

Item 12

Los Angeles County
Metropolitan Transportation Authority

FY14 Budget Development Progress Report

Finance, Budget & Audit Committee Meeting
April 17, 2013



The Office of Management, Budget & Local
Programming

Metro

FY14 Proposed Budget Highlights

The FY14 Budget is balanced and focused on following services, programs and projects.

Bus & Rail Revenue Service Improvements:

- Orange Line service increases to relieve midday overcrowding.
- Additional late night service added for Expo and Gold Lines
- Improved headways for weekend service on all Metro Rail Lines

System Safety & Security Capital Program:

- Total System Safety & Security Program is \$37M
- \$20M specifically allocated to address Metro Blue Line (MBL) Safety Improvements
- System-wide camera/video enhancements for improved security

Deferred Maintenance Capital Program :

- Total Deferred Maintenance Program is \$261M
- Includes facilities maintenance, bus & rail vehicle maintenance/acquisitions and various stops & stations projects

Transit & Highway Capital Programs:

- MR Transit is planned for \$1.1B
- Design/early Measure R construction on:
 - Westside Subway Extension sections 1-3
 - Regional Connector
 - Crenshaw LRT
 - I-405
 - Soundwall Improvements
- Highways are planned for \$441M

Special Programs:

- Gate latching for the subway system to rollout through August
- Full year operation of I-110 & I-10 Express Lanes
- Division Inspection & Training Program to prepare for next generation workforce

Summary of Resources

	Resources and Expenditures (\$ in millions)	FY13 Budget	FY14 Proposed	% Change FY13-FY14
1	<u>Sales Tax, TDA and STA Revenues</u> ⁽¹⁾			
2	Proposition A	\$ 674.6	\$ 708.4	5.0%
3	Proposition C	674.6	708.4	5.0%
4	Measure R	674.6	708.4	5.0%
5	Transportation Development Act (TDA)	337.3	354.2	5.0%
6	State Transit Assistance (STA)	123.6	115.5	-6.6%
7	Total Sales Tax, TDA, & STA	\$ 2,484.7	\$ 2,594.9	4.4%
8	<u>Operating & Other Revenues</u>			
9	Passenger Fares	\$ 345.3	\$ 345.1	-0.1%
10	Express Lane Tolls	11.0	12.4	12.7%
11	Advertising	24.3	20.5	-15.6%
12	Other Revenues ⁽²⁾	48.7	72.2	48.3%
13	Subtotal Operating & Other Revenues	\$ 429.3	\$ 450.2	4.9%
14				
15	<u>Capital and Bond Resources</u>			
16	Grants Reimbursements ⁽³⁾	\$ 1,090.1	\$ 987.4	-9.4%
17	Bond Funding	571.0	299.8	-47.5%
18	Capital Funding from Prior Years	-	558.9	
19	Subtotal Capital and Bond Resources	\$ 1,661.1	\$ 1,846.1	11.1%
20	Total Resources	\$ 4,575.1	\$ 4,891.1	6.9%
21	Agencywide Expenditures	\$ 4,575.1	\$ 4,891.1	6.9%
22	(Deficit) / Surplus	\$ -	\$ -	

Note: Totals may not add due to rounding.

⁽¹⁾ Sales tax and TDA revenues for FY13 Budget represent reforecasted levels based on UCLA's Anderson School Update.

⁽²⁾ Other Revenues includes lease revenues, legal settlements, vending revenues, film revenues, county buy down, auto registration fees, transit court fees, CNG credits, EZ Pass, investment income and other miscellaneous revenues.

⁽³⁾ Includes grant reimbursement of preventative maintenance operating capital cost and highway capital costs.

Expenditure Summary: By Department

Department (\$ in Millions)	FY13 Budget	FY14 Proposed	Change	% of Change
1 Increases				
2 Transit Project Delivery	\$ 862.2	\$ 994.4	\$ 132.1	15.3%
3 Highway Project Delivery	86.7	94.9	8.1	9.4%
4 Bus & Rail Operations	290.8	297.3	6.5	2.2%
5 Board of Directors	17.2	22.8	5.6	32.7%
6 Financial Services	22.3	24.6	2.3	10.3%
7 Management Audit Services	2.3	2.3	0.1	2.3%
8 Increases Total	\$ 1,281.5	\$ 1,436.2	\$ 154.7	12.1%
10 Decreases				
11 Economic Development	\$ 123.4	\$ 56.1	\$ (67.2)	-54.5%
12 Operations Capital	286.2	245.5	(40.7)	-14.2%
13 Chief Executive Office	227.9	214.1	(13.8)	-6.1%
14 Countywide Planning & Development	53.9	52.8	(1.0)	-1.9%
15 Administrative Services	53.4	53.1	(0.2)	-0.5%
16 Communications	11.1	11.1	-	-
17 Decreases Total	\$ 755.9	\$ 632.9	\$ (123.0)	-16.3%
18 Total for Controllable Expenditure	\$ 2,037.4	\$ 2,069.1	\$ 31.8	1.6%
19 Wage, Benefits and Allocation Items	\$ 903.6	\$ 945.0	\$ 41.4	4.6%
20 Subsidy and Debt	\$ 1,375.7	\$ 1,597.1	\$ 221.3	16.1%
21 Exposition Construction Authority*	\$ 258.4	\$ 280.0	\$ 21.6	8.4%
22 Total Proposed	\$ 4,575.1	\$ 4,891.1	\$ 316.1	6.9%

* Expo budget will change based on Expo Board's adoption of their FY14 budget.

FY14 Proposed Operating Capital

Operating Capital By Mode (\$ in Millions)		Safety & Security	Deferred Maintenance	Capital Improvements	FY14 Proposed Mode Total
1	Blue Line	\$ 19.9	\$ 13.5	\$ 0.2	\$ 33.7
2	Green Line	2.5	0.9	0.3	3.6
3	Red/Purple Line	2.1	28.9	7.0	38.0
4	Gold Line	0.0	1.1	4.3	5.4
5	Rail Mode Total	\$ 24.5	\$ 44.3	\$ 11.8	\$ 80.7
6	Bus	\$ 0.5	\$ 168.4	\$ 40.4	\$ 209.3
7	Express Lanes & Related Facilities	0.0	0.0	6.6	6.6
8	Bus Mode Total	\$ 0.5	\$ 168.4	\$ 47.0	\$ 216.0
9	Infrastructure & Systemwide Imps Total	\$ 11.6	\$ 47.8	\$ 10.6	\$ 70.1
10	Operating Capital Total (Rows 5+8+9)	\$ 36.7	\$ 260.6	\$ 69.5	\$ 366.8

Note: Totals may not add due to rounding

- Operations Capital Projects plan for \$366.8M in FY14
- Total Rail mode budget comprises 22% of the total Operating Capital Budget:
 - Older Rail lines such as the Blue Line and Red Line have 42% and 47% of the allocations respectively for the rail mode subtotal.
- Total Bus/Express Lanes mode budget takes 59% of the total Operating Capital budget
- Infrastructure and system-wide accounts for 19% of Operating Capital

Measure R Transit Programs

	Measure R Transit Program (\$ in Millions)	FY13 Adopted	FY14 Proposed	Change
1	Orange Line Extension	\$ 13.7	\$ 1.6	\$ (12.1)
2	Gold Line Foothill Extension	194.9	167.8	(27.0)
3	Regional Connector	101.2	130.4	29.3
4	Crenshaw/LAX Light Rail Transit	162.8	263.0	100.2
5	Westside Subway Extension	148.6	184.9	36.3
6	Expo Blvd Light Rail Transit Phase I *	46.0	0.5	(45.5)
7	Expo Blvd Light Rail Transit Phase II *	411.2	373.5	(37.7)
8	Measure R Transit Construction Total	\$ 1,078.3	\$ 1,121.8	\$ 43.5
9	Eastside Extension Phase II	\$ 3.1	\$ 3.0	\$ (0.0)
10	West Santa Ana Branch Corridor	0.7	2.5	1.8
11	Eastside Light Rail Access	6.1	5.6	(0.5)
12	Airport Connector	2.9	2.8	(0.2)
13	Green Line Ext: Redondo to So Bay	2.9	5.1	2.2
14	Sepulveda Pass Transit Corridor	2.9	4.7	1.8
15	San Fernando Valley East N/S Rapidways	3.2	3.1	(0.1)
16	Measure R Transit Planning Total	\$ 21.7	\$ 26.8	\$ 5.1
17	MEASURE R TRANSIT PROGRAM TOTAL	\$ 1,100.0	\$ 1,148.6	\$ 48.5

* Expo budget will change based on Expo Board's adoption of their FY14 budget.

Highway Projects

	Project (In \$Millions)	Total	% to Total
1	I-405 Car Pool Lane	\$ 181.4	41.2%
2	HOV Construction at Rte. 5/14 Interchange	100.0	22.7%
3	Phase II ACE Grade Separation	32.0	7.3%
4	I-710 South Early Action Projects	30.0	6.8%
5	Soundwall Packages	18.8	4.3%
6	I-710 North Gap Closure	17.6	4.0%
7	I-605 Corridor "Hot Spot"	10.4	2.4%
8	Highway Operational Improvements-Virgenes/Malibu	10.3	2.3%
9	High Desert Corridor	6.5	1.5%
10	SR-134 Improvement Hollywood Way/Alameda	5.0	1.1%
11	Highway Operational Improvements-Arroyo Verdugo	4.3	1.0%
12	405 110 105 SR91 Ramp & Interchanges	2.3	0.5%
13	I-5 N Enhance SR14/Kern Cnty	1.5	0.3%
14	SR-138 Capacity Enhancements	1.1	0.3%
15	HOV Lane On 405 From Rte. 90 To Rte. 10 - Design	0.9	0.2%
16	Sub-Total	422.2	95.8%
17			
18	Freeway Beautification Program	3.0	0.7%
19	Project Administration	15.4	3.5%
20			
21	Total Highway Projects	\$ 440.6	100.0%

Next Steps

- We will continue to brief the Board Staff on a weekly basis and continue to work with Board Staff to discuss and finalize FY14 FTE Requests
- The Public Hearing has been scheduled for Wednesday, May 15th at 1:00PM (during the regularly scheduled Finance, Budget & Audit Committee Meeting)
- The Proposed FY14 Budget will be presented on Thursday, May 23rd (during the regularly scheduled Monthly Board Meeting) for Board Adoption