

# **Metro**

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



## **Agenda - Final**

**Wednesday, May 15, 2019**

**12:00 PM**

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

### **Finance, Budget and Audit Committee**

*Kathryn Barger, Chair  
Paul Krekorian, Vice Chair  
John Fasana  
Ara Najarian  
Mark Ridley-Thomas  
John Bulinski, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

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

**PUBLIC INPUT**

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 should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

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.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant 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.

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## DISCLOSURE OF CONTRIBUTIONS

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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## LIMITED ENGLISH PROFICIENCY

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

## ROLL CALL

7. **SUBJECT: MANAGEMENT AUDIT SERVICES FY 2019 THIRD QUARTER REPORT** [2019-0253](#)

### RECOMMENDATION

RECEIVE AND FILE the third quarter report of Management Audit Services (Management Audit) for the period ending March 31, 2019.

Attachments: [Attachment A - FY19 Q3 Report](#)

37. **SUBJECT: FISCAL YEAR 2020 (FY20) BUDGET** [2019-0198](#)

### RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY20 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net):
1. AUTHORIZING \$7.2 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan;
  2. AUTHORIZING a total of 10,219 FTEs with 8,482 Represented FTEs and 1,737 Non-Represented FTEs which includes an increase of 45 Non-Represented FTEs;
  3. AUTHORIZING a 4% merit-based increase for Non-Represented wages which is in alignment with the Collective Bargaining Agreement with Metro's union groups;
  4. APPROVING the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million presented in Attachment A;
- B. AMENDING FY20 Proposed Budget document by increasing Bus service hours from 7,019,376 to 7,094,376, which is higher than FY19 service level of 7,014,606;
- C. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY20 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- D. AUTHORIZING the Non-Represented salary paygrade band to increase



**Attachments:**      [Attachment A- Metro Share of Metrolink Programming FY 2019-20](#)  
[Attachment B- Metrolink Transmittal of the Proposed FY2019-20 Budget](#)  
[Attachment C-Metro's Update on Metrolink FY 2019-20](#)  
[Attachment D-Metrolink High Priority SOGR Program April 2019](#)

**SUBJECT:      GENERAL PUBLIC COMMENT** [2019-0285](#)

RECEIVE General Public Comment

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.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S  
SUBJECT MATTER JURISDICTION

## **Adjournment**



## Board Report

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**File #:** 2019-0253, **File Type:** Informational Report

**Agenda Number:** 7.

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### FINANCE, BUDGET AND AUDIT COMMITTEE MAY 15, 2019

**SUBJECT: MANAGEMENT AUDIT SERVICES FY 2019 THIRD QUARTER REPORT**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE the third quarter report of Management Audit Services (Management Audit) for the period ending March 31, 2019.

#### **ISSUE**

Management Audit must provide a quarterly activity report to the Finance, Budget and Audit Committee which includes information on: completed audits, audits that are in progress, our follow-up activities and any other pertinent matters.

#### **BACKGROUND**

At its January 2005 meeting, the Board designated the Executive Management and Audit Committee (EMAC) as their audit committee. The EMAC requested a quarterly report from Management Audit on its audit activities. In July 2011, the audit responsibilities were transferred to the Finance, Budget and Audit Committee. This report fulfills the requirement for the third quarter of FY 2019.

#### **DISCUSSION**

Management Audit provides audit support to the Chief Executive Officer (CEO) and his executive management team. The audits we perform are categorized as either internal or external. Internal audits evaluate the processes and controls within the agency. External audits analyze contractors, cities or non-profit organizations that we conduct business with or receive Metro funds.

There are four groups in Management Audit: Performance Audit, Contract Pre-Award Audit, Incurred Cost Audit and Audit Support and Research Services. Performance Audit is primarily responsible for all audits for Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications, Risk, Safety and Asset Management and Executive Office. Contract Pre-Award and Incurred Cost Audit are responsible for external audits in Planning and Development, Program Management and Vendor/Contract Management. All of these

units provide assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance. Audit Support and Research Services is responsible for administration, financial management, budget coordination, and audit follow-up and resolution tracking.

During the third quarter of FY 2019 Management Audit completed 158 projects. These include:

Internal Audits: 3 internal audits were completed during the third quarter. As of March 31, 2019, 15 internal audits were in process.

External Audits: 10 incurred cost audits with a total value of \$113 million were completed during the third quarter. As of March 31, 2019, 52 incurred cost audits were in process.

Other Audits: 145 other audits were issued by external CPA firms.

Audit Follow-up and Resolution: 13 recommendations were closed during third quarter. In addition, 9 recommendations for the OIG were closed during third quarter. Details of all open, extended, and closed recommendations can be found in the Third Quarter Board Box titled "Status of Audit Recommendations".

Management Audit's FY 2019 third quarter report is included as Attachment A.

## NEXT STEPS

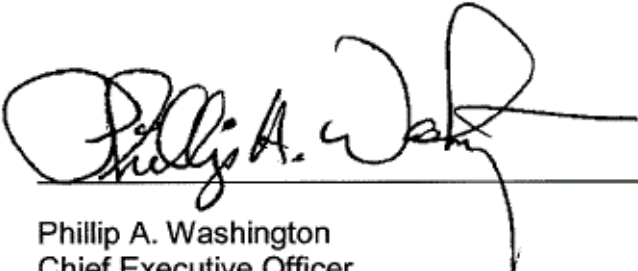
Management Audit will provide the FY 2019 Year-end report of audit activity to the Board at the September 2019 Finance, Budget and Audit Committee meeting.

## ATTACHMENT

Attachment A - FY19 Q3 Report

Prepared by: Monica Del Toro, Audit Support Manager  
(213) 922-7494

Reviewed by: Diana Estrada, Chief Auditor  
(213) 922-2161



Phillip A. Washington  
Chief Executive Officer



**MANAGEMENT AUDIT SERVICES  
QUARTERLY REPORT TO THE BOARD**

**Los Angeles County Metropolitan  
Transportation Authority**

***Third Quarter  
FY 2019***



**Metro™**

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# *EXECUTIVE SUMMARY*

## Summary of Audit Activity

During the third quarter of FY 2019, 158 projects were completed. These include:

### Incurring Cost Audits

- Independent Auditor's Report on Agreed-Upon Procedures of Barrio Planners, Inc.'s final indirect cost rates for fiscal years ending May 2016 and May 2017 for the Westside Purple Line Extension Project;
- Independent Auditor's Report on Agreed-Upon Procedures of Cabrinha, Hearn & Associates' final indirect cost rates for fiscal years 2013-2015 for the Westside Subway Extension Project;
- Independent Auditor's Report on Agreed-Upon Procedures of ABA Global, Inc.'s final indirect cost rate for calendar year 2016 for the Regional Connector Transit Corridor Project;
- Independent Auditor's Report on Agreed-Upon Procedures of LKG-CMC, Inc.'s final indirect cost rates for fiscal year ending September 2014 for the Regional Connector Transit Corridor Project;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of Caltrans' HOV Lanes on I-5 between SR-118 and SR-14 Project;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of City of Calabasas' Park and Ride Lot Project;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of Los Angeles County's Experience LA 3.0 - Mobility in the Cloud Project;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of City of Torrance's Pacific Coast Highway at Madison Street Signal Upgrades Project;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of City of Glendale's Pacific Avenue: Colorado to Glendale & Burchett Street: Pacific Avenue to Central Avenue Street Project; and
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Review of City of Los Angeles' Winnetka Avenue Bridge Widening over the Los Angeles River Project.

### Internal Audits

- Performance Audit Quality Assurance Process Over Minor Construction Projects
- Performance Audit of Vendor/Contract Management's (V/CM's) Continuity of Operations Plan (COOP)
- Performance Audit of the Purchase Card (P-Card) Program

### Other Audits

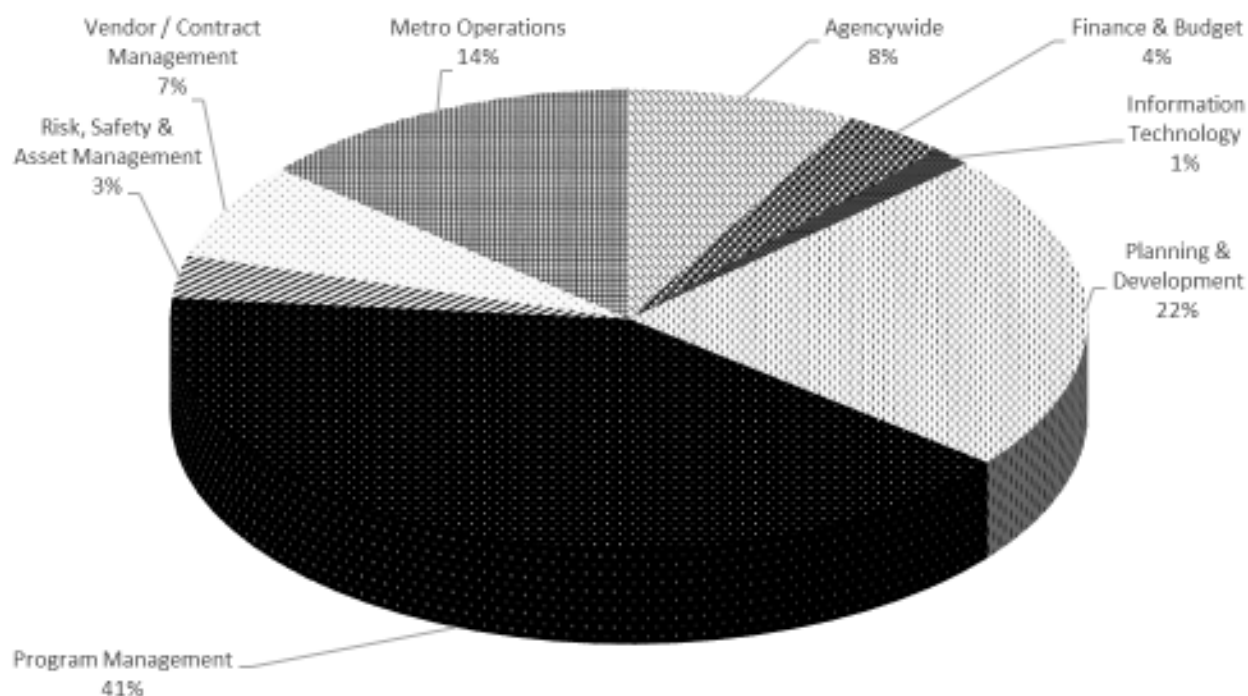
- 145 other audits issued by external CPA firms

The completed external audits are discussed on page 3. Discussions of the internal audits begin on page 4. Discussions of other audits issued by external CPA firms begin on page 6.

## *EXECUTIVE SUMMARY*

Sixty-seven (67) projects were in process as of March 31, 2019; these included 15 internal audits and 52 incurred cost audits.

The following chart identifies the functional areas where Management Audit focused audit staff time and efforts during third quarter FY 2019:



### Audit follow-up:

- Thirteen (13) recommendations were closed during the third quarter. At the end of the quarter there were 25 open audit recommendations.
- In addition, we closed nine (9) OIG recommendations. At the end of the quarter there were 40\* open audit recommendations.

\*This total does not include recommendations for the 1) Audit of Westside Purple Line Extension Section 2- Modification No. 52, and 2) Review of Metro Rail Services Disruptions as the management response and/or estimated completion dates are still pending.

# *EXTERNAL AUDITS*

## Incurred Cost Audit

Incurred Cost Audit conducts audits for Planning and Development's Call-for-Projects program, Program Management's highway projects, federally funded transportation programs, and various other transportation related projects, including Caltrans projects. The purpose of the audits is to ensure that funds are spent in accordance with the terms of the grants/contracts and federal cost principles.

Incurred Cost Audit completed ten audits during third quarter FY 2019. We reviewed \$113 million of funds and identified \$22 million or 19% of unused funds that may be reprogrammed. Fifty-two (52) incurred cost audits were in process as of March 31, 2019.

Details on Incurred Cost Audits completed during third quarter FY 2019 are included in Appendix A.

# *INTERNAL AUDITS*

For the third quarter of FY 2019, three (3) internal audits were completed. Fifteen (15) internal audits were in process as of March 31, 2019. The internal audits in process are listed in Appendix B.

The following internal audits were issued in the third quarter FY 2019:

*Performance Audit of the Quality Assurance Process over Minor Construction Projects*

The purpose of the audit was to evaluate the efficiency and effectiveness of the Quality Assurance Process over minor construction projects (project value less than \$100 million). The audit scope included the review of minor construction projects for the period of October 19, 2016 to July 30, 2018.

We found that the Quality Assurance Process of the Quality Management Unit (“Quality Management”) over minor construction projects needed to be improved in order for it to be efficient and effective. This assessment is based primarily on two key observations. First, Quality Management did not maintain adequate supporting documentation to evidence its quality assurance oversight activities over minor construction projects. Secondly, Quality Management had not developed its own unique key performance indicators to enable the monitoring of results and to drive improvement.

Management concurred with all six recommendations and is implementing the corrective actions.

*Performance Audit of Vendor / Contract Management’s (V/CM’s) Continuity of Operations Plan (COOP)*

The purpose of this audit was to evaluate the adequacy of V/CM’s COOP and Standard Operating Procedures (SOPs) to support V/CM’s mission essential functions during emergencies. The scope of this audit was V/CM’s COOP approved by Chief Vendor / Contract Management Officer, on October 20, 2017 and the related SOPs that support the COOP.

We found that V/CM’s COOP identifies its primary mission essential functions and has been in place since October 2017. V/CM participates with the other selected business units to test emergency systems including applications and processing of transactions in an off-site facility in California. However, V/CM’s COOP and the supporting SOPs need to include additional key information (e.g. activation criteria, key personnel contacts, etc.) to improve V/CM’s ability to efficiently and effectively continue its mission essential functions in the event of an emergency. We also noted that formal emergency service agreements between Metro and utility companies (i.e., electric and gas) were not in place to guarantee continuity and provision of key services such as power for trains and compressed natural gas for buses, warning before service cuts, and restoration during emergencies as an essential public service.

Management concurred with all five recommendations and is implementing the corrective actions.

# INTERNAL AUDITS

## Performance Audit Purchase Card (P-Card) Program

The purpose of the audit was to evaluate the adequacy of oversight and monitoring of the P-card Program and determine the extent of compliance with P-Card Program rules and guidelines. The audit scope covered P-card Program rules and guidelines and transactions for the period June 2015 to October 2018.

Oversight and monitoring over the P-Card Program by the Agency Program Coordinator and the approving officials of various business units needed to be strengthened. Instances of non-compliance with program rules and guidelines included:

- Purchases of certain restricted items (food and hotel charges)
- Monthly statements submitted late or without support
- Lack of documentation to support purchase limit increases for some cardholders
- Inconsistent refresher training taken by cardholders and approvers
- P-Cards for some former employees were not immediately de-activated

Management concurred with most of the recommendations except with recommendations #3 and #5. V/CM Management disagreed with our recommendations to have an individual outside of the P-Card Program to periodically reconcile the profiles of those Cardholders granted with purchase limit increases or ability to procure restricted items against the justifications/approvals on file. These recommendations were meant to implement segregation of duties between the P-Card Program staff and staff who will independently review compliance of P-Card Program staff. In lieu of the recommendations, V/CM would have the Executive Officer Support Services monitor the Agency Program Coordinator's reconciliation process. Management Audit Service will perform a follow-up audit of this area to determine the effectiveness of this planned monitoring.

## *OTHER AUDITS*

Other audits completed during third quarter FY19 by external CPA firms include:

Basic Financial Statements and Component Audits – All parts issued by February 2019

Metro is required to be audited annually by independent certified public accountants. The resulting reports include Metro's basic financial statements and following component audits for the year ended June 30, 2018:

- Comprehensive Annual Financial Report;
- Single Audit Report for fiscal year ended June 30, 2018;
- Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154) for the fiscal year ended June 30, 2018;
- Transportation Operating Agency (ID# 90154) for the fiscal year ended June 30, 2018;
- Transportation Development Act Operations Agency for the fiscal year ended June 30, 2018;
- Transportation Development Act & Prop 1B PTMISEA Planning Agency for the fiscal year ended June 30, 2018;
- State Transit Assistance Special Revenue Fund's basic financial statements as of and for the years ended June 30, 2017 and 2018;
- Crenshaw Project Corporation (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) basic financial statements as of June 30, 2018;
- Service Authority for Freeway Emergencies (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) financial statements for the year ended June 30, 2018; and
- Low Carbon Transit Operations Program (LCTOP) and Report on Internal Control over Compliance for the fiscal year ended June 30, 2018.

Metro's basic financial statements include our audited financial statements, supplemental information and unmodified audit opinion from Crowe, the independent external auditor. Crowe issued unmodified opinions on all audit reports for FY18, meaning that all financial statements for FY18 were fairly presented and that Metro complied in all material respects with the applicable financial reporting framework and compliance requirements respectively. However, in the Single Audit Report, Crowe noted one significant deficiency in our internal control over compliance with major federal programs pertaining to sub-recipient monitoring of federal awards. Metro's Grants Management will implement preventative controls by clarifying to sub recipients that in completing their annual self-certification, the response applies to the entire entity federal awards and not just the particular grant. Additionally, Grants Management will verify the sub-recipients' responses using the search on Federal Audit Clearinghouse to ensure that no single audit is required for the sub-recipients.



## *OTHER AUDITS*

### National Transit Database (NTD) Financial Data Review Report – Issued November 2018

Crowe, our independent external auditor, conducted an Agreed-Upon Procedures report of the NTD Financial Data Procedures by the Los Angeles County Metropolitan Transportation Authority for the Transportation Operating Agency (ID# 90154). As required by the Federal Transit Administration, Metro must complete this accounting system review every ten years. Crowe found no exceptions as a result of the procedures reviewed.

### Consolidated Audit – Issued various dates

These financial and compliance audits are needed to ensure that the recipients (e.g. 88 cities) of subsidies included in the Consolidated Audit are adhering to the statutes of each applicable funding source. The Consolidated Audit process includes financial and compliance audits for the fiscal year ended June 30, 2018 for Prop A & C, Measure R, Measure M and other programs.

For efficiency and effectiveness, we contracted with two firms (Simpson & Simpson and Vasquez & Company, LLP) to conduct the financial and compliance audits of the following programs for the year ended June 30, 2018:

- Local Funding Program to 88 cities and Unincorporated Los Angeles County
  - Proposition A Local Return
  - Proposition C Local Return
  - Measure R Local Return
  - Transit Development Act (TDA) Article 3 and Article 8 Programs
  - Proposition A Discretionary Incentive Program
- Transit System Funds to Commerce, Redondo Beach, Torrance
  - Transit Development Act (TDA) Article 4
  - State Transit Assistance (STA)
  - Proposition A 95% of 40% Discretionary
  - Proposition C 5% Security
  - Proposition C 40% Discretionary
  - Proposition 1B Funds
  - Measure R 20% Bus Operations and Clean Fuel Bus Funds
- Proposition A 40% Discretionary - Growth Over Inflation (GOI) Fund to Burbank, Glendale, LADOT and Pasadena Transit System Operators
- Fare Subsidies Programs
  - Immediate Needs Transportation Program (INTP)
  - Rider Relief Transportation Program (RRTP)
  - Support for Homeless Re-Entry (SHORE) Program
- Metrolink Program
- EZ Transit Pass Program
- Access Services
- LADOT Operating Data (Proposition A Incentive Programs)

A separate board report for the Consolidated Audit will be presented subsequent to the Measure R and Measure M Oversight Committee Public Hearings scheduled for June 2019.

# AUDIT SUPPORT SERVICES

## Audit Follow-Up and Resolution

During the third quarter, 13 recommendations were completed and closed. At the end of the quarter there were 25 outstanding audit recommendations. The table below summarizes the third quarter activity.

### Summary of MAS and External Audit Recommendations As of March 31, 2019

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Communications			5		5
Finance and Budget			1	1	2
Information Technology	8			2	2
Metro Operations	2			2	2
Program Management	1			6	6
Risk, Safety & Asset Management				1	1
Vendor/Contract Management	2			7	7
<b>Total</b>	<b>13</b>		<b>6</b>	<b>19</b>	<b>25</b>

In addition to the above MAS and external audit recommendations, we closed nine (9) recommendations for the Office of the Inspector General (OIG). At the end of the quarter there were 40\* outstanding OIG audit recommendations.

Details of open audit recommendations for MAS and OIG are included in Appendix C and D, respectively.

\*This total does not include recommendations for the 1) Audit of Westside Purple Line Extension Section 2- Modification No. 52, and 2) Review of Metro Rail Services Disruptions as the management response and/or estimated completion dates are still pending.

## Appendix A

Incurred Cost Audit FY19 - Audits Completed During Third Quarter						
No.	Area	Audit Number & Type	Auditee	Frequency	Requirement	Date Completed
1	Program Management	18-CON-A21 - Agreed-Upon Procedures	Barrio Planners, Inc.	1st Time	V/CM Policy and Contract Terms	1/2019
2	Program Management	18-HWY-A08 - Closeout	Caltrans	Once	Per Project Manager's request and MOU. P0002198 Terms	2/2019
3	Program Management	18-HWY-A04 - Closeout	City of Calabasas	Once	Per Project Manager's request and MOU.MR311.33 Terms	2/2019
4	Program Management	17-CON-A33 - Agreed-Upon Procedures	Carbinha, Hearn & Associates	1st Time	V/CM Policy and Contract Terms	2/2019
5	Program Management	18-CON-A09 - Agreed-Upon Procedures	ABA Global, Inc.	1st Time	V/CM Policy and Contract Terms	2/2019
6	Planning and Development	19-PLN-A07 - Closeout	Los Angeles County	Once	Per Project Manager's request and FA.920000000F7703 Terms	3/2019
7	Program Management	18-CON-A20 - Agreed-Upon Procedures	LKG-CMC, Inc.	1st Time	V/CM Policy and Contract Terms	3/2019
8	Program Management	19-HWY-A04 - Closeout	City of Torrance	Once	Per Project Manager's request and FA 920000000MR31259 Terms	3/2019
9	Program Management	19-HWY-A08 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU. 310.40Terms	3/2019
10	Planning and Development	18-PLN-A09 - Closeout	City of Los Angeles	Once	Per Project Manager's request and MOU. P0008084 Terms	3/2019

## Appendix B

Internal Audit FY19 - In Process Audits as of March 31, 2019						
No.	Area	Audit Number & Title	Description	Frequency	Requirement	Estimated Date of Completion
1	Agency-Wide	17-AGW-P01 - Performance Audit of Consultant Hours	Evaluate efficiency and effectiveness of the use of consultants. Phase 1 – This audit will report on the agency-wide use of consultants such as the number of consultants by business unit, nature of work conducted by the consultants, consultant costs and other statistical information during the review period.	First Time	Per FY17 Audit Plan	5/2019
2	Information Technology Services / Metro Operations	18-ITS-P01 - Performance Audit of HASTUS - Confirmation of Collective Bargaining Agreement Changes	Evaluate whether changes from the SMART Collective Bargaining Agreement effective July 1, 2017 were effectively implemented in the HASTUS System, and to assess the adequacy of the implementation plans for the pending system changes.	First Time	Per FY18 Audit Plan	5/2019
3	Vendor/Contract Management	18-VCM-P02 - Performance Audit of Tracking of SBE/DBE Goals	To evaluate the process of tracking and monitoring SBE/DBE goals achievement and reliability of the information captured by DEOD.	First Time	Per FY18 Audit Plan	5/2019
4	Human Capital & Development / Finance & Budget	17-OMB-P04 - Performance Audit of Position Reconciliation Process	To evaluate the adequacy of the Position Reconciliation Process between the cost centers, Human Capital & Development and Office of Management and Budget.	2nd Time; Last Audit 9 years ago	Per FY17 Audit Plan	6/2019
5	Metro Operations	16-OPS-P03 - Performance Audit of Accident Prevention Program	Determine the efficiency and effectiveness of Operations' Accident Prevention Practices.	First Time	Per FY16 Audit Plan	6/2019
6	Metro Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering & Maintenance Training Phase I	Determine whether existing and newly hired employees of Wayside Systems Engineering & Maintenance completed the required training (technical, safety, and mandated) including required refresher courses; required certification per position is current; and employees have the right certification for the tasks assigned.	First Time	Per FY19 Audit Plan	6/2019
7	Metro Operations	19-OPS-P03 - Performance Audit of Rail Communication Systems	Determine the adequacy of the security controls over Rail Communication network system for Rail Operations Control equipment, including but not limited to the firewall, and password policies; logical security of remote sites; protocol including criteria and guidelines used to protect the network; rail communication systems redundancy; change management process, and incident response process.	First Time	Per FY19 Audit Plan	6/2019
8	Metro Operations	19-OPS-P04 - Contracted Bus Services	To determine compliance with contract requirements as it relates to bus maintenance, quality control and driver safety of MV Transportation Inc.	First Time	Board Request	6/2019
9	Pension and Benefits	19-BEN-P01 - Performance Audit of Benefit Eligibility	Evaluate adequacy of internal controls over eligibility process for employee dependents for medical benefits	First Time	Per FY19 Audit Plan	6/2019
10	Program Management	18-CON-P01 Performance Audit of Project Management of the Regional Connector Transit Project	Evaluate the adequacy and effectiveness of project management controls for Regional Connector Project.	First Time	Per FY18 Audit Plan	6/2019
11	Vendor/Contract Management	17-VCM-P02 - Performance Audit of Change Order Internal Controls	To evaluate the adequacy and effectiveness of internal controls over the Contract Change Order Process, and to evaluate the utilization of Key Information by VCM.	First Time	Per FY17 Audit Plan	6/2019

## Appendix B

Internal Audit FY19 - In Process Audits as of March 31, 2019						
No.	Area	Audit Number & Title	Description	Frequency	Requirement	Estimated Date of Completion
12	Metro Operations	19-OPS-P03 - Performance Audit of SCADA Security Controls	To determine the adequacy of the security controls for the SCADA Systems, including but not limited to the new virtualized SCADA server/workstations for Rail Operations Control Room (ROC) equipment, logical and physical security of remotes for external remove connection, and other additional areas as deemed necessary.	2nd Time; Last Audit 7 years ago	Per FY19 Audit Plan	7/2019
13	Program Management / Operations / Finance / Planning	19-CON-P01 - Performance Audit of Pre-Project Closeout for Crenshaw/LAX Transit Project	Evaluate state of readiness for the Crenshaw/LAX Transit Project prior to start of operations.	First Time	Per FY19 Audit Plan	7/2019
14	Agency-Wide	18-RSK-P02 - Performance Audit of Business Continuity Plan - Payroll	Evaluate how mission essential functions included in the selected departmental COOPs relate to and are supported by existing departmental Standard Operating Procedures and Emergency Procedures (SOPs/EPs).	2nd Time; Last Audit 9 years ago	Per FY18 Audit Plan	8/2019
15	Metro Operations / Systems Security & Law Enforcement	18-AGW-P01 - Performance Audit of Internal Controls over Overtime Payments for AFSCME	Verify compliance with PUC regulation (e.g. 12 hours workhour limit) for Rail Transit Operation Supervisor and evaluate adequacy of current controls and oversight for overtime requests. In addition, follow up on prior audit recommendations.	First Time	Per FY18 Audit Plan	8/2019

## Appendix C

Open Audit Recommendations as of March 31, 2019						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Communications	16-COM-P01 Special Fares Programs	20	We recommend the Communications Department to report the program performance periodically to the appropriate level of management to support decision making. <b>Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.</b>	3/31/2017	3/31/2019
2	Communications	16-COM-P01 Special Fares Programs	21	We recommend the Communications Department to renew the agreement with the Court to confirm mutual agreement. <b>Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.</b>	3/31/2017	3/31/2019
3	Communications	16-COM-P01 Special Fares Programs	22	We recommend the Communications Department to revisit the program purpose and guidelines/requirements to assess the current J-TAP Program performance. <b>Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.</b>	3/31/2017	3/31/2019
4	Communications	16-COM-P01 Special Fares Programs	23	We recommend the Communications Department obtain a written agreement with DCFS to confirm the mutual agreement and to retain the legal rights to enforce DCFS to meet the Program guidelines and requirements. <b>Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.</b>	3/31/2017	3/31/2019
5	Communications	16-COM-P01 Special Fares Programs	25	We recommend the Communications Department to assess the program performance periodically, and report to the appropriate level of management. <b>Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.</b>	3/31/2017	3/31/2019
6	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	3	We recommend that the Chief Information Officer require that all IT required project documentation be completed for each phase of all IT projects, based on the IT Project Management Methodology. This is especially important to show adequate requirements analysis and measurement of end-user involvement, testing, and acceptance.	6/30/2019	
7	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	5	We recommend that the Chief Information Officer require that IT controls are designed into new systems and reflected within IT project management plans, and resulting operational procedures. A risk-based approach to the design and implementation of controls, related to application and related systems and business processes, should be utilized. Focus should be placed on risks that have the highest impact and likelihood to occur. At a minimum, the following controls should be addressed on all IT projects to ensure a sound control environment upon completion: Data Security Controls, Financial Controls, Application Controls, General Computer Controls (Infrastructure), Data Conversion Controls, Interface Controls, Data Integrity Controls.	6/30/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix C

Open Audit Recommendations as of March 31, 2019						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
8	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4a	We recommend the Chief Operations Officer consider directing Rail Operations to add more fields in the electronic Track Allocation Request Form to assist Rail Operations Controllers in minimizing some of their manual entries. For example, the Track Allocation Request Form could be further configured to include a check box indicating if the schedule was activated or not, as well as the time and date it was activated, and a drop down menu to include reasons for schedule modification	6/30/2019	
9	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4b	We recommend the Chief Operations Officer consider directing the Track Allocation Coordinator to measure effectiveness of schedules by periodically assessing whether crews that were scheduled to access the ROW actually accessed the ROW. This will provide visibility to the stakeholders as well as assist the Track Allocation Coordinator in modifying future schedules. This periodic review will only be possible once the data from the newly implemented log has been collected.	6/30/2019	
10	Finance & Budget	17-OMB-P02 Performance Audit of the Farebox Revenue Process	2	We recommend Revenue Collections review the monthly employment status report and ensure that transferred, terminated, and retired employees are removed at least quarterly from the Electronic Key Dispenser database. <b>Update: Closed as of April 2019.</b>	7/31/2018	4/30/2019
11	Program Management	16-CON-P04B Performance Audit of the Quality Assurance Process Over Minor Construction Projects	1	We recommend that the Chief of the Program Management Unit direct the Senior Director of the Quality Management Unit to formalize the risk assessment process to require Quality Management (QM) to: (i) document its review of detailed quality plans submitted by contractors, and (ii) document the quality assurance services that it plans to perform for minor construction projects. Adjustments to the planned quality assurance activities should be made by Quality Management as the project progresses based on any new risk information received, project complexity and size.	4/25/2019	
12	Program Management	16-CON-P04B Performance Audit of the Quality Assurance Process Over Minor Construction Projects	2	We recommend that the Chief of the Program Management Unit direct the Senior Director of the Quality Management Unit to document and maintain the results of the Quality Management quality assurance services provided for each minor construction project. Records of these activities include inspection reports, test activities, reports of non-conforming work found, reports of corrective actions taken and surveillances performed.	4/25/2019	
13	Program Management	16-CON-P04B Performance Audit of the Quality Assurance Process Over Minor Construction Projects	3	We recommend that the Chief of the Program Management Unit direct the Senior Director of the Quality Management Unit to ensure that the Quality Manager reviews and approves supporting documents relating to quality before these are stored and maintained in the IQMS.	4/25/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix C

Open Audit Recommendations as of March 31, 2019						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
14	Program Management	16-CON-P04B Performance Audit of the Quality Assurance Process Over Minor Construction Projects	4	We recommend that the Chief of the Program Management Unit direct the Senior Director of the Quality Management Unit to continue to develop the IQMS as a centralized document control system for the maintenance of quality records for all minor construction projects. Use a consistent naming convention for the file name and use titles that correspond to the content so that files are easily searchable and accessible.	4/25/2019	
15	Program Management	16-CON-P04B Performance Audit of the Quality Assurance Process Over Minor Construction Projects	5	We recommend that the Chief of the Program Management Unit direct the Senior Director of the Quality Management Unit to develop unit specific key performance indicators to help measure the efficiency and effectiveness of the quality services provided by Quality Management. Quality Management's KPI should consider both workload and results factors, and could include but not be limited to the following: Length of time between the opening and closing of NCRs; Percentage of reoccurring NCRs; Trends on NCRs; and Number of quality audits performed on schedule.	4/25/2019	
16	Vendor/Contract Management	16-VCM-P01 Performance Audit of Purchase Card (P-Card) Program	1	We recommend that the Executive Officer of Vendor/Contract Management, Support Services direct the Agency Program Coordinator to periodically (at least annually) provide a list of Cardholders and Approving Officials to the department heads or to their appropriate designees to confirm that the list is accurate and complete. Based on the confirmation from the departments, update the list of Cardholders and Approving Officials.	5/31/2019	
17	Vendor/Contract Management	16-VCM-P01 Performance Audit of Purchase Card (P-Card) Program	2	We recommend that Executive Officer of Vendor/Contract Management, support services direct the Agency Program Coordinator to work with Talent Development to add P-Card refresher training to the training profile of all Cardholders and Approving Officials showing it as mandatory training to automatically trigger a refresher training reminder. This would afford the mandatory P-Card refresher training similar process such as Human Trafficking Awareness and Basic IT Security Awareness training which both are required for all Metro employees.	9/30/2019	
18	Finance & Budget	16-VCM-P01 Performance Audit of Purchase Card (P-Card) Program	4	We recommend that Accounts Payable coordinate with Information Technology Systems and the Agency Program Coordinator to automate the approval process to improve processing time of P-Card statements as well as authentication of the approvers.	8/30/2019	
19	Vendor/Contract Management	16-VCM-P01 Performance Audit of Purchase Card (P-Card) Program	6	We recommend that the Executive Officer of Vendor/Contract Management direct the Agency Program Coordinator to perform a periodic monitoring through the use of the US Bank Download of transactions to review for the 24 restricted categories (e.g., alcoholic beverages, entertainment, gift cards, travel, & etc.) by Cardholders and cost centers. Notify Department Chiefs about violations found so that they may take appropriate actions. The actions taken should be documented by the department and communicated to the Agency Program Coordinator.	5/31/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.



## Appendix C

Open Audit Recommendations as of March 31, 2019						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
20	Risk, Safety & Asset Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	1a	We recommend that the Emergency Management Unit collaborate with the business units, starting with V/CM, to ensure that the business unit COOPs, and all related documents (e.g., SOPs), include the essential content necessary to support the agency-wide program.	6/30/2020	
21	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	1b	We further recommend that over the next 12 to 18 months, V/CM should consider focusing its efforts on completing and including the following content with Emergency Management's support and guidance: Criteria for COOP activation and relocation decisions; Flow charts and decision trees; Step-by-step instructions applicable to Gateway or agency-wide emergencies; Names, titles and contact details such as phone numbers and emails for all continuity personnel (e.g., Advance Team, CMG, and successors); Distribution and logistics dependencies, such as MEFs, mission essential systems, records, databases, supplies and equipment; Mission essential records and database storage locations.	10/30/2020	
22	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	2	We recommend that V/CM management review and reassess the COOP and SOPs periodically to verify that any resulting updates are implemented; including updating V/CM's COOP contact details in the event of key personnel changes.	4/30/2020	
23	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	3	We recommend that V/CM management work with Emergency Management to arrange for COOP execution training by an emergency management expert concurrently with each annual update.	7/31/2020	
24	Program Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	4	We recommend that the Chief Program Management Officer take the lead role in collaborating with all responsible parties, such as V/CM, Project Delivery Third Party Coordination, County Counsel, etc., to establish agreements with utility companies to guarantee service continuity and restoration in emergency situations.	3/31/2020	
25	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's Continuity of Operations Plan	5	We recommend that V/CM management consider referencing all the existing COOP-related SOPs to the COOP and/or attaching them as appendices to the COOP, doing the same to the SOPs under development as they are completed.	10/30/2020	

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix D

OIG Open Audit Recommendations as of March 31, 2019						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	27 Total	The 117 recommendations included in this report address findings in Safety Culture, Red Signal Violations, Safety Assessment of Infrastructure Elements, Technology, Operations and Maintenance, Human Resources, and etc. <b>Update: As of March 2019, 90 of 117 recommendations were closed.</b>	Pending	
2	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	1	Increase marketing to specific audience groups to increase ridership by developing additional marketing programs directly aimed at user groups such as students, business and government entities, and employees "Live Near Your Work" campaigns.	4/30/2019	
3	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	2a	Coordinate with other LA County public agencies to encourage additional use of public transit and participation in rideshare programs, including maximizing allowable transit subsidies over parking subsidies. For example, the City of LA could increase its monthly transit subsidy to be more in line with monthly transit costs.	12/31/2019	
4	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	2b	Coordinate with other LA County public agencies to encourage additional use of public transit and participation in rideshare programs, including maximizing allowable transit subsidies over parking subsidies. For example, the County of LA could expand its current commuter programs to provide employees subsidies for using public transit/rideshare for commute trips for all County work locations at a monthly rate closer to actual costs.	12/31/2019	
5	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	3	Explore modifications to Metro's Employer Annual Pass Program to further encourage transit usage, such as the addition of a monthly pass option.	4/30/2019	
6	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	5	Encourage use of public transit at meetings and events where contractors will be present.	4/30/2019	
7	Vendor/Contract Management	18-AUD-04 Increasing Public Transit and Rideshare Use Study	6	Consider whether any programs can be created that specifically address vendor/contractor use of public transit. <b>Update: Closed as of April 2019</b>	4/30/2019	
8	Operations	19-AUD-01 Metro Transit Security Performance Review	7	Metro Operations should monitor and track the amount of time required to transfer calls requiring a law enforcement response to the appropriate law enforcement dispatch center and take appropriate actions to ensure calls are quickly processed.	Pending	
9	Communications	19-AUD-05 Audit of Miscellaneous Expenses and Check Requests for the Period January 1, 2018 to March 31, 2018	3	The Chief Communications Officer should require the Senior Manager, Signage & Environment Graphic Design to obtain the vendor's actual travel costs and obtain a refund, if appropriate. <b>Update: Closed as of April 2019.</b>	1/31/2019	

<b>OIG Open Audit Recommendations as of March 31, 2019</b>						
<b>No.</b>	<b>Area</b>	<b>Audit Number &amp; Title</b>	<b>Rec. No.</b>	<b>Recommendation</b>	<b>Original Completion Date</b>	<b>Extended Completion Date</b>
10	Vendor/Contract Management	19-AUD-03 Audit of Controls Over Inventory At Central Maintenance Facility Warehouse	2	We recommend that the Logistics Department use the count method consistent with best practices to calculate and report the accuracy of inventory records (number of line items counted accurate/total line items counted X 100). In addition, establish an inventory accuracy goal such as 95% consistent with best practices.	4/30/2019	
11	Vendor/Contract Management	19-AUD-03 Audit of Controls Over Inventory At Central Maintenance Facility Warehouse	3	We recommend that the Logistics Department implement procedures to conduct physical inventories using "blind counts" consistent with best practices in which individuals performing the inventories do not have the knowledge of, or access to, the on-hand quantity in the inventory records.	7/31/2019	
12	Vendor/Contract Management	19-AUD-03 Audit of Controls Over Inventory At Central Maintenance Facility Warehouse	4	We recommend that the Logistics Department consider adding to the quarterly inventory sample counts, a sample of items from randomly selected locations and compare the counts to quantities on the inventory record (reverse). This would help to identify errors such as wrong locations recorded in the system or certain transactions not processed correctly or promptly.	7/31/2019	
13	Vendor/Contract Management	19-AUD-03 Audit of Controls Over Inventory At Central Maintenance Facility Warehouse	6	We recommend that the Logistics Department complete plans to use blanket purchase orders to procure material when appropriate to reduce procurement time and eliminate work to create a separate purchase order for each procurement.	9/30/2019	
14	Vendor/Contract Management	19-AUD-03 Audit of Controls Over Inventory At Central Maintenance Facility Warehouse	7	We recommend that the Logistics Department complete plans to review and update existing inventory guidelines and procedures.	9/30/2019	



**Board Report**

**File #:** 2019-0198, **File Type:** Budget

**Agenda Number:** 37.

**BUDGET PUBLIC HEARING  
FINANCE, BUDGET AND AUDIT COMMITTEE  
MAY 15, 2019**

**SUBJECT: FISCAL YEAR 2020 (FY20) BUDGET**

**ACTION: ADOPT THE FY20 BUDGET**

**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the proposed FY20 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net):
  - 1. AUTHORIZING \$7.2 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan;
  - 2. AUTHORIZING a total of 10,219 FTEs with 8,482 Represented FTEs and 1,737 Non-Represented FTEs which includes an increase of 45 Non-Represented FTEs;
  - 3. AUTHORIZING a 4% merit-based increase for Non-Represented wages which is in alignment with the Collective Bargaining Agreement with Metro’s union groups;
  - 4. APPROVING the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million presented in Attachment A;
- B. AMENDING FY20 Proposed Budget document by increasing Bus service hours from 7,019,376 to 7,094,376, which is higher than FY19 service level of 7,014,606;
- C. APPROVING the Reimbursement Resolution declaring Metro’s intention to issue debt in FY20 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- D. AUTHORIZING the Non-Represented salary paygrade band to increase 2% to be more aligned with current market conditions.

## **ISSUE**

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

Since February 2019, staff has provided monthly updates of the budget development status by program to the Board. Meanwhile, an extensive public outreach process was launched to communicate the budget proposal and to collect public comment as the budget development was in progress. On May 1, 2019, copies of the FY20 proposed budget in its entirety were made available to the public both electronically at [www.metro.net](http://www.metro.net) <<http://www.metro.net>>, and in printed copies through the Records Management Center (RMC) at [RMC@metro.net](mailto:RMC@metro.net) <<mailto:RMC@metro.net>> and on the plaza level of the Gateway building. The public hearing is scheduled for May 15, 2019. As of April 11, 2019, advanced public notification of this hearing was issued through advertisements posted in over eleven news publications, in different languages.

## **DISCUSSION**

The proposed FY20 budget is balanced at \$7.2 billion, an increase of \$586.7 million or 8.9%, from the \$6.6 billion FY19 budget. This annual budget aligns resources in a fiscally responsible manner to achieve the following Metro Vision 2028 goals:

- Provide high-quality mobility options that enable people to spend less time traveling.
- Deliver outstanding trip experiences for all users of the transportation system.
- Enhance communities and lives through mobility and access to opportunity.
- Transform Los Angeles County through regional collaboration and national leadership.
- Provide responsive, accountable, and trustworthy governance within the LA Metro organization.

Metro Vision 2028 is Metro's big picture plan to improve mobility in Los Angeles County. The FY20 budget reflects these efforts through the plans, programs and services included in this budget.

In FY20, Metro is poised to lead the ongoing transformation of Los Angeles County, with a bold plan to push the region to new heights. This year, we will continue our rapid progress toward achieving the Metro Vision 2028, with multiple transit expansion projects in various stages of planning, groundbreaking, and construction. We are also focused on the transformation of our existing lines and facilities, as we move to integrating an electric bus fleet and complete the major rehabilitation efforts on the Blue Line, our oldest rail line.

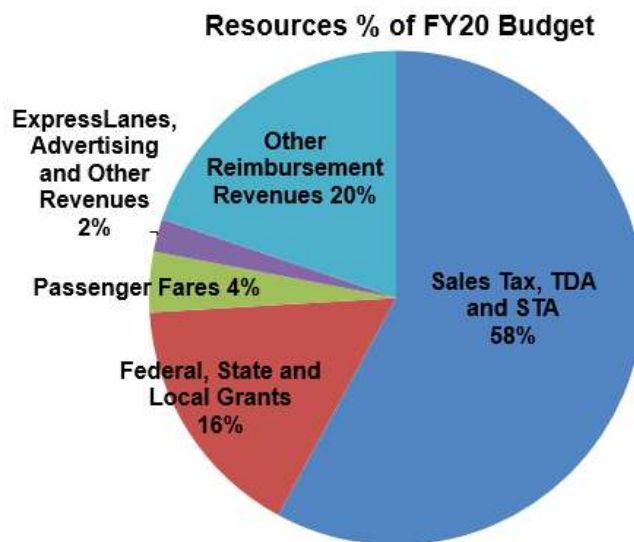
Resources Summary

The FY20 Proposed Budget ensures resources are available to meet the planned Metro program and project delivery for the coming fiscal year. Revenue projections take into account the current economic conditions, historical sales tax growth cycles, multiple accepted forecasting sources and recent transit system usage.

The total FY20 proposed budget planned resources is \$586.7 million or 8.9% greater than FY19.

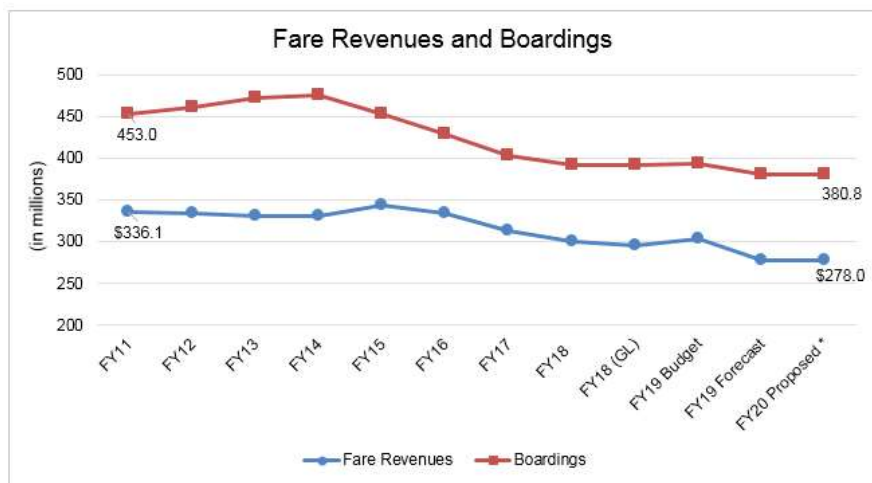
	FY19 Budget	FY20 Proposed	\$ Change	% Change
<b>Resources (\$ in millions)</b>				
1 Sales Tax, TDA and STA	\$ 3,980.2	\$ 4,174.4	\$ 194.2	4.9%
2 Federal, State and Local Grants	967.9	1,163.0	195.2	20.2%
3 Passenger Fares	302.6	284.5	(18.1)	-6.0%
4 ExpressLanes, Advertising and Other Revenues	157.0	155.2	(1.8)	-1.1%
5 Other Reimbursement Revenues <sup>(1)</sup>	1,212.6	1,429.8	217.2	17.9%
<b>Total Resources</b>	<b>\$ 6,620.2</b>	<b>\$ 7,206.9</b>	<b>\$ 586.7</b>	<b>8.9%</b>

<sup>(1)</sup> Includes Bond Proceeds, Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawdown and prior year commitment



- Local Sales Tax, including TDA, and STA, is the largest source of revenue at 58%. FY20 is estimated to increase \$194.2 million or 4.9% compared to FY19:
  - TDA, Propositions A, C, and Measures R and M sales tax is projected to increase by \$130.5 million or 3.4%.
  - STA and State Senate Bill 1 (SB1) increase by \$63.7 million or 35.0% based on State Controllers’ Office (SCO) estimates.

- Federal, State and Local Grants increase by \$195.2 million or 20.2%, reflecting related capital expense activity.
- Passenger Fare revenues decrease by \$18.1 million or 6.0% as the result of continued ridership decline. FY20 systemwide boardings are projected to be 380.8 million, based on FY19 Year to Date actual boardings. The chart below shows the historical Fare Revenues and Boardings from FY11 to FY20 Proposed.



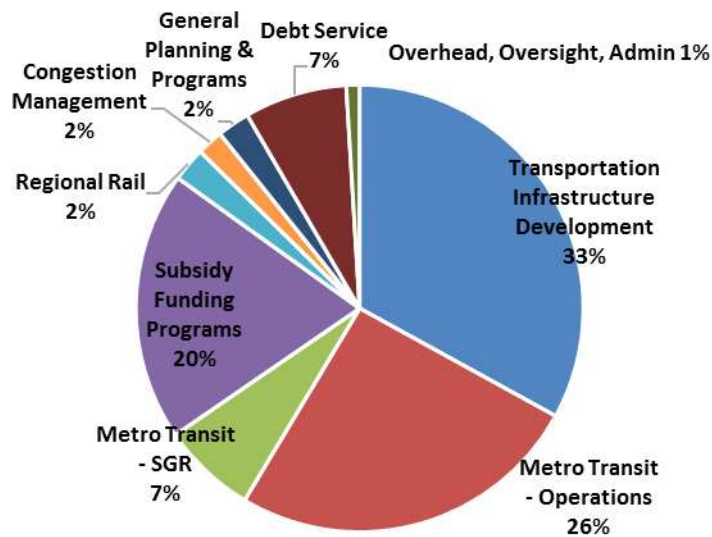
\*Fare revenues do not include \$6.6 M revenues from TAP card sales.

- ExpressLanes, Advertising, and Other Revenues are decreasing \$1.8 million or 1.1% in total, primarily due to lowered toll violation fines.
- Other Reimbursement Revenues is \$217.2 million or 17.9% higher in total based on timing of project schedules. The total includes \$688.5 million capital project carryover in sales taxes and other revenues received and unspent in prior years. It also includes \$481.3 million bond proceeds and \$260.0 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawdowns which are backed by future expected sales tax revenues.

Expenditure Summary

The total budget increase from FY19 to FY20 is \$586.7 million or 8.9%, which is higher than the projected cost inflation of 2.28% Consumer Price Index (CPI), primarily due to the expansion of Transit and Highway infrastructure as well as keeping the existing system in a state of good repair.

Expenditures by Program Type (\$ in Millions)		FY19 Budget	FY20 Proposed	\$ Change	% Change
1	Transportation Infrastructure Development	\$ 2,003.3	\$ 2,378.4	\$ 375.1	18.7%
2	Metro Transit - Operations, Maintenance and Regional Operating Services	1,773.9	1,844.4	70.5	4.0%
3	Metro Transit - SGR & Other Asset Improvements	534.2	492.0	(42.2)	-7.9%
4	Subsidy Funding Programs	1,330.6	1,404.7	74.1	5.6%
5	Regional Rail	179.3	178.2	(1.1)	-0.6%
6	Congestion Management	128.3	135.8	7.5	5.8%
7	General Planning & Programs	181.9	169.9	(12.1)	-6.6%
8	Debt Service	417.1	534.7	117.6	28.2%
9	Oversight & Administration	71.5	68.8	(2.7)	-3.8%
10	<b>Total Expenditures</b>	<b>\$ 6,620.2</b>	<b>\$ 7,206.9</b>	<b>\$ 586.7</b>	<b>8.9%</b>



- Transportation Infrastructure Development is one of the key strategies to realize Metro Vision 2028. In FY20, an additional \$375.1 million, or 18.7% increase over FY19 will be dedicated to the expansion efforts; making it the largest share of the FY20 Proposed Annual Budget at 33%.
  - The expansion includes the planning and construction of the voter approved Measure R and M projects such as Westside Purple Line Extensions 1-3, Regional Connector, Gold Line Foothill Extension projects, and the completion of Crenshaw Line.
  - Highway projects will continue to support several Measure M and R Caltrans projects.
  - For Regional Rail, budget will proceed to support Metrolink.



- Metro Transit - Operations and Maintenance represents 26% of the budget, as one of the core Metro missions. Metro operates Bus and Rail transit systems as well as coordinates fare collection and customer information for the regional operators. The table below shows the budget by Bus, Rail, and Regional.

(\$ in Millions)	FY19 Budget	FY20 Budget	\$ Change	% Change
Bus	\$ 1,225.4	\$ 1,288.5	\$ 63.0	5.1%
Rail	\$ 541.7	\$ 537.0	\$ (4.7)	-0.9%
Regional	\$ 6.8	\$ 18.9	\$ 12.1	178.8%
<b>Total</b>	<b>\$ 1,773.9</b>	<b>\$ 1,844.4</b>	<b>\$ 70.5</b>	<b>4.0%</b>

For Regional, the increase is due to higher volumes of customer information calls for Regional Operators and the new regional Farebox replacement project.

The Proposed Budget is the direct result of the planned Bus and Rail service level with projected cost inflation. In FY20, Metro Transit program is requesting a \$70.5 million, or 4.0% increase from FY19.

Metro Bus Operations and Maintenance

Before the NextGen Bus Study is complete by the end of the year, FY20 proposed Bus Service level is higher than FY19 Revenue Service Hours (RSH). Metro’s proposed budget for the upcoming 2019 -2020 fiscal year was released last week. As part of the normal review process, Metro CEO Phil Washington added bus service hours to the number that was posted online- from 7,019,376 to 7,094,376. The added Bus service hours are for the busy 910 Silver Line and the popular 460 Bus between downtown L.A. and Anaheim, flexibility to add bus service for special events (Dodgers games, USC football, etc.), BRT electrification, bus shuttles during the ongoing work to modernize the Blue Line, and the extra day in 2020 (Feb. 29), which is a Leap Year.

FY20 budget reflects a cost increase of 5.1% due to the higher than anticipated cost increases in Parts/Supplies, Fuel and Contract/Professional Services reflected in the table below.

Bus Operations and Maintenance Expenditures by Type:

Operations (\$ in millions)	FY19 Budget	FY20 Proposed	\$ Change	% Change	% of Total
Labor & Fringe	\$ 919.9	\$ 955.2	\$ 35.2	3.8%	74.1%
Parts & Supplies	67.7	81.2	13.5	20.0%	6.3%
Fuel	27.4	31.1	3.7	13.4%	2.4%
Other Operating Expenses	44.0	35.1	(8.9)	-20.3%	2.7%
Contract / Professional Service	95.7	114.8	19.1	20.0%	8.9%
Purchased Transportation	70.6	71.1	0.5	0.6%	5.5%
<b>Total Operations</b>	<b>\$ 1,225.4</b>	<b>\$ 1,288.5</b>	<b>\$ 63.0</b>	<b>5.1%</b>	<b>100.0%</b>

The total Bus Operations and Maintenance budget is \$1.29 billion, a \$63.0 million or 5.1% increase from FY19. Labor and Fringe Benefits make up 74.1% of the total Bus budget, with the remainder of the categories at 25.9%. Labor and Fringe Benefit costs increased by 3.8%, mainly due to negotiated wage increases for the Represented staff and the proposed Non-Represented wage increases. Parts & Supplies usage is higher in FY20 to carry out maintenance campaigns such as re-tanking CNG buses to operate existing fleet longer before Board directed fleet electrification can be implemented. CNG fuel rate increases much higher because of the supply issues in the Pacific Region of the United States. Staff is looking into activating CNG price hedging program in the coming months. Contract/Professional Services increases are attributed to improved cleaning frequency needs at the operating facilities and transit centers.

#### Metro Rail Operations and Maintenance

Rail Revenue Vehicle Service Hour (RVSH) levels begins at the FY19 scheduling baseline and reflects adjustments based on current demand. Proposed Rail RVSH is 1,134,953, 68,278 below the FY19 scheduling baseline; representing an adjustment of 5.7%.

<b>Rail Service Level Profile</b>		<b>RVSH</b>
1	<b>FY19 Scheduling Base</b>	<b>1,203,231</b>
2	<b>FY20 Adjustments</b>	
3	Additional Service Deployment	12,467
4	Special Events	14,041
5	Other (Additional Day of Service for Leap Year & Other Minor Adjustments)	12,442
6	Off-peak Vehicle Deployments	(43,458)
7	Weekday Headway Change from 6 min & 7 min to 8 min Peak, 12 min Base	(36,506)
8	Weekend 20 min to 12 min beginning at 10 am, not 8 am	(18,985)
9	Service Impact of SGR Improvements	(8,279)
10	<b>FY20 Proposed Budget</b>	<b>1,134,953</b>
11	<b>Change From FY19 Scheduling Base</b>	<b>(68,278)</b>
12	<b>% Change</b>	<b>-5.7%</b>

- Weekday peak hour frequencies for the Blue, Expo and Gold Lines would have trains running every eight minutes instead of the current every six minutes (Blue and Expo) or seven minutes (Gold). Average wait time increase of 60 seconds for Blue and Expo and 30 seconds for Gold. However, the capacity remains relatively unchanged due to keeping all Blue, Expo and Gold Line trains operating three cars for every train instead of the current mix of two-car and three-car trains. The peak service adjustment will improve on-time performance and reduce delays.
- On the Blue Line, every train would run every eight minutes during peak hours between 7th/Metro and Downtown Long Beach, instead of running every six minutes between 7th/Metro and Willow and every 12 minutes between Willow and Downtown Long Beach. Long Beach customers will experience significant improvements traveling between Downtown Los Angeles and Long Beach.
- Weekday mid-day frequencies on the Blue, Expo, Gold would remain every 12 minutes with two-car trains - which better meets the current demand. Operations will monitor the crowd level and add three car trains if needed.
- Weekend service on the Blue, Expo and Gold Lines would have trains running every 12 minutes between 10 a.m. and 8 p.m. and every 20 minutes outside those hours. Trains on these lines currently begin moving toward 12-minute service between 8 a.m. and 9 a.m. on weekends. This reflects current demand and gives Metro more time to do single-tracking maintenance work.
- Green Line service remains the same but extra hours have been added for the

Crenshaw/LAX Line opening toward the end of the fiscal year.

With the RVSH service adjustment, the total Rail Operations and Maintenance budget is \$0.54 billion, a \$4.7 million or 0.9% decrease from FY19. The table below identifies the changes.

Rail Operations and Maintenance Expenditures by Type:

Operations (\$ in millions)	FY19 Budget	FY20 Proposed	\$ Change	% Change	% of Total
Labor & Fringe	\$ 286.5	\$ 287.5	\$ 1.0	0.4%	53.5%
Parts & Supplies	23.2	23.2	0.0	0.2%	4.3%
Propulsion Power	39.1	37.4	(1.7)	-4.3%	7.0%
Other Operating Expenses	20.8	18.4	(2.4)	-11.7%	3.4%
Contract / Professional Service	172.1	170.4	(1.6)	-1.0%	31.7%
<b>Total Operations</b>	<b>\$ 541.7</b>	<b>\$ 537.0</b>	<b>\$ (4.7)</b>	<b>-0.9%</b>	<b>100.0%</b>

Labor and Fringe Benefits make up 53.5% of the total budget, with the remainder of the categories at 46.5%. Labor and Fringe Benefits costs are nominally increasing because of the negotiated wage increases for Represented staff and offset by a staffing adjustment due to the 68,278 RVSH decrease. The FTE reduction is coming from vacancies and attritions and will not impact current employees. Reductions in Propulsion Power, Contract / Professional Services, and Other Operating Expenses are driven by the decreased RVSH budgeted.

- Metro Transit - State of Good Repair (SGR) & Other Asset Improvements budget is planned at \$492.0 million, a decrease of 7.9%. SGR program budget is allocated to maintain Metro’s Bus, Rail, and critical information systems. The \$492.0 million estimate is based on planned project activities; reflecting the cash flow required to complete FY20 milestones and deliverables such as electrical Bus Acquisition, charging station infrastructure, Midlife Refurbishments, Rail Acquisitions, and New Blue.
- Subsidy Funding Programs increases by \$74.1 million, or 5.6%, primarily due to growth in sales tax revenues.
- Regional Rail decreases by \$1.1 million, or 0.6% with continuing operating and capital support of the Metrolink commuter rail system and the Metro managed Regional Rail.
- Congestion Management is increasing by \$7.5 million, or 5.8%, primarily due to a service provider contract renewal rate change along with increased Planning Studies for I-105 and I-405.
- General Planning & Programs decreases by \$12.1 million or 6.6% due to cash flow

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adjustments for Phase II ACE Grade Separation, Planning Studies for Measure R and M projects, Active Transportation Programs, Parking, and Union Station projects.

- Debt Service increases by \$117.6 million, or 28.2% primarily due to the TIFIA loan repayments and Prop C Series 2019-A/B bonds. In FY20, Crenshaw/LAX, Westside Purple Line Section 2 and the light rail vehicle procurement is anticipated to utilize debt proceeds.
- Oversight & Administration is decreasing by \$2.7 million or 3.8%, due to continued efforts to exercise fiscal responsibility in the support departments.

### Full-Time Equivalent (FTE) Summary

The FY20 Proposed budget requests an authorization of 10,219 total FTEs. Represented FTEs are budgeted at 8,482 and Non-Represented FTEs are budgeted at 1,737. The FY20 Proposed budget includes an additional 45 Non-Represented FTEs and a decrease of 66 Represented FTEs. This is a net decrease of 21 FTEs through reduction of vacancies and attrition.

Total Non-Represented FTEs increase of 45 is primarily due to Metro Transit-Operations and Support, Metro Transit-State of Good Repair, MM/MR Support and Oversight, in addition to new initiatives and studies such as Vision 2028 Strategic Plan, Congestion Pricing, TNC, and Micro Transit. Metro departments support the overall agency goals and programs. The table below summarizes the requested Non-Represented FTEs by department.

	<i>Non-Represented FTEs by Department</i>	FY19 Budget	FY20 Proposed	FTE Change
1	Board of Directors			
2	County Counsel	3	3	0
3	Ethics Office	6	6	0
4	Inspector General	21	21	0
5	Office Of Board Secretary	10	10	0
6	<b>Board of Directors</b>	<b>40</b>	<b>40</b>	<b>0</b>
7	Chief Executive Office	2	4	2
8	Chief Policy Office	6	7	1
9	Communications	146	149	3
10	Congestion Reduction	26	28	2
11	Finance and Budget	160	163	3
12	Human Capital & Development	106	106	0
13	Information Technology	102	107	5
14	Management Audit Services	26	27	1
15	Office of Civil Rights	15	16	1
16	Office of Extraordinary Innovation	12	17	5
17	Operations	303	311	8
18	Planning and Development	164	164	0
19	Program Management	281	291	10
20	Risk/Safety and Asset Management	105	105	0
21	System Security and Law Enforcement	20	22	2
22	Vendor/Contract Management	178	180	2
23	<b>Non-Represented Total</b>	<b>1,692</b>	<b>1,737</b>	<b>45</b>

Total Represented FTEs decrease of 66 is mostly due to service level assumptions and SGR Project Phase; the increase of 13 FTEs is for the 10 FTEs in Communications for the new customer care centers at The Bloc and Willowbrook/Rosa Parks station and for 3 FTEs in Human Capital & Development for property maintenance at East Portal. A summary of the requested Represented FTEs is shown in the table below.

	<i>Represented FTEs by Department</i>	FY19 Budget	FY20 Proposed	FTE Change
24	Communications	185	195	10
25	Human Capital & Development	116	119	3
26	Finance and Budget	69	69	0
27	Information Technology	51	51	0
28	Operations	7,771	7,692	(79)
29	Risk/Safety and Asset Management	2	2	0
30	System Security and Law Enforcement	189	189	0
31	Vendor/Contract Management	165	165	0
32	<b>Represented Total</b>	<b>8,548</b>	<b>8,482</b>	<b>(66)</b>

Labor Expense Summary

The proposed budget also requests a 4% Non-Represented (merit based) salary increase in line with the pre-negotiated Collective Bargaining Agreements with the Represented Union groups. The labor cost increase reflects the rising wage inflation and living wage standard, while attempting to keep up with the labor market contraction. Health/welfare benefits for represented employees are based on Collective Bargaining Agreements. Non-represented medical/dental benefits reflect the carrier contract rates previously approved by the Board.

Metro Non-Represented Salary Paygrade Bands Alignment

As the broader market continues to gain real wage increases, Metro proposes to also shift Non-Represented salary paygrade bands upward by 2% to stay externally competitive. External market data collected shows a median 2% increase for the Greater Los Angeles Area as well as for Government and Broader Public Sector companies in 2019. Salary structure alignments to the external market have not been done since 2016 and is recommended in 2019.

The Non-Represented salary paygrade bands adjustment of 2% does not change the individual Non-Represented employee wage automatically. The individual pay increase is linked to performance and calculated independently based on merit.

Life of Project (LOP) Budgets

Capital projects with LOP budget increases greater than \$1 million, and any new projects with LOP budgets in excess of \$5 million must be approved by the Board as separate Board actions.

Attachment A includes a detailed listing of new capital projects for FY20 with LOP in excess of \$5 million. These projects are included in the proposed FY20 budget.

### Reimbursement Resolution

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

### Public Outreach

The mobility needs of the county are vast, varied and unique for each individual resident. Soliciting meaningful input from the public and stakeholders is helpful in developing the budget. The comprehensive outreach program for FY20 included many opportunities to provide feedback using different methods, through online tools, by email and telephone, in addition to many in-person public meetings. These meetings include Metro Service Councils, Citizens Advisory Council (CAC), Technical Advisory Committee, Bus Operations Subcommittee, Local Transit Systems Subcommittee, Streets & Freeways Subcommittee, and Policy Advisory Committee (PAC). A summary of public outreach efforts and comments received is shown in Attachment C.

Budget public outreach discussion can be very broad at times and does not replace additional program-specific outreach venues that occur throughout Metro. Specific venues are designed to share and discuss key initiatives, solicit public participation, and allow our customers to have several opportunities to share their direct views with project managers. This valuable feedback helps influence and shape Metro programs and budgets.

### **FINANCIAL IMPACT**

The proposed FY20 budget (provided in a separate transmittal) at \$7.2 billion is balanced and appropriates the resources necessary to fund them. The proposed budget demonstrates Metro's ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from the state and federal governments and to administer regional transportation funding to local cities and municipal operators.

### **NEXT STEPS**

Upon Board authorization and adoption of the FY20 budget, Metro will make funds available for the planned transit and transportation programs outlined in this document and be programmed to fund regional transit/transportation partnering agencies, cities and recipients.

Monitoring the FY20 budget performance will be a year-round ongoing effort. As part of the performance management process, Metro will monitor progress throughout the year relative to the Agency goals using measurements such as budget variance, Key Performance Indicators (KPIs) target achievement, Project Milestone achievement and cost savings and new revenue generation through the risk allocation matrix (RAM). This reinforces Metro's commitment to strategic monitoring



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of performance and the improvement of accountability. In addition, continuous improvements will be implemented to the process and regular updates will be reported to the Board.

**ATTACHMENTS**

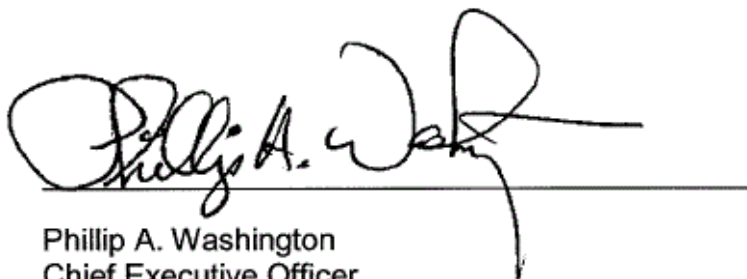
Attachment A - FY20 New Capital Projects

Attachment B - Reimbursement Resolution of Metro for FY20

Attachment C - FY20 Public Outreach

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Chief Executive Officer

## FY20 New Capital Projects

### Transportation Infrastructure Development

1	<b>PROJECT: Regional Connector Pre-Revenue Service</b>
	PROJECT OWNER: Operations - Rail Integration
	LOP: TBD <span style="float: right;">FY20: \$250,000</span>
	SCOPE: The Regional Connector Pre-revenue Service will prepare Metro for the operation of the Regional Connector line. The early part of this project will address any ancillary upgrades needed on the existing systems, signals and tracks for smoother integration with Regional Connector. Closer to the revenue service date this project will focus on training and testing the system reliability and integrity of infrastructure and new rail cars.
	JUSTIFICATION: Upgrades to existing structures are crucial for seamless integration with new infrastructure built using newer technology. Significant testing is crucial for seamless system integration of multiple types of rail cars with new systems. The training and systems testing will ensure staff and infrastructure are able to handle a multitude of revenue operating situations prior to opening day. This project will be annual funds checked until such a time when the project cost is better identified. At that time, staff will approach the Board for LOP budget approval.
	ELIGIBLE FUNDING SOURCE: Measure R 35%
2	<b>PROJECT: Expo Closeout</b>
	PROJECT OWNER: Program Management - Transit
	LOP: \$17,500,000 <span style="float: right;">FY20: \$3,000,000</span>
	SCOPE: Expo punch list items and other closeout efforts will be captured in this project.
	JUSTIFICATION: Expo Phase 1 to Culver City went into service in 2012 and Phase 2 from Culver City to Santa Monica going into service in 2016. The projects associated with Expo needs to close to fulfill Grant report and Accounting audit requirements. The remaining punch list items need to be captured in a separate closeout project to reflect the true cost of the asset.
	ELIGIBLE FUNDING SOURCE: Measure R 35%

## State of Good Repair Projects

<b>3 PROJECT: Fuel Storage Tanks FY20 - FY22</b>
PROJECT OWNER: Operations - Bus Maintenance
LOP: \$23,433,000 <span style="float: right;">FY20: \$3,375,238</span>
SCOPE: Acquire, install and upgrade agency-wide storage tanks and appurtenances to meet state environmental regulatory requirements. Defective and deficient tanks, specifically underground diesel fuel storage tanks, previously identified will be replaced or upgraded. Existing tanks nearing their life cycle containing liquids other than diesel must also be replaced or upgraded in compliance with ever-changing and new regulatory requirements set forth by several regulatory agencies (RWQCB, AQMD, DTSC and city/county fire departments). New equipment and aboveground storage tanks will be acquired and installed to replace defective non-diesel tanks and appurtenances.
JUSTIFICATION: Non-compliant and retiring underground storage tanks and appurtenances need to be replaced in order to avoid any fines and penalties to comply with ever-changing and new, more stringent regulatory requirements regarding the operation, maintenance and monitoring issued by several regulatory agencies (US EPA, CAL EPA, SWQCB, CUPA, and APSA.)
ELIGIBLE FUNDING SOURCE: TDA Article 4

<b>4 PROJECT: MRLA 650 Component Overhauls</b>
PROJECT OWNER: Rail Fleet Services
LOP: \$8,120,000 <span style="float: right;">FY20: \$998,123</span>
SCOPE: 1. Overhaul 37 units of Low Voltage Power Supply (LVPS ) plus spares for Option Fleet (74 cars) only. 2. Replace seat inserts and convert the mounting to Velcro for 104 cars 3. Overhaul Semi Permanent Draw Bar for Option and Base Buy Fleet (37 Units) 4. Overhaul Friction Brake Equipment for Option and Base Buy Fleet (52 sets) 5. Overhaul AC Traction Motors and DC Traction Motors 6. Renovate car interior which includes redesign Front and Rear End Door, Repaint all seat frames
JUSTIFICATION: The existing A650 fleet went through a component overhaul program and a major system replacement program. However there are certain systems still requiring overhaul in order to maintain the "State of Good Repairs" which are not included in the previous scopes. The aim is to continue to service the public for another 15 years.
ELIGIBLE FUNDING SOURCE: PA 35% Cash/Bond Proceed

5	<b>PROJECT: FY20 Non-Revenue Vehicle Replacement</b>
PROJECT OWNER: Operations - Central Maintenance	
LOP: \$8,800,000	FY20: \$1,152,218
<p>SCOPE: This project is for the replacement of Non-Revenue Vehicles and Equipment scheduled for FY20. This includes: trucks, vans, sedans, carts, forklifts, generators, floor scrubbers, compressors, tractors, trailers, tow motors and other vehicles and equipment. (Agency-wide, Includes all department vehicles and equipment)</p>	
<p>JUSTIFICATION: Metro owns and operates a fleet of over 2,100 vehicles and pieces of equipment that are used to support the Metro mission of Planning, Designing, Constructing, Administering, and Operating the Los Angeles County's largest transportation system. The funding requested for this project is required to purchase replacement vehicles to support this mission. 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. Further, the cost of repair, downtime, on street safety, and the impact to support departments ability to respond to repair/service activities reduces operational effectiveness.</p>	
ELIGIBLE FUNDING SOURCE: TDA Article 4	

6	<b>PROJECT: P2550 Light Rail Vehicle Mid-Life Overhaul</b>
PROJECT OWNER: Operations - Rail Facilities Maintenance	
LOP: \$16,000,000	FY20: \$420,081
<p>SCOPE: The P2550 Component Overhaul is recommended by the manufacturer (AnsaldoBreda) to ensure the safe and reliable operation of the rail vehicle. The manufacturer's recommendations have been reviewed by Metro's Vehicle Engineering team and Rail Fleet Services to determine what components are prudent and necessary at this point in the vehicles life to overhaul. The following components have been determined to require overhaul: Coupler, Passenger Doors, Propulsion, High Speed circuit Breaker, Auxiliary Power Inverter, Battery, Trucks, friction Brakes, Automatic Train Protection, and Train to Wayside Communications.</p>	
<p>JUSTIFICATION: The primary goal of this LRV car overhaul program is to maintain this fleet in a State of Good Repair. The current P2550 LRVs require repair, upgrades, and/or replacement of components, appointments, and subsystems to maintain fleet safety, reliability, availability, performance, and passenger comfort. Based on the current average annual mileage of 70k miles per vehicle, the fleet will reach the next scheduled recommended overhauls in 2019, 2023, and 2031. As the 1800k overhaul (2023) corresponds most closely with the fleet mid-life (2022), the focus of this specification development is to address the 1200k overhaul and include elements from both the 600k &amp; 1800k overhauls, as applicable. The need for midlife overhaul is evident due to the fleet's decreased reliability and availability, the observed wear and tear, the increased maintenance demands, and the increased challenges with repairing and replacing obsolescent parts and obtaining supplier support. As a result, it has become more difficult and expensive to maintain the fleet. The function and performance of these systems may be further impacted if there is deferment of the recommended and scheduled midlife overhauls.</p>	
ELIGIBLE FUNDING SOURCE: PA 35% Cash/Bond Proceed	

7 PROJECT: Rail Facility Improvements

PROJECT OWNER: Operations - Rail Fleet Maintenance

LOP: \$24,400,000

FY20: \$1,123,000

SCOPE: The proposed Project is to improve, modernize, and expand the capacity of the maintenance and transportation functions at rail divisions and facilities. Division 11 began operation in the late 1980s; and both Division 20 and Division 22 in the early 1990s. The scope of the project entails renovation and upgrade activities typically required of facilities that are over twenty years old and functioning at operational levels. In addition, this project includes new equipment needed to efficiently service vehicles at the newer shops such as Division 14 and 21.

Intended projects under this CP Workbook include, but are not limited to, the capital improvements listed as follows:

- 1) Tire Press Machines for Divisions 11, 14, 16, and 24,
- 2) Division 11 Improvements such as pavement replacement, addition of new crane, improvement of the kitchen and lunch rooms, upgrading the existing car wash, remodeling and increasing size of restrooms, and addition of non-revenue electrical vehicle charging stations,
- 3) Location 60 – Roofing & HVAC,
- 4) Division 21 – Upgrade of washing equipment to include reverse osmosis, blowers, and equipment upgrades,
- 5) Division 22 – Paving replacement/rehabilitation,
- 6) LRV shops – OCS separation from main shops into north and south bays,
- 7) All shops – Maintenance equipment replacements as required for equipment beyond it's useful life or in need of repair/upgrade,
- 8) Stationary Emergency Generators

JUSTIFICATION: The divisions proposed for this project are aging at operating at capacity. All of the Divisions are over 25 years old. Significant projects need to be completed in order to bring the rail maintenance facilities into a State of Good Repair (SGR). These proposed improvements will increase the life of these facilities at least an additional 25 years. For preparation of this CP workbook, staff met with the Office of the Chief Operations Officer.

ELIGIBLE FUNDING SOURCE: PA 35% Cash/Bond Proceed

8 PROJECT: Bus Division Improvements - IV

PROJECT OWNER: Operations - Bus Maintenance

LOP: \$28,000,000

FY20: \$10,000

SCOPE: The proposed Project is to improve, modernize, and expand the capacity of the maintenance and transportation functions at various Bus Divisions. The scope of the project entails renovation and upgrade activities typically required of facilities that are over 25 years old and functioning at high operational levels. Intended projects under this CP Workbook include, but are not limited to, the capital improvements listed below: a) Roof replacement at Div 2, 5 & 7, b) HVAC replacement at Div 2, 5 & 7, c) Installation of new hoists, d) Bus Washer improvements (Divs 3, 5, 7, 9, 10, 15, and 18), e) Emergency Generators (CMF Buildings 1, 2, 3, 4, and 5), f) Brake Testers at Division 18, g) emergency generators for CNG systems at 2, 3, and 15, h) convert CMF Building 3 to a body shop and 20 ton pull-pots in Bldg 5, i) new chassis washer at Division 3, j) awnings over recycling bins at various divisions, k) additional CCTV, l) parking and division access control, m) improvements to yard lighting at Divisions 3 and 8, n) wastewater/drainage improvements at Division 3, o) extension of awnings over apron at Division 8, p) flooring refurbishment at Division 8, q) air conditioning replacement at Division 8, r) shop floor improvements at Division 8, s) conversion of D9 dyno room into storage or exercise room, t) Division 4 improvements including new fencing, extended shop apron awnings, and flooring improvements, u) Division 2 improvements including new perimeter fencing, shop ventilation improvements, chassis wash and hoist installation, repair of the fuel station roof, and remodeling of restrooms, v) replace Central Electronics shop trailers at Divisions 5 and 18, w) Division 18 maintenance annex building, new dyno, detailed cleaning area, fueling island improvements, steam cleaning bay improvements, and shop floor improvements, and x) Division 9 new ERS building to replace trailer, interior tenant improvements, and improvements to fuel island lighting.

JUSTIFICATION: Metro owns and operates eleven active bus-operating divisions, located throughout Los Angeles County, which maintain and dispatch a fleet of around 2,300 CNG buses. In addition, Metro operates a 30-acre central maintenance facility in Downtown Los Angeles called the Central Maintenance Facility (CMF). The divisions proposed for this project are all located within areas of Los Angeles County with high ridership; and are aging, at capacity, and overcrowded. Most of the Divisions operate and maintain numbers of buses well above the original design capacity, and with the exception of Division 13, all of the divisions are over 25 years old (one is over 100 years old). Although these divisions have been selectively modernized and improved over the last 10 years, significant projects remain to be completed over the next 10 years in order to bring the bus maintenance facilities into a State of Good Repair (SGR). These proposed improvements will increase the life of these facilities at least an additional 25 years. For preparation of this CP workbook, staff solicited projects from the Office of the Chief Operating Officer, Bus Operations and Facilities Maintenance.

ELIGIBLE FUNDING SOURCE: TDA Article 4

9 **PROJECT: Elevator & Escalator Modernization**

**PROJECT OWNER:** Facilities Maintenance

**LOP:** 126,692,000

**FY20:** \$1,282,553

**SCOPE:** At various locations throughout Metro's system plus the USG building, install new or modernize up to 117 of Metro's 199 Elevators and Replace up to 81 of Metro's 148 Escalators that have exceeded their useful life. Modernization of the equipment includes upgrades to outdated control systems, motors and electronics. The project includes canopy installation for outdoor escalators as per state law and three (3) years of maintenance for all units once accepted by Metro. This is a multi phase, 25-year program. As per state law, any new outdoor escalator must have a canopy to protect it against the elements. Operations staff foresees that one contractor will be able to design and then perform the necessary installation for both elevators and escalators.

**JUSTIFICATION:** The majority of Metro's elevators and escalators are over 20 years old and have reached or surpassed their life expectancy. As a result, components and replacement parts have been a challenge to find since the majority of the original parts are obsolete. This project will replace elevators and escalators at various critical and high risk areas where elevator maintenance and down time cause the most customer inconvenience. Systemwide, replacing current units will result in better performance and reliability, as well as provide safer and better quality service to our patrons and employees. Vertical transportation systems provide a vital link for transportation services to Metro patrons.

**ELIGIBLE FUNDING SOURCE:** TDA Article 4

## Other Asset Improvement Projects

10	<b>PROJECT: Payroll System Replacement</b>
	PROJECT OWNER: Finance and Budget
	LOP: \$22,857,000 <span style="float: right;">FY20: \$56,000</span>
	SCOPE: Metro payroll system replacement
	JUSTIFICATION: Metro's current Payroll System is approaching end of technical life. It was custom developed for Metro by a small development group which is closing down and is developed in a programming language, Visual Basic 6, which is no longer supported by Microsoft. Implementation of a modern payroll system will reduce overall business risk to Metro through a more flexible, expandable technology that is easier to maintain. It will reduce workarounds which must be performed with the current system and allow staff to quickly respond to new Federal, state and collective bargaining requirements. In addition, Metro can take advantage of vendor IT expertise to maintain an upgradeable system that supports changing requirements.
	ELIGIBLE FUNDING SOURCE: TDA Article 4

11	<b>PROJECT: Rail Operations Center/Bus Operations Center</b>
	PROJECT OWNER: Program Management
	LOP: TBD <span style="float: right;">FY20: \$2,022,976</span>
	SCOPE: Design and construction of a new rail operations center (ROC), bus operations center (BOC) and a back-up ROC and BOC.
	JUSTIFICATION: Construct a new ROC and BOC (Phase 2) within the Emergency Security Operations Center (Phase 1) to centralize Emergency, Security, Rail and Bus operations within the same location for a more efficient coordination and management of the transit system, and to meet the demands of Metro's expanding transit system beginning with WPLE Section 1. In addition, Phase 2 includes an option to convert the existing ROC into a back-up ROC and BOC to provide continuity of rail and bus operations in the event that the new ROC/BOC location is unusable.
	ELIGIBLE FUNDING SOURCE: Proposition C 40%



## ATTACHMENT B

### REIMBURSEMENT RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR FISCAL YEAR 2020

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

WHEREAS, to the extent that federal and/or state grant funding budgeted to be received during FY20 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, which bond issues will have four separate security sources, Proposition A, Proposition C, Measure R and Measure M sales tax revenues, respectively, or grant revenues to finance the costs of the Projects on a permanent basis (the "Debt");

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

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

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

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 \$100.0 million for Proposition A, \$200.0 million for Proposition C, \$200.0 million for Measure R and \$200.0 million for Measure M; 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.

# ATTACHMENT C

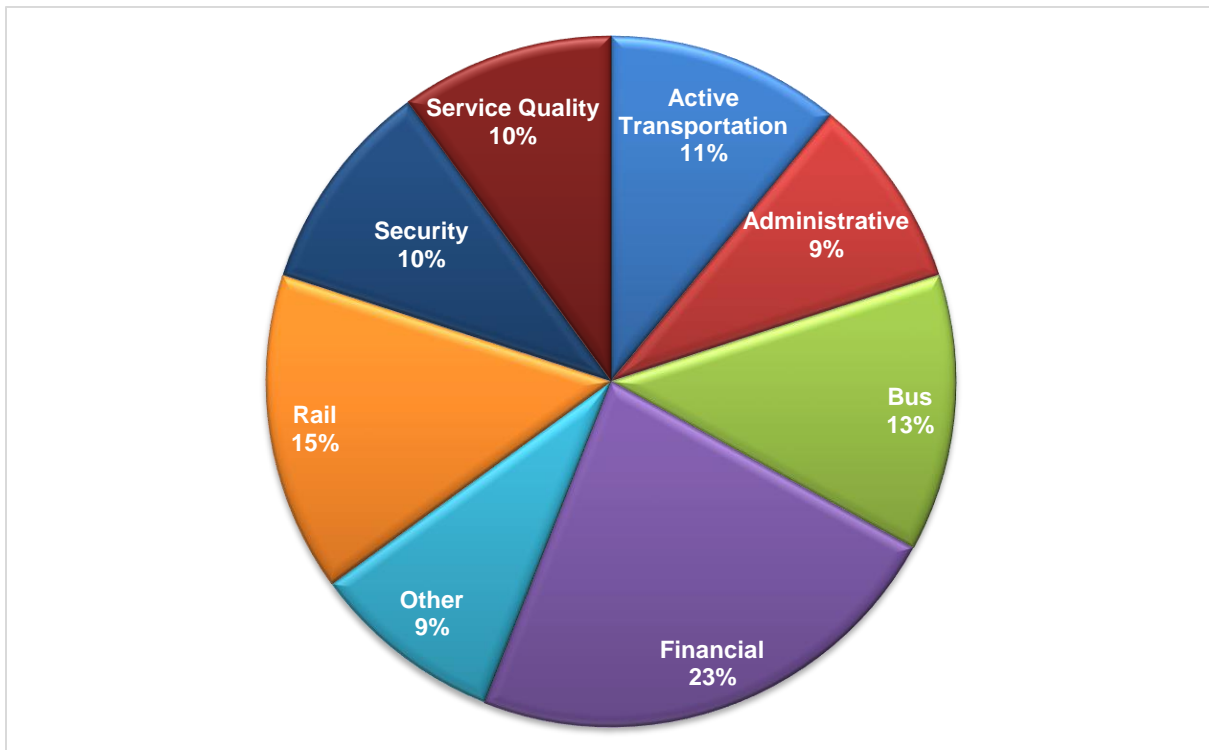
## FY20 PUBLIC OUTREACH

### Summary of FY20 Proposed Budget Public Outreach Efforts and Comments Received

Events	Participation
Workshops and Meetings	Covering all Service Councils and key stakeholders throughout LA County
Telephone Town Hall	4,977
Interactive Budget Tool	1,677 (as of April 30, 2019)
Web Page Visits	5,353 (as of April 17, 2019)
All Comments (Email/mail)	796

Comments received from the public during Metro’s FY20 budget outreach process are summarized below. This summary includes comments received through April 17, 2019. Due to the large volume of comments received, not all can be included in this summary. However, the summary presented is a fair representation of the types of comments received across all outreach efforts. Comments received during the workshops and meetings have been addressed; while the written, email, and budget survey comments will be forwarded to relevant departments for consideration in the development of their programs.

A recap of the comments received during the budget outreach process is shown in the table below. As evidenced by the range of subjects in the summary, the public provided input and suggestions on virtually every Metro function. In addition, the perspectives on each issue varied greatly by respondents.



Key Topics	Synopsis of Comments
Active Transportation	<ul style="list-style-type: none"> <li>• Create more safety programs for pedestrians, designated sidewalks, diagonal crosswalks and separate walkways</li> <li>• Fix the streets and sidewalks. There are holes</li> <li>• Bike lanes should be just for bikes and not pedestrians</li> <li>• Stop wasting money on bike share and add dedicated bike lanes</li> <li>• Need first/last mile transportation for new rail lines</li> <li>• Add a dedicated east-west path for bikes and pedestrians</li> </ul>
Transit Service	<ul style="list-style-type: none"> <li>• Improve connections between bus lines</li> <li>• Make riding buses and trains easier and more reliable</li> <li>• Expand all rail lines, especially the Expo line</li> <li>• Consolidate bus lines so you can add more frequent service on fewer lines</li> <li>• Add rail lines along freeways to access longer distances</li> <li>• Run rail more often 20-minute wait time is too slow</li> <li>• Building more BRT Lanes is a better use of funds than building more rail</li> <li>• Increase all transit options along I-405</li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>• Please increase maintenance on the Blue line to cut down delays</li> <li>• More maintenance on bus/rail vehicles to increase service reliability</li> <li>• Maintain the cleanliness of bus/rail</li> <li>• Replace cloth seats, homeless people make them smell</li> </ul>
ExpressLanes	<ul style="list-style-type: none"> <li>• ExpressLanes is unfair to lower income families and incentivizes more cars leading to worse congestion</li> <li>• Make all express lanes dedicated bus/light rail lines</li> <li>• Do not add more ExpressLanes as it only enables more cars on the road</li> <li>• Need to fix holes on fast track lanes</li> <li>• Add express lanes to the I-10 and 405, very congested freeways</li> </ul>
Fares	<ul style="list-style-type: none"> <li>• Increase fares on bus/rail if it means improved safety/security</li> <li>• A smart phone application to pay the fare would be convenient and encourage transit use</li> <li>• Raise taxes and make public transit free</li> <li>• Make it easier to navigate public transportation by using one method of payment for the Los Angeles area</li> <li>• Add options for large companies to buy preloaded fares</li> <li>• Do not make transit service free; it will become a haven for transients and unsafe riders and deter riders beneficial to Metro</li> <li>• Do a better job of enforcing fare evasion; implement strategies like NYC – taller turnstiles to stop fare evasion and prevent access to platform without payment</li> </ul>
New Rail	<ul style="list-style-type: none"> <li>• Provide direct service to LAX without having to take a shuttle</li> <li>• Connect Red Line to Crenshaw Line</li> <li>• San Fernando Valley needs a subway</li> <li>• All light rail lines should be elevated to avoid getting stuck in traffic</li> <li>• The Sepulveda Pass project should be heavy rail</li> <li>• Extend the Red Line further north to areas like Sylmar</li> <li>• Use AI/Machine Learning to better optimize routes and services for Metro Rail</li> <li>• Please consider light rail options in San Fernando Valley</li> <li>• Build new rail lines that are faster than driving</li> <li>• Develop a light rail from Long Beach to San Fernando Valley</li> </ul>
Regional Operators	<ul style="list-style-type: none"> <li>• Make later departures from Union Station on Metrolink</li> <li>• Metrolink should open doors a few minutes before departures</li> <li>• Be able to use Metrolink pass on more than one line</li> <li>• Run DASH buses on nights and weekends</li> <li>• Foothill transit needs better management</li> <li>• Roads throughout LA worse than most 3<sup>rd</sup> world countries</li> <li>• Metrolink service horribly unreliable and inconsistent</li> </ul>
Outreach	<ul style="list-style-type: none"> <li>• More info on how to participate in community decision-making process</li> <li>• Continue outreach to educate the public to increase transit ridership</li> <li>• Great illustration on Budget Tool of public works involves trade-offs</li> </ul>

Key Topics	Synopsis of Comments
	<ul style="list-style-type: none"> <li>• Language in survey is too advanced and technical for most people</li> <li>• Budget Tool: Too much focus on capital projects; focus on addressing practical questions to increase ridership – safety, security, reliability, reach</li> <li>• Budget Tool: budget and financial impact scenarios a waste of time and doesn't address the real issues plaguing Metro's system</li> <li>• Budget Tool: simplify questions/answers – too much information over our heads</li> </ul>
Parking	<ul style="list-style-type: none"> <li>• Don't charge for parking at parking lots</li> <li>• Security at lots just stand around and talk</li> <li>• Add more parking places so more people can ride Metro</li> <li>• Lack of parking around Metro Stations deters Metro use</li> <li>• Offer low income waivers for parking</li> <li>• Implement permit parking in all stations</li> <li>• Would rather have additional parking at stations instead of more rail stops</li> </ul>
Positive Feedback	<ul style="list-style-type: none"> <li>• Metro is doing a great job</li> <li>• Metro has come a long way</li> <li>• Metro is open to feedback, and that is great</li> <li>• Thank you for all the hard work and services you provide to the LA County area</li> <li>• The bus system is convenient and easy to use</li> <li>• We're a one car family and have no intention of buying a second due to all the great Metro projects underway</li> </ul>
Safety & Security	<ul style="list-style-type: none"> <li>• More police officers on all bus lines</li> <li>• Need more security on trains and parking lots</li> <li>• Improve rail station safety</li> <li>• Better enforcement on existing ridership rules</li> <li>• Loss of ridership due to safety/security concerns</li> <li>• Increase security presence and make it safe for small children</li> <li>• Policing Metro stations to allow safe bicycle parking</li> <li>• Police at stations say hands are tied – cannot cite fare evaders</li> </ul>
Streets & Highways	<ul style="list-style-type: none"> <li>• Add more lanes on all freeways</li> <li>• Add more expanding freeways, toll ways and roadways</li> <li>• Stop funding expensive and inefficient rail and improve road and freeway options</li> </ul>
Accessibility/Rideshare	<ul style="list-style-type: none"> <li>• Add more routes throughout the city for disabled passengers</li> <li>• Add more wheelchair access</li> <li>• Keep people with disabilities in mind when creating programs or considering budget expenditures</li> <li>• Increase first/last mile strategy with ride sharing services like Lyft/Uber</li> </ul>
Advertising	<ul style="list-style-type: none"> <li>• Use unused space for advertising and generating revenues</li> <li>• Increase ad rates/revenue and promote Metro as safe and reliable</li> <li>• Metro's branding and PR materials are great</li> <li>• Use marketing money to educate the public and promote transit use instead of driving</li> <li>• More advertising of public transit along heavily congested streets and highways like I-405</li> </ul>

## **Workshops & Meetings**

- Metro Service Councils
- Citizens Advisory Council
- Technical Advisory Committee
- Bus Operations Subcommittee
- Local Transit Systems Subcommittee
- Streets & Freeways Subcommittee
- Policy Advisory Committee (PAC)

## **Interactive Budget Tool**

The interactive Online Budgeting Tool engaged the public by asking a series of questions on transportation priorities to develop a customized Metro budget. Respondents were able to see the budgetary impact for their choices interactively and include narrative comments to further express their feedback and concerns. The budget tool allowed Metro to receive comments from a larger portion of the general public, including those who are not Metro riders.

The Online Budget Tool focused on five key areas: Transportation Priorities, Bus & Rail Service, Active Transportation, Streets & Highways, and Transit Expansion.

Below are general results of the survey:

- 25% of respondents prioritized Transportation Expansion Projects (New Bus & Rail)
- 41% of respondents favored Bike Lanes as most desirable improvement project
- 32% of the respondents were willing to increase fares (service unchanged) to balance the budget

When asked about which freeway they would like to see ExpressLanes expanded to, 38% of respondents selected: Do not expand ExpressLanes.

The results of this survey helps Metro get a snapshot on the public's ranking of their transportation priorities. Comments and feedback are being gathered and evaluated to help shape Metro's priorities.

# FY20 Proposed Budget

Finance, Budget & Audit Committee  
May 15<sup>th</sup>, 2019



Metro<sup>®</sup>

# May Board Report FY20 Budget Adoption

- A. ADOPTING** the proposed FY20 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net);
- 1. AUTHORIZING** \$7.2 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan; and
  - 2. AUTHORIZING** a total of 10,219 FTEs with 8,482 Represented FTEs and 1,737 Non-Represented FTEs which includes an increase of 45 Non-Represented FTEs; and
  - 3. AUTHORIZING** a 4% merit based increase for Non-Represented wages which is in alignment with the Collective Bargaining Agreement with Metro's union groups; and
  - 4. APPROVING** the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million presented in Attachment A; and
- B. AMENDING** FY20 Proposed Budget document by increasing Bus service hours from 7,019,376 to 7,094,376, which is higher than FY19 service level of 7,014,606; and
- C. APPROVING** the Reimbursement Resolution declaring Metro's intention to issue debt in FY20 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- D. AUTHORIZING** the Non-Represented salary paygrade band to increase 2% to be more aligned with current market conditions



# Next Steps



- Final Board Adoption expected on May 23th
  - Board Adoption is legally required before Fiscal Year starts
- Metro will ensure revenue resources are available for funding by July 1st
- Performance Monitoring
  - Report back to the board regularly regarding financial performance throughout FY20



Metro

# FY20 Proposed Budget

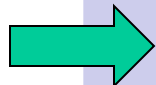
**Budget Public Hearing**  
**May 15<sup>th</sup>, 2019**



**Metro**<sup>®</sup>

# FY20 Budget Process and Schedule

Month	Topic	Outreach Actions
March	<ul style="list-style-type: none"> <li>Budget Kick-Off</li> <li>Sales Tax Forecast, Cost Inflation Estimate</li> <li>New Infrastructure Planning and Construction</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Outreach Plan</li> <li>Online Interactive Budget Tool</li> </ul>
April	<ul style="list-style-type: none"> <li>State of Good Repair (SGR)</li> <li>Subsidy to Regional Partners</li> <li>Debt Service Expense</li> </ul>	<ul style="list-style-type: none"> <li>Telephone Town Hall</li> <li>Outreach to Committees / Subcommittees and Service Councils</li> </ul>
May	<ul style="list-style-type: none"> <li>FY20 Budget Adoption (Planned)                             <ul style="list-style-type: none"> <li>Consolidated Agency-wide Expenses and FTEs Budget Proposal to deliver Metro programs</li> <li>Final Board Adoption on May 23, 2019</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Public Hearing on May 15, 2019</li> <li>Summary of Public Comment and Stakeholder Review</li> </ul>
June	<ul style="list-style-type: none"> <li>Prep Funds Availability for Metro Programs &amp; Regional Allocations</li> </ul>	<ul style="list-style-type: none"> <li>Production of Adopted Budget document</li> </ul>



# Budget Highlights

## Transportation Infrastructure Development Milestones

- The Metro Crenshaw/LAX Line will be completed in FY20
- The New Blue Line will be opening in FY20

## Electric Bus Integration and Zero Emission

- Delivery of 40 sixty-foot Electric/Zero Emission Buses (ZEB). Testing will commence on the Orange Line, with placement of electric charging equipment and infrastructure.
- Delivery of 207 forty-foot buses and 65 sixty-foot near zero emission CNG buses

## NextGen Bus Study

- Starting in FY20, the NextGen will provide an actionable blue print for action and for public input

## Light Rail Vehicle (LRV) Procurement

- Completed in FY20, with the delivery of the remaining 95 LRV cars from the already 140 delivered for a total of 235 LRVs

## Highway Projects

- I-5 North: Magnolia to SR-134 project (Segment 4) in the cities of Burbank and Glendale is 2.8 miles long and includes all pertinent components for construction to improve local traffic congestion

## Planning Studies

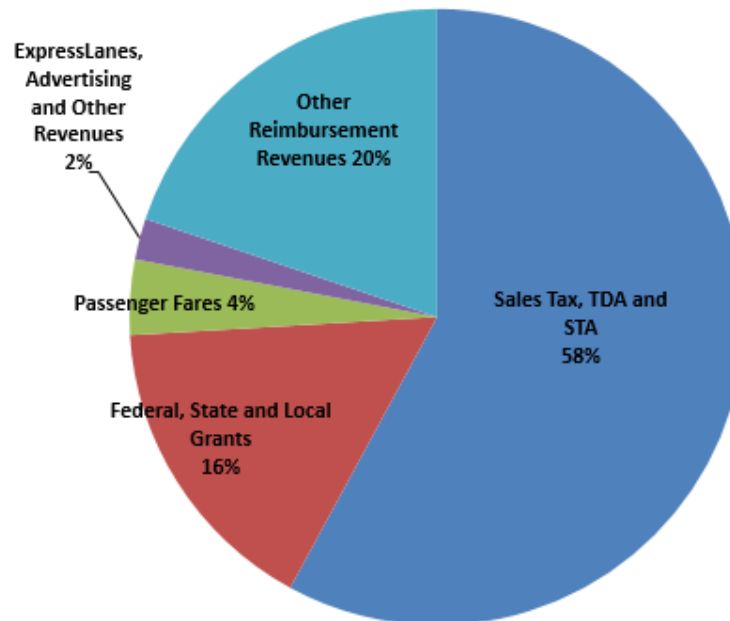
- Planning Studies for projects such as East San Fernando Valley Transit Corridors and West Santa Ana Corridors will take place

# Resources Summary

		FY19 Budget	FY20 Proposed	\$ Change	% Change
	<b>Resources (\$ in millions)</b>				
1	Sales Tax, TDA and STA	\$ 3,980.2	\$ 4,174.4	\$ 194.2	4.9%
2	Federal, State and Local Grants	967.9	1,163.0	195.2	20.2%
3	Passenger Fares	302.6	284.5	(18.1)	-6.0%
4	ExpressLanes, Advertising and Other Revenues	157.0	155.2	(1.8)	-1.1%
5	Other Reimbursement Revenues <sup>(1)</sup>	1,212.6	1,429.8	217.2	17.9%
	<b>Total Resources</b>	<b>\$ 6,620.2</b>	<b>\$ 7,206.9</b>	<b>586.7</b>	<b>8.9%</b>

<sup>(1)</sup> Includes Bond Proceeds, Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawdown and prior year commitment

Resources % of FY20 Budget

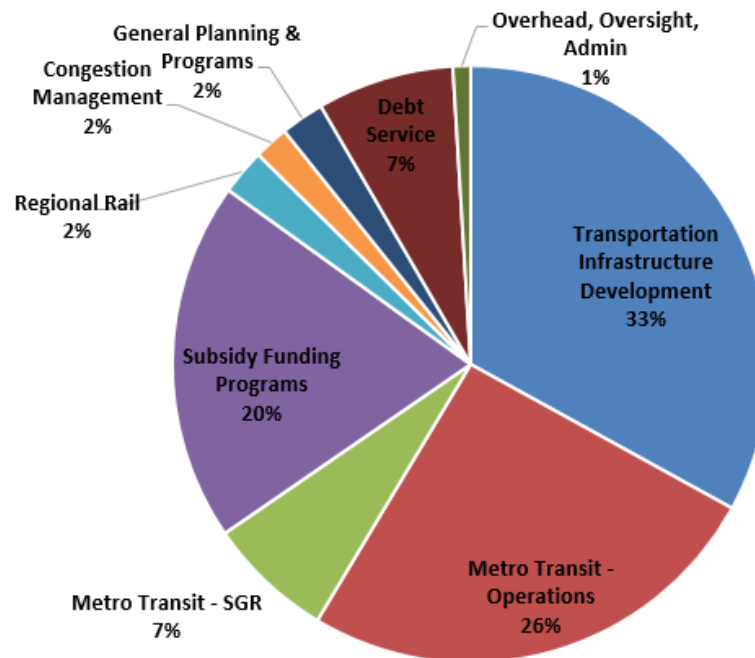


Total FY20 Resources = \$7,206.9 Million

# Expense Summary

Expenditures by Program Type (\$ in Millions)		FY19 Budget	FY20 Proposed	FY19 - FY20 \$ Change	FY19 - FY20 % Change
1	Transportation Infrastructure Development	\$ 2,003.3	\$ 2,378.4	\$ 375.1	18.7%
2	Metro Transit - Operations, Maintenance and Regional Operating Services	1,773.9	1,844.4	70.5	4.0%
3	Metro Transit - SGR & Other Asset Improvements	534.2	492.0	(42.2)	-7.9%
4	Subsidy Funding Programs	1,330.6	1,404.7	74.1	5.6%
5	Regional Rail	179.3	178.2	(1.1)	-0.6%
6	Congestion Management	128.3	135.8	7.5	5.8%
7	General Planning & Programs	181.9	169.9	(12.1)	-6.6%
8	Debt Service	417.1	534.7	117.6	28.2%
9	Oversight & Administration	71.5	68.8	(2.7)	-3.8%
10	<b>Total Budget</b>	<b>\$ 6,620.2</b>	<b>\$ 7,206.9</b>	<b>\$ 586.7</b>	<b>8.9%</b>

Expenditures % of FY20 Budget



# FY20 Proposed Budget FTEs

	FY19 Budget	FY20 Proposed	Change
1 Non-Represented FTEs Total	1,692	1,737	45
2 Represented FTEs Total	8,548	8,482	(66)
3 <i>Customer Care and Property Maintenance</i>		13	
4 <i>Adjustment for Service Level and SGR</i>		(79)	
5 Total FTEs	10,240	10,219	(21)

- Non-Represented FTEs: Keep transit system in state of good repair while continuing Measure M and Measure R projects, building support and oversight. Additional FTEs are planned for new initiatives and studies such as electrification of Bus Fleet, Congestion Pricing, TNC, and Micro Transit.
- Represented FTEs decrease of 66 is due to:
  - Increase of 13 FTEs is for the new customer care centers at The Bloc and Willowbrook/Rosa Parks and for property maintenance at East Portal
  - Decrease of 79 FTEs related to service level proposed and SGR Project Phase through attrition and reduction of vacancies.
- With the Proposed Budget increasing by \$587 million and the planned FTEs at 10,219 for FY20, the resulting budget dollar per capita as a productivity indicator is going up.

# FY20 Proposed Budget Bus Service Level Profile

	FY19 Scheduled	<del>FY20 Proposed</del>	FY20 Amended
Bus Service Level	7,014,606	<del>7,019,376</del>	7,094,376

- As part of the normal review process after release of the Proposed Budget Book for public comment, Metro CEO Phil Washington added bus service hours from 7,019,376 to 7,094,376
  - Service would be added to the busy 910 Silver Line and the popular 460 Bus between downtown L.A. and Anaheim
  - The budget gives Metro the flexibility to add bus service for special events (Dodgers games, USC football, etc.) and for bus shuttles during the ongoing work to modernize the Blue Line
  - The changes include bus service hours for the extra day in 2020 (Feb. 29), which is a Leap Year



# FY20 Proposed Budget Rail Service Level Profile

Rail		
Row	Service Type	RSH
1	FY19 Scheduling Base	1,203,231
2	Adjustments	
3	Pre-Revenue Testing, Special Events, Leap Year, New Blue Adjustments	30,671
4	Off-Peak Vehicle Deployments	(43,458)
5	Weekday Headway Changes	(36,506)
6	Weekend Headway Changes	(18,985)
7	FY20 Proposed Budget	1,134,953
8	Change	(68,278)
9	Change %	-5.7%

Rail Rider Benefits	
Consistent with Board adopted Transit Service Policy (TSP) standards	
Increased on-time performance with consistent arrival times	
Improved headway alignment with schedules	
Reduce overcrowding - with running 3 car trains consistently	
Improved ability to perform maintenance work on the tracks (single tracking)	

- **Off-Peak Vehicle Deployments**

- All light rail lines will be scheduled for 2-car trains during midday which better matches demand, but frequencies do not change

- **Weekday Headway Changes**

- Green Line - no changes
- Blue Line – from 6 minutes to 8 minutes – All 3-Car Consist
- Expo Line - from 6 minutes to 8 minutes – All 3-Car Consist
- Gold Line - from 7 minutes to 8 minutes – All 3-Car Consist

- **Weekend Headway Changes**

- For early morning weekend service, the 12 minute frequency will begin at 10am (instead of 8am) to better reflect ridership demand and to allow for more reliable single tracking maintenance windows for SGR during time periods we impact the fewest amount of passengers

# FY20 Proposed Budget Outreach Results



**4,977**  
TELEPHONE  
TOWN HALL  
LISTENERS



**798**  
ALL COMMENTS



**1,678**  
INTERACTIVE  
BUDGET TOOL  
RESPONDENTS



**10**  
MEETINGS: SERVICE  
COUNCILS &  
STAKEHOLDERS

Comment Topics	Incorporated into Metro Programs
<b>Electric Buses</b>	Metro plans to convert entire bus fleet to Zero Emission electric vehicles by 2030.
<b>Service Expansion</b>	Metro is increasing service for key light and heavy rail project initiatives such as Westside Subway Extension Section 1, 2, and 3, Crenshaw/LAX, and the Regional Connector, as well as many other expansion projects.
<b>More Local Transit</b>	The NextGen study will provide an action plan, available for public comment in FY20.
<b>Active Transportation</b>	Guidelines on First/Last Mile planning and delivery integration within Metro transit projects will be presented for Board consideration in early FY20.
<b>Congestion Reduction</b>	A Congestion Pricing feasibility study will commence in FY20 with the goal of greatly reducing congestion, improving mobility and air quality, maintaining equity, and providing a sustainable LA County transit system.
<b>Safety / Security</b>	Metro has a homeless action plan for Metro security and to perform outreach on bus, rail and at Union Station to help connect the homeless with available resources and housing solutions.



## Board Report

File #: 2019-0228, File Type: Program

Agenda Number: 38.

### FINANCE, BUDGET AND AUDIT COMMITTEE MAY 15, 2019

**SUBJECT: FY 2019-20 METROLINK ANNUAL WORK PROGRAM BUDGET**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING the Los Angeles County Metropolitan Transportation Authority's (Metro) share of the Southern California Regional Rail Authority's (SCRRA operated as "Metrolink") FY 2019-20 Budget Transmittal dated April 22, 2019, in the amount of \$111,341,440 along with Metro's enhanced operations programs in the amount of \$6,546,563 as listed in Attachment A for a totaling programming amount of \$117,888,003;
- B. REPROGRAMMING the use of \$3,237,526 in FY 2017-18 Operating Surplus to fund a portion of Metro's share of Metrolink's operating costs detailed in Attachment A;
- C. REPROGRAMMING up to \$3,900,000 in surplus FY17 state of good repair funds to fund a portion of Metro's share of Metrolink's FY 20 rehabilitation and capital program listed in Attachment A;
- D. APPROVING additional funding for the San Bernardino Line 25% discount program in the amount of \$2,190,969 to establish the life of project budget of \$4,190,969;
- E. EXTENDING the lapsing dates for funds previously allocated to Metrolink for the Rehabilitation and Renovation Program as follows:
  - FY 2013-14 from June 30, 2019 to June 30, 2020 - \$73,298
  - FY 2014-15 from June 30, 2019 to June 30, 2020 - \$2,663,905;
- F. APPROVING the FY20 Transfers to Other Operators payment rate of \$1.10 per boarding to Metro and an EZ Pass reimbursement cap to Metro of \$5,592,000; and
- G. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Metro and the SCRRA for the approved funding.

**ISSUE**

The Southern California Regional Rail Authority (SCRRA operated as “Metrolink”) Joint Exercise of Powers Agreement (JPA) requires the member agencies to approve their individual share of the Metrolink budget on an annual basis (please refer to Attachment B - Metrolink Transmittal of the Proposed Fiscal Year 2019-20 Budget dated May 1, 2019). The total Metrolink FY 2019-20 Budget request from all JPA Member Agencies is \$224.216 million consisting of \$157.445 million for Commuter Rail operations, \$63.731 million for Rehabilitation and \$3.040 million for capital projects. Staff is recommending the approval of \$117,880,003 for Metro’s share of Metrolink’s FY2019-20 Budget and Metro’s enhanced operations programs detailed in Attachment A.

**DISCUSSION**

The SCRRA operates and provides the Metrolink commuter rail service within Los Angeles County and between Los Angeles County and the surrounding counties of Orange, Riverside, San Bernardino, and Ventura, and up to the northern San Diego County line. Metro is firmly supportive and committed to be a strategic partner with Metrolink. Metro’s share of Metrolink’s FY 2019-20 Budget totals \$111.342 million consisting of \$77.989 million for commuter rail operations, \$31.964 million for rehabilitation projects and \$1.389 million for new capital projects as further described below.

Metrolink Operations

Metrolink’s total Budget request from all JPA Member Agencies is \$157.445 million for Commuter Rail operations. Metro’s share of the Metrolink commuter rail operations is \$77.989 million (of the \$157.445 million) which is a \$2,869 million increase (3.8%) over FY19 levels (please refer to Table 1 below). The increase in commuter rail operations is attributable to the contract escalation costs for train operations and equipment maintenance, salaries and benefits with an increase of five (5) new full time equivalent positions, administrative costs and the addition of new Metrolink services. The new Metrolink services consists of two additional roundtrips on the Orange County Line, two additional round trips on the 91/Perris Valley Line, one Saturday round trip on the Ventura County Line and one mid-day roundtrip to the Hollywood Burbank Airport. Metrolink has no fare increases for FY 20. Staff continues to work with SCRRA to control and maintain an effective level of operating and maintenance costs.

	<b>FY19</b>	<b>FY20</b>	<b>DIFFERENCE</b>	<b>CHANGE %*</b>
Expenses	\$251,356	\$262,869	\$11,505	4.6%
Revenues	\$100,806	\$105,423	\$4,683	4.6%
Member Agency	\$150,550	\$157,445	\$6,822	4.5%
Metro Subsidy	\$75,120	\$77,989	\$2,869	3.8%
Metro Share of Subsidy	49.9%	49.5%		

\*Numbers may be subject to minor rounding

Rehabilitation and Capital - \$33,352,440

MetroLink’s FY 2019-20 total rehabilitation and capital budget request from all the JPA member agencies was revised on the April 22, 2019 budget transmittal to \$66.771 million (which includes \$63.731 million for rehabilitation and \$3.040 million for capital). Metro’s share is \$33.353 million (out of \$66.771 million) for the FY 2019-20 rehabilitation and capital projects. Staff is recommending programming funds in the amount of \$31.964 million for rehabilitation projects and \$1.389 for capital projects as listed on Attachment B-MetroLink Transmittal of the Proposed Fiscal Year 2019-20 Budget dated May 1, 2019.

Metro has been working collaboratively with the other four JPA members and MetroLink to review MetroLink’s FY20 rehabilitation and capital program in detail since November 2018 where MetroLink’s original rehabilitation and capital program totaled approximately \$87.816 million consisting of \$84.776 million for rehabilitation and \$3.040 million for capital. Based on Metro’s review of the project readiness of the MetroLink rehabilitation and capital program, Metro estimated approximately \$29.9 million in programming authority for FY 20 (refer to Attachment C-Metro’s Update on MetroLink FY 2019-20 Budget dated March 21, 2019). After further coordination with MetroLink and in support of the other JPA member’s subsidy share of the MetroLink rehabilitation and capital program, Metro increased the programming authority of MetroLink’s FY 20 rehabilitation and capital budget program from \$29.9 million to \$33.353 million to fund the all-share and line specific rehabilitation and capital programs shared with the other JPA members. Subsequently, on April 22, 2019, MetroLink revised their FY 20 budget request for their rehabilitation and capital program to \$66.771 million (from \$84.776 million) which aligns with all the JPA member agencies’ funding commitments.

Staff is working with MetroLink to prioritize urgent tracks, bridges, culverts and structures state of good repair projects to maintain safety and service. In the last three years, Metro has provided a total of \$90.2 million consisting of over 130 rehabilitation and capital projects from FY17 through FY19. In the last ten years, Metro’s largest singular year contribution to MetroLink’s rehabilitation and capital program is approximately \$41.7 million which occurred in FY 19.

MetroLink’s project delivery of rehabilitation and capital projects has significantly improved since FY17 especially on 29 High Priority State of Good Repair Projects with an initial cost savings of approximately \$4.922 million (refer to Attachment D-MetroLink’s High Priority SOGR Program dated April 2019). Since MetroLink uses a four (4) year project delivery schedule for their rehabilitation and capital program, as of April 23, 2019, MetroLink has completed a total of 12 projects totaling \$12.917 million with a cost savings of approximately \$4.922 million with 42 projects in process and 76 projects have not commenced yet. Metro anticipates additional cost savings will be incurred for the remaining 118 projects. However, at this time, with the cost savings incurred to date, staff is proposing to reprogram \$3.9 million from the FY17 High Priority SOGR Projects to fund \$3.9 million of Metro’s share of MetroLink’s FY 2019-20 rehabilitation and capital program. The current total of outstanding MetroLink funding is approximately \$75.4 million for rehabilitation and capital project work dating from FY14 through FY18.

TABLE 2-Metro Funds for MetroLink Rehab/Capital		
Fiscal Year	Number of Projects	Total

FY 17	55	\$41,678,525
FY 18	1	\$6,819,000
FY 19	74	\$41,731,193
<b>Subtotal</b>	<b>130</b>	<b>\$90,228,718</b>
Proposed FY 20	26	\$33,352,440
<b>GRAND TOTAL</b>	<b>156</b>	<b>\$123,581,158</b>

### **KEY HIGHLIGHTS OF THE PROPOSED FY 20 BUDGET ARE AS FOLLOWS:**

#### Right-of-Way (ROW) Security Services Provided by L.A. Sheriffs (LASD) - \$2,522,962

MetroLink contracts with the LASD to provide core security and fare enforcement services on board trains and at stations. In addition to core security services, Metro provides additional funding to MetroLink for 9.5 LASD full time equivalents (FTEs) to provide a dedicated LASD presence along Metro owned ROW resulting in quicker LASD responses to incidents along the ROW within Los Angeles County.

Although the Regional Rail department funds these services, Metro's Security and Law Enforcement department oversees the MetroLink's Sheriff's program in conjunction with the Regional Rail department to realize more efficiencies, to maximize deployment of LASD deputies, assist with deterring homeless encampments, reduce incidents as a result of enhanced security presence, provide oversight, coordination and collaboration of MetroLink's security and law enforcement services.

#### Antelope Valley Line Contract Security & LASD Program - \$1,707,632

The Antelope Valley Line (AVL) Contract Security and LASD Program (formerly the AVL 100% Fare Enforcement Program) was implemented in October 2017. The new blended approach of utilizing security officer deployments to achieve an increased security presence and enhanced fare enforcement coverage along the AVL has been very successful. SCRRA is reporting that fare evasion has decreased since the program's implementation. The new security officer deployments supplement existing LASD and Amtrak conductor security and fare enforcement functions.

#### San Bernardino Line 25% Fare Subsidy Program - \$2,190,969

In January 2018, Directors Solis, Najarian, Krekorian and Fasana submitted Motion #44 directing the Chief Executive Officer to work with SCRRA and the San Bernardino County Transportation Authority (SBCTA) to develop a strategic plan to implement a Fare Discount Pilot Program and report back in 90 days. In partnership with SBCTA, in April 2018 staff recommended a 25% fare discount pilot program "across the board" which began in July 2018. The Board approved programming up to \$2 million in prior year Proposition C 10% surplus funds to fund the fare reduction pilot. In October 2018 SCRRA conducted a Title 6 study and SCRRA made the new service part of their permanent fare structure. As of October 2018 ridership was up 10% and the pilot was considered very successful. However, the total anticipated cost for the life of the program is estimated to be \$4,190,969. As such, staff is recommending additional funding in the amount of \$2,190,969 to fund the new service

through FY 2022 at which point the program is expected to break even.

#### Special Events - \$125,000

SCRRA has begun including recurring special events (L.A. County Fair, L.A. Rams Games, etc.) in their FY20 operating budget based on the history of past events. However, to ensure that in the event additional Metro sponsored special events occur, staff is recommending an additional \$125,000 to fund these costs such as for CicLa Via, Dodgers Express, etc., just to name a few.

#### Extend Lapsing Dates of Rehabilitation / Capital Funds

This recommended Board action extends SCRRA's FY 2013-14 and FY 2014-15 funding in the amount of \$2,737,203 from expiring on June 30, 2019 to June 30, 2020. Metrolink rehabilitation and capital projects span over a 4 year project delivery program to take advantage of matching federal funds. As a result, funds programmed over multiple years may not be completely invoiced prior to the funds lapsing and Metro does not recognize project completion until we are invoiced. In FY15, Metro extended the lapsing period to four years and extended the lapsing dates of several MOUs. Metrolink indicated that their work is in progress, close to completion and will be completed and invoiced by fiscal year end 2020.

#### Transfers to Other Operators Payment Rate to Metro

Metrolink reimburses Metro for Metrolink riders who transfer to and from Metro services for free, including the rail system at Union Station, through the EZ Transit Pass Program. For FY20, staff is recommending that the reimbursement rate remain at \$1.10, the same as for FY19, and that the existing EZ Transit Pass cap of \$5,592,000 be honored.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on the safety of Metro's patrons or employees.

### **FINANCIAL IMPACT**

Metro's total FY20 Metrolink Annual Work Program programming authority recommendation is \$117,888,003 as outlined in Attachment A. Operations funding consists of \$81,298,037 in new Proposition C 10% / Measure M1% funds and reprogramming \$3,237,526 of FY18 operating surplus for a total of \$84,535,563; Rehabilitation and Capital consists of \$29,334,355 in new Measure R 3% funds, \$3,900,000 of FY17 surplus rehabilitation and capital funds and \$118,085 from Metro's funding contribution already allocated to the LINK US project.

This is a programming action and the Cost Center Manager will be responsible for annual budget funding allocations.

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

Staff's recommendation supports strategic plan goal #1.2 to improve L.A. County's overall transit network and assets. Metro will work with the Southern California Regional Rail Authority (SCRRA) to provide more frequent and reliable Metrolink services, improve customer satisfaction, and support better transit connections throughout the network.

## **ALTERNATIVES CONSIDERED**

As a member of the JPA, Metro is required to approve its annual share of the SCRRA budget. However, the Metro Board could elect to authorize a higher capital/rehabilitation budget amount. Metro staff does not recommend this option due to Metrolink's progress on their project delivery and current unspent funds in the amount of \$75.4 million consisting of previously approved Metro funding during the period of FY14 through FY18.

## **NEXT STEPS**

Staff is working collaboratively with Metrolink staff to prioritize urgent track and structure rehabilitation projects to maintain safety and service. Staff will provide progress reports on Metrolink rehabilitation and capital projects through the Regional Rail Quarterly Report.

The Metrolink Board is scheduled to adopt its FY20 Budget on June 14, 2019. Metro staff will monitor implementation of SCRRA's budget and report back to the Metro Board with any issues requiring Board action.

## **ATTACHMENTS**

Attachment A - Metro Share of Metrolink Programming for FY 2019-20

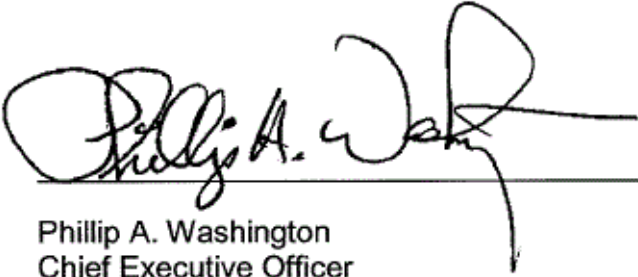
Attachment B - Metrolink Transmittal of Proposed FY 2019-20 Budget dated 4/22/19

Attachment C - Metro's Update on Metrolink FY 2019-20 Budget dated 3/21/19

Attachment D - Metrolink High Priority SOGR Program, April 2019

Prepared by: Yvette Reeves, Manager, Transportation Planning, (213) 418-3176  
Jeanet Owens, Sr. Executive Officer, (213) 418-3189

Reviewed by: Nalini Ahuja, Chief Financial Officer (213) 922-3088  
Richard Clarke, Chief Program Mgmt. Officer, (213) 922-7557



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Phillip A. Washington  
Chief Executive Officer



**ATTACHMENT A - Metro Share of Metrolink Programming for FY 2019-20**

**Recommended Amount**

**Operations**

Commuter Rail Operations	\$ 77,989,000
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**Enhanced Operations**

Enhanced L.A. County ROW Security	\$ 2,522,962
Antelope Valley Line Contract Security & LASD Program	\$ 1,707,632
San Bernardino Line 25% Fare Subsidy	\$ 2,190,969
One-Time Special Events	\$ 125,000
<b>Subtotal Enhanced Operations</b>	<b>\$ 6,546,563</b>
<b>Total Operations</b>	<b>\$ 84,535,563</b>

**Rehabilitation & Capital**

FY20 Rehabilitation and Capital	\$ 33,352,440
<b>Total FY 20 Annual Work Program Programming</b>	<b>\$ 117,888,003</b>

**Operations Funding Source**

Prop C 10% and Measure M 1%	\$ 81,298,037
FY18 Operating Surplus Reprogramming	\$ 3,237,526
<b>Total Operating Funding Sources</b>	<b>\$ 84,535,563</b>

**Rehabilitation & Capital Funding Source**

Measure R 3%	\$ 29,334,355
FY17 Rehabilitation and Capital Surplus	\$ 3,900,000
Part of Metro's Contribution to the LINK US project	\$ 118,085
<b>Total Rehabilitation and Capital Funding Source</b>	<b>\$ 33,352,440</b>



**METROLINK.**

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
900 Wilshire Blvd. Suite 1500 Los Angeles, CA 90017

metrolinktrains.com

May 1, 2019

**TO:** Darrell Johnson, Chief Executive Officer, OCTA  
Darren Kettle, Executive Director, VCTC  
Anne Mayer, Executive Director, RCTC  
Phil Washington, Chief Executive Officer, Metro  
Dr. Raymond Wolfe, Executive Director, SBCTA

**FROM:** Stephanie Wiggins, Chief Executive Officer, ~~SCRRA~~ SCRRA

**SUBJECT:** SCRRA Proposed FY2019-20 Budget

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On April 26, 2019, the SCRRA Board of Directors authorized the transmittal of the SCRRA Proposed FY2019-20 (FY20) Budget to its Member Agencies for their consideration and adoption. The Board also authorized transmission of Forecast Budgets for FY21, FY22, FY23 and FY24 for Member Agency consideration and programming. Attached for your review is a copy of the April 26 board report. We are scheduled to present the FY20 Budget to the SCRRA Board for adoption on June 14, 2019.

Adoption of the annual budget provides the annual funding commitment for General Operations and the Annual Capital Program which includes investments in Rehabilitation and New Capital. Programming amounts for the fiscal years 2021 through 2024 as reflected in the four-year forecast provides more of a long-term approach for planning future year budgets that will be presented for adoption through the annual budget development process.

Thank you for your ongoing support and active participation in the development of the FY20 Proposed Budget. SCRRA staff remain available to address any questions you may have as we anticipate adoption of the budget by the SCRRA Board of Directors in June 2019. If you have comments or concerns, please do not hesitate to contact me directly at (213) 452-0258. You may also contact Ronnie Campbell, Chief Financial Officer, at (213) 452-0285.



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**TRANSMITTAL DATE:** April 22, 2019

**MEETING DATE:** April 26, 2019 **ITEM 24**

**TO:** Board of Directors

**FROM:** Stephanie Wiggins, Chief Executive Officer

**SUBJECT:** Transmittal of the Proposed Fiscal Year 2019-20 Budget and Four-Year Forecast

**Issue**

The Authority is required, under the Joint Exercise of Powers Agreement, to provide to its Member Agencies, on or before May 1 of each year, a Proposed Budget for the coming fiscal year (effective July 1, the start of the fiscal year) for individual agency consideration and approval.

**Recommendation**

It is recommended that the Board approve the transmittal of the:

- 1) Proposed Fiscal Year 2019-20 (FY20) Budget to its Member Agencies not later than May 1, for their consideration and adoption as required in the Joint Powers Agreement, and
- 2) Proposed forecast for the fiscal years 2021 through 2024 as reflected in the four-year forecast be transmitted to the Member Agencies for their consideration and programming.

**Strategic Goal Alignment**

This report aligns with the strategic goal to *maintain fiscal sustainability*. Adoption of the annual budget provides the annual funding commitment for General Operations and the Annual Capital Program which includes investments in Rehabilitation and New Capital. Programming amounts for the fiscal years 2021 through 2024 as reflected in the four-year forecast provides a more long-term approach for planning future year budgets that will be presented for adoption through the annual budget development process.

**Background**

The FY20 budget development process began in August 2018 with a Budget Kick-off Meeting attended by over 50 employees. Budget requests were compiled and submitted

by all Cost Center managers. Budget division staff subsequently analyzed and reviewed the requests with each Cost Center manager and their respective Chief in a series of one-on-one meetings. The primary purpose of the meetings was to provide justification for each line item budget amount requested taking into consideration such factors as:

- Funding at a level which will meet the goals of the Authority,
- Historic levels of spending,
- Current levels of spending,
- Known adjustments for the forthcoming year, and
- Overarching goal of safety, fiscal sustainability and operational efficiency.

These internal meetings began in October 2018 and concluded by mid-January 2019.

The FY20 Proposed Budget for Operations and the Capital Program (Rehabilitation/New Capital) was reviewed with the Technical Advisory Committee (TAC) members on December 11, 2018, and with the newly formed Member Agency Advisory Committee (MAAC) meetings on February 19, 2019, and March 15, 2019.

An overview of the FY20 Proposed Budget for Operations and Rehabilitation/New Capital (FY20 Proposed Budget) detailing the Total Request for Funding was reviewed in individual conversations with each of the Member Agency Chief Financial Officers (CFOs) and Chief Executive Officers (CEOs) during the months of February and March 2019. During these individual telephonic meetings, substantive agreement was reached on concurrence with the Operating portion of the FY20 Proposed Budget as it would be presented at the Board Workshop on March 22, 2019. General agreement was reached with most of the Member Agencies regarding the funding level for the FY20 Capital Program, and productive conversations continued the day of the Budget Workshop and several days following.

### **Foundation for FY20 Proposed Budget**

The FY20 Proposed Budget provides funding to achieve the following:

- Increase ridership and revenue, thereby reducing the reliance on operating subsidies from our Member Agencies;
  - ✓ Attracting new riders through Marketing activities, brand awareness, raising the recommendation score.
  - ✓ Retaining current riders, through the improvement of on-time performance, and train reliability, comfort and convenience.
- Continued emphasis on safe operations, with the implementation of intraoperative Positive Train Control (PTC) as the centerpiece of Metrolink's efforts;
- Increase of Farebox Revenue through advertising efforts;

- Contract Bundling to improve overall efficiencies, achieve greater accountability, and streamline contract administration.
- Enhance customer experience and loyalty through:
  - ✓ A customer loyalty program
  - ✓ Continuing improvements to the mobile ticketing application and a modernized ticket vending system;
- Invest in existing assets to maintain a state of good repair by:
  - ✓ Funding critical rehabilitation projects,
  - ✓ Improving processes to accelerate project delivery

The achievement of these goals is closely tied to maintaining our rolling-stock, equipment and structures in a state of good repair.

### **Board Budget Workshop**

At the March 22, 2019 Budget Workshop, staff presented the FY20 Proposed Budget to the Board. At the Budget Workshop, Metrolink staff provided an overview of current year accomplishments and then focused on new initiatives reflected in the FY20 Budget consistent with the CEO's vision. The vision reflects the central focus of customer-first, supported by the pillars of Safety and Security, an Integrated System, and Modernized Business Practices. At that meeting, suggestions and inquiries were brought forward:

- In the Operations Budget:
  - ✓ Staffing Needs for Government Relations
    - Based upon feedback at the Workshop, the CEO has determined that the additional Government Relations FTE request can be accommodated by repurposing an existing vacancy. Therefore, the new FTE request is withdrawn.
  - ✓ Additional New Service on the Ventura Line
    - Service was added to provide an additional round trip each Saturday from April 6, 2020 to October 5, 2020. (Only that portion April 6, 2020 through June 30, 2020 is included in the FY20 Operating Budget)
  - ✓ Revisions to the Special Trains to reallocate expense where Members wished to share costs
    - Changes in total reduced the Special Train Revenue by \$0.1m, reduced Expense by \$0.1m, making these changes Subsidy neutral.
  - ✓ Marketing Budget Needs
    - Board members inquired as to why the investment in marketing was decreasing so drastically. This was due to the one-time investment of \$3.9m in FY19, which is not included in FY20. Staff mentioned there would be some residual impacts from the marketing investment in FY20. Staff also mentioned that ridership had not increased, but that revenue was close to neutral despite a decrease in Inland Empire riders due to on-time

performance issues on the Riverside and IE-OC Lines because the marketing investment had helped to offset declines. Staff would like more time to review the continued results of the current marketing investment before requesting an additional investment. If warranted, we would bring forth as a FY20 Budget Amendment.

- In the Capital Program:
  - ✓ Substitution of the Riverside Switch for the deferral of two projects – Emergency Support Vehicles and Automatic Equipment Identification scanners and the conversion of two others to Engineering studies. This action was taken as a result of immediate on-time performance benefits of the switch.
- High Speed Rail Funding for Bookend Projects
  - ✓ Staff provided the information that total funding for High Speed Rail Bookend Projects statewide is \$1.1 billion. Of that amount, \$500 million was assigned to Southern California. Two of the projects that were included in the MOU between a coalition of Southern California agencies and the High Speed Rail Authority (the Southern California MOU) were funded with the \$500 million – \$76.7M was assigned to the Rosecrans-Marquardt Grade Separation (which supports more capacity for the Orange County and 91/PV Lines) and \$423.3m was assigned to the Link US project which has a systemwide relationship to six of seven Metrolink lines and will enable operation of lines to be linked at Union Station with “through service”. Opportunities to work with the state and the high-speed rail authority will continue to be pursued to advance other projects in the Southern California MOU and in the SCORE program more broadly.

Subsequent to the Budget Workshop, changes were made to the Operating Budget to include new service on the Ventura Line and changes to the Special Trains which created a net increase to Member Operating Subsidies of \$0.07M. Changes were also made to the Capital Program. The Rehabilitation budget for Metro was reduced by \$21.0M, as a result of funding capacity. This reduction affected only Line Specific Projects on the Valley subdivision and the Ventura-LA County subdivision. With respect to New Capital, a decision to reprioritize projects created a reduction of \$1.01M.

#### FY20 Operating Budget

The following table presents two blocks of columns. The first, *Budget Workshop* depicts the FY20 Proposed Operating Budget, as presented to the Board on March 22, 2019. The second block of columns, *FY20 Revised* depicts the effect of the subsequent revisions on revenues, expenditures and operating subsidies as result of that meeting.

(\$ millions)	Budget Workshop				FY20 Revised				
	FY19 Budget	FY20 Budget	FY20 vs FY19		FY20 Revised	Revised vs Budget Workshop		FY20 Revised vs FY19	
Revenues	100.8	105.5	4.7	4.6%	105.4	-0.07	0.1%	4.6	4.6%
Expenditures	251.4	262.9	11.5	4.6%	262.9	0.01	0.0%	11.5	4.6%
Total Operating Subsidy	150.6	157.4	6.8	4.5%	157.4	0.07	0.0%	6.9	4.6%

Revised Operating Subsidy by Member Agency:

(\$ millions)	Budget Workshop				FY20 Revised				
	FY19 Budget	FY20 Budget	FY20 vs FY19		FY20 Revised	Revised vs Budget Workshop		FY20 Revised vs FY19	
Metro	75.1	77.9	2.8	3.8%	78.0	0.05	0.1%	2.9	3.8%
OCTA	29.4	30.4	1.0	3.3%	30.3	-0.07	-0.2%	0.9	3.0%
RCTC	19.7	21.2	1.6	8.0%	21.3	0.05	0.2%	1.6	8.3%
SBCTA	16.1	17.1	1.0	6.4%	17.2	0.01	0.0%	1.0	6.5%
VCTC	10.3	10.7	0.4	4.2%	10.7	0.04	0.4%	0.5	4.6%
Total Operating Subsidy	150.6	157.4	6.8	4.5%	157.4	0.07	0.0%	6.9	4.6%

FY20 Capital Program - Rehabilitation

During the months of November and December 2018, and January of 2019, staff met with the Member Agencies both jointly and individually to review the requested projects for FY20.

During these meetings, staff provided an overview of the call for projects process stating that the Metrolink Rehabilitation Plan (MRP) forms the basis for the amounts presented. Staff described the process for the ranking and prioritization of projects, and the optimization of the fiscal request from the Member Agencies that ensures fulfillment of the Authority's strategic goals through annual investment in our varied asset classes. Questions regarding proposed scope of the projects were answered, and additional supporting documentation was provided.

The forecast for Rehabilitation requirements over the next five fiscal years is shown below:

Life of Project Basis Rehabilitation

FY2019-20	\$ 63.7m	Request/Adopt
FY2020-21	\$161.1m	Forecast/Program
FY2021-22	\$213.1m	Forecast/Program
FY2022-23	\$217.6m	Forecast/Program
FY2023-24	\$222.1m	Forecast/Program

Completion of Rehabilitation projects are multi-year in nature. As such, the funding for the FY20, FY21, FY22, FY23 and FY24 requests may be viewed as each having a four-year funding commitment which would have the following estimated cashflow impact over the subsequent fiscal years:

FY2019-20 PROPOSED & FY2021-24 FORECAST CASHFLOW - REHABILITATION						
CASH BASIS						
	CASH OUTLAY					
(\$ millions)	FROM FY20 Budget	FROM FY21 Forecast	FROM FY22 Forecast	FROM FY23 Forecast	FROM FY24 Forecast	Total By Year
FY2019-20	3.1	-	-	-	-	3.1
FY2020-21	21.6	8.1	-	-	-	29.7
FY2021-22	18.7	56.4	10.7	-	-	85.8
FY2022-23	20.4	40.3	74.6	10.9	-	146.1
FY2023-24	-	56.4	53.3	76.1	11.1	196.9
FY2024-25	-	-	74.6	54.4	77.7	206.7
FY2025-26	-	-	-	76.1	55.5	131.7
FY2026-27	-	-	-	-	77.7	77.7
<b>Total</b>	<b>\$ 63.7</b>	<b>\$ 161.1</b>	<b>\$ 213.1</b>	<b>\$ 217.6</b>	<b>\$ 222.1</b>	<b>\$ 877.6</b>

Does not include cashflow generated by projects approved in prior years.

FY20 Capital Program - New Capital

Staff met during December 2018 and January 2019 to determine projects to be recommended for New Capital in FY20. Projects were presented that will enhance safety and security, improve system reliability, increase ridership, maximize capacity, improve efficiency, provide environmental benefit, and contribute to the strategic goals of the Authority. New Capital projects are subject to the same ranking, prioritization and optimization as the Rehabilitation projects described above. The Proposed New Capital Budget was revised after the presentation at the March 22, 2019 Budget Workshop. In March 15, 2019 MAAC meeting it was determined that the Power Switch at Riverside Downtown station was a higher priority project due to the immediate on-time performance benefits and project readiness. Therefore, other projects were deferred to allow the Switch project's inclusion. Additionally, it was determined that the higher priority need of



two Engineering Studies was included to determine the scope and budget for future capital investments of the locomotive overhauls and modernization needs of the EMF and CMF.

The forecast for New Capital requests over the next five fiscal years is shown below:

Life of Project Basis New Capital

FY2019-20	\$ 3.0m Request/Adopt
FY2020-21	\$ 30.6m Forecast/Program
FY2021-22	\$144.8m Forecast/Program
FY2022-23	\$ 86.6m Forecast/Program
FY2023-24	\$ 57.2m Forecast/Program

Completion of New Capital Projects are multi-year in nature. As such, the funding for the FY20, FY21, FY22, FY23 and FY24 requests may be viewed as each having a four-year funding commitment which would have the following estimated cashflow impact over the subsequent fiscal years:

FY2019-20 PROPOSED & FY2021-24 FORECAST CASHFLOW - NEW CAPITAL						
CASH BASIS						
(\$ millions)	CASH OUTLAY					
	FROM FY20 Budget	FROM FY21 Forecast	FROM FY22 Forecast	FROM FY23 Forecast	FROM FY24 Forecast	Total By Year
FY2019-20	0.1	-	-	-	-	0.1
FY2020-21	0.7	1.5	-	-	-	2.3
FY2021-22	1.2	10.7	7.2	-	-	19.2
FY2022-23	1.0	7.7	50.7	4.3	-	63.7
FY2023-24	-	10.7	36.2	30.3	2.9	80.1
FY2024-25	-	-	50.7	21.6	20.0	92.3
FY2025-26	-	-	-	30.3	14.3	44.6
FY2026-27	-	-	-	-	20.0	20.0
<b>Total</b>	<b>\$ 3.0</b>	<b>\$ 30.6</b>	<b>\$ 144.8</b>	<b>\$ 86.6</b>	<b>\$ 57.2</b>	<b>\$ 322.2</b>

Does not include cashflow generated by projects approved in prior years

Note: Applies to all Tables - Numbers may not foot or cross foot due to rounding.

**Funding of Capital Program**

Member Agencies provide funding in two different modes:

- ✓ One mode is on a Life of Project basis with the commitment of grant funds;
- ✓ the other is on a Cash Basis

The FY20 Capital Program presented during our Budget Workshop totaled \$87.8m. In the weeks following the budget workshop, staff has received funding commitments that allow us to maximize the available funding from all 5 Member Agencies. On this basis, we will be recommending that the board adopt a revised FY20 Capital Program (Rehabilitation/New Capital) Budget totaling \$66.8M.

### **FY20 Budget - Overall Summary**

The FY20 Proposed Budget for Metrolink includes new budgetary authority of \$329.7M. The Proposed Budget consists of Operating Budget authority of \$262.9M, an increase of 4.6% as compared to the FY19 Adopted Budget. Capital Program authority totals \$66.8M; \$63.7M for Rehabilitation Projects, and \$3.1M for New Capital Projects. Carryover of Rehabilitation Projects approved in prior years is \$159.3M, and carryover of New Capital Projects approved in prior years is \$36.0M. Capital Program amounts in this document refer to Member Agency requested commitments only. Other funding sources which include BNSF, UPPR and staff direct grants are not reflected in this document since they do not require Member Agency Board action. Staff will communicate to both BNSF and UPPR under the Capital Project requirements for their proportionate share of any related Capital Project(s) as required.

### **FY20 Operating Budget**

#### **Changed Budget Assumptions**

The FY20 Proposed Budget does not include any proposed increase to the base fare structure. The FY20 Proposed Budget includes increased service for a total of 3.0 million service miles through the operation of 175 weekday trains and 92 weekend trains. Increases in service are included for the San Bernardino, 91/PVL, Orange County and Ventura Lines. Special Trains, previously Third-Party Agreements have been included in the Operating Budget. Five new positions are being requested; two in Train Operations, two in Maintenance of Way/Capital, one in Administration.

#### **Operating Budget Summary**

The Operating Revenues reflect a projected net increase of \$4.6M or 4.6% from FY19. The year over year changes are detailed below in the Operating Revenues section. The Operating Expenditures reflect an increase of \$11.5M or 4.6% increase from FY19. Details of the year over year change are explained below in the Operating Expenditures section.

#### **Operating Revenues**

Operating Revenues include Farebox, Dispatching, Maintenance-of-Way (MOW) Revenues, interest, other minor miscellaneous revenues, and are estimated to total

\$105.4M for FY20, an increase of \$4.6M or 4.6% compared to the FY19 Adopted Budget.

Farebox Revenues, the largest component of the operating revenue of the budget, are projected at \$90.0M, an increase \$4.3M or 5.1% compared to the FY19 Adopted Budget.

Dispatching and MOW revenues from the freight railroads and Amtrak are based on existing agreements at the current rate of usage. The FY20 Dispatch Revenue projection of \$2.2M estimates an increase of \$52k or 2.5% from the FY19 Adopted Budget. The FY20 MOW Revenues are projected to increase \$0.5M or 3.6%.

### Operating Expenditures

Operating Expenditures are presented in the following four categories: Train Operations, Maintenance-of-Way (MOW), Administration and Services, and Insurance.

The Train Operations component of the Operating budget contains those costs necessary to provide Metrolink commuter rail services across the six-county service area, which includes the direct costs of railroad operations, equipment maintenance, required support costs, and other administrative and operating costs. The FY20 Proposed Budget for expenditures related to Train Operations is \$153.6M.

Ordinary MOW expenditures are those costs necessary to perform the inspections and repairs needed to ensure reliable, safe, efficient operation of trains and safety of the public. The FY20 proposed budgeted amount for expenditures related to MOW is \$47.0M.

Administration and Services include internal expenditures related to Train Operations. The FY20 Proposed Budget for expenditures related to Administration & Services is \$48.1M.

The Category of Insurance and Legal is \$14.2M for the FY20 Proposed Budget.

Overall, the total FY20 Proposed Budgeted for expenditures have increased from the FY19 Adopted Budget by \$11.5M or 4.6%. The components of this change are as described below.

- Total Train Operations have increased by \$1.3M. The primary drivers of this increase are:
  - ✓ Fuel costs are higher by \$2.9M due to higher diesel prices;
  - ✓ Train Operations Services have increased \$1.8M;
  - ✓ Rail Agreements increased by \$1.0M;
  - ✓ Special Trains were added to the Operating Budget (previously TPA) for \$0.8M;
  - ✓ TVD Maintenance increased by \$0.6M;
  - ✓ Other increased by \$0.2M;

- ✓ Equipment Maintenance decreased by \$1.2M due to reduced material for Rolling Stock repairs;
- ✓ Transfers to Other Operators decreased by \$1.2M;
- ✓ Marketing decreased by \$3.6M due to the one-time marketing program in FY19.
  
- MOW has increased by \$5.7M primarily as a result of:
  - ✓ Changes to Salaries & Benefits previously charged to Capital Projects \$1.8M;
  - ✓ Change in ICAP calculation which transferred \$1.5M from Capital Projects to the Operations Budget;
  - ✓ Signal Maintenance (MEC) increase of \$1.0M;
  - ✓ Track Maintenance (VTMI) increase of \$0.9M;
  - ✓ Consulting increase of \$0.5M.
  
- Administration and Services have increased by \$7.0M. The primary drivers of this increase are:
  - ✓ Overhead increased \$1.9M due to a correction to last year's projection of Other Post-Employment Benefits (OPEB) of \$0.8M and increase to this year OPEB of \$0.4m, and an increase of \$0.6M for office rental;
  - ✓ Amounts associated with our Indirect Cost Allocation Plan (ICAP) previously charged to Capital projects caused an increase of \$1.7M:
    - ✓ DBE consultants for \$1.2M previously charged to Capital projects;
    - ✓ PTC maintenance and support increase of \$0.9M;
    - ✓ Change to Salaries & Fringe \$0.8M;
    - ✓ Information Technology increases \$0.3M;
    - ✓ Engineering Consultants increase \$0.2M.
  
- Total Insurance expense decreased by \$2.5M.
  - ✓ Insurance premiums lower by \$0.5M;
  - ✓ Decrease as a result of a change in the projected claim liability of \$3.0M.

#### Member Agency Operating Subsidy

- Member Agency subsidies are required to fund the difference between the total costs of operations and available revenues. The Revised FY20 Proposed Budget estimates total Member Agency contributions to equal \$157.4M, an increase of \$6.9M or 4.6% more than the FY19 Budget.
  
- A year over year comparison of net operating subsidy by Member Agency is presented in Attachment E. In response to Member Agency requests, this schedule reflects the FY20 Proposed member subsidy in whole dollars which are required to create Member Agency Board requests.

## Capital Budget

### Carryover from Prior Years

Capital Projects are frequently multi-year endeavors. Unexpended project balances are referred to as "Carryovers" because their uncompleted balance moves forward to the following year. Projects authorized in prior years but "carried over" total \$159.3M for Rehabilitation and \$36.0m for New Capital. They are shown in detail on Attachments F and G, respectively.

### Capital Rehabilitation

The Capital Rehabilitation authorization request for FY20 was identified as necessary investments to maintain a state-of-good repair. These projects total \$63.7m and are represented in detail in Attachment H.

The total Rehabilitation Program by asset type includes:

<u>ASSET TYPE</u>	<u>TOTAL</u>
Communications	\$ 2.4m
Facilities	3.1m
Non-Revenue Fleet	4.1m
Rolling Stock	2.9m
Signals	13.5m
Structures	7.2m
Track	30.5m
	<u>\$63.7m</u>

### New Capital

The New Capital authorization request for FY20 was identified as necessary for safe and efficient rail operations. These projects total \$3.0m and are shown in detail in Attachment I.

### Operating Budget Attachments

The attachments as listed below provide additional detail on the FY20 Proposed Budget for the Operating as described:

- **Attachment A – FY20 Proposed Operating Budget** - a detail of the Operating Revenues, Expenses and Subsidy adopted for FY19 and proposed for FY20. This attachment also shows variances between FY19 Adopted Budget and FY20 Proposed Budget in dollars and percentages.
- **Attachment B – Historical Actual and Budgeted Operating Statements.** Actual Operating expense for FY16, FY17 & FY18, Adopted Operating Budget for FY19 and Proposed Operating Budget for FY20, with a variance comparison between FY19 Adopted Budget and FY20 Proposed Budget.
- **Attachment C – FY20 Proposed Operating Budget by Member Agency**
- **Attachment D – FY20 Proposed Operating Budget by Line**
- **Attachment E – FY20 Budgeted Operating Subsidy – FY20 Proposed Budget** Operating Subsidies by Member Agency presented in whole dollars, with comparisons to FY19 Adopted Budget.

#### Capital Program Budget Attachments

The attachments as listed below provide additional detail on the FY20 Proposed Budget for the Capital Program as described:

- **Attachment F – FY20 Rehabilitation Carryover Projects-** Details ongoing Rehabilitation Projects approved in prior years by subdivision, project category and Member Agency.
- **Attachment G – FY20 New Capital Carryover Projects** - Details ongoing New Capital Projects approved in prior years by subdivision, project category and Member Agency.
- **Attachment H – FY20 Proposed Rehabilitation Projects Detail list** – Presents original request and funded amounts by subdivision, project category and Member Agency share.
- **Attachment I – FY20 Proposed New Capital Projects Detail list** - Presents original request and funded amounts by subdivision, project category and Member Agency share.

#### Operating Budget Forecasts for FY21, FY22, FY23 and FY24

Upon approval by the Board, the FY20 Proposed Budget will be transmitted to Member Agencies for consideration and adoption. FY21, FY22, FY23 and FY24 forecasted budgets will also be transmitted to the Member Agencies for consideration and

programming. The four-year forecasts will only be considered for adoption individually during the applicable year.

The Attachments -Operating Budget Forecasts for FY21, FY22, FY23, FY24

- **Attachment J – FY21 Forecasted Operating Budget**
- **Attachment K – FY22 Forecasted Operating Budget**
- **Attachment L – FY23 Forecasted Operating Budget**
- **Attachment M – FY24 Forecasted Operating Budget**

The assumptions reflected in the FY21, FY22, FY23 and FY24 Forecasted Operating Budgets are based on contractual escalators and other known changes in combination with a projected increase factor based on the trends of each category of expense.

**Next Steps**

April – May, 2019	Staff present at Member Agencies' Committee and Board meetings as requested
June 14, 2019	FY20 Proposed Budget to Board for Adoption

**Budget Impact**

There is no budgetary impact as a result of this report. Approval to transmit the Proposed Budget to the Member Agencies for review and adoption is the next step in the FY20 Budget Development process. The FY20 Proposed Budget will then be presented to this Board for review and adoption at the June 14, 2019 meeting. Any actions taken by our Member Agencies prior to that meeting will be reported.

From a public service viewpoint Metrolink is simply the best investment to reduce freeway traffic and improve air quality in Southern California. Because 85% of Metrolink riders can choose to drive, Metrolink removes 1-2 lanes of parallel freeway traffic in each direction during peak hours on the 5, 10, 60, 91, 101 and 134 freeways.

Prepared by: Christine Wilson, Senior Manager Finance



Ronnie Campbell  
Chief Financial Officer

# FY 20 Proposed Operating Budget

# ATTACHMENT A

(\$000's)	FY 18-19	FY 19-20	Variance FY20 Proposed vs FY19 Adopted	
	Adopted Budget	Proposed Budget	\$ Variance	% Variance
<b>Operating Revenue</b>				
Farebox Revenue	82,904	87,739	4,835	5.8%
Special Trains	-	219	219	n/a
Fare Reduction Subsidy	2,732	2,025	(706)	-25.9%
<b>Subtotal-Pro Forma FareBox</b>	<b>85,636</b>	<b>89,983</b>	<b>4,347</b>	<b>5.1%</b>
Dispatching	2,120	2,172	52	2.5%
Other Revenues	490	257	(233)	-47.5%
MOW Revenues	12,561	13,011	450	3.6%
<b>Total Operating Revenue</b>	<b>100,806</b>	<b>105,423</b>	<b>4,617</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
<b><u>Operations &amp; Services</u></b>				
Train Operations	46,872	48,733	1,861	4.0%
Equipment Maintenance	38,133	36,638	(1,496)	-3.9%
Contingency (Train Ops)	-	-	-	n/a
Fuel	18,744	21,730	2,986	15.9%
Non-Scheduled Rolling Stock Repairs	260	160	(100)	-38.5%
Operating Facilities Maintenance	1,684	1,749	65	3.9%
Other Operating Train Services	482	977	495	102.7%
Special Trains		793	793	n/a
Rolling Stock Lease	336	230	(106)	-31.4%
Security - Sheriff	5,889	6,095	206	3.5%
Security - Guards	2,450	2,552	102	4.2%
Supplemental Additional Security	690	660	(30)	-4.3%
Public Safety Program	389	421	32	8.2%
Passenger Relations	1,732	1,797	65	3.7%
TVM Maintenance/Revenue Collection	9,055	9,652	597	6.6%
Marketing	5,380	1,769	(3,610)	-67.1%
Media & External Communications	458	459		0.1%
Utilities/Leases	3,473	2,695	(778)	-22.4%
Transfers to Other Operators	6,496	5,301	(1,195)	-18.4%
Amtrak Transfers	2,400	2,400	-	0.0%
Station Maintenance	1,806	2,230	425	23.5%
Rail Agreements	5,400	6,362	963	17.8%
<b>Subtotal Operations &amp; Services</b>	<b>152,129</b>	<b>153,404</b>	<b>1,276</b>	<b>0.8%</b>
<b><u>Maintenance-of-Way</u></b>				
MoW - Line Segments	40,711	46,254	5,543	13.6%
MoW - Extraordinary Maintenance	591	712	121	20.6%
<b>Subtotal Maintenance-of-Way</b>	<b>41,301</b>	<b>46,966</b>	<b>5,665</b>	<b>13.7%</b>
<b><u>Administration &amp; Services</u></b>				
Ops Salaries & Fringe Benefits	13,782	14,631	849	6.2%
Ops Non-Labor Expenses	7,635	8,792	1,156	15.1%
Indirect Administrative Expenses	17,096	20,755	3,659	21.4%
Ops Professional Services	2,579	3,962	1,383	53.6%
<b>Subtotal Admin &amp; Services</b>	<b>41,093</b>	<b>48,140</b>	<b>7,047</b>	<b>17.1%</b>
<b>Contingency (Non-Train Ops)</b>	<b>204</b>	<b>200</b>	<b>(4)</b>	<b>-2.0%</b>
<b>Total Operating Expenses</b>	<b>234,727</b>	<b>248,710</b>	<b>13,984</b>	<b>6.0%</b>
<b>Insurance and Legal</b>				
Liability/Property/Auto	11,418	11,906	488	4.3%
Net Claims / SI	4,000	1,000	(3,000)	-75.0%
Claims Administration	1,211	1,252	41	3.4%
<b>Net Insurance and Legal</b>	<b>16,629</b>	<b>14,158</b>	<b>(2,471)</b>	<b>-14.9%</b>
<b>TOTAL EXPENSE</b>	<b>251,356</b>	<b>262,869</b>	<b>11,512</b>	<b>4.6%</b>
<b>Net Loss</b>	<b>(150,550)</b>	<b>(157,445)</b>	<b>(6,896)</b>	<b>4.6%</b>
<b>All Member Subsidies</b>	<b>150,550</b>	<b>157,445</b>	<b>6,896</b>	<b>4.6%</b>
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>

Numbers may not foot due to rounding.



# Historical Actual and Budgeted Operating Statements

# ATTACHMENT B

(\$000's)	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY19-20 Proposed Budget vs. FY18-19 Adopted Budget	
	Actual	Actual	Actual	Adopted Budget	Proposed Budget	Variance	%
<b>Operating Revenue</b>							
Farebox Revenue	83,652	82,883	82,542	82,904	87,739	4,835	5.8%
Special Trains	-	-	-	-	219	219	n/a
Fare Reduction Subsidy	873	490	157	2,732	2,025	(706)	-25.9%
<b>Subtotal-Pro Forma FareBox</b>	<b>84,524</b>	<b>83,373</b>	<b>82,699</b>	<b>85,636</b>	<b>89,983</b>	<b>4,347</b>	<b>5.1%</b>
Dispatching	2,120	2,016	2,133	2,120	2,172	52	2.5%
Other Revenues	429	762	463	490	257	(233)	-47.5%
MOW Revenues	12,434	12,384	12,789	12,561	13,011	450	3.6%
<b>Total Operating Revenue</b>	<b>99,507</b>	<b>98,535</b>	<b>98,084</b>	<b>100,806</b>	<b>105,423</b>	<b>4,617</b>	<b>4.6%</b>
<b>Operating Expenses</b>							
<b>Operations &amp; Services</b>							
Train Operations	41,887	41,616	42,116	46,872	48,733	1,861	4.0%
Equipment Maintenance	33,751	35,422	34,242	38,133	36,638	(1,496)	-3.9%
Contingency (Train Ops)				-	-	-	n/a
Fuel	17,381	18,207	17,577	18,744	21,730	2,986	15.9%
Non-Scheduled Rolling Stock Repairs	136	1	56	260	160	(100)	-38.5%
Operating Facilities Maintenance	1,149	1,475	1,493	1,684	1,749	65	3.9%
Other Operating Train Services	239	449	722	482	977	495	102.7%
Special Trains					793	793	n/a
Rolling Stock Lease	638	230	11	336	230	(106)	-31.4%
Security - Sheriff	4,912	5,511	5,662	5,889	6,095	206	3.5%
Security - Guards	1,685	1,283	1,931	2,450	2,552	102	4.2%
Supplemental Additional Security	-	520	227	690	660	(30)	-4.3%
Public Safety Program	217	203	193	389	421	32	8.2%
Passenger Relations	1,748	1,868	1,723	1,732	1,797	65	3.7%
TVM Maintenance/Revenue Collection	6,554	7,934	8,188	9,055	9,652	597	6.6%
Marketing	1,137	716	1,307	5,380	1,769	(3,610)	-67.1%
Media & External Communications	343	249	320	458	459	1	0.1%
Utilities/Leases	2,046	2,614	2,804	3,473	2,695	(778)	-22.4%
Transfers to Other Operators	6,488	6,003	3,818	6,496	5,301	(1,195)	-18.4%
Amtrak Transfers	1,287	1,307	1,678	2,400	2,400	-	0.0%
Station Maintenance	1,418	1,196	1,575	1,806	2,230	425	23.5%
Rail Agreements	5,207	5,155	4,938	5,400	6,362	963	17.8%
<b>Subtotal Operations &amp; Services</b>	<b>128,223</b>	<b>131,960</b>	<b>130,582</b>	<b>152,129</b>	<b>153,404</b>	<b>1,276</b>	<b>0.8%</b>
<b>Maintenance-of-Way</b>							
MoW - Line Segments	37,936	37,355	42,411	40,711	46,254	5,543	13.6%
MoW - Extraordinary Maintenance	1,518	1,260	594	591	712	121	20.6%
<b>Subtotal Maintenance-of-Way</b>	<b>39,453</b>	<b>38,615</b>	<b>43,005</b>	<b>41,301</b>	<b>46,966</b>	<b>5,665</b>	<b>13.7%</b>
<b>Administration &amp; Services</b>							
Ops Salaries & Fringe Benefits	12,892	13,808	12,507	13,782	14,631	849	6.2%
Ops Non-Labor Expenses	5,322	5,046	5,890	7,635	8,792	1,156	15.1%
Indirect Administrative Expenses	12,417	14,090	19,333	17,096	20,755	3,659	21.4%
Ops Professional Services	2,019	1,963	2,687	2,579	3,962	1,383	53.6%
<b>Subtotal Admin &amp; Services</b>	<b>32,651</b>	<b>34,907</b>	<b>40,417</b>	<b>41,093</b>	<b>48,140</b>	<b>7,047</b>	<b>17.1%</b>
Contingency (Non-Train Ops)	47	2	15	204	200	(4)	-2.0%
<b>Total Operating Expenses</b>	<b>200,374</b>	<b>205,484</b>	<b>214,019</b>	<b>234,727</b>	<b>248,710</b>	<b>13,984</b>	<b>6.0%</b>
<b>Insurance and Legal</b>							
Liability/Property/Auto	11,634	11,061	9,748	11,418	11,906	488	4.3%
Net Claims / SI	3,855	5,115	8,551	4,000	1,000	(3,000)	-75.0%
Claims Administration	421	704	585	1,211	1,252	41	3.4%
<b>Net Insurance and Legal</b>	<b>15,909</b>	<b>16,880</b>	<b>18,883</b>	<b>16,629</b>	<b>14,158</b>	<b>(2,471)</b>	<b>-14.9%</b>
<b>Total Expense Before BNSF</b>	<b>216,283</b>	<b>222,364</b>	<b>232,902</b>	<b>251,356</b>	<b>262,869</b>	<b>11,512</b>	<b>4.6%</b>
<b>Loss Before BNSF</b>	<b>(116,776)</b>	<b>(123,829)</b>	<b>(134,818)</b>	<b>(150,550)</b>	<b>(157,445)</b>	<b>(6,896)</b>	<b>4.6%</b>
<b>Member Subsidies</b>							
Operations	109,003	119,148	124,736	133,920	143,287	9,367	7.0%
Insurance	18,079	16,787	17,663	16,629	14,158	(2,471)	-14.9%
<b>Total Member Subsidies</b>	<b>127,082</b>	<b>135,934</b>	<b>142,399</b>	<b>150,550</b>	<b>157,445</b>	<b>6,896</b>	<b>4.6%</b>
<b>Surplus / (Deficit) Before BNSF</b>	<b>10,306</b>	<b>12,106</b>	<b>7,581</b>				
<b>BNSF LEASED LOCOMOTIVE COSTS</b>							
<b>Total BNSF Lease Loco Expenses</b>	<b>10,397</b>	<b>5,669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>Member BNSF Lease Subsidies</b>	<b>11,545</b>	<b>6,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>Surplus / (Deficit) - BNSF Lease</b>	<b>1,148</b>	<b>386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>TOTAL EXPENSE</b>	<b>226,680</b>	<b>228,032</b>	<b>232,902</b>	<b>251,356</b>	<b>262,869</b>	<b>11,512</b>	<b>4.6%</b>
<b>Net Loss</b>	<b>(127,173)</b>	<b>(129,498)</b>	<b>(134,818)</b>	<b>(150,550)</b>	<b>(157,445)</b>	<b>(6,896)</b>	<b>4.6%</b>
<b>All Member Subsidies</b>	<b>138,627</b>	<b>141,989</b>	<b>142,399</b>	<b>150,550</b>	<b>157,445</b>	<b>6,896</b>	<b>4.6%</b>
<b>Surplus / (Deficit)</b>	<b>11,454</b>	<b>12,491</b>	<b>7,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>

Numbers may not foot due to rounding.

# FY2019-20 Proposed Operating Budget by Member Agency

# ATTACHMENT C

(\$000s)	FY2019-20 PROPOSED BUDGET - MEMBER ALLOCATION					
	Metro	OCTA	RCTC	SBCTA	VCTC	Total
<b>Operating Revenue</b>						
Farebox Revenue	\$ 42,967	\$ 24,374	\$ 8,134	\$ 9,891	\$ 2,373	\$ 87,739
Special Trains	97	54	45	18	5	219
Fare Reduction Subsidy	1,187	-	-	839	-	2,025
<b>Subtotal-Pro Forma FareBox</b>	<b>44,250</b>	<b>24,427</b>	<b>8,179</b>	<b>10,748</b>	<b>2,378</b>	<b>89,983</b>
Dispatching	1,122	717	8	64	262	2,172
Other Revenues	123	54	28	36	17	257
MOW Revenues	7,696	2,613	670	1,553	479	13,011
<b>Total Operating Revenue</b>	<b>53,191</b>	<b>27,812</b>	<b>8,884</b>	<b>12,401</b>	<b>3,135</b>	<b>105,423</b>
<b>Operating Expenses</b>						
<b><u>Operations &amp; Services</u></b>						
Train Operations	25,633	10,888	5,317	5,154	1,742	48,733
Equipment Maintenance	18,025	8,451	4,356	4,255	1,552	36,638
Fuel	10,740	5,906	2,283	2,183	618	21,730
Non-Scheduled Rolling Stock Repairs	83	38	16	18	5	160
Operating Facilities Maintenance	905	416	173	200	55	1,749
Other Operating Train Services	486	134	116	164	77	977
Special Trains	303	226	223	37	5	793
Rolling Stock Lease	109	46	26	33	17	230
Security - Sheriff	3,198	1,212	939	628	119	6,095
Security - Guards	1,211	440	380	268	254	2,552
Supplemental Additional Security	324	180	60	79	17	660
Public Safety Program	200	73	63	44	42	421
Passenger Relations	857	501	169	209	59	1,797
TVM Maintenance/Revenue Collection	4,137	2,104	1,596	1,234	581	9,652
Marketing	825	479	193	197	75	1,769
Media & External Communications	218	79	68	48	46	459
Utilities/Leases	1,278	464	401	283	268	2,695
Transfers to Other Operators	2,973	1,192	378	600	159	5,301
Amtrak Transfers	767	1,526	2	3	101	2,400
Station Maintenance	1,378	304	147	303	98	2,230
Rail Agreements	2,215	1,895	1,533	383	337	6,362
<b>Subtotal Operations &amp; Services</b>	<b>75,865</b>	<b>36,554</b>	<b>18,437</b>	<b>16,321</b>	<b>6,228</b>	<b>153,404</b>
<b><u>Maintenance-of-Way</u></b>						
MoW - Line Segments	24,352	9,311	3,423	6,388	2,780	46,254
MoW - Extraordinary Maintenance	417	102	68	76	49	712
<b>Subtotal Maintenance-of-Way</b>	<b>24,769</b>	<b>9,413</b>	<b>3,491</b>	<b>6,464</b>	<b>2,829</b>	<b>46,966</b>
<b><u>Administration &amp; Services</u></b>						
Ops Salaries & Fringe Benefits	6,941	2,531	2,171	1,538	1,451	14,631
Ops Non-Labor Expenses	4,457	1,939	965	1,002	429	8,792
Indirect Administrative Expenses	9,846	3,576	3,088	2,179	2,065	20,755
Ops Professional Services	1,880	683	590	416	394	3,962
<b>Subtotal Admin &amp; Services</b>	<b>23,123</b>	<b>8,729</b>	<b>6,813</b>	<b>5,135</b>	<b>4,339</b>	<b>48,140</b>
<b><u>Contingency</u></b>	<b>95</b>	<b>34</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>200</b>
<b>Total Operating Expenses</b>	<b>123,853</b>	<b>54,730</b>	<b>28,771</b>	<b>27,941</b>	<b>13,416</b>	<b>248,710</b>
<b>Insurance and Legal</b>						
Liability/Property/Auto	6,161	2,834	1,175	1,359	377	11,906
Net Claims / SI	517	238	99	114	32	1,000
Claims Administration	648	298	124	143	40	1,252
<b>Total Net Insurance and Legal</b>	<b>7,326</b>	<b>3,370</b>	<b>1,398</b>	<b>1,616</b>	<b>448</b>	<b>14,158</b>
<b>Total Expense</b>	<b>131,179</b>	<b>58,100</b>	<b>30,168</b>	<b>29,557</b>	<b>13,865</b>	<b>262,869</b>
<b>Member Subsidies</b>						
<b>Total Member Subsidies</b>	<b>\$ 77,988</b>	<b>\$ 30,288</b>	<b>\$ 21,284</b>	<b>\$ 17,156</b>	<b>\$ 10,729</b>	<b>\$ 157,445</b>

Numbers may not foot due to rounding.

**FY2019-20 Proposed Operating Budget  
by Line**

**ATTACHMENT D**

(\$000s)	FY2019-20 PROPOSED BUDGET - LINE ALLOCATION								Total
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	
<b>Operating Revenue</b>									
Farebox Revenue	\$ 19,165	\$ 6,539	\$ 13,141	\$ 8,968	\$ 24,707	\$ 416	\$ 7,862	\$ 6,941	\$ 87,739
Special Trains	33	14	31	11	42	-	57	31	219
Fare Reduction Subsidy	2,025	-	-	-	-	-	-	-	2,025
<b>Subtotal-Pro Forma FareBox</b>	<b>21,223</b>	<b>6,553</b>	<b>13,172</b>	<b>8,979</b>	<b>24,748</b>	<b>416</b>	<b>7,919</b>	<b>6,972</b>	<b>89,983</b>
Dispatching	165	540	369	6	1,029	16	18	31	2,172
Other Revenues	57	36	41	33	46	1	34	10	257
MOW Revenues	3,496	1,535	3,968	299	1,669	187	1,122	733	13,011
<b>Total Operating Revenue</b>	<b>24,942</b>	<b>8,664</b>	<b>17,550</b>	<b>9,317</b>	<b>27,493</b>	<b>619</b>	<b>9,092</b>	<b>7,746</b>	<b>105,423</b>
<b>Operating Expenses</b>									
<b>Operations &amp; Services</b>									
Train Operations	10,456	5,011	10,397	3,070	7,326	959	5,372	6,142	48,733
Equipment Maintenance	8,135	3,799	7,342	2,654	5,247	1,342	4,335	3,784	36,638
Fuel	4,381	1,880	4,583	1,291	3,964	913	2,663	2,055	21,730
Non-Scheduled Rolling Stock Repairs	38	14	34	11	25	5	19	13	160
Operating Facilities Maintenance	411	153	375	123	276	56	212	142	1,749
Other Operating Train Services	313	129	140	116	60	21	88	109	977
Special Trains	72	17	79	11	112	-	189	314	793
Rolling Stock Lease	50	35	37	32	39	-	31	7	230
Security - Sheriff	1,342	330	1,730	265	812	122	674	821	6,095
Security - Guards	372	424	461	382	196	70	289	357	2,552
Supplemental Additional Security	144	49	99	67	186	3	60	52	660
Public Safety Program	61	70	76	63	32	12	48	59	421
Passenger Relations	419	153	295	140	414	18	234	124	1,797
TVM Maintenance/Revenue Collection	1,790	1,355	1,572	931	1,004	410	1,367	1,222	9,652
Marketing	415	140	233	130	445	16	177	212	1,769
Media & External Communications	67	76	83	69	35	13	52	64	459
Utilities/Leases	393	448	487	404	207	74	305	377	2,695
Transfers to Other Operators	1,241	443	1,177	453	1,401	-	174	413	5,301
Amtrak Transfers	-	309	-	-	2,091	-	-	-	2,400
Station Maintenance	640	289	462	194	392	14	39	201	2,230
Rail Agreements	-	627	-	1,939	1,131	12	1,044	1,609	6,362
<b>Subtotal Operations &amp; Services</b>	<b>30,743</b>	<b>15,749</b>	<b>29,662</b>	<b>12,347</b>	<b>25,397</b>	<b>4,059</b>	<b>17,370</b>	<b>18,077</b>	<b>153,404</b>
<b>Maintenance-of-Way</b>									
MoW - Line Segments	13,393	7,447	9,865	1,246	5,930	653	4,165	3,556	46,254
MoW - Extraordinary Maintenance	162	113	138	77	101	8	82	31	712
<b>Subtotal Maintenance-of-Way</b>	<b>13,555</b>	<b>7,560</b>	<b>10,003</b>	<b>1,323</b>	<b>6,031</b>	<b>660</b>	<b>4,247</b>	<b>3,587</b>	<b>46,966</b>
<b>Administration &amp; Services</b>									
Ops Salaries & Fringe Benefits	2,142	2,423	2,648	2,184	1,138	399	1,656	2,040	14,631
Ops Non-Labor Expenses	1,846	927	1,767	761	1,323	218	1,012	938	8,792
Indirect Administrative Expenses	3,028	3,449	3,748	3,109	1,598	569	2,349	2,904	20,755
Ops Professional Services	578	659	716	594	305	109	449	554	3,962
<b>Subtotal Admin &amp; Services</b>	<b>7,595</b>	<b>7,458</b>	<b>8,880</b>	<b>6,647</b>	<b>4,364</b>	<b>1,295</b>	<b>5,466</b>	<b>6,435</b>	<b>48,140</b>
<b>Contingency</b>	<b>29</b>	<b>33</b>	<b>36</b>	<b>30</b>	<b>15</b>	<b>5</b>	<b>23</b>	<b>28</b>	<b>200</b>
<b>Total Operating Expenses</b>	<b>51,922</b>	<b>30,800</b>	<b>48,581</b>	<b>20,347</b>	<b>35,807</b>	<b>6,020</b>	<b>27,105</b>	<b>28,128</b>	<b>248,710</b>
<b>Insurance and Legal</b>									
Liability/Property/Auto	2,797	1,040	2,555	837	1,881	384	1,444	969	11,906
Net Claims / SI	235	87	215	70	158	32	121	81	1,000
Claims Administration	294	109	269	88	198	40	152	102	1,252
<b>Total Net Insurance and Legal</b>	<b>3,326</b>	<b>1,237</b>	<b>3,038</b>	<b>995</b>	<b>2,237</b>	<b>456</b>	<b>1,717</b>	<b>1,152</b>	<b>14,158</b>
<b>Total Expense</b>	<b>55,248</b>	<b>32,037</b>	<b>51,619</b>	<b>21,343</b>	<b>38,044</b>	<b>6,476</b>	<b>28,822</b>	<b>29,280</b>	<b>262,869</b>
<b>Member Subsidies</b>									
<b>Total Member Subsidies</b>	<b>\$ 30,306</b>	<b>\$ 23,373</b>	<b>\$ 34,068</b>	<b>\$ 12,025</b>	<b>\$ 10,551</b>	<b>\$ 5,858</b>	<b>\$ 19,730</b>	<b>\$ 21,533</b>	<b>\$ 157,445</b>

Numbers may not foot due to rounding.

**History of actual and budgeted Operating Subsidy  
with variances, and analysis of FY20 vs FY19**

**ATTACHMENT E**

**Net Local Subsidy by Member Agency**

	<b>Total Net Local Subsidy</b>	<b>Metro Share</b>	<b>OCTA share</b>	<b>RCTC Share</b>	<b>SBCTA Share</b>	<b>VCTC Share</b>
FY19 ADOPTED BUDGET	\$150,549,696	\$75,119,648	\$29,403,103	\$19,659,705	\$16,111,081	\$10,256,160
FY20 PROPOSED BUDGET	\$157,445,412	\$77,988,159	\$30,287,870	\$21,284,172	\$17,156,036	\$10,729,175

<b>YEAR OVER YEAR CHANGE</b>	<b>Total Net Local Subsidy</b>	<b>Metro Share</b>	<b>OCTA share</b>	<b>RCTC Share</b>	<b>SBCTA Share</b>	<b>VCTC Share</b>
FY20 vs FY19						
\$ Increase	\$6,895,716	\$2,868,511	\$884,767	\$1,624,468	\$1,044,955	\$473,015
% Increase	4.6%	3.8%	3.0%	8.3%	6.5%	4.6%

Whole numbers are provided as requested by Member Agencies for their board approval and budget adoption.



METROLINK.

FY2019-20 REHABILITATION CARRYOVER PROJECTS

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
514001	Systemwide	Signage	91-LA- RR CMS & PA System	17,418	-	-	-	-	17,418
514002	Olive	Track	Tie & Track RR	-	68,204	-	-	-	68,204
514003	Orange	Communications	Communication & Equipment	-	-	-	8,472	-	8,472
514004	Orange	Safety	Fencing at San Clemente	-	6,351	-	-	-	6,351
514005	Orange	Signal	Signal & Grade Crossing Rehabilitation	-	650	-	-	-	650
514006	Orange	Structures	Design Santiago Creek	-	3,254	-	-	-	3,254
514007	Orange	Track	Wood Crossties	-	17,752	-	-	-	17,752
514008	Orange	Track	Track & Curve	-	1,491	-	-	2,974	4,466
514009	Orange	Signage	CIS/Signage	-	-	-	24,616	-	24,616
514010	Orange & Olive	Signal	Signal & Gate Detector	-	51,107	-	-	-	51,107
514011	Orange	Structures	ROW Grade, Ditching, Fencing	-	711	-	-	-	711
514012	Pasadena	Track	Timber Crossties	2,681	-	-	-	-	2,681
514013	San Gabriel	Communications	Communication & Equipment	6,579	-	-	4,386	-	10,965
514014	San Gabriel	Structures	Fencing at Fontana, ROW Grading	13,480	-	-	8,986	-	22,466
514015	San Gabriel	Signage	CMS and PA System	9,549	-	-	6,004	-	15,553
514016	San Gabriel	Signal	Detector, Crossing Gates	13,064	-	-	8,709	-	21,773
514017	San Gabriel	Track	Wood Crossties	-	-	-	45,863	68,820	114,683
514018	Valley	Communications	Communication & Equipment	-	-	-	-	11,840	11,840
514024	Valley	Track	Rail and Curves	4,730	-	-	-	-	4,730
514027	Ventura - LA County	Signal	EC4-EC5, Crossing	4,244	-	-	-	-	4,244
514028	Ventura - LA County	Structures	ROW Grading, ETC	562	-	-	-	-	562
514029	Ventura - LA County	Track	Rails & Joints	88	-	-	-	-	88
514030	Ventura - LA County	Track	Curve 130	3,905	-	-	-	-	3,905
514032	Ventura - VC County	Signal	Light Fixtures	2,062	-	-	-	-	2,062
514034	Ventura - VC County	Signal	Signals, Gates	7,906	-	-	-	13,315	21,222
514035	Ventura - VC County	Structures	Culvert, Bridges	2,556	-	-	-	-	2,556
514036	Ventura - VC County	Track	Crossing, MP 436.1	47,629	-	-	-	-	47,629
514037	River	Communications	Communication Upgrade	14,890	5,396	3,015	3,920	-	27,221
514038	River	Structures	Fencing, ROW Grading	46,993	19,589	10,981	14,246	-	91,809
514039	River	Signal	Signal/Gates/CP First RR	11,948	4,980	2,792	3,622	-	23,342
514040	Systemwide	Communications	Facility MOC, TCOSF	1,050	380	213	277	-	1,920
514041	Systemwide	Communications	Communication, Train Control	708	244	137	178	-	1,267
514042	Systemwide	Facilities	Tables, Wheel TM	20,189	7,308	4,097	5,315	-	36,909
514043	Systemwide	Rolling Stock	Fuel Tanker Truck	2,243	708	397	514	-	3,861

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
514044	Systemwide	Facilities	EMF Fuel System	16,178	1,743	982	1,269	-	20,173
514045	Systemwide	Facilities	Storage Racks, Cont.	2,062	747	418	543	-	3,770
514046	Systemwide	IT	Online, Onboard Ticket Sales	19,621	15,628	10,266	11,260	-	56,775
514047	Systemwide	IT	Data Warehouse	23,929	9,975	5,592	7,254	-	46,750
514048	Systemwide	Facilities	TAM Plan, FTA MAP21	1,274	-	-	-	-	1,274
514049	Systemwide	IT	Ticket Sales Solution	1,537	574	321	16,190	32	18,654
514055	Systemwide	Signal	Signals, Grade Crossing	2,801	1,168	655	849	-	5,473
514056	Systemwide	Track	CMF West, Track, Crossing	1,569	654	367	476	-	3,066
514057	Systemwide	Track	Track Meas/Test/Rail Grind	54,296	22,633	12,688	16,460	-	106,077
514058	Systemwide	Vehicle	3 Tire Vehicle Replacement	3,132	-	-	-	-	3,132
514059	Systemwide	Vehicle	3 Vehicle, Buy 18 Vehicle	1,841	863	486	616	-	3,806
514060	Orange	Track	Transition Rails, Joints	-	5,239	-	-	-	5,239
514061	San Gabriel	Track	Transition Rails, Joints	-	-	-	17,099	26,338	43,436
514062	River	Track	Rails, Joints	16,541	6,896	3,107	5,015	-	31,559
514063	Valley	Security	Fencing Lancaster Station	63,604	-	-	-	-	63,604
514065	Systemwide	Track	Track Measurement	10,250	3,710	2,080	2,698	-	18,739
514066	Ventura - LA County	Track	Tunnel 26 Drainage	967	-	-	-	2,362	3,329
515100	Olive	Track	Culvert & Bridge	-	167,553	-	-	-	167,553
515101	Olive	Track	Ground Penetrating Radar	-	178	-	-	-	178
515102	Orange & Olive	Communications	Communication System	-	14,152	-	-	-	14,152
515104	Orange	Structures	ROW Maintenance	-	11,178	-	-	-	11,178
515105	Orange	Structures	Culvert & Bridge	-	1,538,392	-	-	-	1,538,392
515107	Orange	Track	Ground Penetrating Radar	-	-	-	13,509	-	13,509
515108	Orange	Track	Tie	-	57,281	-	-	-	57,281
515109	Pasadena	Signal	Signal Rehabilitation	6,829	-	-	-	-	6,829
515112	Orange	Structures	Grade Crossing	44,797	-	-	-	-	44,797
515113	Riverside	Facilities	Layover Improvements	-	-	418,907	-	-	418,907
515114	San Gabriel	Communications	Communication System	7,397	-	-	4,931	-	12,328
515115	San Gabriel	Signal	Signal Rehabilitation	14,554	-	-	2,103	-	16,656
515116	San Gabriel	Structures	ROW Maintenance	2,756	-	-	1,837	-	4,593
515117	San Gabriel	Track	Ground Penetrating Radar	5,773	-	-	3,848	-	9,621
515118	San Gabriel	Track	Track Rehabilitation	45,124	-	-	30,083	-	75,207
515124	Valley	Structures	ROW Maintenance	102	-	-	-	-	102
515126	Valley	Track	Ground Penetrating Radar	2,854	-	-	-	-	2,854
515127	Ventura - LA County	Communications	Communication System	42,186	-	-	-	-	42,186
515132	Ventura - LA County	Track	Ground Penetrating Radar	62	-	-	-	-	62
515133	Ventura - VC County	Communications	Communication System	10,295	-	-	-	863	11,158
515134	Ventura - VC County	Signal	Cable Replacement	-	-	-	-	5,625	5,625
515137	Ventura - VC County	Track	Sequoia AV Crossing	-	-	-	-	20,255	20,255
515138	River	Communications	Communication Rehabilitation	1,342	559	314	407	203	2,825

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
515139	River	Signal	Cable Replacement	1,250	521	292	379	189	2,631
515141	River	StructuresB86:C100	ROW Maintenance	25,084	8,475	-	6,164	3,082	42,805
515142	River	Track	Ground Penetrating Radar	2,211	2,734	1,439	1,699	4,881	12,965
515143	River	Track	Rail Replacement	2,584	1,077	-	1,387	392	5,441
515145	Systemwide	Facilities	Upgrade CMF Sanding System	2,047	853	478	621	310	4,310
515147	Systemwide	Rolling Stock	PH/PHI Loco Overhaul	431	431	237	308	737	2,144
515148	Systemwide	Rolling Stock	Rail Car Battery	29,696	7,332	-	-	-	37,028
515151	Systemwide	Rolling Stock	Overhaul of Gen 1 Railcars	6,194	65,120	69,420	111,990	45,020	297,744
515152	Systemwide	Communications	PTC Comm & Signal Rehab	-	15,214	8,529	11,065	42,030	76,838
515154	Systemwide	Track	Track Measurement & Test	-	3,672	2,059	2,671	10,145	18,546
515155	Systemwide	Track	Rail Grinding	3,011	1,255	704	913	456	6,338
515159	Valley	Track	Tunnel 25 Drainage	15	-	-	-	2,207	2,222
515412	San Gabriel	Track	Purchase Rail 4 Installation in SBC	-	-	-	46,492	-	46,492
515510	Orange & Olive	Track	Rail Resurface	-	960	-	-	-	960
516069	Systemwide	Facilities	Replace NOX2 Monitoring System	-	-	-	3,985	3,072	7,058
516130	Ventura - VC County	Signal	Elecllogic+Crossing Rehab	-	-	-	-	14,270	14,270
516410	San Gabriel	Track	Track Rehabilitation	-	-	-	78,007	-	78,007
516510	Olive	Track	Rail Grinding	-	1,575	-	-	-	1,575
516511	Olive	Track	Track Panel Replacement	-	12,560	-	-	-	12,560
516610	Orange	Track	Rail Grinding	-	2,082	-	-	-	2,082
516612	Orange	Track	Track Panel Replacement	-	31,799	-	-	-	31,799
516621	Orange	Structures	San Juan Creek Bridge	-	1,200,000	-	-	-	1,200,000
516640	Orange	Communications	Signal & Grade Rehabilitation	-	26,167	-	-	-	26,167
516819	Redlands	Track	Track Rehabilitation	-	-	-	75,569	-	75,569
516820	Riverside	Facilities	Downtown Riverside Layover Improvements	-	-	35,495	-	-	35,495
516930	Perris Valley	Signal	Signal Engineering	-	-	60,417	-	-	60,417
516931	Perris Valley	Signal	Signal Replacement Parts & Grade Crossing	-	-	90,099	-	-	90,099
516940	Perris Valley	Communications	Communication Systems	-	-	4,648	-	-	4,648
517030	Systemwide	Facilities	Replacement Signal Shelter Locks	28,886	12,041	6,750	8,757	4,379	60,813
517040	Systemwide	Communications	Communication & PTC Upgrade	133,146	55,501	31,114	40,364	20,182	280,308
517050	Systemwide	Rolling Stock	Bombardier HVAC Overhaul	340,257	141,833	79,513	103,151	51,576	716,330
517051	Systemwide	Facilities	CMF Elevator Rehabilitation	32,284	13,457	7,545	9,786	4,893	67,965
517052	Systemwide	Facilities	Locomotive Wash Rack Drainage	748,819	312,139	174,988	149,488	74,744	1,460,178
517053	SB Shortway	Facilities	New LTG & Forklift	179,235	74,713	41,884	54,337	-	350,168
517054	Systemwide	Facilities	Rehabilitation Canopies 2-4 LAUS	452,255	188,792	105,839	137,303	68,651	952,840
517055	Systemwide	Facilities	Rehabilitation Canopy 5 LAUS	381,075	158,848	89,051	115,526	57,763	802,263
517110	Ventura - VC County	Track	Replacement Rail Curve 437.76	-	-	-	-	111,463	111,463
517122	Ventura - VC County	Structures	Replacement Culvert MP 436	-	-	-	-	39,044	39,044
517130	Ventura - VC County	Signal	Replacement Signal Battery & Cables	-	-	-	-	294,145	294,145
517140	Ventura - VC County	Communications	Communication Signage Rehabilitation	-	-	-	-	138,277	138,277

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
517310	Valley	Track	Replacement Rail & Ties	59,565	-	-	-	-	59,565
517330	Valley	Signal	Rehabilitation Signal Cont Units	2,360	-	-	-	-	2,360
517410	San Gabriel	Track	Tie Panel Replacement	85,144	-	-	56,702	-	141,846
517420	San Gabriel	Structures	Culvert Rehabilitation	133,605	-	-	89,070	-	222,675
517431	San Gabriel	Signal	Signal Rehabilitation	14,891	-	-	9,927	-	24,818
517440	San Gabriel	Communications	Communication Rehabilitation	7,890	-	-	5,260	-	13,150
517610	Orange	Track	Replacement Rail MP 201-207	-	187,482	-	-	-	187,482
517620	Orange	Structures	Replacement 36" Pipe 201.4	-	411,929	-	-	-	411,929
517640	Orange & Olive	Communications	Rehabilitation Signage	-	21,687	-	-	-	21,687
517710	River Sub - East Bank	Track	Replacement Rail and Ties	106,552	26,240	24,900	32,302	16,151	206,144
517711	River	Track	Replacement Turnouts	49,648	20,695	11,602	15,051	7,526	104,522
517712	River Sub - East Bank	Track	Rail & Tie - EB Zone 2	194,514	81,083	45,459	58,942	29,490	409,488
517713	River Sub - East Bank	Track	Tie & Rail - EB Zone 3	27,966	11,656	6,536	8,477	4,240	58,875
517731	River Sub - East Bank	Signal	Signal Controls Rehabilitation - EB	38,419	16,014	8,978	11,647	5,824	80,883
517740	River Sub - East Bank	Communications	Communication Rehabilitation - EB	3,908	1,629	909	1,183	594	8,223
517940	PVL	Communications	Communication & PTC Rehabilitation	-	-	58,821	-	-	58,821
518050	Systemwide	Rolling Stock	Bombardier (Sentinel) Overhaul	6,734,259	2,807,122	1,573,690	1,958,734	979,368	14,053,174
518110	Ventura - VC County	Track	Replacement Tie+Ballast	-	-	-	-	1,448,098	1,448,098
518140	Ventura - VC County	Communications	Wayside Communication System Replacement	-	-	-	-	25,441	25,441
518620	Orange	Structures	Culvert Replacement - San Clemente	-	966,585	-	-	-	966,585
518630	Orange	Track	Grade Crossing Rehabilitation	-	295,291	-	-	-	295,291
518640	Orange & Olive	Communications	Wayside Communication System Replacement	-	108,337	-	-	-	108,337
518940	PVL	Communications	Wayside Communication System Replacement	-	-	29,955	-	-	29,955
519010	Systemwide	Track	Rail Grinding	1,028,584	195,354	201,868	261,883	130,941	1,818,630
519011	Systemwide	Track	Track Asset Condition Assessments	340,884	142,095	79,659	103,342	51,671	717,651
519012	Systemwide	Track	SOGR Prioritization	499,703	-	82,418	106,920	53,460	742,500
519020	River	Structures	Arroyo Seco Bridge Design	587,813	245,025	137,363	178,200	89,100	1,237,500
519031	Systemwide	Signal	Back Office Hardware & Software Replacement	752,885	-	124,176	161,093	80,546	1,118,700
519032	Systemwide	Signal	Back Office Systems Upgrades & Testing	398,096	-	65,659	85,180	42,590	591,525
519033	Shortway	Signal	Grade Crossing Rehabilitation	551,385	229,840	128,859	167,155	-	1,077,239
519034	Shortway	Facilities	EMF Improvement	450,606	187,831	105,307	136,604	-	880,348
519040	Systemwide	Communications	PTC Software Updates	732,897	-	120,879	156,816	78,408	1,089,000
519041	Systemwide	Facilities	PTC Lab Systems Support & Testing	1,029,828	166,127	197,253	255,895	127,948	1,777,050
519050	Systemwide	Rolling Stock	Bombardier Midlife Overhaul	12,743,081	748,886	2,225,273	2,886,840	1,443,420	20,047,500
519051	Systemwide	Rolling Stock	Locomotive & Cab Car Camera & DVR Replc	517,216	215,597	120,865	156,798	78,399	1,088,876
519052	Systemwide	Rolling Stock	Overhaul ROTEM Side Door Motors	271,569	113,202	63,461	82,328	41,164	571,725
519053	Systemwide	Rolling Stock	HAVC Overhaul - 40 ROTEM Cars	522,965	217,994	122,209	158,541	79,270	1,100,979
519054	Systemwide	Rolling Stock	Rubber Window Gaskets Replc - 50 ROTEM	312,951	130,451	73,132	94,874	47,437	658,845
519055	Systemwide	Rolling Stock	Push Back Coupler Overhaul - ROTEM	1,639,762	683,522	383,186	497,107	248,553	3,452,130
519060	Systemwide	Facilities	CMF Car Shop Jacks	449,285	109,622	92,182	119,588	59,794	830,471



PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
519061	Systemwide	Facilities	CMF Public Address System	79,753	-	13,154	17,064	8,532	118,503
519062	Systemwide	Facilities	Renovate Restrooms CMF & MOC	428,304	178,535	100,088	129,844	64,922	901,692
519063	Systemwide	Vehicle	MOW Vehicle Replacement	1,083,829	128,759	199,996	259,455	129,727	1,801,765
519064	Systemwide	Facilities	Station Envelope Repairs/Replacement	269,973	129,611	53,995	86,427	53,995	594,000
519070	Systemwide	IT	Switch Equipment Replacement	117,421	48,946	27,440	35,597	17,799	247,203
519090	Systemwide	Track	Enterprise Asset Management Migration	553,484	230,716	129,341	167,793	83,897	1,165,230
519091	Systemwide	IT	TVM Components	94,050	39,204	21,978	28,512	14,256	198,000
519092	Systemwide	IT	Condition Based Maintenance Test Equipment	50,720	-	8,366	10,852	5,426	75,364
519093	Systemwide	IT	Maximo Asset Management System Upgrade	661,456	-	109,096	141,530	70,765	982,847
519120	Ventura - VC County	Structures	Arroyo Simi 1st Crossing Scour Protection	-	-	-	-	1,504,755	1,504,755
519130	Ventura - VC County	Structures	Grade Crossing & Tunnel 26 Electrical Rplc	-	-	-	-	1,008,137	1,008,137
519140	Ventura - VC County	Structures	Wayside Communication System Replacement	-	-	-	-	86,624	86,624
519160	Ventura - VC County	Structures	Replace Moorpark Trailer (Crew Base)	-	-	-	-	1,527,187	1,527,187
519210	Ventura - LA County	Track	Track Rehabilitation	1,539,501	-	-	-	-	1,539,501
519211	Ventura - LA County	Track	Station Pedestrian Crossing	248,292	-	-	-	-	248,292
519220	Ventura - LA County	Track	ROW Grading/Ditching	221,612	-	-	-	-	221,612
519230	Ventura - LA County	Signal	Tunnel 26 Electrical Service Replacement	355,123	-	-	-	-	355,123
519240	Ventura - LA County	Communications	Wayside Communication System Replacement	49,500	-	-	-	-	49,500
519310	Valley	Track	Tunnel 25 Track Rehab	742,138	-	-	-	-	742,138
519320	Valley	Track	ROW Grading/Ditching	221,612	-	-	-	-	221,612
519330	Valley	Signal	Signal Rehabilitation	695,435	-	-	-	-	695,435
519340	Valley	Communications	Wayside Communication System Replacement	99,000	-	-	-	-	99,000
519410	San Gabriel	Track	Track Rehabilitation	2,565,189	-	-	1,710,126	-	4,275,315
519411	San Gabriel	Track	Replace Turnouts	1,391,089	-	-	927,392	-	2,318,481
519420	San Gabriel	Structures	Bridge Replacement	459,756	-	-	306,504	-	766,260
519430	San Gabriel	Signal	Signal Rehabilitation	2,225,350	-	-	1,483,566	-	3,708,916
519440	San Gabriel	Communications	Wayside Communication Replacement Parts	193,050	-	-	128,700	-	321,750
519510	Orange & Olive	Track	Track Rehabilitation	-	5,168,790	-	-	-	5,168,790
519520	Orange & Olive	Track	ROW Grading/Ditching	-	207,653	-	-	-	207,653
519620	Orange	Structures	San Juan Creek Bridge Replacement	-	17,402,153	-	-	-	17,402,153
519621	Orange	Structures	Bridge Replacement Design MP200.2	-	989,901	-	-	-	989,901
519630	Orange	Signal	Signal Rehabilitation	-	1,497,132	-	-	-	1,497,132
519640	Orange	Communications	Communication Rehabilitation	-	346,356	-	-	-	346,356
519710	River	Track	LAUS Rehabilitation	1,253,920	-	206,813	268,298	134,149	1,863,180
519711	River	Track	Track Rehabilitation	1,330,337	554,541	310,879	403,302	201,651	2,800,710
519712	River	Track	LAUS Track & Signal Rehabilitation	2,363,006	985,001	552,197	716,364	358,182	4,974,750
519730	River	Signal	Signal Rehabilitation	1,589,612	111,222	280,524	363,923	181,961	2,527,242
519731	River Sub - East Bank	Signal	Signal Rehabilitation - River EB Zone 2	73,586	30,674	17,196	22,308	11,154	154,918
519732	River Sub - West Bank	Signal	Signal Rehabilitation - River WB Phase 1	1,557,563	371,528	318,171	412,763	206,381	2,866,406
519733	River Sub - East Bank	Signal	Replace AC Meter - River EB Zone 1	2,715	1,132	634	823	411	5,715

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
519740	River Sub - West Bank	Communications	Communication Rehabilitation - River WB	118,801	21,748	23,181	30,073	15,037	208,841
519741	River Sub - East Bank	Communications	Communication Rehabilitation - River EB	9,367	3,905	2,189	2,840	1,420	19,720
519760	Systemwide	Facilities	LAUS West Portal Ticket Booth Expansion	284,501	118,592	66,483	86,249	43,124	598,950
519910	Perris Valley	Track	Track Rehabilitation	-	-	3,220,623	-	-	3,220,623
519911	Perris Valley	Structures	Box Springs Area Drainage Assessment	-	-	197,374	-	-	197,374
519940	Perris Valley	Communications	Communication Rehabilitation	-	-	123,748	-	-	123,748
591702	Ventura - LA County	Track	ROW Grading/Ditching	-	-	-	-	8,337	8,337
591704	Ventura - LA County	Signal	Signal Rehabilitation	-	-	-	-	719	719
591705	Systemwide	Facilities	CMF & EMF Material Hand Equipment	40,619	16,931	9,492	12,314	6,156	85,512
591706	Systemwide	Vehicle	Field Support Vehicle	179,340	74,756	41,909	54,368	27,184	377,557
591707	Systemwide	Communications	Replacement Switch Equipment	5,187	2,162	1,212	1,573	787	10,921
591708	River	Track	ROW Grading	21,675	9,035	5,065	6,571	3,285	45,631
591709	Systemwide	Rolling Stock	Sentinel LED Light Replacement	87,367	36,418	20,416	26,486	13,243	183,931
591710	Ventura - VC County	Facilities	Moorpark Layover Hrdngd	-	-	-	-	174,113	174,113
591711	Ventura - VC County	Track	Moorpark Pedestrian Crossing Pnls	-	-	-	-	38,798	38,798
591712	San Gabriel	Track	Sierra Avenue Grace Crossing	19,074	-	-	9,187	-	28,261
591713	San Gabriel	Track	Juniper Avenue Grade Crossing	33,760	-	-	16,441	-	50,201
591714	Orange	Communications	Laguna Niguel Station CIS	-	26,892	-	-	-	26,892
591801	Orange	Facilities	Marine Sec Improvements	-	22,898	-	-	-	22,898
591804	Ventura - VC County	Facilities	Safety Improvements	-	-	-	-	243,912	243,912
591805	San Gabriel	Communications	Conduit Discovery	-	-	-	8,485	-	8,485
591901	Valley	Track	Tunnel 25 Urgent Rehabilitation	62,454	-	-	-	-	62,454
591902	Orange	Track	Slope Stabilization	-	1,682,933	-	-	-	1,682,933
592110	Ventura - VC County	Track	Track State of Good Repair	-	-	-	-	92,324	92,324
592111	Ventura - VC County	Track	Turnout at CP Santa Susana	-	-	-	-	227,141	227,141
592112	Ventura - VC County	Track	Katherine Road Crossing	-	-	-	-	309,783	309,783
592120	Ventura - VC County	Structures	Bridge and Culvert Rehab	-	-	-	-	1,103,547	1,103,547
592210	Ventura - LA County	Track	Tie & Turnout Replacement	396,583	-	-	-	-	396,583
592220	Ventura - LA County	Structures	Bridge MP 458.71	1,477,300	-	-	-	-	1,477,300
592221	Systemwide	Structures	SOGR Bridge Design	634	-	-	-	-	634
592320	Valley	Structures	Bridge MP 50.64	614,170	-	-	-	-	614,170
592321	Valley	Structures	Bridge MP 50.51	628,651	-	-	-	-	628,651
592322	Valley	Structures	Bridge MP 50.77	632,654	-	-	-	-	632,654
592323	Valley	Structures	Bridge MP 47.45	370,098	-	-	-	-	370,098
592324	Valley	Structures	Bridge MP 50.46	632,284	-	-	-	-	632,284
592326	Valley	Structures	Culvert MP 53.84	35,883	-	-	-	-	35,883
592327	Valley	Structures	Culvert MP 54.13	19,710	-	-	-	-	19,710
592328	Valley	Structures	Culvert MP 66.78	256,779	-	-	-	-	256,779
592420	San Gabriel	Structures	Replacement Bridge MP 40.12 SOGR	681,974	-	-	454,650	-	1,136,624
592711	River	Track	Replacement CP Taylor Turnouts	80,038	33,363	18,704	24,264	12,132	168,502

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
592712	River Sub - East Bank	Track	Rail & Tie - East Bank Zone 1	46,124	19,226	10,768	13,990	6,995	97,103
592713	River Sub - East Bank	Track	Turnouts SOGR - EB Zone 2	32,843	13,694	7,679	9,954	4,987	69,157
593220	Ventura - LA County	Structures	Bridge 452.1	697,752	-	-	-	-	697,752
593310	Valley	Track	LANG,ACTN TO,Ties	1,138,159	-	-	-	-	1,138,159
593320	Valley	Structures	Bridge SOGR Phase 2	5,941,161	-	-	-	-	5,941,161
593321	Valley	Structures	Culverts SOGR Phase 2	130,202	-	-	-	-	130,202
593410	San Gabriel	Track	Lark Ellen Crossing	198,768	-	-	132,511	-	331,280
<b>TOTAL</b>				<b>70,685,151</b>	<b>43,232,103</b>	<b>13,471,624</b>	<b>17,599,076</b>	<b>14,316,904</b>	<b>159,304,859</b>



METROLINK

FY2019-20 NEW CAPITAL CARRYOVER PROJECTS

PROJECT #	SUBDIVISION	CATEGORY	PROJECT NAME	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL CARRYOVER
414002	Valley	Track	Vinct/Acton 2nd Platform-Const	191,244	-	-	-	-	191,244
417005	San Gabriel	Track	Sierra Avenue Grade Crossing Improvement	-	-	-	89,036	-	89,036
417006	San Gabriel	Track	Juniper Avenue Grade Crossing Improvement	-	-	-	83,694	-	83,694
417007	Orange	Signal	CP 4th Street, Santa Ana	-	986,262	-	-	-	986,262
418002	Orange	Facilities	OCMF Project Study Report	-	59,511	-	-	-	59,511
418003	Orange	Signal	San Juan Capistrano Siding	-	3,788,651	-	-	-	3,788,651
418004	San Gabriel	Communication	Redlands Pass Rail PTC	-	-	-	5,117,707	-	5,117,707
418005	River	Track	CMF N END Connect Des	759,069	316,412	177,382	230,118	-	1,482,981
419001	Orange	Facilities	Irvine Maintenance Facility Phase I	-	198,000	-	-	-	198,000
419002	Perris Valley	Communication	Santiago Peak Microwaves	-	-	198,000	-	-	198,000
419003	Riverside	Structures	Riverside Layover Facility	-	-	167,706	-	-	167,706
491901	San Bernardino	Communication	LCD Signs	-	-	-	22,938	-	22,938
618001	Systemwide	IT	Ticket Vending Machine Replacement	9,839,485	1,859,158	3,619,066	2,979,891	4,751,913	23,049,514
TBD	Systemwide	Business Systems	Project Studies	60,300	218,450	122,400	158,950	7,900	568,000
<b>TOTAL</b>				<b>10,850,098</b>	<b>7,426,444</b>	<b>4,284,555</b>	<b>8,682,335</b>	<b>4,759,813</b>	<b>36,003,245</b>



REHABILITATION PROJECT PROPOSALS FOR FY2020 BUDGET - 04/18/19

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ROW #	CREATOR	PROJECT #	TYPE	SUBDIVISION	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	TOTAL ORIGINAL REQUEST	FUNDED REQUEST					TOTAL FUNDED REQUEST
											METRO	OCTA	RCTC	SBCTA	VCTC	
1	BUSHMANM	1899	Rehab	Valley	3.67 - 76.63	Worn	High	Track	Valley Subdivision Track Rehabilitation	10,820,000	9,674,706	-	-	-	-	9,674,706
2	BUSHMANM	1900	Rehab	San Gabriel	1.08 - 33.68	Worn	High	Track	San Gabriel Subdivision Track Rehabilitation	7,280,000	4,368,000	-	-	2,912,000	-	7,280,000
3	BUSHMANM	1901	Rehab	Ventura - LA County	441.24 - 462.39	Worn	High	Track	Ventura Subdivision (LA) Track Rehabilitation	3,910,000	2,296,800	-	-	-	-	2,296,800
4	BUSHMANM	1902	Rehab	Orange	165.08 - 212.30	Worn	High	Track	Orange/Olive Subdivision Track Rehabilitation	7,230,000	-	7,230,000	-	-	-	7,230,000
5	BUSHMANM	1906	Rehab	Ventura - VC County	426.4 - 441.24	Worn	High	Track	Ventura Subdivision (VC) Track Rehabilitation	1,870,000	-	-	-	-	1,870,000	1,870,000
6	LABRECHP	1920	Rehab	Ventura - LA County	444.4 - 462.16	Worn	High	Signals	Signal System Rehabilitation - LA County	2,931,960	-	-	-	-	-	-
7	LABRECHP	1921	Rehab	Ventura - VC County	426.4 - 442.62	Worn	High	Signals	Signal System Rehabilitation - Ventura County	1,755,870	-	-	-	-	1,755,870	1,755,870
8	LABRECHP	1922	Rehab	Ventura - LA County	445.17 - 461.46	Worn	High	Signals	Grade Crossing Warning System Rehabilitation - LA County	2,248,260	-	-	-	-	-	-
9	LABRECHP	1923	Rehab	Ventura - VC County	426.97 - 444.67	Worn	High	Signals	Grade Crossing Warning System Rehabilitation - Ventura County	2,022,480	-	-	-	-	2,022,480	2,022,480
10	HARRINGTONG	1928	Rehab	All	N/A	Marginal	Low	Rolling Stock	Overhaul Rotem Car Side Door Mechanisms & Components	621,460	295,194	123,049	68,982	89,490	44,745	621,460
11	HARRINGTONG	1929	Rehab	All	N/A	Marginal	Low	Rolling Stock	HVAC Overhaul for Forty (40) Rotem Passenger Cars Phase II	1,301,110	618,027	257,620	144,423	187,360	93,680	1,301,110
12	STEWARTM	1930	Rehab	All	N/A	Worn	High	Rolling Stock	Gen 1 HVAC Overhaul (Additional 40 Cars)	928,000	440,800	183,744	103,008	133,632	66,816	928,000
13	LABRECHP	1931	Rehab	Valley	4.8 - 76.62	Worn	High	Signals	Signal System Rehabilitation - Valley Subdivision	3,980,400	1,609,745	-	-	-	-	1,609,745
14	LABRECHP	1932	Rehab	Valley	5.81 - 76.05	Worn	High	Signals	Grade Crossing Warning System Rehabilitation - Valley Subdivision	2,171,030	695,984	-	-	-	-	695,984

ROW #	CREATOR	PROJECT #	TYPE	SUBDIVISION	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	TOTAL ORIGINAL REQUEST	FUNDED REQUEST					TOTAL FUNDED REQUEST
											METRO	OCTA	RCTC	SBCTA	VCTC	
15	LABRECHEP	1934	Rehab	San Gabriel	1.90 - 57.6	Worn	High	Signals	Signal System Rehabilitation - San Gabriel Subdivision LA/SB County	1,411,330	846,798	-	-	564,532	-	1,411,330
16	LABRECHEP	1935	Rehab	San Gabriel	12.70 - 55.24	Worn	High	Signals	Grade Crossing Warning System Rehabilitation - LA/SB County	4,548,035	2,728,821	-	-	1,819,214	-	4,548,035
17	LIBRINGD	1943	Rehab	Orange	165.08 - 212.30	Worn	High	Structures	Orange County - Structures Rehabilitation	2,380,000	-	2,380,000	-	-	-	2,380,000
18	CONLEYD	1944	Rehab	San Gabriel	1.08 - 57.66	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation San Gabriel	343,200	205,920	-	-	137,280	-	343,200
19	CONLEYD	1945	Rehab	Orange	165.08 - 212.30	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation Orange	601,700	-	601,700	-	-	-	601,700
20	CONLEYD	1946	Rehab	Valley	3.67 - 76.63	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation Valley	347,600	347,600	-	-	-	-	347,600
21	LIBRINGD	1947	Rehab	Ventura - VC County	426.4 - 441.24	Worn	High	Structures	Ventura County - Structures Rehabilitation	2,500,000	-	-	-	-	2,500,000	2,500,000
22	LIBRINGD	1948	Rehab	San Gabriel	1.08 - 56.52	Worn	High	Structures	San Gabriel Subdivision - Structures Rehabilitation	2,313,000	1,387,800	-	-	925,200	-	2,313,000
23	CONLEYD	1949	Rehab	Ventura - VC County	404.5 - 442.0	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation Ventura	189,475	-	-	-	-	189,475	189,475
24	LIBRINGD	1950	Rehab	Ventura - LA County	441.24 - 462.39	Worn	High	Structures	Ventura Subdivision - Los Angeles County - Structures Rehabilitation	2,854,000	-	-	-	-	-	-
25	LIBRINGD	1951	Rehab	Valley	3.67 - 76.63	Worn	High	Structures	Valley Subdivision - Los Angeles County - Structures Rehabilitation	6,406,750	-	-	-	-	-	-
26	CONLEYD	1952	Rehab	Ventura - LA County	442.0 - 462.39	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation Ventura (LA)	380,600	380,600	-	-	-	-	380,600
27	CONLEYD	1954	Rehab	San Jacinto (PVL)	65.0 - 85.40	Good	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation PVL	314,600	-	-	314,600	-	-	314,600
28	CONLEYD	1956	Rehab	River	0.0 - 485.20, 143.83	Marginal	High	Communications	ATCS/PTC/CIS/Backhaul Rehabilitation River	248,600	118,085	49,223	27,595	35,798	17,899	248,600
29	POGHOSYANE	1957	Rehab	All	N/A	Worn	High	Non-Revenue Fleet	MOW Vehicle Replacement	2,640,220	1,254,105	522,764	293,064	380,192	190,096	2,640,220
30	POGHOSYANE	1958	Rehab	All	N/A	Worn	Low	Facilities	Facilities Rehabilitation	3,095,000	1,470,125	612,810	343,545	445,680	222,840	3,095,000

ROW #	CREATOR	PROJECT #	TYPE	SUBDIVISION	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	TOTAL ORIGINAL REQUEST	FUNDED REQUEST					TOTAL FUNDED REQUEST	
											METRO	OCTA	RCTC	SBCTA	VCTC		
31	POGHOSYANE	1959	Rehab	All	N/A	Worn	Low	Non-Revenue Fleet	MOW Total Loss Vehicle Replacement	508,000	241,300	100,584	56,388	73,152	36,576	508,000	
32	AZEVEDOA	1979	Rehab	All	N/A	Worn	High	Track	Rail Grinding FY20	979,000	465,025	193,842	108,669	140,976	70,488	979,000	
33	AZEVEDOA	1981	Rehab	All	N/A	Worn	High	Track	Systemwide Lubrication Study & Implementation	1,144,000	543,400	226,512	126,984	164,736	82,368	1,144,000	
34	HOLMANS	2004	Rehab	Valley	N/A	Worn	Low	Signals	Pedestrian Gates at Stations	1,500,015	1,500,015	-	-	-	-	1,500,015	
35	HOLMANS	2019	Rehab	All	N/A	Worn	Low	Non-Revenue Fleet	Overhaul Current Specialized MOW Equipment; Phase 1	1,000,020	475,010	198,004	111,002	144,003	72,001	1,000,020	
											<b>84,775,715</b>	<b>31,963,859</b>	<b>12,679,851</b>	<b>1,698,261</b>	<b>8,153,245</b>	<b>9,235,335</b>	<b>63,730,550</b>



NEW CAPITAL PROJECT PROPOSALS FOR FY2020 BUDGET - 04/18/19

VERSION 8: 04.18.19

ROW #	CREATOR	PROJECT #	TYPE	SUBDIVISION	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	TOTAL ORIGINAL REQUEST	FUNDED REQUEST					TOTAL FUNDED REQUEST	
											METRO	OCTA	RCTC	SBCTA	VCTC		
1	LABRECHEP	1942	Capital	All	ALL	N/A	N/A	Signals	Purchase & Set-Up Trailerized Back-Up Generator Set	105,930	50,317	20,974	11,758	15,254	7,627	105,930	
2	HOLMANS	2001	Capital	All	N/A	Marginal	Low	Facilities	Specialized Maintenance Equipment, Phase 1	1,100,030	522,514	217,806	122,103	158,404	79,202	1,100,030	
3	HOLMANS	2082	Capital	San Jacinto (PVL)	N/A	N/A	N/A	Signals	Riverside Yard Switch	434,000	150,750	-	212,508	70,742	-	434,000	
4	HARRINGTONG	2080	Capital	All	N/A	Adequate	Low	Rolling Stock	MP36 Locomotive Overhaul & Tier IV Conversion	650,000	308,750	128,700	72,150	93,600	46,800	650,000	
5	HOLMANS	2081	Capital	All	N/A	N/A	N/A	Facilities	CMF and EMF modernization	750,000	356,250	148,500	83,250	108,000	54,000	750,000	
											<b>3,039,960</b>	<b>1,388,581</b>	<b>515,980</b>	<b>501,770</b>	<b>446,000</b>	<b>187,629</b>	<b>3,039,960</b>



**FY2020-21 Forecast - Operating Budget  
by Member Agency**

**ATTACHMENT J**

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	Total
<b>Operating Revenue</b>						
Farebox Revenue	\$ 43,955	\$ 24,935	\$ 8,321	\$ 10,119	\$ 2,428	\$ 89,757
Special Event Trains	99	55	46	19	5	224
Fare Reduction Subsidy	756	-	-	534	-	1,290
<b>Subtotal-Pro Forma FareBox</b>	<b>44,810</b>	<b>24,989</b>	<b>8,367</b>	<b>10,672</b>	<b>2,433</b>	<b>91,270</b>
Dispatching	1,156	739	8	66	270	2,237
Other Revenues	123	54	28	36	17	257
MOW Revenues	7,927	2,692	690	1,600	493	13,401
<b>Total Operating Revenue</b>	<b>54,015</b>	<b>28,474</b>	<b>9,092</b>	<b>12,373</b>	<b>3,212</b>	<b>107,166</b>
<b>Operating Expenses</b>						
<b>Operations &amp; Services</b>						
Train Operations	26,530	11,269	5,503	5,334	1,803	50,439
Equipment Maintenance	18,566	8,704	4,486	4,382	1,598	37,737
Fuel	11,259	6,191	2,394	2,288	648	22,780
Non-Scheduled Rolling Stock Repairs	83	38	16	18	5	160
Operating Facilities Maintenance	932	429	178	206	57	1,802
Other Operating Train Services	501	138	119	169	80	1,007
Special Trains	312	233	230	38	5	817
Rolling Stock Lease	109	46	26	33	17	230
Security - Sheriff	3,310	1,254	971	650	124	6,309
Security - Guards	1,247	453	391	276	262	2,628
Supplemental Additional Security	332	184	61	81	18	676
Public Safety Program	206	75	65	46	43	434
Passenger Relations	883	516	174	216	61	1,851
TVM Maintenance/Revenue Collection	3,645	1,854	1,406	1,087	512	8,503
Marketing	850	493	199	203	78	1,822
Media & External Communications	228	83	72	51	48	481
Utilities/Leases	1,304	474	409	289	273	2,748
Transfers to Other Operators	3,062	1,228	389	618	164	5,460
Amtrak Transfers	767	1,526	2	3	101	2,400
Station Maintenance	1,433	316	153	315	102	2,319
Rail Agreements	2,303	1,971	1,594	398	350	6,617
<b>Subtotal Operations &amp; Services</b>	<b>77,862</b>	<b>37,475</b>	<b>18,837</b>	<b>16,698</b>	<b>6,348</b>	<b>157,221</b>
<b>Maintenance-of-Way</b>						
MoW - Line Segments	25,814	9,869	3,628	6,771	2,947	49,029
MoW - Extraordinary Maintenance	434	106	71	79	51	740
<b>Subtotal Maintenance-of-Way</b>	<b>26,247</b>	<b>9,975</b>	<b>3,699</b>	<b>6,850</b>	<b>2,998</b>	<b>49,770</b>
<b>Administration &amp; Services</b>						
Ops Salaries & Fringe Benefits	7,288	2,658	2,279	1,614	1,523	15,362
Ops Non-Labor Expenses	4,591	1,997	994	1,032	442	9,055
Indirect Administrative Expenses	10,240	3,719	3,212	2,266	2,148	21,585
Ops Professional Services	1,917	696	601	424	402	4,041
<b>Subtotal Admin &amp; Services</b>	<b>24,036</b>	<b>9,070</b>	<b>7,086</b>	<b>5,338</b>	<b>4,515</b>	<b>50,044</b>
<b>Contingency</b>	<b>95</b>	<b>34</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>200</b>
<b>Total Operating Expenses</b>	<b>128,240</b>	<b>56,555</b>	<b>29,652</b>	<b>28,907</b>	<b>13,881</b>	<b>257,235</b>
<b>Insurance and Legal</b>						
Liability/Property/Auto	6,346	2,919	1,210	1,400	388	12,263
Net Claims / SI	533	245	102	118	33	1,030
Claims Administration	668	307	127	147	41	1,290
<b>Total Net Insurance and Legal</b>	<b>7,546</b>	<b>3,471</b>	<b>1,439</b>	<b>1,664</b>	<b>462</b>	<b>14,583</b>
<b>Total Expense</b>	<b>135,786</b>	<b>60,026</b>	<b>31,092</b>	<b>30,572</b>	<b>14,342</b>	<b>271,818</b>
<b>Member Subsidies</b>						
<b>Total Member Subsidies</b>	<b>\$ 81,771</b>	<b>\$ 31,553</b>	<b>\$ 21,999</b>	<b>\$ 18,199</b>	<b>\$ 11,130</b>	<b>\$ 164,652</b>

Numbers may not foot due to rounding.

**FY2021-22 Forecast - Operating Budget  
by Member Agency**

**ATTACHMENT K**

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	Total
<b>Operating Revenue</b>						
Farebox Revenue	\$ 44,614	\$ 25,309	\$ 8,446	\$ 10,271	\$ 2,464	\$ 91,103
Special Event Trains	102	56	47	19	6	231
Fare Reduction Subsidy	309	-	-	218	-	527
<b>Subtotal-Pro Forma FareBox</b>	<b>45,025</b>	<b>25,365</b>	<b>8,493</b>	<b>10,508</b>	<b>2,470</b>	<b>91,861</b>
Dispatching	1,190	761	8	68	278	2,305
Other Revenues	125	55	28	36	17	262
MOW Revenues	8,165	2,772	710	1,648	508	13,803
<b>Total Operating Revenue</b>	<b>54,505</b>	<b>28,953</b>	<b>9,240</b>	<b>12,260</b>	<b>3,272</b>	<b>108,230</b>
<b>Operating Expenses</b>						
<b>Operations &amp; Services</b>						
Train Operations	27,592	11,720	5,723	5,547	1,875	52,456
Equipment Maintenance	19,122	8,965	4,621	4,514	1,646	38,869
Fuel	11,007	6,053	2,340	2,237	633	22,270
Non-Scheduled Rolling Stock Repairs	83	38	16	18	5	160
Operating Facilities Maintenance	960	442	183	212	59	1,856
Other Operating Train Services	516	142	123	174	82	1,037
Special Trains	321	240	236	39	6	842
Rolling Stock Lease	-	-	-	-	-	-
Security - Sheriff	3,409	1,292	1,001	669	127	6,498
Security - Guards	1,284	466	403	284	269	2,707
Supplemental Additional Security	337	187	62	82	18	685
Public Safety Program	212	77	66	47	44	447
Passenger Relations	910	532	180	222	63	1,906
TVM Maintenance/Revenue Collection	3,754	1,909	1,449	1,119	527	8,759
Marketing	850	493	199	203	78	1,822
Media & External Communications	238	86	75	53	50	501
Utilities/Leases	1,330	483	417	294	279	2,803
Transfers to Other Operators	3,093	1,240	393	624	166	5,515
Amtrak Transfers	767	1,526	2	3	101	2,400
Station Maintenance	1,491	329	159	327	106	2,412
Rail Agreements	2,372	2,030	1,642	410	361	6,815
<b>Subtotal Operations &amp; Services</b>	<b>79,647</b>	<b>38,251</b>	<b>19,289</b>	<b>17,079</b>	<b>6,495</b>	<b>160,760</b>
<b>Maintenance-of-Way</b>						
MoW - Line Segments	26,846	10,264	3,774	7,042	3,065	50,990
MoW - Extraordinary Maintenance	451	110	73	82	53	770
<b>Subtotal Maintenance-of-Way</b>	<b>27,297</b>	<b>10,374</b>	<b>3,847</b>	<b>7,124</b>	<b>3,118</b>	<b>51,761</b>
<b>Administration &amp; Services</b>						
Ops Salaries & Fringe Benefits	7,652	2,791	2,393	1,695	1,599	16,131
Ops Non-Labor Expenses	4,728	2,057	1,024	1,063	455	9,327
Indirect Administrative Expenses	10,650	3,868	3,340	2,357	2,234	22,449
Ops Professional Services	1,975	717	619	437	414	4,163
<b>Subtotal Admin &amp; Services</b>	<b>25,005</b>	<b>9,433</b>	<b>7,377</b>	<b>5,553</b>	<b>4,702</b>	<b>52,069</b>
<b>Contingency</b>	<b>95</b>	<b>34</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>200</b>
<b>Total Operating Expenses</b>	<b>132,044</b>	<b>58,092</b>	<b>30,542</b>	<b>29,777</b>	<b>14,335</b>	<b>264,790</b>
<b>Insurance and Legal</b>						
Liability/Property/Auto	6,536	3,006	1,247	1,442	400	12,631
Net Claims / SI	549	253	105	121	34	1,061
Claims Administration	688	316	131	152	42	1,329
<b>Total Net Insurance and Legal</b>	<b>7,773</b>	<b>3,575</b>	<b>1,483</b>	<b>1,714</b>	<b>476</b>	<b>15,021</b>
<b>Total Expense</b>	<b>139,816</b>	<b>61,667</b>	<b>32,024</b>	<b>31,491</b>	<b>14,811</b>	<b>279,810</b>
<b>Member Subsidies</b>						
<b>Total Member Subsidies</b>	<b>\$ 85,311</b>	<b>\$ 32,714</b>	<b>\$ 22,784</b>	<b>\$ 19,231</b>	<b>\$ 11,539</b>	<b>\$ 171,580</b>

Numbers may not foot due to rounding.

**FY2022-23 Forecast - Operating Budget  
by Member Agency**

**ATTACHMENT L**

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	Total
<b>Operating Revenue</b>						
Farebox Revenue	\$ 45,596	\$ 25,865	\$ 8,631	\$ 10,496	\$ 2,518	\$ 93,107
Special Event Trains	105	58	49	20	6	238
Fare Reduction Subsidy	-	-	-	-	-	-
<b>Subtotal-Pro Forma FareBox</b>	<b>45,701</b>	<b>25,923</b>	<b>8,680</b>	<b>10,517</b>	<b>2,524</b>	<b>93,345</b>
Dispatching	1,226	783	9	70	286	2,374
Other Revenues	128	56	29	37	17	267
MOW Revenues	8,410	2,856	732	1,697	523	14,217
<b>Total Operating Revenue</b>	<b>55,464</b>	<b>29,619</b>	<b>9,449</b>	<b>12,320</b>	<b>3,350</b>	<b>110,203</b>
<b>Operating Expenses</b>						
<b>Operations &amp; Services</b>						
Train Operations	28,695	12,189	5,952	5,769	1,950	54,555
Equipment Maintenance	19,696	9,234	4,760	4,649	1,696	40,035
Fuel	10,755	5,914	2,286	2,186	619	21,760
Non-Scheduled Rolling Stock Repairs	84	38	16	18	5	162
Operating Facilities Maintenance	989	455	189	218	61	1,911
Other Operating Train Services	531	146	126	180	85	1,068
Special Trains	331	247	243	40	6	867
Rolling Stock Lease	-	-	-	-	-	-
Security - Sheriff	3,511	1,331	1,031	690	131	6,693
Security - Guards	1,323	480	415	293	277	2,788
Supplemental Additional Security	344	191	63	84	18	700
Public Safety Program	218	79	68	48	46	460
Passenger Relations	937	548	185	229	65	1,963
TVM Maintenance/Revenue Collection	3,867	1,967	1,492	1,153	543	9,021
Marketing	850	493	199	203	78	1,822
Media & External Communications	249	91	78	55	52	526
Utilities/Leases	1,370	498	430	303	287	2,888
Transfers to Other Operators	3,155	1,265	401	636	169	5,625
Amtrak Transfers	767	1,526	2	3	101	2,400
Station Maintenance	1,565	345	167	344	111	2,533
Rail Agreements	2,444	2,091	1,691	422	372	7,020
<b>Subtotal Operations &amp; Services</b>	<b>81,680</b>	<b>39,128</b>	<b>19,795</b>	<b>17,523</b>	<b>6,671</b>	<b>164,797</b>
<b>Maintenance-of-Way</b>						
MoW - Line Segments	27,920	10,675	3,924	7,324	3,187	53,030
MoW - Extraordinary Maintenance	474	116	77	86	56	809
<b>Subtotal Maintenance-of-Way</b>	<b>28,394</b>	<b>10,790</b>	<b>4,002</b>	<b>7,410</b>	<b>3,243</b>	<b>53,839</b>
<b>Administration &amp; Services</b>						
Ops Salaries & Fringe Benefits	8,035	2,930	2,513	1,780	1,679	16,937
Ops Non-Labor Expenses	4,870	2,118	1,054	1,095	469	9,607
Indirect Administrative Expenses	11,076	4,023	3,474	2,451	2,323	23,347
Ops Professional Services	2,034	739	638	450	427	4,288
<b>Subtotal Admin &amp; Services</b>	<b>26,015</b>	<b>9,810</b>	<b>7,679</b>	<b>5,777</b>	<b>4,898</b>	<b>54,178</b>
<b>Contingency</b>	<b>95</b>	<b>34</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>200</b>
<b>Total Operating Expenses</b>	<b>136,183</b>	<b>59,763</b>	<b>31,505</b>	<b>30,730</b>	<b>14,832</b>	<b>273,014</b>
<b>Insurance and Legal</b>						
Liability/Property/Auto	6,732	3,097	1,284	1,485	412	13,010
Net Claims / SI	565	260	108	125	35	1,093
Claims Administration	701	323	134	155	43	1,355
<b>Total Net Insurance and Legal</b>	<b>7,999</b>	<b>3,679</b>	<b>1,526</b>	<b>1,764</b>	<b>489</b>	<b>15,458</b>
<b>Total Expense</b>	<b>144,182</b>	<b>63,443</b>	<b>33,031</b>	<b>32,495</b>	<b>15,321</b>	<b>288,472</b>
<b>Member Subsidies</b>						
<b>Total Member Subsidies</b>	<b>\$ 88,718</b>	<b>\$ 33,824</b>	<b>\$ 23,581</b>	<b>\$ 20,174</b>	<b>\$ 11,971</b>	<b>\$ 178,269</b>

Numbers may not foot due to rounding.

**FY2023-24 Forecast - Operating Budget  
by Member Agency**

**ATTACHMENT M**

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	Total
<b>Operating Revenue</b>						
Farebox Revenue	\$ 46,553	\$ 26,408	\$ 8,813	\$ 10,717	\$ 2,571	\$ 95,063
Special Event Trains	108	60	50	21	6	245
Fare Reduction Subsidy	-	-	-	-	-	-
<b>Subtotal-Pro Forma FareBox</b>	<b>46,661</b>	<b>26,468</b>	<b>8,863</b>	<b>10,738</b>	<b>2,577</b>	<b>95,307</b>
Dispatching	1,263	807	9	72	294	2,445
Other Revenues	130	58	30	38	18	273
MOW Revenues	8,662	2,941	754	1,748	539	14,644
<b>Total Operating Revenue</b>	<b>56,716</b>	<b>30,274</b>	<b>9,655</b>	<b>12,595</b>	<b>3,428</b>	<b>112,669</b>
<b>Operating Expenses</b>						
<b>Operations &amp; Services</b>						
Train Operations	29,843	12,676	6,190	6,000	2,028	56,737
Equipment Maintenance	20,287	9,511	4,902	4,789	1,747	41,236
Fuel	10,503	5,776	2,233	2,134	604	21,250
Non-Scheduled Rolling Stock Repairs	84	39	16	19	5	163
Operating Facilities Maintenance	1,019	469	194	225	62	1,969
Other Operating Train Services	547	151	130	185	87	1,100
Special Trains	341	254	251	41	6	893
Rolling Stock Lease	-	-	-	-	-	-
Security - Sheriff	3,616	1,371	1,062	710	135	6,894
Security - Guards	1,362	495	427	302	286	2,872
Supplemental Additional Security	351	195	65	85	19	715
Public Safety Program	225	82	71	50	47	474
Passenger Relations	965	564	191	236	67	2,022
TVM Maintenance/Revenue Collection	3,983	2,026	1,537	1,188	559	9,292
Marketing	850	493	199	203	78	1,822
Media & External Communications	262	95	82	58	55	552
Utilities/Leases	1,411	512	443	312	296	2,974
Transfers to Other Operators	3,218	1,290	409	649	172	5,738
Amtrak Transfers	767	1,526	2	3	101	2,400
Station Maintenance	1,644	363	175	361	117	2,659
Rail Agreements	2,517	2,154	1,742	435	383	7,230
<b>Subtotal Operations &amp; Services</b>	<b>83,795</b>	<b>40,041</b>	<b>20,320</b>	<b>17,984</b>	<b>6,854</b>	<b>168,992</b>
<b>Maintenance-of-Way</b>						
MoW - Line Segments	29,037	11,102	4,081	7,617	3,315	55,151
MoW - Extraordinary Maintenance	497	121	81	91	59	849
<b>Subtotal Maintenance-of-Way</b>	<b>29,534</b>	<b>11,223</b>	<b>4,162</b>	<b>7,707</b>	<b>3,374</b>	<b>56,000</b>
<b>Administration &amp; Services</b>						
Ops Salaries & Fringe Benefits	8,436	3,077	2,639	1,869	1,763	17,784
Ops Non-Labor Expenses	5,016	2,182	1,086	1,128	483	9,895
Indirect Administrative Expenses	11,519	4,184	3,613	2,549	2,416	24,280
Ops Professional Services	2,095	761	657	464	439	4,416
<b>Subtotal Admin &amp; Services</b>	<b>27,066</b>	<b>10,203</b>	<b>7,994</b>	<b>6,010</b>	<b>5,101</b>	<b>56,376</b>
<b>Contingency</b>	<b>97</b>	<b>35</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>204</b>
<b>Total Operating Expenses</b>	<b>140,492</b>	<b>61,503</b>	<b>32,507</b>	<b>31,722</b>	<b>15,349</b>	<b>281,572</b>
<b>Insurance and Legal</b>						
Liability/Property/Auto	6,934	3,190	1,323	1,529	424	13,400
Net Claims / SI	582	268	111	128	36	1,126
Claims Administration	715	329	136	158	44	1,382
<b>Total Net Insurance and Legal</b>	<b>8,232</b>	<b>3,787</b>	<b>1,570</b>	<b>1,816</b>	<b>504</b>	<b>15,908</b>
<b>Total Expense</b>	<b>148,724</b>	<b>65,289</b>	<b>34,077</b>	<b>33,538</b>	<b>15,852</b>	<b>297,481</b>
<b>Member Subsidies</b>						
<b>Total Member Subsidies</b>	<b>\$ 92,007</b>	<b>\$ 35,015</b>	<b>\$ 24,422</b>	<b>\$ 20,943</b>	<b>\$ 12,424</b>	<b>\$ 184,812</b>

Numbers may not foot due to rounding.



# Metro

MARCH 21, 2019

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*  
CHIEF EXECUTIVE OFFICER

FROM: *PP* RICHARD CLARKE *BCP*  
CHIEF PROGRAM MANAGEMENT OFFICER

SUBJECT: UPDATE ON METROLINK FY2019-20 BUDGET

## ISSUE

Los Angeles County Metropolitan Transportation Authority (Metro) is firmly supportive and committed to be a strategic partner with Southern California Regional Rail Authority (SCRRA) also known as Metrolink. In this effort, staff is providing a budget update to streamline the budget process in advance of SCRRA's FY2019-20 Budget Workshop to be held on Friday, March 22, 2019.

## DISCUSSION

SCRRA's proposed total funding request from the five-county Joint Powers Authority (JPA) members comprising of Metro, Orange County Transportation Commission, Riverside County Transportation Commission, San Bernardino Transportation Commission and Ventura County Transportation Commission (VCTC) is \$157.4 million for operating subsidy and \$88.9 million for rehabilitation and capital program. SCRRA's operating budget of \$157.4 million include five new staff positions, special trains, new Metrolink scheduled services on the Orange County Line, 91/Perris Valley Line, San Bernardino Line and mid-day Burbank Airport service. Metro's subsidy share of \$246.3 million is \$132.9 million as listed below:

METROLINK FY 2019-20 PROPOSED TOTAL FUNDING REQUEST (in millions)		
Items	SCRRA'S Request	LACMTA Subsidy Share
Operating Subsidy	\$157.4 M	\$77.9 M
Rehabilitation Program	\$84.8 M	\$53 M
Capital Program	\$4.1 M	\$1.9 M
<b>TOTAL</b>	<b>\$246.3</b>	<b>\$132.9</b>

**Rehabilitation & Capital Program**

SCRRA’s FY 2019-20 total rehabilitation and capital program request from the JPA members is \$88.9 million life of project budget. Metro’s subsidy share is approximately \$54.9 million of the total \$88.9 million life of project budget. Staff collaboratively worked with the other four (4) JPA members and SCRRA to review SCRRA’s FY20 rehabilitation and capital program in detail since November 2018. SCRRA is requesting a total cash flow subsidy share from Metro of \$80.6 million comprised of \$77.9 million for operating subsidy and \$2.7 million for FY 20 rehabilitation and capital program as shown in the table below. Staff will be recommending the Metro Board to provide \$107.8 million of funding for Metrolink FY 20, comprised of \$77.9 million for operations and \$29.9 million of programming authority for rehabilitation and capital program as shown in the table below. The \$29.9 million of programming authority for rehabilitation and capital program is based on the project readiness of the program listed in Attachment A – FY 20 Metro Approved SCRRA’s FY 20 Rehabilitation and Capital Projects:

<b>Items</b>	<b>SCRRA’S Cash Basis Request of Metro</b>	<b>Metro’s Recommendation</b>
<b>Operating Subsidy</b>	<b>\$77.9 M</b>	<b>\$77.9 M</b>
<b>Rehabilitation Program</b>	<b>\$2.6 M</b>	<b>\$29.2 M</b>
<b>Capital Program</b>	<b>\$0.1 M</b>	<b>\$0.7 M</b>
<b>METROLINK FUNDING</b>	<b>\$80.6 M</b>	<b>\$107.8 M</b>

**Additional Budget items**

There are additional operating budget items attributed to Antelope Valley Line security, San Bernardino Line 25% Fare Subsidy, special events and enhanced security along the Metro owned right-of-way (ROW) totaling approximately \$5.7 million as listed in the table below. VCTC is requesting adding two new round-trip Saturday services on the Metrolink Ventura Line and SCRRA is still determining the cost.

**Staff’s Proposed Recommendation**

Therefore, at this time, staff will recommend to the Metro Board an estimated grand total of \$114.5 million of programming authority as listed in the table below:

<b>Items</b>	<b>Metro's recommendation</b>
<b>Enhanced LA County ROW security</b>	<b>\$2.6M</b>
<b>AVL Security &amp; LASD Program</b>	<b>\$1.7 M</b>
<b>San Bernardino Line 25% Fare Subsidy</b>	<b>\$2.3 M</b>
<b>Special events</b>	<b>\$0.1 M</b>
<b>TOTAL PROGRAMMING AUTHORITY</b>	<b>\$6.7 M</b>
<b>Total Metrolink Funding</b>	<b>\$107.8 M</b>
<b>Total Programming Authority</b>	<b>\$6.7 M</b>
<b>GRAND TOTAL</b>	<b>\$114.5</b>

### **NEXT STEPS**

Metro is working collaboratively with the new SCRRA to mutually agree on a path forward that provides clarity for project scopes, schedules, cashflow and project delivery; and which articulates Metro's requirements and expectations to ensure both agencies the ability to properly plan for and incorporate future funding requests. These agreed procedures also afford both agencies the opportunity to revisit SCRRA's progress and project delivery and provides a mechanism to address their needs should additional funding be required. SCRRA will be submitting their formal FY2019-20 Budget to the JPA members by May 1, 2019. Staff intends to go to the Metro Board for adoption of the SCRRA FY 2019-20 Budget in May 2019.

**ATTACHMENT A-Metro Approved SCRRA's FY 20 Rehabilitation and Capital Projects**

ATTACHMENT A-METROLINK FY20 PROPOSED REHABILITATION BUDGET

PROJECT #	TYPE	SUBDIVISION	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE/NOTES	METROLINK	REVISED	METRO
									BUDGET	METRO SHARE	PROPOSED
									REVISIONS		
1899	REHAB	VALLEY	3.67-76.63	Worn	High	TRACK	Valley Subdivision Track Rehabilitation	Valley Sub Track Rehabilitation as follows: URGENT - Rail replacement in High Degree Curvature sections between MP 33.5 & MP 64.0 (27,000 ft of rail) = \$3,456,000 Replace 88,960 ft of rail at additional locations between MP 23.8-66.4 = \$11,160,000 - NEW ADD 10 track miles of new fastenings, tie plugs, anchors, distressing, surfacing and stabilizing track = \$4,065,250 Remove & replace crossing at Drayton Street (75') and Aliso Canyon (30') = \$400,000 No. 14 turnout replacement at CP Balboa = \$500,000 Convert High Degree of Curvature wood tie track to concrete tie (4,500 ft) = \$2,398,750 Market Street (2 tracks at 81'-each) and Hubbard Street (78') = \$840,000 - NEW ADD Other projects overlap with AVL Study and will be funded for FY 21 - only funding RED line items	10,820,000	10,820,000	9,920,000
1900	REHAB	SAN GABRIEL	1.08-33.68	Worn	High	TRACK	San Gabriel Subdivision Track Rehabilitation	San Gabriel Sub Track Rehabilitation as follows: URGENT - Rail replacement in High Degree Curvature sections between MP 1.0-12.0, MP 37.0-40.0 & MP 54.0-57.0 (24,500 ft of rail) = \$3,136,000 5.2 track miles of new fastenings, tie plugs, anchors, distressing, surfacing and stabilizing track = \$2,110,250 6 mid-life crossings rehabilitations (~\$90k each) = \$533,750 2 No. 20 equilateral turnouts at CP Barranca & CP Irwin = \$1,500,000	7,280,000	4,368,000	4,368,000
1901	REHAB	VENTURA-LA COUNTY	441.2-462.39	Worn	High	TRACK	Ventura Subdivision (LA) Track Rehabilitation	Ventura (LA) Sub Track Rehabilitation as follows: Rail replacement between MP 442 & MP 444, & MP 462 to Valley Sub (6,000 ft of rail) = \$768,000 Remove & replace crossing at Tampa Ave (120'), Roscoe Blvd (145'), Balboa Blvd (108'), Lindley Ave (120') & DeSoto Ave (110') = \$2,296,800 Rehabilitate CP Lockheed = \$845,200 Only funding RED line items and will defer to FY 21	3,910,000	3,910,000	3,142,000
1902	REHAB	ORANGE	165.08-212.30	Worn	High	TRACK	Orange/Olive Subdivision Track Rehabilitation		7,230,000		
1906	REHAB	VENTURA-VC COUNTY	426.4-441.24	Worn	High	TRACK	Ventura		1,870,000		
1920	REHAB	VENTURA-LA COUNTY	444.4-462.16	Worn	High	SIGNALS	Signal System Rehabilitation - LA County	Rehabilitate the Signal system at specific locations on the Ventura Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts, Locations, and Descriptions: MP 446.7 / CP Berson / Control Point = \$1,327,699 MP 448.28 / Signals 4483-4 / Intermediate Signal = \$303,589 MP 450.32 / Signals 4503-4 / Intermediate Signal = \$310,474 MP 451.80 / Signals 4517-8 / Intermediate Signal = \$303,589 MP 458.04 / Signals 4581-2 & 4583-4 / Intermediate Signal = \$686,609 DUPLICATE #1428 with Raymer to Bernsen and fund in FY 21	2,931,960	2,931,960	
1921									1,755,870		
1922	REHAB	VENTURA-LA COUNTY	445.17-461.46	Worn	High	SIGNALS	Grade Crossing Warning System Rehabilitation - LA County	Rehabilitate the Grade Crossing Warning system at specific locations on the Ventura Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts and Locations: MP 448.27 / Corbin Avenue = \$775,774 MP 450.33 / Lindley Avenue = \$701,804 MP 452.90 / Woodley Avenue = \$769,954 Other project costs: \$728 DUPLICATE #1435 and fund in FY 21	2,248,260	2,248,260	
1923									2,022,480		
1928	REHAB	ALL	N/A	Marginal	Low	ROLLING STOCK	Overhaul Rotem Car Side Door Mechanisms & Components	Overhaul side door components on 50 Rotem railcars.	621,460	295,194	295,194
1929	REHAB	ALL	N/A	Marginal	Low	ROLLING STOCK	HVAC Overhaul for Forty (40) Rotem Passenger Cars Phase II	Overhaul HVAC units in forty Rotem railcars, 2 per car for a total of 80 units.	1,301,110	618,027	618,027



1930	REHAB	ALL	N/A	Worn	High	ROLLING STOCK	Gen 1 HVAC Overhaul (Additional 40 Cars)	The overhaul work for HVAC units includes retrofitting the system to accommodate the new refrigerant, as well as upgrade the system due to new and/or obsolete components or subsystems. The systems shall be updated to use the R-407C refrigerant or approved equivalent. The HVAC units require overhaul about every five years and they need to be replaced in about 20 years. The Bombardier railcar fleet consists of 88 GEN-1, 7 GEN-2 and 26-GEN 3 railcars. The overhaul of the HVACs on 20 cars were approved for FY18 and the procurement for a rebuild of the Bombardier fleet is underway (rebuild expected to target up to 28 cars), however the rebuild of the entire fleet is not fully funded and even if funded, will take several years to complete. This project ensures that this passenger critical feature is in a State of Good Repair. A contract was awarded in February 2018 to RAM for the HVAC overhaul, which included a option to include additional units.	928,000	440,800	440,800
1931	REHAB	VALLEY	4.8- 76.62	Worn	High	SIGNALS	Signal System Rehabilitation - Valley Subdivision	Rehabilitate the Signal system at specific locations on the Valley Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts, Locations, and Descriptions: MP 4.8 / CP Fletcher / Control Point = \$689,505 MP 7.99 / Signal 71-73 / Intermediate Signal = \$311,320 MP 19.22 / Signals 191 - 192 / Intermediate Signal = \$147,995 MP 20.81 / Signals 201 - 202 / Intermediate Signal = \$303,589 MP 23.6 / CP Roxford / Control Point = \$361,625 MP 24.70 / DED / Wayside Detector = \$5,820 MP 25.3 / CP Balboa / Control Point = \$360,505 MP 26.39 / Signals 261-262 / Intermediate Signals = \$190,295 MP 28.00 / CP Portal / Control Point = \$217,210 MP 33.4 / CP Canyon / Control Point = \$354,685 MP 34.96 / Signals 341-2 / Intermediate Signals = \$147,995 MP 37.11 / Signals 371-2 / Intermediate Signals = \$147,995 MP 38.6 / CP Honby / Control Point = \$354,685 MP 40.0 / CP Humphrys / Control Point = \$381,655 Other project costs: \$5,521      Only funding RED highlighted items - project overlap	3,980,400	3,980,400	1,609,746
1932	REHAB	VALLEY	5.81- 76.05	Worn	High	SIGNALS	Grade Crossing Warning System Rehabilitation - Valley Subdivision	Rehabilitate the Grade Crossing Warning systems at specific locations on the Valley Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts and Locations: MP 14.14 / Arvilla Street = \$695,984 MP 21.81 / N. Hubbard Avenue = \$291,180 MP 23.72 / Roxford Street = \$267,900 MP 30.39 / 13th Street = \$217,210 MP 32.35 / Drayton Street = \$480,410 MP 32.77 / LA County Sanitation District = \$217,210 Other project costs: \$1,136      DUPLICATE PROJECTS-BRIGHTON TO ROXFORD-Only funding RED line items	2,171,030	2,171,030	695,984

Rehabilitate the Signal system at specific locations on the San Gabriel Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts, Locations, and Descriptions:

- MP 12.50 / CP Hondo / Control Point = \$29,100
  - MP 12.90 / CP Watson Control Point = \$23,280
  - MP 15.30 / CP Bassett / Control Point = \$375,780
  - MP 16.60 / CP Amar / Control Point = \$158,460
  - MP 20.40 / CP Irwin / Control Point = \$87,960
  - MP 23.40 / CP Barranca / Control Point = \$82,140
  - MP 34.60 / CP Central / Control Point = \$87,960
  - MP 36.80 / Signals 361 & 362 / Intermediate = \$5,820
  - MP 38.61 / Signals 381 & 382 / Intermediate = \$5,820
  - MP 40.20 / CP Archibald / Control Point = \$87,960
  - MP 42.40 / CP Rochester / Control Point = \$87,960
  - MP 44.22 / High Water Detector / Wayside Detector = \$31,725
  - MP 49.21 / Signals 491 & 492 / Intermediate = \$111,570
  - MP 54.04 / Signals 531 & 532 / Intermediate = \$5,820
  - MP 55.30 / CP Rancho / Control Point = \$170,100
- Other project costs: \$59,875

1934	REHAB	SAN GABRIEL	1.90- 57.6	Worn	High	SIGNALS			1,411,330	846,798	846,798
							Rehabilitate the Grade Crossing Warning systems at specific locations on the San Gabriel Subdivision based on the Metrolink Rehabilitation Plan (MRP), locations identified as Backlog and year 2020 "Immediate". The list below indicates Mile Posts and Locations: MP 12.70 / Tyler Street = \$311,265 MP 13.92 / Cogswell Avenue = \$285,360 MP 15.13 / Temple Avenue = \$211,390 MP 16.08 / Temple Avenue = \$291,180 MP 16.90 / Hamburger Lane = \$217,210 MP 17.34 / Francisquito Avenue = \$285,360 MP 17.59 / Foster Avenue = \$199,750 MP 18.03 / Merced Avenue = \$288,830 MP 52.44 / Lilac Avenue = \$348,660 MP 52.69 / Willow Avenue = \$217,060 MP 52.94 / Riverside Avenue = \$290,880 MP 53.19 / Sycamore Avenue = \$348,660 MP 53.45 / Acacia Avenue = \$217,060 MP 53.70 / Eucalyptus Avenue = \$217,060 MP 53.95 / Pepper Avenue = \$358,880 MP 54.54 / Rialto Avenue = \$217,060 Other project costs: \$243,370				
1935	REHAB	SAN GABRIEL	12.70- 55.24	Worn	High	SIGNALS	Grade Crossing Warning System Rehabilitation - LA County	DUPLICATE PROJECTS and will fund in FY 21	4,548,035	2,728,821	
1943									2,380,000		
							Acquire and replace worn communications equipment nearing of at end of life cycle, including but not limited to WCP/MCP/WMS/220 radio power systems switches, routers, microwave, fiber optics equipment, customer information system components at or nearing end of life cycle, including but not limited to speakers, amplifiers, signage. Projects: ATCS Radio replacements = \$135,000 Sunset PBX rehab = \$50,000 Power System rehab = \$82,000 Other project costs: \$76,200				
1944	REHAB	SAN GABRIEL	1.08- 57.66	Marginal	High	COMMUNICATIONS	ATCS/PTC/CIS/Backhaul Rehabilitation San Gabriel		343,200	205,920	205,920
1945									601,700		

1946	REHAB	VALLEY	3.67-76.63	Marginal	High	COMMUNICATIONS	ATCS/PTC/CIS/Backhaul Rehabilitation Valley	Acquire and replace worn communications equipment nearing of at end of life cycle, including but not limited to WCP/MCP/WMS/220 radio power systems switches, routers, microwave, fiber optics equipment, customer information system components at or nearing end of life cycle, including but not limited to speakers, amplifiers, signage. Projects: ATCS Radio replacements = \$70,000 Emma PBX Radio rehab = \$50,000 Power System rehab = \$75,000 Other project costs: \$152,600	347,600	347,600	347,600
1947									2,500,000		
1948	REHAB	SAN GABRIEL	1.08-56.52	Worn	High	STRUCTURES	San Gabriel Subdivision - Structures Rehabilitation	Structures Rehabilitation along the San Gabriel Subdivision high priority projects identified by Metrolink Rehabilitation Plan (MRP). Projects include: Replace Bridge SG MP 29.626 = \$735,000 Culverts SG MP 28.28, 35.90 and 40.20 = \$1,578,000 - <b>\$1M ANNUAL EXPENDITURE EVERY YEAR FOR Projects nos. 1948, 1950 AND 1951 (listed below) to begin engineering design work</b> Projects to be reviewed in year of expenditure to confirm prioritization.	2,313,000	1,387,800	1,000,000
1949									189,475		
1950	REHAB	VENTURA-LA COUNTY	441.24-462.39	Worn	High	STRUCTURES	Ventura Subdivision - Los Angeles County - Structures Rehabilitation	Structures Rehabilitation in Los Angeles County high priority projects on Ventura Subdivision identified by Metrolink Rehabilitation Plan (MRP). Projects include: Culverts VN MP 442.80, 443.60 and 443.57 = \$2,854,000 Projects to be reviewed in year of expenditure to confirm prioritization.	2,854,000	2,854,000	
1951	REHAB	VALLEY	3.67-76.63	Worn	High	STRUCTURES	Valley Subdivision - Los Angeles County - Structures Rehabilitation	Structures Rehabilitation in Los Angeles County high priority projects on Valley Subdivision identified by Metrolink Rehabilitation Plan (MRP). Projects include: Replace Bridge VY MP 19.420, 25.710, 28.390, 28.490 = \$2,846,750 Culverts VY MP 25.71, 25.58, 32.92, 38.64, 43.55, 46.24 and 53.61 = \$3,560,000 Projects to be reviewed in year of expenditure to confirm prioritization.	6,406,750	6,406,750	
1952	REHAB	VENTURA-LA COUNTY	442.0-462.39	Marginal	High	COMMUNICATIONS	ATCS/PTC/CIS/Backhaul Rehabilitation Ventura (LA)	Acquire and replace worn communications equipment nearing of at end of life cycle, including but not limited to WCP/MCP/WMS/220 radio power systems switches, routers, microwave, fiber optics equipment, customer information system components at or nearing end of life cycle, including but not limited to speakers, amplifiers, signage. Projects: ATCS Radio replacements = \$100,000 Strathern Dispatcher Radio rehab = \$50,000 Power System rehab = \$75,000 Other project costs: \$155,600	380,600	380,600	380,600
1954									314,600		
1956	REHAB	RIVER	0.0-485.20, 143.83	Marginal	High	COMMUNICATIONS	ATCS/PTC/CIS/Backhaul Rehabilitation River	Acquire and replace worn communications equipment nearing of at end of life cycle, including but not limited to WCP/MCP/WMS/220 radio power systems switches, routers, fiber optics equipment, customer information system components at or nearing end of life cycle, including but not limited to speakers, amplifiers, signage. Projects: ATCS Radio rehab = \$80,000 Mission Wooden pole rehab = \$50,000 Mission Power System rehab = \$75,000 Other project costs: \$43,600	248,600	118,085	\$118,085 included as part of Link US
1957	REHAB	ALL	N/A	Worn	High	NON-REVENUE FLEET	MOW Vehicle Replacement	Replace MOW vehicle identified as high priority by Metrolink Rehabilitation Plan (MRP). Vehicles include: 1 MOW Equipment = \$1,400,000 1 MOW Vehicle (Hy-Rail Heavy) = \$70,000 9 MOW Vehicle (Hy-Rail Med) = \$500,000 3 MOW Vehicles (Med) = \$145,000 20 MOW Vehicles Light = \$525,000 Vehicles to be reviewed in year of expenditure to confirm prioritization. PROVIDED 50% FUNDING	2,640,220	1,254,105	627,053

1958	REHAB	ALL	N/A	Worn	Low	FACILITIES	Facilities Rehabilitation	Facility rehabilitation for high priority projects identified by Metrolink Rehabilitation Plan (MRP). Projects include: <b>Lancaster crew base = \$1,400,000 Metro request to ADD BACK IN per SCRRA's original scope dated Dec 2018 and Metro concurs with SCRRA's recommendation to fund 50% for the Lancaster crew based. Metro's total funding is up to the \$1,470,125.</b> Ground air system at Riverside, East Ventura, Moorpark and Lancaster = \$160,000 INCREASED TO \$260,000 Cranes, hy-rail manlift at CMF = \$550,000 Fencing, signage and striping for Pomona campus, CMF and Layover facilities = \$260,000 Backup generator for MOC = \$280,000 HVAC at MOW = \$150,000 HVAC control system at CMF offices = \$275,000 Procure stockpile critical facility repair materials for emergency response = \$200,000      SCRRA ADDED <b>on 2/19/19: Integrated office HVAC, shop fire dampener, NOX and exhaust control system at CMF \$675,000;</b> <b>Storage tank metering &amp; warning system at CMF &amp; EMF - Fuel, DEF, Storm water, Oil, etc. Additional holding tanks for bulk antifreeze &amp; hydraulic oil = \$425,000; Storm water enclosures at CMF &amp; EMF for trash containers, hazardous totes &amp; containers = \$175,000; Phase 1 switch gear replacement at CMF = \$200,000; Storage proof replacement at EMF = \$200,000</b> Projects to be reviewed in year of expenditure to confirm prioritization.	3,095,000	1,470,125	1,470,125
1959	REHAB	ALL	N/A	Worn	Low	NON-REVENUE FLEET	MOW Total Loss vehicle Replacement	Replace MOW vehicle removed from service due to total loss during 2107 and 2018. 0049 - 03 FL-FrtLnr HYR - Total loss 2017 = \$210,000 0250 - 08 Ford F-250 - Total Loss 2017 = \$35,000 0253 - 08 Ford F-250 - Total Loss 2017 = \$35,000 0235 - 08 Ford F-250 Signal - Total Loss 2018 = \$53,000 0243 - 08 Ford F-550 - Total Loss 2018 = \$175,000 Vehicles to be reviewed in year of expenditure to confirm prioritization.	508,000	241,300	241,300
1979	REHAB	ALL	N/A	Worn	High	TRACK	Rail Grinding FY20	Perform production rail grinding with large rail mounted specialized equipment. The rail grinding included in the rehabilitation budget is performed on a planned preventative maintenance basis and on all curves, tangent track and turnouts plus grade crossings. The preventative maintenance grinding is typically performed every year to maintain the rail profile. Good rail profile maintains the running surface of the rail so that better contact with the train wheels is maintained. This removes conditions that may develop into defective rails with speed restrictions or even broken rails. Grinding to a design profile also improves ride quality, lowers noise and fuel consumption. This grinding work can be done on all segments of the Metrolink system.	979,000	465,025	465,025
1981	REHAB	ALL	N/A	Worn	High	TRACK	Systemwide Lubrication Study & Implementation	Conduct a systemwide rail lubrication study and provide funding for installing new lubricators systemwide, rehabilitate existing lubricators, provide remote monitoring of lubricators for SCRRA staff to monitor lubrication at the various locations, and maximize Metrolink's return on investment of Rail.	1,144,000	543,400	543,400
2004	REHAB	VALLEY	N/A	Worn	Low	SIGNALS	Pedestrian Gates at Stations	Install 2 sets of pedestrian gates with railings and swing gates at Burbank Airport Downtown Station and 1 set at Newhall Station	1,500,015	1,500,015	1,500,015
2019	REHAB	ALL	N/A	Worn	Low	NON-REVENUE FLEET	Overhaul current specialized MOW Equipment; Phase 1	Rehabilitation of current Maintenance-of-Way equipment. This is year 1 of as three year overhaul request that will total \$2,855,000 as identified in the MRP. This project will address the first \$1,000,000 of overhaul work that will be identified in the year of expenditure to confirm prioritization of the equipment listed below: Brandt Road Railer Tamper DTS Regulator Ballast cars Air Dumps Flat Cars	1,000,020	475,010	475,010
<b>TOTAL FY 20 REHAB PROJECTS</b>									<b>84,775,715</b>	<b>53,009,025</b>	<b>29,192,597</b>

## High Priority State of Good Repair (SOGR) Program Program Status Update - April 2019

### Program Overview

The High Priority State of Good Repair (SOGR) Program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, grade crossings, turnouts, culverts and railroad bridges. The objective of this program is to rehabilitate and replace the most critical priorities of aging track and railroad structures currently in use by Metrolink's daily commuter rail service, Amtrak service and other railroad partner service and maintain on-time service. In March 2018, an MOU was finalized, adding six projects (Phase B) to the original 23 most critical (Phase A) projects for a total of 29 projects. Additional projects will be proposed if cost savings and/or additional funding allows. The work is being performed to avoid the need for slow orders which are required when track or bridge structures are not at an acceptable condition for existing speeds or weights. Currently, segments of Metrolink's track and bridge structures are nearing out-of-compliance levels with existing SCRRRA Track Maintenance and Engineering Instruction (TMEI) standards.

### Program Status Update

Minimal change occurred over the period as staff continued to coordinate with contractor crews on the start-up of the rail top bridge replacement projects, which received NTP in late-January. The contractor and staff are coordinating on the schedule, work windows and submittals. The contractor is actively pursuing a vendor to furnish bridge girders, which are a long-lead item. The contractor plans to begin installing foundation pilings April, followed by additional preparation work over the summer, prior to installing girders in Fall 2019. Preparation work also continues on the CP Woodman Turnout Rehab project. Crews are "pre-building" the turnouts along the right-of-way in order to expedite the replacement process and minimize impacts to rail traffic when they are installed in April. Construction is aligned with temporary platform construction activities at the adjacent Van Nuys Station project which is also contracted with Kiewit. Work to complete the headwall on the final Valley Sub Culvert replacement is anticipated to be complete by April 2019. The project delivery team is working effectively, evaluating schedules, monitoring issues, assumptions and risks. Staff continues to evaluate the condition of proposed rehab projects that are not currently funded to determine if speed and/or weight restrictions are necessary.

Status by asset type:

- Ties - Tie replacement completed on all Phase A projects. Phase B (Valley Sub) to be performed in May 2019.
- Rail - Rail rehab on River Sub (EB) finished under budget; rehab of rail curves on Ventura Sub substantially complete.
- Turnouts - CP Taylor in-service Sept 2018; CP 9th completed Nov-2018, CP Woodman to complete in April 2019.
- Culverts - Completed Ph. A culverts and 7 of 8 Ph. B culvert projects. Remaining headwall on the Valley Sub to complete by April 2019.
- Bridges - Contract awarded by SCRRRA Board in Nov. 2018; NTP issued in Jan. 2019; reviewing schedule and submittals.
- Crossings - Katherine Rd Crossing Project completed in Dec. 2018

### Next Steps

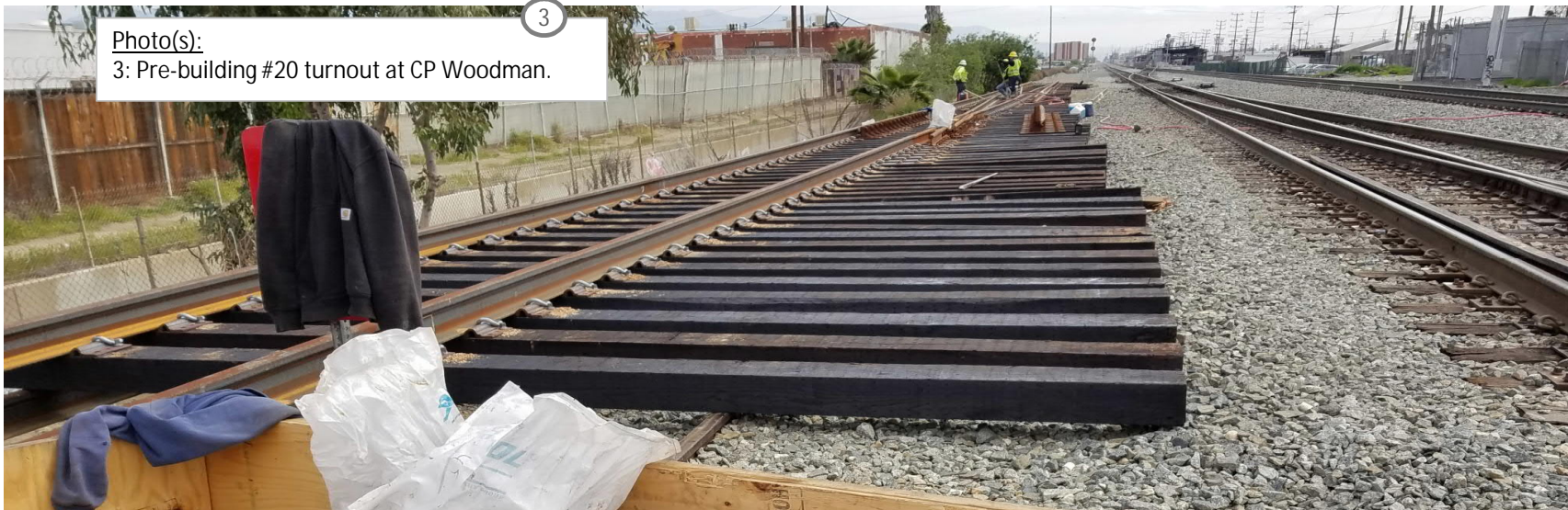
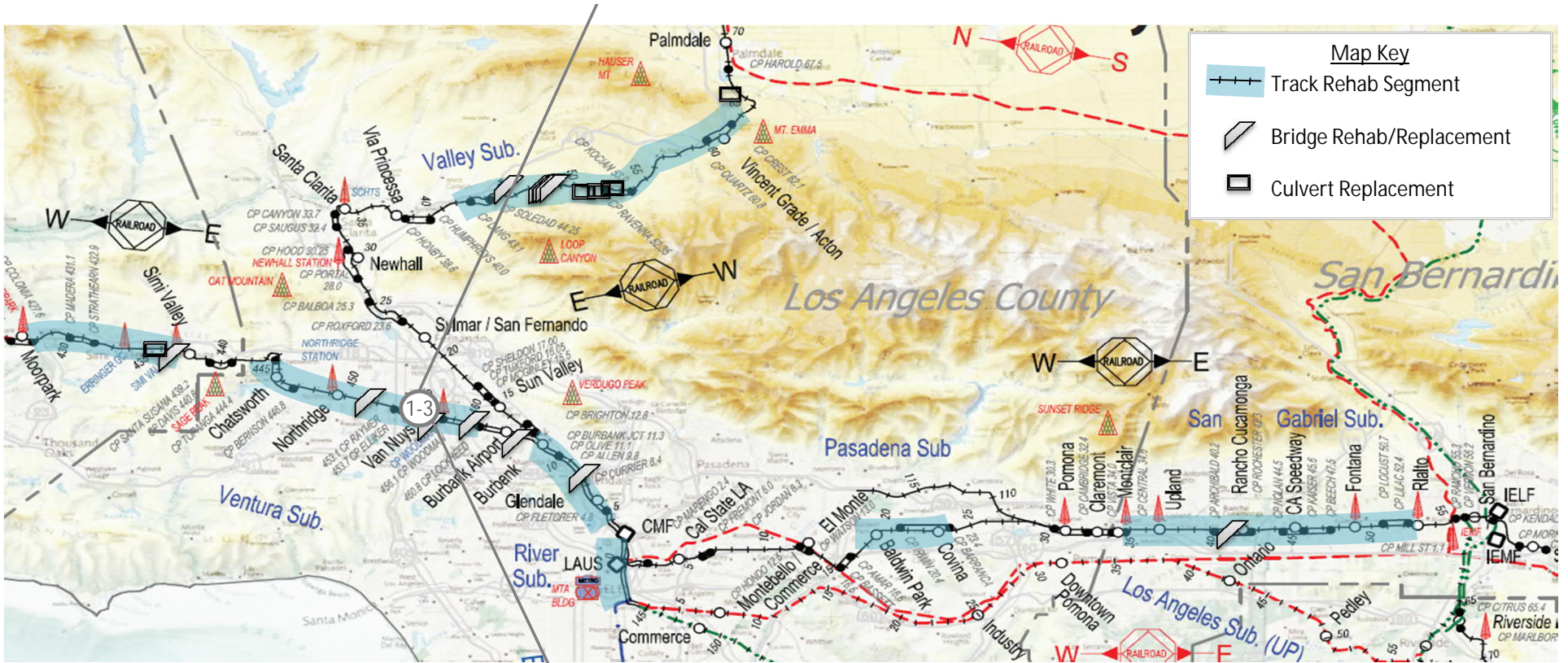
- Finalize detailed schedule and work plans with newly-awarded bridge construction contractor and begin foundation pilings.
- Perform turnout replacement/rehab at CP Woodman & CP Santa Susana; perform tie replacement on Valley Sub.
- Complete final location for rehab of rail curves on Ventura Sub & Lark Ellen crossing on San Gab Sub.

## Project Photos & System Map



1,2

Photos:  
1 (left): Signal trenching prior to turnout replacement at CP Woodman.  
2 (right): Pre-built #10 turnout at CP Woodman.



## Cost & Schedule Status by Sub-Project

(Data as of 4/03/19)

Phase A Projects			Cost			Schedule		Status/Issues
Project#	Description	Sub-division	Budget	Committed	Expended	Physical % Complete	In-Service Date	
592110	Replace 7,600 Ties & Rail Curves (MP439.24 & 433.1)	Ventura (Ven Co)	\$2,320,215	\$2,298,865	\$2,265,883	96% ✓	10/31/18	Tie work completed Dec. 2017; rail rehab substantially complete, only LA Ave remains.
592111	Replace Turnout at CP Santa Susana (#20)	Ventura (Ven Co)	\$375,000	\$369,785	\$168,466	25% ✓	5/31/19	Rehab, not full replacement. Re-commence work in March; complete in May 2019.
592112	Rehabilitate Katherine Road Crossing	Ventura (Ven Co)	\$400,000	\$381,875	\$366,816	99% ✓	11/30/18	Successfully completed rehab work in Nov. Final invoice in-process.
592210	Replace Ties (MP444-462), Woodman Turnouts (MP460)	Ventura (LA Co)	\$4,364,419	\$4,315,182	\$3,539,466	83% ✓	4/30/19	Ties & turnout prep work complete; work windows in April w/ Van Nuys station project.
592310	Replace 8,450 Ties (MP46-48, 52-59, 63-64)	Valley	\$2,112,500	\$2,079,144	\$2,047,183	100% ✓	10/28/17	Tie work complete, close-out underway.
592410	Install 9,000 Ties (MP 34-38, 42-45, 47-51, 52-54)	San Gabriel	\$2,250,000	\$2,244,182	\$2,226,757	100% ✓	2/28/18	Work completed in Feb. 2018; Project close-out complete.
592710	Replace LAUS Leads & 5,300 Ties	River - WB	\$1,550,000	\$1,511,159	\$1,487,691	99% ✓	6/30/18	Tie work & Lead 5 replacement complete. Close-out underway.
592711	Replace 2 #20 Turnouts at CP Taylor	River	\$550,000	\$519,032	\$506,999	99% ✓	9/7/18	Turnouts installed in Aug.; project complete, close-out underway.
592712	Replace Rail & Ties	River-EB	\$4,926,600	\$2,410,015	\$2,073,282	96% ✓	12/31/18	Rail rehab & tie work complete under budget. PBR funding to Soto St.
592713	Replace 3 Turnouts	River-EB	\$1,600,000	\$1,594,025	\$1,472,684	99% ✓	12/31/18	All 3 turnouts complete including punchlist; final invoice in-process.
517020	Rail Top Bridge Replacement Design	System-wide	\$475,000	\$465,024	\$455,837	100% ✓	7/27/18	Bridge design plans complete incl. H&H Study; issued IFB in Sept. Closed-out.
592120	Replace Bridge (MP436.96 & 434.12), Culvert (MP436.46)	Ventura (Ven Co)	\$1,476,872	\$528,526	\$207,212	27% ●	12/31/19	Culvert work complete; Bridge contract NTP issued in Jan 2019.
592220	Replace Bridge MP 458.71	Ventura (LA Co)	\$1,800,034	\$388,438	\$62,600	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.

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Phase A Projects (cont.)			Cost			Schedule		Status/Issues
Project#	Description	Sub-division	Budget	Committed	Expended	Physical % Complete	In-Service Date	
592320	Replace Bridge MP 50.64	Valley	\$771,443	\$164,097	\$42,644	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
592321	Replace Bridge MP 50.51	Valley	\$771,443	\$179,867	\$27,842	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
592322	Replace Bridge MP 50.77	Valley	\$771,443	\$161,686	\$23,839	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
592323	Replace Bridge MP 47.45	Valley	\$459,192	\$103,416	\$21,302	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
592324	Replace Bridge MP 50.46	Valley	\$771,443	\$176,870	\$24,851	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
592325	Replace Culvert MP 55.91	Valley	\$200,000	\$198,633	\$188,387	99% ✓	12/14/17	Work complete, close-out underway. Remaining funds transferred to Tunnel 25.
592326	Replace Culvert MP 53.84	Valley	\$350,000	\$314,125	\$314,117	100% ✓	12/14/17	Project close-out complete.
592327	Replace Culvert MP 54.13	Valley	\$155,000	\$135,295	\$135,290	100% ✓	12/14/17	Work complete, closed-out. Remaining funds transferred to Tunnel 25.
592328	Replace Culvert MP 66.78	Valley	\$420,000	\$163,235	\$163,221	100% ✓	12/14/17	Project close-out complete.
592420	Rehabilitate Bridge MP 40.12	San Gabriel	\$1,400,000	\$434,314	\$61,568	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
<b>Phase A Subtotal</b>			<b>\$30,270,605</b>	<b>\$21,136,790</b>	<b>\$17,883,938</b>	<b>73%</b>		

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Phase B Projects			Cost			Schedule		Status/Issues
Project#	Description	Sub-division	Budget	Committed	Expended	Physical % Complete	In-Service Date	
593220	SOGR-Ph B: Replace Bridge MP 452.1	Ventura (LA Co)	\$840,000	\$163,820	\$17,335	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
593320	SOGR-Ph B: Replace Bridges - Valley Sub	Valley	\$7,060,000	\$1,173,109	\$84,992	16% ●	12/31/19	Contract NTP in Jan 2019. Dates shifted due to extended contract execution process.
593321	SOGR-Ph B: Replace Culverts - Valley Sub	Valley	\$2,257,500	\$2,039,010	\$1,830,878	93% ✓	4/30/19	7 of 8 replacements completed in 2018; remaining headwall in Mar/Apr 2019 (weather delay).
593310	SOGR-Ph B: Track - Valley Sub	Valley	\$2,500,000	\$2,009,583	\$1,089,731	12% ✓	12/31/19	Ties & trackwork ordered; work to begin May 2019. Moving funding to Acton Spur.
593410	SOGR-Ph B: Replace Lark Ellen Crossing MP 21.4	San Gabriel	\$399,999	\$180,432	\$10,266	10% ✓	6/30/19	Task order issued to contractor; will complete by June 2019.
592221	Bridge Design (L.A. County)	Valley	\$110,000	\$109,366	\$109,366	100% ✓	7/31/18	Bridge Design Complete- Contractor NTP issued in Jan 2019.
<b>Phase B Subtotal</b>			<b>\$13,167,499</b>	<b>\$5,675,320</b>	<b>\$3,142,569</b>	<b>29%</b>		
<b>Overall Program Totals</b>			<b>\$43,438,104</b>	<b>\$26,812,109</b>	<b>\$21,026,506</b>	<b>60%</b>		

### Cost & Schedule Summary

Physical percent complete on the High Priority SOGR program remained constant at 60% for the program overall as the major rail top bridge replacement work prepares to ramp up. Due to a delay in issuing NTP on the bridge contract, the status of those projects reflects a yellow caution indicator but staff is working aggressively with the contractor to hold its schedule and mitigate risks. The assessment of physical percent complete is based on an assessment of actual work performed, including contract authorization activities, material orders, design, mobilization, construction and close-out activities.

Total program commitments increased over the period to \$26.8 million (61.7% of the budget) as authorizations were processed on the SOGR Phase B projects 593310 and 593410. Expenditures increased by approximately \$400,000 over the period to \$21 million (48.4% of budget) for the program overall. Progress and commitments are expected to increase significantly in coming months upon the start of construction on rail top bridge replacement projects. The overall program is anticipated to complete on schedule and on budget and will propose budget shifts as appropriate to utilize any cost savings.

**Program Cost Summary by Subdivision**

<b>Sub-division</b>	<b>Budget</b>	<b>Committed</b>	<b>Expended</b>	<b>% Spent</b>
Ventura (Ventura Co)	\$4,572,086	\$3,579,051	\$3,008,377	66%
Ventura (LA Co)	\$7,004,453	\$4,867,441	\$3,619,400	52%
Valley	\$18,709,966	\$9,007,436	\$6,103,644	33%
San Gabriel	\$4,049,999	\$2,858,928	\$2,298,591	57%
River (East Bank)	\$6,526,600	\$4,004,040	\$3,545,966	54%
River (West Bank)	\$1,550,000	\$1,511,159	\$1,487,691	96%
River	\$550,000	\$519,032	\$506,999	92%
System-wide	\$475,000	\$465,024	\$455,837	96%
<b>Total</b>	<b>\$43,438,104</b>	<b>\$26,812,109</b>	<b>\$21,026,506</b>	<b>48%</b>



# **Metrolink Annual Work Program Budget for FY 2019-20**

# FY 20 Metrolink Budget Recommendations

- ❖ Approve \$117,888,003 for FY2019-20 Metrolink Total Programming
- ❖ Reprogram \$3,237,526 of FY2017-18 Operating Surplus
- ❖ Reprogram up to \$3,900,000 in FY17 State-of-Good Repair Funds
- ❖ Approve Additional Funding for the San Bernardino Line 25% Discount Program
- ❖ Extend the Lapsing Dates for FY2013-14 and FY2014-15 Programming
- ❖ Approve the Transfers to Other Operators Rate of \$1.10
- ❖ Authorize the Chief Executive Officer to Negotiate and Execute All Necessary Agreements.



# FY2019-20 Budget Proposal



## What's new?

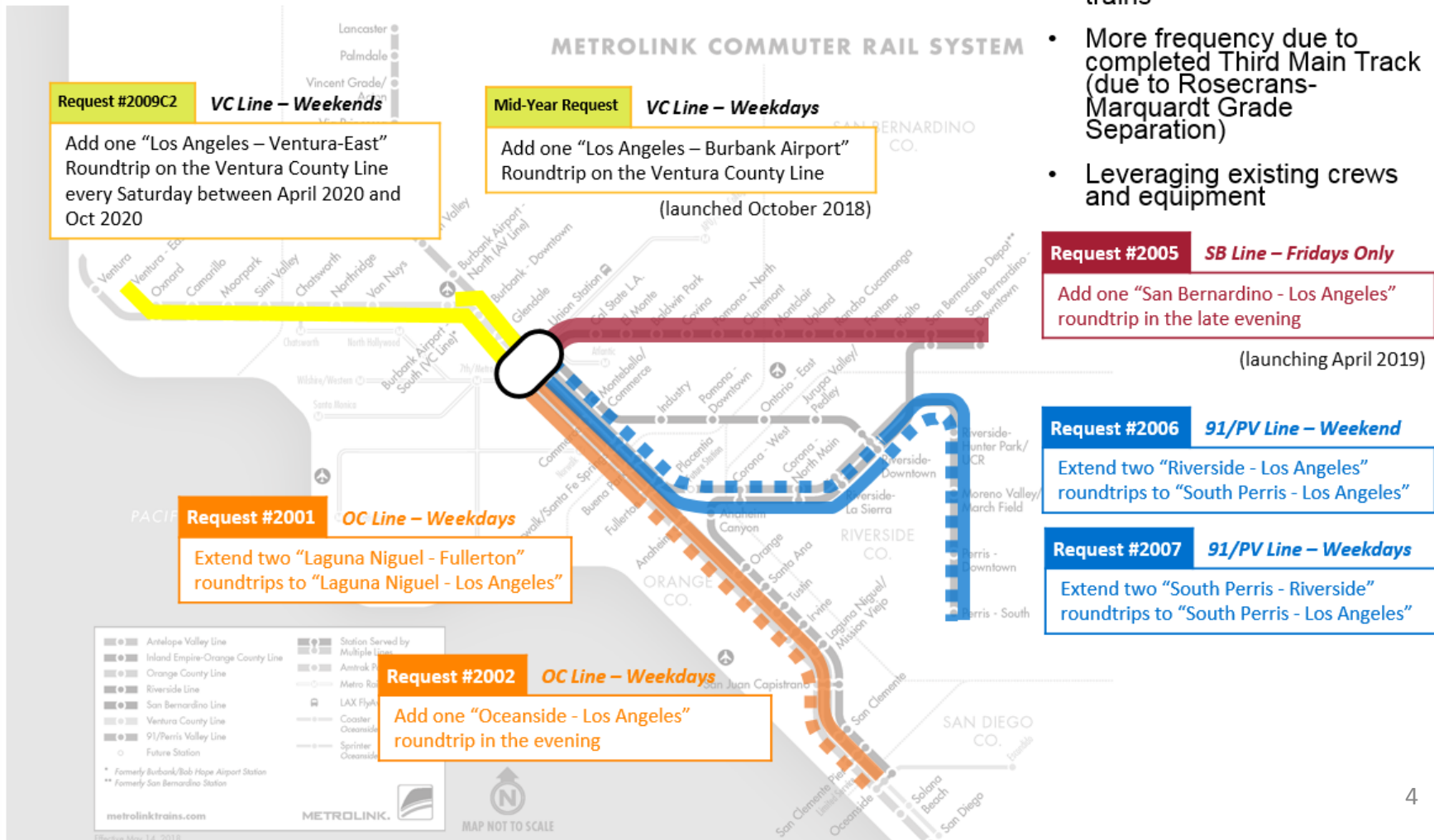
- **Loyalty Program**
- **New Services – 4 out of 7 lines**
- **Special Trains**
  - ✓ **Included in Operating Budget**
  - ✓ **Special ticket to capture revenue**
- **Investment in Capital Program – Key Projects for LA Metro**
  - ✓ **Valley Sub Track Rehab- 27000 ft of rail replacement, 4500 ft tie replacement - \$9.7M**
  - ✓ **Ventura Sub Track Rehab – 6000 ft of rail replacement, 5 crossing replacements - \$2.3M**
  - ✓ **Pedestrian Gates at Stations - Install 2 gates at Burbank Downtown Station - \$1.5M**

# FY 2020 NEW SERVICES



## More Convenient Schedules

- More midday and evening trains
- More frequency due to completed Third Main Track (due to Rosecrans-Marquardt Grade Separation)
- Leveraging existing crews and equipment



# Revenue Allocation by Member Agency

(\$000s)	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share	Total FY2019-20
<b>Operating Revenue</b>						
Farebox Revenue	\$ 44,250	\$ 24,427	\$ 8,179	\$ 10,748	\$ 2,378	\$ 89,983
Dispatching	1,122	717	8	64	262	2,172
Other Revenues	123	54	28	36	17	257
MOW Revenues	7,696	2,613	670	1,553	479	13,011
<b>Total FY2019-20</b>	<b>\$ 53,191</b>	<b>\$ 27,812</b>	<b>\$ 8,884</b>	<b>\$ 12,401</b>	<b>\$ 3,135</b>	<b>\$ 105,423</b>
<b>Total FY2018-19</b>	<b>\$ 50,917</b>	<b>\$ 26,010</b>	<b>\$ 8,507</b>	<b>\$ 12,213</b>	<b>\$ 3,159</b>	<b>\$ 100,806</b>
<b>Over/(Under) Prior Year</b>	<b>\$ 2,274</b>	<b>\$ 1,802</b>	<b>\$ 377</b>	<b>\$ 188</b>	<b>\$ (24)</b>	<b>\$ 4,617</b>
<b>Percentage Change</b>	<b>4.5%</b>	<b>6.9%</b>	<b>4.4%</b>	<b>1.5%</b>	<b>(0.8%)</b>	<b>4.6%</b>



## Expense Allocation by Member Agency

(\$000s)	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share	Total FY2019-20
<b>Expenses</b>						
Train Operations & Services	\$ 75,960	\$ 36,588	\$ 18,466	\$ 16,342	\$ 6,248	\$ 153,604
Maintenance-of-Way	24,769	9,413	3,491	6,464	2,829	46,966
Administration & Services	23,123	8,729	6,813	5,135	4,339	48,140
Insurance	7,326	3,370	1,398	1,616	448	14,158
<b>Total FY2019-20</b>	<b>\$ 131,179</b>	<b>\$ 58,100</b>	<b>\$ 30,168</b>	<b>\$ 29,557</b>	<b>\$ 13,865</b>	<b>\$ 262,869</b>
<b>Total FY2018-19</b>	<b>\$ 126,037</b>	<b>\$ 55,413</b>	<b>\$ 28,167</b>	<b>\$ 28,324</b>	<b>\$ 13,415</b>	<b>\$ 251,356</b>
<b>Over/(Under) Prior Year</b>	<b>\$ 5,143</b>	<b>\$ 2,686</b>	<b>\$ 2,001</b>	<b>\$ 1,233</b>	<b>\$ 449</b>	<b>\$ 11,512</b>
<b>Percentage Change</b>	<b>4.1%</b>	<b>4.8%</b>	<b>7.1%</b>	<b>4.4%</b>	<b>3.3%</b>	<b>4.6%</b>

## Subsidy by Member Agency

(\$000s)	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share	Total FY2019-20
Revenues	\$ 53,191	\$ 27,812	\$ 8,884	\$ 12,401	\$ 3,135	\$ 105,423
Expenses	\$ 131,179	\$ 58,100	\$ 30,168	\$ 29,557	\$ 13,865	\$ 262,869
FY2019-20	\$ 77,988	\$ 30,288	\$ 21,284	\$ 17,156	\$ 10,729	\$ 157,445
FY2018-19	\$ 75,120	\$ 29,403	\$ 19,660	\$ 16,111	\$ 10,256	\$ 150,550
Over/(Under) Prior Year	\$ 2,869	\$ 885	\$ 1,624	\$ 1,045	\$ 473	\$ 6,896
Percentage Change	3.8%	3.0%	8.3%	6.5%	4.6%	4.6%



## FY20 Proposed Rehabilitation and New Capital Budget

### FY2019-20 Rehabilitation Project Allocation by Member Agency

Asset Category (\$000s)	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share	Total FY2019-20
Communications	\$ 1,052	\$ 651	\$ 342	\$ 173	\$ 207	\$ 2,426
Facilities	1,470	613	344	446	223	3,095
Fleet Vehicles	1,970	821	460	597	299	4,148
Rolling Stock	1,354	564	316	410	205	2,851
Signals	7,381	-	-	2,384	3,778	13,543
Structures	1,388	2,380	-	925	2,500	7,193
Track	17,348	7,650	236	3,218	2,023	30,475
<b>Total</b>	<b>\$ 31,964</b>	<b>\$ 12,680</b>	<b>\$ 1,698</b>	<b>\$ 8,153</b>	<b>\$ 9,235</b>	<b>\$ 63,731</b>

### FY2019-20 Capital Project Allocation by Member Agency

Asset Category (\$000s)	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share	Total FY2019-20
Facilities	\$ 879	\$ 366	\$ 205	\$ 266	\$ 133	\$ 1,850
Rolling Stock	309	129	72	94	47	650
Signals	201	21	224	86	8	540
<b>Total</b>	<b>\$ 1,389</b>	<b>\$ 516</b>	<b>\$ 502</b>	<b>\$ 446</b>	<b>\$ 188</b>	<b>\$ 3,040</b>

Note: Amounts may not foot or cross foot due to rounding

# Metro Recommendation for FY 2019-20 Metrolink Budget

Budget Items	Cost (millions)
Operations	\$77,989,000
Enhanced L.A. County ROW Security <sup>1</sup>	\$ 2,522,962
AVL Contract Security & LASD Program <sup>2</sup>	\$ 1,707,632
San Bernardino Line 25% Fare Subsidy	\$ 2,190,969
Rehabilitation & Capital	\$33,352,440
One-Time Special Events	\$ 125,000
<b>TOTAL</b>	<b>\$117,888,003</b>

- <sup>1</sup>**Enhanced L.A. County ROW Security** – additional LASD dedicated to patrol Metro’s ROW utilized by Metrolink throughout L.A. County to address homeless encampments, graffiti, faster response to trespasser strikes, etc.
- <sup>2</sup>**AVL Contract Security & LASD Program** – additional security presence on all AVL trains and AVL stations in addition to 100% fare enforcement at L.A. Union Station and the Lancaster station.



**Metro**

# Metro Historical Subsidy Levels to Metrolink

FY	Metrolink Budget (\$ million)	Required Member Agency Subsidy	Metro Total Programmed	Metro Programmed Operations	Metro Programmed Rehab, Capital, Rolling Stock
2007-08	\$145	\$64	\$53	\$33.8	\$19.2
2008-09	\$159	\$72	\$59.7	\$39.4	\$20.3
2009-10	\$170	\$75	\$75.2	\$39.9	\$35.3
2010-11	\$173	\$82	\$58.3	\$38.8	\$19.5
2011-12	\$180	\$81	\$49.6	\$40.8	\$ 8.8
2012-13	\$194	\$94	\$61.8	\$46.1	\$15.7
2013-14	\$210	\$103	\$83.4	\$53.6	\$29.8
2014-15	\$223	\$112	\$80.1	\$59.7	\$20.4
2015-16	\$241	\$139	\$94.2	\$71.8	\$22.4
2016-17	\$244	\$142	\$115.8	\$72	\$43.8
2017-18	\$243	\$142	\$78.7	\$71.9	\$ 6.8
2018-19	\$251	\$151	\$116.8	\$75.1	\$41.7
<b>2019-20</b>	<b>\$263</b>	<b>\$157</b>	<b>\$111.3</b>	<b>\$78.0</b>	<b>\$33.3</b>
<b>TOTALS</b>	<b>\$2,696</b>	<b>\$1,414</b>	<b>\$1,037.9</b>	<b>\$720.9</b>	<b>\$317</b>



Questions?