



Board Report

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Agenda Number: 8.

FINANCE, BUDGET, AND AUDIT COMMITTEE APRIL 17, 2024

SUBJECT: FISCAL YEAR 2025 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE on Fiscal Year 2025 Budget Development Status Update.

ISSUE

This report continues a series of monthly updates on the FY25 Budget development process, culminating in a planned May 2024 Board Adoption. The report focuses on the key areas of Metro's Transit Operations and Maintenance (O&M) Program and Transit Capital Improvement Projects (CIP) to maintain transit infrastructure in a state of good repair. These two programs combined make up 36% of Metro's total budget.

Additionally, an overview of Congestion Management, General Planning and Programs, and Oversight and Administration, which make up about 5% of Metro's total budget are included to complete the program budget discussions for the FY25 Budget development process. A recap of the Special Board Budget Workshop and the latest update regarding Metro's comprehensive budget outreach efforts are also included in this report.

BACKGROUND

This preliminary budget serves as the annual cash flow of expenditures and revenues required to advance Transit Operations plans, fulfill Operations and Maintenance needs, repair and upgrade Transit Infrastructure, and enhance the customer experience. While the Operations and Maintenance and Capital Improvement Project budgets reflect this annual cash flow, Capital Improvement Projects (CIP) are controlled at a Life of Project (LOP) budget level.

DISCUSSION

Metro Transit Operation and Maintenance Program Overview

To attract and retain riders, Metro’s Transit O&M program aims to provide best in class transit service by continuing NextGen service improvements, enhancing customer experience, reimagining public safety, and making transit accessible and affordable. To achieve these goals, the FY25 Preliminary O&M Budget is \$2.65 billion, an increase of 11.4% or \$272.4 million over the FY24 Budget, as shown in Figure 1 below. It includes funding to support the delivery of 8.8 million Revenue Service Hours (RSH) to operate Bus and Rail services, as well as the Metro Micro pilot program.

Figure 1:

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

Service Plan Assumptions

The Board-approved service plan is the foundation for estimating all costs required to operate the system for the coming fiscal year. The bus service plan has undergone a transformation through NextGen to create an all day, fast, frequent, and reliable bus network. In FY25, Metro plans to operate 7.16 million RSH, reflecting a 3.6% increase over the FY24 estimated actuals. Efforts will continue the expansion of more than 50 miles of new bus lanes and implementing speed and reliability improvements that reduce travel time for riders.

The FY25 rail service plan encompasses 1.40 million rail RSH for four light rail lines (A, C, E, K), and two heavy rail lines (B, D). The plan improves service frequency, particularly during off-peak hours, to adapt to current ridership patterns. The proposed rail service plan will see an increase of 198 thousand RSH or 16.4% compared to FY24 estimated actuals.

The rail service plan includes the highly anticipated addition of the LAX/Metro Transit Center (AMC) and the Aviation/Century stations along the K-Line in FY25. This will allow the K-Line extension to connect with the C Line. In addition, Around 81 thousand pre-revenue service hours for testing are also planned for the Purple Line Extension Phase 1 (PLE1) and A-Line (Foothill) Pomona extension. Specific resource requirements to operate both the new K-Line AMC station and Emergency Operations Center, as well as pre-revenue for both the PLE1 and Foothill Pomona Extension, will be brought to the Board for separate approval and a budget amendment.

Metro Micro

Metro Micro’s preliminary budget increases by 4.4% or \$41.9 million and includes staffing and contracted expenses to operate 271.4 thousand RSH. See Attachment A for additional Bus, Rail, and Metro Micro budget details.

Increased Budget Resource Allocation for Enhanced Customer Experience

Station Experience

The pilot station intervention strategies at Westlake/MacArthur Park Station were extremely effective, resulting in a reduction in crime and loitering at the station. The CEO established a “Station Experience” unit to expand these strategies and elevate public safety, cleanliness, operations, and customer experience throughout all Metro stations and transit centers. Stations are being evaluated to determine the types of strategies to be implemented.

The FY25 Preliminary Budget expands the station experience activities to include more stations for a total budget of \$9.9 million. 10 new FTE’s will be added and \$7.5 million is allocated in the CIP program to address these efforts, as shown in Figure 2 below.

Cleaning

The FY25 Preliminary Budget includes \$255.4 million for comprehensive cleaning activities, reflecting a 14.4% increase or \$32.2 million over FY24. This includes the addition of 165 new staff to be deployed directly to clean and upkeep bus and rail vehicles, stations, stops and facilities. The Room-to-Work program, established to provide career opportunities to unhoused riders, will continue to provide part-time custodial cleaning positions at rail stations. Figure 2 summarizes the increases in FTE and budget request from FY24 to FY25.

Figure 2:

(\$ in Millions) Area	FY24	FY25	%		FY24	FY25	%	
	FTE	FTE	Change	Change	Budget	Preliminary	Change	Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%
Facilities	108	108	0	0.0%	30.5	29.9	(0.5)	-1.7%
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%
Stops	23	23	0	0.0%	4.3	4.3	0.03	0.8%
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%
Cleaning & Station Experience Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%

Note: Totals may not add up due to rounding

See Attachment B for more details on cleaning and station experience efforts.

Public Safety

One of the top priorities for Metro and our riders is safety. Metro’s Reimagining Public Safety Framework outlines a multi-layered approach to enhance public safety on the system. This multi-layered approach includes private and Metro transit security officers (TSO). Fifty-three additional Metro TSOs are included in FY25 Preliminary Budget to ensure weekend and late-night coverage on

Metro systems. The other requests allow more dedicated bus-riding teams, transit ambassadors, and Community Intervention Specialists (CIS). As a cornerstone of the interconnected multi-layered public safety strategies, the Homeless and Mental Health Outreach budget request ensures that appropriate personnel are deployed to address specific safety and law enforcement issues. The FY25 Preliminary Budget for Public Safety includes \$354.1 million, a 9.9% increase from the FY24 Budget, shown in Figure 3 below.

Figure 3:

	Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1	Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2	Homeless/Mental Health Outreach	25.2	25.2	(0.1)	-0.2%
3	Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4	Private Security	43.5	43.6	0.1	0.3%
5	Law Enforcement	175.8	194.1	18.3	9.4%
6	Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

Metro Transit Capital Improvement Program (CIP) Budget

The CIP program goal is to methodically renew and improve Metro Transit Systems while maximizing scarce bus and rail capital resources. The CIP budget focuses on maintaining, upgrading, and modernizing assets and infrastructure to provide high quality and reliable transit services. Capital asset improvements within this budget include the implementation of new technologies, rolling stock purchases, rolling stock modernization, station improvements, and other components.

The FY25 CIP program preliminary budget requests \$530.6 million to maintain Metro's bus, rail, regional, and critical information systems needed to manage and monitor system-wide performance. The budget reflects the necessary cash flow to complete FY25 milestones and deliverables. A profile of the CIP program is shown in figure 4 below.

Figure 4:

Capital Category (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 70.1	\$ 48.3	\$ (21.8)	-31.1%	9.1%
2 Fleet Maintenance	44.1	48.6	4.5	10.1%	9.2%
3 Facilities Improvements	21.0	44.8	23.8	113.0%	8.4%
4 Bus Subtotal	\$ 135.2	\$ 141.7	\$ 6.4	4.8%	26.7%
5 Fleet Procurement	\$ 32.8	\$ 59.8	\$ 27.1	82.5%	11.3%
6 Fleet Maintenance	136.2	94.0	(42.2)	-31.0%	17.7%
7 Facilities Improvements	8.7	8.8	0.0	0.5%	1.7%
8 Wayside Systems	52.3	63.2	10.9	20.8%	11.9%
9 Rail Subtotal	\$ 230.0	\$ 225.7	\$ (4.2)	-1.8%	42.5%
10 Regional and Hubs	\$ 34.0	\$ 42.3	\$ 8.3	24.3%	8.0%
11 Technology	66.0	72.1	6.1	9.2%	13.6%
12 Non MR/MM Major Construction	61.5	39.9	(21.6)	-35.1%	7.5%
13 Non-Revenue Vehicles	12.7	9.0	(3.7)	-29.3%	1.7%
14 Other Asset Improvements Subtotal	\$ 174.2	\$ 163.2	\$ (10.9)	-6.3%	30.8%
15 Total Proposed CIP Budget	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%

Note: Totals may not add up due to rounding.

Metro will continue working toward achieving a zero-emission bus (ZEB) fleet in the coming years. This effort will require a \$3.5 billion to \$4.0 billion investment in buses and charging infrastructure. Although there is a decrease in bus acquisition expenditures this year, new zero emission bus acquisitions are in the pipeline and will increase as available technology and manufacturing capacity permit. A majority of the Bus Fleet Procurement, line 1 in figure 4, and Facilities Improvements, line 3 in figure 4, are dedicated to ZEB. See Attachment C for additional CIP budget details.

Total Bus Investment

Metro prioritizes bus investment beyond Transit O&M program and service level. A comprehensive Total Bus Investment includes not only the cost of the operations, maintenance, but also NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY25 Preliminary Budget requests \$2.2 billion in total bus investments as shown in Figure 5.

Figure 5:

Bus Investments (\$ in Millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus Operations & Maintenance	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	78.6%
2 Bus NextGen	49.6	44.6	(5.0)	-10.1%	2.0%
3 Bus Capital Improvements	140.4	159.6	19.2	13.7%	7.1%
4 Bus Transit Construction & Planning	151.6	246.8	95.2	62.8%	11.1%
5 LIFE Program/Bus	25.4	27.1	1.7	6.7%	1.2%
6 Total of Bus Investments	\$ 1,900.0	\$ 2,232.8	\$ 332.9	17.5%	100.0%

Note: Totals may not add up because of rounding.

See Attachment D for additional Bus Investment details.

General Planning & Programming, Congestion Management, and Oversight and Administration

Figure 6:

Expenditures by Program Type (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	General Planning & Programs	237.4	228.8	(8.6)	-3.6%	2.7%
2	Congestion Management	130.7	124.4	(6.3)	-4.8%	1.5%
3	Oversight & Administration	84.3	90.2	5.9	7.0%	1.1%
4	Total	\$ 452.4	\$ 443.5	\$ (9.0)	-2.0%	5.2%

General Planning & Programming

The FY25 Preliminary Budget for General Planning & Programming (GPP) totals \$228.8 million, a decrease of 3.6% or \$8.6 million from FY24. This program encompasses a wide range of activities supporting the agency’s goal of delivering improved mobility and sustainability. Changes in the GPP budget reflect right-sizing resource requests based on the current burn rate and project status. These activities include long-range and systemwide financial planning, grants management, new and enhanced transit infrastructure planning, Metro’s bike program, unsolicited proposals/public private partnerships (P3), sustainability, joint development efforts and Union Station upgrades.

Congestion Management

The FY25 Preliminary Budget for Congestion Management totals \$124.4 million, a decrease of 4.8% or \$6.3 million from FY24. The program consists of four major groups: ExpressLanes, Freeway Service Patrol (FSP), Motorist Services, and Rideshare Services. The expenditure decrease in FY25 is mainly due to the completion of the Transponder Replacement Project in FY24.

Oversight and Administration

The FY25 Preliminary Budget for Oversight and Administration totals \$90.2 million, a 7.0% increase or \$5.9 million increase from FY24. This program enhances customer experience through public safety, such as the mystery rider program to support fair and equitable fare compliance, ADA accessibility, and riders with limited English proficiency. Metro is also creating a digital roadmap to enhance the customer experience with new technology platforms.

Special Board Budget Workshop

On Friday, March 29, 2024, a Special Board Budget Workshop was held at Los Angeles County Arboretum in the Ayres Hall. The workshop provided the Board with in-depth information leading to the forecasted financial outlook. The workshop afforded the Board an opportunity to take a holistic and comprehensive approach to review the economic context in Los Angeles County and its impact on Metro’s operating program delivery resulting in a projected near-term operational deficit.

Setting the tone with the recent Los Angeles County travel trends, economic challenges, and Metro’s path to restore, expand, and enhance transit services, the workshop linked specific causes of cost increases and revenue-generating opportunities to four policy focus areas that impact the operating financial outlook:

1. Environmental Sustainability
2. Universal Basic Mobility
3. Putting People First
4. Revenue Stream and Strategies

Each focus area provided the Board with nationwide statistics and actual financial data for a broader spectrum of Board member discussions facilitated by McKinsey Consulting. The Board was able to identify other areas for Metro staff to explore and request additional information to help prioritize policy decisions.

Early & Expanded Public Engagement Update

Metro is committed to reflecting the perspectives of its diverse community in the annual budget. Public engagement began proactively in the Fall of 2023 and consistently throughout the process. Metro believes that the most powerful tool is the voice of its riders, stakeholders, and the public. The FY25 My Metro Budget activity has received over 4,250 responses, tripling last year's input.

Two CEO Telephone Town Hall (TTH) events are scheduled this budget season. The first TTH was held in October 2023, and attendees had the opportunity to share their concerns and suggestions, which were documented and considered during the FY25 Budget development. The next TTH is scheduled for April 16, 2024. Senior Metro Leadership will share updates on FY25 initiatives and address key public concerns.

In April and May, Metro staff will continue engaging stakeholders through extended outreach meetings to gather additional feedback and insight. See further details on the Outreach and Engagement efforts in Attachment E.

DETERMINATION OF SAFETY IMPACT

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

EQUITY PLATFORM

Metro's Transit Program focuses on Bus and Rail service, customer experience initiatives, and public safety enhancements. Customer engagement efforts to develop the budget were inclusive, with marketing to reach residents in Equity Focus Communities (EFCs) and other diverse riders. This portion of the budget considers the comments received from riders about safety, cleanliness, frequency, and reliability. The proposed FY25 service plan and budget emphasizes putting people first- riders, stakeholders, and employees while providing equitable, sustainable, economically productive, safe, and accessible service.

This budget works to expand and enhance the system by implementing service that meets customer demand. It also funds ADA accessible and expansive services, like Metro Micro to better serve all communities' unique transit needs. Additionally, the budget considers Metro's Reimagining Public Safety campaign for homeless and mental health outreach, as well as safety and security with the expansion of Transit Ambassadors and Metro Transit Security.

Metro engaged riders, stakeholders, and the broader public early in the budget process, starting with public meetings, Telephone Town Halls, and the My Metro Budget engagement tool. The Telephone Town Hall meetings dialed out to 100% of EFCs. The My Metro Budget tool is available in Spanish and English to engage and educate the public. These tools are available at all times. An additional

Telephone Town Hall meeting will be held on April 16th, and the results will be analyzed by staff to develop strategies for continued improvement of Metro Transit programs and initiatives.

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.

NEXT STEPS

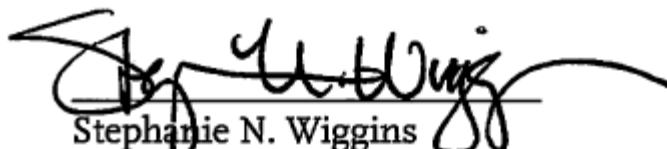
Staff continues to review and refine the FY25 Preliminary Budget as it advances through the process, being mindful of the promise embodied in the Service Plan and Capital Improvement Plan, as well as planned Agency-wide initiatives. The FY25 Proposed Budget will be published on April 30, 2024. A public hearing will be held on May 15, 2024, for the Board's consideration to adopt the Proposed FY25 Budget on May 23, 2024.

ATTACHMENTS

- Attachment A - Metro Transit O&M - (Budget and Service Plan)
- Attachment B - Station Experience and Cleaning Initiatives
- Attachment C - Metro Transit Capital Improvement Projects Details
- Attachment D - Total Bus Investments
- Attachment E - Early, Improved & Expanded Public Engagement Update

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Attachment A: Metro Transit O&M - (Budget and Service Plan)

Metro Transit: Operations & Maintenance Program Budget

The FY25 Preliminary Budget for Metro Transit program for bus, rail and Metro Micro is \$2.65 billion, an increase of 11.4% or \$272.4 million over FY24 Budget. The budget includes funds to support delivery of 8.8 million RSH to operate these services.

Operations & Maintenance (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2	Rail	806.2	855.0	48.8	6.1%	32.2%
3	Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4	Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5	Cost per RSH					
6	Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7	Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8	Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

Metro Transit Bus Budget

Bus Operations & Maintenance (\$ in Millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Labor	\$ 973.0	\$ 1,062.1	\$ 89.0	9.1%	60.5%
2	Workers Compensation	76.9	85.2	8.4	10.9%	4.9%
3	Parts & Supplies	78.5	95.9	17.4	22.1%	5.5%
4	Fuel/CNG	44.4	49.6	5.2	11.8%	2.8%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	66.0	78.0	12.0	18.2%	4.4%
7	Homeless Outreach	7.8	7.8	(0.0)	-0.2%	0.4%
8	Transit Ambassadors	4.0	4.0	-	0.0%	0.2%
9	Other Contract/Pro Svcs	113.3	137.3	24.0	21.2%	7.8%
10	Contract / Professional Services Total	191.1	227.2	36.0	18.8%	12.9%
11	Purchased Transportation	72.0	74.2	2.3	3.2%	4.2%
12	Insurance	23.5	25.2	1.8	7.5%	1.4%
13	Taxes	6.2	7.4	1.2	20.0%	0.4%
14	Other Operating Expenses	38.7	44.3	5.7	14.7%	2.5%
15	Bus Total	\$ 1,504.2	\$ 1,671.2	\$ 166.9	11.1%	95.2%
16	FTA Cost Allocations	28.8	83.6	54.8	190.4%	4.8%
17	Grand Total	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	100.0%
18	Bus Cost per RSH	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes increased Operator staffing to run the service and additional staffing to support cleaning and other initiatives. This results in a total labor expenditure increase of 9.1%, or \$89.0 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Fuel Expenditures

The preliminary budget includes an additional \$8.4 million for Workers Compensation insurance, a 10.9% increase over FY24 Budget. There is a 22.1% increase in Parts and Supplies and an 11.8% surge in CNG fuel expenditures, attributed primarily to increases in preventive maintenance schedules and rising costs in the CNG fuel market due to inventory availability, transportation costs, and heightened service demands.

Contracts/Professional Service Expenditures

The preliminary budget designates \$227.2 million for Service Contracts to facilitate the delivery of 7.16 million RSH, alongside increased funding for security contracts amounting to \$78 million, the Transit Ambassador program, and Homeless Outreach efforts. This represents a notable increase of \$36 million or 18.8% over the FY24 Budget. Expenditures also include maintenance increases for bus divisions and facilities \$15.2 million, and cleaning \$112 million.

Other Operating Expenses includes utilities, \$18.7 million, Building & Grounds, \$6.6 million and Subsidies, \$5.8 million.

Metro Transit Rail Budget

In FY25, the Metro Rail program will undergo notable improvements in service frequency:

Light Rail:

- A Line (Long Beach – Azusa) & E Line (Santa Monica – East LA):
 - Full year of the improved frequencies (8-min peak /10-minute off peak / weekends) implemented in December 2023
- C Line (Norwalk – Redondo Beach) and K Line (Expo/Crenshaw – Westchester/Veterans):
 - Continue 10-minute daytime all week frequency implemented in December 2023 until end of 2024.
 - At the end of 2024, launch new operating plan C Line (Norwalk – LAX), K Line (Expo/Crenshaw – Redondo Beach) with improved weekday peak frequency of 8 minute.

Heavy Rail:

- B, D Lines (Union Station – North Hollywood & Wilshire/Western):
 - Implement 10-minute daytime all week frequency (increased from current 12- minute service implemented September 2023) as soon as new rail car fleet becomes available, expected end of 2024.

Additionally, there will be an increase in non-labor Expenditures for the two new stations along the K-Line: the new LAX/Metro Transit Center (AMC) and Aviation/Century Stations. Extra staff will be allocated to enhance cleanliness and safety measures as part of our Customer Experience initiatives. To fund these improvements, the estimated budget is \$855 million, representing a 6.1%, or \$48.8 million, increase over the FY24 Budget.

Rail Operations & Maintenance		FY24	FY25	\$	%	% of
(\$ in Millions)		Budget	Preliminary	Change	Change	Total
1	Labor	\$ 388.1	\$ 416.0	\$ 27.9	7.2%	48.7%
2	Workers Compensation	17.8	18.7	0.8	4.6%	2.2%
3	Parts & Supplies	30.7	22.6	(8.2)	-26.6%	2.6%
4	Propulsion Power	47.2	45.9	(1.3)	-2.9%	5.4%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	156.9	162.4	5.5	3.5%	19.0%
7	Homeless Outreach	17.4	17.4	(0.0)	-0.2%	2.0%
8	Transit Ambassadors	16.0	16.0	-	0.0%	1.9%
9	Other Contract/Pro Svcs	49.1	56.3	7.2	14.7%	6.6%
10	Contract / Professional Services Total	239.4	252.1	12.6	5.3%	29.5%
11	Insurance	10.8	12.8	2.0	18.8%	1.5%
12	Taxes	1.8	1.9	0.1	5.2%	0.2%
13	Other Operating Expenses	38.5	33.8	(4.7)	-12.2%	3.9%
14	Rail Total	\$ 774.4	\$ 803.7	\$ 29.3	3.8%	94.0%
15	FTA Cost Allocations	31.9	51.4	19.5	61.2%	6.0%
16	Grand Total	\$ 806.2	\$ 855.0	\$ 48.8	6.1%	100.0%
17	Rail Cost per RSH	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes additional custodial staffing deployment to extend the current car cleaning regiment. The Room-to-Work program will continue into FY25, providing part-time custodial cleaning positions to unhoused individuals to clean facilities and vehicles. Additional TSOs are included to enhance customer safety and security. Funds are also allocated to support additional staffing for preventive maintenance work efforts. The labor cost increase to support these services amounts to 7.2%, or \$27.9 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Propulsion Power Expenditures

To maintain the new and existing fleets in optimal working condition, funds are allocated in Parts and Supplies for cleaning, corrective, and preventive maintenance. This budget amounts to \$22.6 million, reflecting a decrease of 26.6%, or \$8.2 million, from the FY24 Budget. This is attributed to cost-saving measures. Propulsion power expenditures are also decreasing by \$1.3 million based on current burn rates. The preliminary budget

also includes an additional \$0.8 million for Workers Compensation insurance, a 4.6% increase over FY24 Budget.

Contracts/Professional Service Expenditures

The preliminary budget for Service Contracts is set at \$252.1 million, encompassing enhanced cleaning and safety improvements for heightened security measures, the Transit Ambassador program, and homeless outreach initiatives.

Other operating costs, totaling \$33.8 million, represent a \$4.7 million, or 12.2% decrease from the FY24 Budget. These costs include utilities \$13.6 million, as well as lease and rental expenditures \$7.8 million.

Metro Micro

Metro Micro is a multi-year pilot program crafted to boost ridership by providing a ride-hail option for customers when navigating lower density areas of the region, as envisioned by NextGen. Although the pilot program is extended until September 2024, the preliminary budget allocates \$41.9 million to facilitate a full-year extension of the pilot, supporting the delivery of 271.4 thousand RSH.

Metro Micro (\$ in Millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Labor	\$ 20.2	\$ 21.3	\$ 1.2	5.7%	51.0%
2 Contract / Professional Services	15.1	15.2	0.1	0.9%	36.3%
3 Other Operating Expenses	4.8	5.3	0.5	10.1%	12.7%
4 Metro Micro Total	\$ 40.1	\$ 41.9	\$ 1.8	4.4%	100.0%
5 Metro Micro \$/RSH	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up due to rounding.

Service Levels (Service Hours)

Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
1	Bus			
2	Local & Rapid	6,220,331	6,450,805	230,474
3	J Line (Silver)	122,429	126,200	3,771
4	G Line (Orange)	93,299	99,631	6,332
5	Purchased Transportation	471,431	481,076	9,645
6	Subtotal Bus	6,907,489	7,157,711	250,222
7	Rail			
8	A Line (Blue)	475,104	498,386	23,282
9	K Line (Crenshaw/LAX) / C Line (Green)	166,029	233,502	67,473
10	E Line (Expo)	289,788	294,848	5,060
11	B Line (Red) / D Line (Purple)	274,090	376,288	102,198
12	Subtotal Rail	1,205,011	1,403,023	198,012
13	Metro Micro	272,239	271,440	(799)
14	Total Revenue Service Hours	8,384,739	8,832,174	447,435

Pre - Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
15	K Line (Crenshaw/LAX)	1,925	8,629	6,704
16	Purple Line Extension (Phase 1)	7,665	32,019	24,354
17	A Line to Pomona Extension	-	49,252	49,252
18	Total Pre-Revenue Service Hours	9,590	89,900	80,310
19	Total Service Hours	8,394,329	8,922,074	527,745

Attachment B: Station Experience and Cleaning Initiatives

The FY25 Preliminary Budget includes \$255.4 million for comprehensive cleaning and Station Experience initiatives, reflecting a 14.4% increase or \$32.2 million over FY24.

(\$ in Millions) Area	FY24 FTE	FY25 FTE	Change	% Change	FY24 Budget	FY25 Preliminary	Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%
Facilities	108	108	0	0.0%	30.5	29.9	(0.5)	-1.7%
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%
Stops	23	23	0	0.0%	4.3	4.3	0.03	0.8%
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%
Cleaning & Station Experience Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%

Note: Totals may not add up due to rounding.

Bus Cleaning

The FY25 Proposed Budget outlines a comprehensive plan for daily bus cleaning across four terminals, operating seven days a week. The terminals slated for cleaning include Terminal 17 (Maple Lot), Terminal 19 (El Monte), Terminal 26 (Washington/Fairfax), and Terminal 28 (18th St).

End of Line Rail Car Cleaning

The current coverage, a single shift over 5 days, will be expanded to include 7-day coverage at 9 terminuses. This expansion ensures thorough cleaning of rail cars during revenue service and at rail yards. Advanced deep-cleaning protocols will be used to elevate cleaning standards.

Transit Centers and Rail Station Cleaning

This expansion is aimed at optimizing maintenance campaigns and promptly addressing issues. An initiative seeking to enrich the overall customer experience by fostering a pleasant and secure environment for passengers while ensuring streamlined operations, Metro will also proceed with Phase 3 of the Hot Spot cleaning initiative, which involves deploying extra custodial staff alongside supervisors to 17 stations. The stations slated for this enhancement include Compton, Downtown Long Beach, Firestone, Slauson, Norwalk, Harbor Freeway, Sierra Madre Villa, Lake, Soto, Allen, Mariachi, Downtown Santa Monica, Harbor Gateway Transit Center (J/Silver Line), PCH (J/Silver Line), 37th St/USC (J/Silver Line), Terminal 19 (El Monte Transit Center), and Terminal 27 (LAX Transit Center).

Facilities Cleaning

One of the customers' first perceptions of the Metro system is the condition of its facilities. They must be kept clean and well maintained. Metro's facilities maintenance team and contractors perform a varied range of essential tasks, including graffiti control and abatement, pest, and bird control, weed control, power sweeping, and trash and vegetation removal. To ensure alignment with Agency goals and objectives, these

efforts are continually assessed to determine the benefits of performing them in-house (insource) or outsource to outside contractors. This decision is based on various qualitative and quantitative factors using decision support tools that ascertain the most efficient and optimal use of resources. It contributes adherence to expenditure affordability thresholds. A majority of these factors are listed in more detail below.

Qualitative Factors:	Quantitative Factors:
<ul style="list-style-type: none">• Alignment with Agency goals and objectives• Capacity and skill sets required to perform the service in-house• Frequency of service performed• Benefits of being able to control quality of work• Labor, supply chain, and other market/economic conditions• Equipment resource constraints• Contract termination considerations• Ability to create outsource to insource transition plans	<ul style="list-style-type: none">• Direct labor fixed and variable hourly rate and overhead rate impact• Management and supervisory expenditure assessment• Recruitment, and training costs for Metro staff• Capital outlays (e.g. equipment) necessary to support the activity• Contract termination/cancellation fees• Procurement expenditures for outsourced contract• DEOD compliance

Attachment C: Metro Transit Capital Improvement Projects Details

Metro Transit : Capital Improvement Program (CIP)

To provide world class bus and rail service is to keep assets and infrastructure in a state of good repair through CIP program. Projects within the CIP focus on keeping the system assets safe and reliable to ensure Board approved service levels are delivered. CIP program is designed to replace assets that have met or exceeded their useful life, or to propose additions for service expansion and enhancement.

Capital Category (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 70.1	\$ 48.3	\$ (21.8)	-31.1%	9.1%
2 Fleet Maintenance	44.1	48.6	4.5	10.1%	9.2%
3 Facilities Improvements	21.0	44.8	23.8	113.0%	8.4%
4 Bus Subtotal	\$ 135.2	\$ 141.7	\$ 6.4	4.8%	26.7%
5 Fleet Procurement	\$ 32.8	\$ 59.8	\$ 27.1	82.5%	11.3%
6 Fleet Maintenance	136.2	94.0	(42.2)	-31.0%	17.7%
7 Facilities Improvements	8.7	8.8	0.0	0.5%	1.7%
8 Wayside Systems	52.3	63.2	10.9	20.8%	11.9%
9 Rail Subtotal	\$ 230.0	\$ 225.7	\$ (4.2)	-1.8%	42.5%
10 Regional and Hubs	\$ 34.0	\$ 42.3	\$ 8.3	24.3%	8.0%
11 Technology	66.0	72.1	6.1	9.2%	13.6%
12 Non MR/MM Major Construction	61.5	39.9	(21.6)	-35.1%	7.5%
13 Non-Revenue Vehicles	12.7	9.0	(3.7)	-29.3%	1.7%
14 Other Asset Improvements Subtotal	\$ 174.2	\$ 163.2	\$ (10.9)	-6.3%	30.8%
15 Total Proposed CIP Budget	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%

Bus Program

Fleet Procurement, Fleet Maintenance, and Facilities Improvements make up \$141.7 million, 26.7% of the total CIP budget.

Bus – Fleet Procurement

Metro is continuing its pursuit of a truly sustainable bus fleet. The Board has adopted a goal of converting Metro's entire fleet of buses from Compressed Natural Gas (CNG) to Zero Emission electric Buses (ZEB). This is an ambitious goal considering Metro has the second largest bus fleet in the United States, and places high mileage and vehicle performance demand on its 2,300 buses.

Electric and ZEB technology is still in the development stage. Metro will partner with electric bus manufacturers to test, develop, and improve electric bus technology to the point of full technological maturity. The FY25 Budget represents a step towards realizing this goal. Approximately \$48.3 million, 9.1% of the CIP budget is allocated for these efforts. Although this is a decrease from the FY24 Budget, it reflects the availability of vehicles and the early stage of charging infrastructure development.

Metro anticipates completed deliveries of 100 forty-foot BEB buses and finalizing payment for prior procurements of 40' and 60' ZEB and CNG buses. Metro is investing approximately \$27.0 million into BEB charging infrastructure from the Fleet Procurement category and the Facilities Improvements category. Placement of new electric charging equipment and infrastructure will occur at stations on the J Line (Silver) alignment, as well as operating divisions.

Bus - Fleet Maintenance

Bus fleet maintenance projects represent \$48.6 million, 9.2% of the CIP budget. Bus maintenance projects include bus midlife refurbishment and integrated engine replacement. Midlife refurbishment ensures that our buses are operational for their designated useful life, which includes structural integrity checks and change-out of critical system components. The refurbishment program also consists of installation of live view security monitors, fare box upgrades, and upgraded ADA wheelchair securement equipment. All buses scheduled for midlife refurbishment are based on bus age, revenue service miles, and reliability measurements of each bus series.

Bus - Facilities Improvements

Bus facilities improvements make up \$44.8 million, 8.4% of the CIP budget. These projects include electric charging infrastructure, development of master plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade and maintain facilities. Upgrades include regulatory compliance mandates, such as replacement of underground fuel storage tanks, roofs, building ventilation, upgrade of fire alarm systems, and bus division pavement replacement. This is an increase of \$23.8 million from last year, almost entirely related to electric charging infrastructure placement.

Rail Program

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$225.7 million, 42.6% of the CIP budget.

Rail - Fleet Procurement

Light and heavy rail vehicle procurement is allocated \$59.8 million, 11.3% of the CIP budget. It is dedicated to vehicle deliveries for both rail expansion and existing vehicle replacement. Light Rail Vehicle (LRV) deliveries are in the final stage of production and delivery. Staff will focus on closing out production. A new Heavy Rail Vehicle (HRV) procurement was initiated this year that includes the purchase of 64 vehicles with delivery by mid-2025, 30 for replacement of A650 vehicles and 34 for the Purple Line Extension (PLE), Section 1. Of the 64 vehicles, 6 are anticipated to be delivered in FY24. This is a major milestone in the process of replacing the original B (Red) Line cars that began service in 1992. These new vehicles will replace the existing vehicles and will have many amenities that will enhance the transit customer experience. The intent is to procure an additional 182 vehicles for PLE Sections 2 & 3, system service expansion, and replacement of the existing 74 A650 vehicles.

Rail - Fleet Maintenance

Rail Vehicle Maintenance projects are allocated \$94.0 million, 17.7% of the CIP budget. This is a decrease of 31.0% from \$136.2 million last year predominantly due to the P2550 mid-life project nearing its completion. Vehicle subsystem overhaul will include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems,

The heavy rail vehicle midlife modernization consists of the change out of critical system components to extend the vehicle useful life on B Line (Red) vehicles. Vehicles scheduled for midlife will be sent offsite and be brought back for testing, inspection, and final acceptance to improve operational reliability.

Rail - Facilities Improvements

Rail facilities improvements projects make up \$8.8 million, 1.7% of the CIP budget. Projects are slated to maintain existing rail facilities with mandated regulatory upgrades such as station/facility fire control panel installation, platform gate replacement, various lighting retrofits, roof replacements, ventilation, HVAC system repairs, pavement replacement, elevator modernization, and art projects.

Rail - Wayside Systems

Wayside system improvements make up \$63.2 million, 11.9% of the CIP budget. Projects include the on-going replacement of the Supervisory Control and Data Acquisition (SCADA) system, as well as track system replacement, Overhead Catenary System (OCS) inspection/refurbishment, train control track circuits, tunnel corrosion mitigation, replacement of old wood track ties with composite ties, and replacement of mainline fasteners and many other maintenance projects.

Other Asset Improvements

Other Asset Improvements total \$163.2 million, 30.7% of the CIP budget. These projects are slated for regional construction improvements, replacement of maintenance vehicles/equipment, and technology upgrades. Metro will be making significant investments in track and tunnel intrusion technology, enhanced CCTV systems, and improvements to signage and wayside throughout the system, along with projects to enhance the station experience. It will also include Traction Power Substation (TPSS) improvements for operational support, and technology upgrades for agency IT infrastructure and customer support systems. A significant technology project is continuing efforts with development and integration of the Enterprise Asset Management System (EAMS). Significant investments will also be made in Transit Signal Priority (TSP) and Bus Mobile Validators (BMV) for all door boarding, as a part of NextGen. There will also be the TAP Salesforce User Interface improvements. Rail to Rail project work is nearing completion. Its FY25 Budget has led to the overall decrease in Non-MR/MM Major Construction Expenditures.

Attachment D: Total Bus Investments

Total Bus Investment in FY25 Preliminary Budget

Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY25 Budget includes \$2.2 billion in bus investments as shown in the table below.

	Bus Investments (\$ in thousands)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 598,941.1	\$ 663,983.8	\$ 65,042.7	10.9%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, & Other	426,720.9	528,803.6	102,082.7	23.9%	
4	Cleanliness	107,918.4	112,048.5	4,130.2	3.8%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 95,269.5	\$ 112,812.8	\$ 17,543.3	18.4%	
7	Transit Ambassador Program	4,000.0	4,000.0	-	0.0%	
8	Homeless Outreach	7,827.7	7,808.2	(19.6)	-0.2%	
9	Public Safety Subtotal	\$ 107,097.2	\$ 124,621.0	\$ 17,523.7	16.4%	
10	Other Operating and Support					
11	Workers Compensation	\$ 76,870.9	\$ 85,232.3	\$ 8,361.4	10.9%	
12	PLPD	33,145.5	44,661.3	11,515.9	34.7%	
13	Customer Care Call Center	52,096.1	62,520.8	10,424.7	20.0%	
14	Supply Chain, Warehouse & Inventory Management	58,265.9	58,678.0	412.1	0.7%	
16	Purchased Transportation	71,966.7	74,245.3	2,278.6	3.2%	
15	Other Operating and Support Subtotal	\$ 292,345.0	\$ 325,337.7	\$ 32,992.6	11.3%	
17	Operations & Maintenance Subtotal	\$ 1,533,022.7	\$ 1,754,794.6	\$ 221,772.0	14.5%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 9,280.9	\$ 1,660.4	\$ (7,620.5)	-82.1%	\$ 18,100.0
21	Camera Bus Lane Enforcement	\$ 2,085.0	\$ 2,500.0	\$ 415.0	19.9%	\$ 11,000.0
20	Transit Signal Priority	\$ 10,242.4	\$ 3,538.5	\$ (6,703.9)	-65.5%	\$ 25,620.0
22	NextGen Bus Priority Lanes	\$ 5,590.0	\$ 4,758.6	\$ (831.4)	-14.9%	\$ -
23	NextGen Curb Improvements	\$ 2,000.0	\$ 8,100.4	\$ 6,100.4	305.0%	\$ -
24	NextGen Bus Stops and Shelters	10,400.0	16,372.1	5,972.1	57.4%	-
25	Bus Termini and Layover Improvement	-	3,000.0	3,000.0	100.0%	-
26	NextGen Bus Speed and Reliability	9,994.5	4,666.7	(5,327.8)	-53.3%	-
27	NextGen Subtotal	\$ 49,592.7	\$ 44,596.8	\$ (4,996.0)	-10.1%	\$ 54,720.0

Table Continues on next page.

Bus Investments (Continued) (\$ in thousands)		FY24	FY25	\$	%	Life Of Project
		Budget	Preliminary	Change	Change	
28	Bus Fleet Procurement					
29	40' Battery Electric Zero Emission Buses	\$ 56,487.8	\$ 41,758.9	\$ (14,728.9)	-26.1%	\$ 163,534.0
30	40' Compressed Natural Gas Buses	4,752.3	691.6	(4,060.7)	-85.4%	420,913.3
31	60' Battery Electric Zero Emission Buses	4,625.1	2,067.3	(2,557.8)	-55.3%	80,003.3
32	60' Battery Electric Zero Emission Buses - Grant Funded	2,683.3	679.3	(2,004.0)	-74.7%	5,109.5
33	60' Compressed Natural Gas Buses	1,519.5	435.4	(1,084.1)	-71.3%	149,311.4
34	40' Battery Electric Zero Emission Buses & En-Route Charging Infrastructure	-	1,500.0	1,500.0	100.0%	-
35	Battery Electric Buses & Chargers	-	1,142.0	1,142.0	100.0%	-
36	Bus Fleet Procurement Subtotal	\$ 70,068.0	\$ 48,274.4	\$ (21,793.6)	-31.1%	\$ 818,871.6
37	Bus Facilities Improvements					
38	Bus Division Improvements IV	\$ 4,109.9	\$ 4,590.3	\$ 480.4	11.7%	\$ 28,000.0
39	Division 1 Street Closure	4,623.4	1,892.2	(2,731.2)	-59.1%	9,500.0
40	Metro G Line (Orange) Reclaimed Water Project	-	92.2	92.2	100.0%	655.4
41	Electric Bus Charging Infrastructure J (Silver) Line	8,569.8	17,135.8	8,566.0	100.0%	50,000.0
42	Division 8 Charging Infrastructure	-	8,000.0	8,000.0	100.0%	65,131.1
43	Resilience Charging System	-	5,000.4	5,000.4	100.0%	22,447.9
44	Division Zero Emission Bus Infrastructure Transition	-	2,000.0	2,000.0	100.0%	-
45	Environmental Compliance Capital Project (FY23-FY27)	2,996.6	4,907.7	1,911.1	63.8%	35,000.0
46	Fire Alarm Panel Replacement Throughout Metro Facilities	734.7	1,174.4	439.7	59.8%	3,474.0
47	Bus Facilities Improvements Subtotal	\$ 21,034.4	\$ 44,792.9	\$ 23,758.5	113.0%	\$ 175,734.3
48	Bus Fleet Maintenance					
49	Bus Engine Replacements	\$ 2,660.8	\$ 3,206.0	\$ 545.3	20.5%	\$ 13,518.0
50	New Flyer/EI Dorado Bus Midlife	40,482.5	43,388.5	2,906.0	7.2%	205,000.0
51	Bus Maintenance Equipment Acquisition	1,000.0	1,000.0	-	0.0%	3,900.0
52	Collision Avoidance Demo	-	1,028.0	1,028.0	100.0%	-
53	Bus Fleet Maintenance Subtotal	\$ 44,143.2	\$ 48,622.6	\$ 4,479.3	10.1%	\$ 218,518.0
54	Regional & Hubs					
55	Passenger Screen-Facility Hardening	\$ 1,400.0	\$ 78.5	\$ (1,321.5)	-94.4%	\$ 3,448.8
56	Validators For Muni Buses	500.0	2,922.1	2,422.1	484.4%	4,912.0
57	Patsaouras Bus Plaza Station Improvements	38.6	15.0	(23.6)	-61.2%	50,913.0
58	Bus Division Improvements V	-	2,818.0	2,818.0	100.0%	-
59	Adopt - a - Stop	150.0	150.0	-	0.0%	-
60	Bus Stop Lighting	1,000.0	340.0	(660.0)	-66.0%	-
61	Regional & Hubs Subtotal	\$ 3,088.6	\$ 6,323.7	\$ 3,235.0	104.7%	\$ 59,273.8
62	Technology					
63	Advanced Transportation Management System II (ATMS) Replacement	797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
64	Technology Subtotal	\$ 797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
65	Non MR/MM Major Construction					
66	Rosa Parks/Willowbrook Station	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
67	Non MR/MM Major Construction Subtotal	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
68	Bus Capital Improvements Subtotal	\$ 140,393.3	\$ 159,559.6	\$ 19,166.3	13.7%	\$1,517,746.1
69	Transit Construction					
70	G Line (Orange) Bus Rapid Transit (BRT) Improvements	\$ 74,569.2	\$ 106,818.5	\$ 32,249.3	43.2%	\$ 149,683.0
71	North Hollywood to Pasadena BRT Connector	60,708.0	114,411.5	53,703.5	88.5%	-
72	Transit Construction Subtotal	\$ 135,277.2	\$ 221,230.0	\$ 85,952.8	63.5%	\$ 149,683.0
73	Transit Planning					
74	Countywide BRT Planning	\$ 2,999.8	\$ 2,401.7	\$ (598.1)	-19.9%	\$ -
75	North San Fernando Valley BRT	3,364.3	2,047.0	(1,317.2)	-39.2%	-
76	San Gabriel Valley (SGV) Feasibility Study	1,933.9	955.7	(978.2)	-50.6%	-
77	Vermont Transit Corridor	6,416.6	20,100.1	13,683.5	213.3%	-
78	Other Bus Planning & Studies	1,572.7	37.0	(1,535.7)	-97.6%	-
79	Transit Planning Subtotal	\$ 16,287.3	\$ 25,541.6	\$ 9,254.3	56.8%	
80	Bus Transit Construction & Planning Subtotal	\$ 151,564.5	\$ 246,771.6	\$ 95,207.1	62.8%	\$ 149,683.0
81	LIFE Program/Bus	\$ 25,398.5	\$ 27,101.2	\$ 1,702.7	6.7%	
82	Bus Investments Total	\$1,899,971.7	\$ 2,232,823.8	\$332,852.1	17.5%	\$1,722,149.1

Note: Totals may not add up because of rounding.

Attachment E: Early, Improved & Expanded Public Engagement Update

Telephone Town Hall

Metro will be holding its second and final Telephone Town Hall for the FY25 Budget development process on April 16, 2024. A unique virtual forum, Telephone Town Hall meetings are particularly beneficial for residents who would not typically have time to attend a regular public meeting or who cannot participate online.

During the previous Telephone Town Hall on October 23, 2023, a crucial platform for dialogue between Metro and the community, valuable input concerning various aspects of Metro's services was solicited. Key areas of concern included frequency and dependability, station and vehicle cleanliness, as well as safety and security matters across our system.

Metro board members and senior leaders diligently listened to these concerns, providing immediate responses during the event. In dedicating additional time for public participation, there was a more comprehensive exchange of ideas between community members and organizational representatives. This open dialogue not only fosters transparency but also helps identify areas for improvement in services, ensuring that the needs and expectations of riders continue to be met.

My Metro Budget Activity – Update

The My Metro Budget activity continues to remain open for public budget feedback. This year base participation has over tripled with over 4,200 responses and over 3,400 comments. Partnerships between Metro departments and groups were instrumental in achieving these results. An innovative interactive dashboard developed by the Office of Management and Budget (OMB) team now enables users to filter comments from the community by EFC, Metro Micro, and other regions along with demographic information. This powerful tool generates word clouds, allowing staff to effortlessly identify top concerns raised by Metro's constituents from the comments received.

The distribution of this dashboard to various departments has proven invaluable as it informs decision-making processes for the upcoming FY25 Budget. By harnessing the collective insights of community feedback, we can prioritize resources and allocate funds effectively to address the most pressing needs and concerns throughout the organization.

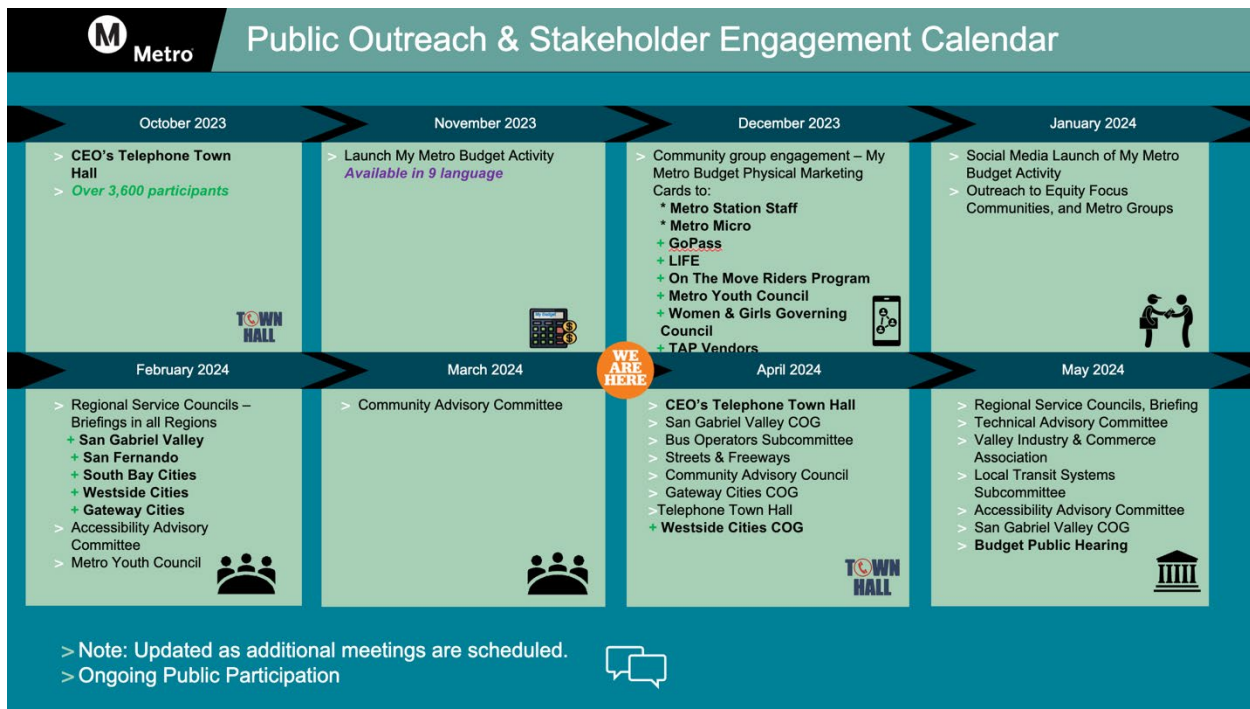


This word cloud reflects **General Planning and Programming** comments. Comments called for an increase in bike infrastructure including bike lanes, reducing car-based transportation by increasing service, and to continue to increase connectivity around LA County with more transit service. Metro is increasing its Active Transportation (including bikes) budget by 21.8%, increasing the First Last Mile budget by 31.3%, and is increasing the connectivity studies budget by 6.7%.

Stakeholder Meetings and Outreach Efforts

Metro's annual budget is meticulously crafted through a thorough, multi-step process that prioritizes community input and alignment with our Equity Platform's second (Listen and Learn) and third (Focus and Deliver) pillars.

Throughout the months of April and May, we will maintain open lines of communication with essential stakeholders and community organizations to ensure their voices continue to be heard. In preparation for these engagement opportunities, details about public meetings and the most up-to-date budget information can be found on our Finance and Budget portal at <https://budget.metro.net>.



Fiscal Year 2025 Budget Development Status Update

Finance, Budget & Audit Committee

April 17th, 2024



FY25 Budget Development Monthly Update:

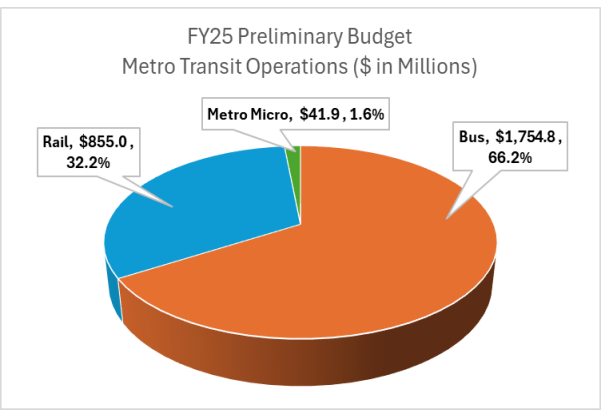
- **Metro Transit Program**
 - **Operations & Maintenance & Capital Improvement Program**
 - **Customer Experience: Station Initiative, Cleaning, Room to Work and Public Safety**
 - **General Planning & Programs**
 - **Congestion Management**
 - **Oversight & Administration**
-

Represent Approx. 40% of the annual budget

- **Early, Improved and Expanded Public Outreach**
- **Board Budget Workshop & Next Step**

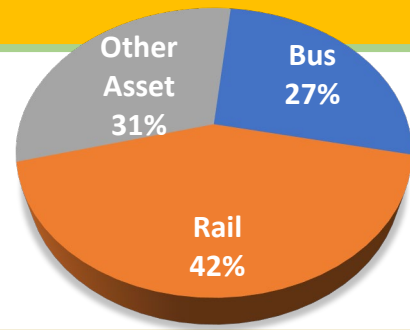
Agenda

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	



- O&M budget estimate is based on service level as measured in Revenue Service Hours (RSH):
 - Bus: 7.16 million RSH, 3.6% increase over FY24 est. actual
 - Rail: 1.4 million RSH, 16.4% increase over FY24 est. actual, plus 90k Pre-Rev testing hours for AMC, PLE 1 and Foothill ext.
 - Metro Micro: 271.7 thousand RSH
- Additionally, FY25 preliminary budget plans for further advancement of customer experience in Station Initiatives, Cleanliness, and Public Safety

Capital Improvement Program (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
Bus	\$ 135.2	141.7	\$ 6.4	4.8%	26.7%
Rail	230.0	225.7	(4.2)	-1.8%	42.5%
Other Asset Improvements	174.2	163.2	(10.9)	-6.3%	30.8%
CIP Subtotal	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%



- Capital Improvement Program: Reflect annual cashflow requirement to maintain, upgrade, & modernize infrastructure and peripheral systems to perform at optimal levels. Main priority is to continue procurement of 100 Zero Emissions Buses (ZEB) (\$34.6M) & assemble charging infrastructure (\$26.9M). Also focus on new rail vehicle procurement & refurbishment of existing vehicles



METRO TRANSIT OPERATIONS & MAINTENANCE (O&M) CAPITAL IMPROVEMENT PROGRAM (CIP) FY25 PRELIMINARY BUDGET

Station Experience

Expand Station Experience initiatives at Westlake/MacArthur Park to additional stations

- Includes improvements to lighting, ventilation, fare gates, cameras, elevators, & restrooms
- Next stations: Pershing Square, Compton, Firestone, Harbor Freeway, Norwalk, & Pico

Cleaning

- Daily Bus cleaning – 4 terminals, 7 days a week
- Daily Rail cleaning & end-of-line cleaning 7 days a week
- Custodial staff at 17 Rail station “hot spots”
- Facilities cleaning

Public Safety

Multi-layered approach

- Private and Metro Security Officers (53 additional TSO’s for weekend & late night coverage)
- Dedicated bus riding teams
- Transit Ambassadors
- Community Intervention Specialists (CIS)
- Homeless & mental health outreach

Cleaning Resources:

Area	FY24				FY25				(\$ in millions)			
	FTE	FTE	Change	% Change	Budget	Preliminary	\$ Change	% Change	Budget	Preliminary	\$ Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%				
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%				
Facilities	108	108	-	0.0%	30.5	29.9	(0.5)	-1.7%				
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%				
Stops	23	23	-	0.0%	4.3	4.3	0.0	0.8%				
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%				
Cleaning Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%				

Room to Work Program

- Supports unhoused riders & other individuals with career opportunities in transportation
- Capacity for up to 50 part-time Custodians

Public Safety Deployment Dollars:

Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2 Homeless/Mental Health Outreach	25.2	25.2		
3 Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4 Private Security	43.5	43.6	0.1	0.3%
5 Law Enforcement	175.8	194.1	18.3	9.4%
6 Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

CUSTOMER EXPERIENCE: STATION EXPERIENCE, CLEANING, & PUBLIC SAFETY

General Planning & Programs: \$228.8M

- Active Transportation, Bike & Other Studies (42%) \$95.8
- Property Mgmt (34%) \$76.8
- Financial, Grants Mgmt and Admin (21%) \$48.3
- Unsolicited Proposals, P3 (3%) \$7.9

- Program is to advance countywide mobility initiatives
- Budget is based on:
 - Federal or State regulatory requirement
 - Funding stipulations for grant or developer agreement
 - Sales tax ordinances

Congestion Management: \$124.4M

- Express Lanes (45%) \$55.5
- Freeway Service Patrol (33%) \$40.8
- Motorist Services (11%) \$14.1
- Rideshare Services (11%) \$14.0

- ExpressLane: operations, subsidies and I-10 expansion studies
- Freeway Service Patrol: new tow service contracts
- Motorist Services: LA SAFE, the Kenneth Hahn Call Box Program and SoCal 511 Traveler info sys
- Rideshare Services: Vanpool subsidy and services

Oversight & Adm: \$90.2M

- Ongoing Activities (66%) \$59.9
- Valuing Workforce (26%) \$23.3
- Customer Experience (5%) \$4.8
- Diversity, Equity, & Inclusion (3%) \$2.3

- About 1% of the FY25 preliminary budget
- EZBB cost controls for ongoing activities include legal services, ethics compliance, OIG services, regulatory environmental assessments, legally mandated financial and compliance audits

GENERAL PLANNING & PROGRAMS, CONGESTION MANAGEMENT, & OVERSIGHT & ADMINISTRATION FY25 PRELIMINARY BUDGET



Statistics



4,300+ Respondents, statistically significant sample size (over 2,200)



Average response of Metro Ridership captured in sample, unlikely to change with more responses



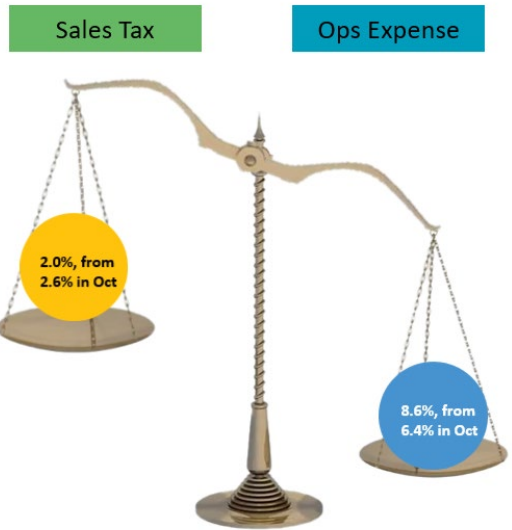
76% of budget item responses left unchanged when aggregated

*Responses to Date (April 12, 2024)

Demographics Mirror Ridership



Board Budget Workshop (3/29/2024)

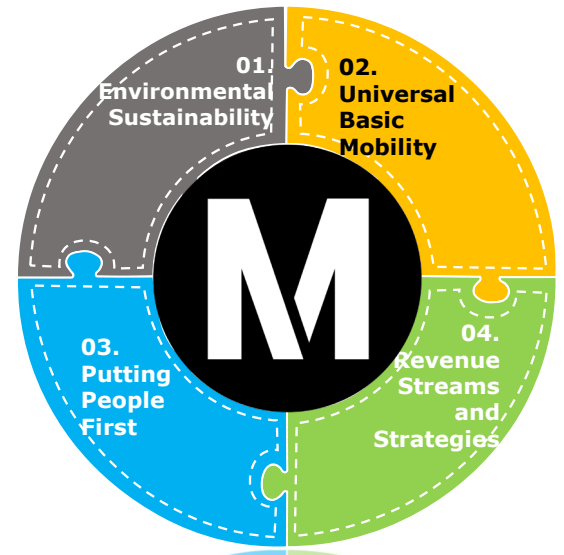


Updated Ops Financial Outlook, Causes, Cost Incr, Revenue Opportunities

Four Areas of Metro Program Focus



- National Transit Trend
- Economic context
- Add'l info for policy



Next Step

- JAN**
 - Near-Term Update
 - FY24 EZBB
 - Prelim. Sales Tax & CPI Forecast
 - Public Outreach & Engagement
- FEB**
 - Sales Tax Forecast, Resources Assumptions
 - Cost Inflation Estimates
 - Other Expense Assumptions
- MAR**
 - Transit Infrastructure
 - Multimodal Hwy Investments
 - Regional Rail
 - Regional Allocations & Pass-Throughs
- APR**
 - Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
 - Congestions Management
 - Planning & Administration
- MAY**
 - Consolidated Agency-wide Expenses & FTEs
 - Proposed Budget Document
 - Public Hearing
 - Planned Board Adoption

WE ARE HERE