

Metro

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



Agenda - Final

Wednesday, October 14, 2015

1:00 PM

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

Finance, Budget and Audit Committee

Paul Krekorian, Chair

James Butts, Vice Chair

Diane DuBois

Mark Ridley-Thomas

Hilda Solis

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

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

CALL TO ORDER

ROLL CALL

13. APPROVE Consent Calendar Item: 14

Consent Calendar Items are approved by one motion unless held by a Director for discussion and/or separate action.

14. RECEIVE AND FILE:

[2015-1286](#)

- A) staff response to Board Motion 6.1 (Attachment A) related to **Commuter Rail Funding in Los Angeles County** adopted at the June 2015 Board meeting.
- B) status of \$18 million loan to Metrolink for rolling stock approved in FY11

Attachments: [Attach A - Motion 6-1](#)
 [Attach B Metrolink Item](#)
 [Attach C - Metrolink Item](#)
 [Attach D Metrolink Item](#)
 [Attach E - Metrolink Item](#)
 [Attach F- Metrolink Item 9](#)
 [Attach G - Metrolink Item](#)

NON-CONSENT ITEMS

15. AUTHORIZE the Chief Executive Officer to **renew existing group insurance policies covering Non-Contract, AFSCME, and Expo employees** for the one-year period beginning January 1, 2016 and to approve the use of a flexible spending card administered by a third-party vendor.

[2015-1355](#)

Attachments: [Attachment A - Monthly Premium Rates](#)
 [Attachment B - Monthly Employee Contributions](#)

16. AUTHORIZE the Chief Executive Officer to execute Modification No. 5 to Contract No. PS30203139 with Axiom xCell, Inc. (Axiom) to **provide additional application functionality for the Fare Inspectors' phones**, which includes new features to improve security and application capabilities for an additional cost of \$354,000, and extend the monthly support services for an additional two years to November 29, 2017, in an amount of \$260,000. This modification would increase the total contract value by \$614,000, from \$447,975 to \$1,061,975. [2015-1380](#)

Attachments: [Board Report Procurement Summary Template - Pro Serv Modification Final](#)
[DEOD Procurement Summary](#)

17. RECEIVE oral report from the Chief Executive Officer. [2015-1538](#)

Adjournment

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



Board Report

File #: 2015-1286, **File Type:** Informational Report

Agenda Number: 14.

**FINANCE, BUDGET AND AUDIT COMMITTEE
OCTOBER 14, 2015**

SUBJECT: RESPONSE TO BOARD MOTION 6.1 (JUNE 2015) RELATED TO COMMUTER RAIL FUNDING IN LOS ANGELES COUNTY

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE:

- A) staff response to Board Motion 6.1 (Attachment A) related to **Commuter Rail Funding in Los Angeles County** adopted at the June 2015 Board meeting.
- B) status of \$18 million loan to Metrolink for rolling stock approved in FY11

ISSUE

Response to June 2015 Board Motion 6.1

As a part of the Board's consideration of staff's recommendation on Metrolink's FY16 budget request, the Board adopted Motion 6.1 directing the CEO to:

- 1) Develop a policy on the use of Metrolink-dedicated sources of funding; and
- 2) Work with Metrolink to identify projected Operating and Maintenance expenses through FY20; and
- 3) Request from Metrolink:
 - A. A current inventory and status of all New Capital, Capital Rehabilitation, and State of Good Repair projects; and
 - B. New projects expected over the next five fiscal years (through FY20); and
 - C. An inventory of all currently unfunded State of Good Repair and safety improvement needs for the Metrolink system within Los Angeles County; and
- 4) Provide a full accounting of all Regional Rail capital projects managed by Metro; and
- 5) Develop an ongoing short-range Metrolink program that plans out five years of funding commitments for Metrolink operations, maintenance, capital and state of good repair; and
- 6) Evaluate whether Metro or Metrolink should procure Architectural and Engineering (A&E) contracts.

An additional item within the motion instructed staff to defer, with limited exception, inclusion of

Proposition C 10% funding within the Call For Projects until the plans and policies referenced above have been reviewed and approved by Metro's Board of Directors.

This item addresses items 1 through 6 above and updates the Board on the status of a previous loan made to Metrolink. Staff has compiled the Board requested information as discussed below, summarized in Attachment B, and detailed in Attachments C (Metrolink's response), D (Regional Rail projects), and F (Metrolink item seeking the transfer of Regional Rail Projects to Metrolink).

DISCUSSION

1, 5) Policy on the Allocation of Metrolink Eligible Funding/Five Year Plan

Items 1 and 5 identify the Board's priority to initiate resource allocation policies and the planning and funding requirements to address the core Metrolink needs of Operations and Maintenance, Capital Rehabilitation/State of Good Repair, and Capital expansion.

Staff is currently developing a policy to address the various demands on Metrolink eligible funding in Los Angeles County. As directed by Metro's Board, this policy is being structured to specifically identify and estimate the availability of resources and identify Metrolink's core operating, safety, and State of Good Repair functions as the priority application of those resources.

As a member partner within the Joint Exercise of Powers Authority (JPA), Metro's Regional Rail staff is reaching out to Metrolink and the other member agencies to collaboratively address the provision of commuter rail services in Southern California. Regional Rail staff anticipates returning to the Board in the December/January time frame with a five-year outlook of expected demands on available resources including Metrolink Operating costs and service levels, Capital Expansion requirements, and Rehabilitation/State of Good Repair needs.

2) Five-Year Projections - Operating and Maintenance Expenses

Metrolink's Operating Budget projections for the next five years indicate a potential funding shortfall in the availability of operating funds from Proposition C 10% totaling approximately \$9.9 million, or 2% of Metro's estimated operating subsidy requirement. Metrolink included costs for both current and expanded levels of service. For illustration, summary data included in Attachment B reflects *current baseline service* levels excluding expansion.

Since FY12, Metro's budgeted operating subsidy contribution to Metrolink commuter rail service has increased a total of 63%, while service (as measured by train miles operated in Los Angeles County) has increased by approximately 7% over the same period. Operating expenses have increased by 27%, including the implementation of Positive Train Control (PTC), and revenues have grown very slowly as ridership has remained largely unchanged.

Metro and Metrolink staff have identified this growth in subsidy requirements as a priority issue, requiring continued discussions among Metro, Metrolink and our member agency partners as part of

the development of the FY17 Budget, and prior to any service expansion.

3A) Inventory and Status of Metrolink Current Budget Authority: Rehabilitation/State of Good Repair and Capital Expansion Projects

	Budget (\$ in millions)	Expended	Balance
Rehabilitation/State of Good Repair	\$ 60.5	\$ 25.4	\$ 35.1
Rotem Settlement/Reimbursement	12.6	1.4	11.2
Capital Expansion	39.6	21.9	17.7
	<u>\$ 112.7</u>	<u>\$ 48.7</u>	<u>\$ 64.0</u>

- **Rehabilitation/State of Good Repair**

The current budget authority for Metrolink's Rehabilitation/State of Good Repair program is \$60.5 million (as approved by Metro's Board over several years through FY15). A total of \$25.4 million (42%) is expected to be invoiced to Metro for work completed through June 30, 2015. The remaining Metro approved balance of \$35.1 (58%) million for Rehabilitation/State of Good Repair projects continues to remain available for drawdown.

Metrolink is in the process of reviewing their current portfolio of projects, prioritizing current budget authority to their highest priority projects and continues to work with Metro and the other member agencies to evaluate possible alternatives to address funding requirements

Through this process of re-prioritization Metrolink has identified locomotives as their highest priority need. Rather than attempt to rehabilitate older locomotives, Metrolink has indicated that because of the advanced age and heavy usage of the equipment, the purchase of new locomotives is the most efficient method of moving forward to ensure the safety and service reliability of their fleet.

To date, Metrolink has indicated that through the process of reviewing the remaining \$35.1 million discussed above, they have identified reprogramming opportunities that have resulted in approximately half (\$7.5 million) of Metro's required net contribution to the proposed locomotive purchase. However, Metro staff has not been apprised of the details of Metrolink's proposed reprogramming actions including specific project recommendations or the financial implications. We are also seeking clarity of the values reflected in Metrolink's FY14 Financial Statements regarding the makeup of \$11.7 million in Deferred (Unearned) Revenue attributed to Metro.

Finally, Metrolink has submitted a request to Metro seeking an additional \$7.25 million (Attachment E) in new funding to fund the balance of Metro's share of the procurement. Prior to any recommendation to Metro's Board, staff continues to seek further re-programming information, clarification, and input into the process to ensure only the highest priority projects are funded from current resources.

Staff continues to believe that the most prudent course of action remains to support the Board's action to defer Metrolink's FY16 Rehabilitation/State of Good Repair request of \$20 million based on

the current outstanding backlog of previously approved budget requests. For example, according to data received from Metrolink, of the \$16.4 million in the FY15 Metro Board approved budget authority, approximately \$66 thousand, or 0.4% has been committed to projects through the award of a contract.

As Metrolink continues to complete this process of re-evaluation and re-prioritization, and as approved projects demonstrate progress towards completion and delivery, Metro staff is committed to partner with Metrolink and the other member agencies and return to Metro's Board to identify additional resource requirements either through the FY17 budget or earlier, as appropriate.

Metrolink has indicated that they will provide Metro a detailed analysis over the next several weeks identifying the projects and funds they intend to seek authority to reprogram. Metrolink is also preparing for their board a detailed analysis of all member agencies proposed reprogramming actions.

- **Rotem Settlement/Reimbursement**

The Orange County Transportation Authority (OCTA) optioned the purchase of 22 Rotem rail cars for inter-county service which were later incorporated in the system-wide fleet. The member agencies reached an agreement that OCTA would be compensated for those cars used on a system-wide basis. Rather than a direct cash payment to OCTA, reimbursements were to be applied over five years towards OCTA's Rehabilitation/State of Good Repair contributions. Metro's total commitment for reimbursement equals \$19.9 million and through FY15 (Year 3), \$12.2 million has been allocated to Metrolink through Metro's budget process. Per data supplied by Metrolink, a total of \$1.4 million has been invoiced to date.

- **Capital Expansion**

The current budget authority for Metro's share of Metrolink's Capital Expansion program is \$39.6 million. A total of \$21.9 million (55%) has been invoiced. The remaining Metro approved balance of \$17.7 million is encumbered against existing and active projects, including Positive Train Control (PTC) and Vincent Siding and 2nd Platform.

3B) New Projects Expected over the next five fiscal years

Metrolink estimates Capital and Rehabilitation/State of Good Repair funding requirements of \$163.5 and \$135.6, respectively, for a total of almost \$300 million over the next five years, FY16-FY20. See Attachment B for a summary of the funding requirements and detailed listing of Metrolink's response in Attachment C.

3C) An Inventory of Unfunded Rehabilitation/State of Good Repair and safety improvements

Metrolink submitted an estimate of Unfunded Rehabilitation/State of Good Repair and safety improvement projects within Los Angeles County totaling \$149.4 million. According to Metrolink's submittal, some projects included in this estimate are also represented in the five-year projections

referenced above. See Attachment B for a summary and Attachment C for project details.

4) Regional Rail Capital Projects Managed by Metro

Metro's Regional Rail group manages Metro's relationship with Metrolink, the California High Speed Rail Authority, the LOSSAN Board of Directors, and implements projects designed to further those collective objectives.

The current budget authority for Regional Rail projects managed by Metro is \$906.5 million. The funding sources for these projects include:

- Local sales tax (primarily Measure R): \$83.0 million, and
- State, Federal and other sources: \$823.5 million

An additional contingency of \$11.2 million in State allocated funds remains to be formally applied to their corresponding eligible projects.

See Attachment B for a summary of the projects and Attachment D for more detailed information regarding each of the projects managed by Metro's Regional Rail group.

6) Evaluate whether Metro or Metrolink should procure Architectural and Engineering (A&E) contracts for commuter rail related projects in Los Angeles County

At its meeting of September 25, 2015, the Metrolink Board approved an item (Attachment F) that directed Metrolink staff to work with Metro staff to develop plans to transfer the management of commuter rail related capital projects currently under the management of Metro's Regional Rail group to the management of Metrolink.

Should both Metro and Metrolink Boards agree to the proposed transfer, staff will begin a transition plan through a Master Cooperative Agreement (MCA) for Metro Board review and potential approval that will address the means and methods that the two agencies will use to develop capital projects. The MCA will specifically identify, among other issues, the following:

- A transition plan for projects currently underway; and
- Communication protocols between the two agencies; and
- The funding responsibilities of Metro and the assignment of financial resources to Metrolink; and
- The financial obligations of Metrolink; and
- A plan for the cooperative oversight by both Metro and Metrolink on all approved capital improvement projects; and
- The coordinated interface of Metro and Metrolink with the California High Speed Rail Authority (CHSRA); and
- Necessary indemnifications; and
- Right-of-way (ROW) or other maintenance requirements subsequent to project completion.

Other Issues

Status of \$18 million loan to Metrolink

In October 2010, Metro's Board approved an urgency motion to loan up to \$18 million to Metrolink to finance the purchase of 20 additional Rotem commuter rail passenger cars. The terms of the agreement were that Metro would loan Metrolink up to \$18 million to provide working capital in order to secure a favorably priced contract option for additional vehicles. Thereafter, Metrolink would repay the loan to Metro, plus interest of 3.52% annually, using its eligible annual appropriation of Proposition 1B California Transportation Security Grant Program (CTSGP) funds received under a Letter Of No Prejudice (LONP). The terms stipulate that the loan will be repaid on or before June 30, 2017.

To date, through FY15 year end, Metrolink has made interest only payments to Metro totaling \$2.3 million. Staff has been working with Metrolink to establish a specific timetable and reimbursement plan. Please see Attachment G for Promissory Note.

FINANCIAL IMPACT

There is no current financial impact should the Board choose to Receive and File this report.

NEXT STEPS

Metro staff will continue to work with Metrolink to assess the funding needs, evaluate their budget requests, and identify additional funding, if needed. Metro staff continues to develop for Board review and approval a clear policy on the use of Metrolink-dedicated funds that will prioritize the use of funds for core Metrolink functions and determine the appropriate use of debt.

The following are key steps that staff will continue over the next several months:

- Continue to work with Metrolink and our partner member agencies to identify potential re-programming opportunities of previously approved yet unexpended funds
- Identify any potential funding gaps and possible alternative strategies
- Develop for Board approval a specific allocation policy of Metrolink eligible resources
- Work with Metrolink and our partner member agencies, to identify for Metro's Board, the five year requirements and resource availability for Metro's contributions to Metrolink Operations, Capital, and Rehabilitation/State of Good Repair needs
- Work with Metrolink to update the Board on a quarterly basis based on Board direction
- Work with Metrolink to identify a specific timetable and reimbursement plan to ensure the outstanding loan of \$18 million is repaid prior to its due date of June 30, 2017.

ATTACHMENTS

Attachment A - Board Motion 6.1 (As Amended)

Attachment B - Summarized information provided by Metrolink and Metro Regional Rail

Attachment C - Detailed Metrolink response to Metro's request for information

Attachment D - Detailed information of Metro Regional Rail Group

Attachment E - September 10, 2015 letter from Metrolink; re: Locomotive request for additional funding

Attachment F - Metrolink September 25, 2015 Board Item # 9 RE: Transferal of Specific Capital Projects in Los Angeles County

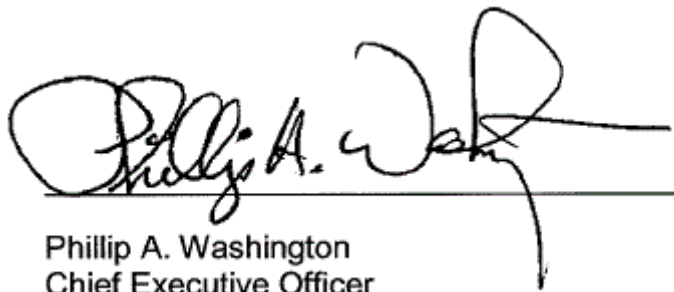
Attachment G - Promissory Note - Metrolink Rolling Stock Loan

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Phillip A. Washington
Chief Executive Officer



Board Report

File #:2015-0973, File Type:Motion / Motion
Response

Agenda Number:6.1.

**REGULAR BOARD MEETING
JUNE 25, 2015**

Motion by:

**Directors Antonovich, Knabe, Solis and Najarian
Amended by Dupont-Walker**

June 25, 2015

**Relating to Item 6, File ID 2015-0259
Metrolink/Regional Rail Fiscal Accountability**

The Southern California Regional Rail Authority (Metrolink), comprising five member County Regional Transportation Agencies, provides a vital regional commuter rail service that connects the residents, businesses, and attractions of Los Angeles County to those of Ventura, San Bernardino, Riverside, Orange, and San Diego Counties.

Los Angeles County Metro (Metro) is the largest agency in the Metrolink system by all measurements - service area, number of stations, ridership, and annual subsidy to support Metrolink's annual operating budget.

As the majority contributor to Metrolink's annual operating budget (51%), Los Angeles County plays an essential role in funding the operations, maintenance, and State of Good Repair of the capital-intensive Metrolink system to provide a safe, reliable, and efficient transit alternative for the people of Los Angeles County.

In support of this mission, Metro programs and provides funding to Metrolink through Proposition C 10% and Measure R 3%. **Combined, these funding categories will provide approximately \$96 million in Fiscal Year 2016 (FY16).**

The demand for these finite funds continues to grow with increasing requests from Metrolink and Metro departments. Metrolink, for example, has requested approximately \$107.5 million for FY16, including:

- \$65.5 million operating subsidy
- \$20.0 million for new Capital Rehabilitation programs
- \$13.0 million to acquire new Ticket Vending Machines (TVMs) to replace the antiquated, unreliable 20-year-old TVMs
- \$5.8 million for Crash Energy Management passenger railcars to provide greater safety for our

customers

- \$2.6 million for Right of Way (ROW) Security
- \$0.5 million in various other programs
- \$0.1 million for one-time special events

Meanwhile, Metro staff has requested \$10.2 million between FY17 and FY21 in Proposition C 10% funding to be issued as debt to support the Call for Projects (Item #15). Additionally, Metro Regional Rail has requested \$40 million in Metrolink-eligible funding in FY16 to support ongoing capital projects it manages.

As demand begins to oversubscribe funding capacity, Metro must develop a clear policy that prioritizes the use of these funds for vital needs-operations, maintenance, safety improvements and State of Good Repair-over subordinate ones (i.e., debt issued for Call for Projects) to fulfill our primary goal to provide safe, reliable and efficient commuter rail service in Los Angeles County.

In addition to this policy, Metro must also ensure that the funding it does provide for Metrolink and Regional Rail programs is being used in a timely and cost-efficient manner so that scarce Proposition C 10% and Measure R 3% funds are used as effectively as possible.

For example, Metro staff has identified an ongoing problem with Metrolink's Capital Rehabilitation program, whereby \$40 million of previously programmed and budgeted rehabilitation funds from Metro for Metrolink remain unspent. Consequently, Metro staff has recommended (Item #6C) that Metro withhold the \$20 million in Metrolink-requested funds for FY16 until which time Metrolink staff can account for the prior unspent funds and develop a complete inventory of current and future needs that draw down upon these funding sources. This problem signifies not just a budgetary issue, but also a safety culture issue, as rehabilitation and state of good repair projects need to be implemented as soon as possible to preserve the safety of the commuter rail system.

Additionally, Metro programs funding to construct Regional Rail capital projects that are in support of Metrolink and other Regional Rail operations in Los Angeles County. These projects also require a full accounting to ensure that their Life-of-Project budgets, costs, cashflows, and timelines are clearly defined and maintained to foster accountability and safeguard these limited funding sources from additional burdens caused by delay, cost overruns, and unnecessary project scope.

To protect the safe and robust operation of Metrolink in Los Angeles County, it is incumbent upon the Metro Board to reconcile all demands for Metrolink-eligible funding, prioritize the programming of funds, and review the implementation of all Metro Regional Rail and Metrolink capital projects using this funding to protect against project cost overruns, delays, and excessive scope.

APPROVED Antonovich, Knabe, Solis and Najarian Motion as amended by Dupont-Walker that the Board directs the CEO to develop a policy on the use of Metrolink-dedicated sources of funding (Proposition C 10% and Measure R 3%) that embodies at minimum the following principles.

- A. The first priority for the use of these funding categories is for Metrolink core functions of operations, maintenance, safety and rehabilitation capital improvements, and State of Good Repair projects;
- B. All subordinate demands for these sources of funding shall not draw down funding from nor encumber debt upon these funding sources that are necessary to support the projected demands of Metrolink core functions unless sufficient capacity for future years can be demonstrated; and
- C. A quarterly written report shall be presented to the Board that reviews and tracks at minimum the project implementation timelines, cashflow, costs, and Life-of-Project budget for Metrolink (Los Angeles County) and Metro Regional Rail programs and projects.

WE FURTHER MOVE that the Board directs the CEO to work with Metrolink to identify projected Operating and Maintenance expenses over the next five Fiscal Years (through FY20), with a report back to the Board within 90 days.

WE ALSO MOVE that the Board (1) supports the staff recommendation for Item #6C to defer Metro's share of the Metrolink FY16 Renovation and Rehabilitation budget and (2) directs the CEO to request from Metrolink within 30 days a full accounting of its Capital and State of Good Repair needs, including but not limited to the following:

- A. A current inventory and status of all New Capital, Capital Rehabilitation, and State of Good Repair projects, including at minimum the following elements:
 - 1. Year of original Metro fund allocation to these projects;
 - 2. Life-of-Project budgets;
 - 3. Project implementation timelines and progress to date;
 - 4. Percent completion of each project versus percent of funds spent;
 - 5. All unspent funds;
 - 6. Reasons for any delay in project implementation;
 - 7. Estimated cashflow requirements for each project over the next five Fiscal Years (through FY20);
- B. New projects expected over the next five Fiscal Years (through FY20); and
- C. An inventory of all currently unfunded State of Good Repair and safety improvement needs for the Metrolink system within Los Angeles County.

WE FURTHER MOVE that the Board directs the CEO to provide within 60 days a full accounting of all Regional Rail capital projects managed by Metro, including but not limited to the following elements:

- A. Life-of-Project budgets;
- B. Project implementation timelines;
- C. Cashflow needs;
- D. An accounting of all project delays and cost increases over the past three years; and
- E. A review of project scope for extraneous or deferrable elements to relieve demand upon Metrolink-eligible funding.

WE ALSO MOVE that the Board directs the CEO to develop within 120 days for the Board an ongoing short-range Metrolink program (Program) that plans out five years of funding commitments for Metrolink operations, maintenance, capital, and state of good repair.

- This Program will reconcile and prioritize the various demands on Metrolink-eligible funding and instill accountability and discipline for how Metro spends its Metrolink-eligible funding, with the possibility that Metro could provide multiyear funding commitments to Metrolink to reduce risk and costs for multiyear Metrolink programs and projects resulting from Metro's year-to-year annual budget process.

WE FURTHER MOVE that the Board defer approving the inclusion and/or debt encumbrance of Proposition C 10% as a funding source for the 2015 Call for Projects, except for projects which have a clear and direct nexus to a current or planned Metrolink station as determined by the CEO, until which time the Program is completed and capacity for Proposition C 10% is determined to be available.

- Should such Proposition C 10% capacity not be available, the Board directs the CEO to provide an alternative funding plan, excluding funding eligible for Metrolink and Metro bus and rail operations, for projects that would no longer have Proposition C 10% available as a funding source.

AMENDMENT by Dupont-Walker that the CEO evaluate whether Metro or Metrolink should procure Architectural and Engineering contracts.

Summary of
Los Angeles County Commuter Rail Information

**2. Projected Operating and Maintenance Expenses
FY's 2016 to 2020**

As requested by Metro's Board of Directors, Metrolink provided estimated Operating and Maintenance Expenses for the fiscal years 2016 to 2020 with and without new service expansion. Due to anticipated constraints on Metro's funding, the table below reflects cost estimates reflecting current base service levels. The inclusion of these services would increase Metro's total 5 year estimated operating contributions by approximately \$9.6 million. Metro Staff has estimated those requirements for funds utilizing the same source of potential funds – Proposition C 10% funds. For detail information, please see Attachment C.

Metrolink Operating Expenses/Use of Proposition C 10%
(Excludes New Service)

Metrolink Operating Expenses/Use of Proposition C 10%						
EXCLUDES NEW SERVICE						
(\$ in thousands)	FY16	FY17	FY18	FY19	FY20	5-YR TOTAL
Metrolink Operations & Maintenance <i>(excludes New Service)</i>	\$ 65,482	\$ 66,152	\$ 67,888	\$ 70,485	\$ 73,171	\$ 343,178
Supp Secrty on Los Angeles ROW	2,351	2,398	2,446	2,495	2,545	12,235
Special Trains	100	100	100	100	100	500
Special Appropriations	4,200	-	-	-	-	4,200
Metro Debt Service	13,370	13,313	12,870	10,750	10,671	60,973
Other Metro *	1,500	500	500	500	500	3,500
TOTAL USES	\$ 87,003	\$ 82,463	\$ 83,804	\$ 84,330	\$ 86,987	\$ 424,586
Beginning Fund Balance *	13,341					13,341
Prop C 10% Revenues *	75,205	77,837	80,327	82,737	85,220	401,326
AVAILABLE RESOURCES	\$ 88,546	\$ 77,837	\$ 80,327	\$ 82,737	\$ 85,220	\$ 414,667
EST. ANNUAL FUNDING GAP **	\$ 1,543	\$ (4,626)	\$ (3,477)	\$ (1,593)	\$ (1,767)	\$ (9,919)

* Estimated by Metro Staff

** Surplus/ (Shortfall)

3A. Current inventory and status of all New Capital, Capital Rehabilitation, and State of Good Repair projects

Metrolink provided detailed information on the progress across all Capital Expansion and Rehabilitation/State of Good Repair projects funded by Metro in previous periods as requested by Metro’s Board of Directors. For specific detail, please see Attachment C.

As summarized below, Metrolink has indicated that of \$112 million budgeted for Capital and Rehabilitation/State of Good Repair projects over the last 6 years. Only \$48.6 million (43%) has been billed to Metro-to-date, and \$64.0 million (57%) in project activity, including project surpluses, expects to be completed and drawn down within 3 fiscal years.

Budget Period (\$ in thousands)	Budget	Billed-to-date*	% Billed	Project (Over)/ Under-runs	Expected Drawdowns			Combined Under- Runs/ Expected Drawdowns
					FY16	FY17	FY18	
FY10 or Earlier	595	-	0%	(182)	777	-	-	595
FY11	8,000	6,973	87%	19	1,008	-	-	1,027
FY12	7,892	5,910	75%	627	492	28	-	1,147
FY13	11,612	9,372	81%	186	1,652	1,237	-	3,075
FY14	16,006	3,116	19%	2	9,610	3,278	-	12,890
FY15	16,375	12	0%	-	6,076	7,306	2,981	16,363
Subtotal - Rehab/SGR	60,480	25,383	42%	652	19,615	11,850	2,981	35,098
Rotem Settlement	12,600	1,393	11%	11	3,099	4,321	3,775	11,207
Capital Expansion	39,572	21,878	55%	-	16,641	553	500	17,694
TOTAL	112,652	48,654	43%	663	39,355	16,724	7,257	63,998

* Includes remaining FY15 billings for fiscal year-end closing June 30, 2015 (\$1.6M).

3B. Estimated New Capital and Rehabilitation/SGR Projects (FY16 – FY20)

In response to the Board’s request, Metrolink has provided an initial estimate of their Capital Expansion and Rehabilitation/State of Good Repair requirements, totaling just under \$300 million for FY16-FY20, as reflected below.

Five-Year Projections for Capital and Rehabilitation

LA Metro Share in Constant Dollars

Program (\$ in thousands)	FY16*	FY17	FY18	FY19	FY20	Total
<u>CAPITAL EXPANSION</u>						
Capacity Expansion – Track**	\$ 8,000	\$ 33,230	\$ 33,230	\$ 33,230	\$ 33,230	\$ 140,920
Incremental Rolling Stock	2,151	-	-	-	-	2,151
TVM**	12,984	-	-	-	-	12,984
Facilities	-	60	60	60	60	240
Project Evaluation/Prelim Engineering**	475	475	475	475	475	2,375
Grade Crossings	-	1,215	1,215	1,215	1,215	4,860
Capital Expansion Total	\$ 23,610	\$ 34,980	\$ 34,980	\$ 34,980	\$ 34,980	\$ 163,530
<u>REHABILITATION/SGR</u>						
Communications	\$ 153	\$ 504	\$ 504	\$ 504	\$ 811	\$ 2,476
Facilities	171	2,320	913	919	688	5,011
Vehicles (non-revenue)	314	190	190	190	190	1,074
Rolling Stock – Locomotives	3,499	570	3,117	2,072	2,380	11,638
Rolling Stock – Passenger Cars	7,874	1,654	1,654	1,654	1,462	14,298
Train Signaling	2,428	4,198	4,428	4,198	5,081	20,333
Stations	67	67	67	67	67	335
Structures (Bridges/Culverts)	1,968	10,427	6,826	7,712	7,259	34,192
Track	3,527	10,448	10,413	11,287	10,579	46,254
Rehabilitation/SGR Total	\$ 20,001	\$ 30,378	\$ 28,112	\$ 28,603	\$ 28,517	\$ 135,611
TOTAL	\$ 43,611	\$ 65,358	\$ 63,092	\$ 63,583	\$ 63,497	\$ 299,141

* FY16 includes Metrolink's requested budget. This figure was deferred, pending further consideration, by Metro's Board on June 26, 2015.

** FY16 Capital Expansion items have been approved by the Board as part of the FY16 Budget adoption.

3C. Estimated Inventory of Unfunded Rehabilitation/SGR Requirements

In response to the Board’s request, Metrolink submitted the following estimate of currently unfunded Rehabilitation and State of Good Repair projects totaling \$149 million. Per Metrolink’s submittal, some projects included in the categories below are also represented in their 5 year outlook referenced above. For detail, please see Attachment C.

Backlog of State of Good Repair Needs

Unfunded Rehabilitation/SGR Projects (\$ in thousands)	Est. Total
Communications	\$ 2,316
Facilities	884
Vehicles (non-Rev)	801
Rolling Stock – Locomotives	1,045
Rolling Stock – Passenger Cars	60,009
Train Signaling	17,405
Structures (Bridges/Culverts)	32,803
Tracks	34,092
Total	\$ 149,355

4. Regional Rail Capital Projects managed by Metro

The Regional Rail group at Metro manages a variety of capital projects related to Commuter Rail, High Speed Rail, and the LOSSAN Corridor. As requested by the Board, the following table represents a current estimate of Metro managed projects. Current project authority totals \$906.5 million, of which \$823.5, or 91% is funded through non-MTA resources.

REGIONAL RAIL CAPITAL PROJECTS

PROJECT NAME (\$ 000's)	FY16	FY17	FY18	FY19	FY20	MTA FUNDS	NON MTA	LIFE OF	CNTGNCY - ADDNL
							FUNDS	PROJECT BUDGET	NON MTA FUNDS
Bob Hope Airport Metrolink Station	2,129					5,369	2,586	7,955	
Bob Hope Airport Pedestrian Bridge	1,859	1,641				3,500	12,375	15,875	
Brighton to Roxford Double Track		1,500	1,500			3,000	107,000	110,000	
Doran St Grade Separation	767	2,500	1,433			6,600	77,100	83,700	
L.A. County Grade Crossings	2,000	2,500				4,500		4,500	
L.A. County Metrolink Station Needs Assessment	350	150				500		500	
Lone Hill to White - Env & 30% Design	553	1,291	1,156			3,000	69,000	72,000	
Raymer/Bernsen Double Track	391					391	104,025	104,416	8,339
Rosecrans Marquardt Grade Separation*	1,295	2,367	2,000	24,633	4,705	35,000	75,000	110,000	
SCRIP	15,500					21,000	344,000	365,000	
Van Nuys North Platform	200					200	32,398	32,598	2,902
TOTAL	\$ 25,044	\$ 11,949	\$ 6,089	\$24,633	\$4,705	\$ 83,060	\$ 823,484	\$ 906,544	\$ 11,241

* The Rosecrans/Marquardt Grade Separation local funding is Measure R 25% Highway Funds.

August 20, 2015

Mr. Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority (Metro)
One Gateway Plaza
Los Angeles, CA 90012

Dear Phil:

Your letter dated July 8, 2015 requests a set of information from the Southern California Regional Rail Authority (Metrolink), pursuant to the Los Angeles County Metropolitan Transportation Authority's (Metro) June 25, 2015 Board Agenda Item 6 and Motion 6.1. Specifically, you requested that we address two main items – (1) Operating and Maintenance expenses over the next five fiscal years and (2) a full accounting of Metrolink Capital and State of Good Repair needs.

Our analysis indicates several important findings:

- Operating and Maintenance Expenses – With Metro requests for forecasted additional service (on the Antelope Valley and Ventura County Lines), the Metro local operating subsidy is expected to increase from \$65.5 million in FY 2016 to \$77.8 million in FY 2020 – an average increase of 3.8% per year (Attachment 1).
- Current Inventory and Status of All New Capital, Capital Rehabilitation/State of Good Repair Of the \$60.5 million LACMTA portion of the rehabilitation budget for the period, about 45% has been expended, leaving \$35.6 million remaining to be billed. Of the \$39.6 million budgeted for new capital, 65% has been expended. The remainder, \$17.7 million is encumbered against existing and active projects, including Positive Train Control (PTC) and Vincent Siding and 2nd Platform.

Funds for projects programmed FY13 and before are largely committed and are anticipated to be drawn down significantly within FY16 with trailing expenses in FY17. FY14 and FY15 projects do still have large unspent budget amounts. However, significant orders of materials and parts and advancement of contracts is leading to secure commitments to draw down funds in the Capital Rehabilitation and the New Capital Categories according to the schedule presented (Attachment 2, Item A1). Project level detail is also included (Attachment 2, Item 2A).



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Letter to Phil Washington

Some of the delay is due to normal project schedule timing. Also, the PTC, which is our highest safety priority project, has required project management resources for a longer period of time than originally anticipated, slowing the implementation of other projects. Finally, there was a significant delay in the receipt of FY15 funds.

It is important to note that we are already in the process of reprogramming funds for the projects which have now been identified as no longer moving forward.

- Metrolink Capital and State of Good Repair Needs: There are significant Capital Rehabilitation/State of Good Repair needs which represent SCRRA's highest priority projects. The expected new project list for rehabilitation is significant and is necessary to limit the growth of the backlog of state of good repair projects. Nonetheless, if limited by the anticipated contribution levels in the range of \$20 - \$30 million per year (as presented in Attachment 2, Item B1), the backlog of projects will continue to grow.
- Metrolink New Capital Projects. Requests for new service by member agencies would require investment in new capital projects to add capacity to our largely single-track system and to grow the fleet, which has reached its limits (Attachment 2, Item B2).
- Inventory of Currently Unfunded State of Good Repair and Safety Improvements: To meet State of Good Repair requirements, investment for rail infrastructure in Los Angeles County is estimated to exceed \$50 million per year. This anticipated need is substantially higher than current funding levels, and may necessitate an expanded approach to funding Metrolink state of good repair projects. (Attachment 2, Items C1-C3). Needs for safety-specific projects such as grade crossing treatments (as vetted with federal and state safety and security authorities) are similarly widespread and significant, totaling \$1.3 billion (Attachment 2, Item C4).

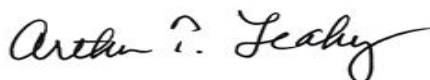
These inputs have all been developed in collaboration and with input from your staff. The Finance and Regional Rail departments have been especially helpful and we look forward to reviewing the the material provided here with your staff. On a go forward basis, Metrolink staff will continue to work closely with Metro staff on identifying the potential for reprogramming the balance of unspent and uncommitted Metro funds to the highest priority projects in Los Angeles County, including the purchase of new locomotives. Discussions with Metro staff will also need to address funding constraints that your staff has brought to our attention.



Page Three
Letter to Phil Washington

I understand that there have been issues regarding project delays and the use of programmed funding. We look forward to working with you to resolve such issues. If you have any questions, please contact Roderick Diaz, Director, Planning and Development at diazr@scrra.net or 213-452-0455.

Sincerely,



Arthur T. Leahy
Chief Executive Officer

cc: Nalini Ahuja, Metro
Don Sepulveda, Metro

SUMMARY OF ATTACHMENTS:

- *Attachment 1, The Operational Income Statement Summary*
- *Attachment 1A, Projected Operational and Maintenance Expenses*
- *Attachment 1B, Projected Operational and Maintenance Expenses With and Without New Service*
- *Attachment 2, Item A1 – Status of Current Capital Rehabilitation and New Capital Projects*
- *Attachment 2, Item A2 – Backup Project Level Data for Active Capital Rehabilitation and New Capital Projects*
- *Attachment 2, Item B1 – Summary of Expected 5-Year Projects for Capital Rehabilitation/State of Good Repair*
- *Attachment 2, Item B2 – Summary of Expected 5-Year New Capital Projects*
- *Attachment 2, Items C1 through C3 – State of Good Repair Needs Summary*
 - *Item C1 – Metrolink Backlog of State of Good Repair Needs* – a list of all overdue rehabilitation needs is currently estimated at \$149M
 - *Item C2 – Metrolink 5-Year Rehabilitation Forecast - Constrained by Safety Priority* -- a list constrained (at \$20M/year as recommended by LACMTA staff) by safety priority
 - *Item C3 -- Metrolink 5-Year Rehabilitation Forecast - Unconstrained* – a list based of forecasted needs based on the condition of the assets (Item C3).
- *Attachment 2, Item C4 – Safety Needs Summary*



ATTACHMENT 1

**Projected Operating and Maintenance Expenses FY16-FY20
Adopted and Forecasted Metrolink Budget Requests from METRO
By Major Cost Component**

(\$000s)

	FY15-16 Adopted Budget	FY16-17 Forecast Budget	FY17-18 Forecast Budget	FY18-19 Forecast Budget	FY19-20 Forecast Budget
EXPENSES	119,017	122,063	124,560	132,858	138,845
REVENUES	53,535	55,034	56,108	58,851	61,023
NET LOCAL SUBSIDY	65,482	67,029	68,452	74,006	77,822

OPERATIONS

Revenues					
Farebox Revenue	42,879	44,184	45,127	47,651	49,599
Dispatching	1,355	1,373	1,385	1,413	1,441
Other Revenues	-				
MOW Revenues	9,301	9,477	9,595	9,787	9,983
Operation Revenue Subtotal	53,535	55,034	56,108	58,851	61,023
Member Agency Revenues	55,855	56,867	58,754	64,017	67,533
Total Revenues	109,390	111,901	114,862	122,868	128,556
Operations & Services					
Train Operations	23,949	24,046	25,569	27,984	29,335
Equipment Maintenance	14,805	15,076	14,994	17,160	18,358
Contingency (Train Ops)	-				
Fuel	11,934	12,102	12,070	13,364	14,203
Non-Scheduled Rolling Stock Repairs	124	129	125	129	133
Operating Facilities Maintenance	629	733	716	738	760
Other Operating Train Services	271	284	303	312	321
Rolling Stock Lease	304	119	119	122	126
Security - Sheriff	3,073	3,250	3,275	3,373	3,474
Security - Guards	961	989	1,019	1,050	1,081
Supplemental Additional Security	350	348	356	366	377
Public Safety Program	124	121	121	125	129
Passenger Relations	964	914	931	959	987
Holiday Trains	-				
TVM Maintenance/Revenue Collection	2,769	2,909	3,041	3,132	3,226
Marketing	535	477	485	500	515
Media & External Communications	204	204	204	210	216
Utilities/Leases	1,279	1,322	1,373	1,414	1,456
Transfers to Other Operators	4,132	4,325	4,542	4,678	4,818
Amtrak Transfers	446	540	635	654	674
Station Maintenance	872	1,196	1,165	1,199	1,235
Rail Agreements	1,797	1,852	1,870	2,191	2,625
Subtotal Operations & Services	69,523	70,938	72,911	79,659	84,051
Maintenance-of-Way					
MoW - Line Segments	23,054	23,886	24,517	25,252	26,010
MoW - Extraordinary Maintenance	707	737	762	785	808
Subtotal Maintenance-of-Way	23,760	24,623	25,278	26,037	26,818
Administration & Services					
Staff					
Ops Salaries & Fringe Benefits	5,537	5,585	5,723	5,895	6,072
Ops Non-Labor Expenses	2,449	2,535	2,559	2,635	2,714
Indirect Administrative Expenses	6,510	6,660	6,808	7,012	7,222
Ops Professional Services	1,372	1,313	1,329	1,368	1,409
Subtotal Administration & Services	15,868	16,093	16,418	16,910	17,418
Contingency (Non-Train Ops)	239	247	254	262	269
Total Expenses Including MoW	109,390	111,901	114,862	122,868	128,556

RISK MANAGEMENT

Revenues					
Member Agency Revenues	9,627	10,162	9,698	9,989	10,289
PL/PD Revenues					
Total Revenues	9,627	10,162	9,698	9,989	10,289
Insurance					
Liability/Property/Auto	6,859	7,511	7,647	7,877	8,113
Claims / SI	2,130	1,944	1,346	1,387	1,428
Claims Administration	638	708	704	726	747
Subtotal Insurance	9,627	10,162	9,698	9,989	10,289
Total Insurance / SIR Expenses	9,627	10,162	9,698	9,989	10,289

ATTACHMENT 1A

**Projected Operating and Maintenance Expenses FY16-FY20
Adopted and Forecasted Metrolink Budget Requests from METRO
By Major Cost Component**

(\$000s)

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Equipment Maintenance	14,805	15,076	14,994	17,160	18,358
Contingency (Train Ops)	-				
Fuel	11,934	12,102	12,070	13,364	14,203
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Transfers to Other Operators	4,132	4,325	4,542	4,678	4,818
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Subtotal Operations & Services	69,523	70,938	72,911	79,659	84,051
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MoW - Line Segments	23,054	23,886	24,517	25,252	26,010
MoW - Extraordinary Maintenance	707	737	762	785	808
Subtotal Maintenance-of-Way	23,760	24,623	25,278	26,037	26,818
Administration & Services					
Staff					
Ops Salaries & Fringe Benefits	5,537	5,585	5,723	5,895	6,072
Ops Non-Labor Expenses	2,449	2,535	2,559	2,635	2,714
Indirect Administrative Expenses	6,510	6,660	6,808	7,012	7,222
Ops Professional Services	1,372	1,313	1,329	1,368	1,409
Subtotal Administration & Services	15,868	16,093	16,418	16,910	17,418
Contingency (Non-Train Ops)	239	247	254	262	269
Total Expenses Including MoW	109,390	111,901	114,862	122,868	128,556

RISK MANAGEMENT

Revenues					
Member Agency Revenues	9,627	10,162	9,698	9,989	10,289
PL/PD Revenues					
Total Revenues	9,627	10,162	9,698	9,989	10,289
Insurance					
Liability/Property/Auto	6,859	7,511	7,647	7,877	8,113
Claims / SI	2,130	1,944	1,346	1,387	1,428
Claims Administration	638	708	704	726	747
Subtotal Insurance	9,627	10,162	9,698	9,989	10,289
Total Insurance / SIR Expenses	9,627	10,162	9,698	9,989	10,289

ATTACHMENT 1B

Adopted Budget FY16 Comparison of Forecasted Budgets FY17 through FY20 With NewTrain Service and Without New Train Service

Metro

FY15-16 Adopted Budget		65,482
------------------------	--	--------

FY16-17 with new Service		67,029
FY16-17 without new Service		66,152
Increase (Decrease) in Subsidy without new service		(876)

FY17-18 with new Service		68,452
FY17-18 without new Service		67,888
Increase (Decrease) in Subsidy without new service		(564)

FY18-19 with new Service		74,006
FY18-19 without new Service		70,485
Increase (Decrease) in Subsidy without new service		(3,522)

FY19-20 with new Service		77,822
FY19-20 without new Service		73,171
Increase (Decrease) in Subsidy without new service		(4,651)

FY17 - FY20 Cumulative change in Subsidy without new Service (9,614)

**ATTACHMENT 2, ITEM A1
LACMTA FY 2011 to FY 2015 CASH FLOW PROJECTION
ESTIMATED BILLINGS BY FISCAL YEAR**

CURRENT APPROVED BUDGET	Budget	Expended	Already Billed	Total Remaining Billings	Estimated Remaining Billings FY14-15	FY 15-16	FY 16-17	FY 17-18	Budget Under-Run/ (Over-Run)
Prior Projects (Project 508090, Project 509092)	594,577	747,718	-	776,936	-	776,936	-	-	(182,359)
FY 2011 Budget	8,000,000	7,876,332	6,972,544	1,008,129	-	1,008,129	-	-	19,326
FY 2012 Budget	7,891,893	4,874,032	5,909,683	520,430	-	491,980	28,451	-	626,873
FY 2013 Budget	11,612,304	9,256,399	8,767,116	3,493,905	605,361	1,651,641	1,236,902	-	186,189
FY 2014 Budget	16,006,500	4,774,280	2,584,544	13,420,387	531,827	9,610,384	3,278,176	-	1,568
FY 2015 Budget:									
Measure R	8,375,000	6,450	-	8,375,000	683	3,925,069	4,148,258	300,990	-
Prop C-10%	6,300,000		-	6,300,000	11,000	1,626,332	1,982,282	2,680,386	-
PTMISEA	1,700,000		-	1,700,000	-	524,172	1,175,828	-	-
TOTAL	16,375,000	6,450	-	16,375,000	11,683	6,075,573	7,306,368	2,981,376	-
Total Rehab. Projects	60,480,274	27,535,211	24,233,888	35,594,788	1,148,871	19,614,644	11,849,897	2,981,376	651,598
Rotem Settlement	12,600,000	2,240,103	910,857	11,677,859	482,121	3,099,350	4,321,275	3,775,113	11,284
New Capital	39,571,550	25,409,774	21,877,936	17,693,614	-	16,640,930	552,584	500,100	-

Footnotes:

1) Total Rehab. Projects: Additional \$4.7 million has been committed against the total remaining billings of \$33.4 million. To redirect \$28.7 million, it would affect systemwide projects and potentially impact other members' funding availability. 50% of the FY 2015 budgeted funds were approved at the end of the fiscal year.

2) Rotem Settlement: These funds are for OCTA's share of Systemwide rehab projects and are approved in MOU MRROTEMSET. \$7.5M is allocated to projects through FY 15. \$5.8M is planned for FY 16, \$5.1M is planned for FY 17, and \$1.5M is planned for FY 18. Total Rotem Settlement is \$19.9M. Redirecting settlement funds would affect systemwide projects and potentially impact other members' funding availability.

3) New Capital: \$17.7 million is encumbered against existing and active projects, which are PTC (\$7.7M), Vincent Siding (\$8.2M), and 3rd party projects including Branford (\$0.3M) & LACMTA I-5N Enhancement (\$1.5M)

**Southern California Regional Rail Authority
New Capital Project Status Report**

**Attachment 2, Item A2
Backup Project Level Data**

**Only Active Projects, Reflects Total Project Value (Includes All Member Contributions)
Thru Jun-2015 (\$K)**

A	B = H / I	C	D = G / I	E	F	G	H	I	J = I - H	K = F - I	L	M	N	O	P	Q	R
Project Number	Expended % Complete	Estimated Incurred % Complete	Committed % Complete	Available Funds	Current Budget	Committed To Date	Expended To Date	Current EAC	ETC	Budget/EAC Variance	Subdivision	Current Start	Current Finish	VCTC Swap	Project Manager	Project Description	Reason for Delay
604001/RotemProd	96.70%	100.00%	100.18%	217,745	238,370	238,798	230,499	238,370	7,871	-	Systemwide	04/13/2006	04/30/2012		Tripoli, Richard	Hyundai-Rotem Rail Car Procurement	Complete
608003	52.17%	75.00%	78.08%	2,500	2,500	1,952	1,304	2,500	1,196	-	Systemwide	01/00/1900	06/30/2012		Thompson, Gary	Purchase Rolling Stock Spare Parts	0
608004/RotemProd	97.69%	100.00%	90.47%	5,500	5,500	4,976	5,373	5,500	127	-	Systemwide	04/13/2006	04/30/2012		Tripoli, Richard	Hyundai-Rotem Rail Car Procurement (SANBAG)	Complete
409004/PTC	98.81%	99.00%	97.10%	59,319	59,319	57,619	58,635	59,342	707	(23)	Systemwide	01/00/1900	08/21/2015		Maxey, Darrell	PTC - Systemwide Indirect	PTC more complex & difficult than originally envisioned in 2009. Industry delays. Major PTC System-wide milestone payment in-process, on-going efforts for spectrum, documentation, warranty, upgrades, close-out
409006	59.49%	48.00%	75.65%	22,498	21,881	16,552	13,018	21,881	8,863	-	Valley	10/01/2008	10/31/2016		Althorp, Andrew	Empire Avenue - I-5 HOV Lanes	Caltrans suspended Contractor for 14 months and issued CCOs to add a further 8 months to schedule. SCRRA and supporting CM Team have continued to provide support throughout delay period, increasing expenditure v original budget
610001/RotemProd	-	100.00%	-	-	-	-	-	-	-	-	Systemwide	04/13/2006	04/30/2012		Tripoli, Richard	Rotem Option 3	Complete
611001/RotemProd	103.11%	100.00%	101.63%	35,333	31,671	31,256	31,710	30,754	(956)	917	Systemwide	05/13/2006	02/01/2013		Tripoli, Richard	Rotem Option 4	Complete
7	95.03%	96.48%	97.99%	342,895	359,241	351,153	340,540	358,347	17,808	894							
613001/EMD_F125	13.92%	14.00%	29.87%	10,474	10,474	3,128	1,458	10,474	9,016	(0)	Systemwide	12/01/2011	05/30/2017		Cook, Mike	Loco Tier 4 - Staff Oversight and Prof Svcs	On Schedule
613002/EMD_F125	100.00%	23.25%	100.00%	12,307	12,307	12,307	12,307	12,307	-	-	Systemwide	04/02/2012	05/17/2017		Cook, Mike	Loco Tier 4 - EMD Design/Construct Diesel Engine	On Schedule.
613003/EMD_F125	4.03%	4.00%	4.03%	12,404	12,404	500	500	12,404	11,904	-	Systemwide	05/01/2012	05/17/2017		Cook, Mike	Locomotive Tier 4 - EMD System Support	On Schedule
613005/EMD_F125	14.93%	23.25%	14.93%	113,593	113,593	16,965	16,965	113,593	96,628	-	Systemwide	04/02/2012	05/17/2017		Cook, Mike	Loco Tier 4 - EMD Design/Construct Diesel Engine	On Schedule.
613006	9.28%	25.00%	12.49%	1,606	1,606	201	149	1,606	1,457	-	Systemwide	07/01/2014	07/15/2016		Patel, Naresh	Locomotive Tier 4 - Urea Dispensing System	Delayed -the process to obtain DBE goal from the Consultant took a few weeks more than expected. This project was also combined with Sanding Facility at CMF and required three additional weeks. Currently design 100% complete. IFB is out.
5	20.87%	21.04%	22.01%	150,384	150,384	33,101	31,379	150,384	119,005	(0)							
414002	0.29%	1.00%	3.05%	17,227	17,227	526	50	17,227	17,178	(0)	Valley	02/02/2015	09/29/2016		Lun, Elizabeth	Vincnt Siding & Vincnt/Acton Stn 2nd Platf Const	On Schedule. Construction NTP to be issued end of July 2015.
1	0.29%	1.00%	3.05%	17,227	17,227	526	50	17,227	17,178	(0)							
450010/PTC	89.59%	95.00%	91.47%	1,182	1,182	1,081	1,059	1,182	123	-	Systemwide	08/18/2009	10/30/2013		Maxey, Darrell	Signal Relocations	Signal work associated with PTC is substantially complete.
450015/PTC	102.27%	100.00%	102.47%	1,518	1,518	1,555	1,552	1,518	(34)	-	Systemwide	07/31/2009	12/31/2012		Maxey, Darrell	WIU's, Track Systems & Other Signal Mods	On Schedule.
450020/PTC	37.75%	40.00%	45.43%	11,508	11,508	5,228	4,344	11,508	7,164	-	Systemwide	05/28/2010	01/31/2014		Maxey, Darrell	Comm Backhaul - Systemwide	Communications backhaul portion complete, utilizing a portion of this funding for on-going PTC consultant efforts and awaiting FCC action on spectrum acquisition for balance of budget
450040/PTC	50.22%	50.00%	50.22%	10	10	5	5	10	5	(0)	Systemwide	01/04/2010	09/26/2013		Maxey, Darrell	RR's & Other Outside Agency Work Orders	Minor buget item held for interoperability costs with freights, Amtrak
450050/PTC	101.43%	100.00%	100.08%	14,731	14,731	14,686	14,883	14,673	(209)	57	Systemwide	06/10/2009	10/31/2014		Maxey, Darrell	Construct DOC & MOC Mods	On Schedule.
450051/PTC	33.83%	50.00%	33.83%	398	398	135	135	398	264	-	Systemwide				Maxey, Darrell	DOC Data Center	Data center-related work at new PTC Dispatch Facility (DOC) expenditures in-process
450090/PTC	90.52%	90.00%	99.82%	120,488	120,488	120,265	109,065	120,488	11,422	-	Systemwide	01/00/1900	08/21/2015		Maxey, Darrell	PTC Vendor/Integrator	Major PTC System-wide milestone payment in-process, on-going efforts for interoperable testing, documentation, warranty, upgrades, close-out
450095/PTC	83.94%	83.00%	85.84%	5,153	5,153	4,423	4,325	5,153	828	-	Systemwide	10/16/2010	08/21/2015		Maxey, Darrell	Wabtec TMDS CAD/BOS for PTC	Major PTC System-wide milestone payment in-process, on-going efforts for industry-driven IC3 component, upgrades & close-out
450096/PTC	23.31%	50.00%	99.96%	2,180	2,180	2,179	508	2,180	1,671	-	Systemwide	10/16/2010	08/21/2015		Maxey, Darrell	Wabtec TMDS CAD/BOS for PTC	Major PTC System-wide milestone payment in-process, on-going efforts for industry-driven IC3 component, upgrades & close-out
450097/PTC	53.01%	25.00%	75.27%	382	382	287	202	382	179	-	Systemwide				Maxey, Darrell	Customer Information System (CIS)	New CIS deployment underway
450098/PTC	65.56%	60.00%	99.17%	5,453	4,096	4,062	2,686	4,096	1,411	-	Systemwide				Maxey, Darrell	PTC - Systemwide	PTC on-going staff and consultant support for spectrum, documentation, warranty, upgrades, close-out; delayed by industry.
11	85.88%	85.70%	95.25%	163,001	161,644	153,906	138,764	161,587	22,823	57							
24	74.28%	75.06%	78.35%	673,508	688,497	538,686	510,732	687,546	176,814	951							

METROLINK EXPECTED 5-YEAR PROJECTS for REHABILITATION
CONSTRAINED to \$30M PER YEAR
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)

Attachment 2

Item B.1

Project Type	REHABILITATION PROJECT DESCRIPTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
		(Yr-1 Budget)	(Yr-2)	(Yr-3)	(Yr-4)	(Yr-5)	5-Years
Communications	Comm system rehab SG, Valley, Ven-LA and River sub (Constrained)	\$153	\$504	\$504	\$504	\$811	\$2,476
Facilities	Facilities maintenance (Partially constrained)	\$171	\$2,320	\$913	\$919	\$688	\$5,011
Vehicles	MOW & field vehicle replacement (Constrained - Metro share only)	\$314	\$190	\$190	\$190	\$190	\$1,074
Rolling Stock - Locomotives	Member share of locomotives in FY 16 & 18, and Lifecycle OH of F125s (Metro share only)	\$3,499	\$570	\$3,117	\$2,072	\$2,380	\$11,638
Rolling Stock - Rail Cars	Overhaul 30 Gen-1 Rail Cars in FY 16, and routine rail car rehab.	\$7,874	\$1,654	\$1,654	\$1,654	\$1,462	\$14,298
Train Control signal	Wayside signal maint, PTC system upgrades, including Pasadena sub cables, and cable & electrologic rehab on Valley, Ventura, SG and River subs. (Partially constrained).	\$2,428	\$4,198	\$4,428	\$4,198	\$5,081	\$20,333
Stations	Station signage rehab in FY 16	\$67	\$67	\$67	\$67	\$67	\$335
Structures	Valley, SG, Ventura-LA, River and Pasadena sub bridges/culverts. Constrained by year.	\$1,968	\$10,427	\$6,826	\$7,712	\$7,259	\$34,192
Track	Rail grinding, rail/ties/crossings, tunnel 25 rehab. Restore partial track rehab on Valley, Ven-LA, and River subs. (Partially constrained).	\$3,527	\$10,448	\$10,413	\$11,287	\$10,579	\$46,253
	TOTAL	\$20,000	\$30,378	\$28,113	\$28,603	\$28,516	\$135,610

Note:

1) Under this scenario, the backlog of unmet State of Good Repair needs continues to grow.

**METROLINK EXPECTED 5-YEAR NEW CAPITAL PROJECTS
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)**

Attachment 2

Item B.2

47.5%

Item #	Project Type	Subdivision	NEW CAPITAL PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL
1	Studies	Ventura Sub, Valley, San Gabriel, East and West Bank	New Capital Project Studies	\$475	\$475	\$475	\$475	\$475	\$2,375
2	Rolling Stock	Valley, Ventura and Systemwide	Up to Three Expansion Locomotives	\$2,151					\$2,151
3	Track	AV Line	San Bernardino Line Grade Xing Improvements Ramona (Baldwin Pk) and Citrus (Covina) and Speed Increases at CP Soledad	\$8,000					\$8,000
4		Valley, Ventura, SB and Systemwide	Procure and install 58 ticket vending machines in LA County	\$12,984					\$12,984
5	Track	Valley Sub	Santa Clarita to Newhall Double Track, 4.2 miles		\$10,050	\$10,050	\$10,050	\$10,050	\$40,200
6	Track	Valley Sub	Track Modifications (Tunnels 18&19), MP 45.9-456.9 Track Shift 1750 ft and MP 46.9-47.1, 1000 ft track shift		\$180	\$180	\$180	\$180	\$720
7	Maintenance & Layover Facility	Valley Sub	New layover facility in Palmdale - build out 5 tracks, fuel, lighting, sewer connections, safety features, and potable water		\$60	\$60	\$60	\$60	\$238
8	Track	San Gab Sub - LA Share Only 47.5% Shown Here	EMF Additional Storage Tracks		\$470	\$470	\$470	\$470	\$1,880
9	Track	San Gab Sub - LA Share Only 47.5% Shown Here	EMF SKI Tracks- add 2 SKI tracks at EMF, install dump stations and potable water		\$705	\$705	\$705	\$705	\$2,820
10	Track	Valley Sub	Palmdale Passing Siding between MP 69.3 and MP 69.9		\$1,750	\$1,750	\$1,750	\$1,750	\$7,000
11	Track	Ventura	Burbank Junction Track Realignment- realignment and hi-speed switches at juntio used by Metrolink, Surfliner and Amtrak long distance trains		\$2,250	\$2,250	\$2,250	\$2,250	\$9,000
12	Track	Valley Sub	Glendale Slide relocation - relocated existing UPRR storage. Slide relocation to support HSR.		\$825	\$825	\$825	\$825	\$3,300

**METROLINK EXPECTED 5-YEAR NEW CAPITAL PROJECTS
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)**

Attachment 2

Item B.2

47.5%

Item #	Project Type	Subdivision	NEW CAPITAL PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL
13	Track	San Gab Sub - LA Share Only 47.5% Shown Here	Lone Hill to CP White Double Track - MP 26.54 to MP 30.3		\$17,000	\$17,000	\$17,000	\$17,000	\$68,000
14	Grade Crossings	San Gab Sub - LA Share Only 47.5% Shown Here	Station Signage and Ped Gates, including El Monte and Covina		\$1,215	\$1,215	\$1,215	\$1,215	\$4,860
			TOTAL	\$23,610	\$34,980	\$34,980	\$34,980	\$34,980	\$163,528

Cameras at Stations in LA County Not Included as funds are SCRRA Prop 1B CTS GP. Total cost is estimated to be \$2.8 million

**METROLINK BACKLOG of STATE OF GOOD REPAIR NEEDS
ESTIMATED BACKLOG (\$K)**

**Attachment 2
Item C.1**

Line	Project Type	Subdivision	Rehabilitation Project Description	Action	Cost Estimate
1	Signal	Pasadena	Install direct buried cable to replace dilapidated pole line. Pole line is being vandalized to the point of disrepair. Upgrade grade crossing predictor units, coded track and AC meter services at selected locations.	Delete undergrounding project. Repair as needed in maintenance budget. Future incremental rehab in 10-yr forecast.	\$6,471
2	Signal	Pasadena	Install signal replacement h/w and s/w for wayside signals, CPs and crossings, gate savers, and backup battery banks.	Partially funded in FY 13 and 15. Balance is backlog. Future years in 10-yr forecast.	\$850
3	Structures	Pasadena	Replace rail top bridge at 108.92 and steel through girder at 112.5	Bridges are in 10-yr forecast in FY17 & 18.	\$2,620
4	Structures	Pasadena	Replace wood box and brea pipe culverts.	Culverts are in 10-yr forecast in FY17 and future.	\$1,250
5	Track	Pasadena	Replace timber crossies - 6,000 ties (3,000 per year). Defer 3,000 ties to FY 14-15	50% of project moved to FY 15, then not funded and carried as backlog. Annual tie replacement included in 10-yr forecast.	\$750
6	Comm	San Gabriel	Comm system h/w and s/w to keep wayside and mountain-top systems in a state of good repair, including design and engineering.	Funded in FY 16. Comm system Included in 10-yr forecast. Daktronic/PA in 10-yr unconstrained fcst.	\$315
7	Signal	San Gabriel	Install signal replacement h/w and s/w for wayside signals, CPs and crossings, gate savers, and backup battery banks.	Partially funded in FY 15 and 16. Balance is backlog. Future years in 10-yr forecast.	\$1,230
8	Structures	San Gabriel	Replace high-priority bridge on the San Gabriel sub in LA County at MP 20.096. Focus in on aging rail-top bridges.	Bridge not funded in prior years. Included in 10-yr forecast in FY19.	\$770
9	Track	San Gabriel	Rehab rail on curves 7 (2.45-2.7), 12 (4.05-4.15), 15 (6.0-6.25), 16 (6.3-6.4), 23 (11.75-11.95) in 15/16. Annual replacement of rail, ties, turnouts, crossings, and rail grinding in backlog.	\$883K of curve repl funded in FY 15. Rail rehab partially funded in FY16. Future annual rail replacement included in 10-yr forecast.	\$2,239
10	Comm	Valley	Comm system h/w and s/w to keep wayside and mountain-top systems in a state of good repair, including design and engineering. Rehab Daktronic and PA at 1 station/yr.	Funded in FY 16. Comm system Included in 10-yr forecast. Daktronic/PA in 10-yr unconstrained fcst.	\$1,200

**METROLINK BACKLOG of STATE OF GOOD REPAIR NEEDS
ESTIMATED BACKLOG (\$K)**

**Attachment 2
Item C.1**

Line	Project Type	Subdivision	Rehabilitation Project Description	Action	Cost Estimate
11	Signal	Valley	Rehab HB/HW/DE/combo AEI wayside detectors. Install comm link to MOC dispatch. Install signal replacement h/w and s/w for wayside signals, CPs and crossings. Rehab gate savers, and backup battery banks.	Partially funded in FY13 through 16. Balance is backlog. Future years Included in 10-year forecast.	\$4,117
12	Structures	Valley	Replace high-priority bridges on the Valley sub at MP 10.63, 25.71, 48.21, 50.51, 50.64, 47.03, 50.77, 47.33, 48.08, 44.38, 54.05, 8.41, 52.66, 47.45, 55.19, 46.91, 8.12, 47.83. Focus is on aging rail-top bridges.	Bridge 26.42 funded FY 15, 35.75 & 50.46 funded in FY 16. Remaining bridges in 10-Yr forecast in FY17 thru 20.	\$15,630
13	Structures	Valley	Replace high-priority culverts on the Valley sub, with a focus on replacement of aging wood box, corrugated pipe and cast iron pipe.	3 culverts in FY 14, 2 in FY 15. Remaining culverts in 10-Yr rehab forecast in FY 17 thru 20	\$6,620
14	Track	Valley	MoW Replace 17 miles aged rail and rehab ties (MPs 2.1-4.9, 6.2-10.7, 24.7-26.3, 33.4-34.7, 35-35.7, 36.2-36.5, 40.6-41.4, 41.7-43.5, 49.7-52.5), plus curves 135 (58.55-58.85) and 150 (63.8-64.4).	Rail & tie replacement to be funded in annual increments as funds are available. Track rehab included in 10-yr forecast.	\$21,000
15	Track	Valley	Rehab crossings @ Sierra Hwy, Astoria, Drayton, & Brand.	Originally requested in FY 14. Deferred to future FYs, then not funded. Crossing rehab included in 10-yr forecast.	\$1,200
16	Track	Valley	Tunnel 25: install new ties, new drainage, new ballast, major drainage modifications and additional rock bolts.	Tunnel trackbed has been maintained by vacuuming every other year . Trackwork and drainage mods in 10-yr forecast in FY17.	\$3,500
17	Comm	Ventura LA	Comm system h/w and s/w to keep wayside and mountain-top systems in a state of good repair, including design and engineering. Rehab Daktronic and PA at 1 station/yr.	Funded in FY 16. Comm system Included in 10-yr forecast. Daktronic/PA in 10-yr unconstrained fcst.	\$713
18	Signal	Ventura LA	Rehab existsting wayside detectors. Install comm link to MOC/dispatch. Install signal replacement h/w and s/w for wayside signals, CPs and crossings. Rehab gate savers and backup battery banks.	Partially funded in FY13 through 16. Balance is backlog. Future years Included in 10-year forecast.	\$2,927
19	Structures	Ventura LA	Replace high-priority bridges on the Ventura sub in LA County at 452.1, 458.71, 457.6, 458.57.	Bridges are in 10-yr rehab forecast in FY17 & 19.	\$4,520
20	Structures	Ventura LA	Replace culvert 443.77 .	Culvert is in 10-yr rehab forecast in FY19.	\$490

**METROLINK BACKLOG of STATE OF GOOD REPAIR NEEDS
ESTIMATED BACKLOG (\$K)**

**Attachment 2
Item C.1**

Line	Project Type	Subdivision	Rehabilitation Project Description	Action	Cost Estimate
21	Track	Ventura LA	Replace crossties - (LA County)	No tie work funded FY 12-13 through FY 15-16. Rail/ties included in 10-yr forecast.	\$2,051
22	Track	Ventura LA	Replace rail on curves 130 & 221,222,223 - (LA County). Replace turnouts @ Woodman, Bernson, Raymer (FY 15)	Curve 130 budgeted FY 14. Other rail rehab not funded. Included in 10-yr forecast.	\$875
23	Comm	zRiver	Comm system h/w and s/w to keep wayside and mountain-top systems in a state of good repair, including design and engineering. (Metro's share only).	Funded in FY 16. Comm system Included in 10-yr forecast.	\$88
24	Signal	zRiver	Rehab CP First St, and upgrade electrocode (13-14). Selectively rehab Electrologic w/ VHLC, Battery Replacement, Cable renewal, Gate Savers, EC4 to EC5, rehab M23A switches, and gate rehabilitation. (Metro's share only).	Partially funded in FY13 through 16. Balance is backlog. Future years Included in 10-year forecast.	\$1,810
25	Structures	zRiver	Paint thru truss bridge at 0.81, and repair bridge at 480.82. (Funding is Metro's share only).	Bridges are in 10-yr rehab forecast in FY19 & 20..	\$903
26	Track	zRiver	Rehab turnouts @ E. Bank, Capitol, Ormiston. Annual replacement of rail, ties, turnouts, crossings and rail grinding in backlog (Metro's share only).	Turnout rehab E.Bank, Capitol, Ormiston not funded. Future annual rail replacement included in 10-yr forecast.	\$1,739
27	Track	zRiver	East Bank - Relay worn rail & crossties (delta between original ask and FY 15 budget, Metro's share only).	Original request \$6.3M. Funded \$3.4M in FY 15. Rehab included in 10-yr forecast.	\$618
28	Vehicles	zSystemwide	Replace high-mileage MOW and field vehicles (Metro share only).	FY13 partially funded, FY 14 funded. FY 15 and 16 not funded and carried in backlog.	\$472
29	Vehicles	zSystemwide	Replace hyrail and boom lift, replace (2) manlifts (Metro share only).	In 10-yr forecast FY17 and FY18.	\$329
30	Facilities	zSystemwide	Replace CMF compressed air system, rehab CMF elevator, rehab MOW building HVAC, replace CMF 25 ton car jacks, upgrade welfare facilities at CMF, rehab control center systems at DOC, MOC & Melbourne (Metro share only)	In 10-yr forecast FY17 and FY18.	\$884

**METROLINK BACKLOG of STATE OF GOOD REPAIR NEEDS
ESTIMATED BACKLOG (\$K)**

**Attachment 2
Item C.1**

Line	Project Type	Subdivision	Rehabilitation Project Description	Action	Cost Estimate
31	Rolling Stock - Locomotives	zSystemwide	Overhaul 7 EMD F59 PHR units (3 in 17, 4 in 18) and upgrade to Tier-4. (\$4.4M/unit). Top deck, wheel/axel, traction motor, and other rehab starts in 2020. TO BE APPLIED TO NEW LOCOMOTIVE PURCHASE (Metro's share only)	Budgeted in FY 16, remaining balance in 10-yr forecast FY18.	\$1,045
32	Rolling Stock - Rail Cars	zSystemwide	Complete overhaul of Gen 1 rail cars, including CEM components, and interior components for longer-distance trips. (88 cars @ \$1.35M/car). (Metro share only).	Overhaul of 30 cars budgeted in FY 16. Remaining 58 cars in 10-yr forecast FY 17 & 18.	\$37,193
33	Rolling Stock - Rail Cars	zSystemwide	Complete Overhaul of 7 Gen-2 Bombardier rail cars (7 cars @ \$1.35M/car). (Metro share only).	In 10-yr forecast FY19.	\$4,489
34	Rolling Stock - Rail Cars	zSystemwide	Complete Overhaul of 26 Gen-3 Bombardier rail cars (26 cars @ \$1.35M/car). (Metro share only).	In 10-yr forecast FYs 20 & 21..	\$16,673
35	Rolling Stock - Rail Cars	zSystemwide	Overhaul Bombardier car door motors, batteries, trucks, HVAC, and window gaskets. (Metro share only).	In 10-yr forecast FYs 17, 18, 19.	\$1,654
36	Track	zSystemwide	Rehabilitate ped crossings at 52 stations. (Metro share only).	In 10-yr forecast FY 17.	\$120
			TOTAL ESTIMATED BACKLOG - LA		\$149,351

Notes:

- 1) This Backlog estimate represents currently unfunded rehabilitation work needed to maintain assets in at State of Good Repair.
- 2) The Backlog estimate contains rehabilitation work in Los Angeles County, and LACMTA's share of Systemwide projects.
- 3) Projects on the Backlog list also appear on the Metrolink Unconstrained 5-Year Rehabilitation Forecast. In many cases, these projects will also appear on the Metrolink Financially Constrained 5-Year Rehabilitation Forecast.
- 4) This Backlog estimate assumes LACMTA funds the FY 2016 Rehabilitation budget @ \$20M.

METROLINK 5-YEAR REHABILITATION FORECAST
CONSTRAINED by SAFETY PRIORITY
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)

Attachment 2
 Item C.2

Project Type	REHABILITATION PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL 5-Years
Communications	Comm system rehab SG, Valley, Ven-LA and River sub	\$153	\$504	\$504	\$504	\$811	\$2,476
Facilities	Facilities maint (mimumum level)	\$171	\$318	\$318	\$214	\$214	\$1,235
Vehicles	MOW & field vehicle replacement	\$314	\$190	\$190	\$190	\$190	\$1,074
Rolling Stock - Locomotives	Member share of locomotives in FY 16 & 18, and minimal annual maintenance	\$3,499	\$570	\$1,615	\$570	\$570	\$6,824
Rolling Stock - Rail Cars	Overhaul 30 Gen-1 rail cars - FY 16	\$7,874	\$0	\$0	\$0	\$0	\$7,874
Train Control Signal	Wayside signal rehab & PTC upgrades	\$2,428	\$1,717	\$1,947	\$1,717	\$2,600	\$10,409
Stations	Station signage rehab - FY 16	\$67	\$0	\$0	\$0	\$0	\$67
Structures	Valley, San Gabriel, Ventura-LA, River sub bridges/culvert rehab	\$1,968	\$9,077	\$6,726	\$6,847	\$7,159	\$31,777
Track	Rail grinding, rail/ties/crossings, tunnel 25 rehab	\$3,527	\$7,624	\$8,771	\$10,012	\$8,456	\$38,389
	TOTAL FINANCIALLY CONSTRAINED	\$20,000	\$20,000	\$20,072	\$20,053	\$20,000	\$100,125

	UNCONSTRAINED BALANCE	\$0	\$39,346	\$33,377	\$34,170	\$34,763	\$141,655
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	GRAND TOTAL (CONSTRAINED + UNCONSTRAINED)	\$20,000	\$59,346	\$53,448	\$54,223	\$54,763	\$241,780
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Notes:

- 1) Highest project priority: Locomotives and structure (bridges & culverts), followed by track and signal, constrained at \$20M/year.
- 2) For this forecast, Metro's share of Systemwide projects is based on the existing All-Share formula (47.5%). Metro's percentage will likely decline when the All-Share formula is revised to include PVL.
- 3) This forecast includes estimated requirements for Metro funding. Funding from other Member Agencies, and other grantors is not included.

METROLINK 5-YEAR REHABILITATION FORECAST - UNCONSTRAINED
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)

Attachment 2
 Item C.3

Project Type	REHABILITATION PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL 5-Years
Communications	Comm system rehab SG, Valley, Ven-LA and River sub	\$153	\$804	\$804	\$804	\$1,111	\$3,676
Engineering	Planning SOGR projects from concept to 5-20% design.	\$0	\$238	\$238	\$238	\$238	\$950
Vehicles	MOW & Field vehicles, MOW on-track equipment	\$314	\$836	\$836	\$421	\$516	\$2,924
Facilities	Facilities and equipment rehab and replacement	\$171	\$5,354	\$3,763	\$919	\$668	\$10,875
Fare Collection	Fare Collection system upgrades to maintain system reliability & SOGR.	\$0	\$100	\$100	\$100	\$100	\$399
Information Tech	Transit Asset system upgrades, Oracle upgrades	\$0	\$998	\$523	\$48	\$48	\$1,615
Rolling Stock - Locomotives	LA Share of new locomotives & ongoing locomotive rehab	\$3,499	\$570	\$3,118	\$3,576	\$3,883	\$14,646
Rolling Stock - Rail Cars	Overhaul all Gen-1, Gen-2 & Gen-3 rail cars, & ongoing rehab car rehab	\$7,874	\$11,273	\$13,005	\$17,570	\$20,484	\$70,206
Safety	Rehab ped crossings at stations, replace "No Trespassing" signs	\$0	\$191	\$71	\$71	\$71	\$405
Train Control Signal	Wayside signal maint & PTC system upgrades	\$2,428	\$7,101	\$9,612	\$7,101	\$5,458	\$31,700
Stations	Station signage repair	\$67	\$67	\$67	\$67	\$67	\$333
Structures	Valley, San Gabriel, Ventura-LA, River & Pasadena sub bridges/culvert rehab	\$1,968	\$10,427	\$6,826	\$7,712	\$7,259	\$34,192
Track	Rail grinding, rail/ties/crossings, tunnel 25 rehab	\$3,527	\$21,388	\$14,487	\$15,597	\$14,862	\$69,861
	TOTAL UNCONSTRAINED	\$20,000	\$59,346	\$53,448	\$54,223	\$54,763	\$241,780

METROLINK 5-YEAR SAFETY NEEDS SUMMARY
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)

Attachment 2

Item C.4

Item #	Project Type	Subdivision	SAFETY PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL
1	Hard Fencing	Ventura Sub (LA Co only)	8.61 miles of welded wire mesh right-of-way fencing		\$575	\$575	\$575	\$575	\$2,300
2	Hard Fencing	Valley Sub	36.12 miles of welded wire mesh right-of-way fencing		\$2,325	\$2,325	\$2,325	\$2,325	\$9,300
3	Hard Fencing	San Gabriel - (LA Co only)	2.45 miles of welded wire mesh right-of-way fencing		\$188	\$188	\$188	\$188	\$750
4	Hard Fencing	East and West Banks (LA Share - 47.5% shown here)	1.25 miles of welded wire mesh right-of-way fencing		\$60	\$60	\$60	\$60	\$238
5	Virtual Fencing	Ventura Sub (LA Co only)	2.87 miles of intrusion detection equipment for right-of way		\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
6	Virtual Fencing	Valley Sub	12.04 miles of intrusion detection equipment for right-of way		\$6,250	\$6,250	\$6,250	\$6,250	\$25,000
7	Virtual Fencing	San Gabriel - LA (60%)	0.82 miles of intrusion detection equipment for right-of way		\$425	\$425	\$425	\$425	\$1,700
8	Virtual Fencing	East and West Banks (LA Share - 47.5% shown here)	0.42 miles of intrusion detection equipment for right-of way		\$119	\$119	\$119	\$119	\$475
9	Cameras in Passenger Cars	Systemwide (LA Share 47.5% shown here)	Cameras in passenger cars: four cameras per passenger car, all current 224 passenger cars outfitted		\$3,086	\$3,086	\$3,086	\$3,086	\$12,342
10	Grade Crossings	Ventura Sub (LA Co only)	29 Sealed Corridor grade xing improvements and cameras and license plate readers and 7 grade separations with cameras		\$123,750	\$123,750	\$123,750	\$123,750	\$495,000
11	Grade Crossings	Valley Sub	26 Sealed Corridor grade xing improvements and cameras and license plate readers and 4 grade separations with cameras		\$82,500	\$82,500	\$82,500	\$82,500	\$330,000
12	Grade Crossings	San Gabriel - (LA Share only)	44 Sealed Corridor grade xing improvements and cameras and license plate readers and 3 grade separation with cameras		\$92,500	\$92,500	\$92,500	\$92,500	\$370,000
13	Layover Facility	Valley Sub	Lang Layover facility enhancements including automated driveway gate with access controls, video camera monitoring system, lighting improvements and perimeter enclosure		\$225	\$225	\$225	\$225	\$900
14	Layover Facility	San Gabriel - LA Share -Only - All Share - 47.5% shown here	Garey Street Track Maintenance facility enhancements including automated driveway gate with access controls, video camera monitoring system, lighting improvements and perimeter enclosure		\$238	\$238	\$238	\$238	\$950

METROLINK 5-YEAR SAFETY NEEDS SUMMARY
LA METRO SHARE in CONSTANT 2015 DOLLARS (\$K)

Attachment 2
 Item C.4

Item #	Project Type	Subdivision	SAFETY PROJECT DESCRIPTION	FY 2016 (Yr-1 Budget)	FY 2017 (Yr-2)	FY 2018 (Yr-3)	FY 2019 (Yr-4)	FY 2020 (Yr-5)	TOTAL
15	Maintenace & Layover Facility	SB Shortway - LA Share Only - All Share 47.5% shown here	EMF enhancements including automated driveway gate with access controls, video camera monitoring system, lighting improvements and perimeter enclosure		\$188	\$188	\$188	\$188	\$750
16	Maintenace & Layover Facility	East and West Banks LA Only - All Share - 47.5% shown here	CMF, Keller and Day Yard Facilities enhancements including automated driveway gate with access controls, video camera monitoring system, lighting improvements and perimeter enclosure		\$327	\$327	\$327	\$327	\$1,306
17	Tunnels	Ventura Sub (LA Co only)	Video camera monitoring system for each end of Tunnels 18&19		\$8	\$8	\$8	\$8	\$30
18	Tunnels	Valley Sub	Video camera monitoring system for each end of Tunnels 28		\$150	\$150	\$150	\$150	\$600
			TOTAL		\$314,410	\$314,410	\$314,410	\$314,410	\$1,257,641

REGIONAL RAIL PROJECT BUDGET REPORT
AS OF OCTOBER 15, 2015

PROJECT NAME	LIFE OF PROJECT BUDGET	FUND SOURCES	FUND AMOUNT	CASH FLOW												
				FY13		FY14		FY15		FY 16		FY16	FY17	FY18	FY19	FY20
				BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL					
Antelope Valley Line Study	1,000	MR 3%	1,000	1,000	618	-	18	-	85	-	-	-	-	-	-	
Bob Hope Airport Metrolink Station	7,955	MR 3%	5,369	2,000	1,367	2,000	1,089	2,600	784	2,015	2,129	-	-	-	-	
		STURRA	2,586													
Bob Hope Airport Pedestrian Bridge	15,875	MR 3%	3,500					5,150	1	3,500	1,859	1,641	-	-	-	
		PROP 1B PTMISEA	5,375													
		ITIP	7,000													
Brighton to Roxford Double Track	110,000	MR 3%	3,000					1,500	9	3,750	-	1,500	1,500	-	-	
		PROP 1A	55,000													
		CHSRA	52,000													
Doran St Grade Separation	83,700	MR 3%	6,600	6,600		1,000	1,054	8,000	890	2,509	767	2,500	1,433	-	-	
		PROP 1A	45,000													
		CHSRA	19,600													
		TBD	12,500													
L.A. County Grade Crossings	4,500	MR 3%	4,500					3,000	-	1,110	2,000	2,500	-	-	-	
L.A. County Metrolink Station Needs Assessment	500	MR 3%	500					500	-	-	350	150	-	-	-	
Lone Hill to White - Env & 30 % Design	72,000	MR 3%	3,000					175	-	400	553	1,291	1,156	-	-	
		TBD	69,000													
Raymer/Bernsen Double Track	104,416	MR 3%	391			2,000	1,846	6,500	4,280	6,424	391	-	-	-	-	
		STIP	63,500				Reimbursed		Reimbursed							
		PROP 1B	16,800							Advance \$ and get reimbursed						
		FRA	1,564													
		TBD	30,109													
Rosecrans Marquardt Grade Separation	110,000	MR 25%	35,000					1,000	9	3,000	1,295	2,367	2,000	24,633	4,705	
		PROP 1A	53,000													
		SECTION 190	15,000													
		BNSF	7,000													
San Bernardino Line Study	1,000	MR 3%	1,000	1,000		7,500	669	-	103	-	-	-	-	-	-	
SCRIP	365,000	MR 3%	21,000	4,000		4,000	55	9,000	5,454	13,535	15,500	-	-	-	-	
		PROP 1A	175,000													
		ARRA	32,000													
		CHSRA	137,000													
Van Nuys North Platform	32,598	MR 3%	200			1,000	742	3,000	1,718	2,924	200	-	-	-	-	
		PROP 1B	34,500							Advance \$ and get reimbursed						
		FRA	800													
	908,544			14,600	1,985	17,500	5,473	40,425	13,333	39,167	25,044	11,949	6,089	24,633	4,705	

**REGIONAL RAIL PROJECT STATUS REPORT
AS OF OCTOBER 15, 2015**

PROJECT NAME	BOARD APPROVED	SENT TO PROCUREMENT	RFP ISSUED	PROJECT AWARDED	PROJECT STATUS	PROJECT START DATE	PROJECT COMPLETION	DELAYS/COST INCREASE EXPLANATION
Antelope Valley Line Study	APR 2011	JUL 2011	BENCH	OCT 2011	Completed	NOV 2011	SEP 2014	
Bob Hope Airport Metrolink Station	JUL 2012 MAY 2013 JUL 2014	JUN 2013	BENCH	AUG 2013	Construction	AUG 2013	AUG 2015	Cost increase due to adding parking lot that the Airport was originally to build. Additional cost increases are due to additional work requested by Metrolink, as well as other costs, that were not part of the original cost estimate. The original cost estimate included station construction costs only and did not include other soft costs for Metrolink involvement and construction management.
Bob Hope Airport Pedestrian Bridge	JUN 2014	OCT 2014	JAN 2015	MAR 2015	Design	MAY 2015	JUN 2016	Project was delayed in procurement.
Brighton to Roxford Double Track	JUL 2012	JUL 2014	SEP 2014	Not yet	Environmental	SEP 2015	MAY 2020	Project was delayed in procurement.
Doran St Grade Separation	MAY 2011	NOV 2012	DEC 2012	JUL 2013	Engineering	JUL 2013	JUN 2019	The Alternative Analysis completion was delayed based on issues raised during outreach to the public.
L.A. County Grade Crossings	JUL 2012	NOV 2014	MAR 2015	Not yet	In procurement	OCT 2015	TBD	Project was delayed in procurement.
L.A. County Metrolink Station Needs Assessment	JUL 2012	NOV 2014	BENCH	Not yet	In procurement	SEP 2015	JUN 2016	Delayed due to staffing and other high priority projects
Lone Hill to White - Env & 30 % Design	OCT 2013	MAY 2015	Not yet	Not yet	In procurement	JAN 2016	DEC 2016	Delayed due to staffing and other high priority projects
Raymer/Bernsen Double Track	JAN 2014	JAN 2014	JUN 2014	AUG 2014	Engineering	AUG 2014	MAR 2018	
Rosecrans Marquardt Grade Separation	MR LIST	AUG 2014	OCT 2014	APR 2015	Environmental	APR 2015	APR 2020	
San Bernardino Line Study	JUL 2012	OCT 2012	FEB 2013	APR 2013	Completed	MAY 2013	SEP 2014	
SCRIP	JUL 2012	AUG 2013	OCT 2013	AUG 2014	ON HOLD	NOV 2014	TBD	Project cost and timeline will increase to include Union Station Master Plan and CHSRA project requirements.
Van Nuys North Platform	JAN 2014	JAN 2014	FEB 2014	JUN 2014	Engineering	JUL 2014	JAN 2018	

September 10, 2015

Mr. Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority (Metro)
One Gateway Plaza
Los Angeles, CA 90012

Dear Phil:

In a follow-up to our letter on August 20, 2015, the Southern California Regional Rail Authority (SCRRA) is requesting that Metro continue to support and fund our FY 16 Locomotive Procurement program that is currently underway. SCRRA staff discussed these locomotive funding needs with staff from the Metro Finance and Regional Rail departments over the past several months, culminating in a discussion on August 20, 2015 in which Metro staff indicated they could support SCRRA's board adopted authorization to procure up to 20 new locomotives. To fulfill this procurement, we are requesting a commitment from Metro of \$7.25 million before October 15, 2015.

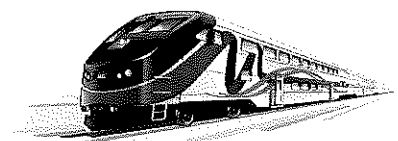
As background, the Metrolink Board awarded a contract to Electro-Motive Diesel (EMD) in December 2012 for a base order of up to 20 new Tier 4 locomotives with an option to purchase an additional 20 locomotives. The first 20 are in production and are scheduled to start arriving this winter. SCRRA has determined that it is essential for our safe and quality operations to exercise the option for up to another 20 locomotives. This option is set to expire on the above referenced date, October 15, 2015.

The requested total of \$7.25 million is made up of the following components:

1. \$3.5 million from the SCRRA FY16 Rehabilitation Budget to cover Metro's share of the locomotive procurement. The other members have agreed to contribute a collective \$3.9 million, making the total system-wide contribution from all five counties a total of \$7.4 million. These funds will be used to contribute to the replacement of 17 existing locomotives.
2. An additional \$3.75 million to cover Metro's share of two locomotives that Metro will use for expanded service on the Antelope Valley and Ventura County Lines. These funds are the local match to the state cap and trade funds that were awarded for these two expansion locomotives. The State's contribution to these two units is \$9.15 million.

If we do not receive Metro's commitment for the funding in the amount of \$7.25 million before October 15, 2015, the order may not be able to be fulfilled as Metro's share is interdependent with the member and state funds, and is required to place the order of 17 replacement units and two expansion units.

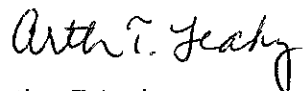
We look forward to working with your staff to provide any information needed to secure the requested commitment for the 19 locomotives before October 15, 2015. Separate from this request, we are developing a financial plan for the 20th locomotive and will present it to Metro when it is complete.



Thank you for your assistance, Phil. We are hopeful that the request for the Metro contribution of \$7.25 million for the 19 locomotives can be handled expeditiously. We also continue to be optimistic that Metro will provide the remainder of its share of the Metrolink FY 16 Rehabilitation Budget.

If you have any questions, please contact Roderick Diaz, Director of Planning and Development, at diazr@scrra.net or 213-452-0455.

Sincerely,



Arthur T. Leahy
Chief Executive Officer

cc: Stephanie Wiggins
Nalini Ahuja
Don Sepulveda



SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

TRANSMITTAL DATE: September 18, 2015

MEETING DATE: September 25, 2015

ITEM 9

TO: Board of Directors

FROM: Arthur T. Leahy *ATL*

SUBJECT: Transferal of Management of Specific Capital Projects in Los Angeles from Los Angeles County Metropolitan Transportation Authority to the Authority

Issue

Specific Los Angeles County capital projects on the Metrolink System need to be managed directly by the Authority, rather than Los Angeles County Metropolitan Transportation Authority (Metro), to minimize liability to the Authority and potentially reduce total project costs.

Recommendation

It is recommended that the Board direct staff to work with Metro to develop plans to transfer the management of specific capital projects currently under the management of Metro to the management of the Authority. The projects recommended for transfer are those that connect to the live track, signal and communication systems with potential to critically affect the safety and integrity of the infrastructure of the Metrolink System.

If approved staff will develop requirements for the transfer of specific projects and return to the Board with a plan that identifies the resources needed for the transfer.

Alternatives

The Board may reject staff's recommendation and continue with the implementation of capital projects by Metro on the Metrolink System.

Background

Over the years, various approaches have been used to implement capital construction projects on the Metrolink System. More recently, member agencies have lead the management of capital projects on the Metrolink System, including line extensions, grade separations, highway-rail at-grade-crossing improvements and station construction projects. Member agencies have hired contractors to perform design and construction of the projects under their procurement policies and procedures, which are established for highway, bus, and light-rail transit projects.

Metrolink projects are different than member-agency projects because they are on an open 512-mile heavy-rail system under the jurisdiction of the Federal Railroad Administration (FRA) across a six-county region operating on shared corridors with freight and intercity rail service. The contractors and vendors who provide the services needed for the Metrolink projects comply with a different set of government regulations and operating requirements.

Staff believes the Authority should be the lead agency in managing the following types of projects on the Metrolink System:

- New track construction that ties into existing system
- New sidings and siding track extensions
- Signal, PTC, Train Control and closely related systems work.
- Improvements at highway-rail at-grade crossings
- Addition of control points and track crossovers

Currently, Metro has plans to implement eleven rail projects on the Metrolink System identified on Attachment A, Los Angeles County Regional Rail Projects. These projects are in various stages of progress and one of them, Vincent Siding, is already under the Authority's management. Projects on the list that the Authority recommends for transfer are:

- Raymer to Bernson Second Track
- Van Nuys Second Platform
- Bob Hope Airport Station Pedestrian Overpass
- CP White to Lone Hill Environmental
- Brighton to Roxford Double Track
- LA County Grade Crossing Improvements

Next Steps

Once approved by the Board, the Authority will work with Metro in developing a plan to transfer the management of specific capital projects. Staff will return to the Board to present the transition plan and any associated costs and resources required created by accepting this responsibility.

Metrolink will work with Metro to exercise a Master Cooperative Agreement (MCA) to implement this action and address specific issues related to a transition plan for projects currently underway and planned, communications protocols between the two agencies, funding, Metro's and Metrolink's interface with California High Speed Rail, oversight of projects by both agencies and funding of Metrolink resources to implement and manage the projects.

Budget Impact

There would be an impact to budget if approved by the Board. At that time, staff will commence discussions with Metro on how such project transfers might be accomplished in an orderly fashion and how the project management will be funded.

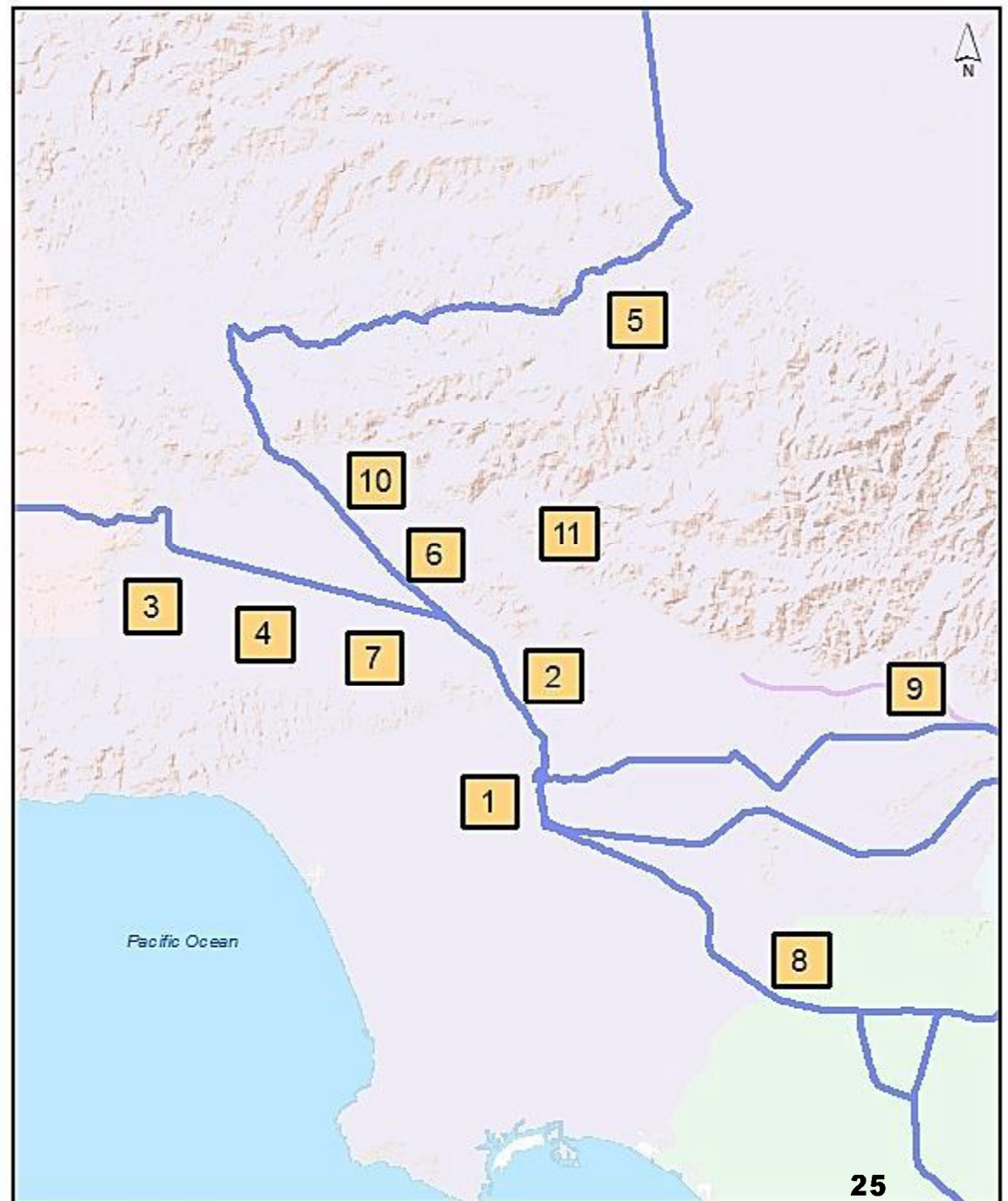
Prepared by: Patricia Watkins, Director of Engineering and Construction



Gary Lettengarver
Chief Operating Officer

L.A. County Regional Rail Projects

1. SCRIP
 2. Doran St. Grade Separation
 3. Raymer to Bernson Second Track
 4. Van Nuys Second Platform
 5. Vincent Grade Siding and Platform
 6. Bob Hope Airport / Hollywood Way Station
 7. Bob Hope Airport Station Pedestrian Overpass
 8. Rosecrans / Marquardt Grade Separation
 9. CP White to Lone Hill Env.
 10. Brighton to Roxford Double Track
 11. Grade Crossing Improvements
- L.A. County



PROMISSORY NOTE

For value received, this 23rd day of November, 2010, Southern California Regional Rail Authority ("SCRRA"), a public body corporate and politic ("Maker"), promises to pay to the Los Angeles County Metropolitan Transportation Authority, a California county transportation authority existing under the authority of §§ 130050.2 *et seq.* of the California Public Utilities Code, or its successors in interest (collectively, "Holder"), on or before June 30, 2017 (the "Maturity Date") the principal sum of Eighteen Million dollars (\$18,000,000) (the "Principal Amount"), with accrued interest on the Principal Amount in the manner and at the rate set forth below.

1. **Interest.** Interest (the "Interest") on the unpaid balance shall (a) commence to accrue on _____ (the "Origination Date"), the date the Loan is made, and shall continue to accrue until the entire unpaid balance (including all interest has been paid in full to Holder, (b) at the rate of 3.52% annually, (c) compound monthly, and (d) be calculated on the basis of a 365-day year and actual days elapsed.

2. **Receipt of Principal Amount.** As of the Origination Date, Maker shall have received the entirety of the Principal Amount. Maker shall use the Principal Amount for costs of its timely exercise of its Option No. 4 to Contract No. EP142-06 with Hyundai-Rotem for the purchase of 20 trailer rail cars.

3. **Repayment of Principal Amount, Interest and any Fees.** The Principal Amount and all Interest (the "Total Amount Due") shall be all due and payable by Maker to Holder on the Maturity Date. On or before the Maturity Date, Maker shall pay Holder the Total Amount Due, in lawful money of the United States of America, at One Gateway Plaza, Los Angeles, California 90012 (or at such other location as the Holder may designate in writing). All payments shall be first applied to interest and then to the outstanding balance of the Principal Amount. Maker shall use its CalEMA Proposition 1B Transit Security Grant Program Funds (the "Prop 1B Funds") to repay the Total Amount Due and if such Prop 1B Funds are not available, Maker shall use any other funds to repay the Total Amount Due.

4. **Right to Prepay.** Maker may, at its sole discretion, elect to prepay, in whole or in part, the Principal Amount and all then-accrued Interest (the "Total Amount Due") at any time prior to the Maturity Date without penalty, premium or discount.

5. **Default.** If Holder is not paid the Total Amount Due within fifteen (15) days after the Maturity Date, then Maker shall have defaulted on its obligations under this Promissory Note (a "Default").

6. **Remedies.** In the event of a Default, Holder may take any action against and pursue any remedy against Maker available to Holder under this Promissory Note, in law or equity.

7. **Waiver.** Maker hereby waives any rights of Presentment and Notice of Dishonor or any other rights requiring the provision of notice or allowing Maker to in any

way dispute its obligation to timely pay the Total Amount Due. "Presentment" means any right to require the Holder to demand payment of amounts due. "Notice of Dishonor" means any right to require the Holder to give notice to other persons that amounts due have not been paid.

8. **No Waiver.** No waiver by the Holder of any right or remedy shall be effective unless in writing and signed by the Holder, and no such waiver, on one occasion, shall be construed as a waiver on any other occasion. The acceptance of any payment hereunder that is less than the Total Amount Due shall not constitute a waiver of any of Holder's rights or Holder's exercise of those rights at such time or at any subsequent time.

9. **No Assignment by Maker.** Maker's obligations hereunder are personal to Maker and cannot be assigned by Maker or assumed by any third party.

10. **California Law.** This Promissory Note shall be construed and enforced in accordance with the laws of the State of California.

MAKER:

Southern California Regional Rail Authority

By: _____

Chief Executive Officer

Commuter Rail Funding in Los Angeles County

Staff Response to Board Motion 6.1

Board of Directors

October 22, 2015



Metro

Motion Background

- **Metro's Board adopted motion 6.1 in June 2015 sought information regarding:**
 - Reconciliation of previously approved Metro funding for Metrolink's commuter rail related Capital Rehabilitation program
 - Policy on the allocation of Metrolink eligible funding
 - Metrolink 5 year operating and capital requirements
 - Analysis of Metro's commuter rail capital program including the review of Metrolink managing A&E contracts for commuter rail infrastructure
 - Previous \$18M Metro loan to Metrolink



Metro

Next Steps

- **Staff is continuing to work with Metrolink to identify additional potential reprogramming opportunities of current and previously approved but unexpended funds**
- **Develop for Board approval a specific allocation policy of Metrolink eligible resources and a 5 year Operating and Capital plan**
- **Work with Metrolink to identify a specific timetable and reimbursement plan to ensure the outstanding loan of \$18 million is repaid prior to its due date of June 30, 2017**
- **Determine which, if any, projects are appropriate for transfer to Metrolink and seek Board approval.**
- **Continue to update the Board, and Metro's Metrolink delegation, on the status of issues as appropriate**



**Board Report**

File #: 2015-1355, **File Type:** Policy

Agenda Number: 15.

**FINANCE, BUDGET AND AUDIT COMMITTEE
OCTOBER 14, 2015**

SUBJECT: GROUP INSURANCE PLANS

ACTION: RENEW GROUP INSURANCE POLICIES

RECOMMENDATION

FINANCE, BUDGET AND AUDIT COMMITTEE FORWARDED DUE TO ABSENCES AND CONFLICTS authorizing the Chief Executive Officer to **renew existing group insurance policies covering Non-Contract, AFSCME, and Expo employees** for the one-year period beginning January 1, 2016 and to approve the use of a flexible spending card administered by a third-party vendor.

ISSUE

A comprehensive package of health resources provides existing employees a foundation to maintain or improve health, and helps to attract and retain qualified employees. LACMTA, including the Public Transportation Services Corporation (PTSC), seeks to offer benefit plans that promote efficient use of health resources and are cost effective for the company and our employees.

DISCUSSION

The Non-Contact Group Insurance Plan, a flexible benefits program, was implemented in August 1994. Roughly 99% of the employees covered by the benefit plans are PTSC employees. Expo employees are also covered by our plans, providing a cost-effective means of offering benefits to this small group. On an annual basis, employees are encouraged to review their enrollment and may choose medical, dental, vision, supplemental life, long-term disability, and accidental death and dismemberment plans that meet their needs. Alternatively, employees may opt to waive medical and/or dental coverage and receive a taxable cash benefit, provided proof of other coverage is submitted. Employees may also participate in the flexible spending accounts, a vehicle to pay for certain out-of-pocket healthcare and dependent care expenses on a pre-tax basis.

The overall premium increase for calendar year 2016 is 10.4%. This reflects \$2.4 million in

negotiated reductions from the initial renewal quotes. The recommended medical, dental, and vision premiums are shown on Attachment A. As previously established by the Chief Executive Officer, Non-Contract and AFSCME employees contribute 10% of the actual premium for each medical and dental plan selected. The monthly employee contributions are shown in Attachment B. Expo employees pay a maximum of \$50 per month for medical and dental coverage as established by the Expo Board.

The following is a comparison of the monthly employer subsidy and employee contributions:

	NC/AFSCME*	SMART-TD**	ATU**	TCU**
Employee Contribution	\$ 157	\$ 100	\$ 80	\$ 60
LACMTA Subsidy	\$1,428	\$1,209	\$1,816	\$1,524
Employee Contribution as a % of Subsidy	11%	8.3%	4.4%	3.9%
Average Age of Employee	49.9	44.9	48.0	45.4

*Represents the average employee/agency contributions to Medical/Dental/Vision insurance. **Employer subsidies to union Trust Funds are those in effect as of 7/1/2015 as per the respective Collective Bargaining Agreements.

Healthcare benefits for employees represented by the SMART-TD, ATU, and TCU unions are determined by the respective Health and Welfare Trust funds, and the employer subsidy is established through contract negotiations.

Flexible Spending Accounts (FSA) are currently administered by MTA staff for approximately 450 PTSC/AFSCME/TCU employees. As administrator, staff reviews claims, processes reimbursements, tracks available funds, responds to employee inquiries, and maintains compliance with FSA regulations. Beginning with calendar year 2016 we recommend providing participants a flex spending debit card to be used at the point of sale (i.e. medical offices, pharmacies, or dependent care providers, etc.) thereby eliminating out-of-pocket expenses and manual claims processing for most reimbursements. A Third Party Administrator (TPA) specializing in flexible spending accounts will provide a single point of contact for the program at an estimated cost of \$2.85 to \$4.75 per participant/per month, or a range of \$15,000 - \$26,000 annually. The annual forfeiture of participant's unused funds, for example \$30,000 for 2014, is expected to offset most if not all of the TPA fees.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety.

FINANCIAL IMPACT

Funding for the Non-contract and AFSCME group insurance plans is included in each department's

FY16 budget and on the balance sheet for accrued retiree medical liabilities. Based on the current employee participation by plan, estimated employer costs of \$44.0 million, an increase of \$4.4 million over 2015, are expected to be within the adopted budget of \$48.9 million. Premiums for the Expo employees are included in Expo's budget.

Beginning in 2018, as part of Health Care Reform, a 40% excise tax (Cadillac Tax) will be assessed on the cost of coverage for health plans that exceed an annual limit, currently set at \$10,200 for individual coverage and \$27,500 for family coverage. For fully-insured plans like ours, the excise tax is the responsibility of the insurance carrier, though it is anticipated that carriers may pass these costs back to the employer. The proposed 2016 renewal for the Anthem Blue Cross PPO plan currently exceeds the 2018 annual limits by approximately \$4,000 per participant. However, since the excise tax does not take effect until 2018, we will continue to evaluate our plan provisions such as copays, out-of-pocket maximums and other features in order to mitigate exposure to the excise tax.

ALTERNATIVES CONSIDERED

We considered plan design changes such as increasing office and prescription copays, annual deductibles, and out-of-pocket maximums. However, IRS and the Department of Health and Human Services (HHS) is expected to issue additional guidance within the next year which may require us to make changes in 2017 and 2018 in order to lower costs and minimize the impact of the excise tax. Therefore, it is recommended to wait for additional guidance and avoid incurring provider access/disruption for 2016.

The Board could decide to self-insure and self-administer health benefits. However, this is not recommended due to the resources required to establish the medical expertise and operational infrastructure required to review and process claims as well as the liability that would be assumed.

NEXT STEPS

- Conduct annual open enrollment for Non Contract, AFSCME, and EXPO employees.
- Implement elections effective January 1, 2016.

ATTACHMENTS

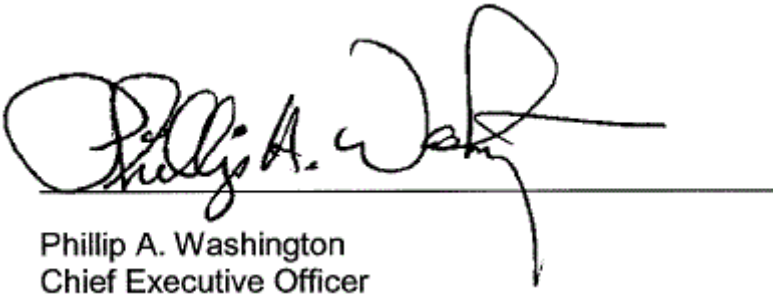
Attachment A - Monthly Premium Rates

Attachment B - Monthly Employee Contributions

Prepared by: Jan Olsen, Pension & Benefits Manager, 213-922-7151

Donna Mills, Treasurer, 213-922-4047

Reviewed by: Nalini Ahuja, Executive Director, Finance and Budget



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Proposed Monthly Premium Rates

Provider	Coverage Option	CY 2015	CY 2016	%Change	Est # of Employees (1/1/16)
Blue Cross (PPO)	Single	\$994.57	\$1,113.90	12.00%	225
	Couple	\$2,002.05	\$2,242.25	12.00%	217
	Family	\$2,685.32	\$3,007.50	12.00%	266
Blue Cross (HMO)	Single	\$694.83	\$746.93	7.50%	88
	Couple	\$1,459.14	\$1,568.54	7.50%	75
	Family	\$2084.35	\$2,240.64	7.50%	165
Kaiser (HMO)	Single	\$566.24	\$643.04	13.56%	274
	Couple	\$1,132.49	\$1,286.08	13.56%	223
	Family	\$1,602.47	\$1,819.80	13.56%	351
Delta Dental (PPO)	Single	\$57.20	\$57.20	0.00%	381
	Couple	\$99.41	\$99.41	0.00%	437
	Family	\$149.37	\$149.37	0.00%	600
DeltaCare (DHMO)	Single	\$20.21	\$20.21	0.00%	75
	Couple	\$36.71	\$36.71	0.00%	54
	Family	\$54.32	\$54.32	0.00%	108
Dental Health Services (DHMO)	Single	\$16.82	\$16.82	0.00%	59
	Couple	\$32.60	\$32.60	0.00%	48
	Family	\$49.15	\$49.15	0.00%	101
Vision Service Plan	Single	\$10.15	\$10.15	0.00%	283
	Couple	\$14.68	\$14.68	0.00%	312
	Family	\$26.30	\$26.30	0.00%	439
Voluntary Waiver of Coverage:*	Medical	\$209.00	\$230.00	11.0%	171
	Dental	\$30.00	\$33.00	11.0%	87

* Waiver of Medical coverage requires proof of alternative coverage.

ATTACHMENT A

Proposed Monthly Employee Contributions

Provider	Coverage Option	NC & AFSCME Employee Contribution (Current)	NC & AFSCME Employee Contribution (Proposed) Effective 1/1/16	Change
Blue Cross (PPO)	Single	\$99.00	\$111.00	\$12.00
	Couple	\$200.00	\$224.00	\$24.00
	Family	\$269.00	\$301.00	\$32.00
Blue Cross (HMO)	Single	\$69.00	\$75.00	\$6.00
	Couple	\$146.00	\$157.00	\$11.00
	Family	\$208.00	\$224.00	\$16.00
Kaiser (HMO)	Single	\$57.00	\$64.00	\$7.00
	Couple	\$113.00	\$129.00	\$16.00
	Family	\$160.00	\$182.00	\$22.00
Delta Dental (PPO)	Single	\$6.00	\$6.00	\$0.00
	Couple	\$10.00	\$10.00	\$0.00
	Family	\$15.00	\$15.00	\$0.00
DeltaCare (DHMO)	Single	\$2.00	\$2.00	\$0.00
	Couple	\$4.00	\$4.00	\$0.00
	Family	\$5.00	\$5.00	\$0.00
Dental Health Services (DHMO)	Single	\$2.00	\$2.00	\$0.00
	Couple	\$3.00	\$3.00	\$0.00
	Family	\$5.00	\$5.00	\$0.00
Vision Service Plan	Single	\$1.00	\$1.00	\$0.00
	Couple	\$1.00	\$1.00	\$0.00
	Family	\$3.00	\$3.00	\$0.00

Non-Contract and AFSCME Employees contribute 10% (rounded to the nearest whole dollar) towards their individually selected plan's medical and dental premiums

**Board Report**

File #: 2015-1380, **File Type:** Contract**Agenda Number:** 16.

**FINANCE, BUDGET AND AUDIT COMMITTEE
OCTOBER 14, 2015****SUBJECT: TRANSIT ACCESS PASS (TAP) MOBILE PHONE VALIDATOR****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

FINANCE, BUDGET AND AUDIT COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to execute Modification No. 5 to Contract No. PS30203139 with Axiom xCell, Inc. (Axiom) to **provide additional application functionality for the Fare Inspectors' phones**, which includes new features to improve security and application capabilities for an additional cost of \$354,000, and extend the monthly support services for an additional two years to November 29, 2017, in an amount of \$260,000. This modification would increase the total contract value by \$614,000, from \$447,975 to \$1,061,975.

ISSUE

The current contract with Axiom provides monthly service and technical support for the Mobile Phone Validator (MPV) application and it is due to expire on November 28, 2015. The MPV application is installed on 600 Samsung Galaxy S5 mobile phones and allows fare enforcement personnel to electronically query TAP cards to determine if riders are in compliance with Metro's fare policy.

DISCUSSION

The new MPVs allow fare enforcement personnel to perform the core duties of their assignment and have been used to check fare over 2 million times from the launch of the application in March 2015 through May 2015. Between March and June 2015, Metro Transit Court worked with LASD fare inspectors to test the application and began developing the requirements for additional functionality that this modification addresses. These requirements were sent to Axiom in June and TAP received the first technical response back late that month. On July 21, TAP received the first estimates for the contract modification that includes these improvements. The following enhancements to the MPV application, servers and system security are requested:

- Add a backup server to provide MPV support in case of a hardware failure.
- Add increased security features to further protect system sensitive information.
- Add a separate test server to test applications prior to their implementation.
- Modify the MPV application to provide interoperability with 3rd party applications (e.g., Bike Share and Parking Enforcement).
- Modify the sound and vibration features to allow enforcement personnel to validate fares without reading the MPV screen.

DETERMINATION OF SAFETY IMPACT

The audible and tactile signal enhancements will allow fare enforcement personnel to validate fares without watching the screen. This will allow the inspector to pay more attention to their immediate surroundings thereby keeping both the inspector and our customers safer during fare inspections.

FINANCIAL IMPACT

The \$225,000 required for FY16 is included in TAP Operations budget for FY16. The project manager and executive officer of TAP Operations is responsible for budgeting the remaining \$389,000 in future fiscal years.

Impact to Budget

The funding sources for \$225,000 are Prop C 40%, TDA Article 4 and fare revenues. These sources are eligible for operating and capital improvements for both bus and rail.

ALTERNATIVES CONSIDERED

The Board could choose not to fund any of the enhancements to the MPV application, add a test server and/or continue the maintenance program. Extending the maintenance contract with Axiom through November 29, 2017, is critical to continued support of the program. Although the current system is functioning as designed, these enhancements will provide substantial improvements to the MPV system and its reliability.

NEXT STEPS

Upon Board approval, staff will execute a contract modification with Axiom under Contract No. PS30203139 to extend the period of performance and to include new features to improve security and application capabilities.

ATTACHMENTS

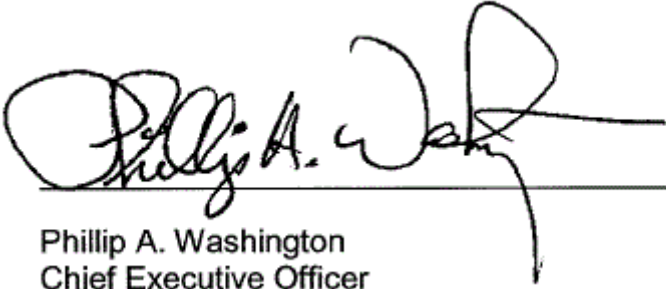
Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log

Prepared by: David Sutton, Executive Officer, TAP (213) 922-5633

Reviewed by:
Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383

Alex Wiggins, Executive Officer, Systems Security and Law Enforcement, (213) 922-4433

Nalini Ahuja, Executive Director, Finance and Budget, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

TRANSIT ACCESS PASS (TAP) MOBILE PHONE VALIDATOR

1.	Contract Number: PS30203139		
2.	Contractor: Axiom xCell, Inc.		
3.	Mod. Work Description: Add enhancements, functionality and features; extend maintenance services to November 29, 2017		
4.	Contract Work Description: Mobile Phone Validator (MPV) for fare enforcement electronic query of TAP cards		
5.	The following data is current as of: September 9, 2015		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	February 1, 2014	Contract Award Amount: \$348,018
	Notice to Proceed (NTP):	February 1, 2014	Total of Modifications Approved: \$99,957
	Original Complete Date:	July 28, 2015	Pending Modifications (including this action): \$614,000
	Current Est. Complete Date:	November 28, 2015	Current Contract Value (with this action): \$1,061,975
7.	Contract Administrator: Phyllis Walker		Telephone Number: (213) 922-6121
8.	Project Manager: Cary Stevens		Telephone Number: (213) 922-4401

A. Procurement Background

This Board Action is to approve Modification No. 5 to add additional application functionality and new features to improve security to the MPV. Maintenance services for the application will be extended through November 29, 2017.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On February 1, 2014, Contract No. PS30203139 was awarded to Axiom to develop, test, and provide support for a software application for a handheld fare inspection device.

Attachment B shows four modifications are issued to date and one modification to be executed.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon a cost analysis, technical evaluation, fact finding, an independent cost estimate and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount
\$615,539	\$741,416	\$614,000

CONTRACT MODIFICATION/CHANGE ORDER LOG

TRANSIT ACCESS PASS (TAP) MOBILE PHONE VALIDATOR

Mod. No.	Description	Date	Amount
1	Additional Application Coding	8/11/14	\$20,774
2	Administrative Change	11/03/15	\$0
3	Add Key Features and Application Coding	2/18/14	\$79,183
4	Extend Contract term	9/8/15	-0-
5	Add enhancements and features, and extend services to November 29, 2017	Pending	\$614,000
	Total:		\$713,957

DEOD SUMMARY

TRANSIT ACCESS PASS (TAP) MOBILE PHONE VALIDATOR

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation; there were no apparent subcontracting opportunities. The project involved the development of software application for mobile phone validators. According to Metro's project manager, Axiom xCell is the only company that can modify the existing application. Axiom xCell, Inc. is an SBE Prime with 100% SBE participation.

SMALL BUSINESS COMMITMENT	100% SBE	SMALL BUSINESS PARTICIPATION	100% SBE
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	SBE Firm	% Committed	Current Participation¹
1.	Axiom xCell, Inc. (SBE Prime)	100%	100%
	Total	100%	100%

A. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

B. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.