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Metropolitan Transportation Authority

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FINANCE, BUDGET AND AUDIT COMMITTEE

APRIL 17, 2013

SUBJECT: FISCAL YEAR 2013 SECOND QUARTER BUDGET FINANCIAL PERFORMANCE

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the second quarter financial performance for Fiscal Year (FY) 2013 budget.

ISSUE

This is the quarterly financial performance update to the Board. This report, for the second quarter of the FY13 Budget, shows that we are able to deliver safe and reliable transportation service.

DISCUSSION

Summary of Revenues and Expenses:

The agency expenses ended the second quarter of FY13 with \$475.6 million, or 21.3% below the budget of \$2,236.1 million, while revenues for the same period are \$68.3 million, or 3.6% less than the \$1,899.8 million budgeted. Most of the revenue variances are due to delayed and under budget capital expenses. Combining revenues and expenses variances, Metro was \$407.3 million under budget for the period of July 1, 2012 to December 31, 2012.

YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance |
|--|----------|----------|-------------|------------|
| 1 Total Carryover Revenues from Prior Year | \$ 336.3 | \$ 336.3 | \$ - | |
| 2 Total Current Year Revenues | 1,899.8 | 1,831.5 | (68.3) | -3.6% |
| 3 Total Expenses/Expenditures | 2,236.1 | 1,760.5 | 475.6 | 21.3% |
| 4 Revenue Over/(Under) Expenses | \$ - | \$ 407.3 | \$ 407.3 | |

YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance |
|--|-------------------|-------------------|------------------|--------------|
| Sales Tax & TDA Revenues | | | | |
| Proposition A | \$ 314.7 | \$ 345.8 | \$ 31.1 | 9.9% |
| Proposition C | 314.7 | 345.8 | 31.1 | 9.9% |
| Measure R | 314.7 | 345.3 | 30.6 | 9.7% |
| Transportation Development Act | 157.3 | 173.8 | 16.5 | 10.5% |
| State Transit Assistance Fund ¹ | 61.8 | 59.4 | (2.4) | -3.9% |
| Subtotal Sales Tax & TDA Revenues | \$ 1,163.2 | \$ 1,270.1 | \$ 106.9 | 9.2% |
| Operating & Other Revenues | | | | |
| Passenger fares | \$ 172.6 | \$ 165.8 | \$ (6.8) | -3.9% |
| Advertising | 12.2 | 14.5 | 2.3 | 18.9% |
| Investment Income | 2.5 | 20.5 | 18.0 | 720.0% |
| Other Income ¹ | 22.1 | 23.1 | 1.0 | 4.5% |
| Subtotal Operating & Other Revenues | \$ 209.4 | \$ 223.9 | \$ 14.5 | 6.9% |
| Capital Reimbursements | | | | |
| Federal Grants | \$ 247.3 | \$ 257.9 | \$ 10.6 | 4.3% |
| State Sources including Prop 1B /Other | 267.5 | 77.6 | (189.9) | -71.0% |
| Local Grants and contributions | 12.4 | 2.0 | (10.4) | -83.9% |
| Total New Revenues | \$ 1,899.8 | \$ 1,831.5 | \$ (68.3) | -3.6% |
| Carryover Revenue from Prior Year | 336.3 | 336.3 | - | 0.0% |
| Total Revenues | \$ 2,236.1 | \$ 2,167.8 | \$ (68.3) | -3.1% |

¹ Includes Union Station Property Mgt revenue, CNG tax credits, lease revenues, vending & other miscellaneous revenues.

- Sales Tax, TDA & STA

The information presented above represents actuals for the first quarter; plus estimates for the second quarter. The second quarter estimates will be updated when the State Board of Equalization releases the data in mid-March. Sales Tax and TDA information continues to exceed the budget by \$106.9 million, or 9.2%, and reflects the local economy growing at a rate greater than assumed in the budget.

State Transit Assistance (STA) revenue is dependent upon actual consumption of diesel fuel. The information presented above reflects a slight decline in diesel usage. Staff will continue to monitor and advise the Board as more information becomes available.

- Passenger Fare Revenue

Passenger fare revenue of \$165.8 million was below the budgeted amount of \$172.6 million, or 3.9% under budget. Boardings of 236.0 million exceeded the budgeted boardings of 228.7 million by 4.0%. The resulting fare revenue per boarding is 70¢, which is 5¢ below the budgeted 75¢. Factors contributing to this variance include the rolling 30 day pass, fare evasion and the day pass price remaining at the reduced \$5/pass level instead of the normal \$6/pass. Ongoing measures are in place to curb fare evasion and to educate passengers on fare media usage.

- Advertising

For the second quarter of FY13 Metro recognized \$2.3 million more revenue than budgeted based on terms of a contract set to expire in the following quarter. Terms of the new contract

are pending and will determine the amount of advertising revenue Metro can expect to receive for the remainder of the fiscal year.

- Capital Reimbursement Revenues

Capital reimbursements are comprised primarily of Federal, State and Local grants revenues which ended the reporting period below budget by \$189.7 million, or 36%. These capital grants are recognized on a reimbursements basis driven by related capital and planning expenditure activity which came in below budget for the period. Details of the related expenses can be found in the “*Summary of Expenses*” section of this report.

- Investment Income

Investment income of \$20.5 million significantly exceeded the budget by \$18.0 million due to greater than anticipated cash balances. The higher than anticipated balances are related to slower than expected draw-downs for capital projects and planning subsidies during the period. Metro continues to invest the unused funds according to Board approved policy.

- Other Income

Other income of \$23.1 million exceeded the budget amount of \$22.1 million by \$1 million, or 4.5%. Most of this variance reflects recognition of lease revenue that covers all of FY13, but was recorded in the first quarter of the fiscal year. It is expected that lease revenues will be close to budgeted levels by the end of FY13.

Summary of Expenses:

Overall, expenses totaled \$1,760.5 million, which is \$475.6 million, or 21.3%, below the \$2,236.1 million budgeted amount. Variance explanations are discussed below.

YTD December 31, 2012

| | Budget (in millions) | Actual | Variance | % Variance |
|------------------------------|----------------------|-------------------|-----------------|--------------|
| 1 Bus & Rail Operating | \$ 640.7 | \$ 626.5 | \$ 14.2 | 2.2% |
| 2 Metro Capital/Construction | 724.4 | 316.9 | 407.5 | 56.3% |
| 3 Subsidies | 511.6 | 498.8 | 12.8 | 2.5% |
| 4 Other Agencywide Operating | 185.3 | 143.8 | 41.5 | 22.4% |
| 5 Debt Service | 174.1 | 174.5 | (0.4) | -0.2% |
| 6 Total Expenses | \$ 2,236.1 | \$ 1,760.5 | \$ 475.6 | 21.3% |

| | Actual | Grant | Additional Information |
|--------------------------------------|-----------------|----------------|---|
| 1 Metro Operating | \$ 14.2 | \$ 2.0 | \$ 12.2 Available for operations. |
| 2 Metro Capital | 407.5 | 84.1 | \$ 323.4 Local funds; Mostly MR 35% and Bond Proceed and others funds used as match to State or Federal Grants. These funds will remain with the grant funded capital projects. |
| 3 Subsidies | 12.8 | - | \$ 12.8 Primarily Local Return, Call For Projects, and Muni Shares of Sales Tax dollars allocated based on tax ordinances. |
| 4 Other Operating | 41.5 | - | \$ 41.5 Rental, lease and other miscellaneous revenues, plus indirect costs not yet allocated to projects. |
| 5 Debt Service | (0.4) | (0.4) | Result of Accounting reconciliation and reporting changes. |
| 6 Total Expenses/Expenditures | \$ 475.6 | \$ 85.7 | \$ 389.9 |

- Metro Bus & Rail Operating Expenses

Metro bus and rail operating expenses were \$14.2 million or 2.2% below the \$640.7 million budgeted amount. Unfavorable variances in some categories offset favorable variances in other categories. Much of the favorable variance was the result of the lower than expected natural gas prices, delayed expense for services, and the timing of fringe benefit allocations. The CEO and management controlled cost wherever possible.

YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance | Explanation |
|---|----------|----------|-------------|------------|--|
| 1 Bus & Rail Operating Expense (\$ in Millions) | | | | | |
| 1 Wages | \$ 261.7 | \$ 262.7 | \$ (1.0) | -0.4% | ATU wages & overtime |
| 2 Benefits | 116.8 | 112.7 | 4.1 | 3.5% | Timing of fringe benefit allocations |
| 3 Fuel & Propulsion Power | 30.8 | 26.9 | 3.9 | 12.7% | Lower natural gas price |
| 4 Parts & Supplies | 43.5 | 44.1 | (0.6) | -1.4% | Rail parts budgeted as capital but charged to operating |
| 5 Security Services | 43.9 | 41.1 | 2.8 | 6.4% | Timing of LASD & contract security invoices |
| 6 Express Lane Services | 6.6 | 0.4 | 6.2 | 93.9% | Later than anticipated start of operations |
| 7 Elevator/Escalator Services | 4.9 | 3.2 | 1.7 | 34.7% | Timing of invoices |
| 8 Other Services | 33.0 | 25.1 | 7.9 | 23.9% | Small variances in multiple departments including revenue collection equipment |
| 9 Purchased Transportation | 21.6 | 20.5 | 1.1 | 5.1% | Timing of invoices |
| 10 Workers' Comp & PLPD | 40.5 | 39.4 | 1.1 | 2.7% | Timing of insurance payments |
| 11 Allocated Overhead | 25.7 | 38.6 | (12.9) | -50.2% | Timing of overhead allocation |
| 12 Other | 11.7 | 11.8 | (0.1) | -0.9% | Multiple offsetting small variances |
| 13 Total | \$ 640.7 | \$ 626.5 | \$ 14.2 | 2.2% | |

- Metro Capital

Capital expenses were \$407.5 million, or 56.3%, below the \$724.4 million budget due to a combination of invoice processing delays and project timing variances.

YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance | Explanation |
|--|----------|----------|-------------|------------|---|
| 1 Capital Expenses (\$ in millions) | | | | | |
| 1 Project / Category | | | | | |
| 1 Bus Acquisition | \$ 40.3 | \$ 33.5 | \$ 6.8 | 16.9% | Contract award delay to 150 45' Compo Bus Project. |
| 2 Congestion Relief Projects | 27.9 | 18.8 | 9.1 | 32.6% | Underrun due to accelerated construction completed in FY12 for El Monte Station and I-110 HOT Lanes; invoice delays for the remaining I-10 HOT Lanes. |
| 3 Bus Facilities Imps & Bus Maintenance | 49.4 | 31.5 | 17.9 | 36.2% | Delayed NTP issued to Div 13; Delayed design support for facility improvements. Various re-procurements to mitigate greater than planned bid submittals. Timing variance with engine purchases. |
| 4 Rail Fac Imp & Wayside | 38.0 | 15.6 | 22.4 | 58.9% | Re-bid for the MOL/NH Ped Underpass, Div 20 Carwash delay due to contractor termination, invoice processing delays and contract award delays. |
| 5 Rail Veh Acquisition & Maintenance | 70.7 | 24.7 | 46.0 | 65.1% | Delayed procurements for Light Rail Vehicle & Heavy Rail Vehicle acquisition projects. |
| 6 ITS, Communications & Safety Security | 7.8 | 13.0 | (5.2) | -66.7% | Underruns to ITS projects offset by an overrun to the Emergency Operations Center project for land acquisition in Q2. Projects to remain within established LOP budget. |
| 8 Non Rev Veh, Ware-house & Oth Capital Projects | 5.2 | 4.5 | 0.7 | 13.5% | Underrun due to procurement delays to Warehouse, & USG Renovation projects. This was offset by accelerated delivery of Non Revenue vehicle projects. |
| 10 Planning Projects for Measure R | 9.3 | 2.7 | 6.6 | 71.0% | Various timing delays associated for Measure R Transit Projects in Planning phase. |
| 11 Major Construction & Closeout Projects | 19.3 | 9.9 | 9.4 | 48.7% | Orange Line N/S project budget underrun; Light Rail Veh Fleet Enh punch list work & delays; late invoicing for East Side Ext & Pasadena Gold Line closeout projects. |
| 13 Foothill Extension | 77.9 | 43.2 | 34.7 | 44.5% | Design progress delays on D/B contract; underrun is expected to carry thru to the remaining FY13 quarters. |
| 14 Regional Connector | 55.0 | 8.0 | 47.0 | 85.5% | Record of Decision (ROD) delay resulting in deferred ROW Acquisitions; invoicing delays for design consultant & 3rd Party agencies. |
| 16 Crenshaw LAX Transit Corridor | 46.3 | 23.1 | 23.2 | 50.1% | ROW acquisition delay & invoicing delays from various professional service contracts. Extension of D/B solicitation period. |
| 17 Westside Subway Extension | 86.4 | 13.4 | 73.0 | 84.5% | ROD delay resulting in deferred ROW Acquisitions; project changed to a 3 phase delivery, invoicing delays for 3rd Party agencies. |
| 18 Mid City Expo Light Rail Phase 1 | 24.9 | 7.1 | 17.8 | 71.5% | Invoicing delays for DWP. Closeout & change order negotiations ongoing. Planned expenditure increases in Q3-Q4. |
| 19 Mid City Expo Light Rail Phase 2 | 166.0 | 65.8 | 100.2 | 60.4% | Delayed ROW Acquisitions. Delayed invoicing from 3rd Party agencies. Planned expenditure increases in Q3-Q4. |
| 20 Administration - Capital Program & Construction | - | 2.1 | (2.1) | 100.0% | Overhead allocated costs to be redistributed to affected projects. |
| 25 Total Capital Expense | \$ 724.4 | \$ 316.9 | \$ 407.5 | 56.3% | |

- Subsidies

Subsidies were \$12.8 million, or 2.5%, below the \$511.6 million budgeted amount due to delays in draw-downs in programmed funds by non-Metro operators.

YTD December 31, 2012

| | | | \$ | % | | |
|----|--------------------------------------|-----------------|-----------------|------------------|---------------|---|
| | Subsidy Expenses (\$ in millions) | Budget | Actual | Variance | Variance | Explanation |
| 1 | Transit | | | | | |
| 2 | Access Services | \$ 28.5 | \$ 28.4 | \$ 0.1 | 0.4% | |
| 3 | Commuter Rail | 33.1 | 52.7 | (19.6) | -59.2% | 1. Timing differences--paid Q3 operating expenses in advance. 2. Paid \$13m in rehab and capital expenses in FY13 Q2 that were committed in prior years. |
| 4 | Fare Assistance | 5.2 | 3.8 | 1.4 | 26.9% | Invoicing delays with SHORE and Rider Relief Program. |
| 5 | Municipal Operators | 144.9 | 124.7 | 20.2 | 13.9% | Delayed municipal operator drawdowns. |
| 6 | Planning & Admin | 1.7 | 0.4 | 1.3 | 76.5% | Invoicing delays and year-end accrual reversal. |
| 7 | Prop A Incentive | 6.1 | 1.3 | 4.8 | 78.7% | Invoicing delays and year-end accrual reversal. |
| 8 | Mobility & Air Quality Program | 0.3 | - | 0.3 | 100.0% | Project start delayed. |
| 9 | Transit Total | \$ 219.8 | \$ 211.3 | \$ 8.5 | 3.9% | |
| 10 | Call For Projects | | | | | |
| 11 | Bus Capital Operations | 0.6 | - | 0.6 | 100.0% | Project start delayed. |
| 12 | Freeway | 14.0 | 36.0 | (22.0) | -157.1% | Variance due to a variety of factors including :MOU payments for FY12 invoice, year-end accrual timing differences, I-5 HOV and I-5 Widening (605 to OC) are ahead of schedule. |
| 13 | Local Traffic System | 10.1 | 8.8 | 1.3 | 12.9% | Delay/timing of invoices, and unanticipated schedule delays; changes to ROW issues is causing the projects to fall behind schedule. |
| 14 | Regional Bikeways | 0.4 | 0.20 | 0.2 | 50.0% | |
| 15 | Regional Surface Trans | 27.9 | 15.3 | 12.6 | 45.2% | Under budget due to projects delays for various projects including: I-710 EIR/EIS, Goods Movements, Alameda Corridor, Nogales St. Grade and Hyperion. |
| 16 | Local Transportation Project | 0.1 | 0.2 | (0.1) | -100.0% | |
| 17 | Soundwalls Program | 0.1 | 3.7 | (3.6) | -3600.0% | Projects drew funds down faster than anticipated. |
| 18 | Transportation Demand Mgmt | 1.0 | - | 1.0 | 100.0% | CALTRANS is completing soundwall designs for various cities. |
| 19 | Call For Projects Total | \$ 54.2 | \$ 64.3 | \$ (10.1) | -18.6% | |
| 20 | Population | | | | | |
| 21 | Local Return | 183.2 | 201.3 | (18.1) | -9.9% | Municipal operator drew down reserves allocated in prior years. |
| 22 | Pedestrians & Bikes | 3.1 | 3.5 | (0.4) | -12.9% | |
| 23 | Street & Hwys | 9.5 | 4.1 | 5.4 | 56.8% | Projects move slower than anticipated. |
| 24 | Population Total | \$ 195.8 | \$ 208.9 | \$ (13.1) | -6.7% | |
| 25 | Federally Funded | | | | | |
| 26 | Gap Closure Project | 2.2 | 0.1 | 2.1 | 95.5% | Project delays expected to be resolved by year-end. |
| 27 | Highway Pass Through Program | 0.9 | 0.2 | 0.7 | 77.8% | Pass through projects. |
| 28 | JARC Program Capital & Ops | 0.9 | - | 0.9 | 100.0% | Delays with the sub-grantee's implementing and moving projects forward. |
| 29 | Metro Rapid Bus | 3.2 | 0.3 | 2.9 | 90.6% | |
| 30 | New Freedom Capital & Ops | 0.5 | 0.3 | 0.2 | 40.0% | Invoice and timing delays |
| 31 | Regional Grantee-FTA | 2.5 | 5.4 | (2.9) | -116.0% | LA Community College drew down from prior years subsidies. |
| 32 | Very Small Wilshire Bus Lane | 3.8 | 1.0 | 2.8 | 73.7% | Project just beginning--it is anticipated to accelerate delivery in the near future. |
| 33 | Federally Funded Total | \$ 14.0 | \$ 7.3 | \$ 6.7 | 47.9% | |
| 34 | Measure R | | | | | |
| 35 | Highway Capital (20%) | 25.1 | 6.8 | 18.3 | 72.9% | See details in Measure R schedule below, Sub Fund, Subtotal of Subsidy |
| 36 | Transit Capital - Metro Rail CP (2%) | 2.6 | 0.2 | 2.4 | 92.4% | |
| 37 | Transit Capital - New Rail (35%) | 0.04 | 0.04 | - | 0.0% | |
| 38 | MR Total | \$ 27.8 | \$ 7.0 | \$ 20.8 | 74.7% | |
| 39 | Total Subsidies Expense | \$ 511.6 | \$ 498.8 | \$ 12.8 | 2.5% | |

- Other Agency wide Operating Expenses

Other Metro operating expenses were \$41.5 million or 22.4% below the \$185.3 million budget. The bulk of the variance is due to delays in various planning projects, particularly Measure R projects.

YTD December 31, 2012

| Other Agency wide Operating Expenses (\$ in millions) | Budget | Actual | \$ Variance | % Variance | Explanation |
|---|----------|----------|-------------|------------|--|
| 1 Freeway Service Patrol | \$ 14.0 | \$ 9.9 | \$ 4.1 | 29.3% | Variance is due to: the delay in securing technical contract support/services; under utilization of support & on call services; delay in invoices; \$2m FY12 year end Accounting accrual reversal. |
| 2 SAFE | 6.2 | 3.4 | 2.8 | 45.2% | Variance is due to: saving of procurement support; savings in call box support, maintenance; delay in MATIS/511 operation, marketing and development support. |
| 3 I-405 Car Pool Lanes | 73.6 | 86.4 | (12.8) | -17.4% | Overrun due to additional project enhancements and inadequate contingency to address provisional bid estimated costs. Staff will be submitting a Board Report to request a LOP increase. |
| 4 Measure R Planning Project | 28.0 | 20.3 | 7.7 | 27.5% | Planning costs included in Measure R projects shown on Measure R report below. |
| 5 Overhead | 13.7 | (7.3) | 21.0 | 153.3% | Accounting indirect cost allocation timing difference between fiscal years. |
| 6 Pass Through Projects | 0.1 | 1.5 | (1.4) | -1400.0% | |
| 7 Planning Project | | | | | |
| 8 Transit Planning | 4.5 | 2.7 | 1.8 | 40% | MOU delays, projects on hold or deferred. |
| 9 Highway Planning | 7.1 | 2.2 | 4.9 | 69% | Staff is developing SOW and will initiate procurement in 2nd Qtr. |
| 10 Regional Intel Trans System | 1.6 | 0.4 | 1.2 | 75% | Staff working with USC to resolve invoicing issues related to RIITS System development and Interface |
| 11 I-710 EIR/EIS | 0.5 | (0.1) | 0.6 | 120% | Over accrued in prior year which was reversed in FY13. Expect to resolve by year-end. |
| 12 Caltrans Property Maint | 2.7 | 0.8 | 1.9 | 70% | Delay in transfer of ownership from Caltrans which has delayed the start of maintenance work. |
| 13 Metro Bus Stop Usability Study | 0.8 | - | 0.8 | 100% | Delays in staffing resulting in project delays. |
| 14 Mobility & Air Quality Program | 2.0 | 0.9 | 1.1 | 55% | Depart working with subregions and cities on CMP. Funds will be expended in later part of FY13. |
| 15 Streetcar Project | 1.0 | 0.5 | 0.5 | 50% | Contract modification is underway. |
| 16 MTA Sponsored CFP Proj/PC25 | 1.7 | 1.0 | 0.7 | 41% | Assorted project delays |
| 17 Rideshare Service | 4.6 | 3.4 | 1.2 | 26% | Assorted project delays |
| 18 Farmer's Field | 0.7 | - | 0.7 | 100% | Assorted project delays |
| 19 Systemwide Design Advisory Panel | 1.8 | 0.3 | 1.5 | 83% | Will initiate procurement in Q3. |
| 20 Misc Planning Projects | 14.4 | 10.0 | 4.4 | 31% | Immaterial variances in many minor projects |
| 21 Other Planning Project Total | 43.4 | 22.1 | 21.3 | 49% | Delayed in professional service cost. |
| 22 General Fund Project | | | | | |
| 23 Highway/Goods Movement Package | 1.1 | 3.1 | (2.0) | -182% | Timing of budget. Will be balanced at the end of year. |
| 24 Property Management | 1.3 | 0.9 | 0.4 | 31% | Timing; Invoice for Business Improvement Tax Assessments will be billed in late February early March. |
| 25 Taylor Yard Joint Development | 0.4 | - | 0.4 | 100% | Anticipate project close out before FY13 year-end.. |
| 26 Santa Fe MGL Joint Development | 0.2 | 0.3 | (0.1) | -50% | Variance is due to Opeartion labor charges. |
| 27 Owned Property | 1.8 | 2.0 | (0.2) | -11% | Staff worked on this project more than anticipated |
| 28 Other Real Estate Projects | 1.5 | 1.2 | 0.3 | 20% | Invoice delayed and Pending Board Action. |
| 29 General Fund Project Total | 6.3 | 7.5 | (1.2) | -19% | |
| 30 Total Other Agency wide Operating Expenses | \$ 185.3 | \$ 143.8 | \$ 41.5 | 22.4% | |

- Debt Service Expenses

Debt principal and interest expenses were \$.4 million, or 0.2%, over budget due to a required change in accounting for bond issuance cost.

Measure R Expenses:

Measure R projects ended the reporting period with \$379.3 million, or 50.2%, below the \$755.4 million budget. The following chart separates the Measure R projects by Measure R sub-fund and explains projects that had significant variances.

Measure R expenses presented in the following table are also included in the bus and rail operating, capital, other operating, subsidies and debt service expense discussions presented earlier in this report. The purpose of the following table is to provide a consolidated view of Measure R expense activity.

YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance | Explanation |
|--|----------------|----------------|-----------------|---------------|--|
| Measure R Fund Expenses (\$ in millions) | | | | | |
| Administration (1.5%) | | | | | |
| Admin-Measure R | 3.7 | 1.5 | 2.2 | 59.5% | Lower than expected professional cost and labor cost. |
| Flower Street Fire/Life/Safety Concerns | 0.1 | 0.1 | - | 0.0% | |
| Project Mgmt Information System | - | 0.1 | (0.1) | N/A | Prior Year invoices paid in FY13 |
| Administration (1.5%) Total | \$ 3.8 | \$ 1.7 | \$ 2.1 | 55.3% | |
| Debt Service | | | | | |
| Debt Service- Measure R | 26.3 | 26.2 | 0.1 | 0.4% | On target. |
| Debt Service Total | \$ 26.3 | \$ 26.2 | \$ 0.1 | 0.4% | |
| Highway Capital (20%) | | | | | |
| Highway Capital (20%) - Subsidy | | | | | |
| High Desert Corridor | 2.5 | 1.9 | 0.6 | 24.0% | Invoice rejected for lack of supporting doc. Will resolve by year-end |
| Hwy Operating Improvements Arroyo Verdugo | 2.8 | 0.8 | 2.0 | 71.4% | Vendor Invoice delays. |
| Hwy Operating Improvements Virgenes/Malibu | 3.1 | 1.0 | 2.1 | 67.7% | |
| I-405, I-110, I-105, SR91 Ramp & Interchange | 8.7 | 0.9 | 7.8 | 89.7% | Delay in executing funding agreements with Caltrans. When agreements are completed, the expenditures will begin to be charged. |
| I-5 N Enhance SR14/Kern County | 3.5 | 1.3 | 2.2 | 62.9% | Vendor Invoice delay. |
| I-605 Corridor "Hot Spot" | 0.3 | - | 0.3 | 100.0% | Project delays to 3rd Qtr. |
| I-710 North Gap Closure | 0.2 | - | 0.2 | 100.0% | No draw down in subsidy. |
| I-710 South Early Action Projects | 1.1 | 0.8 | 0.3 | 27.3% | Delays in start ups of subsidy with Caltrans. |
| Countywide Soundwall Projects | - | - | - | | No draw down in subsidy. |
| Phase II Alameda Corridor E Grade Separation | 3.0 | 0.3 | 2.7 | 90.0% | Alameda Corridor involving eight grade separations is in various stages of development |
| Sub Total of Highway Capital (20%) Subsidy | \$ 25.2 | \$ 7.0 | \$ 18.2 | 72.2% | |
| ARTI - Good Movements, I-5 N Truck Lanes, SR 71 | 1.1 | 3.2 | (2.1) | -190.9% | Timing of budget. Will be balanced at the end of year. |
| I-605 Corridor "Hot Spot" | 2.4 | 0.6 | 1.8 | 75.0% | Project delays to 3rd Qtr. |
| I-710 North Gap Closure | 4.8 | 5.4 | (0.6) | -12.5% | Expenditures are progressing according to projected cash flow. |
| I-710 South Early Action Projects | 7.1 | 5.6 | 1.5 | 21.1% | |
| Countywide Soundwall Projects | 3.3 | 6.6 | (3.3) | -100.0% | Overrun is due to Construction Dept missed FY13 annual budgets in four projects. Payments fund checked thru LOP. |
| Other Highway Capital Projects | 0.6 | 0.5 | 0.1 | 16.7% | |
| Highway Capital (20%) Total | \$ 44.5 | \$ 28.9 | \$ 15.6 | 35.1% | |
| Local Return (15%) | | | | | |
| Measure R 15% Local Return | 46.5 | 51.0 | (4.5) | -9.7% | Cities drew down their capital reserves. |
| Local Return (15%) Total | \$ 46.5 | \$ 51.0 | \$ (4.5) | -9.7% | |
| Operations - Bus (20%) | | | | | |
| Measure R 20% FAP Subsidies | 19.0 | 17.2 | 1.8 | 9.5% | Cities drew down less capital reserves than budget. |
| Metro Bus Share | 42.4 | 44.0 | (1.6) | -3.8% | Variance is due to Accounting allocation. |
| Metro Orange Line | 1.6 | - | 1.6 | 100.0% | Will correct by year-end |
| Operations - Bus (20%) Total | \$ 63.0 | \$ 61.2 | \$ 1.8 | 2.9% | |
| Operations - Rail (5%) | | | | | |
| Expo Line | 1.4 | - | 1.4 | 100.0% | Variance is due to Accounting allocation. |
| Gold Line | 8.5 | 9.9 | (1.4) | -16.5% | Will correct by year-end |
| Operations - Rail (5%) Total | \$ 9.9 | \$ 9.9 | \$ - | 0.0% | |
| Transit Capital - Metro Rail CP (2%) | | | | | |
| Transit Oriented Development Grant Program - Subsidy | 2.6 | 0.1 | 2.5 | 96.2% | Most 1st round agreements were signed in late Jul 2012. Invoices are due quarterly. Start billing in Q2, more in 2nd half of FY13. |
| Heavy Rail Vehicle Procurement | 5.1 | - | 5.1 | 100.0% | Procurement in delay. |
| Southwestern Yard | 13.3 | 9.50 | 3.8 | 28.6% | Late invoicing from professional services consultants |
| Blue Line Fleet Midlife | 3.1 | 1.4 | 1.7 | 54.8% | In the process of developing detailed overhaul schedule. The underrun is mainly due to parts. |
| Subway Rail Car Midlife | 3.2 | 1.7 | 1.5 | 46.9% | |
| Other Tranist Capital 2% Projects | 7.1 | 7.1 | - | 0.0% | |

Table

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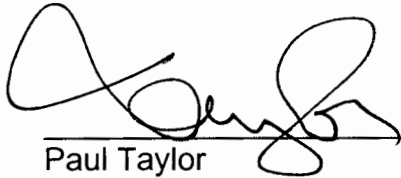
YTD December 31, 2012

| | Budget | Actual | \$ Variance | % Variance | Explanation |
|--|-----------------|-----------------|-----------------|---------------|--|
| 47 Measure R Fund Expenses (\$ in millions) | | | | | |
| 47 Transit Capital - Metro Rail CP (2%) Total | \$ 34.3 | \$ 19.9 | \$ 14.5 | 42.2% | |
| 48 Transit Capital - Metrolink (3%) | | | | | |
| 49 Metrolink Rail Capital Plan | 5.8 | - | 5.8 | 100.0% | New Project. Works not start yet. |
| 50 Metrolink Transit Capital | 7.1 | 1.7 | 5.4 | 76.1% | Positive Train Control project is in process. Variance is due to invoice delays. |
| 51 Transit Capital - Metrolink (3%) Total | \$ 12.9 | \$ 1.7 | \$ 11.2 | 86.8% | |
| 52 Transit Capital - New Rail (35%) | | | | | |
| 53 SFV East N/S Rapid - Subsidy | - | - | - | | |
| 54 SFV East N/S Rapid - Non-Subsidy | 1.6 | 0.6 | 1.0 | 62.5% | Work slower than anticipated, should be caught up in Q3. |
| 55 Crenshaw/Lax Transit Corridor | 32.1 | 13.6 | 18.5 | 57.6% | ROW acquisition delay & invoicing delays from various professional service contracts. Extension of D/B solicitation period. |
| 56 Expo Blvd LRT Construction Phase I - Expo | 18.5 | 6.3 | 12.2 | 65.9% | Invoicing delays for DWP. Closeout & change order negotiations ongoing. |
| 57 Expo Blvd LRT Construction Phase I - Metro | 6.4 | 0.7 | 5.7 | 89.1% | Planned expenditure increases in Q3-Q4. |
| 58 Expo Blvd LRT Construction Phase II - Expo | 107.8 | 51.7 | 56.1 | 52.0% | Delayed ROW Acquisitions. Delayed invoicing from 3rd Party agencies. Planned expenditure increases in Q3-Q4. |
| 59 Expo Blvd LRT Construction Phase II - Metro | 56.3 | 14.0 | 42.3 | 75.1% | |
| 60 Expo/Blue Line Light Rail | 59.8 | 22.6 | 37.2 | 62.2% | YTD variance is due to schedule delays encountered in awarding the contract to the vehicle builder. |
| 61 Gold Line Foothill Extension | 71.9 | 36.8 | 35.1 | 48.8% | Design progress delays on D/B contract; underrun is expected to carry thru to the remaining FY13 quarters. |
| 62 Metro Orange Line Extension | 9.4 | 4.6 | 4.8 | 51.1% | Underrun due to less than anticipated expenditures for 3rd Party Utilities and Agencies |
| 63 Regional Connector | 55.0 | 8.0 | 47.0 | 85.5% | ROD delay resulting in deferred ROW Acquisitions; project changed to a 3 phase delivery, invoicing delays for 3rd Party agencies |
| 64 Westside Subway Extension | 86.4 | 13.4 | 73.0 | 84.5% | |
| 65 Other Transit Capital Projects | 9.0 | 3.4 | 5.6 | 62.2% | Misc 9 projects. Aggregate variance \$ not significant. |
| 66 Transit Capital - New Rail (35%) Total | \$ 514.2 | \$ 175.7 | \$ 338.5 | 65.8% | |
| 67 Total Measure R Expenses | \$ 755.4 | \$ 376.2 | \$ 379.3 | 50.2% | |

Outlook for the Remainder of FY13:

Metro should end the year on or at about budget for revenue and expenses. Passenger fares will end the year below budget while sales taxes will exceed the budgeted amount. Year to date expenses are below budget in all categories other than debt service. We expect that expenses will correspond more closely with budget by the end of FY13.

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