in priority lanes.

#### We Heard: From Survey Results to Budget Actions



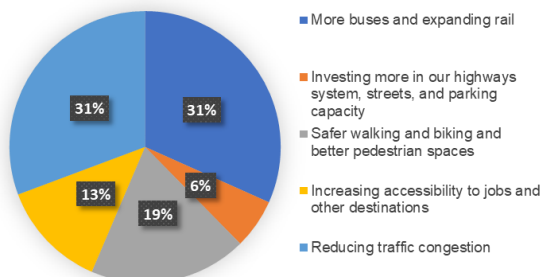
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#### **Telephone Town Hall (TTH)**

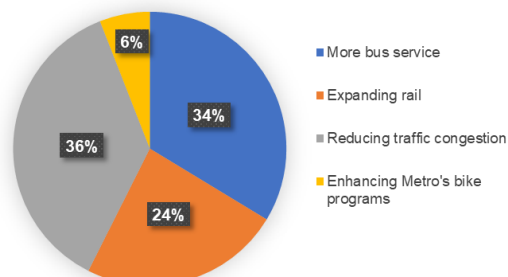
This year, three TTH meetings were conducted (September 2021, October 2021, and March 2022) with the first two held early to listen directly from the public and to provide guidance on developing Metro's FY23 budget. Recordings of these TTH meetings are available on the Budget Portal. The third TTH was held in March, as a circle back to inform the public on what Metro heard and how their comments have been addressed in this upcoming budget. With opening remarks by the Metro Board Chair, and hosting by the Chair of the Finance, Budget & Audit Committee, our CEO and her entire senior leadership participated in each TTH. As the budget development progressed, each leader was requested to reflect how, and in what ways, they considered public comments in their departmental budgets. The TTH was available in Spanish and included a total of over 11,000 participants, including over 700 Spanish listeners.

The following polling results are the combined responses from the September and October TTHs:

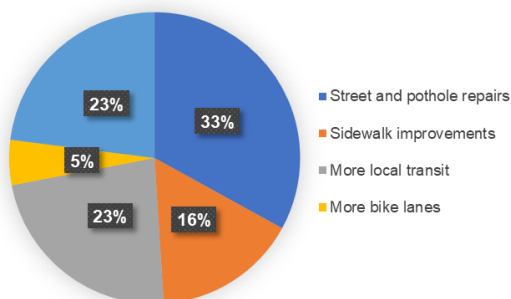
**What is your top regional transportation priority?**



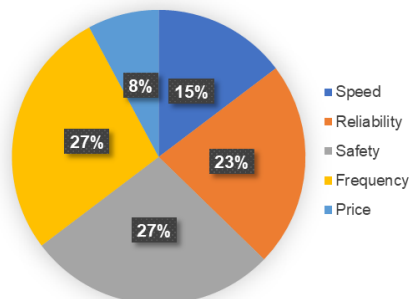
**Please choose your top transit priority.**



**What type of improvement project would you find most useful?**



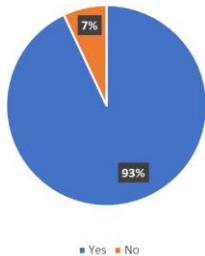
**Of the 5 categories, please select what is most important to you.**



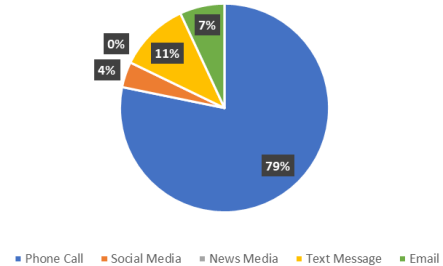
The priorities reflected in the TTH comments are similar to those received through the budget survey. However, while the same priorities were echoed in both forums, there were a broad range of opinions on how to achieve these priorities. One of the lessons learned from the TTH is that while phone calls and texts were the best way to reach our riders for these events, Metro will seek to increase scope and frequency of messaging to continue to expand public participation. Metro also learned that most of our attendees at the TTH have found our methods to be successful in our mission of informing and educating the public. Metro will continue to improve and expand outreach efforts.

The following polling results are the responses from the March 29, 2022 TTH:

Have the tools that Metro has provided helped you understand the budget process better?



How did you hear about tonight's meeting?



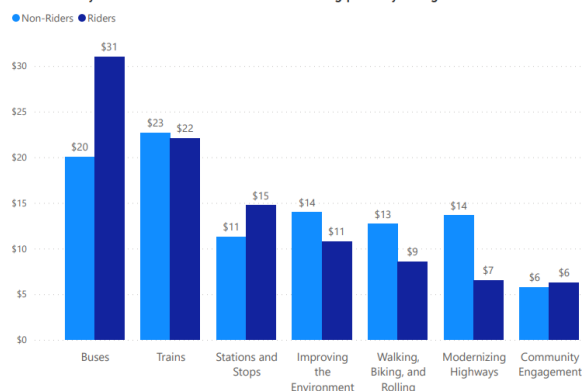
## **FY23 Budget Survey**

In a collaborative effort between OMB, the Office of Equity and Race, Communications, and Customer Experience, a new survey was developed and launched in early January 2022 with the goal of engaging customer and key stakeholders early in the budget development process. The effort was made to enhance budget outreach so that Metro's budget reflects the priorities and values of riders and key stakeholders. Additionally, Metro targeted our equity focused communities throughout LA County via social media (Facebook, Twitter, NextDoor) and email lists. The new budget survey received over 8,000 responses and more than 4,100 written comments.

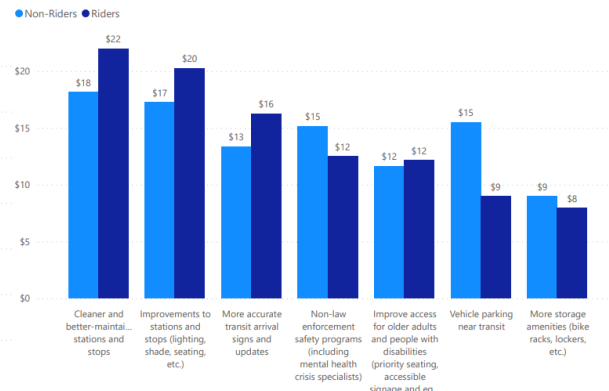
## **Below are the results of the survey:**

These results can be found at [metrobudget.net](http://metrobudget.net)

How would you allocate \$100 across the following primary categories?

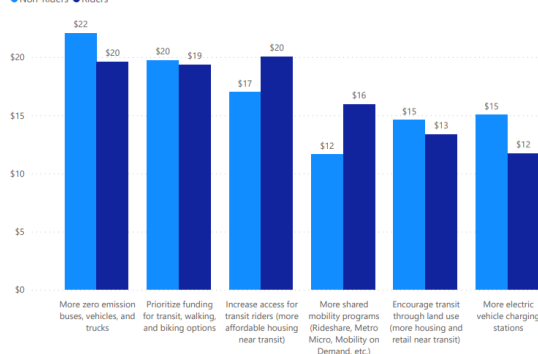


Stations & Stops: How would you allocate \$100 across the following sub-categories?



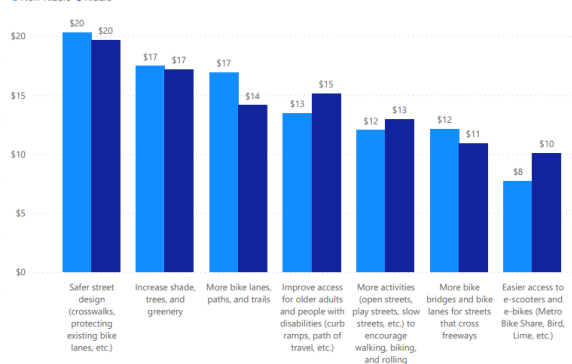
Environment: How would you allocate \$100 across the following sub-categories?

● Non-Riders ● Riders



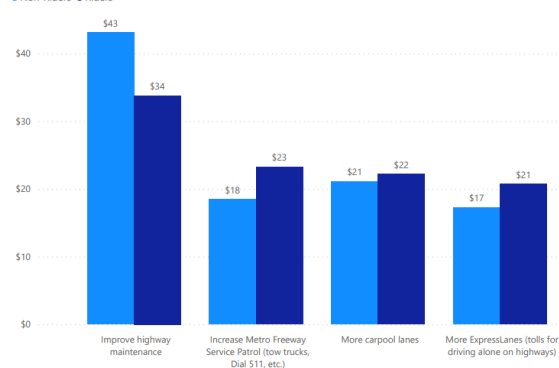
Walking, Biking, &amp; Rolling: How would you allocate \$100 across the following sub-categories?

● Non-Riders ● Riders



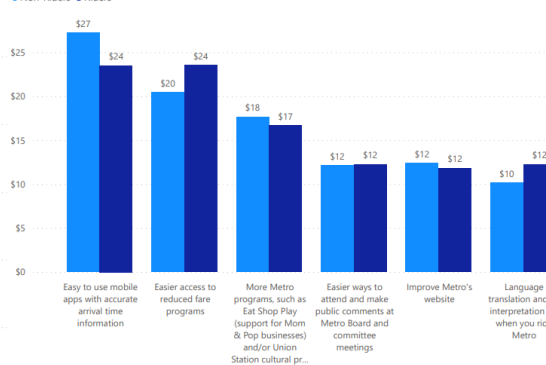
Highways: How would you allocate \$100 across the following sub-categories?

● Non-Riders ● Riders



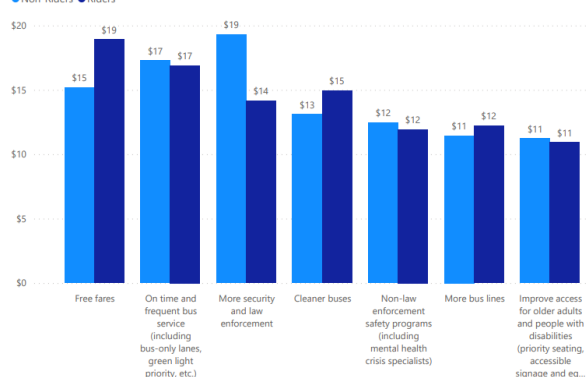
Community Engagement: How would you allocate \$100 across the following sub-categories?

● Non-Riders ● Riders



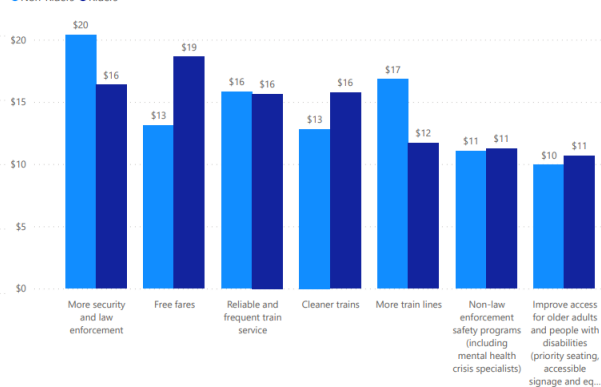
Buses: How would you allocate \$100 across the following sub-categories?

● Non-Riders ● Riders



Trains: How would you allocate \$100 across the following sub-categories?

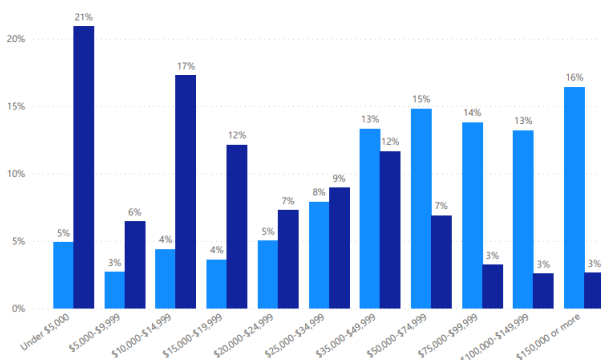
● Non-Riders ● Riders



**Below are the demographic question results:**

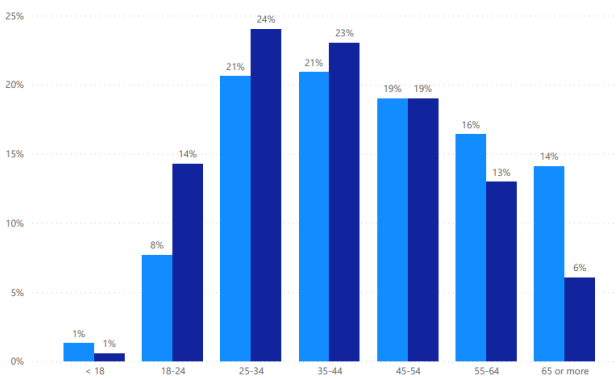
What is your annual household income?

● Non-Riders ● Riders



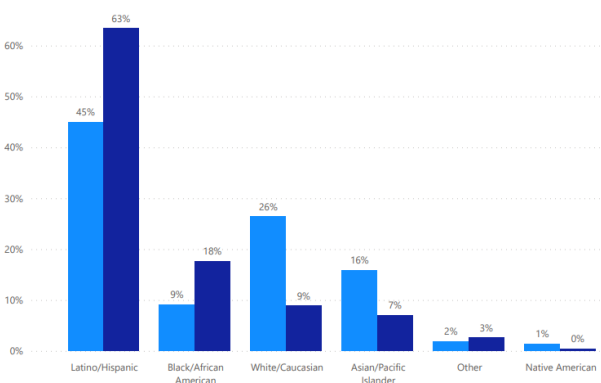
What is your age?

● Non-Riders ● Riders



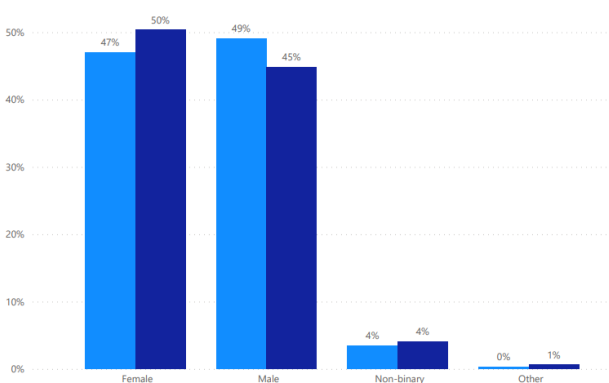
What is your race / ethnicity?

● Non-Riders ● Riders



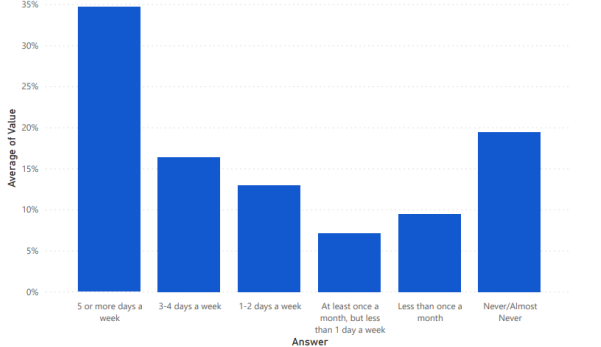
What is your gender identity?

● Non-Riders ● Riders



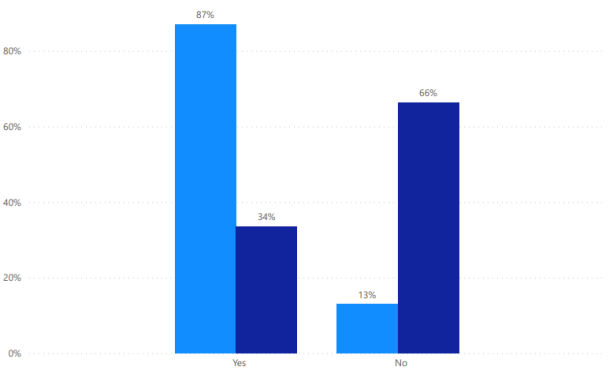
How often do you currently ride Metro?

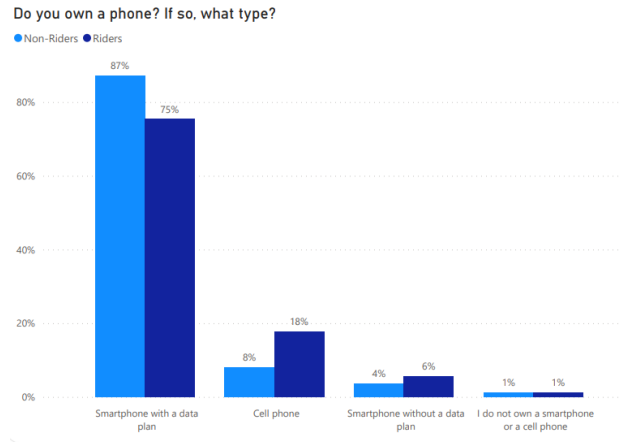
Custom ● All Respondents



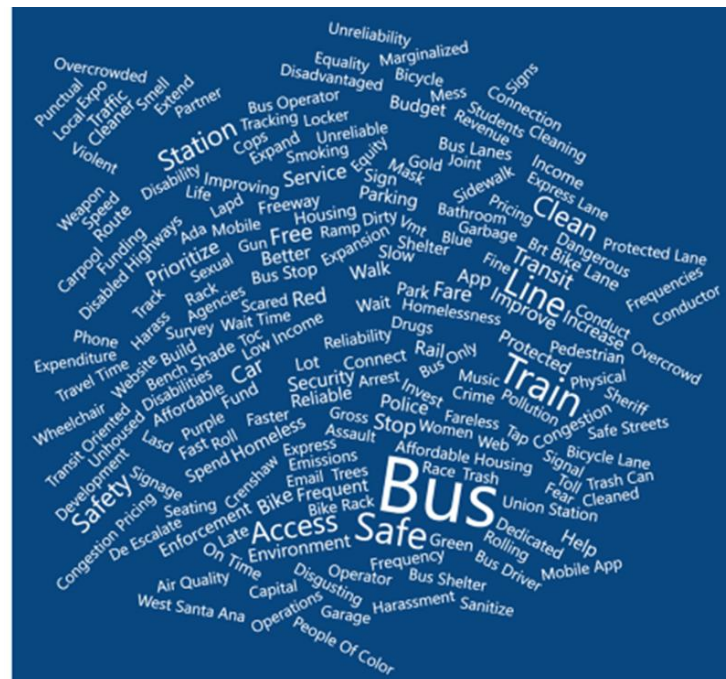
Do you have regular access to a car?

● Non-Riders ● Riders





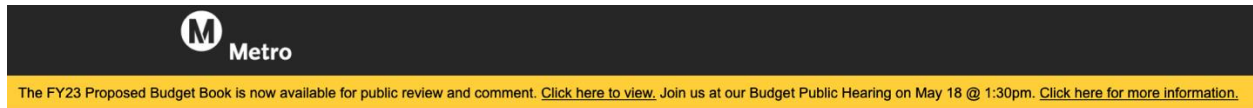
This year, our efforts are focused on closing the loop and showing how comments have helped shape Metro's budget. These 4,100+ comments have been sorted by department/SLT and manually distributed to departments to review for the FY23 Budget development process. To help review and assess these comments, Metro created word clouds to identify the most frequent words and themes from the comments. The word cloud below visually illustrates the over 4,100+ comments Metro received, with bus identified as the number one priority. Departments can drill down further and filter to specific projects and programs to review specific comments. Metro departments are reviewing all comments for consideration as they develop their FY23 budgets.





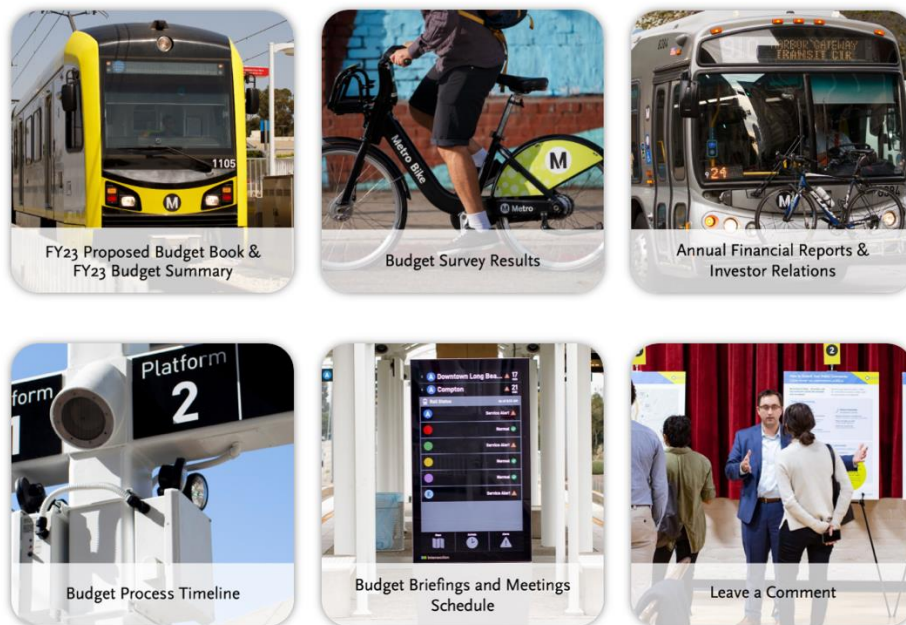
## **Metro Budget Portal**

Our new Budget Portal [metrobudget.net](http://metrobudget.net) was created to distribute information about Metro's budget to our riders, stakeholders, and the public. It includes process timelines, documents, schedules, survey results, and more. The portal was designed with ease of use and accessibility in mind to make information easily comprehensible. The Budget Portal has a unique subscribers list and sign-up so budget related content can be widely disseminated in virtually real-time.



## **LACMTA / LA Metro Budget Portal**

Welcome to the Los Angeles County Metropolitan Transportation Authority (LACMTA) Budget portal – LA Metro Budget Portal. This portal provides financial and budget information for and on behalf of LACMTA (Metro) for riders, Metro's stakeholders, and the general public to learn all things budget related. The information on this website will be continuously updated as new information becomes available.



### Stakeholder Meetings and Outreach Efforts

Our stakeholder outreach meetings, conducted to update each group on the status of the budget, highlight issues of interest, and receive continued feedback increased over previous year's efforts and will continue up to the scheduled budget Public Hearing and the Metro Board's consideration for adoption at its regularly scheduled meeting in the May 2022 Metro Board meeting. See below for list of meetings.

FY23 Proposed Budget Public Engagement			
Completed	Meeting	Date	Time
✓	Telephone Town Hall Meeting	Sept. 29, 2021	6:00-7:00 pm
✓	Telephone Town Hall Meeting	Oct. 5, 2021	6:00-7:00 pm
✓	Public Safety Advisory Council (PSAC)	Feb 2, 2022	5:00-7:00 pm
✓	Regional Service Councils – Budget Briefing	Mar. 3, 2022	6:30 pm
✓	Federal Transit Administration	Apr. 27, 2022	10:00 am
✓	Policy Advisory Council (PAC) <i>Note: PAC meets quarterly, requested follow-up scheduled at next quarterly meeting</i>	Mar. 8, 2022	1:30 pm
✓	Telephone Town Hall Meeting	Mar. 29, 2022	6:00-7:00 pm
✓	San Gabriel Valley COG (SGVCOG)	Apr. 14, 2022	4:00 pm
✓	Bus Operators Subcommittee (BOS)	Apr. 19, 2022	9:30 am
✓	Street & Freeways Committee (S & F)	Apr. 21, 2022	9:30 am
✓	Regional Service Councils – Budget Briefing	Apr. 26, 2022	6:30 – 8:00 pm
✓	Community Advisory Committee-General Assembly (CAC)	Apr. 27, 2022	6:00 pm
✓	Technical Advisory Committee (TAC)	May 4, 2022	9:30 am
✓	Valley Industry & Commerce Association (VICA) <b>JUST ADDED</b>	May 10, 2022	8:00 am
✓	Local Transit Systems Subcommittee (LTSS)	May 11, 2022	1:30 – 3:00 pm
✓	Accessibility Advisory Committee (AAC)	May 12, 2022	10:00 am
✓	San Gabriel Valley COG (SGVCOG) <b>JUST ADDED</b>	May 12, 2022	4:00 pm
	FY23 Proposed Budget - Public Hearing	May 18, 2022	1:30 pm
	Metro Board of Directors Meeting	May 26, 2022	9:00 am

Schedules for public meetings and updated budget information will be provided in advance on the Budget Portal at [metrobudget.net](http://metrobudget.net).

## Public Inquiry and Board Requests

### NextGen and Bus Capital Improvement Projects

	Bus Capital Improvement (\$ in thousands)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	<b>NextGen</b>				
2	Bus Mobile Validators (BMV) (All Door Boarding)	\$ -	\$ 7,000.9	\$ 7,000.9	#DIV/0!
3	Camera Bus Lane Enforcement <sup>(1)</sup>	-	3,261.6	3,261.6	#DIV/0!
4	Countywide Transit Signal Priority (TSP) Upgrade and Expansion <sup>(2)</sup>	1,000.0	4,114.9	3,114.9	311%
5	NextGen Bus Lanes & Tactical Improvements <sup>(3)</sup>	7,333.9	11,148.2	3,814.4	52%
6	NextGen Cloud Based Transit Signal Priority (TSP) <sup>(2)</sup>	-	1,901.9	1,901.9	#DIV/0!
7	<b>NextGen Subtotal</b>	<b>\$ 8,333.9</b>	<b>\$ 27,427.6</b>	<b>\$ 19,093.7</b>	<b>229%</b>
8	<b>Bus Acquisition</b>				
9	40' Battery Electric Zero Emission Buses	\$ 34,272.1	\$ 70,754.4	\$ 36,482.2	106%
10	40' Compressed Natural Gas Buses	53,335.3	5,602.7	(47,732.6)	-89%
11	60' Battery Electric Zero Emission Buses	742.0	4,820.3	4,078.4	550%
12	60' Battery Electric Zero Emission Buses - Grant Funded	4,144.5	490.0	(3,654.5)	-88%
13	60' Compressed Natural Gas Buses	596.2	455.5	(140.7)	-24%
14	<b>Bus Acquisition Subtotal</b>	<b>\$ 93,090.1</b>	<b>\$ 82,122.9</b>	<b>\$ (10,967.2)</b>	<b>-12%</b>
15	<b>Bus Facilities Improvements</b>				
16	Automated Storage Retrieval System (ASRS) Upgrade	\$ 1,096.9	\$ 2,348.8	\$ 1,251.9	114%
17	Bus Division Improvements IV	2,000.0	3,342.3	1,342.3	67%
18	Bus Facility Improvements III	684.7	676.7	(8.0)	-1%
19	Division 1 Improvements (Bus Operations Subcommittee Funded)	5,826.6	155.6	(5,671.0)	-97%
20	Division 1 Street Closure <sup>(2)</sup>	-	1,169.5	1,169.5	#DIV/0!
21	Environmental Compliance Capital Project (FY23-FY27) <sup>(2)</sup>	-	5,698.4	5,698.4	#DIV/0!
22	Fire Alarm Panel Replacement Throughout Metro Facilities	1,419.6	1,295.3	(124.3)	-9%
23	Fuel Storage Tanks	5,239.2	3,359.6	(1,879.6)	-36%
24	G Line (Orange) Line In-Road Warning Lights	32.9	35.5	2.5	8%
25	Pavement Replacement	10.4	-	(10.4)	-100%
26	Metro Orange Line Reclaimed Water Project	176.2	-	(176.2)	-100%
27	Bus Facility Lighting Retrofit	9.1	-	(9.1)	-100%
28	Division 4 Concrete Pavement	2.6	-	(2.6)	-100%
29	Union Station Cesar Chavez Bus Stop	166.9	-	(166.9)	-100%
30	<b>Bus Facilities Improvements Subtotal</b>	<b>\$ 16,665.1</b>	<b>\$ 18,081.6</b>	<b>\$ 1,416.4</b>	<b>8%</b>
31	<b>Bus Maintenance</b>				
32	Bus Engine Replacements	\$ 3,202.6	\$ 3,065.8	\$ (136.8)	-4%
33	Bus Tools Replacement <sup>(2)</sup>	-	300.0	300.0	#DIV/0!
34	Collision Avoidance Demo	745.6	287.3	(458.3)	-61%
35	Live View Monitor System	595.0	-	(595.0)	-100%
36	Farebox Upgrade (FY19)	1,983.3	-	(1,983.3)	-100%
37	CMF Acquisition of Equipment	19.4	-	(19.4)	-100%
38	NABI Compo and New Flyer Midlife	40,352.2	-	(40,352.2)	-100%
39	New Flyer/EI Dorado Bus Midlife <sup>(2)</sup>	-	37,842.1	37,842.1	#DIV/0!
40	<b>Bus Maintenance Subtotal</b>	<b>\$ 46,898.1</b>	<b>\$ 41,495.3</b>	<b>\$ (5,402.8)</b>	<b>-12%</b>
41	<b>Regional &amp; Hubs</b>				
42	Passenger Screen-Facility Hardening	\$ 250.0	\$ 600.0	\$ 350.0	140%
43	<b>Regional &amp; Hubs Subtotal</b>	<b>\$ 250.0</b>	<b>\$ 600.0</b>	<b>\$ 350.0</b>	<b>140%</b>
44	<b>Technology</b>				
45	Advanced Transportation Management System II (ATMS) Bus System Replacement <sup>(2)</sup>	\$ -	\$ 2,605.5	\$ 2,605.5	#DIV/0!
46	Connected Buses With Wi-Fi	35.6	36.2	0.6	2%
47	<b>Technology Subtotal</b>	<b>\$ 35.6</b>	<b>\$ 2,641.6</b>	<b>\$ 2,606.0</b>	<b>7316%</b>
48	<b>Transit Improvements/Modernization (TIM)</b>				
49	Electric Bus Charging Infrastructure J (Silver) Line	\$ -	\$ 10,802.2	\$ 10,802.2	#DIV/0!
50	Patsaouras Bus Plaza Station Improvements	706.1	456.2	(249.9)	-35%
51	Rosa Parks/Willowbrook Station <sup>(4)</sup>	6,269.8	4,679.8	(1,590.0)	-25%
52	<b>Transit Improvements/Modernization (TIM) Subtotal</b>	<b>\$ 6,975.9</b>	<b>\$ 15,938.3</b>	<b>\$ 8,962.3</b>	<b>128%</b>
53	<b>Transit Construction</b>				
54	G Line (Orange) BRT Improvements: Construction <sup>(1)</sup>	\$ 18,060.3	\$ 56,693.2	\$ 38,632.9	214%
55	G Line (Orange) BRT Improvements: Planning <sup>(1)</sup>	632.2	756.2	123.9	20%
56	<b>Transit Construction Subtotal</b>	<b>\$ 18,692.6</b>	<b>\$ 57,449.4</b>	<b>\$ 38,756.8</b>	<b>207%</b>
57	<b>Transit Planning<sup>(5)</sup></b>				
58	BRT Connector B Line (Red)/G Line (Orange) to L Line (Gold)	\$ 2,883.8	\$ 7,218.5	\$ 4,334.7	150%
59	North San Fernando Valley BRT	1,827.2	5,451.6	3,624.4	198%
60	San Gabriel Valley Transit Feasibility Study <sup>(6)</sup>	1,551.0	1,875.3	324.4	21%
61	Vermont Transit Corridor	3,586.0	2,673.8	(912.2)	-25%
62	<b>Transit Planning Subtotal</b>	<b>\$ 9,847.9</b>	<b>\$ 17,219.3</b>	<b>\$ 7,371.4</b>	<b>75%</b>
63	<b>Bus Capital Improvement Total</b>	<b>\$ 200,789.2</b>	<b>\$ 262,975.9</b>	<b>\$ 62,186.6</b>	<b>31%</b>

Note: Totals may not add up because of rounding.

<sup>(1)</sup> Projects are cumulatively funded on an annual basis until the Board adopts a Life of Project (LOP) budget.

<sup>(2)</sup> New project proposed for Board adoption.

<sup>(3)</sup> Includes Bus Priority Lanes, Layover Optimization, Tactical Treatment & Service Enhancements, and Bus Stop Improvements.

<sup>(4)</sup> Partially bus-related.

<sup>(5)</sup> No Board LOP during planning phase; project is funded on an annual basis.

<sup>(6)</sup> BRT concepts being studied.

**NextGen Bus Plan Update**

Metro's NextGen Bus Plan approved by the Metro Board in October 2020 included the framework for a bus speed and reliability program of strategic capital investment to support more efficient and effective bus services in LA County. The updated NextGen Bus Speed and Reliability Program fulfills several speed and service quality recommendations in the Better Bus Program, addresses Time Competitiveness and Connectivity action items in the Customer Experience Plan, and will be explained in further detail in the May 2022 Operations, Safety, and Customer Experience Committee meeting within the May S&R Quarterly Report.

The original \$1B budget estimate for the NextGen Bus Speed and Reliability Program began by applying the speed improvement tools widely based on planning level order of magnitude costs applied over the full extent of the plan's most frequent bus lines. More detailed implementation planning has identified several key opportunities to improve the cost/benefit of the Bus Speed and Reliability Program. One of these is in ensuring the speed improvement tools such as bus lanes are focused primarily on the locations where they are needed most. Another significant efficiency for new bus lanes has been achieved through coordinating their installation with other street improvement installations such as new bike lanes or road repaving.

Also included in the original \$1 billion estimate was a forecast need of 14 FTE needs in Operations, Community Relations and Planning departments, as outlined in the Better Bus Program. Together with the assessment of implementation, CEO was able to reallocate existing vacancies to address the immediate need to augment the program implementation. To date in FY22, there have been two positions recruited specifically for this purpose. In addition, there are 5 new positions (1 non-contract and 4 AFSME) proposed in the FY23 Budget.

Another program efficiency will be achieved with locations selected for bus bulbs. These will focus on the most congested and highest ridership locations where a bulb can be accommodated, on corridors where bus lanes cannot be installed. Bus stop relocations are also moving ahead where they are determined to be implementable.

Another area of implementation efficiency is in the use of a cloud-based technology for signal priority, rather than relying on older legacy loop-based technology. Metro has also moved ahead this year to purchase all door boarding validators to service all NextGen tier 1 and 2 lines. Metro currently estimates that a revised program delivering travel time and reliability improvements could be completed under \$350M. Given the iterative survey and engineering process of this quick-build program, this estimated figure will continue to evolve; therefore, Metro will continue to bring forward an annual program to the Board that reflects more accurate cost figures tailored to the nature of this tactical transit infrastructure program.

**Reimagining Public Safety - Detail**

	Reimagining Public Safety (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	<b>Resource Deployment</b>				
2	Transit Ambassadors	\$ 20.0	\$ 40.0	\$ 20.0	100.0%
3	Homeless Outreach	10.7	15.3	4.6	43.2%
4	Metro Transit Security	27.6	30.9	3.3	12.1%
5	Private Security	23.7	24.5	0.8	3.3%
6	Law Enforcement	165.0	170.0	5.0	3.0%
7	<b>Resource Deployment Subtotal</b>	<b>\$ 247.0</b>	<b>\$ 280.7</b>	<b>\$ 33.7</b>	<b>5.4%</b>
8	Accountability & Transparency	\$ -	\$ 0.1	\$ 0.1	100.0%
9	Communications & Public Education	0.2	0.4	0.2	146.7%
10	Security Design	13.4	10.4	(3.0)	(22.5)%
11	Tools & Technology	0.3	4.1	3.8	1532.4%
12	Training & Procedures	3.0	1.0	(2.0)	(66.7)%
13	<b>Reimagining Public Safety Total</b>	<b>\$ 263.7</b>	<b>\$ 296.6</b>	<b>\$ 32.9</b>	<b>12.5%</b>

Note: Totals may not add up because of rounding.

**Bus Stop Shading – “Shade for All” Campaign**

We know that better bus stops can retain and encourage ridership. There are more than 12,200 Metro bus stop locations, and countywide, there are almost 25,000 used by Metro and Municipal operators. Bus shelters are an essential part of our transit system. To provide an exceptional customer experience to over 70% of riders who take the bus, we must provide the best facilities to our riders. In FY 23, Metro will complete a Bus Stop Sketch Planning process to identify the planning, capital, operations and maintenance, and funding requirements of the bus stop shade and lighting improvement program.

As bus shelters are owned and maintained by the cities throughout the county, Metro will partner with cities and the community to make the necessary enhancements to the bus stops. Staff will identify high priority bus stops using ridership volume, reported safety concerns, adjacency to street lighting, high heat days, and Equity Focused Communities.

The program will include robust outreach with input from city and community partners, customers, and the COGs to ensure the ground-truthing of our technical analysis. This program could be expanded to include Muni bus stops at a later point in the program. Staff will seek to leverage available Metro funding with outside grant opportunities. In the FY 23 budget, the Chief of Staff Administration, through the Office of Sustainability, has identified a total of \$4.2 million budget for this program, inclusive of \$1.2 million in 5307 funding for lighting improvements.

**FY23 New Non-Represented Pay Grade**

Effective July 1, 2022, the Chief People Office will be adjusting the current Non-Represented salary structure by adding a new pay grade called HCC2 and renaming the current HCC pay grade to HCC1. Below is the proposed FY23 Salary Structure.

FY22 Salary Structure			
Pay Grade	Minimum (Annual)	Midpoint (Annual)	Maximum (Annual)
HFF	\$348,566.40	\$435,947.20	\$523,348.80
HEE	\$278,844.80	\$348,545.60	\$418,246.40
HDD	\$222,664.00	\$278,844.80	\$335,025.60
HCC	\$183,123.20	\$228,904.00	\$274,684.80
HBB	\$159,182.40	\$198,723.20	\$238,264.00
HAA	\$141,918.40	\$177,923.20	\$213,907.20
H1Q	\$127,940.80	\$159,910.40	\$191,880.00
H1P	\$115,169.60	\$143,936.00	\$172,702.40
H1O	\$104,083.20	\$130,124.80	\$156,124.80
H1N	\$94,494.40	\$118,102.40	\$141,752.00
H1M	\$86,153.60	\$107,681.60	\$129,209.60
H1L	\$78,873.60	\$98,592.00	\$118,289.60
H1K	\$72,529.60	\$90,646.40	\$108,763.20
H1J	\$67,100.80	\$83,886.40	\$100,692.80
H1I	\$62,316.80	\$77,875.20	\$93,454.40
H1H	\$58,115.20	\$72,633.60	\$87,152.00
H1G	\$52,728.00	\$65,894.40	\$79,060.80
H1F	\$47,902.40	\$59,883.20	\$71,884.80
H1E	\$43,763.20	\$54,704.00	\$65,644.80
H1D	\$40,206.40	\$50,232.00	\$60,278.40
H1C	\$37,107.20	\$46,384.00	\$55,660.80
H1B	\$34,320.00	\$42,889.60	\$51,480.00
H1A	\$31,990.40	\$39,998.40	\$48,006.40

Proposed FY23 Salary Structure			
Pay Grade	Minimum (Annual)	Midpoint (Annual)	Maximum (Annual)
HFF	\$348,566.40	\$435,947.20	\$523,348.80
HEE	\$278,844.80	\$348,545.60	\$418,246.40
HDD	\$222,664.00	\$278,844.80	\$335,025.60
<b>HCC2</b>	<b>\$202,904.00</b>	<b>\$253,884.80</b>	<b>\$304,865.60</b>
<b>HCC1</b>	\$183,123.20	\$228,904.00	\$274,684.80
HBB	\$159,182.40	\$198,723.20	\$238,264.00
HAA	\$141,918.40	\$177,923.20	\$213,907.20
H1Q	\$127,940.80	\$159,910.40	\$191,880.00
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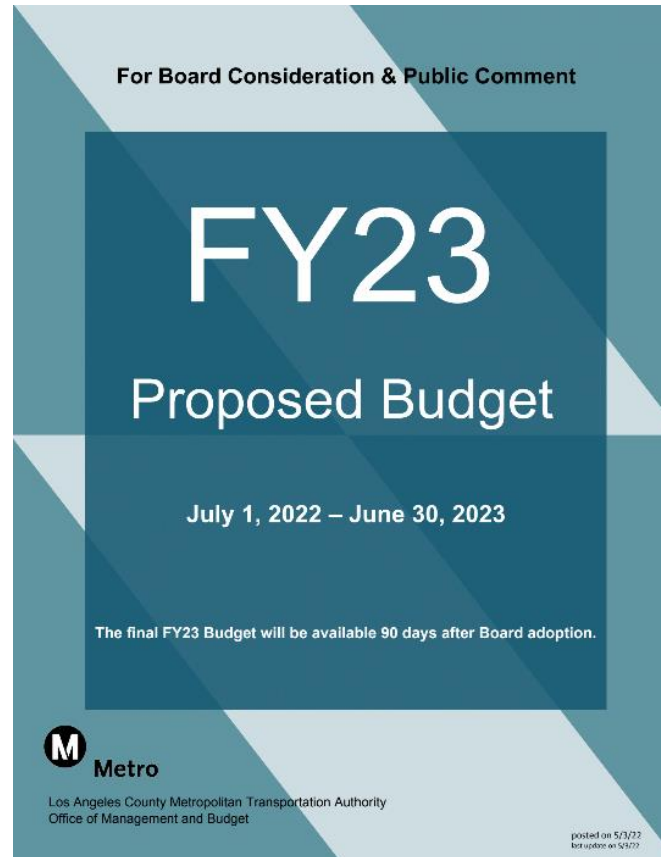
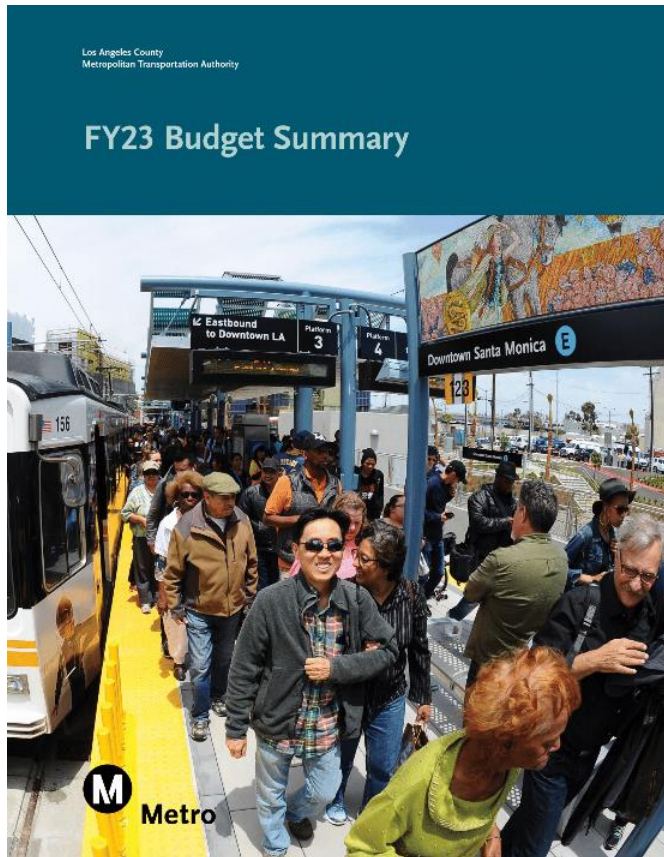


# Metro Fiscal Year 2023 Proposed Budget

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**Public Hearing**  
**May 18, 2022**

# FY23 Budget Summary and Proposed Budget Book



- The proposed budget document is legally required to be made available for public review 15 days prior to the public hearing
- A summary section in the Proposed Budget Book highlights the budgets related to what we heard from the public on specialized topics
- FY23 budget proposal is balanced and has many firsts:
  - Focused on People First and Quality Investments to our community, to the riders, to the partners and cultivating the next generation of riders.
  - Early and enhanced public outreach that interact directly with equity focused community; collaborated with Office of Equity on budget survey to be customer focused
  - Equitable Zero-Based Budgeting (EZBB) process starts a cost control tool to closely monitor our financial state after the last of the federal stimulus funds are used up by FY23

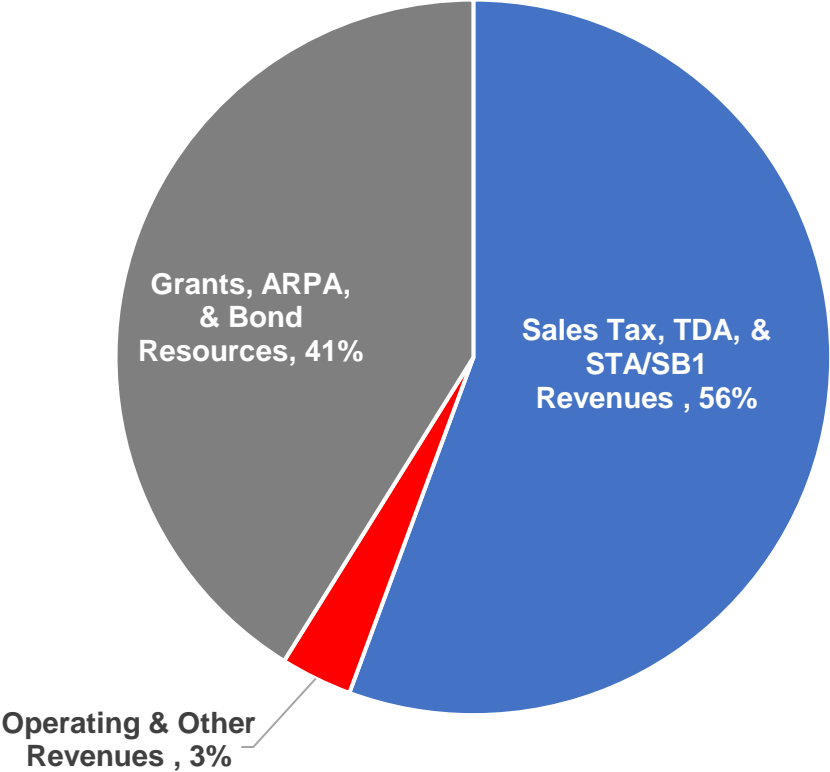


# Revenue Summary

	Resources (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	Sales Tax, TDA, & STA/SB1 Revenues	\$ 4,020.3	\$ 4,868.7	\$ 848.4	21.1%
2	Operating & Other Revenues	253.1	283.5	30.4	12.0%
3	Grants, ARPA, & Bond Resources	3,766.8	3,599.2	(167.7)	(4.5)%
4	<b>Resources Total</b>	<b>\$ 8,040.2</b>	<b>\$ 8,751.4</b>	<b>\$ 711.2</b>	<b>8.8%</b>

Note: Totals may not add up because of rounding.

Resources % of FY23 Budget

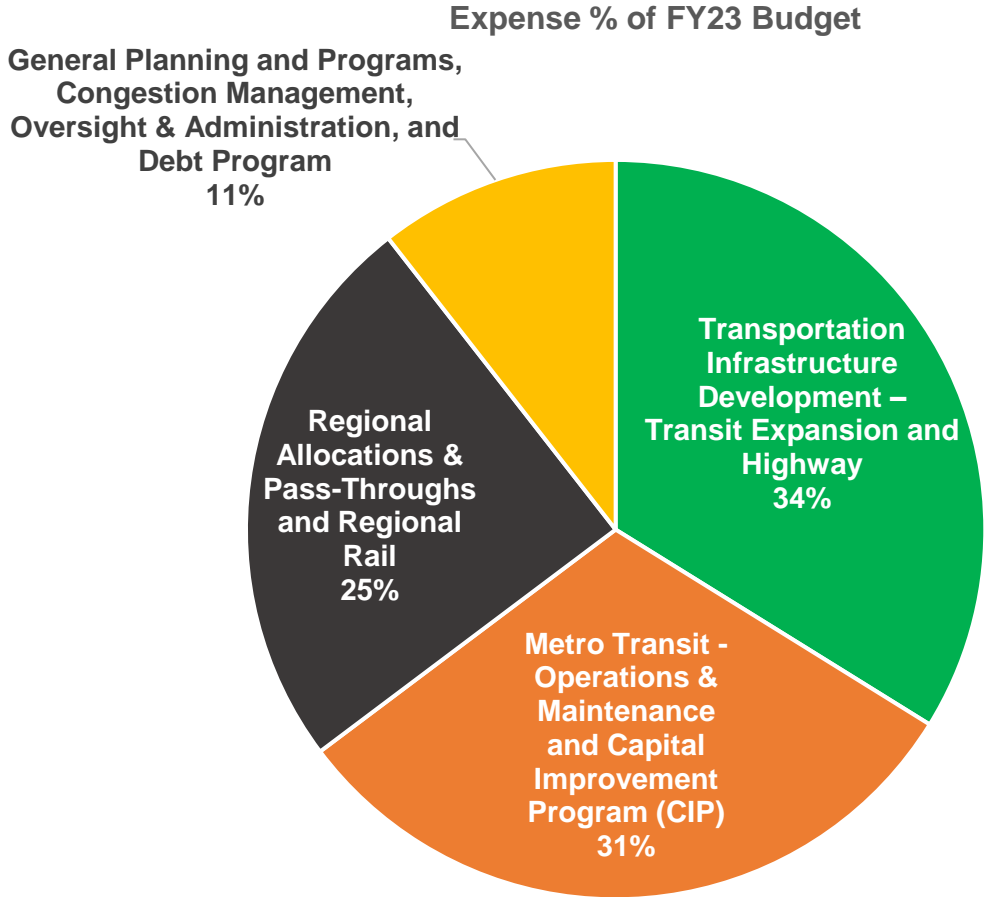


- Sales Tax funds 56% of the FY23 proposed budget. The 21% variance is due to lower estimate of sales tax assumed in the FY22 budget.
- One-time Federal Stimulus for ARPA is \$1,096.9 million for FY23
  - Reimbursement for operating costs to maintain service, fare loss, and preserve jobs due to COVID-19 impact
  - By the end of FY23, Metro will deplete all Federal stimulus and relief fundings for the pandemic
- Fare revenues are expected at \$106.5 million
  - 45.5% increase form the FY22 Budget, but approximately \$150 million lower than the pre-pandemic level
  - Reflecting ridership recovery, FSI phase 1, and LIFE enhancement

# Expense Summary

Program Type (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
Transportation Infrastructure Development	\$ 3,012.1	\$ 2,961.5	\$ (50.6)	(1.7)%
Metro Transit - Operations & Maintenance and Capital Improvement Program	2,558.3	2,704.9	146.6	5.7%
Regional Allocations & Pass-Throughs and Regional Rail	1,613.9	2,162.1	548.2	34.0%
Gen Planning, Cong Mgmt, Oversight & Admin, and Debt Prgm	855.9	923.0	67.1	7.8%
<b>Grand Total</b>	<b>\$ 8,040.2</b>	<b>\$ 8,751.4</b>	<b>\$ 711.2</b>	<b>8.8%</b>

Note: Totals may not add up because of rounding.



- The FY23 budget continues to make progress on planning and constructing new transit projects for LA county
- The budget restores transit services to pre-pandemic levels and plans to open two new rail segments Crenshaw/LAX and Regional Connector
- The budget enhances the customer experience through a cleanliness surge, reimagine public safety and continues to make Nextgen and other bus improvements
- Regional Allocations and Pass-Throughs based on increased sales tax revenue projections
- The Consumer Price Index (CPI), as measured by the Bureau of Labor Statistics, is projected to increase by 3.3% in FY23 for the Los Angeles area

# Early, Expanded, and Enhanced Public Engagement Summary



September 29, 2021, October 4, 2021 & March 29, 2022,  
>11,000 Listeners English & Spanish



**FY23 Budget Survey**  
>8,000 responses received

**+ 6,350**



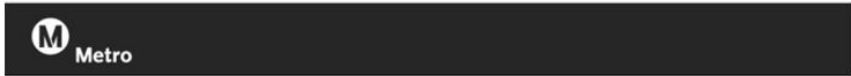
**FY23 Budget Survey**  
>4,100 written responses received

**+ 3,400**



**Stakeholder, Public, and Community Meetings**  
24 Budget meetings

**+ 7 Meetings**



## LACMTA / LA Metro Budget Portal

Welcome to the Los Angeles County Metropolitan Transportation Authority (LACMTA) Budget portal – LA Metro Budget Portal. This portal provides financial and budget information for and on behalf of LACMTA (Metro) for riders, Metro's stakeholders, and the general public to learn all things budget related. The information on this website will be continuously updated as new information becomes available.



Budget Dashboard



Budget Survey Results



Annual Financial Reports



Budget Process Timeline



Budget Briefings and Meetings Schedule



Leave a Comment

**NEW! >9,000 Visits**

# We Heard: From Survey Results to Budget Actions



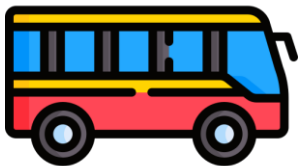
Clean



Safety



Expanding  
Rail



More Bus



Restoring  
bus service



Reliable

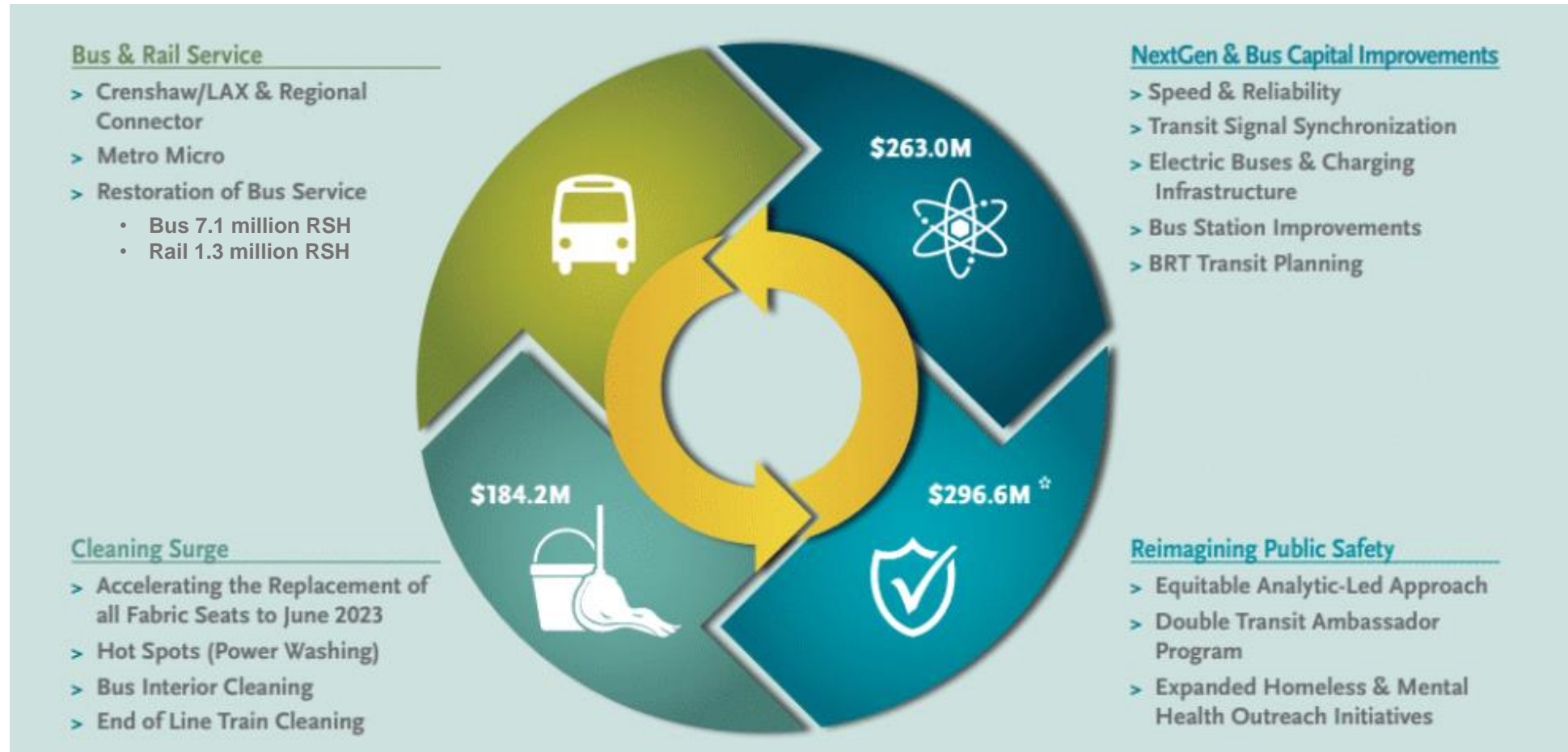


Frequent  
Service





# Customer Experience (CX)



\*Some initiatives are included in multiple department budgets and may not be reflected in the estimated amounts, as they are being done within existing resources.

	Reimagining Public Safety (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	<b>Resource Deployment</b>				
2	Transit Ambassadors	\$ 20.0	\$ 40.0	\$ 20.0	100.0%
3	Homeless/Mental Health Outreach	10.7	15.3	4.6	43.2%
4	Metro Transit Security	27.6	30.9	3.3	12.1%
5	Private Security	23.7	24.5	0.8	3.3%
6	Law Enforcement	165.0	170.0	5.0	3.0%
7	<b>Resource Deployment Subtotal</b>	<b>\$ 247.0</b>	<b>\$ 280.7</b>	<b>\$ 33.7</b>	<b>5.4%</b>
8	Accountability & Transparency	\$ -	\$ 0.1	\$ 0.1	100.0%
9	Communications & Public Education	0.2	0.4	0.2	146.7%
10	Security Design	13.4	10.4	(3.0)	(22.5)%
11	Tools & Technology	0.3	4.1	3.8	1532.4%
12	Training & Procedures	3.0	1.0	(2.0)	(66.7)%
13	<b>Reimagining Public Safety Total</b>	<b>\$ 263.7</b>	<b>\$ 296.6</b>	<b>\$ 32.9</b>	<b>12.5%</b>

Note: Totals may not add up because of rounding.

- All initiatives from Reimagining Public Safety are prioritized in FY23 Budget
- Equitable analytics-led approach to enhancing public safety
- Transit ambassador program doubling
- Homeless/mental health outreach growing by 43.2%
- Adding unarmed security officers to the system



\* Includes \$1 million for Room 2 Work



# REIMAGINING PUBLIC SAFETY

# NEXTGEN AND BUS CAPITAL IMPROVEMENTS

	Bus Capital Improvement (\$ in thousands)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	NextGen	\$ 8,333.9	\$ 27,427.6	\$ 19,093.7	229.1%
2	Bus Acquisition	93,090.1	82,122.9	(10,967.2)	-11.8%
3	Bus Facilities Improvements	16,665.1	18,081.6	1,416.4	8.5%
4	Bus Maintenance	46,898.1	41,495.3	(5,402.8)	-11.5%
5	Regional & Hubs	250.0	600.0	350.0	140.0%
6	Technology	35.6	2,641.6	2,606.0	7316.3%
7	Transit Improvements/Modernization (TIM)	6,975.9	15,938.3	8,962.3	128.5%
8	Transit Construction	18,692.6	57,449.4	38,756.8	207.3%
9	Transit Planning	9,847.9	17,219.3	7,371.4	74.9%
10	<b>Bus Capital Improvement Total</b>	<b>\$ 200,789.2</b>	<b>\$ 262,975.9</b>	<b>\$ 62,186.6</b>	<b>31.0%</b>

Note: Totals may not add up because of rounding.

**31% more investments year over year**

- Speed & Reliability is a priority
- NextGen Updated Plan: identified several key opportunities
  - Revised program: current estimates under \$350M
  - Additional information will be provided to Operations, Safety, and Customer Experience Committee in Fall 2022
- NextGen investments of \$27.4 million, 229.1% increase over FY22
- See Appendix V of Proposed Book - Detailed list of NextGen and Bus Capital Improvement projects



# Measure R and Measure M Transit Construction and Planning Projects

Transit Expansion Program (\$ in millions)

	Project	MR/MM Start Date	Forecasted Exp thru FY22	FY23 Proposed	LOP Budget
1	<b>MR/MM Transit Construction</b>				
2	E Line (Expo) Light Rail Transit	2007	\$ 2,295.6	\$ 3.7	\$ 2,301.1
3	K Line (Crenshaw/LAX) Light Rail Transit	2015	2,385.6	55.7	2,392.5
4	Regional Connector	2016	1,768.7	98.4	1,817.5
5	D (Purple) Line Extension	2017	5,998.3	1,125.8	9,680.8
6	Airport Metro Connector	2018	309.2	242.8	898.6
7	L (Gold) Line Foothill Extension 2A & 2B	2019	1,562.5	283.0	2,330.5
8	G (Orange) Line BRT	2019	42.7	57.4	-
9	East San Fernando Valley	2021	328.2	248.2	-
11	<b>MR/MM Transit Construction Sum</b>		<b>\$ 14,690.9</b>	<b>\$ 2,115.1</b>	<b>\$ 19,421.0</b>
12	<b>MR/MM Transit Planning</b>				
13	Eastside Access	2008	31.5	8.8	
14	North San Fernando Valley BRT	2019	8.1	5.5	
15	BRT Connector G/B Line to L Line	2020	13.2	7.2	
16	West Santa Ana Branch Corridor	2022	81.7	29.1	
17	Sepulveda Corridor	2024	82.9	81.5	
18	Vermont Transit Corridor	2024	6.3	2.7	
19	C (Green) Line South Bay	2026	36.6	11.6	
20	Eastside Extension*	2029	92.9	13.9	
21	SGV Feasibility Study		1.6	1.9	
22	Crenshaw Northern **	2041	19.2	6.8	
23	<b>MR/MM Transit Planning Sum</b>		<b>\$ 374.0</b>	<b>\$ 169.0</b>	
24	Business Solutions Center		8.7	2.5	
25	<b>Total MR/MM Transit Expansion</b>		<b>\$ 15,073.6</b>	<b>\$ 2,286.6</b>	

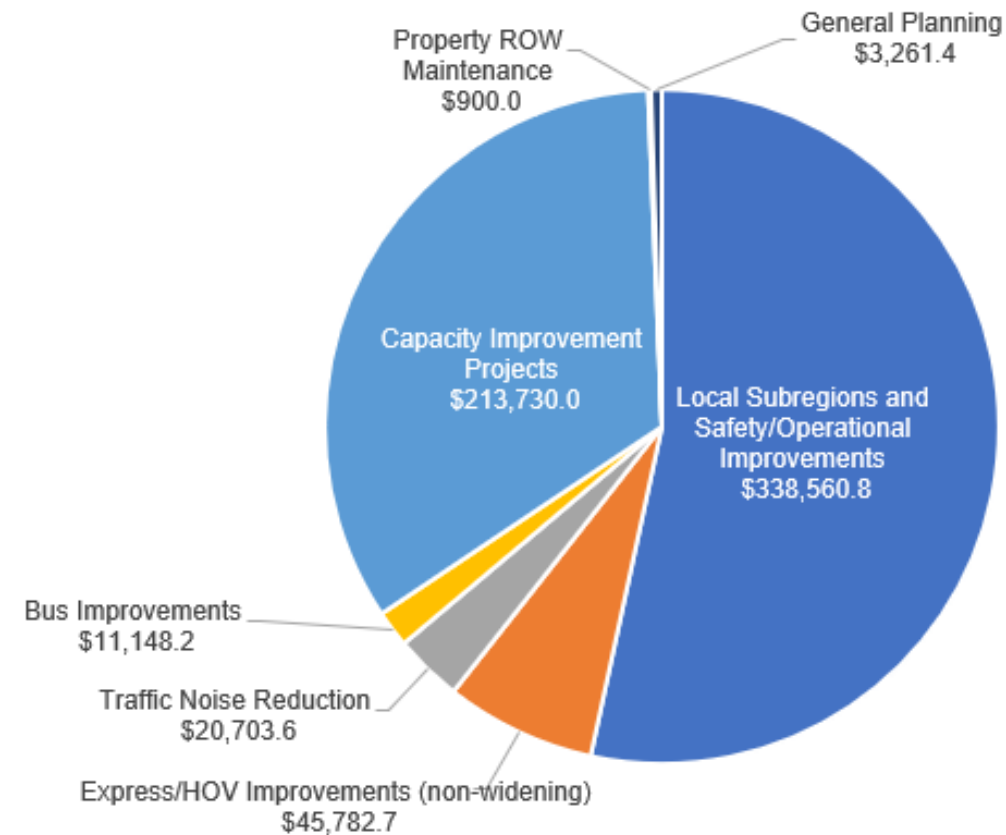
\* Forecasted Expenditures thru FY22 includes \$33.3M of Board authorized vehicle purchase.

\*\* Crenshaw Northern increases from \$6.8 million to \$10.0 million due to technical correction

- Projects listed according to Measure R and Measure M Start Date
- Continue all major construction projects with executed contracts
- Substantial completion of construction Crenshaw & Regional Connector
- Maintaining Measure M schedules for planning projects currently funded in LRTP or grant funded
- Crenshaw Northern increases from \$6.8 million to \$10.0 million due to technical correction



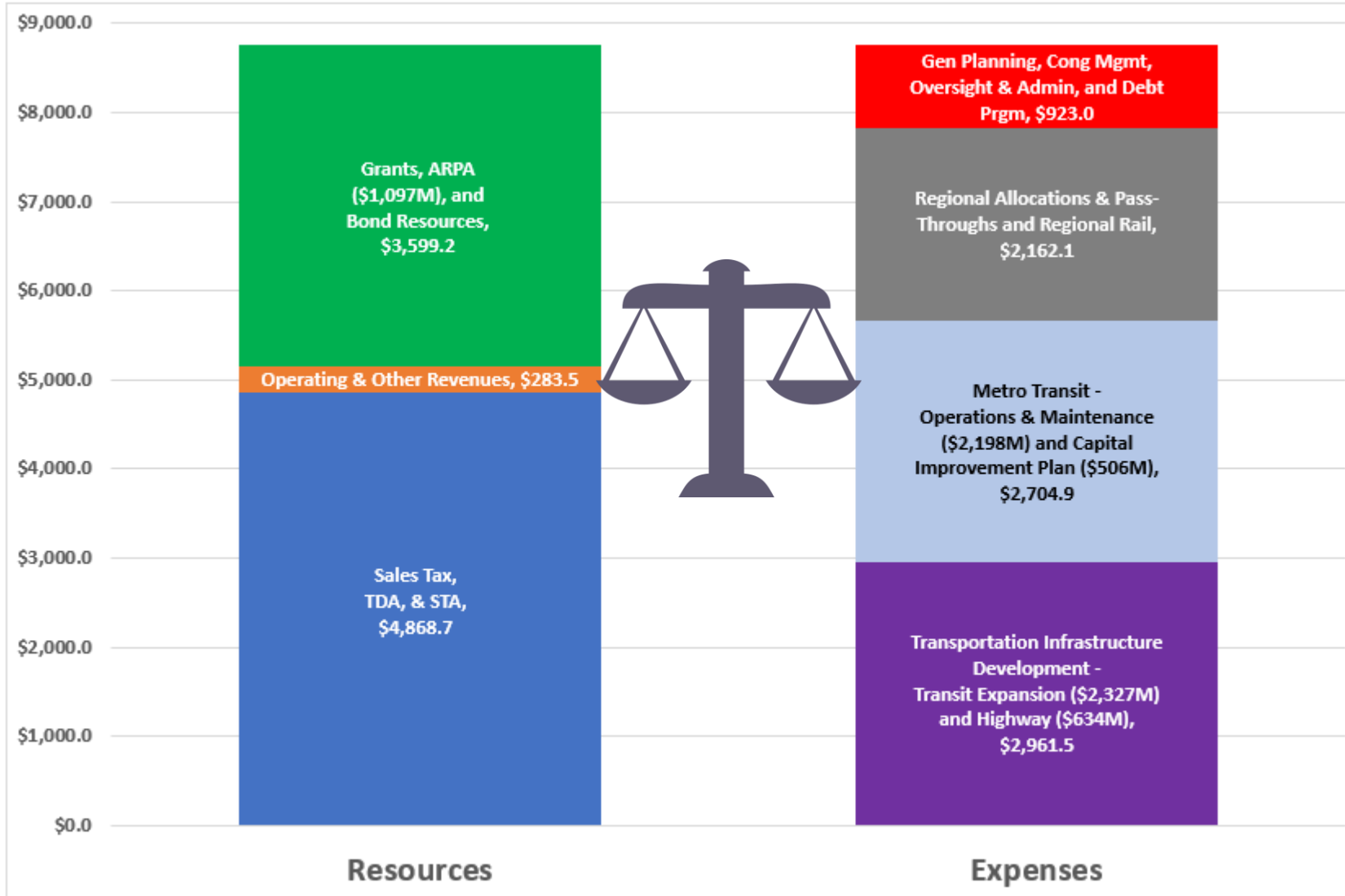
# Highway Modernization Projects By Category



- Vast majority (98.2%) of the projects are Measure R and Measure M Ordinance totaling Highway Program budget of \$634.1 million
- Metro's Highway Modernization Projects provide local and safety improvements such as:
  - Local Subregions includes street improvements, on-off ramp improvements, signal synchronization, bikeway/pedestrian safety and sidewalk improvements
  - Express Lanes or HOV Improvements can convert existing lanes without any widening
  - Traffic Noise Reduction with the Soundwall Program benefiting homes/businesses along freeway corridors alleviating traffic noise
  - Bus Improvements include NextGen Bus lanes support
  - Capacity Improvement Projects can include a variety of purposes such as:
    - Soundwall program, extension of truck lanes, HOV lanes, bridge repair and replacement, and Intelligent Transportation System (ITS)

# FY23 Proposed Budget – \$8.8B

(\$ in millions)



- Metro's \$8.8 billion Fiscal Year 2023 (FY23) Proposed Budget is balanced
- FY23 Proposed Budget includes many new and innovative projects that will have meaningful impacts on Los Angeles County's 10 million residents.
- Transit industry nationwide, including Metro, faces financial challenges within the next few years when federal funding is exhausted
- Metro EZBB is initial step in strengthening cost controls and identifying other mitigation strategies

# MAY BOARD REPORT FY23 BUDGET ADOPTION

- A. ADOPTING the proposed FY23 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net](https://metro.net));
  - 1. AUTHORIZING \$8.8 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
  - 2. AUTHORIZING a total of 10,596 FTEs with 8,778 Represented FTEs and 1,818 Non-Represented FTEs; and
  - 3. AUTHORIZING an average 3.5% performance-based merit increase for Non-Represented employees. The wage increases for Represented employees, in accordance with the pre-negotiated Collective Bargaining Agreements, is an average 3.5% (except for SMART); and
  - 4. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment A; and
  - 5. AMENDING the proposed budget to include any Board approved actions currently under consideration, from now to the end of fiscal year (June 30, 2022); and
  - 6. AMENDING the proposed budget by \$3.2 million, taking it from \$6.8 million to \$10.0 million for Crenshaw Northern for a technical correction; and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY23 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- C. APPROVING the addition of one new Non-Represented pay grade to alleviate the pay progression and maintain a consistent pay range from mid-point to mid-point as shown in Attachment E; and
- D. APPROVING pay grade upgrade for the Board Clerk job classification