



File #: 2025-0183, File Type: Public Hearing

Agenda Number: 18.

**BUDGET PUBLIC HEARING
FINANCE, BUDGET, AND AUDIT COMMITTEE
MAY 15, 2025**

SUBJECT: FISCAL YEAR 2026 (FY26) PROPOSED BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY26 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 \$9.4 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 2. AUTHORIZING a total of 11,821 FTEs, of which 9,616 are Represented FTEs and 2,205 are Non-Represented FTEs;
 3. AUTHORIZING an average 4% 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 4.0%;
 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice. (see Attachment A);
 5. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment B;
 6. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2025);
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY26 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval; and

C. RECEIVING AND FILING response to Board Motion 25 - Addressing Rider Feedback from Telephone Hall.

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 are authorized on a life of project basis.

On April 30, 2025, the FY26 Proposed Budget was made available to the public at www.metro.net <<http://www.metro.net>>, in printed copies through the Records Management Center (RMC) at RMC@metro.net <<mailto:RMC@metro.net>>, and on the plaza level of the Gateway building. The public hearing is scheduled for May 15, 2025. On April 15, 2025, advanced public notifications of the Budget Public Hearing were issued through advertisements posted in more than ten news publications and in various languages.

BACKGROUND

In preparation for the FY26 Budget development process, the Office of Management and Budget (OMB) initiated early engagement by presenting an oral report to the Finance, Budget, and Audit Committee on November 21, 2024. This presentation provided a thorough overview and evaluation of key drivers of Metro Transit cost growth, Transit Infrastructure Development (TID), other programs, revenue assessments, and the forthcoming steps in the budget development process.

Since February 2025, staff have kept the Board, and the public consistently informed on the progress of the FY26 Budget development through an extensive public outreach campaign that was launched in October 2024 with the introduction of the My Metro Budget Activity Tool & Dashboard. Additionally, a Budget Telephone Town Hall was convened on Tuesday, February 4, 2025, to gather public input for incorporation into the budget development process.

Continuing transparency regarding the proposed allocation of public transportation funds, staff has conducted a series of briefings and discussions with Board Staff and key stakeholder groups, including:

- Community Advisory Council
- Regional Service Councils
- Technical Advisory Committee
- Policy Advisory Committee, and

- Accessibility Advisory Committee

For further details, please refer to Attachment D, which provides the Early, Expanded, and Improved Public Outreach Report.

This represents the final series of monthly updates to the Board on the FY26 Budget development process, culminating with the FY26 Budget recommendation for Board Adoption. This report concludes the framework for the annual budget development, with the primary objective of advancing Metro's transit and transportation goals in a fiscally responsible manner, while embedding an equity-centered approach throughout the process led by the Office of Equity and Race (OER).

DISCUSSION

Metro's Commitment to Equity and Fiscal Responsibility

Metro has fostered a culture grounded in equity, fiscal responsibility, and cost containment. As we progress, Metro staff will steadfastly adhere to robust financial planning principles, ensuring the effective execution of both transit capital investments and operational strategies.

The Equitable Zero-Based Budget (EZBB) Process

The Equitable Zero-Based Budget (EZBB) process remains a cornerstone of this year's annual budget development, serving as a pivotal cost control mechanism while embedding an equity-focused framework to create a fiscally responsible budget. This methodology promotes cross-departmental collaboration, ensuring that all Board approved initiatives are harmonized with the Agency's strategic priorities.

Public Input and Alignment

By integrating feedback obtained through Metro's expanded public outreach efforts, each department is empowered to allocate resources in alignment with Metro's mission, core objectives, and strategic imperatives ensuring that the final budget reflects a shared vision shaped by meaningful public input. Key investments continue to elevate the customer experience-improving station conditions, safety, and cleanliness-while reaffirming Metro's commitment to keeping transit accessible and affordable for all. Investments include:

- Lighting Retrofit
- Elevator/Escalators
- Mobile ADA Accessible Restrooms
- Tap-To-Exit/Taller Faregates Pilot

Weapons Detection Phase 2 Pilot Metro is focused on putting people first - redefining how we serve our communities through care, connection, and accessibility. That vision is taking shape through a care-based safety and security approach grounded in community values. In FY26, Metro will expand

its safety presence by adding 46 Transit Security Officers (TSOs) for the A and D Line extensions, enhanced homeless outreach, and continuing the development of the new the Transit Community Public Safety Department (TCPSP), beginning with key leadership and the foundation for sworn officer recruitment. The proposed FY26 budget does not reflect any expansion of the Ambassador Program at this time, as staff is currently in negotiations with our union partners on the collective bargaining agreement. Upon successful completion of these negotiations, staff will return to the Board to present the finalized agreement, associated costs, and a proposal to expand the program to support staffing needs over the next year.

Capital Development and Infrastructure Growth

Alongside this, Metro is entering a major growth phase in capital development, led by ordinance projects and a significant expansion of the Transit Infrastructure Development (TID) program. These efforts reflect our ongoing commitment to building a safe, inclusive, and world-class transit system for the region.

FY26 Proposed Budget Overview

The proposed budget for FY26, totaling \$9.4 billion, is both balanced and strategically oriented. The budget is crafted to sustain the ongoing expansion of the system, elevate the customer experience through enhancements in safety and cleanliness, and preserve assets in a state of good repair. Furthermore, this budget strengthens Metro's core business operations, encompassing planning, operations, and construction, thereby ensuring the organization is well-positioned to meet the evolving needs of its community while advancing its long-term goals.

Risks and Uncertainties

While the FY26 budget is presented as balanced, there are risks and uncertainties as we look ahead to the coming years.

Metro remains committed to mitigating the key drivers contributing to rising costs, while closely monitoring risks and uncertainties which may affect the Agency in the near-term. These challenges include potential fluctuations in federal funding, the impact of tariffs on procurement pricing, and persistent inflationary pressures. In addition, internal financial considerations such as the expansion of the rail system, rising capital costs, and preparations for the mega events continue to exert pressure on the Agency's fiscal outlook.

FY26 Budget Summary & Proposed Budget can be accessed at:

[<https://budget.metro.net/budget-book.html>](https://budget.metro.net/budget-book.html)

Resources Summary

The FY26 Proposed Budget ensures that resources are available to meet the planned Metro program and project delivery schedules for the upcoming fiscal year. Revenue projections are informed by the following socio-economic factors:

- Uncertainty surrounding tariffs and inflation, impacting overall economic stability
- Rising insurance and housing costs, which constrain consumer spending on taxable goods
- Slowing economic growth projections for FY26
- Insights from leading regional economic forecasting sources

The total FY26 Proposed Budget planned resources are \$9.4 billion, which are a 2.0% increase from the FY25 Budget. The 7.4% projected decrease in sales tax revenues is due to the lower than budgeted FY25 year to date actual receipts, reflecting a slowdown in consumer spending.

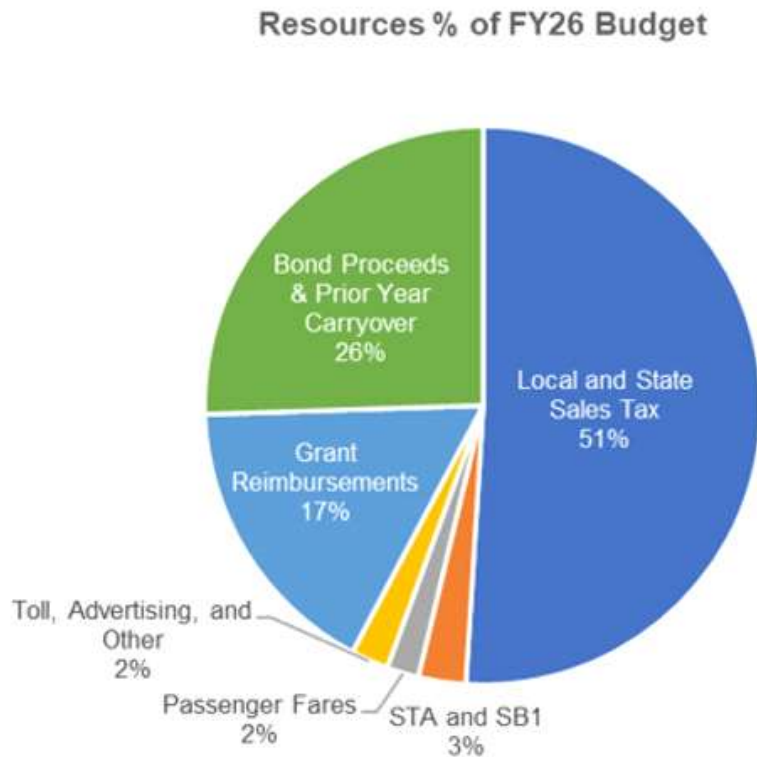
Figure 1

	Resources (\$ in millions)	FY25 Budget	FY26 Proposed	\$ Change	% Change
1	Local and State Sales Tax	\$ 5,202.0	\$ 4,815.0	\$ (386.9)	-7.4%
2	STA and SB1	279.6	260.2	(19.5)	-7.0%
3	Sales Tax and STA/SB1 Revenues Subtotal	\$ 5,481.6	\$ 5,075.2	\$ (406.4)	-7.4%
4	Passenger Fares	174.6	174.7	0.2	0.1%
5	Toll, Advertising, and Other	196.9	205.5	8.6	4.3%
6	Operating & Other Revenues Subtotal	\$ 371.5	\$ 380.2	\$ 8.7	2.3%
7	Grant Reimbursements	1,440.0	1,578.4	138.4	9.6%
8	Bond Proceeds & Prior Year Carryover ⁽¹⁾	1,967.7	2,408.0	440.3	22.4%
9	Capital & Bond Resources Subtotal	\$ 3,407.7	\$ 3,986.4	\$ 578.6	17.0%
10	Resources Total	\$ 9,260.8	\$ 9,441.8	\$ 181.0	2.0%

Note: Totals may not add up due to rounding.

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

Figure 2



Expenditure Summary

The proposed budget of \$9.4 billion is strategically aligned with the Board's priorities, reflecting the public's feedback on enhancing customer experience and service quality. It emphasizes the provision of reliable daily service and public safety, all through an equity lens. This budget also supports the ongoing expansion of Metro's Transit Infrastructure and addresses the evolving countywide mobility needs. Each program, function, and department's budget has been carefully developed to align with the current economic realities while reflecting the progress made on various projects.

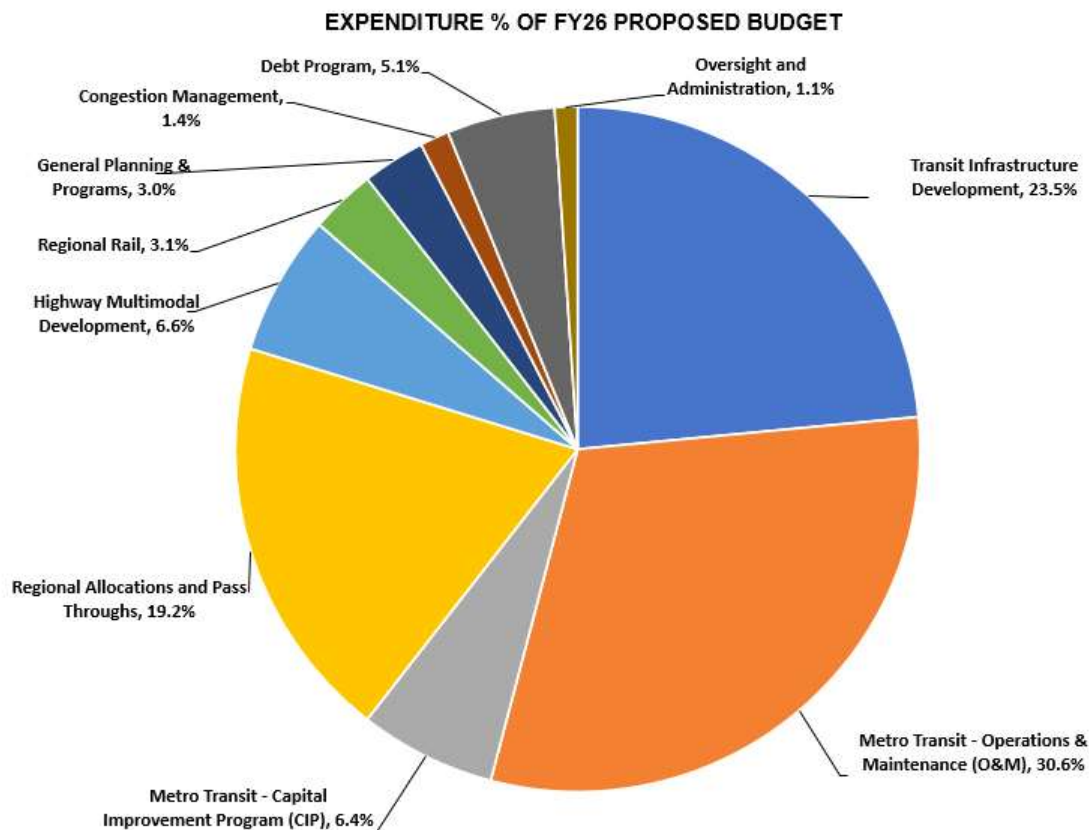
The table below illustrates the expenditures by program type in the FY26 Proposed Budget, providing a detailed breakdown of the allocation of funds across various sectors.

Figure 3

Expenditures by Type (\$ in millions)		FY25 Budget	FY26 Proposed	\$ Change	% Change
1	Transit Infrastructure Development	\$ 1,968.9	\$ 2,218.3	\$ 249.4	12.7%
2	Metro Transit - Operations & Maintenance (O&M)	2,725.0	2,888.8	163.8	6.0%
3	Metro Transit - Capital Improvement Program (CIP)	578.4	608.8	30.4	5.3%
4	Regional Allocations and Pass Throughs	2,078.0	1,813.6	(264.4)	-12.7%
6	Highway Multimodal Development	681.8	626.7	(55.1)	-8.1%
7	Regional Rail	256.3	292.2	35.8	14.0%
8	General Planning & Programs	259.5	280.0	20.5	7.9%
9	Congestion Management	124.5	129.9	5.3	4.3%
11	Debt Program	498.3	481.8	(16.5)	-3.3%
12	Oversight and Administration	90.2	101.7	11.6	12.8%
13	Grand Total	\$ 9,260.8	\$ 9,441.8	\$ 181.0	2.0%

Note: Totals may not add up because of rounding.

Figure 4



Full-Time Equivalent (FTE) Summary

The FY26 Proposed Budget includes 11,821 FTEs, an increase of 400 FTEs from FY25. FTE additions include 182 Non-Represented (67 are mostly cost-neutral by shifting from temporary to permanent) and 218 Represented (net of Metro Micro transition).

Non-Represented FTEs for FY26 total 2,205; which includes an additional 182 new positions (67 are mostly cost neutral), to serve the following areas:

- Enhance the Transit Rider Experience
- Mega Project Resource Model
- Valuing the Workforce
- Transit Expansion - A and D Line
- Administration, Financial Sustainability, and Legal Compliance
- Operational Efficiencies
- Capital Project Support
- Complete Streets and Highway

Figure 5

Agencywide FTEs: Non-Represented	Enhance Transit Rider Experience	Mega Project Resource Model	Transit Expansion A & D Line	Admin, Financial, and Legal Compliance	Operational Efficiencies	Capital Project Support	Complete Streets & Highway	New Positions	Cost Neutral	FY26 New Additions
1 Chief Executive Office				2		1		3	2	5
2 Chief Of Staff	11					1		12	1	13
3 Chief People Office	2		4		2			8	20	28
4 Chief Safety Office	2		1	1				4	1	5
5 Countywide Planning & Development	3	2		6		4	2	17	1	18
6 Customer Experience Office	16		4	1				21	8	29
7 Office Of Strategic Innovation	1			1				2		2
8 Operations	2		6			2		10		10
9 Program Management		17						17	27	44
10 Strategic Financial Management	2		3	5	11			21	7	28
11 Grand Total	39	19	18	16	13	8	2	115	67	182

Represented FTEs for FY26 total 9,616; which includes 218 new positions (net of Metro Micro transition) for the following:

- Transit Expansion for the A and D Line: cleaning, maintenance, public safety and technology support.
- Increased Operational Needs: System, Station and End of Line Cleaning; Maintenance of Way training; Bus and Rail Fleet Reliability; Paint and Repair of Non-Revenue Fleet and Rail Body; and Zero Emission Bus Fleet oversight.
- Technical Support for Public Safety, inventory management to support agency growth, Employment Processing Center, and Customer Information.

Figure 6

Agencywide FTEs: Represented	Transit Expansion (A & D Line)	Operations Additional Needs	Support Agency Growth	Metro Micro Transition	New Positions
1 Chief People Office	1		8		9
2 Chief Safety Office	46				46
3 Customer Experience Office			1		1
4 Operations	223	120		-191	152
5 Strategic Financial Management	7		3		10
6 Grand Total	277	120	12	-191	218

Labor Summary

The FY26 Proposed Budget includes contract wage increases of an average of 4.0% according to the pre-negotiated Collective Bargaining Agreements (CBAs) with the represented union groups AFSCME, ATU, SMART, TCU, and Teamsters. An average 4.0% 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 determined by their respective CBAs. Non-represented employees receive medical and dental benefits at the carrier contract rates previously approved by the Board.

Non-Represented pay grade levels were last updated by 2.5% in January 2024. To remain competitive with the external market, the Chief People Office will adjust the current compensation pay grade levels by 5.0%. There will be a minimal impact of \$136,000 to the budget and current employees' salaries. Please refer to Attachment A for more details.

Budget Amendments through June 30, 2025

The proposed budget shall include any Board approved actions currently under consideration, from now to the end of the fiscal year (June 30, 2025).

Life of Project (LOP) Budgets

The Board must approve new capital projects with LOP budgets exceeding \$5.0 million as separate Board actions.

Attachment B includes a detailed listing of new capital projects for FY26 with LOP budgets over \$5.0 million. These new capital projects in the FY26 Proposed Budget include: Metro A Line (Blue) North and E Line (Expo) East Communication Transmission System (CTS); FY26 Non-Revenue Vehicle Equipment Replacement; Metro B (Red) and D Line (Purple) to NOHO CTS Replacement; Advanced Transportation Management System II (ATMS) System Integration; A650 Door and Heating, Ventilation & Air Conditioning (HVAC) Overhaul; FY26 Non-Revenue Vehicle Equipment Expansion; Metro D Line (Purple) Track & Tunnel Intrusion Detection (TTID); High Security Fencing and Installation; Union Station Fencing; Payroll Cloud Integration; Rail Fleet Services (RFS) Wheel Measurement Machine; Logistics Equipment Replacement Phase 2; Union Station Gateway (USG)

Plaza and East Portal Floor; Metro Operations Downtown Hub; Tap Plus (Capital); Non-Revenue Fleet Electric Vehicle (EV) Charging; LA Union Station Americans With Disabilities Act (ADA) West; LA Union Station Plumbing Infrastructure Phase 3; LA Union Station Parking Equipment; and LA Union Station Stationwide HVAC Upgrades.

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 C for Reimbursement Resolution.

Debt Program

Debt financing is a cash management and budget tool 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 prudent guidelines for the issuance and management of debt following industry best practices and ordinance-specific affordability limits.

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

As of July 1, 2025, Metro has approximately \$4,542.9 million in outstanding long-term debt. The annual debt service cost in FY26 is estimated at \$477.7 million, a decrease of 3.2% over the FY25 Budget of \$493.8 million, according to the debt service schedule. In FY26, it is anticipated that the I-105 Express Lanes will utilize TIFIA loan proceeds and other projects such as Westside D Line (Purple) Sections 3, Gold Line Foothill Extension, E Line Eastside Light Rail Phase 2, East San Fernando Transit Corridor, Southeast Gateway Line, Metro G Line Bus Rapid Transit (BRT) Improvements, and various other projects will utilize bond proceeds from the issued debt.

Motion 25: Addressing Rider feedback from Telephone Town Hall

On February 4, 2025, Metro hosted a live Telephone Town Hall (TTH) to gather input from LA County residents on the annual budget. This TTH serves as a forum for gathering public feedback on cleanliness, bus and rail service, and riders' overall transit experience. The feedback highlighted interest in enhanced lighting for safety, increased cleaning frequency of buses and trains, and better promotion of Small Business Enterprise and Disadvantaged Business Enterprise (SBE/DBE) opportunities, and more. Metro continues to focus efforts in these areas and assures riders and stakeholders that their feedback is valued and shapes the agency's goals and budget.

On February 20, 2025, the Board approved Motion 25, directing Metro to report back in 90 days on how the community feedback is being addressed. Metro's detailed response outlining these actions, promotional efforts, and planned improvements is provided in Attachment E.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The FY26 Proposed Budget (provided in a separate submittal) totals \$9.4 billion and is balanced. This proposed budget underscores Metro's steadfast commitment to fulfilling its capital and operational obligations—an essential factor in securing subsidies from both federal and state governments. Moreover, it ensures the effective administration of regional transportation funding to local cities and municipal operators.

EQUITY PLATFORM

Metro's commitment to equity is embedded in the FY26 Budget development process through the continued application of Equity Zero-Based Budgeting (EZBB) and equity assessments to understand and quantify potential impacts on marginalized communities and highlight budget requests that advance equitable outcomes. Staff used the Equity Focus Communities (EFC) Budget Assessment and the Budget Equity Principles Next Step Equity Initiatives Pilot for the FY26 Budget; staff did not apply the Metro Budget Equity Assessment Tool (MBEAT). The Offices of Equity and Race (OER) and Management and Budget (OMB) are working with consultants to complete an Agencywide Budget Equity Assessment (ABEA) to identify opportunities for improvement to the MBEAT and budget equity approach overall. Recommendations from ABEA will be available later this summer and implemented in the FY27 and FY28 Budget development processes.

Per Board Direction, the EFC Budget Assessment was introduced in 2022 for the FY23 Approved Budget. It is a geographic equity analysis to identify the extent that Metro's budget invests in EFCs, areas in very high and high need of mobility investment, which comprise approximately 40% of Los Angeles County's population. The FY23 Approved Budget established a baseline of 67.3% EFC Benefits. The FY26 Proposed Budget exceeds this baseline by 11.9 percentage points, increasing EFC Benefits to 79.2% of the budget. This represents roughly \$3.1 billion in targeted and \$4.8 billion in indirect benefits. Year-over-year fluctuations in Benefits to EFCs in the table below can be attributed to an evolving understanding of how to quantify expenses and major transit projects being developed or coming online. OER and OMB are working on continued improvements to staff training to ensure consistent application over time. See Attachment F for more details on the EFC Budget Assessment, including the results of the EFC Budget Assessment for the FY24 Actuals, completed in December 2024.

Figure 7

EFC Benefits	FY23 Baseline	FY24 Proposed	FY25 Proposed	FY26 Proposed	% Change FY23 vs. FY26
Targeted	26.1%	29.6%	28.1%	30.9%	+4.8%
Indirect	41.2%	45.6%	45.5%	48.4%	+7.2%
Total	67.3%	75.2%	73.6%	79.2%	+11.9%

Staff also aligned their FY26 department budgets towards Metro's Budget Equity Principles, using the Next Step Equity Initiatives Pilot, in support of Metro's Equity Platform. The Pilot was part of the ABEA and sought to engage Metro's Senior Leadership Team (SLT) in identifying the initiatives that are moving the needle the most on equity at Metro in FY26. All SLT members and their staff established measurable outcomes and identified a point person for each initiative. OER will meet with departments regularly in FY26 to check in on the progress of the initiatives. Highlights from the Pilot are included in Attachment F and summarized on Page 6 of the FY26 Proposed Budget Book.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment activities that will improve/benefit and further encourage transit ridership, ridesharing, and active transportation. Although projects and programs in this budget have mixed outcomes, taken as a whole, most of the investments described in this report will likely decrease VMT in LA County. Within the suite of projects funded in this budget, Metro seeks to reduce single-occupancy vehicle trips, provide a safe transportation system, and increase accessibility to destinations via transit, cycling, walking, and carpooling. Some of the projects funded include items that will ease congestion for cars and trucks, or expand vehicle capacity, resulting in the possibility of increased VMT. However, the investments Metro is making into programs such as rail, bus, active transportation and shared mobility will result in an overall decrease in VMT. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

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 goal of improving transportation in Los Angeles County.

NEXT STEPS

Upon Board authorization and adoption of the FY26 Proposed Budget, Metro will make funds available for the planned transit and transportation programs outlined in the proposed budget 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

FY26 Budget Summary & Proposed Budget can be accessed at:

[<https://budget.metro.net/budget-book.html>](https://budget.metro.net/budget-book.html)

Attachment A - FY26 Compensation Adjustment

Attachment B - FY26 New Capital Projects

Attachment C - FY26 Reimbursement Resolution

Attachment D - FY26 Public Outreach (Public Comments)

Attachment E - Response to Motion 25: Addressing Rider Feedback from Telephone Town Hall

Attachment F - Metro EFC Budget Assessment Results Over Time

Prepared by:

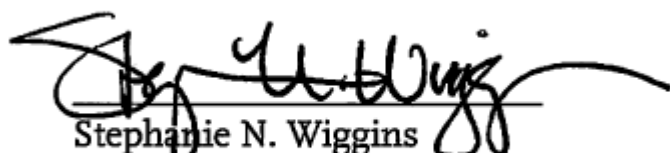
Tina Panek, Deputy Executive Officer, Finance (213) 922-4530

Timothy Chin, Deputy Executive Officer, Finance (213) 922-3082

Irene Fine, Deputy Chief Financial Officer (Interim), (213) 922-4420

Michelle Navarro, Deputy Chief Financial Officer (Interim), (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Compensation Adjustment

Effective July 1, 2025, the Chief People Office will be adjusting the current non-represented compensation pay grade levels by 5.0%. Below are the new FY26 pay grades:

FY26 HOURLY RATES			
Pay Grade	Minimum (Hourly)	Midpoint (Hourly)	Maximum (Hourly)
HFF	\$ 184.86	\$ 231.21	\$ 277.57
HEE	\$ 147.89	\$ 184.85	\$ 221.82
HDD	\$ 118.09	\$ 147.89	\$ 177.69
HC2	\$ 107.61	\$ 134.65	\$ 161.69
HC1	\$ 97.13	\$ 121.40	\$ 145.68
HBB	\$ 84.42	\$ 105.40	\$ 126.37
HAA	\$ 75.27	\$ 94.36	\$ 113.45
H1Q	\$ 67.86	\$ 84.81	\$ 101.77
H1P	\$ 61.08	\$ 76.34	\$ 91.60
H1O	\$ 55.20	\$ 69.01	\$ 82.80
H1N	\$ 50.12	\$ 62.64	\$ 75.18
H1M	\$ 45.70	\$ 57.11	\$ 68.52
H1L	\$ 41.83	\$ 52.29	\$ 62.74
H1K	\$ 38.46	\$ 48.08	\$ 57.69
H1J	\$ 35.60	\$ 44.49	\$ 53.40
H1I	\$ 33.05	\$ 41.31	\$ 49.56
H1H	\$ 30.83	\$ 38.51	\$ 46.22
H1G	\$ 27.96	\$ 34.94	\$ 41.93
H1F	\$ 25.41	\$ 31.76	\$ 38.13
H1E	\$ 23.22	\$ 29.01	\$ 34.82
H1D	\$ 21.33	\$ 26.64	\$ 31.96
H1C	\$ 19.69	\$ 24.60	\$ 29.53
H1B	\$ 18.20	\$ 22.75	\$ 27.30
H1A	\$ 16.96	\$ 21.21	\$ 25.46

FY26 ANNUAL RATES			
Pay Grade	Minimum (Annual)	Midpoint (Annual)	Maximum (Annual)
HFF	\$384,508.80	\$480,916.80	\$577,345.60
HEE	\$307,611.20	\$384,488.00	\$461,385.60
HDD	\$245,627.20	\$307,611.20	\$369,595.20
HC2	\$223,828.80	\$280,072.00	\$336,315.20
HC1	\$202,030.40	\$252,512.00	\$303,014.40
HBB	\$175,593.60	\$219,232.00	\$262,849.60
HAA	\$156,561.60	\$196,268.80	\$235,976.00
H1Q	\$141,148.80	\$176,404.80	\$211,681.60
H1P	\$127,046.40	\$158,787.20	\$190,528.00
H1O	\$114,816.00	\$143,540.80	\$172,224.00
H1N	\$104,249.60	\$130,291.20	\$156,374.40
H1M	\$ 95,056.00	\$118,788.80	\$142,521.60
H1L	\$ 87,006.40	\$108,763.20	\$130,499.20
H1K	\$ 79,996.80	\$100,006.40	\$119,995.20
H1J	\$ 74,048.00	\$ 92,539.20	\$111,072.00
H1I	\$ 68,744.00	\$ 85,924.80	\$103,084.80
H1H	\$ 64,126.40	\$ 80,100.80	\$ 96,137.60
H1G	\$ 58,156.80	\$ 72,675.20	\$ 87,214.40
H1F	\$ 52,852.80	\$ 66,060.80	\$ 79,310.40
H1E	\$ 48,297.60	\$ 60,340.80	\$ 72,425.60
H1D	\$ 44,366.40	\$ 55,411.20	\$ 66,476.80
H1C	\$ 40,955.20	\$ 51,168.00	\$ 61,422.40
H1B	\$ 37,856.00	\$ 47,320.00	\$ 56,784.00
H1A	\$ 35,276.80	\$ 44,116.80	\$ 52,956.80

FY26 New Capital Projects

Table of Contents

Project	Page
PROJECT: Metro A Line (Blue) North and E Line (Expo) East CTS	1
PROJECT: FY26 Non-Revenue Vehicle Equipment Replacement.....	1
PROJECT: Metro B (Red) and D Line (Purple) to NOHO CTS Replacement	2
PROJECT: Advanced Transportation Management System II (ATMS) System Integration	2
PROJECT: A650 Door and HVAC Overhaul	2
PROJECT: FY26 Non-Revenue Vehicle Equipment Expansion	3
PROJECT: Metro D Line (Purple) Track & Tunnel Intrusion Detection (TTID)	3
PROJECT: High Security Fencing and Installation	4
PROJECT: Union Station Fencing	4
PROJECT: Payroll Cloud Integration	5
PROJECT: RFS Wheel Measurement Machine	5
PROJECT: Logistics Equipment Replacement Phase 2.....	6
PROJECT: USG Plaza and East Portal Floor.....	7
PROJECT: Metro Operations Downtown Hub.....	7
PROJECT: Tap Plus (Capital)	7
PROJECT: Non-Revenue Fleet EV Charging.....	8
PROJECT: LA Union Station ADA West	9
PROJECT: LA Union Station Plumbing Infrastructure Phase 3	9
PROJECT: LA Union Station Parking Equipment.....	10
PROJECT: LA Union Station Stationwide HVAC Upgrades	10

FY26 New Capital Projects

Capital Improvement Program (CIP)

1	PROJECT: Metro A Line (Blue) North and E Line (Expo) East CTS
	PROJECT OWNER: Operations - Rail – Wayside Systems
	LOP: \$75,000,000 Budget Request: \$50,000
	SCOPE: Installing 40 miles of new fiber cables & associated communication equipment on A Line North (7th/Metro - Sierra Madre Station) & E Line (East Extension).
	JUSTIFICATION: Existing fiber cables are about 30 years old and are not reliable. In addition, they have limited network capacity and are not able to accommodate future high bandwidth systems such as new CCTV systems and planned security improvements.
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceeds
2	PROJECT: FY26 Non-Revenue Vehicle Equipment Replacement
	PROJECT OWNER: Operations - Bus – Non-Revenue Vehicles
	LOP: \$74,677,910 Budget Request: \$2,826,702
	SCOPE: This project is for the replacement of Non-Revenue Vehicles and Equipment scheduled for FY26 for Logistics, Bus Maintenance, Maintenance of Way, Rail Fleet Services, Facilities Maintenance and various other departments.
	JUSTIFICATION: Metro owns and operates a fleet of over 2,400 vehicles and pieces of equipment that are used to support the Metro mission of Planning, Designing, Constructing, Administering, and Operating Los Angeles County's largest transportation system. The vehicles identified for replacement have exceeded their useful life in age, mileage or are in poor operating condition, and are now scheduled for retirement. Replacement will decrease the cost of repair and downtime, improve street safety, and positively impact operational effectiveness by ensuring Metro's ability to respond quickly to repair/service activities.
	ELIGIBLE FUNDING SOURCE: TDA Art 4

3	PROJECT: Metro B (Red) and D Line (Purple) to NOHO CTS Replacement	
	PROJECT OWNER: Operations - Rail – Wayside Systems	
	LOP: \$64,500,000	Budget Request: \$50,000
	SCOPE: Installing six miles of new fiber cables & fiber network equipment at 16 communication rooms in B & D lines stations.	
	JUSTIFICATION: Existing fiber cables are about 30 years old and are not reliable. In addition, they have limited network capacity and are not able to accommodate future high bandwidth systems such as new CCTV systems and security improvements.	
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceed	
4	PROJECT: Advanced Transportation Management System II (ATMS) System Integration	
	PROJECT OWNER: Operations – OAI - Sys – Technology	
	LOP: \$50,000,000	Budget Request: \$2,000,000
	SCOPE: This contract will provide system integration and oversight of the ATMS II Implementation. The entire bus and rail fleet will be upgraded with a new Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) solution. The new system will integrate with 5 different software packages and related hardware.	
	JUSTIFICATION: The existing CAD/AVL system is 20 years old and the outdated technology does not integrate with modern equipment or software. The integration systems are pivotal to ensuring a seamless data interface across Metro’s existing hardware and software platforms.	
	ELIGIBLE FUNDING SOURCE: PC 40%	
5	PROJECT: A650 Door and HVAC Overhaul	
	PROJECT OWNER: Operations – Rail – Fleet Maintenance	
	LOP: \$22,823,547	Budget Request: \$400,000
	SCOPE: Overhaul the A650 heavy rail vehicle systems impacting vehicle availability and passengers’ comfort. Equipment includes doors and Heating Ventilation & Air Conditioning mini overhaul.	
	JUSTIFICATION: Upcoming events including the 2028 Olympics require additional service vehicles to accommodate increased passengers loads. Maintaining the equipment in a state of good repair now will ensure future success.	
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceeds	

6	PROJECT: FY26 Non-Revenue Vehicle Equipment Expansion	
	PROJECT OWNER: Operations – Bus – Non-Revenue Vehicles	
	LOP: \$13,454,463	Budget Request: \$389,120
	SCOPE: This project is for the expansion of Non-Revenue Vehicles and Equipment scheduled for FY26. This project includes vehicles and equipment for Metro Bus and Rail Operations.	
	JUSTIFICATION: Additional Non-Revenue Vehicles and Equipment are required to support the expanding activities of Maintenance of Way (MOW), System Security and Law Enforcement (SSLE), and Rail Facilities Maintenance. MOW provides support, maintenance and emergency response for Metro's Rail System. The vehicles and equipment identified are for expansion due to planned Metro Rail expansion project openings and personnel who support these lines. SSLE ensures the safety and security of Metro employees, customers, and properties. This project will fulfill the need to have additional vehicles for emergency responses on the expanding system. Rail Facilities Maintenance must expand its equipment and vehicle fleet size to meet the demand for maintaining cleanliness and safety of the Metro system.	
	The Non-Revenue Vehicles and Equipment will support PLE1, PLE2, Foothill 2B, MCP, and AMC.	
7	PROJECT: Metro D Line (Purple) Track & Tunnel Intrusion Detection (TTID)	
	PROJECT OWNER: Operations – Rail – Wayside Systems	
	LOP: \$20,000,000	Budget Request: \$50,000
	SCOPE: Installation of TTID on Metro D Line (Purple) Segments 2B and 3. A TTID system is a warning system for train operators to avoid unnecessary accidents.	
	JUSTIFICATION: There are many tunnel intrusion incidents that occur in D Line tunnels. These incidents cause interruptions of train operations, creating schedule delays. In addition, it is a critical safety issue, because unauthorized persons entering rail right of way can cause major accidents that could result in injury or fatality.	
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceed	

8	PROJECT: High Security Fencing and Installation	
	PROJECT OWNER: SSLE – Bus – Facilities Improvements	
	LOP: \$20,000,000	Budget Request: \$4,500,000
	<p>SCOPE: Installation of high-security fencing around facilities that are critically unsecured, including maintenance yards, divisions, and storage facilities. The fencing built from durable, tamper-resistant materials will feature anti-climb technology to further secure these areas. The scope also includes regular maintenance and inspections to ensure the integrity and effectiveness of the fencing over time. High priority locations include Traction Power Substations, crossing signal cabinets, various Metro operating divisions and right-of-way.</p>	
	<p>JUSTIFICATION: Metro facilities and critical infrastructure fencing are breached on an almost daily basis, making the agency, its assets and its people susceptible to violence, vandalism and theft. Implementing high-security fencing is crucial for protecting some of Metro's most valuable material assets. High-security fencing prevents cutting and climbing of the material. By preventing unauthorized access and securing vital infrastructure, this project plays a key role in ensuring facilities remain uncompromised and sustain operations. The enhanced protection provided by these barriers is vital to maintaining a secure environment for both personnel and assets.</p>	
	ELIGIBLE FUNDING SOURCE: TDA Art 4	

9	PROJECT: Union Station Fencing	
	PROJECT OWNER: SSLE – Rail – Wayside Systems	
	LOP: \$ 6,465,838	Budget Request: \$ 4,561,000
	<p>SCOPE: SSLE is requesting approximately 1,203 linear feet of perimeter fencing and gates, 42 impact rated bollards and blast resistant film for Union Station. The funds will support the planning and equipment purchases of the fencing, gates, bollards and blast film, and will support the funding priority of Enhancing the Protection of Soft Targets and Crowded Places. These amounts are considered reasonable amounts per recent quotes from various market sources.</p>	
	<p>JUSTIFICATION: Union Station is the largest train station on the West Coast with immeasurable cultural and historic significance to the City of Los Angeles. In 2020 it served as the location for the Oscars and will also host future global events such as the FIFA World Cup in 2026 and the Olympics in 2028. Events such as these attract thousands of visitors to the Los Angeles area and with it, the possibility of political protests. Most recently, Union Station has served as the portal into downtown for protests of the current Israeli-Palestinian conflict, and in 2020 the Black Lives Matter protests, wherein the National Guard and Homeland Security supported the protection of Union Station. Additionally, due to its adjacent location to the largest jail in Southern California, the public, tenants and transit personnel are at risk from non-transit personnel attacks and/or the destruction of the infrastructure of our regional buses and transit partners.</p> <p>The investment of a perimeter fence/gates, impact rated bollards and blast resistant film is the most impactful and cost-efficient method for hardening Union Station as has been proposed by multiple vulnerability and security assessments. With minimal maintenance required, the perimeter fence will allow our personnel to heighten access control measures and better secure operations and personnel safety. The fencing will also serve as a physical deterrent against those who seek to use Union Station as the site for criminal or terrorist activities. The consequence of not receiving this investment can range from criminal physical attacks on the public or transit personnel, to the destruction of key transit operation systems or even the historic Union Station facility.</p>	
	ELIGIBLE FUNDING SOURCE: PC 40%	

10	PROJECT: Payroll Cloud Integration
	PROJECT OWNER: Finance and Budget – OAI – Sys -Technology
	LOP: \$10,000,000 Budget Request: \$100,000
	SCOPE: This system integration project will allow the new payroll system to interface with Metro's other systems for seamless synchronization of data and for extraction of HR, pension and benefits, and payroll data for analysis and reporting needs.
	JUSTIFICATION: The new payroll system is cloud-based and does not allow for easy access to its data to integrate with data from other Metro systems for data synchronization, analysis, or reporting needs. This project will allow payroll data to be extracted and merged with other systems for seamless integration.
11	ELIGIBLE FUNDING SOURCE: TDA Art 4
	PROJECT: RFS Wheel Measurement Machine
	PROJECT OWNER: Operations – Rail – Fleet Maintenance
	LOP: \$8,663,565 Budget Request: \$400,000
	SCOPE: Metro's rail fleet consists of 337 Light Rail Vehicles (LRVs) and 100 Heavy Rail Vehicles (HRVs) with additional vehicles currently under procurement. There are over 5,600 rail vehicle wheels that require frequent inspection and measuring, which is labor intensive and subject to potential human interpretation errors. This project is for the procurement and installation of automatic wheel measurement equipment utilizing state-of-the-art laser technology with real time wheel condition and size updates. This equipment will be installed at each rail Division and will significantly reduce labor hours during wheel inspection and measurements.
	JUSTIFICATION: LRV and HRV wheels are safety sensitive equipment. With failures, the vehicles can derail or split switches causing harm or damage to equipment and passengers. This wheel measuring equipment is automated and will eliminate routine inspections and time required to complete and with greater accuracy thereby enhancing Metro's wheel maintenance program.
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceed

12	PROJECT: Logistics Equipment Replacement Phase 2
	PROJECT OWNER: Logistics – OAI – Sys – Technology
	LOP: \$7,496,000 Budget Request: \$1,227,134
	<p>SCOPE: Part 1 of the project includes the AGV system which consists of 11 AGVs, including charging stations, and associated software necessary to operate system. The Contractor shall design, furnish and install a complete AGV wireless system that operates under the supervision of a central controller. The complete system shall consist of the following: a number of Automated Guided Vehicles recommended by the contractor that keeps the efficiency equal or better than current, including batteries, AGV Battery Charging Stations and a portable charging station; wireless devices necessary to interface with AGV units; and programable Logic Controller and operating software that will control the new AGV's and the existing stackers and conveyors. The contractor is responsible to provide and install all necessary cabling, mounting hardware and wireless equipment to interface with new AGV necessary to install the system at Location 30/CMF. The AGV's have been successfully maintained and serviced by Metro over their lifetime in order to keep them in good operating order but have reached their mechanical useful life. Routine maintenance is no longer an adequate measure to ensure the uptime of the AGV's. The Contractor shall also supply a spare parts/accessories analysis to maintain the upkeep of the system. The vendor will develop a recommended Spare Parts List for the specific scope, which will be provided to Metro during the project for future parts consideration.</p> <p>Part 2 of the project will replace the 2-decade old White System Vertical Carousel at A07 Bus Storeroom with a new High Density Storage Machine (HDSM).</p>
	<p>JUSTIFICATION: Replacing the 18-year-old Automated Guided Vehicles (AGV) Communications; replacement of the AGV's obsolete and unsupported software/equipment are required to continue the uninterrupted flow of material and supplies from the Central Warehouse and distribution center to Bus and Rail storerooms. Unless these AGV's are replaced, the Central Warehouse and Distribution Center will experience long periods of downtime (stoppage of deliveries within the central warehouse and movements of supportive cranes that retrieve inventory), delays of inventory disbursements to clients thus impacting Metro's ability to put buses and trains into service. These parts have exceeded the manufacturer's rated life cycle and are showing performance degradation.</p> <p>The A07 Storeroom already operates at 100% capacity. The breakdown the White VC at the Storeroom would severely cripple Metro's ability to safely protect and store large quantities of high-dollar Bus assets. The loss of the 1 White VC would not only impact that Storeroom but also ripple throughout the entire Metro Bus Fleet. Given the experience already encountered at A22, a recurrence with the White VC is inevitable in the near future, as Metro has used these machines years beyond their intended lifecycle. This Capital Project will both resolve Metro's current vulnerable situation at A07 and ensure reliable warehousing of Metro assets for the next 20 years.</p>
	ELIGIBLE FUNDING SOURCE: TDA Art 4

13	PROJECT: USG Plaza and East Portal Floor
	PROJECT OWNER: Operations – OAI – Sys – Systemwide & Hubs
	LOP: \$6,350,000 Budget Request: \$75,000
	SCOPE: This project will include the replacement of Patsaouras Bus Plaza flooring and drainage gutters, as well as replacement of flooring in the East Portal entrance and main station.
	JUSTIFICATION: Due to poor tile and surface quality, there are various tripping hazards at the Patsaouras Bus Plaza and East Portal floor. Furthermore, the stormwater drain system requires replacement, as the current configuration tends to fall off-track, creating additional trip hazards. All tiles will be replaced with a type that is more durable and less prone to breakage.
	ELIGIBLE FUNDING SOURCE: PC 40%
14	PROJECT: Metro Operations Downtown Hub
	PROJECT OWNER: Operations - Rail Facilities Improvements
	LOP: \$102,000,000 Budget Request: \$16,236,828
	SCOPE: Acquisition of office space in the Downtown LA area, plus associated construction and moving costs. The \$102M total is based on the latest funding plan provided by OMB. This needs to be updated by revenue/funding staff based on our last meeting on February 27th.
	JUSTIFICATION: Division 10 has been selected as the site for construction of a new ROC/BOC facility that will serve the operational needs of Metro's expanding system through 2070. Currently, Operations Central Instruction, Non-Revenue Vehicles, and MOW/Rail Comm are housed at the D10 site. To make room for the new ROC/BOC facility, and to account for the proportionally expanding needs of the MOW/Rail Comm group, the current MOW/Rail Comm facility must be expanded. These staff will be co-located with additional staff being displaced or added due to leases expiring at One Santa Fe and the PLE 1 IPMO office, Division 20 expansion, and the opening of TID projects for revenue service.
	ELIGIBLE FUNDING SOURCE: PA 35% Cash or Bond proceed
15	PROJECT: Tap Plus (Capital)
	PROJECT OWNER: Strategic Financial Management – OAI - Sys - Systemwide & Hubs
	LOP: \$ 66,423,946 Budget Request: \$ 10,750,000
	SCOPE: Improvements include the ability to pay fares with credit and debit cards on buses and at rail stations, new account-based features that simplifies sign-ups and TAP use for both new and existing customers – with easier access to reduced and free fares programs such as GoPass and LIFE, and an upgraded back office system and fare collection equipment for Metro and the 27 TAP Partner transit agencies.
	JUSTIFICATION: The current TAP fare payment system requires an upgrade to expand its capabilities to meet the features available at transit systems around the world and to improve accessibility to fare payment plans, so customer expectations are satisfied and ensure broad access to free and reduced fares.
	ELIGIBLE FUNDING SOURCE: PC 40%

16	PROJECT: Non-Revenue Fleet EV Charging
PROJECT OWNER: Project Management – OAI - Sys - Non-Revenue Vehicles	
LOP: \$14,772,000 Budget Request: \$400,000	
<p>SCOPE: This LOP budget will cover the cost of design/engineering, construction, charger purchase, installation, and commissioning of approximately 400 charging ports at Metro divisions through 2030. Each year, based on the existing prioritized plan of facilities and any identified emerging needs among the Non-Revenue fleet, Metro will select facilities to begin detailed planning, design, and utility coordination, eventually moving these projects through construction and charger installation.</p>	
<p>JUSTIFICATION: This capital project funding request is a direct response to Metro's MBS Energy Resource Management Goal to optimize and manage Metro's use of energy from the 2030 Business As Usual Scenario and the Emissions & Pollution Control Goal to reduce regional GHG emissions, including Energy Action 5.3: Partner with regional utilities to implement EV charging infrastructure and Emissions. Action 1.2: Develop, adopt and implement an EV Strategic Plan to expand use of EVs and access to EV charging infrastructure.</p> <p>Beyond energy savings and emissions displacement, this project will also bolster cross-departmental collaboration and an agency-wide culture of sustainability. The project will be a collaborative effort between the Office of Sustainability, Non-Revenue Fleet, and Operations.</p>	
ELIGIBLE FUNDING SOURCE: TDA 4	

Other Operating Capital

1	PROJECT: LA Union Station ADA West
	PROJECT OWNER: Countywide Planning & Development
	LOP: \$10,500,000 Budget Request: \$3,500,000
	SCOPE: This comprehensive, multi-phased project is designed to address and remediate non-compliant conditions throughout the LA Union Station West Campus, ensuring full adherence to Americans with Disabilities Act (ADA) code requirements. The project encompasses a wide range of improvements, including but not limited to enhancements to paths of travel such as walkways, elevators, and stairwells. It also includes corrections to sloping issues, restroom upgrades, modifications to historic doors, and updates to patio bench configurations. Furthermore, the project will address non-compliant tenant spaces, as well as necessary improvements to parking lots and passenger drop-off areas.
	JUSTIFICATION: This project addresses Americans with Disabilities Act (ADA) violations. In response to the April 21, 2023, settlement agreement with the Department of Justice (DOJ), Metro's Union Station Management, Civil Rights and County Counsel has engaged an Independent Licensed Architect (ILA) and Certified Access Specialist (CAsp) team to oversee compliance efforts. This team has developed a comprehensive Transition Plan to guide implementation efficiently and ensure adherence to ADA requirements.
	ELIGIBLE FUNDING SOURCE: PC 40%
2	PROJECT: LA Union Station Plumbing Infrastructure Phase 3
	PROJECT OWNER: Countywide Planning & Development
	LOP: \$7,750,000 Budget Request: \$4,800,000
	SCOPE: Phase 3 of the Plumbing Infrastructure project aims to comprehensively design and repair the plumbing and drainage systems across the entire frontage area of LA Union Station, as well as the exterior of the Northwest (NW) Office Building. This phase includes upsizing storm drains to accommodate a 10-year storm event and replacing deteriorated plumbing lines. Additional drainage systems will be installed where necessary, and grading will be corrected to ensure proper water runoff and prevent pooling.
	JUSTIFICATION: LA Union Station Plumbing Infrastructure Phase 3 phase addresses the most critical areas in need of repair or replacement, ensuring the station's long-term structural integrity and operational efficiency. LA Union Station, a historic landmark built in 1939, still relies on much of its original plumbing infrastructure. Decades of deferred maintenance under prior ownership have resulted in significant deterioration and system failures. Water intrusion is widespread in public areas and retail spaces, while flooding is common in the basement, utility chases, and subgrade levels leading to ongoing damage to the building's foundation, flooring, and electrical infrastructure. This project is essential to enhancing public safety by improving drainage and eliminating water infiltration, thereby reducing the risk of slip-and-fall incidents. Following a thorough evaluation, Union Station Management has identified multiple sections of the existing plumbing system that have either failed or become ineffective.
	ELIGIBLE FUNDING SOURCE: PC 40%

3	PROJECT: LA Union Station Parking Equipment
	PROJECT OWNER: Countywide Planning & Development
	LOP: \$6,600,000 Budget Request: \$500,000
	SCOPE: Parking technology and equipment purchase and replacement of revenue equipment in the Union Station parking facilities.
	JUSTIFICATION: The current revenue equipment is becoming obsolete and is no longer supported by the manufacturer. Equipment and technology need to be upgraded for continuation of daily operations and in preparation for the LA28 games.
	ELIGIBLE FUNDING SOURCE: PC 40%
4	PROJECT: LA Union Station Stationwide HVAC Upgrades
	PROJECT OWNER: Countywide Planning & Development
	LOP: \$6,550,000 Budget Request: \$1,750,000
	SCOPE: The Stationwide HVAC Upgrades project aims to design and replace the outdated heating, ventilation, and air conditioning (HVAC) systems within the historic Los Angeles Union Station transportation facility. The new systems will be carefully integrated with the station's existing architectural design, avoiding visible ductwork or equipment that could disrupt its historic appearance. Considering the station's aged infrastructure, reinforcement may be necessary to support modern HVAC systems, with a strong emphasis on minimizing disruptions to the building's daily operations.
	JUSTIFICATION: The Stationwide HVAC system has reached its end of life and is inefficient, leading to inconsistent temperature control and increased energy consumption. Upgrading the HVAC system is crucial to meeting contemporary standards for energy efficiency, indoor air quality, and climate control. This not only impacts passenger experience/comfort but also threatens the preservation of the building's historic elements. Los Angeles Union Station is listed on the National Register of Historic Places and features infrastructure that has aged beyond its useful life over its 85-year history. Implementing energy-efficient systems will reduce operating costs and environmental impact, aligning with Metro's sustainability goals while ensuring compliance with regulations governing historic buildings.
	ELIGIBLE FUNDING SOURCE: PC 40%

**REIMBURSEMENT RESOLUTION
OF THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
FOR FISCAL YEAR 2026**

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; (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 of heavy rail lines; (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 FY26 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, grant revenues, or toll revenues to finance the costs of the Projects on a permanent basis (the “Debt”);

WHEREAS Metro expects to expend money of the Enterprise Fund (other than money 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 \$150.0 million for Proposition A, \$150.0 million for Proposition C, \$150.0 million for Measure R, \$650.0 million for Measure M and \$300.0 million for toll 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;

ATTACHMENT C

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 \$150.0 million for Proposition A, \$150.0 million for Proposition C, \$150.0 million for Measure R, \$650.0 million for Measure M and \$300.0 million for toll 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.

FY26 Public Outreach (Public Comments)

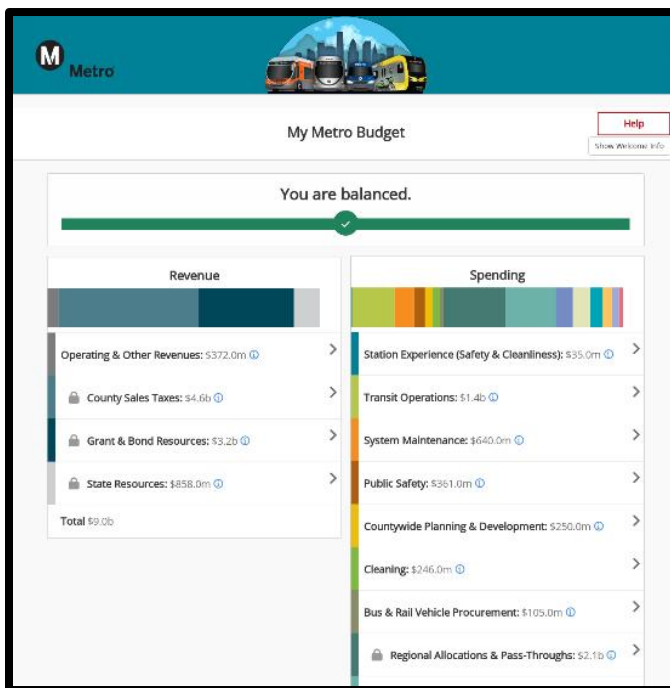
Public Comments Overview

Public engagement is a vital component of the FY26 budget development process, yielding significant feedback and valuable insights into public priorities for Metro. The numerous comments and questions received have been carefully considered in developing the proposed budget.

Key themes emerging from public outreach closely mirrored those of the previous year, underscoring their continued importance to Metro riders:

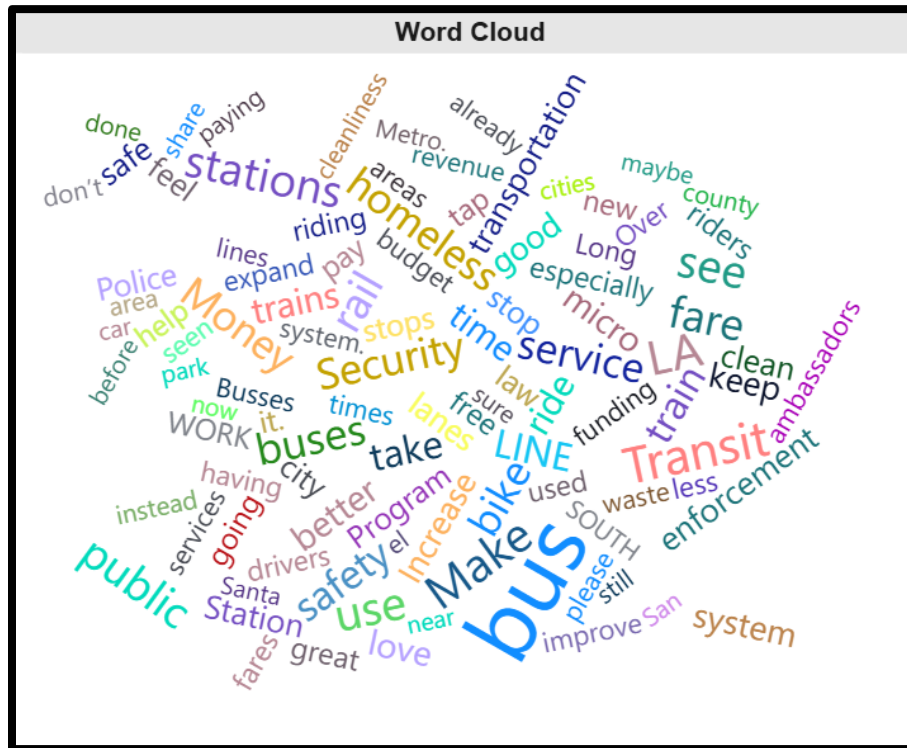
- **Safety and Security:** Including dedicated efforts for homeless outreach
- **Service:** Emphasizing efficient, frequent, and reliable transit
- **Cleanliness:** Focusing on the condition of vehicles and stations

My Metro Budget Activity



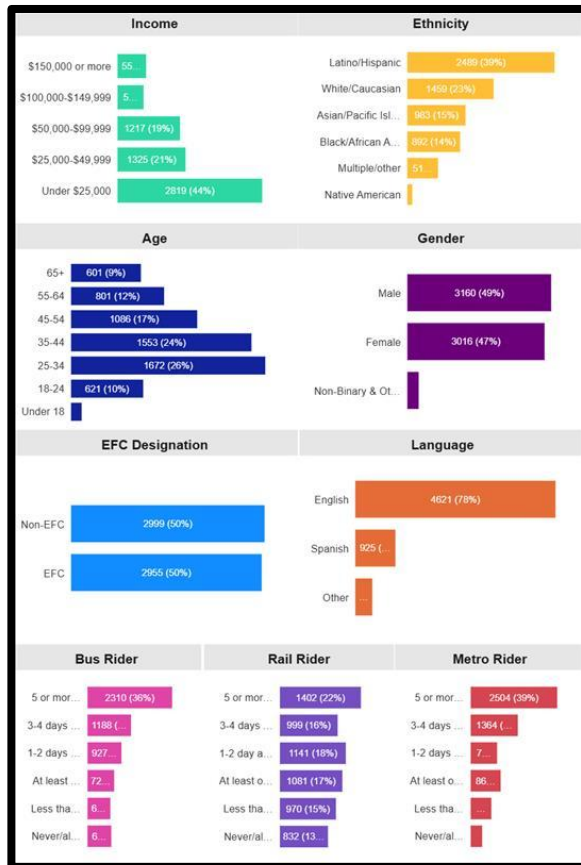
The "My Metro Budget Activity" demonstrated a substantial increase in public participation, garnering over **6,400 responses** and **4,300 written comments**, surpassing last year's figures of 4,200 responses and 3,200 written comments. This enhanced engagement was facilitated by strong collaborative partnerships across various Metro groups and departments, including TAP, GoPass, Community Relations, LIFE, the Women and Girls Governing Council, Station Staff, Metro Micro, Metro Youth Council, Transit Ambassadors, SEED School, and numerous Community-Based Organizations (CBOs). My Metro Budget activity results, and other budgetary information are available on the Metro Budget Portal at budget.metro.net.

Summarized below in the word cloud are the most frequent words used in the comments. The FY26 Proposed Budget addresses the comments and concerns raised.



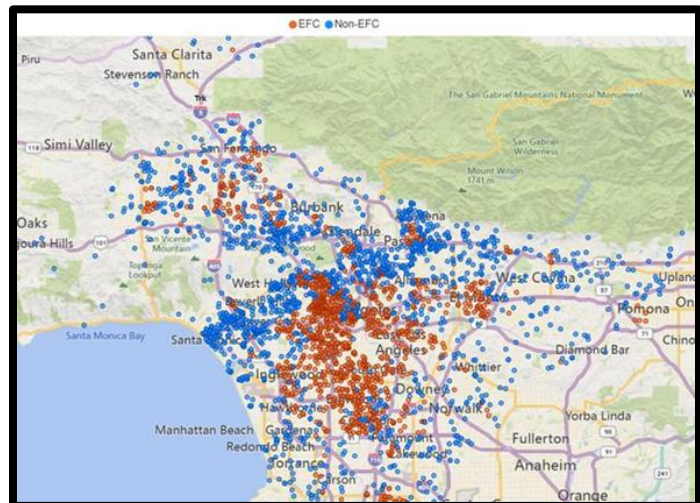
The word cloud presented above visually highlights key themes that echo the sentiments expressed during FY26 budget outreach. The written comments received through this process are just one method Metro considers in budget development. The prominence of words like “bus,” “security,” and “transit” aligns directly with the qualitative and quantitative feedback received, consistently indicating that safety, service frequency and reliability, and cleanliness remain top priorities for the community.

Below are My Metro Budget activity demographic results and a map to show participant locations.



As illustrated in the figure on the left, the respondent demographics closely align with those of LA County and Metro's ridership. This year's survey indicates that 50% of respondents reside in an Equity Focus Community (EFC), 44% have an income below \$25,000, 39% identify as Hispanic, and 72% ride Metro one or more days per week. The statistically valid sample ensures the overall results are representative and would not significantly change with further participation.

The map displays the geographic distribution of participants, with orange points specifically indicating residents within EFCs. Metro remains dedicated to robust engagement and outreach within these communities.



Metro's Response to Comments & Community Priorities

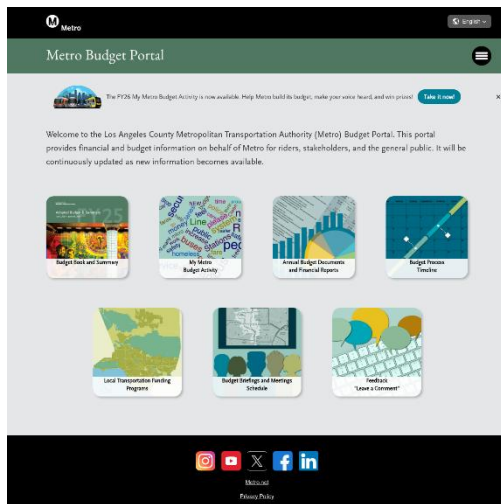
In direct response to public comments, the FY26 Proposed Budget allocates significant resources to the identified priorities. To increase safety and security, a \$392.5 million investment (a 1.9% increase) will support Ambassadors, Community Intervention Specialists, Homeless Outreach, Crisis Intervention Teams, Metro Transit Security, Private Security, Law Enforcement, and the establishment of the Transit Community Public Safety Department (TCPSPD). Recognizing the importance of cleanliness, the cleaning budget is increasing by 13.1% (\$36.6 million) and includes \$9.9 million for the Station Experience Program. Furthermore, a \$157.6 million (5.8%) increase in the Operations & Maintenance budget directly addresses concerns about service by improving speed, frequency, and reliability. Other Investments include:

- Lighting Retrofit
- Elevator/Escalator Modernization
- Mobile ADA Accessible Restrooms
- Tap-To-Exit/Taller Faregates Pilot
- Weapons Detection Phase 2 Pilot
- Mid-line cleaning pilot

Public Engagement Strategy

Public Engagement	Participation
Telephone Town Hall – February 4, 2025	>2,100 listeners including 121 Spanish listeners
My Metro Budget Activity Responses	>6,400
My Metro Budget Activity Comments	>4,300
My Metro Budget QR Info Cards	>30,000
Budget Portal Views (https://budget.metro.net)	>2,100 views
Community Based Organizations	392
Email Blasts/Community Newsletters	>15
<i>The Source/El Pasajero</i> Posts	1
Social Media Platforms	5 – Facebook, Instagram, X, LinkedIn, NextDoor
Newsprint Publications – Public Hearing Announcement	20 newsprint agencies
Stakeholder & Public Engagement Meetings	21

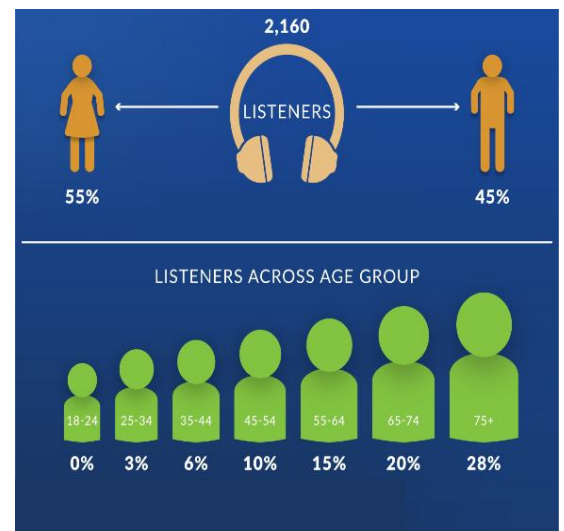
Metro Budget Portal



Metro's budget portal (<https://budget.metro.net>) remains the central hub for all budget-related information, including documents, timelines, and notifications. The Office of Management and Budget (OMB) continues to enhance the portal's accessibility, with the notable addition of language translation this year. The portal also provides avenues for public feedback and allows users to subscribe for budget updates.

February 4, 2025, Telephone Town Hall

A Telephone Town Hall (TTH) was held for the FY26 Budget Development Cycle, engaging over 2,100 English and Spanish callers. This unique virtual forum provided a platform for the public to listen to and pose questions directly to Metro senior leadership. Following the Board's request via Motion 25 on February 20, 2025, a report addressing the topics raised during the TTH is provided in Attachment E, within the 90-day timeframe requested by the Board. These TTH events have proven to be an invaluable outreach tool, effectively reaching the EFCs and residents who may face barriers to attending traditional public meetings or participating online. The recording for the February 4, 2025, TTH is accessible on the budget portal.



Stakeholder and Public Meetings

The legally mandated budget public hearing, as required by California PUC code 130106 ("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."), was conducted this year. The notice of the public hearing was published in 20 newspapers, in multiple languages, 15 and 30 days prior to the event.

Metro continued to hold stakeholder meetings throughout the budget development, concluding with the legally required budget public hearing and possible board adoption of

the FY26 Budget. These meetings were guided by a commitment to Putting People First, ensuring that Metro listened and learned from stakeholder input. Detailed schedules, meeting information, and up-to-date budget data were posted on the Finance and Budget portal (<https://budget.metro.net>) in advance of each event.

FY26 Budget – Outreach Meeting Schedule			
Meeting	Date	Time	Completed
Regional Service Councils Meet & Confer	Nov 24, 2024	6-7pm	X
Telephone Town Hall	Feb 4	6-7pm	X
Community Advisory Council – General Assembly	Feb 26	6-8pm	X
Measure R Independent Taxpayers Oversight Committee	Mar 5	1-2pm	X
Independent Citizens Advisory Committee	Mar 5	2-3pm	X
Community Advisory Council – General Assembly	Mar 20	6-8pm	X
San Gabriel Valley Council of Governments	Apr 2	4pm	X
Regional Service Council – San Fernando Valley	Apr 2	6:30-8:30pm	X
Regional Service Council – Westside Cities	Apr 9	6-8pm	X
Regional Service Council – Gateway Cities	Apr 10	5-7pm	X
Regional Service Council – South Bay Cities	Apr 11	9:30-11:30am	X
Regional Service Council – San Gabriel Valley	Apr 14	5-6pm	X
Community Advisory Council	Apr 23	6pm	X
San Gabriel Valley Council of Governments	May 7	4pm	X
Gateway Cities Council of Governments	May 7	4pm	X
Technical Advisory Committee	May 7	9:30-11am	X
Accessibility Advisory Committee	May 8	1-3pm	X
South Bay COG	May 12	10:30am	X
Valley Industry Commerce Association	May 13	8:30-10:30am	X
Streets & Freeways Committee	May 15	9:30am	
Public Hearing	May 15	10am	

Response to Motion 25: Addressing Rider Feedback from Telephone Town Hall

Below is the report back for Motion 25 on how Metro is addressing, promoting and/or improving the initiatives which were received as community feedback at the telephone town hall.

See Motion 25 included in this document on page 10 of this statement.

A. Increased lighting throughout the system

Response: Metro is upgrading lighting systems with more reliable and energy-efficient LED fixtures to enhance visibility and deter issues like encampments and vandalism at rail and bus stations (G Line and J Line). Lights at G Line Roscoe Station walkway were replaced with solar lights as a pilot for other installations being planned, such as throughout all G Line Stations. Preventive maintenance on lighting is conducted quarterly to ensure functionality. To ensure consistent lighting levels across the system, a Standard Operating Procedure for measuring illumination will be integrated into preventive maintenance inspections.

B. Cleanliness on buses and trains

Response: Dedicated Bus and Rail Quality Assurance teams conduct monthly inspections to uphold these standards. To enhance our efforts, we will integrate customer feedback and operator reports to proactively address problem areas and schedule additional deep cleans as needed. We are actively hiring and providing specialized training for supervisors and maintenance teams. The FY26 Cleaning budget totals \$316.2 million, a 13.1% increase over last year and includes 24 new custodial staff and 84 new service attendants to ensure a clean transit system.

On a scale of 1 -10 with 10 being the best, bus and rail cleanliness efforts over the past three years have resulted in the below averages:

- Bus – Overall rating increasing from 8.43 in 2022 to 8.70 in 2024
- Rail – Overall rating increasing from 8.58 in 2022 to 8.96 in 2024

Cleaning protocols and frequencies for buses and trains (Current & Planned)

Metro prioritizes a clean and pleasant experience on both buses and trains through regular daily and nightly cleaning, including thorough interior and exterior detailing, with deep cleans every 6,000 miles.

Bus	Rail
Buses are cleaned at several of the terminals during layover stops throughout the day.	Rail cars are cleaned at several end of line locations.
Nightly cleaning - wipe downs of operator's area and touch points throughout the bus/car, mopping the floors, removing all graffiti, and cleaning the exterior of the cars utilizing the bus/train car wash.	
Deep cleans - performed at least once every 6,000 miles (interior and exterior)	
Quality Assurance - monthly inspections to ensure cleanliness standards are met.	
ENHANCEMENTS	
Talent Acquisition is currently filling open positions for all bus/rail divisions to be fully staffed as soon as possible.	
Upcoming Supervisor Training classes on how to improve and maintain improvements in fleet cleanliness.	
Provide feedback to employees who cleaned buses to encourage and thank employees for meeting higher performance standards and conduct management audits.	
In service mid-line cleaning at key locations throughout the rail system. Mid-line cleaning will have staff riding the trains between major connection hubs and cleaning up waste while trains are in service.	

C. Timely elevator maintenance

Response: Below is a summary of information on elevator maintenance and repairs.

Current process for elevator maintenance and repairs

All elevators are inspected and have preventative maintenance performed on a monthly basis. Any deficiencies found are corrected immediately. Any items showing wear or limited life expectancy are scheduled for replacement as soon as the replacement material is acquired. As-needed repairs for calls received are performed immediately or as soon as material is available if not currently on hand.

Average response times for elevator maintenance requests

Response times for units reported out of service are:

- Seven (7) days a week, including holidays
- 30 minutes between the hours of 6:00 am to 9:00 pm
- One (1) hour for emergencies between 9:01 pm and 5:59 am

Other Initiatives

Elevator/Escalator upgrades

Metro has ongoing capital projects including comprehensive upgrades to over 100 elevators and 80 escalators across the system.

Elevator Attendant Pilot with Return-to-Work Employees Launches

In March 2025, the Return-To-Work unit began assigning Metro employees to the B/D Line at Pershing Square Station. These Transitional Duty Elevator Attendants help provide additional eyes and ears to monitor elevators and deter inappropriate activity, as well as assist riders with wayfinding and documenting safety, cleanliness, and issues with disruptive passengers to the Transit Watch App and Rail Operations Control Center. This program, which is already underway to monitor traditional bathrooms at El Monte Bus Station and Harbor Gateway Transit Center, will also expand to other B/D Line station elevators.

Polycarbonate protective shields

Metro is actively working to enhance the safety and reliability of its elevators, particularly addressing the issue of broken glass vandalism that can disrupt service. In February 2022, a proactive initiative was launched to install polycarbonate protective shields on the elevator glass. This measure aims to prevent vandalism and minimize out-of-service time. Significant progress has been made, with 111 of the 166 elevators identified now equipped with polycarbonate protective shields. The installation process for the remaining 55 elevators is currently underway and is strategically planned to extend over the next 24 months.

Heavy-duty vinyl flooring

In 2017, an assessment identified 117 elevators with flooring prone to fluid seepage into the elevator shaft, leading to odors and equipment corrosion. These floors were subsequently replaced with heavy-duty vinyl. An assessment in July 2024 identified 53 additional transit elevators requiring floor replacement due to cuts, holes, or

tripping hazards. To date, 19 of these floors have been replaced with full project completion anticipated by October 2025.

- D. Expansion of and interaction with small businesses and disadvantaged enterprises, including outreach to small businesses and disadvantaged businesses enterprises

Response: The Diversity and Economic Opportunity Department (DEOD) is committed to supporting the small and disadvantaged business community by hosting and participating in various outreach and engagement initiatives. Through workshops, industry forums, and a number of other networking events, DEOD provides resources, guidance, and opportunities to help small businesses grow and succeed. Through outreach and engagement events, which are made available to the public on Metro's Vendor Portal at business.metro.net, DEOD aims to continue maximizing small business participation on Metro projects.

Key Outreach and Engagement

Annually, Metro host and/or support on average 70 small business-related outreach events.

- 32 MetroConnect Events/Workshops
- 7 Metro Targeted Outreach (for specific projects such as FMS, Link US, etc.)
- 25 Metro Technical Workshops (Certification, CUF, Audit, etc.)
- 30 External Outreach Events (City & County of LA, Regional Chambers of Commerce, Professional Associations, etc.)

Access to contracting opportunities

Metro's main resource in facilitating access to contracting opportunities for these businesses is by utilizing Metro's Online Vendor Portal. The vendor portal provides small businesses with the most up to date information regarding contracting opportunities with Metro. The vendor portal also allows firms to view upcoming news and events, the 12-month look-ahead, awarded contracts, open solicitations, small business set-aside solicitations, and offers other helpful and informative resources to the small business community. Additionally, when a business registers as a vendor with Metro, the Vendor/Contract Management (V/CM) team notifies firms via email about relevant contracting opportunities. Metro also ensures the latest and upcoming contracting opportunities are shared during Transportation Business Advisory Council (TBAC), Industry Forums, and project specific targeted outreach events.

Plans to increase interactions and outreach

Metro plans to increase interactions with and outreach by enhancing its engagements and outreach to small businesses in the following ways:

- Utilize social media: Leverage social media platforms to promote events, resources, and success stories.
- Offer One-on-One Consulting: Provide personalized guidance and support to help businesses develop with one-on-one focused technical assistance with professional business mentoring provided by industry professionals in the areas of professional services, architectural and engineering (A&E), construction and project management services, alternative project delivery methods and construction.
- Expand Training Programs: Guided access to business resources, mentoring in the areas of estimating, scheduling, forms preparation, Change Order and/or the Modification approval process, proposal submission and claim filing, training, workshops and referrals to other industry professionals and/or service providers to further support and develop small business needs.

E. Metro's Bike Share (MBS) program

Response: The FY26 Budget includes \$7.7M for Bikeshare Expansion. The current Metro Bike Share (MBS) program consists of 225 stations and up to 1,800 bikes. Of these bikes, 10% - 15% are pedal assisted Electric Bikes (e-bikes). E-bikes continue to generate the highest utilization at 4.1 trips/bike/day compared to the classic "human-powered" pedal bikes at 0.49 trips/bike/day.

MBS ridership grew 18% year over year, generating 519,392 trips during calendar 2024 which represents the highest ever annual ridership. Reduced fare usage (passholders and ridership) also grew year over year with reduced fare trips totaling 162,702 or 31% of total rides in 2024. Currently 47% of MBS stations are in EFCs and generate 40% of overall ridership.

Expansion, improvements, and maintenance

Metro has secured two grants, REAP (State) and RCN (Federal), to support the expansion of MBS. Metro is currently coordinating with LADOT to ensure a

commitment to implement the expansion. When authorized, this expansion will add approximately 100 stations and 1,000 bikes. The expansion will be within the City of Los Angeles and connect the Central/Downtown and Westside service areas (from Vermont Ave to Westwood Bl and Exposition Bl to Wilshire Bl).

Metro is also working with other interested jurisdictions to explore the ability to expand MBS – County of Los Angeles, Culver City, Glendale, etc.

Metro is currently working on other improvements to MBS including upgrading all MBS equipment (stations, docks and bikes), increasing the number of available pedal assisted e-bikes, and enhancing and updating the website and mobile app to streamline the bike check-out process.

Other Initiatives

Metro is working to move MBS stations onto Metro rail and bus stations and other Metro project areas, where appropriate to improve connectivity to Metro’s bus and rail services. As such, five (5) MBS stations will be installed along the Rail to Rail Active Transportation Corridor Project – Segment A, along Slauson. Metro is also working to incorporate charging stations to ensure e-bikes are charged in the most efficient manner to meet customer needs.

F. Metro’s Free and Reduced Programs

Response: Below is a list of the free and reduced fare programs, and relevant information and initiatives.

GoPass

Since its launch in 2021, the GoPass program has recorded over 51 million boardings—including 6.9 million in the first half of FY25 alone, a 14% year-over-year increase—demonstrating its continued success in promoting public transit usage for K-14 students throughout LA County. The program, now a permanent initiative entering its fifth year, has served 481,845 unique participants through the first half of FY25 (40% of the 1.2 million eligible students in participating districts).

Outreach

Metro continues to expand outreach through back-to-school and on-campus registration events to boost enrollment. Currently, 130 districts—spanning public, charter, private, adult/vocational, and community colleges—representing over 1,600 schools participate in the program. Metro staff are actively working to onboard

additional schools and districts, increase student registrations, and encourage on-going transit use for school commutes across LA County.

The GoPass team conducts outreach on an average of 5-7 community and school events per month, sharing information about the program and details on how to obtain a GoPass card. Work is being done year-round with program administrators to ensure that students at their schools receive information needed to obtain and register their GoPass cards. This includes emails directly to GoPass students who have opted to receive communication from Metro.

Next school year, there will be a county-wide paid marketing campaign launching during the back-to-school season and continuing throughout the school year. This will be a mix of social media, targeted digital ads, and paid search.

U-Pass, E-Pass, SEP, and ATAP - Commute Services:

Metro has launched an agency-wide initiative to boost awareness of its Commute Services programs. As part of this effort, the goals for FY25 include increasing employer pass revenue by 18%, adding 54 new employer accounts, and growing lead generation by 667% through targeted marketing campaigns.

In FY24, the Employer Pass Program generated \$4.99 million in revenue with 10,991 participants. The U-Pass Program brought in \$2.54 million in revenue, serving 43,585 student participants.

Outreach

Metro is primarily targeting businesses in LA County with 50 employees or more that are located within one mile of a Metro transit option, employee transportation coordinators, and LA County business organizations including Chambers of Commerce, rotary clubs, SBE groups, and others. Secondly, Metro is working to engage businesses who meet the California AQMD standards and current bus and rail riders that work at potential business partners.

The outreach is being conducted through the following methods:

- Metro.net branded landing page
- Engaging current Commute Services customers
- Market commute services opportunities through the Vendor Portal
- Customer Care Center Holders
- Bus Car Cards
- Rail Posters
- Video walls
- Internal departmental collaboration

- Social Media (Paid and Organic)

LIFE Program

The program now has over 415,594 total LIFE participants. LIFE boardings continue to grow as customers participate in the program and utilize LIFE subsidies. During the first half of FY25, LIFE free boardings totaled 10.6 million and has reached well over 48 million boardings since 2021.

Outreach & Initiatives

In November 2024, Metro marketing launched a 7-month campaign to raise awareness of the LIFE program and drive sign-ups and renewals. The campaign primarily targeted Spanish-speaking communities, with also awareness to English-speaking African American communities. Staff utilized trusted media channels, including newspapers, radio, billboards, digital, social media, and search, concentrating on areas with high public transit use but low program adoption.

Other outreach initiatives are underway, including LIFE Bus Car Cards, which have seen new LIFE advertisements added to buses by six Transit Agencies:

- Antelope Valley Transit (AVTA)
- Baldwin Park Transit
- Foothill Transit
- Gtrans (Gardena)
- Santa Clarita Transit
- Torrance Transit.

The LIFE Program is partnering with the South LA Eco Lab project to provide 6-month transit passes to LIFE riders within a specific area of South Los Angeles.

Metro continues to collaborate with community-based organizations and local government agencies, including the County and City of Los Angeles, to assist with extensive program promotion, outreach, and referral. One of such promotions is the Uber Pilot, which was launched in October of 2024 and resulted in 533 rides booked (Oct. – Dec. 2024). This program allows agencies and riders to book rides directly on the UBER landing page and/or the UBER app and pay for the service with UBER coupons provided by the LIFE Limited Program. The UBER coupon is a great alternative to the current taxi vouchers which have a 100% utilization rate.

Response to wildfires

Additionally, Metro was quick to respond to the devastating wildfires that broke out in LA County on January 7, 2025 by offering free transit to all Angelenos during the crisis. In order to assist the wildfire survivors, Metro expanded the criteria to include

individuals and families displaced by the wildfires. This effort proved to be beneficial with over 4,493 Wildfire Relief participants enrolled in the program, providing almost 60 thousand free boardings.



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0132, File Type: Motion / Motion Response

Agenda Number: 25.

EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 20, 2025

Motion by:

DIRECTORS HAHN SANDOVAL AND DUPONT-WALKER

ADDRESSING RIDER FEEDBACK FROM TELEPHONE TOWN HALL

On February 4th 2025, the Los Angeles County Metropolitan Authority (Metro) invited LA County residents to provide input on the agency's annual budget through a live and interactive Telephone Town Hall.

As part of Metro's ongoing "Putting People First" engagement efforts, these annual telephone town halls' serve as a tool for Metro to gather input from riders, encouraging discussion around cleanliness, bus and rail service, and riders' overall transit experience.

In addition to this annual telephone town hall meeting, LA Metro also released their Metro Budget Portal in October 2024, a valuable tool that aims to increase education and transparency about Metro's revenue and spending while also collecting riders' feedback. While a report back is expected on Metro's budget tool this spring, input collected from the telephone town halls is also important in understanding how the agency could improve the experience for both existing and future riders.

At this year's annual telephone town hall, riders expressed interest in a wide array of topics. Suggestions included adding lighting throughout the system to enhance safety, increasing the frequency of bus and train cleaning, and improving the promotion of SBE/DBE opportunities.

While it is important to acknowledge that Metro is already making strides in these areas, riders and stakeholders should know that their voices are being heard, and that this agency's goals and budget reflects the communities it serves.

SUBJECT: ADDRESSING RIDER FEEDBACK FROM TELEPHONE TOWN HALL MOTION

RECOMMENDATION

APPROVE Motion by Hahn, Sandoval and Dupont-Walker that the Board direct the Chief Executive Officer to report back in 90 days on how Metro is addressing, promoting and/or improving the following initiatives which were received as community feedback at the telephone town hall:

File #: 2025-0132, **File Type:** Motion / Motion Response

Agenda Number: 25.

- A. Increased lighting throughout the system;
- B. Cleanliness on buses and trains;
- C. Timely elevator maintenance;
- D. ~~Promotion of DBE/SBE workshops~~ Expansion of and interaction with small businesses and disadvantaged enterprises, including outreach to small businesses and disadvantaged businesses enterprises;
- E. Metro's Bike Share program; and
- F. Metro's Free and Reduced programs.

Metro EFC Budget Assessment Results Over Time

The EFC Budget Assessment responds to the Board's direction to utilize Metro's EFC Map to prioritize budget expenditures. To develop the EFC Budget Assessment Baseline, staff assigned an EFC Impact Category to every cost center and project of the FY23 Adopted Budget. Table 1 includes the categories and examples of their use.

Table 1. EFC Budget Assessment Categories, Definitions, and Examples

EFC Impact Category	Definition	Example
1. Targeted Benefits to EFCs	Demonstrate positive impacts from Metro's projects, programs, policies, and services that are <u>intentionally focused</u> on EFCs	<ul style="list-style-type: none"> New or updated station improvements located in or adjacent to EFCs Services or programs that demonstrate prioritization for EFCs
2. Indirect Benefits to EFCs	Projects, programs, or services that <u>disproportionately serve but are not targeted</u> to groups comprising the EFC criteria: low-income, people of color, no car.	<ul style="list-style-type: none"> Expenses that fund service to the general public or ridership without intentional inclusion for people living and working in EFCs
3. No EFC Benefits or Service	No demonstrated benefit or service to EFCs	<ul style="list-style-type: none"> Projects not located within EFCs or within a service area of EFCs General/countywide services (not qualified as Indirect Benefits)
4. Formula-Based	Allocations based on formulas and laws	<ul style="list-style-type: none"> Local Return programs Pass-through funds
5. Admin. or Technical	Strictly administrative or technical support	<ul style="list-style-type: none"> Treasury activity costs Copy machine repair, payroll systems

In May 2023, during the adoption of the FY24 Proposed Budget, the Board directed staff to compare the EFC Budget Assessment Baseline with actuals for that fiscal year. Table 2 demonstrates that Metro has maintained or increased Total Benefits to EFCs (Targeted and Indirect categories). The actuals for FY24 were almost two percentage points lower than the proposed budget for that fiscal year. Minor differences between actual and proposed results for every fiscal year are expected, as Metro does not spend its entire budget and the total dollar amount (denominator) may differ when calculating percentages.

Table 2. EFC Budget Assessment Results FY23-FY25

	FY23 Adopted (Baseline)	FY23 Actuals	FY24 Actuals	FY25 Actuals
Targeted Benefits	26.10%	29.49%	29.73%	<i>Coming Fall 2025</i>
Indirect Benefits	41.20%	42.21%	43.29%	
Total Benefits	67.30%	71.70%	73.03%	



Metro®

Metro Fiscal Year 2026 Proposed Budget

Public Hearing

May 15, 2025





Putting People First

Customer Experience

- Listen & Learn: Extensive Outreach
- Safe Metro for riders & employees
- New mid-line cleaning
- Station Experience

Serving Our Communities

Multi-layered Care-based Approach to Public Safety

- Transit Ambassadors
- Crisis intervention
- Community intervention specialists
- Contract law enforcement
- Homeless Outreach
- TAP-to-Exit/Taller Faregates Pilot
- Weapons Detection Phase 2 Pilot

Building Legacy for Our Communities

Ready to Welcome the World

- FIFA World Cup 2026
- First choice in transportation
- Legacy infrastructure projects
- Lasting impacts for residents & visitors

The FY26 Budget demonstrates our commitment and continued investments in Putting People First



Metro

Risks and Uncertainties

National Economy

- Tariff increases
- Market volatility
- Period of instability
- Federal Reserve to pause interest rate reductions
- Concerns of both recession & inflation
- Federal grant uncertainties impact transportation funding

Local Economy

- Recent wildfires
- Rising housing & insurance costs
- Reduced consumer spending due to lower consumer confidence
- Increased costs in non-taxable items reduces disposable income, impacting sales tax revenues

Cost Increases

- Expanding rail system
- Rising capital costs
- Labor expense
- Persistent inflationary pressures
- Preparing for mega sporting events

Resources

Expenditures



FY26 Proposed Budget reflects a \$181.0M or 2.0% increase from FY25

- Balanced Budget
- 3 Fund source categories
- 10 Program expenditure items

PLANNING

\$280.7M

Countywide BRT Planning	\$3.5M
C/K Line Ext. to Torrance	\$61.0M
E Line Eastside LRT Phase 2	\$87.7M
Eastside Access	\$0.2M
ESFV LRT (Shared Corridor)	\$0.7M
K Line Northern	\$9.4M
North San Fernando Valley BRT	\$0.4M
Rail & Bus Ops Control Center	\$17.3M
Sepulveda Corridor	\$76.6M
SGV Transit Feasibility Study	\$1.4M
Vermont Transit Corridor	\$22.4M

CONSTRUCTION

\$1,810.8M

A Line Foothill Ext. 2A & 2B	\$148.0M
D Line Westside Ext.	\$778.9M
East San Fernando Valley LRT	\$267.7M
G Line BRT Improvements	\$215.0M
NoHo to Pasadena BRT Connector	\$84.5M
Southeast Gateway Line	\$316.0M



TRANSITIONAL COSTS & REVENUE READINESS

\$45.8M

A Line Foothill Ext. 2B	\$7.2M
D Line Westside Ext. Section 1	\$15.6M



LAX/Metro Transit Center*	\$22.9M
---------------------------	---------

* Contract closeout activities post opening

Reflects a \$249.4M or 12.7% increase from FY25

- Planning & Studies increases by \$65.3M (30.3%)
- Transit Construction grows by \$184.1M (10.5%)
- Support project closeout & systemwide projects: \$81.0M



Metro

Metro Transit Operations - \$2.9B

Service plans and initiatives to improve customer experience

Bus Service

\$1.9B
(+\$114.2M, +6.4%)



- Maintain existing NextGen Bus Plan service levels, continuing to expand NextGen speed and reliability initiatives

Rail Service

\$968.1M
(+\$68.9M, +7.7%)



- A Line to Pomona & D Line Section 1 extensions and improved service frequencies

Metro Micro

\$23.1M
(-\$19.2M, -45.5%)



- New Business Model: New operations and software contracts, same geographical coverage

Reflects a \$163.8M or 6% increase from FY25

- Bus system labor - largest component in bus operating (62.1% of total cost)
- Rail budget supports 1.53M rail RSH






- Metro Micro - implementing new delivery model, reducing costs by \$19.0M, while maintaining service levels



Metro

Focus on Safety – Station Experience

Putting People first with increased safety and cleanliness

Restrooms	Elevators/Escalators	Taller Faregates Pilot	Weapons Detection Phase 2 Pilot	Lighting Retrofit
<p>Throne Restrooms</p> <ul style="list-style-type: none">• ADA Expansion• 50 by Summer 2026	<ul style="list-style-type: none">• Modernization & Replacement• Open Door Cleanliness• Attendants to monitor/assist	<ul style="list-style-type: none">• LAX/Metro Transit Center• Expanded to 21 stations	<ul style="list-style-type: none">• AI powered concealed weapons detection pilot extended - 12 months	<ul style="list-style-type: none">• Improved visibility & safety
				

- Continue to expand investments in faregates pilot
- Enhance CCTV system

- Implement various lighting retrofits
- Improvements to signage and wayside features throughout system

Multi-layered Care-based Public Safety

- Safety presence by continuing Transit Ambassadors
- Adding 46 Transit Security Officers
- Homeless Outreach budget : \$19.1M, a 4.4% increase
- Crisis Intervention program startup as part of the TCPSD implementation



Free & Reduced Fare Programs

- GoPass – K-14 students
- LIFE – 20-trips/month
- U-Pass – college students
- Employer pass – employee passes
- Mobility Wallet – subsidies of \$150 per month
- South LA Eco Lab Project – 6-month passes to LIFE riders in South LA



Cleaning

- Bus: Daily cleaning - 4 terminals 7-days/week
- Rail: Daily Division cleaning, 3 End-of-line (EOL) cleaning shifts, 7-days/week
- New mid-line cleaning: trains cleaned while in service
- Stations: Rail custodial staff @ 17 Hot Spots
- Facilities: Graffiti control, power sweeping, trash removal



- 13% increase to continue to make improvements on cleaning efforts
- Expanding outreach on GoPass and LIFE programs



Metro

Capital Improvement Program (CIP) - \$608.8M

Serving riders with transit options that are sustainable, reliable, and innovative

Bus

\$176.4M

(+31.0M, +21.3%)



Bus Zero Emissions Buses (ZEB): continue procurement of buses (\$35.0M) & infrastructure (\$57.2M)

Rail

\$253.4M

(+\$17.7M, +7.5%)



Rail Cars: \$181.2M in new vehicles & existing vehicle refurbishment

Other Asset Improvements

\$179.0M

(-\$17.2M, -8.8%)



Customer Experience: \$19.2M customer experience tech enhancements

Reflects a \$30.4M or 5.3% increase from FY25

- CIP focuses on maintaining, upgrading, & modernizing assets to ensure equipment & peripheral systems to provide reliable & high-quality service
- \$608.8M allocated for maintaining system in a state of good repair, for improvements, & modernization

Local Return, TDA 3 & 8 : \$844.8M (-\$76.6M, -8.3%)



- Allocations to 88 cities & LA County for transit & mobility improvements
- Local Return – Prop A & C Measure R & M
- TDA Articles 3 & 8

Regional Transit : \$761.8 (-\$44.0M, -5.5%)



- Municipal & Local Operator's funds
- Access Services (+7.5%)

Major Projects : \$72.4M (-\$138.6M, -65.7%)



- Alameda Corridor East Phase II
- Antelope Valley Metrolink Line
- Inglewood Transit Connector
- Sankofa Park

Other Local Programs : \$76.3M (-\$5.4M, -6.6%)



- Call for Projects
- Active Transportation & Transit
- Congestion Reduction Toll Revenue Grants
- Federal Pass-Throughs
- Transit Oriented Development Grants

Fare Assistance (LIFE) : \$36.4M (+\$2.1M, +6.1%)



- Low Incomes Fares is Easy (LIFE) Program

Regional Fed. Grants : \$21.8M (-\$2.0M, -8.4%)



- Job Access Reverse Commute (JARC)
- New Freedom Program
- Section 5310
- Surface Transportation Program – Local Exchange

Reflects a \$264.4M or 12.7% reduction from FY25

- Sales Taxes: FY26 projected lower than FY25
- Major Projects: Allocations decreased due to completion of projects



Metro

Other Programs - \$1.9B

Serving transit needs of communities across LA County

Highway Multimodal Development \$626.7M	Regional Rail \$119.0M*	General Planning & Programming \$280.0M	Oversight & Admin \$101.7M	Debt Program \$481.8M	Congestion Management \$129.9M
<ul style="list-style-type: none">• Reflects a \$55.1M or 8.1% reduction from FY25• Decreasing due to project schedules and project phasing• Bus investments up 200% from FY24• New Bus Priority Lanes & Transit Signal Priority• Expand NextGen speed & reliability initiatives	<ul style="list-style-type: none">• Reflects a \$61.9M or 108.4% increase from FY25• Double Tracking & Grade Separation transitioning to construction phase• FY26 Metrolink budget * (<i>PENDING APPROVAL</i>)	<ul style="list-style-type: none">• Reflects a \$20.5M or 7.9% increase from FY25• Mobility initiatives and other programs reported in four major categories:<ul style="list-style-type: none">• \$99.1M - Active Transportation, Bike & Other• \$87.6M - Property Management• \$51.5M - Financial, Grants Mgmt & Admin• \$41.8M - Unsolicited Proposals, P3 & Other	<ul style="list-style-type: none">• Reflects a \$11.6M or 12.8% increase from FY25• \$65.2M - Recurring Activities• \$25.3M - Valuing Workforce• \$11.3M - Customer Experience	<ul style="list-style-type: none">• Reflects a \$16.5M or 3.3% reduction from FY25• Debt Service Costs for bonds are issued to advance major capital investment projects	<ul style="list-style-type: none">• Reflects a \$5.3M or 4.3% increase from FY25• Express Lanes: Procuring a new Back Office System (BOS)• Freeway Service Patrol: Service reductions on select routes• Motorist Services: Increased costs for RIITS and LA SAFE• Rideshare Services: Minor decrease due to savings in services, outreach, and program support

* Metrolink's FY26 Proposed Budget is preliminary, pending the transmittal of Metrolink's official budget request.

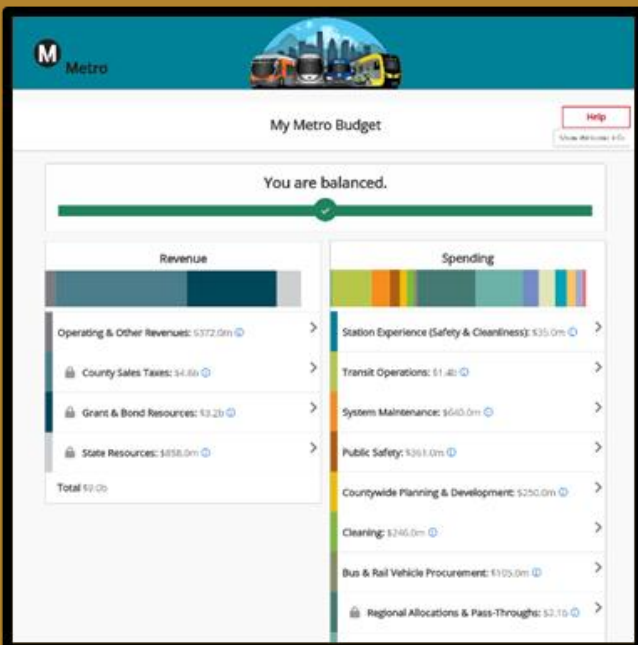


Metro

Public Outreach and Engagement

Putting People first by Listening and Learning

My Metro Budget Activity



- 50% EFC
- 44% Income <\$25,000
- 39% Hispanic
- 72% Ride 1+ day/week



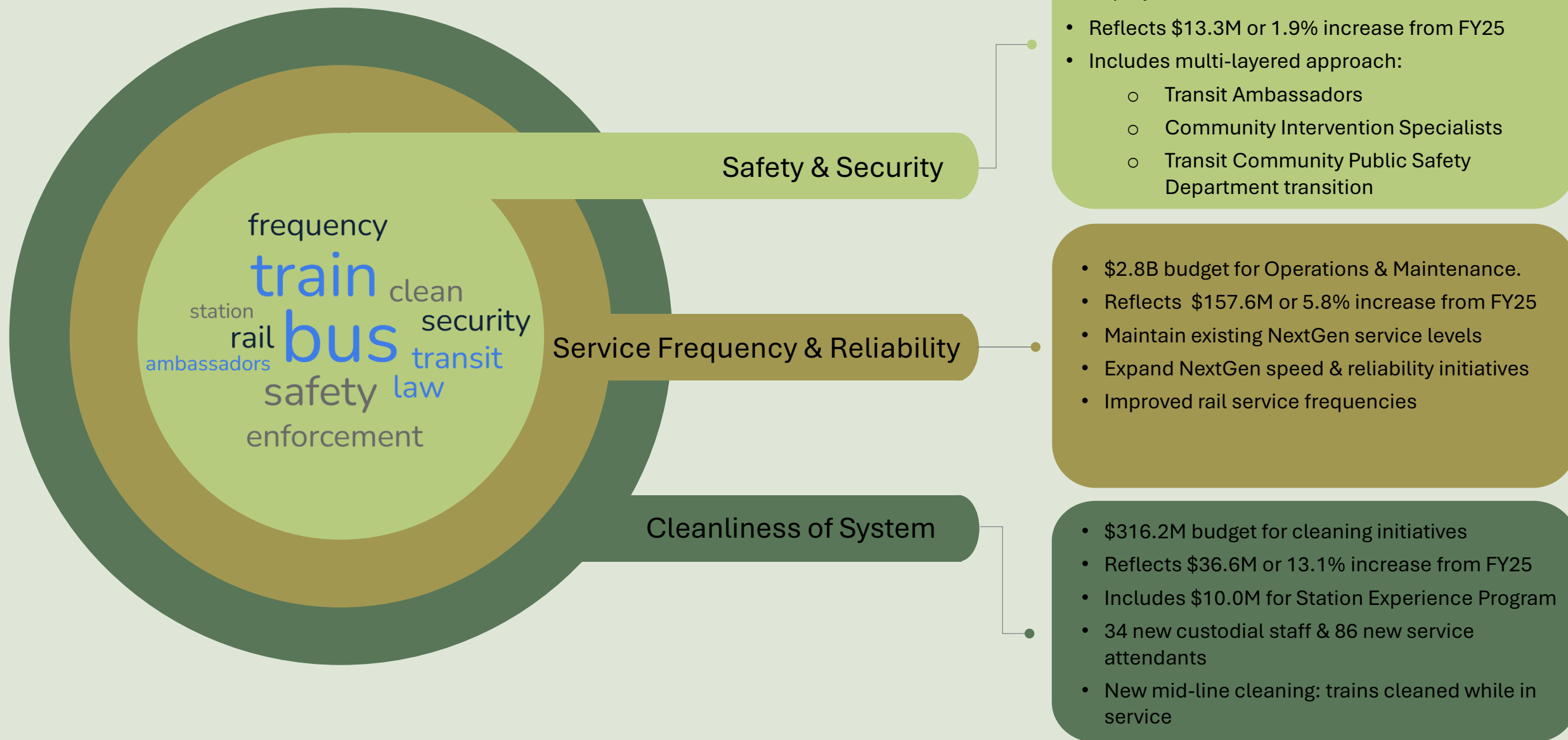
6,400+ Respondents & 4,300+ Written Comments
Collection Period: October 2024 – May 2025

Summary

Telephone Town Hall – February 4, 2025	>2,100 listeners including 121 Spanish listeners
My Metro Budget Activity (https://mybudget.metro.net)	>6,400 responses >4,300 comments >30,000 QR Info cards
Community Based Organizations	392 reached
Email Blasts/Community Newsletters	>15
Social Media Platforms	5 – Facebook, Instagram, X, LinkedIn, NextDoor, The Source/El Pasajero
Newsprint Publications – Public Hearing Announcement	20 newsprint agencies
Stakeholder & Public Engagement Meetings	25

- Base participation of My Metro Budget Activity increased from FY25 (+2,200 responses)
- ICMA Voice of the People Award Recipient
- Utilized a variety of marketing methods

- Introduced language translation feature (9 languages)
- First year utilizing CBO database



- A. ADOPTING the proposed FY26 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net);
1. AUTHORIZING \$9.4 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
 2. AUTHORIZING a total of 11,821 FTEs, of which 9,616 are Represented FTEs and 2,205 are Non-Represented FTEs; and
 3. AUTHORIZING an average 4% 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 4.0%; and
 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice (see Attachment A); and
 5. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment B; and
 6. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2025); and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY26 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.
- C. RECEIVE AND FILE response to Board Motion 25 - Addressing Rider Feedback from Telephone Hall