



Metro

*One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room*

Agenda - Final

Wednesday, May 15, 2024

3:00 PM

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Budget Public Hearing

Kathryn Barger, Chair

Tim Sandoval, Vice Chair

James Butts

Jacquelyn Dupont-Walker

Lindsey Horvath

Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES
(ALSO APPLIES TO BOARD COMMITTEES)

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A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the general public comment period, which will be held at the beginning and /or end of each meeting. Each person will be allowed to speak for one (1) minute during this General Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at <https://www.metro.net> or on CD's and as MP3's for a nominal charge.

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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Requests can also be sent to boardclerk@metro.net.



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x7 *русский (Russian)*

x8 *Հայերէն (Armenian)*

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Board Clerk Email - boardclerk@metro.net

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The Meeting begins at 3:00 PM Pacific Time on May 15, 2024; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 202-735-3323 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

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La Reunion de la Junta comienza a las 3:00 PM, hora del Pacifico, el 15 de Mayo de 2024. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

Marque: 202-735-3323 y ingrese el codigo
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Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting. Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

Post Office Mail:

Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER**ROLL CALL**

Open Public Hearing.

SUBJECT: STATEMENT BY THE BOARD CLERK

[2024-0314](#)

RECOMMENDATION

STATEMENT by the Board Clerk's Office concerning publication of notices and dissemination of public information.

FY2025 Proposed Budget:

(Recommendation for Budget approval will take place during the Finance, Budget, and Audit Committee immediately following the hearing)

SUBJECT: FISCAL YEAR 2025 (FY25) PROPOSED BUDGET

[2024-0227](#)

RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY25 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net](https://www.metro.net) [<https://www.metro.net/about/financebudget/>](https://www.metro.net/about/financebudget/));
1. AUTHORIZING \$9.0 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 2. AUTHORIZING a total of 11,283 FTEs, of which 9,275 are Represented FTEs and 2,008 are Non-Represented FTEs;
 3. AUTHORIZING an average 4% performance-based merit increase for Non-Represented employees;
 4. AMENDING the proposed budget to include \$16.4 million for the federal fund awarded to Metro from the Reconnecting Communities and Neighborhoods (RCN) grant for the first set of projects from the Games Mobility Concept Plan;
 5. AMENDING the proposed budget to include \$3.5 million in FY25 for the Operations Central Instruction (OCI) project and approve a Life-of-Project (LOP) budget of \$24.5 million, which will centralize training and onboarding for Bus Operators and essential front-line staff;
 6. 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;

7. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2024);
- B. APPROVING the programming of \$10 million in Measure M funds for the SR-71 Project to support design activities for the SR-71 North Segment project; and
- C. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY25 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

Attachments: [Attachment A – FY25 Public Outreach \(Public Comments\)](#)
 [Attachment B – FY25 New Capital Projects](#)
 [Attachment C – FY25 Reimbursement Resolution](#)

SUBJECT: PUBLIC COMMENT

[2024-0315](#)

RECOMMENDATION

RECEIVE comments from the public on Metro's Fiscal Year 2025 Budget.

SUBJECT: CLOSE HEARING MOTION

[2024-0316](#)

RECOMMENDATION

APPROVE Motion to Close Hearing.

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



Board Report

File #: 2024-0227, File Type: Public Hearing

Agenda Number: 15.

**BUDGET PUBLIC HEARING
FINANCE, BUDGET, AND AUDIT COMMITTEE
MAY 15, 2024**

SUBJECT: FISCAL YEAR 2025 (FY25) PROPOSED BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY25 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 \$9.0 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 2. AUTHORIZING a total of 11,283 FTEs, of which 9,275 are Represented FTEs and 2,008 are Non-Represented FTEs;
 3. AUTHORIZING an average 4% performance-based merit increase for Non-Represented employees;
 4. AMENDING the proposed budget to include \$16.4 million for the federal fund awarded to Metro from the Reconnecting Communities and Neighborhoods (RCN) grant for the first set of projects from the Games Mobility Concept Plan;
 5. AMENDING the proposed budget to include \$3.5 million in FY25 for the Operations Central Instruction (OCI) project and approve a Life-of-Project (LOP) budget of \$24.5 million, which will centralize training and onboarding for Bus Operators and essential front-line staff;
 6. 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;
 7. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2024);

-
- B. APPROVING the programming of \$10 million in Measure M funds for the SR-71 Project to support design activities for the SR-71 North Segment project; and
- C. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY25 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

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, 2024, the FY25 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, 2024. On April 15, 2024, 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 FY25 Budget development process, the Office of Management and Budget (OMB) provided an oral report of financial context and outlook to the Board on October 18, 2023. Since January 2024, staff have provided the Board with status updates on the FY25 Budget development process. An extensive public outreach process was also launched in October 2023 with the first of two telephone town halls to communicate the budget proposal and collect public comments for consideration in the budget development.

In addition, to be fully transparent in the proposed budgetary use of the public transportation funds, staff also conducted multiple briefings and discussions with Board Staff and stakeholder groups, including the Community Advisory Council, Regional Service Councils, Technical Advisory Committee, Policy Advisory Committee, Accessibility Advisory Committee, etc. Please see attachment A for Early, Expanded and Improved Public Outreach Report.

This is the final series of monthly updates to the Board on the FY25 Budget development process, culminating with our FY25 Budget recommendation for Board Adoption. This report wraps up the framework for the annual budget development, with the primary objective to advance Metro's transit and transportation goals, with an equity lens, in a fiscally sound and financially responsible manner.

DISCUSSION

Metro has developed a culture focused on equity, fiscal discipline, and cost mitigation. Metro staff will continue to preserve sound financial planning to implement transit capital investments and operating plans.

The Equitable Zero-Based Budget (EZBB) process continues to drive this year’s annual budget development process as a cost control tool integrating an equity lens to develop a fiscally responsible budget. This budget facilitates a collaborative approach across Metro’s departments. Incorporating the feedback heard through Metro’s expanded public outreach efforts, every department aligns with strategic priorities and allocates available resources based on Metro’s mission, core focuses, and agency strategic imperatives.

The proposed \$9.0 billion budget for FY25 is balanced and focused on a service plan to support system expansion, customer experience enhancements in safety and cleanliness, maintaining assets in a state of good repair and resumes Metro’s core business of planning, operations, and construction activities.

FY25 Proposed Budget can be accessed at:

<https://budget.metro.net/download/fiscal-year-2025-proposed-budget-book.pdf>

Resources Summary

The FY25 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 based on the current socio-economic conditions, such as the continuing impacts of decades-high inflation, flattened economic growth projections in FY25, leading regional forecasting sources, and recent transit system usage.

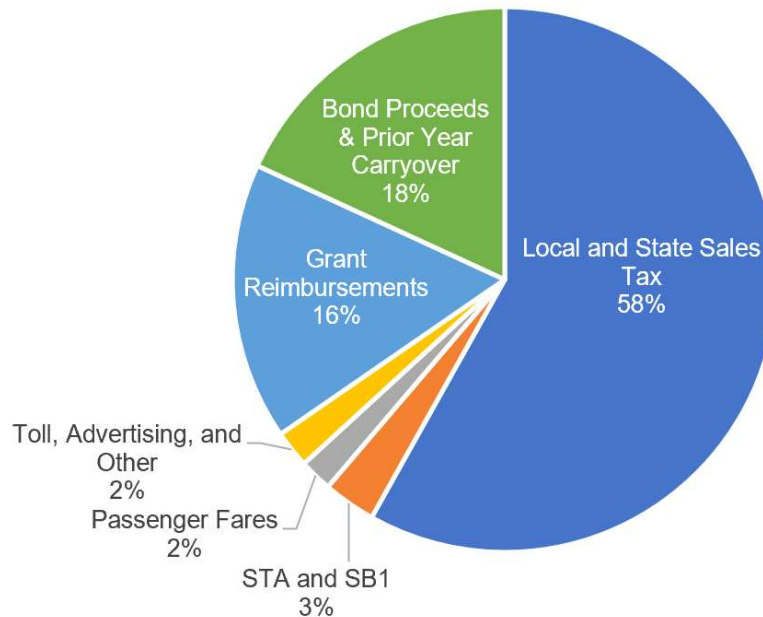
The total FY25 Proposed Budget planned resources are \$8.95 billion, which is 4.3% less than the FY24 Budget. The 3.7% projected decrease in sales tax revenues is due to the lower than budgeted FY24 year to date actual receipts.

	Resources (\$ in millions)	FY24 Budget	FY25 Proposed	\$ Change	% Change
1	Local and State Sales Tax	\$ 5,400.0	\$ 5,202.0	\$ (198.0)	-3.7%
2	STA and SB1	214.6	279.6	65.0	30.3%
3	Sales Tax and STA/SB1 Revenues Subtotal	\$ 5,614.6	\$ 5,481.6	\$ (133.0)	-2.4%
4	Passenger Fares	146.8	174.6	27.7	18.9%
5	Toll, Advertising, and Other	184.0	196.9	12.9	7.0%
6	Operating & Other Revenues Subtotal	\$ 330.8	\$ 371.5	\$ 40.7	12.3%
7	Grant Reimbursements	1,735.0	1,472.4	(262.6)	-15.1%
8	Bond Proceeds & Prior Year Carryover ⁽¹⁾	1,667.9	1,623.6	(44.3)	-2.7%
9	Capital & Bond Resources Subtotal	\$ 3,403.0	\$ 3,096.0	\$ (306.9)	-9.0%
10	Resources Total	\$ 9,348.4	\$ 8,949.1	\$ (399.2)	-4.3%

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

Note: Totals may not add up due to rounding.

Resources % of FY25 Budget



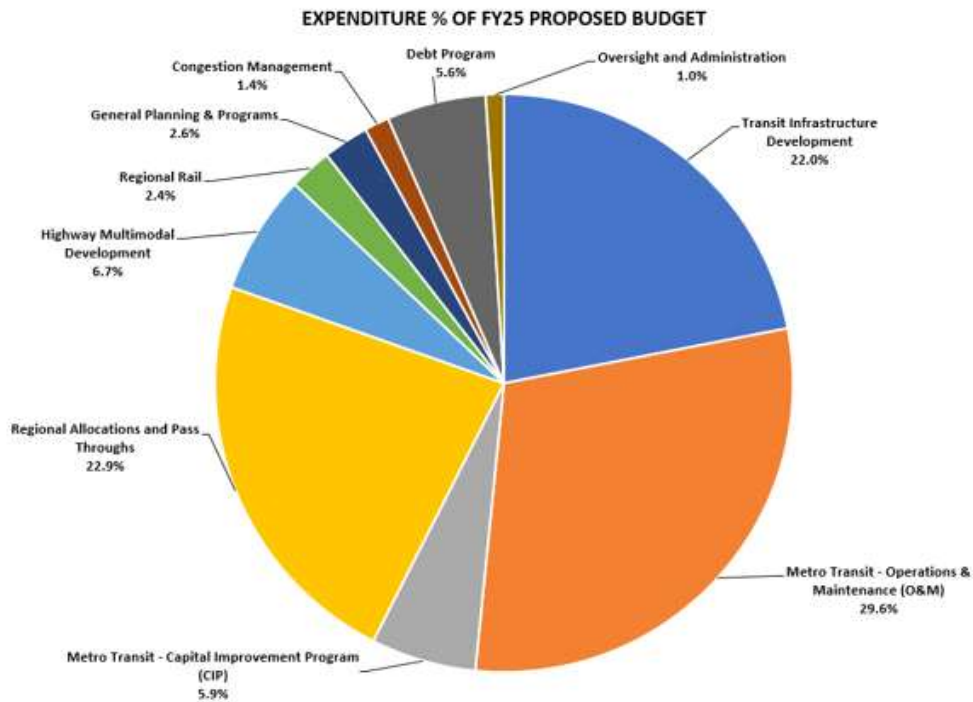
Expenditure Summary

The proposed budget of \$8.95 billion is aligned with Board priorities and validated by public outreach comments of improved customer experience and service, as well as providing reliable daily service and public safety through an equity lens. It continues to expand Metro’s Transit Infrastructure and to plan for countywide mobility needs. Each program, function, and department budget were developed accordingly to reflect the new economic realities and progress on projects.

The decline in capital expenses is attributed to several projects nearing completion, resulting in a decrease in cash flow requirements along with the recent openings of K Line and Regional Connector. Operating expenses increased with continued investment to attract and retain riders by continuing NextGen service improvements to provide all day, fast and frequent services, enhancing customer experience, reimagining public safety, and making transit accessible and affordable. The table below illustrates the expenditures by program type in FY25 Proposed Budget.

Expenditures by Type (\$ in millions)	FY24 Budget	FY25 Proposed	\$ Change	% Change
1 Transit Infrastructure Development	\$ 2,496.8	\$ 1,964.9	\$ (531.9)	(21.3)%
2 Highway Multimodal Development	618.1	599.8	(18.3)	(3.0)%
3 Metro Transit - Capital Improvement Program (CIP)	539.4	526.8	(12.5)	(2.3)%
4 Regional Rail	314.5	214.0	(100.5)	(32.0)%
5 Total Capital Expenses	\$ 3,968.8	\$ 3,305.5	\$ (663.3)	(16.7)%
6 Metro Transit - Operations & Maintenance (O&M)	2,379.4	2,651.7	272.4	11.4%
7 Congestion Management	130.7	124.4	(6.3)	(4.8)%
8 General Planning & Programs	237.4	228.8	(8.6)	(3.6)%
9 Oversight and Administration	84.3	90.2	5.9	7.0%
10 Total Operating Expenses	\$ 2,831.8	\$ 3,095.2	\$ 263.4	9.3%
11 Regional Allocations and Pass Throughs	2,058.0	2,051.2	(6.8)	(0.3)%
12 Debt Program	489.8	497.3	7.5	1.5%
13 Grand Total	\$ 9,348.4	\$ 8,949.1	\$ (399.2)	(4.3)%

Note: Totals may not add up because of rounding.



Full-Time Equivalent (FTE) Summary

The FY25 Proposed Budget includes 11,283 FTEs, an increase of 400 FTEs from FY24. FTE additions include 107 Non-Represented (60 are mostly cost-neutral by shifting from temporary to permanent, and 47 are new) and 293 Represented.

Non-Represented FTEs for FY25 total 2,008; which includes an additional 107 new positions to serve the following areas (see the table below):

- Mega Project Resource Model (consultant conversions)
- Enhance the Transit Rider Experience including Cleaning and Station Experience Initiatives
- Valuing the Workforce
- Operational Efficiencies
- Administration, Financial Sustainability, and Legal Compliance
- Joint Development and Better Mobility
- Capital Project Support

Agencywide FTEs: Non-Represented	Mega Project Resource Model	Transit Rider Experience	Valuing the Workforce	Operational Efficiencies	Joint Dev & Better Mobility	Admin, Fin & Legal	Capital Project Support	New Positions	Cost Neutral	FY25 Additions
1 Chief Executive Office & Chief of Staff						1	3	4	1	5
2 Chief People Office			9					9	8	17
3 Chief Safety Office			4					4		4
4 Customer Experience Office		2						2	5	7
5 Operations		4		1			1	6		6
6 Office of Strategic Innovation		1					1	2		2
7 Planning And Development					3	1	1	5	7	12
8 Program Management	5							5	24	29
9 Strategic Financial Management		2	2	3		1		8	14	22
10 Board Of Directors: Ethics, Inspector General, & Office of the Board Administration						2		2	1	3
11 Grand Total	5	9	15	4	3	5	6	47	60	107

Represented FTEs for FY25 total 9,275; which includes 293 new positions for the following:

- Expand cleaning efforts on both Bus and Rail systems, including hot spots and end of line.
- Improve the Station Experience through environmental design and care first strategies.
- Provide operational support by aligning security resources to Metro’s high visibility and vulnerable areas with Bus Riding Teams and providing presence on the K Line and Regional Connector.
- Increase efforts to address critical State of Good Repair work for A Line, B Line, C Line, and Heavy Rail Mid-Life, and other capital projects.
- Preventative maintenance work on bus and rail system.
- Expansion of TAP Operations Call Center.
- Support logistics for bus storeroom and rail warehouses, ITS Divisions support, and Employment Processing Center.

Agencywide FTEs: Represented	Cleaning	Station Experience	Bus Riding Teams and Safety	SGR Efforts	Preventative Maintenance	TAP Ops Call Center	Logistics, ITS Div Support, Emp Processing Ctr	New Positions
1 Chief People Office							2	2
2 Chief Safety Office			53					53
3 Customer Experience Office						5		5
4 Operations	155	8		42	25			230
5 Strategic Financial Management							3	3
6 Grand Total	155	8	53	42	25	5	5	293

Labor Summary

The FY25 Proposed Budget reflects wage increase for the represented union group SMART, per its Collective Bargaining Agreement (CBA). The FY25 Proposed Budget does not yet include wage increases for Metro’s four other represented union groups, AFSCME, ATU, TEAMSTERS, and TCU,

as collective bargaining is underway. Once CBAs have been established, the FY25 Adopted Budget will be amended.

An average 4% performance increase, consistent with the annual wage increase portion of the SMART CBA, is included for non-represented employees to 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.

Budget Amendments through June 30, 2024

The proposed budget shall include any Board approved actions currently under consideration, from now to the end of the fiscal year (June 30, 2024).

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 FY25 with LOP budgets over \$5.0 million. These new capital projects in the FY25 Proposed Budget include Division 8 Charging Infrastructure, Rail Facility Maintenance & Improvements, Bus Division Improvements V, Rail Station Improvements, Union Station Gateway (USG) Electrical and Security System, Resilience Charging System, Metro A Line (Blue) Train Control (TC) Cases and Hawk Event Recorder, FY25 Non-Revenue Vehicle Equipment Replacement, Metro B (Red) and D Line (Purple) Auxiliary Room CCTV Alarms, Maintenance of Way Training Facility, Metro B Line (Red) Protective Relay, Video Management Security (VMS) Intelligence System, TAP Plus Salesforce Integration, and A Line Foothill Extension 2B Alignment Integration.

Programming Action

The FY25 Proposed Budget currently has \$30 million for SR-71 South Segment Project which will be adjusted to provide \$10 million for the SR-71 North Segment project and \$20 million for the SR-71 South Segment Project.

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 utilized or are expected to use debt financing to facilitate project delivery.

As of July 2024, Metro has approximately \$4,853.0 million of outstanding long-term debt. The annual debt service cost in FY25 is estimated at \$493.8 million, an increase of 1.6% over the FY24 Budget of \$486.1 million, according to the debt service schedule. In FY25, it is anticipated that Airport Metro Connector, Westside D Line (Purple) Sections 1, 2, & system integration, Division 20 Portal Widening, Gold Line Foothill Extension, E Line Eastside Light Rail Phase 2, East San Fernando Transit Corridor, Regional Surface Transportation and Local Traffic System, and various other projects will utilize bond proceeds from the issued debt.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The FY25 Proposed Budget (provided in a separate submittal) at \$9.0 billion is balanced. The proposed budget demonstrates Metro's ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from federal and state governments and to administer regional transportation funding to local cities and municipal operators.

EQUITY PLATFORM

Per Board direction, Metro has annually applied the Metro Budget Equity Assessment Tool (MBEAT) to its budget requests for operations costs and capital projects since the FY21 budget process. The FY25 EZBB MBEAT continues to identify potential impacts on marginalized communities and highlights budget requests that advance equitable community outcomes for each Metro department. With this data, staff are better equipped to identify opportunities to incorporate equity iteratively and intentionally into Metro programs and services.

The EZBB process also utilized Metro's EFC Budget Assessment process, a geographic equity analysis that was introduced in 2022 for the FY23 approved budget. The EFC Baseline Assessment was conducted to identify whether Metro's budget is proportionately investing in benefits to EFCs, which comprise approximately 40% of Los Angeles County. In year three, the FY25 EFC Assessment of Metro's budget investing in benefits to EFCs is 28.1 percent targeted benefits, representing close to \$2.8 billion, and 45.5 percent indirect benefits, representing just under \$4.2 billion. The slight decrease of 1.5% vs. year two in targeted benefits, as illustrated by the table below, is due to the decline in cashflow expenses for major construction projects approaching completion, such as the Airport Metro Connector (AMC) project, Foothill A Line Extension and Segment A of Rail to Rail.

	FY24 EFC Assessment (Year 2)	FY25 EFC Assessment (Year 3)	% Change FY24 vs. FY25
Targeted Benefits	29.6%	28.1%	-1.5%
Indirect Benefits	45.6%	45.5%	-0.1%
Total EFC Benefits	75.1%	73.6%	-1.6%

Staff also aligned their FY25 department budgets towards budget Equity Principles that support Metro’s Equity Platform framework. Budget highlights that support these four principles were included in the FY25 Proposed Budget (pg. 8 - 10) earlier this month.

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 FY25 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

FY25 Proposed Budget can be accessed at:

<https://budget.metro.net/download/fiscal-year-2025-proposed-budget-book.pdf>

Attachment A - FY25 Public Outreach (Public Comments)

Attachment B - FY25 New Capital Projects

Attachment C - FY25 Reimbursement Resolution

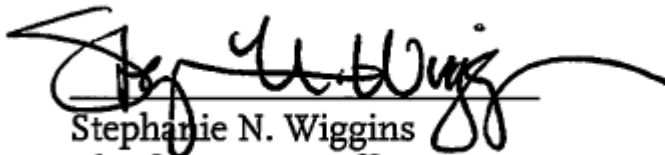
Prepared by:

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FY25 Proposed Budget – Public Engagement and Comments Summary

Public Comments Overview

FY25 public engagement resulted in the gathering of many comments, questions, and opinions. The comments were instrumental in the development of the budget and were considered heavily while Metro departments formulated their program budgets. There were three key topics the public comments centered around:

1. Safety and Security on the System, including Unhoused and Mental Health Crisis
2. Efficient, Frequent, and Reliable Service
3. Cleanliness on Vehicles and at Stations

The My Metro Budget activity received over 4,300 responses and 3,600 written comments. This year the My Metro Budget activity had a more diverse audience, attributed to our partnerships with various Metro groups and departments, including TAP, GoPass, Community Relations, LIFE, the Women and Girls Governing Council, Station Staff, Metro Micro, and Metro Youth Council. Summarized below in the word cloud are the most frequent words used in the comments. The FY25 Proposed Budget addresses the comments and concerns raised.



Metro's Response to Comments & Community Priorities

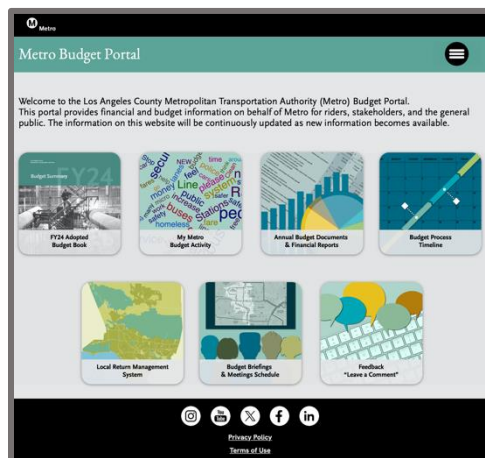
To address these comments, the FY25 Proposed Budget includes \$354.1 million or an overall 9.9% increase in public safety resource deployment for: Transit Ambassadors, Homeless/Mental Health Outreach, Metro Transit Security, and Private Security and Law Enforcement. Also, it includes \$255.4 Million for comprehensive cleaning activities, reflecting a 14.4% increase or \$32.2 Million over FY24. For Operations & Maintenance the budget is increased by 11.4% or \$272.4 million over the FY24 budget to provide improved speed, frequency, and reliability.

Public Engagement Strategy

The FY25 budget outreach strategy was designed with a rider-centric focus. Metro engaged with the public through the following efforts: Telephone Town Hall (TTH) meetings, the My Metro Budget activity, the Budget Portal (budget.metro.net), and the budgetcomments@metro.net email. Below is a snapshot of the results of these efforts:

Public Engagement	Participation
Telephone Town Hall - October 2023 & April 2024	>8,600
My Metro Budget activity responses	>4,300
My Metro Budget activity comments	>3,600
My Metro Budget QR cards	21,000
Budget Portal Users – budget.metro.net	>780 (January 1, 2024 – April 18, 2024)
Email Blasts/Community Newsletters	>15
The Source/EI Pasajero Posts	2
Social Media Platforms	5
Newsprint Publications - Public Hearing Announcement	20
Stakeholder & Public Engagement Meetings	>25

Metro Budget Portal

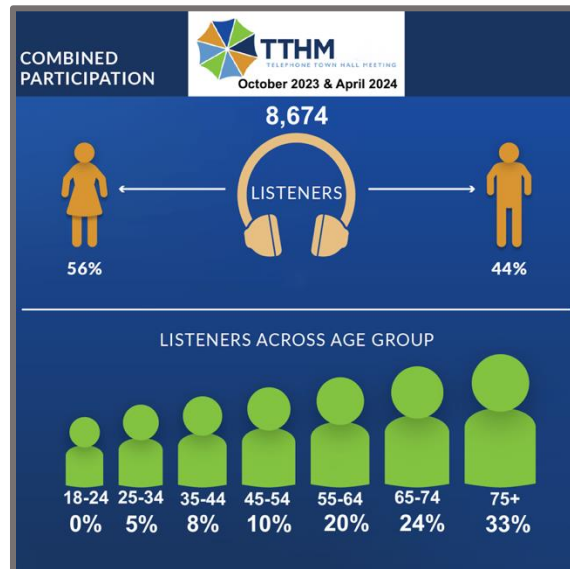


The budget portal remains to be the primary source for information, documents, timelines, notifications, and more about Metro’s budget. Redesigned with a new look, OMB continues to refine the accessibility features for the public and visitors can leave a comment about Metro’s budget and sign-up for updates.

Telephone Town Hall

Attachment A

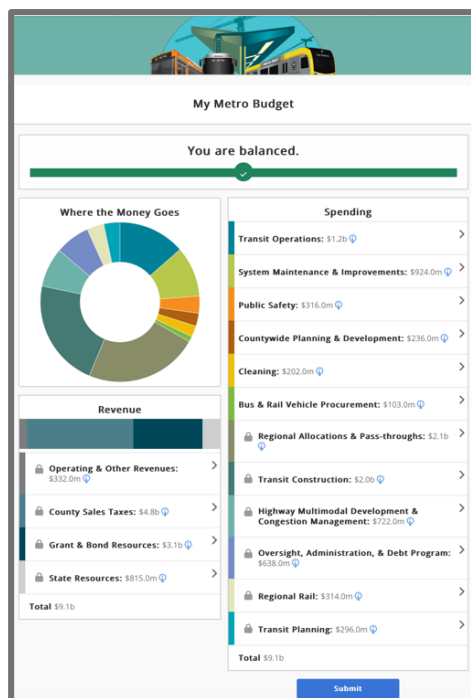
The FY25 budget outreach started in October 2023 with the first of two telephone town halls. More than 8,900 English and Spanish callers joined the unique virtual forum to listen, provide their questions, and have their questions answered by Metro senior leadership. The main topics raised at the Telephone Town Hall events were safety and security, frequency and reliability, and cleanliness on the bus and rail system, and at bus stops and rail stations. The TTH events have been an invaluable outreach activity for reaching the Equity Focus Community (EFC) and particularly beneficial for residents who would not typically have time to attend a regular public meeting or who cannot participate online. The recordings of the Telephone Town Hall are available on the budget portal. The figure summarizes combined English and Spanish statistics from the October 2023 and April 2024 Telephone Town Hall meetings.



My Metro Budget Activity

Metro encouraged the public to engage with the My Metro Budget activity to provide feedback on how Metro should allocate its budget. Participants were able to learn about Metro’s budget and increase/decrease from budget categories in order to let Metro know where they think resources should be focused.

The quantitative feedback received was essential to the development of the budget.

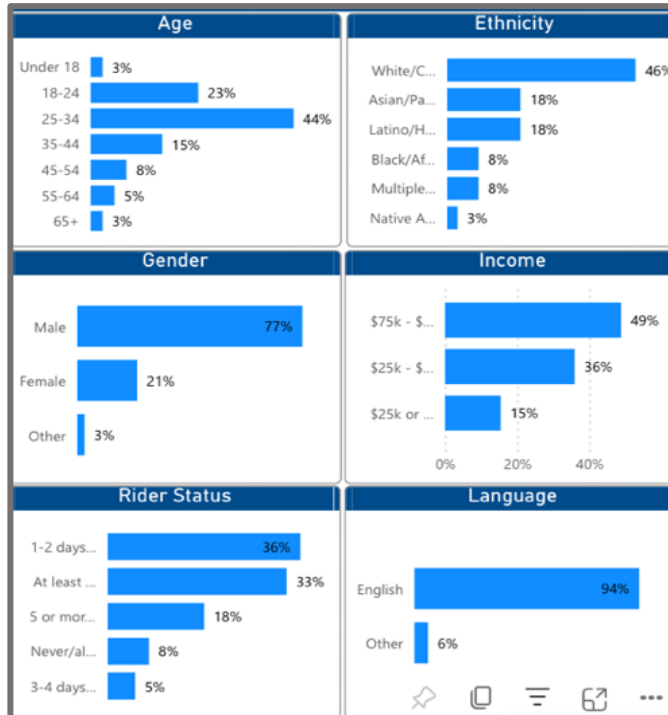


This year there were over 4,300 responses and 3,600 written comments, a significant increase in the base participation from last year. On average, respondents were on the activity for approximately 22 minutes.

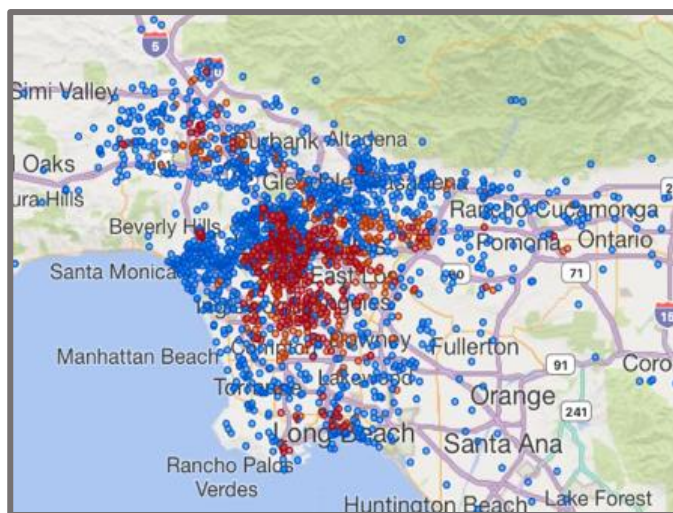
My Metro Budget activity results, and other budgetary information are available on the Metro budget portal at budget.metro.net.

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

Attachment A



The overall demographics are shown in the figure on the left. This year 47% of respondents reside in an EFC, 35% have an income less than \$25,000, 37% are Hispanic, and 54% ride 3+ days a week. These demographics closely mirror the demographics of LA County and Metro’s ridership. The sample of respondents is statistically valid, meaning the overall results will not change significantly with additional responses.



Shown here is a map of where participants are located. The orange and red points on the map indicate members of the Equity Focus Community who are high need and very high need. Metro remains focused on reaching out to members in Equity Focus Communities.

Stakeholder and Public Meetings

The budget public hearing is legally required, pursuant to California PUC codes 130106 which states “Notice of time and place of the public hearing for the adoption of the annual budget shall be published pursuant to Section 6061 of the Government Code, and shall be published not later than the 15th day prior to the date of the hearing.” This year, 20 newspaper publications were published 15 and 30 days prior to the event announcing the budget public hearing in several different languages.

Attachment A

FY25 Budget – Outreach Meeting Schedule			
Meeting	Date	Time	Completed
Telephone Town Hall	Oct 19, 2023	6-7 p.m.	X
Regional Service Council – San Fernando Valley	Feb 7	6:30-8:30 p.m.	X
Regional Service Council – Gateway Cities	Feb 8	5-7 p.m.	X
Regional Service Council – Southbay Cities	Feb 9	9:30-11:30 a.m.	X
Regional Service Council – San Gabriel Valley	Feb 12	5-6:30 p.m.	X
Regional Service Council – Westside Cities	Feb 14	6-8 p.m.	X
Community Advisory Committee – GA	Mar 27	6-8 p.m.	X
San Gabriel Valley COG	Apr 3	4 p.m.	X
Telephone Town Hall	Apr 16	6-7 p.m.	X
Policy Advisory Council	Apr 16	1:30 p.m.	X
Westside Cities COG	Apr 23	2 p.m.	X
Community Advisory Council	Apr 24	6 p.m.	X
Technical Advisory Committee	May 1	9:30-11 a.m.	
Local Transit Systems Subcommittee	May 1	1:30 p.m.	
Regional Service Councils – FY25 Budget	May 7	3–5 p.m.	
San Gabriel Valley COG	May 8	4 p.m.	
Accessibility Advisory Committee	May 9	1 – 3 p.m.	
South Bay COG	May 13	10:30am	
Public Hearing	May 15	3 p.m.	
Streets & Freeways Committee	May 16	9:30 a.m.	
Valley Industry Commerce Association	May 21	8:30-10:30 a.m.	
Bus Operators Subcommittee	May 21	9 a.m.	
Board Adoption	May 23	9:30 a.m.	
Gateway Cities COG	June 5	4 p.m.	
Measure M Oversight	TBD	TBD	

FY25 New Capital Projects

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A Line Foothill Extension 2B Alignment Integration	6

FY25 New Capital Projects

Capital Improvement Program (CIP)

1	PROJECT: Division 8 Charging Infrastructure
	PROJECT OWNER: Operations - Bus - Facilities Improvements
	LOP: \$65,150,000 Budget Request: \$8,000,000
	SCOPE: Procure and Install Charging Equipment in support of Battery Electric Bus (BEB) Conversion.
	JUSTIFICATION: California Air Resource Board (CARB) Innovative Clean Transit (ICT) Rule mandates that all transit agencies convert to Zero-Emission Bus (ZEB) services by 2040. Metro Board motion has accelerated ZEB/Battery Electric Bus (BEB) conversion to 2030. Bus Rapid Transit (BRT) Conversion of Metro facilities is Phase one of the ZEB Master Plan. This project will provide BEB services to support the North San Fernando Valley (NSFV) Transit Corridor.
	ELIGIBLE FUNDING SOURCE: TDA ART 4
2	PROJECT: Rail Facility Maintenance & Improvements
	PROJECT OWNER: Operations - Rail - Systemwide & Hubs
	LOP: \$35,000,000 Budget Request: \$3,690,394
	SCOPE: The proposed project scope is to replace, improve, and renew assets at Metro Rail Divisions and Facilities that have reached the end of their useful life. The project includes yard equipment, facility improvements, roof replacements, HVAC replacements, shop equipment, and security improvements.
	JUSTIFICATION: The improvements will provide employees with modern, efficient equipment and repair and refurbish rail facilities.
	ELIGIBLE FUNDING SOURCE: PA 35% & MR 2%
3	PROJECT: Bus Division Improvements V
	PROJECT OWNER: Operations - Bus - Systemwide & Hubs
	LOP: \$35,000,000 Budget Request: \$2,818,000
	SCOPE: The proposed project scope is to replace, improve, and renew assets at Metro Bus Divisions and facilities that have reached the end of their useful life. The project includes hoists, yard equipment, facility improvements, facility roof replacements, HVAC replacements, shop equipment, and security improvements.
	JUSTIFICATION: The improvements will provide employees with modern, efficient equipment and repair and refurbish bus facilities.
	ELIGIBLE FUNDING SOURCE: PC 40%

4	PROJECT: Rail Station Improvements
PROJECT OWNER: Operations - Rail - Systemwide & Hubs	
LOP: \$28,300,000	Budget Request: \$9,929,331
SCOPE: Capital efforts include installing audio equipment for Customer Experience (CX) announcements and the playback of classical music throughout the facility, permanent wrought iron fencing, enhanced facility security installations, fare gate improvements, and enhancements to Closed-Circuit Television (CCTV) equipment.	
JUSTIFICATION: Boardings and ridership statistics have been lower in recent years due to reports of poor customer experience, facility security, and the pervasiveness of crime in and around the B and D service areas. Operations proposes a Rail Station Customer Experience improvement project to mitigate these issues.	
Operations embarked on a Customer Experience Improvement and Securitization effort at B Line Westlake MacArthur Park station starting Jan 2023. This station was identified as a problematic location where drug abuse, criminal activities, a prolific quantity of unhoused, and various negative factors resulted in the increase of crime statistics and the decline of overall boardings at this station location. This demonstration project was developed to address the aforementioned factors and improve the station ridership statistics using strategic capital improvements and a surge of security and cleaning services on site. This model is being suggested across other problematic B and D Line Rail station locations to restore ridership to pre-pandemic levels or greater.	
ELIGIBLE FUNDING SOURCE: PA 35% / MR 2%	

5	PROJECT: Union Station Gateway (USG) Electrical and Security System
PROJECT OWNER: Operations - System - Systemwide & Hubs	
LOP: \$25,000,000	Budget Request: \$2,265,421
SCOPE: The project will replace the main electrical distribution equipment and improve security measures at the Gateway building, Patsaouras Bus plaza, Parking structure and East portal of Union station. This includes the addition of new large disconnect gear on the 25th floor as well as the addition of new power bank connection gear inside the Generator room. The scope for this project also includes the addition of the grounding grid to improve the safety of the electrical system, and a new lighting control system. Security hardening of the facility entrances & parking garage include tilt up barriers, and bollards.	
JUSTIFICATION: The current primary electrical protection devices have reached their end of life. The new equipment shall replace the primary devices in the main USG electrical room. The existing UPS gear will be replaced with batteries that do not require special handling and ventilation, meeting updated code compliance. The new proposed equipment on the 25th floor will provide additional protection for the central plant on the 27th floor. An additional power bank connection gear at the generator room will allow new code-required annual testing to occur without significantly impacting the emergency power distribution. The current system needs to be updated, and the parts are difficult to source. The new proposed system shall replace the current system at the USG building and the 2nd current system that controls the rest of the facility, including the East portal and the bus plaza. The facility HVAC system replacement requires additional electrical equipment and support to comply with the updated code required by the National Electric Code (NEC). The recent unhoused trespassers resulted in SSLE seeking a means of locking the building entrances, including the front doors; therefore, a barrier needs to be installed.	
ELIGIBLE FUNDING SOURCE: PC 40%	

6	PROJECT: Resilience Charging System
PROJECT OWNER: Operations - Bus - Facilities Improvements	
LOP: \$22,450,000	Budget Request: \$699,999
SCOPE: To build the electric charging infrastructure to support Metro's switch to Battery Electric Buses (BEB).	
JUSTIFICATION: California Air Resource Board (CARB) Innovative Clean Transit (ICT) Rule mandates the conversion of all transit agencies to Zero Emission Bus (ZEB) services by 2040. Metro Board motion has accelerated ZEB/Battery Electric Bus (BEB) conversion to 2030. Bus Rapid Transit (BRT) Conversion of Metro facilities is Phase one of the ZEB Master Plan. This project will provide BEB services to Silverline from El Monte to San Pedro.	
ELIGIBLE FUNDING SOURCE: TDA ART 4	

7	PROJECT: Metro A Line (Blue) Train Control (TC) Cases and Hawk Event Recorder
PROJECT OWNER: Operations - Rail - Wayside Systems	
LOP: \$18,600,000	Budget Request: \$250,000
SCOPE: Acquisition and replacement of end-of-useful life train control cases and event recorders (Hawk).	
JUSTIFICATION: The project will replace all existing event recorders at grade crossings and cases, all of which are mechanically difficult to open and have no room for additional equipment and improvements, with new, larger, environmentally controlled, and intrusion-protected train control cases and bungalows. The event recorders provide staff with historical data confirming the equipment's operational status.	
ELIGIBLE FUNDING SOURCE: PA 35%	

8	PROJECT: FY25 Non-Revenue Vehicle Equipment Replacement
PROJECT OWNER: Operations - System - Non-Revenue Vehicles	
LOP: \$16,450,000	Budget Request: \$289,600
SCOPE: This project involves replacing non-revenue vehicles and equipment scheduled to begin replacement in FY25. It includes vehicles and equipment 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 2,100 vehicles and equipment used to support the Metro mission of Planning, Designing, Constructing, Administering, and Operating the Los Angeles County's most extensive transportation system. The funding requested for this project is required to purchase replacement and expansion vehicles to support this mission. The vehicles identified for replacement have exceeded their useful life in age and mileage or are in poor operating condition and are now scheduled for retirement. Further, the cost of repair, downtime, on-street safety, and the impact on support departments' ability to respond to repair/service activities reduce operational effectiveness.	
ELIGIBLE FUNDING SOURCE: TDA ART4 FOR BUS AND PA35%	

9	PROJECT: Metro B (Red) and D Line (Purple) Auxiliary Rooms CCTV Alarms
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$12,200,000 Budget Request: \$500,000
	SCOPE: Implement CCTV/Intercom Alarm system at stations ancillary rooms on Metro B and D Lines.
	JUSTIFICATION: The existing intrusion system on Metro B and Metro D Line station ancillary rooms does not display video images and voice communication at ROC. Intruders are taking advantage of the lack of video monitoring capability and causing unsafe conditions for maintenance crews. A new CCTV/Intercom alarm system could capture these intruders in video/voice images and turn them into Law Enforcement, allowing the maintenance crews to work in a safe environment.
	ELIGIBLE FUNDING SOURCE: PA 35%

10	PROJECT: Maintenance Of Way Training Facility
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$10,000,000 Budget Request: \$286,000
	SCOPE: Design and install tracks, Overhead Catenary System (OCS), and duct bank for hands-on and field training of MOW personnel.
	JUSTIFICATION: Our railroad operations require high quality and safety standards, which can only be achieved by providing adequate training for all maintenance of way groups. A wayside field facility would be a valuable investment that would enable staff to create a realistic simulation of our existing right of way, where track department inspectors could practice various skills, such as laying, cutting, welding, temping, and laying tracks. Traction Power inspectors could learn in a safe and controlled environment without the stress or danger of working on an active railroad. Additionally, all groups could learn how to perform rescue operations from a duct bank and how to work in a confined space. This facility would help us preserve our personnel's knowledge, skills, and experience, passing on knowledge from experienced retiring inspectors.
	ELIGIBLE FUNDING SOURCE: PA 35%

11	PROJECT: Metro B Line (Red) Protective Relay
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$9,800,000 Budget Request: \$325,000
	SCOPE: Replace Metro B Line (Red) Traction Power substations electrical protective relays.
	JUSTIFICATION: The existing electrical protective relays are about 25 years old, and spare parts are no longer available. Improper functioning of these relays can cause interruption to normal train operation and unsafe conditions for the maintenance crew and the general public.
	ELIGIBLE FUNDING SOURCE: PA 35%

12	PROJECT: Video Management Security (VMS) Intelligence System
	PROJECT OWNER: Chief Safety Office - OAI - Sys - Systemwide & Hubs
	LOP: \$5,268,245 ⁽¹⁾ Budget Request: \$5,141,449
	SCOPE: This project will include procuring, installing, and configuring servers and other network equipment to support the agency-wide migration to the new enterprise closed-circuit television (CCTV) Genetec Video Management System (VMS). This migration aims to reduce the number of disparate VMS software, bringing agency CCTV onto one unified enterprise platform.
	JUSTIFICATION: This investment will help to achieve enterprise security awareness, which empowers Metro to detect, deter, and deny severe threats to the customer experience and maximize professional security services in our transit environment.
	ELIGIBLE FUNDING SOURCE: PC 40%, Transit Security Grant Program (TSGP)

13	PROJECT: TAP Plus Salesforce Integration
	PROJECT OWNER: Finance and Budget – Regional Operating Services - TAP
	LOP: \$5,000,000 Budget Request: \$500,000
	SCOPE: TAP must rebuild all existing fare programs (LIFE, GoPass, Reduced Fare, promotions and other discounts) to be compatible with the new open-payment and account-based system. To align the customer relationship management (CRM) system, also known as TAPforce, there is a need to update all APIs and customer touchpoints which are major revenue generators, including taptogo.net, the TAP App, and RPOS device for the TAP Vendor network. There is a need to overhaul the TAP Backoffice. The continued use of Salesforce for specialized programs and events is necessary to support the significant increase in tourism and ridership expected for upcoming world events such as the FIFA World Cup, Super Bowl 2027, and the Olympics 2028. It is crucial to align with the evolving trends in payment technology and to enhance customer experience.
	JUSTIFICATION: This strategic investment is pivotal for integrating new features, handling increased volumes of user data, and providing seamless customer service across all touchpoints. This approach guarantees that we are well-equipped to incorporate future programs directly, eliminating the inflated costs and dependency risks associated with third-party vendors.
	ELIGIBLE FUNDING SOURCE: PC 40%

Note:

⁽¹⁾ LOP budget increased.

Transportation Infrastructure Development (TID)

1	PROJECT: A Line Foothill Extension 2B Alignment Integration
	PROJECT OWNER: Operations – Central Oversight and Analysis
	LOP: \$13,346,770 Budget Request: \$1,250,000
	SCOPE: The purpose of the project is to prepare for revenue operations upon completion of the construction. It encompasses tasks such as training for new contract staff in Operations, procurement of essential non-revenue vehicles and equipment, engagement of professional or technical services to troubleshoot and address issues that may arise from integrating the new alignment to existing transit network.
	JUSTIFICATION: These activities are crucial for the Operations Department to ensure A Line Foothill Ext transitions smoothly into revenue service without compromising the service on existing network of transit systems.
	ELIGIBLE FUNDING SOURCE: Measure R/M, eligible and available funds

ATTACHMENT C

REIMBURSEMENT RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR FISCAL YEAR 2025

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 such as the Airport Metro Connector project ; (ii) the design, engineering, construction, equipage and acquisitions for the Rail and Bus State of Good Repair Program including station improvements and rail gating installations; (iii) the design, engineering, construction, equipage of heavy rail lines such as Purple Line Extension Sections 1, 2, and 3; (iv) the engineering, construction, renovation, maintenance, and/or acquisition of various capital facilities and equipment, including buses and rail cars, related to service operation; (v) the engineering, construction, renovation, maintenance, and/or acquisition of various highway/surface transportation assets; and (vi) other transit related projects (each a "Project" and collectively, the "Projects");

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

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

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

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

WHEREAS, Metro expects that the amount of Debt that will be issued to pay for the costs of the Projects will not exceed \$150.0 million for Proposition A, \$150.0 million for Proposition C, \$500.0 million for Measure R, \$650.0 million for Measure M and \$200.0 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;

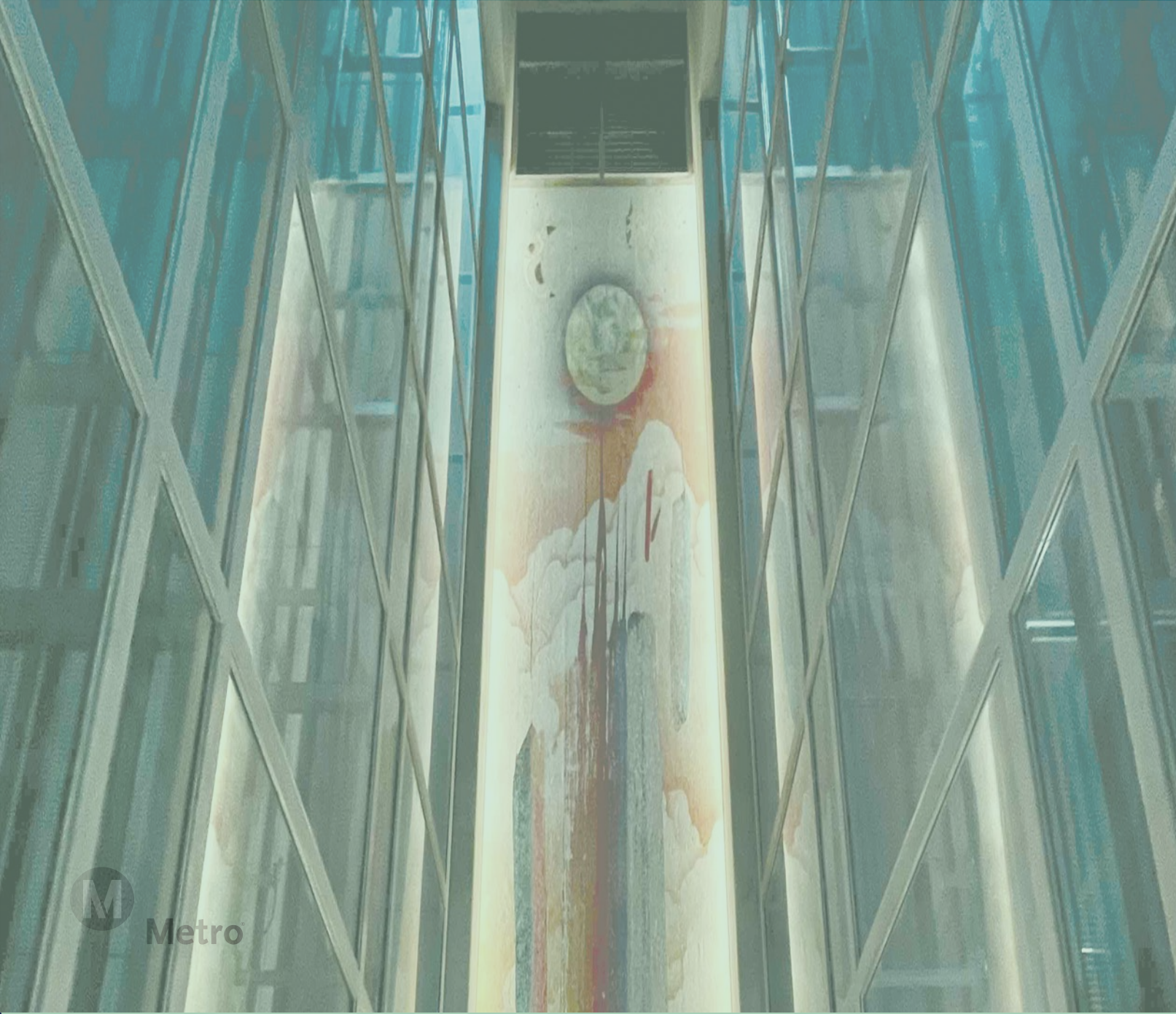
WHEREAS, Metro expects to make reimbursement allocations no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure for the Project is

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;

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.

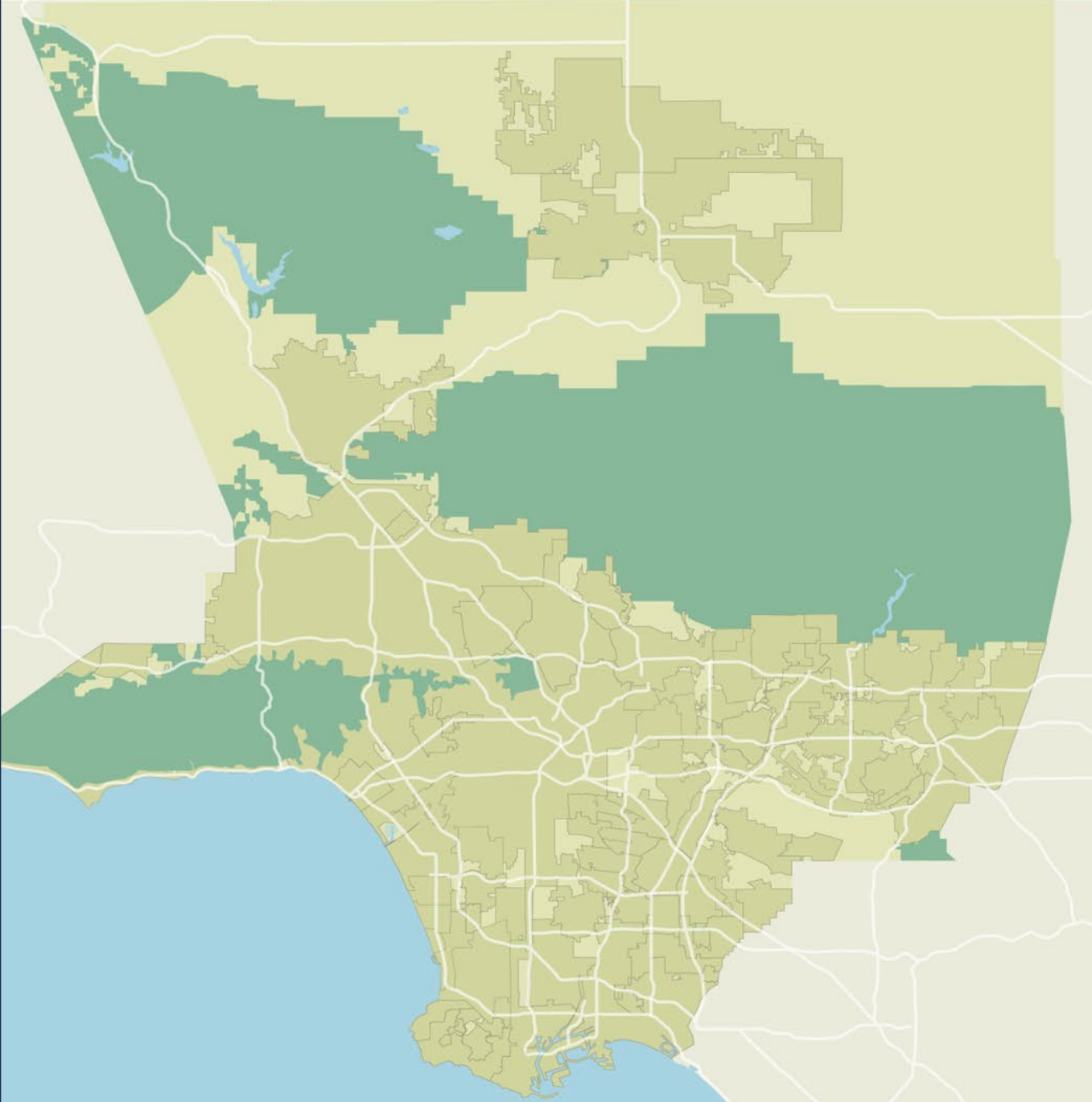
NOW THEREFORE, BE IT RESOLVED, that (i) all of the foregoing recitals are true and correct and (ii) in accordance with Section 1.150-2 of the Treasury Regulations, Metro declares its intention to issue Debt in an amount not to exceed \$150.0 million for Proposition A, \$150.0 million for Proposition C, \$500.0 million for Measure R, \$650.0 million for Measure M and \$200.0 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.



Item # 15

Fiscal Year 2025 (FY25) Proposed Budget

Agenda



1. BUDGET HIGHLIGHTS

- > FY25 Proposed Budget: Revenues vs Expenditures
- > Transportation Infrastructure Development (TID)
- > Metro Transit – Operations
 - Enhancing Customer Experience
- > Metro Transit - Capital Improvement Program (CIP)
- > Regional Allocation & Pass-throughs
- > Other Programs

2. EXPANDED PUBLIC ENGAGEMENT

- > Public Outreach & Stakeholder Engagement Calendar

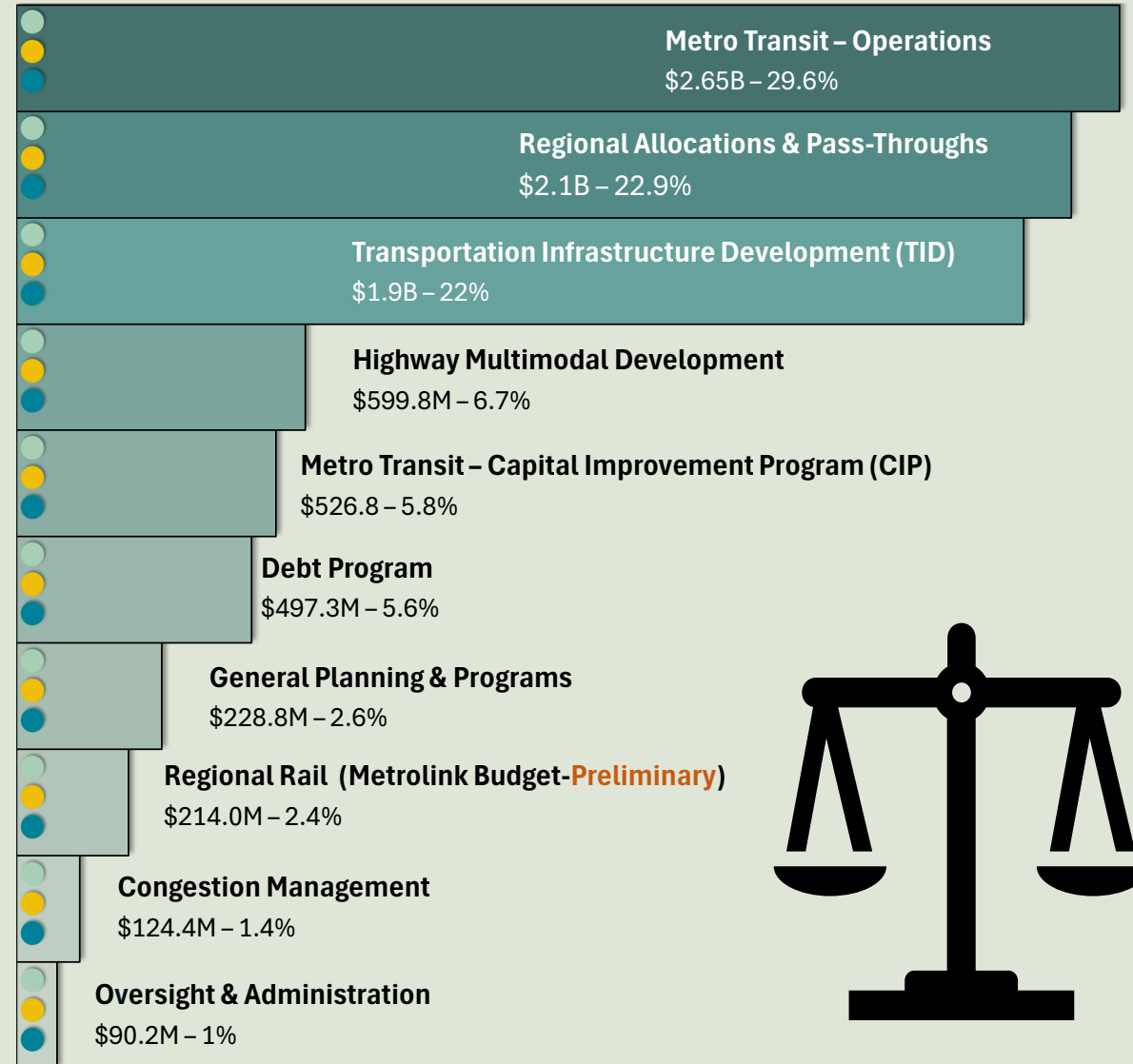
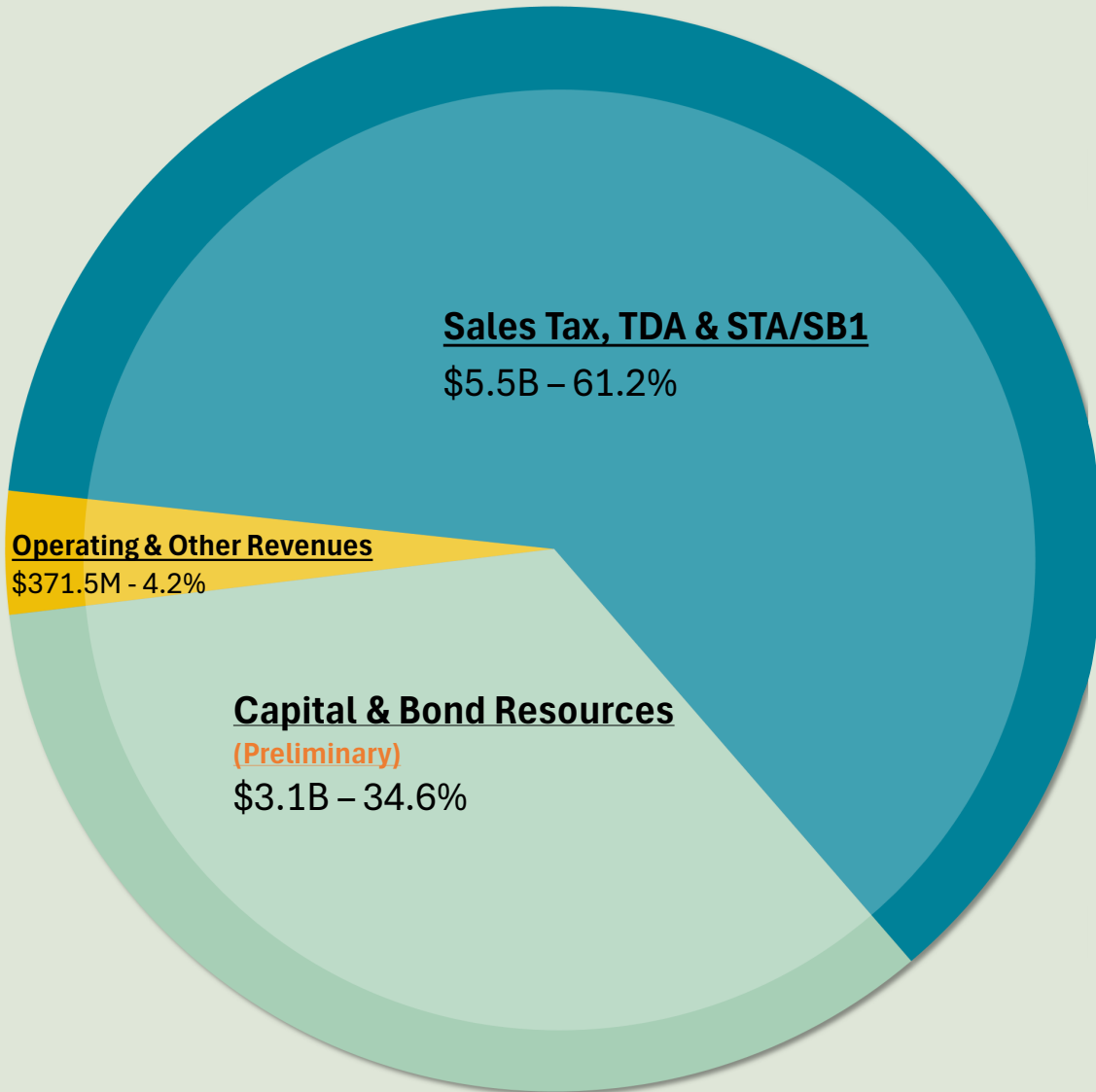
3. MAY BOARD REPORT FY25 BUDGET ADOPTION



RESOURCES: \$9.0B

EXPENDITURES : \$9.0B

BALANCED





Initiation

Planning

Engineering

Procurement

Construction /Integration

Operations/Activation /Integration

Transit Planning Projects: \$352.4M

C Line Extension to Torrance	\$ 58.3
Countywide BRT Planning	2.4
E Line Eastside LRT Phase 2	45.5
Eastside Access	0.6
K Line Northern	8.3
North San Fernando Valley BRT	2.0
Rail & Bus Ops Control Center	16.9
Sepulveda Corridor	60.5
SGV Feasibility Study	1.0
Southeast Gateway Line	136.8
Vermont Transit Corridor	20.1

- > Planning & studies increased by 62.4% over FY24
- > Planning projects continue to advance to various stages

Transit Construction Projects: \$1,612.5M

A Line Extension to Pomona	\$ 146.7
Airport Metro Connector	143.5
D Line Extension (all sections)	694.7
East San Fernando Valley LRT	281.3
Expo Closeout	2.9
G Line BRT Improvements	106.8
K Line (Crenshaw)	21.0
North Hollywood to Pasadena BRT	114.4
Regional Connector	37.7
Systemwide	63.5

- > Construction cashflow decreased 29.3% from FY24
- > All major construction projects continue to progress





Bus Service
\$1.75B

- > 7.16M RSH
- > Improving Speed and Reliability
- > Advancing NextGen Initiatives
- > 3.6% increase over FY24 est. RSH actuals



Rail Service
\$855.0M

- > 1.40M RSH
- > New 10-minute service: B & D lines
- > 2 New Stations – Airport Metro Connector & Aviation Century
- > 16.4% increase over FY24 est. RSH actuals



Metro Micro
\$41.9M

- > 271.4K RSH
- > Pilot program extended - September 2024



RSH = Revenue Service Hours

OVERVIEW

- > RSH for FY25 reflects a 5.3% increase over FY24 estimated actuals
- > PLE 1 & A-line - Pomona Extension Testing
- > A and E Lines enhanced frequencies (8-min peak /10-min off-peak)
- > C and K Lines 10-min daytime frequency introduced in December 2023 until end of 2024.
- > Planned launch of C Line & K Line with improved weekday peak frequency of 8-min by end of 2024.
- > B & D lines improved frequency to 10 minutes



NextGen	Public Safety Multi-layer Approach	Cleaning	Station Experience
<ul style="list-style-type: none"> > Bus Priority Lanes, curb modifications & layover optimization > Camera Bus Lane Enforcement > North San Fernando Valley Bus Rapid Transit Network Improvements - bus shelters 	<ul style="list-style-type: none"> > Expansion of Ambassador deployment sites and Community Intervention Specialists (CIS) > 53 Additional Transit Security staff for weekends, late nights, and expanding bus-riding teams 	<ul style="list-style-type: none"> > Rail Stations: Custodial staff @ 17 Hot Spots > 7 day/week bus terminal cleaning > 165 new custodial staff & 50 Room-to-Work participants > Safe & Smart public restroom pilot 	<ul style="list-style-type: none"> > Expansion of Westlake MacArthur pilot to Pershing Square, Compton, Firestone, Harbor Freeway, Lake, Norwalk, & Pico > Improve lighting, ventilation, fare gates, cameras, elevator safety & public restrooms 

OVERVIEW

- > Reassessing safety protocols
- > Upholding accessibility & affordability in transit choices

- > Additional staff to enhance station experience
- > Continuing Room to Work program – increased capacity
- > Daily Terminal cleaning includes 4 terminals; 7-days a week



Bus
\$141.7M

- > NextGen implementing Bus Priority Lanes, curb modifications, & layover optimization
- > Zero Emission Bus Fleet and Infrastructure
- > Transit Signal Priority
- > Bus Mobile Validators



Rail
\$225.7M

- > New Rail cars for PLE 1/2/3 service expansion & replacement
- > Station enhancements including lighting, art, & security for customer experience initiative



Other Asset Improvement
\$159.4M

- > Ticket Vending Machines
- > Enhanced CCTV
- > Technology



OVERVIEW

- > \$526.8M reflects a 2.3% or \$12.5M decrease from FY24
- > Significant investments made in Transit Signal Priority (TSP) & Bus Mobile Validators (BMV) for all door boarding
- > Investments in track/tunnel intrusion technology & improvements to signage/wayside throughout the system
- > Tech enhancements to improve the customer experience, including EV charging stations



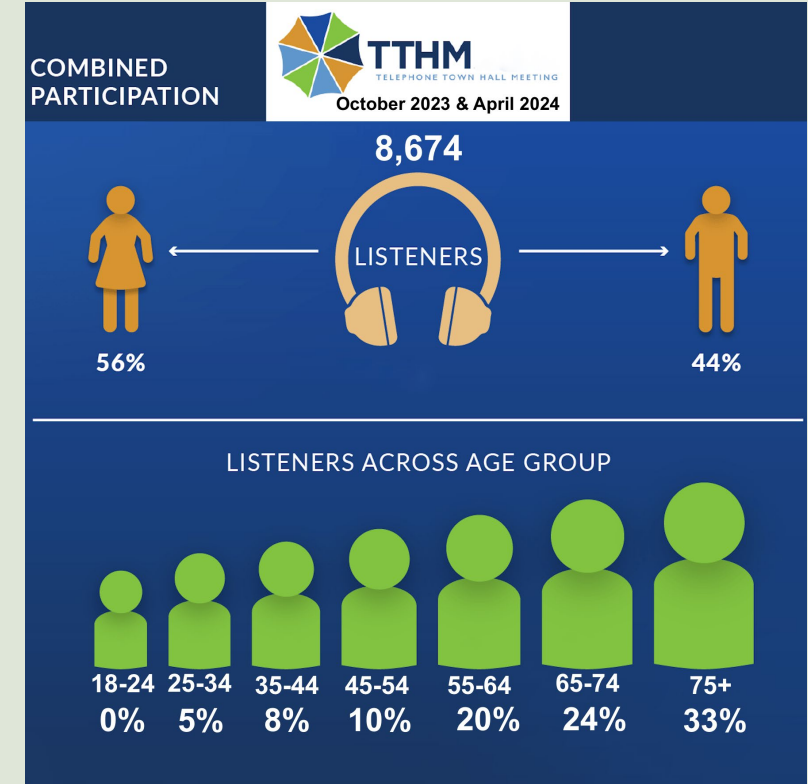
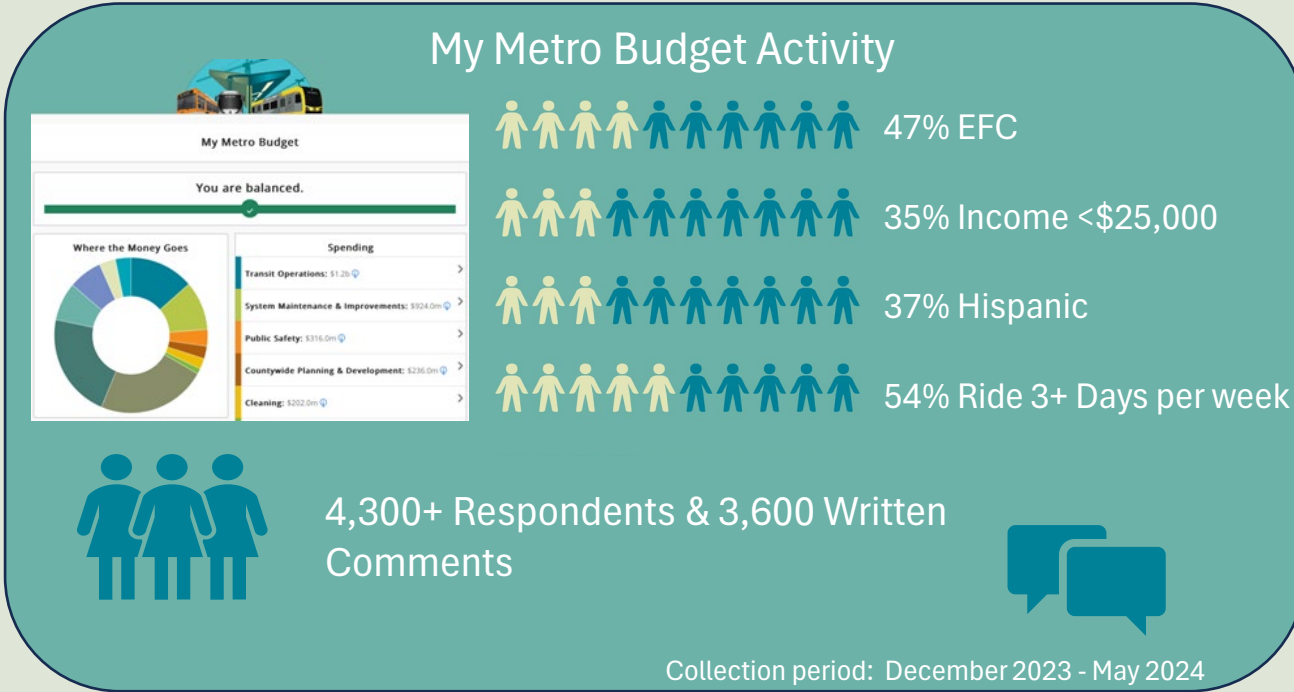
<u>Highway Multimodal Development:</u> \$599.8M	<u>Regional Rail:</u> \$214.0M *	<u>General Planning & Programming:</u> \$228.8M	<u>Oversight & Admin:</u> \$90.2M	<u>Debt Program:</u> \$497.3M	<u>Congestion Management:</u> \$124.4M
<ul style="list-style-type: none"> > \$599.8M reflect a \$18.3M or 3.0% decrease over FY24 > ExpressLanes cashflow increased due to I-105 ExpressLanes project > Bus-Only Lanes & NextGen Bus Initiative increased 32% from FY24 	<ul style="list-style-type: none"> > \$214.0M reflects a 32% or \$100.5M decrease from FY24 > Double Tracking & Grade Separation transitioning to construction phase > *FY25 Metrolink budget -- pending approval 	<ul style="list-style-type: none"> > \$228.8M reflects a 3.6% or \$8.6M decrease from FY24 > Active Transportation, Bike & Other \$95.8M > Property Management \$76.8M > Financial, Grants, Management & Admin \$48.3M > Unsolicited Proposals, P3 & Other \$7.9M 	<ul style="list-style-type: none"> > \$90.2M reflects a 7% or \$5.9M increase from FY24 > O&A is approximately 1.1% of FY25 Preliminary Budget > Ongoing activities: Legal services, ethical compliance, Office of Inspector General services, regulatory environmental assessments & mandated audits 	<ul style="list-style-type: none"> > \$497.3M reflects a 1.5% or \$7.5M increase from FY24 > Debt service costs for existing debt to fund Measure R/M construction projects and other capital projects 	<ul style="list-style-type: none"> > \$124.4M reflects a 4.8% or \$6.3M decrease from FY24 > Freeway Patrol will procure new tow service contracts including service & vehicles > Rideshare Services will experience an increase in the Board-approved vanpool subsidy which is offset by a decrease in labor due to staff realignment



Local Return, TDA 3 & 8 \$921.4M	Regional Transit \$779.1M	Major Projects \$211.0M	Other Local Programs \$81.7M	Fare Assistance (LIFE Program) \$34.3M	Regional Federal Grants \$23.7M
<ul style="list-style-type: none"> > Allocations to 88 cities & LA County for transit & mobility improvements > Local Return - Prop A & C, Measure R & M > TDA Articles 3 & 8 	<ul style="list-style-type: none"> > Municipal & Local Operators' Funds > Access Services 	<ul style="list-style-type: none"> > Alameda Corridor East Phase II > Antelope Valley Metrolink Line Projects > Inglewood Transit Corridor > Sankofa Park Project 	<ul style="list-style-type: none"> > Call for Projects > Active Transportation & Transit Programs > Congestion Reduction Toll Revenue Grants > Federal Pass-Throughs > Transit Oriented Development Grants 	<ul style="list-style-type: none"> > Low Income Fares is Easy (LIFE) Program provides fare assistance to low-income transit riders 	<ul style="list-style-type: none"> > Job Access Reverse Commute (JARC) > New Freedom Program > Section 5310 > Surface Transportation Program - Local Exchange 

OVERVIEW

- > \$2.1B reflects a \$6.8M or 0.3% reduction from FY24
- > FY25 revenues lower than FY24
- > Separate Board Action on Access Services & Transit Fund allocations (June)
- > Metro allocates funds to transit agencies & jurisdictions for projects
 - > 89% passed through per policy & legislation
 - > 11% for Access Services & LIFE Program



What We Heard:

- Safety & Security
- Cleanliness of System
- Service Frequency & Reliability



What Metro is Doing:

- Safety & Security – 10% budget increase
- Cleanliness of System – 14.4% budget increase
- Service Frequency & Reliability – 5.5% RSH budget increase vs FY24 estimated actuals



October 2023

- > CEO's Telephone Town Hall



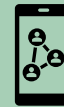
November 2023

- > Launch My Metro Budget Activity
Available in 9 language



December 2023

- > Community group engagement – My Metro Budget Physical Marketing Cards to:
 - * Metro Station Staff
 - * Metro Micro
 - + GoPass
 - + LIFE
 - + On The Move Riders Program
 - + Metro Youth Council
 - + Women & Girls Governing Council
 - + TAP Vendors



January 2024

- > Social Media Launch of My Metro Budget Activity



February 2024

- > Regional Service Councils – Briefings in all Regions
 - + San Gabriel Valley
 - + San Fernando
 - + South Bay Cities
 - + Westside Cities
 - + Gateway Cities
- > Accessibility Advisory Committee
- > Metro Youth Council



March 2024

- > Community Advisory Committee



April 2024

- > CEO's Telephone Town Hall –
 - > San Gabriel Valley COG
 - > Bus Operators Subcommittee
 - > Streets & Freeways
 - > Community Advisory Council
 - > Gateway Cities COG
 - > Telephone Town Hall
 - + Westside Cities COG



May 2024

- > Regional Service Councils, Briefing
- > Technical Advisory Committee
- > Valley Industry & Commerce Association
- > Local Transit Systems Subcommittee
- > Accessibility Advisory Committee
- > San Gabriel Valley COG
- > **Budget Public Hearing**
- > Measure M Oversight Committee



> Note: Updated as additional meetings are scheduled.
 > Ongoing Public Participation



- A. ADOPTING the proposed FY25 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net);
1. AUTHORIZING \$9.0 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
 2. AUTHORIZING a total of 11,283 FTEs, of which 9,275 are Represented FTEs and 2,008 are Non-Represented FTEs; and
 3. AUTHORIZING an average 4% performance-based merit increase for Non-Represented employees; and
 4. AMENDING the proposed budget to include \$16.4 million for the federal fund awarded to Metro from the Reconnecting Communities and Neighborhoods (RCN) grant for the first set of projects from the Games Mobility Concept Plan and
 5. AMENDING the proposed budget to include \$3.5 million in FY25 for the Operations Central Instruction (OCI) project and approve a Life-of-Project (LOP) budget of \$24.5 million which will centralize training and onboarding for Bus Operators and essential front-line staff and
 6. 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
 7. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2024); and



- B. APPROVING the programming of \$10 million in Measure M funds for the SR-71 Project to support design activities for the SR-71 North Segment project. The FY25 Proposed Budget currently has \$30 million for SR-71 South Segment Project which will be adjusted to provide \$10 million for the SR-71 North Segment project and \$20 million for the SR-71 South Segment Project.

- C. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY25 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.