



Metro

Metropolitan Transportation Authority

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**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2013**

SUBJECT: FY 2013-14 METROLINK BUDGET AND LACMTA'S COMMUTER RAIL PROGRAM

ACTION: AMEND THE LACMTA BUDGET TO INCLUDE THE METROLINK BUDGET AND VARIOUS PROGRAMMING ACTIONS FOR FY 2013-14

RECOMMENDATIONS

- A. Amend the LACMTA Budget for FY 2013-14 to reflect the programming of funds to the Southern California Regional Rail Authority (SCRRA) FY 2013-14 Budget (Attachment A),
 - 1) \$ 52,746,000 for Metrolink Operations;
 - 2) \$ 2,094,759 for Right of Way (ROW) Security;
 - 3) \$ 4,500,000 ROTEM reimbursement, using Measure R 3% funds;
 - 4) \$ 250,000 for a Joint Development Station Project, using Measure R 3% funds;
- B. Authorize the Chief Executive Officer to add additional funding of \$2.2 million should the proposed 5% fare increase not pass;
- C. Reprogram \$1,098,159 in FY 2010-11 and FY 2011-12 Proposition C 10% prior year operating surplus funds;
- D. Reprogram \$500,000 in project savings from the Lang Siding project to the Doran Street grade crossing improvement project;
- E. Program \$16,006,500 to SCRRA for LACMTA's contribution to the renovation and rehabilitation program for FY 2013-14;
- F. Extend the lapsing date one year, from June 30, 2013 to June 30 2014, for \$4,877,284 in FY 2010-11 Proposition C 10% funds previously allocated to SCRRA for the FY 2010-11 Rehabilitation/Renovation Program;
- G. Approve for FY 2013-14, the Transfers to Other Operators payment rate of \$1.10 per boarding to LACMTA and a EZ Pass reimbursement cap to LACMTA of \$5,592,000 pending an evaluation of TAP data after the subway gates are latched in 2013;

- H. Authorize the Chief Executive Officer or his designee to amend LACMTA's Commuter Rail Program budget as described in the financial impact section of this report and to negotiate and execute all necessary agreements between LACMTA and the SCRRA for the approved funding.

ISSUE

The SCRRA Joint Powers Agreement (JPA) requires the member agencies to approve their share of Metrolink funding before the SCRRA Board adopts the budget. The SCRRA Board is scheduled to adopt the Final FY 2013-14 Budget at their June 28, 2013 Board meeting, pending LACMTA Board approval in June 2013. Additionally, LACMTA approved the FY 2013-14 Budget in May 2013. The LACMTA FY 2013-14 Budget will need to be amended to reflect the programming and budget actions recommended in this item.

POLICY IMPLICATIONS

The SCRRA FY 2013-14 Budget sets service levels, identifies rehabilitation and renovation projects, programs new capital projects, and establishes member agency shares of Operating costs and subsidy allocation commitments for Metrolink service. Approval of this funding commitment is made in accordance with the SCRRA Joint Powers Agreement and will allow SCRRA to continue Metrolink operations at the specified levels and to maintain the railroad in a reliable state of good repair.

OPTIONS

There is no alternative to the recommendations if SCRRA is to operate the recommended service levels and maintain the railroad in a state of good repair.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT (assumes 5% fare increase)

LACMTA's contribution to SCRRA for the FY 2013-14 Annual Work Program is \$76,516,259. This compares to \$63,935,488 for FY 2012-13.

Component	FY 2012-13	FY 2013-14	Difference
Metrolink Operations	\$ 46,134,700	\$ 53,665,000	\$ 7,530,300
Rehabilitation/Renovation	\$ 11,612,300	\$ 16,006,500	\$ 4,394,200
Rotem/Reimbursement	\$ 4,100,000	\$ 4,500,000	\$ 400,000
ROW Security	\$ 2,088,488	\$ 2,094,759	\$ 6,271
New Capital	\$ 0	\$ 250,000	\$ 250,000
TOTAL:	\$ 63,935,488	\$ 76,516,259	\$ 12,580,771

This board item assumes a five percent increase is recommend by LACMTA and adopted by the SCRRA Board on June 28, 2013.

- Metrolink Operations
Metrolink operates 165 weekday and 76 weekend trains. With Board approval, an additional two weekday rounds trips will be added on the 91 Line and three weekend round trips will be added on the Antelope Valley Line in October 2013.
- Rehabilitation/Renovation
This is to perform routine rehabilitation to keep the railroad in a state of good repair. This includes replacement/refurbishment of rolling stock, rail, ties, ballast, special track work, bridges, signal system improvements, etc.
- ROW Security
This is to provide a separate, dedicated unit of 9.5 L.A. Sheriffs Deputies to patrol LACMTA owned right-of-way in Los Angeles County.
- New Capital
The City of Santa Clarita is planning a joint development opportunity that will relocate the Metrolink Via Princessa station.

The LACMTA Budget for FY 2013-14 was previously adopted in May 2013. Based upon preliminary budget estimates at the time, \$50,000,000 in new Proposition C 10% funds was approved for Metrolink Operations. \$52,746,000 is needed. \$2,746,000 in new Proposition C 10% funds are being added to the budget. \$2,000,000 in new Proposition C 10% funds was approved for ROW Security. \$2,094,759 is needed. \$94,759 in new Proposition C 10% funds are being added to the budget. Measure R 3% funds were not budgeted. \$4,750,000 in new Measure R 3% funds are being added for Rotem reimbursement (\$4,500,000) and new capital project (\$250,000). Funding for renovation and rehabilitation will be deferred by \$7 million. Since this program will take multiple years to complete, \$9 million will be budgeted in FY 2013-14. The cost center manager will be responsible for budgeting the remaining \$7 million in future years.

BACKGROUND

The Metrolink system provides commuter rail service within Los Angeles County and between Los Angeles County and the surrounding counties of Orange, Riverside, San Bernardino, and Ventura, as well as northern San Diego County. Ridership currently averages 44,000 boardings per day. Approximately 81% of riders have destinations within Los Angeles County with the average rider traveling 40 miles each way.

SCRRA staff transmitted the Preliminary FY 2013-14 Budget to the five member agencies on May 3, 2013. The Preliminary Budget assumes two scenarios: 1) no fare increase; and, 2) a suggested five percent fare increase. On June 14, 2013 the SCRRA Board was scheduled to make a recommendation on a fare increase. For purposes of this board action, a five percent fare increase is assumed. Should the LACMTA and/or

SCRRA Boards approve less than a 5% fare increase, up to an additional \$2.2 million will be required to bridge LACMTA's funding gap for Metrolink Operations.

The SCRRA overall FY 2013-14 Budget consists of \$210 million for operations and \$34 million for capital. Approximately 50% of the operating expenses are offset by fare box and other operating revenues. The remaining 50% of operating cost is shared by the five member agencies by formulas established by the JPA. LACMTA's share of the operations subsidy is approximately 52%.

Operating Assumptions (5% fare increase)

Item	FY 2012-13	FY 2013-14	Change
No. of Weekday Trains	165	165	- 0
Weekday Ridership	44,706	44,771	+ 765
Train Miles	2.7 million	2.8 million	+ 100,000 (est.)
Cost per Passenger Mile	\$0.39 cents	\$0.41 cents	+ \$0 .02 cents
Fare box Recovery	45.0%	44.1%	- 0.9%
Subsidy per Boarding	\$7.39	\$8.02	+ \$.63 cents

For FY 2013-14 operating expenses are projected to increase \$14 million (7 %) over FY 2012-13 levels. Much of this is attributable to the first year of implementation of Positive Train Control (PTC) with first year costs of \$8.3 million for FY 2013-14. Other major impacts to the operating budget include contractual rate increases for train and engine crews, equipment maintenance, and track and signal maintenance, plus the operational requirements for the opening of the Eastern Maintenance Facility in Colton.

METROLINK OPERATIONS BUDGET SUMMARY (\$ Millions)				
	FY 2012-13	FY 2013-14	DIFF.	CHANGE *
Expenses	\$ 196	\$ 210	\$ 14	7%
Revenues (5% fare increase)	\$ 105	\$ 109	\$ 4	4%
Member Agency Subsidy	\$ 91	\$ 101	\$ 10	11%

* Numbers may not add up due to rounding

Assuming a five percent fare increase, the member agencies will absorb \$10 million in increased member agency subsidies to SCRRA for FY 2013-14. Because LACMTA is the largest funding partner for SCRRA, LACMTA will incur the majority of the \$10 million subsidy increase. LACMTA's required contribution for FY 2013-14 Metrolink Operations will increase 15% from \$46 million to \$53 million.

Fare Increase

A 5% fare increase has been recommended by SCRRA. This is consistent with past action in which SCRRA has approved fare increases in eight of the last nine years, including 7% in June 2012. A fare increase of 5% on a \$250 average monthly pass is \$12.50 per month. Ridership loss is anticipated at 127,000 annual boardings, which is one percent (1%) of Metrolink's 12 million annual boardings.

OCTA/Rotem Rolling Stock Acquisition (\$4,500,000)

The Orange County Transportation Authority (OCTA) purchased 22 rail cars for inter-county service which were later incorporated into the system-wide fleet. Agreement was reached that OCTA is to be compensated for these system-wide cars. This is contingent upon all five counties agreeing to participate in the funding plan and payments will be made over five years for a total LACMTA commitment of \$19,928,150. LACMTA previously approved \$4,100,000 as a first year commitment for FY 2012-13. For the second year commitment, FY 2013-14 only, LACMTA will program \$4,500,000 in Measure R 3% funds. Subsequent commitments for years three through five will be taken to the LACMTA Board for the FY 2014-15 through FY 2016-17 budgets.

Right-of-Way (ROW) Security Services to Be Provided by L.A. Sheriffs (LASD) (\$2,094,759)

SCRRA contracts with LASD to provide core security and fare enforcement services on board trains and at stations. In addition, and separate from the above core services, LACMTA provides additional subsidy to SCRRA for supplemental LASD services on Metrolink ROW owned by LACMTA. The budget amount for 9.5 full time equivalents (FTEs) are funded to provide a dedicated security presence along LACMTA owned ROW, and to more quickly respond to incidents along the ROW within Los Angeles County.

Reprogram Prior Year Surplus Funds (\$1,098,159)

Prior year operating surplus funds of \$1,098,159 will be reprogrammed from the FY 2010-11 and FY 2011-12 budgets. The following items will be funded through the reprogramming of these funds.

- Additional Weekday Service on the 91 Line (\$433,000)
Staff is proposing the addition of two new weekday round trips on the 91 Line which travels between Riverside and Los Angeles Union Station. This will double the number of weekday peak hour round trips from two to four and start the increase in service anticipated as part of the Perris Valley extension. The funding is shared between Los Angeles, Orange, and Riverside counties, with LACMTA's share at approximately 34%. The service is anticipated to recover approximately 50% of its operating costs. The new service is scheduled to start in October 2013.
- Additional Sunday Service on the Antelope Valley Line (\$286,000)
Staff is proposing the addition of three new round trips on Sundays on the Antelope Valley Line. This will double service from three round trips to six and provide the same schedule that is currently operated on Saturdays. Ridership has increased 34% on Sundays compared to FY 2011-12. Metrolink weekend service on the Antelope Valley line is also considered a lifeline service as there are minimal other transit options to/from the Antelope Valley on weekends. The additional Sunday service will provide significant options to facilitate travel and improve connections and transfers at Union Station. The cost is \$286,000 for a full fiscal year and is scheduled to start in October 2013.

- FY 2013-14 Supplemental Marketing Campaign (\$200,000)
An additional \$200,000 in funding is requested for supplemental marketing efforts to promote Metrolink ridership within Los Angeles County. Specifically, \$50,000 will be utilized to promote the expanded Antelope Valley Line weekend service to specific catchment areas identified by Metrolink Market Research. The remaining balance of \$150,000 will be used for supplemental Metrolink marketing to L.A. County residences via direct mail, social media, and/or other traditional means. A targeted measureable approach will be utilized and staff will report back to the board in the future on the effectiveness of this campaign.
- FY 2013-14 Renovation and Rehabilitation Program (\$179,159)
This amount will be applied towards LACMTA's \$16,006,500 commitment to the renovation and rehabilitation program for FY 2013-14.

Via Princessa Station Relocation Project (\$250,000)

The City of Santa Clarita is working with a private company to develop a portion of Santa Clarita into mixed housing and business. As part of this development, the existing Metrolink Via Princessa station would be relocated to provide commuter rail service. This new location will be part of a new community that will provide transit oriented development and joint development.

Staff is recommending that \$250,000 of Measure R 3% funds be provided to the City of Santa Clarita to advance the engineering for that station. The City is providing an additional \$250,000 towards this joint development. Staff will work with the City to develop a Joint Development Agreement that will address right-of-way and other issues related to the project.

Reprogramming of Funds from Lang Siding to Doran Street (\$500,000)

LACMTA has been working with Metrolink and the California Public Utilities Commission (CPUC) to develop a solution for the grade crossing at Doran Street. Along with the adjacent crossing at Broadway/ Brazil, this crossing has been the subject of hearings conducted by the CPUC. A recent settlement of the issues related to the crossing requires the construction of a temporary configuration of the crossing while the grade separation is being designed and constructed. This will convert the street west of the crossing into one westbound direction, effectively increasing the safety. The funding for this interim condition is not part of previous Board actions regarding Doran Street. For this effort, staff is recommending reprogramming \$500,000 in project savings from the completed Lang Siding Project towards design and eventual construction of this interim safety project.

Extend Lapsing Date of Rehabilitation/Renovation Funds One Year

Each year LACMTA allocates funds to SCRRRA for its Rehabilitation and Renovation program. This program funds repairs and improvements to track, infrastructure, and rolling stock in order to keep the railroad in a state of good repair.

For FY 2010-11, LACMTA programmed \$8 million to SCRRRA for its Rehabilitation and Renovation Program. As of June 2013, SCRRRA had invoiced LACMTA for \$3.1 million

in expenses. The difference, \$4.9 million, lapses June 30, 2013. The work has been substantially completed or is in progress.

Metrolink programs rehabilitation funds for multiple years. This is necessary to maximize the effectiveness of the program and take advantage of matching federal funds. In addition, several projects, such as the Tier 4 locomotive rehabilitation program, are expected to extend over several years. As a result of this, the funds programmed over multiple years may not be completely invoiced prior to lapsing.

Metrolink is moving the agency to an advanced accounting system to correct tardiness in the invoicing of completed projects. There is reason to believe that invoices for the majority of these projects have not yet been entered into their financial system and as a result, LACMTA has not been invoiced for reimbursement. Extending the lapsing date of these funds will provide SCRRA with additional time to bring all billing current.

Staff has been working closely with Metrolink to complete this invoicing and identify outstanding funds. In addition, we have been working closely with SCRRA to ensure that invoicing includes the proper backup and is appropriate. SCRRA intends to invoice LACMTA in the next six months for the work. Staff is seeking Board authority to extend the funding for one year, thru June 30, 2014, in order for SCRRA to complete invoicing.

Transfers to Other Operators Payment Rate to LACMTA

SCRRA reimburses LACMTA, through the EZ Transit Pass Program, for Metrolink riders who transfer to and from LACMTA services for free, including the rail system at Union Station. The subway gates will be latched starting summer 2013. It is anticipated that the actual number of Metrolink passengers transferring to LACMTA services will be significantly higher than currently estimated.

For FY 2013-14, staff is recommending the reimbursement rate remain at \$1.10, the same as for FY 2012-13, and that the EZ Transit Pass cap of \$5,592,000 be honored. This will maintain the current arrangement until the latching of the subway gates is completed and there is Transit Access Pass (TAP) data available to identify the actual number of passengers transferring to and from LACMTA services. In late 2013 staff will work with SCRRA to renegotiate a new EZ Transit Pass agreement for FY 2014-15.

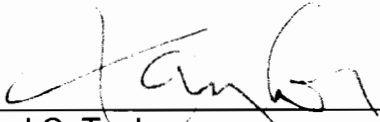
NEXT STEPS

The SCRRA Board is scheduled to adopt its Final FY 2013-14 Budget on June 28, 2013. LACMTA staff will monitor implementation of the budget and report back to the LACMTA Board with any issues requiring Board action.

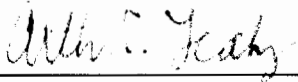
ATTACHMENTS

A. SCRRA FY 2013-14 Preliminary Budget for Metrolink

Prepared by: Jay Fuhrman, Transportation Planning Manager



Paul C. Taylor
Deputy Chief Executive Officer



Arthur T. Leahy
Chief Executive Officer

ATTACHMENT A



Proudly serving Southern California for 20 years

May 3, 2013

TO: Anne Mayer, *Executive Director, RCTC*
Art Leahy, *Chief Executive Officer, Metro*
Darrell Johnson, *Chief Executive Officer, OCTA*
Darren Kettle, *Executive Director, VCTC*
Dr. Raymond Wolfe, *Executive Director, SANBAG*

FROM: Michael P. DePallo
Chief Executive Officer, SCRRA

SUBJECT: SCRRA FY2013-14 Preliminary Budget and Addendum/Options

The SCRRA Board of Directors acted on April 26, 2012 to authorize the transmittal of information to our Member Agencies related to the Preliminary FY 2013-14 (FY14) SCRRA Budget. The Board also requested a number of options be included for consideration by the member agencies to mitigate the increase in subsidies. These are listed later in this document and in the addendum to the budget document.

The first draft of the Preliminary FY14 budget was presented to and discussed with members of the Technical Advisory Committee (TAC) at a special meeting held on April 11, 2013. Based on comments received from the TAC, staff was able to achieve further reductions that were included in the budget document presented to the Planning and Finance Committee at a special meeting held on April 19, 2013. The Committee requested additional budgetary information be included relating to costs associated with Positive Train Control (PTC), the TAP program, and the Eastern Maintenance Facility (EMF). Additional information and a breakdown of those detailed costs were incorporated in a final draft of the Preliminary FY14 budget document, presented to the Board of Directors at a special meeting held April 26, 2013.

FY14 Preliminary Budget (as presented to the Board April 26, 2013)

The first draft of the complete Preliminary FY14 budget reviewed with the TAC on April 11, 2013 estimated a request of total budgetary authority of \$247.5 million. Staff was able to realize further reductions of approximately \$3 million, resulting in a reduced Preliminary FY14 budget presented to the Board on April 26 - which estimated a request of new budgetary authority of \$244.5 million.

The Budget consisted of Operating Budget authority of \$210.7 million, an increase of 7.4% over the FY13 Budget and new Capital program authority of \$33.8 million in rehabilitation projects, represented in Attachment C. For those projects authorized during FY13 or earlier, staff continues to estimate the outstanding project balances and will include these figures in the final presentation

of the FY14 budget in June 2013. The Planning and Finance Committee requested that staff evaluate any additional savings that may result from postponing certain rehabilitation projects. Staff is in the process of conducting this evaluation and will discuss with the TAC prior to budget adoption by the Board in late June 2013. Subsequent to the April 26 Board meeting, additional savings were identified and are reflected in Attachment A-14 A-2.

FY14 Budget Cost Drivers

The single largest dollar increase within the operating budget is the implementation of the PTC project of approximately \$8.3 million. The main cost drivers are associated with placing the federally mandated PTC system in service and the resulting transition of PTC from a grant-funded capital project cost to a recurring Operations and Maintenance cost. The \$8.3 million in costs for PTC already reflects a phased implementation for FY14, with incremental revenue demonstration service beginning in late September 2013 with the San Gabriel Subdivision (San Bernardino line) and continuing until all subdivisions are completed by the second quarter of 2014. The anticipated PTC full year costs for FY15 are estimated to be approximately \$10 million (please refer to Attachment A-13).

Contractual increases of the big-five operating contracts include rate escalators, resulting in an increase of \$2 million.

The cost of the EMF previously offset by the Rotem lease is now the responsibility of SCRRA, resulting in a cost of \$1.6 million. The increase in costs is primarily associated with additional pin up crews and guards.

Operating Revenues and Member Agency Contributions

Operating revenues include farebox, dispatching, Maintenance of Way revenues, interest and other minor miscellaneous revenues, and are currently estimated to equal \$109.4 million, an increase of \$4.0 million or 3.8% over the FY13 budget.

Fare revenues, the largest operating revenue of the budget, are estimated to increase \$3.9 million, or 4.4%, over the FY13 budget to a total of \$92.2 million. The total value reflects a 2% ridership growth, along with the proposed fare policy adjustments noted below (suggested 5% fare increase, \$0.6 million in fare revenues from the change to the weekend pass, and \$0.2 million from the change to the PCA fare revenue).

Maintenance of Way revenues from the freight railroads and Amtrak are estimated to increase approximately 1.3% over the FY13 budget for a total of \$0.2 million.

Member Agency contributions represent the difference between the total costs of operations and all available revenues. The Preliminary FY14 budget estimates total Member Agency contributions to equal \$101 million, an increase of \$10.3 million or 11.4% from the current budget which are mainly driven by the implementation of PTC. Attachment B reflects service reduction options Member Agencies may consider to mitigate the impact to their respective subsidy.

Based on the funding shortfall, the Planning and Finance Committee had also directed SCRRA to provide the financial impact of a potential fare increase in the range of 3% to 7%, and the Board authorized staff to seek authority to initiate the public outreach process.

There are also other fare policy changes that will be part of the public outreach process that include:

- ✓ a potential change to the Weekend Pass, to be renamed to the Weekend Day Pass and priced at \$10 each day;
- ✓ amendment of the Personal Care Attendant (PCA) free ride policy to require all PCAs to obtain an official Metrolink PCA Identification Card at a cost of \$25/year; or
- ✓ amendment of the PCA free ride policy to require all PCAs to purchase a regular or senior/disabled/Medicare reduced fare.

Attachment A4 reflects the FY14 funding gap by member agency and includes a 2% ridership growth, proposed 5% fare increase and the Weekend Pass and PCA Change.

Board of Directors Directives – April 26, 2013 Special Board meeting

At the April 26 Special Board of Directors meeting, the Board also directed staff to reconsider consulting costs for the development of SCRRA's Strategic Plan, resulting in a reduction in the amount of \$325,000. The Board also requested staff re-evaluate the demand of 22 new positions for the PTC program, resulting in the reduction of two positions representing a net savings of approximately \$100,000.

The Board further noted that additional information be included when transmitting the budget for Member Agencies to review as potential options of mitigating their increased subsidy, such as service reductions and elimination of the annual Holiday Toy Express train. Staff has also included a potential reduction of \$733,000 in fuel costs resulting from anticipated savings of 10 cents/gallon, pending Board action on May 10. These options are included in Attachment B.

It was requested staff also include information related to the reduction or elimination of the weekend service and costs associated with the TAP program (cost of ticket stock and continuation of the transfer agreement).

Weekend Service

At the April 12 Board meeting, the Board approved moving forward with the public outreach process associated with a series of potential fare policy changes, including a change to Metrolink's current Weekend Pass program, among other potential policy changes. Additionally, as part of the Board's budget discussion at the April 26 meeting, several Board members raised the idea of reducing or terminating Weekend service as a potential cost-saving measure.

In accordance with Board direction, Metrolink is moving forward with the public outreach effort associated with the Weekend Pass and other proposed fare policy changes. A series of public workshops will be held throughout Southern California in early June and a public hearing is

scheduled to take place on June 14 before a final determine is made on all of the proposed fare media policy changes.

In terms of elimination of weekend service, a preliminary analysis indicates a potential savings of \$3.4 million as outlined in Attachment B9. However, there is not sufficient time within the budget approval timeline to fully analyze the ridership and revenue loss impact and conduct the required Title VI equity analysis associated with a complete elimination of service. Staff proposes discussing this option with the Member Agencies and if there is consensus to proceed with elimination of the weekend service, we would then return to the Board with a detailed timeline for consideration.

TAP Program

Over the past twelve months, multiple discussions have taken place as to how Metrolink and their customers would prepare for implementation of the TAP program given Metro's planned gate-latching in June 2013. Since multiple transfer agreements (not only for Los Angeles County but also system-wide) are already embedded within the Metrolink fare, Metrolink has been pursuing the option to honor those benefits and continue to provide customers with a smooth, seamless passage from Metrolink to the Metro system. The other alternative is to eliminate the transfer which would result in Metrolink customers having to purchase Metro's fare media to use their system, which by definition would require a series of Title VI hearings. Ultimately, the SCRRA Board determined that honoring the existing transfer agreements by utilizing a TAP-enabled fare media would be a more viable and beneficial interim solution. Staff has initiated an aggressive communication plan to advise our passengers of this upcoming change.

In order to fully understand the very complex cost and revenue implications of terminating Metrolink's imbedded transfer and participation in TAP and requiring riders to purchase separate Metro fare media, more time is needed to assess the performance of the TAP-enabled cards. At its March 8, 2013 meeting, the Board of Directors approved the procurement of six months of TAP-enabled cards. The Board also requested that staff consider alternatives for a lower-cost ticket stock and long-term fare media options. Staff is committed to conducting a more thorough analysis of the TAP program once the turnstiles have been latched in June and we have sufficient data to assess, including potential impact of lost ridership. Staff will bring that more detailed analysis forward for the Board's consideration three months after the commencement of the June turnstile latching.

Other Considerations

The preliminary budget includes the 20 additional positions related to PTC and 1 additional internal audit position to support the Chief Auditor, resulting in an increased headcount for the Agency totaling 267, from its current 246.

Next Steps

This document will be reviewed with the TAC on Monday, May 6, and I am scheduled to hold individual review sessions with each of you over the next few days. The goal is to get consensus

from each member agency on the option of service reductions so that we may proceed with the public outreach process, including proposed fare policy changes and a proposed fare increase.

As in the past, our staffs will continue to work together throughout the adoption process to ensure all concerns you may have are addressed in anticipation of adoption of the budget by the SCRRA Board of Directors prior to June 30, 2013.

If you have any questions, comments or concerns, please do not hesitate to contact me directly at (213) 452-0258 or have any member of your staff contact Pat Kataura, Interim Chief Financial Officer at 213-452-0333.

Sincerely,



Michael P. DePallo
Chief Executive Officer

Attachment A
FY2013-14 Proposed
Operating Budget

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET**

**Expenditure Growth
(\$000s)**

	FY12-13 Budget	Increase	PTC	EMF TAP Tickets	FY13-14 Proposed
Train Operations	123,302	(256)		2,476	125,523
Maintenance of Way	27,686	3,484	5,023		36,193
Administration	26,504	229	3,273		30,006
Insurance	18,600	67			18,667
Total	196,093	3,524	8,296	2,476	210,389
Increase Over FY12-13		1.80%	4.23%	1.26%	7.29%

Increase: Expenses related to the FY12-13 Budget

PTC: Expenses related to PTC are included in the MOW and Staff Non-Labor budget line items

Other: EMF operations & TAP tickets

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Annual Operating Budget Distribution by Cost Component
(\$000s)

2% Growth/5% Fare Increase/Weekend Fare Change/PCA Charge

	FY 12-13 Budget	FY 13-14 Increase	New Items: PTC, EMF, TAP Tickets	Proposed FY 13-14 Budget	FY13-14 Budget vs. FY12-13 Budget Increase	%	PTC, EMF, TAP Related Items
EXPENSES	196,093	3,524	10,773	210,389	14,297	7.3%	
REVENUES	105,422	-	-	109,407	3,985	3.8%	
NET LOCAL SUBSIDY	90,671	3,524	10,773	100,983	10,312	11.4%	

OPERATIONS

Revenues							
Farebox Revenue	88,297			92,171	3,874	4.4%	
Dispatching	2,763			2,699	(64)	(2.3%)	
Other Revenues	670			670	-	0.0%	
MOW Revenues	13,692			13,867	175	1.3%	
Member Agency Revenues	74,678			82,316	7,637	10.2%	
Total Revenues	180,100	-	-	191,722	11,622	6.5%	
Operations & Services							
Train Operations	37,195	1,584	1,200	39,979	2,784	7.5%	EMF - Pin-Up Crews
Equipment Maintenance	23,078	1,588		24,566	1,588	6.9%	
Fuel	28,265	(2,474)		25,791	(2,474)	(8.8%)	
Non-Scheduled Rolling Stock Repairs	100	(50)		50	(50)	(50.0%)	
Operating Facilities Maintenance	1,064	(51)	50	1,063	(1)	(0.1%)	EMF - Fuel Start-Up & Facility Maint
Other Operating Train Services	713	(72)		641	(72)	(10.1%)	
Security - Sheriff	5,248	(782)		4,466	(782)	(14.9%)	
Security - Guards	1,095	415	360	1,870	775	70.7%	EMF - Guards
Supplemental Additional Security	621	71		691	71	11.4%	
Public Safety Program	196	74		270	74	37.9%	
Passenger Relations	1,445	175		1,620	175	12.1%	
Holiday Trains	350	(81)		269	(81)	(23.0%)	
TVM Maintenance/Revenue Collection	4,198	(118)	867	4,947	749	17.8%	TAP Tickets
Marketing	1,297	(342)		954	(342)	(26.4%)	
Media & External Communications	538	82		620	82	15.3%	
Utilities/Leases	3,553	(876)		2,677	(876)	(24.7%)	\$757K Data Lines Moved to Non-Labor, \$170K Mountain Top Antenna Leases Moved to MOW
Transfers to Other Operators	7,315	(46)		7,269	(46)	(0.6%)	
Amtrak Transfers	1,367	-		1,367	-	0.0%	
Station Maintenance	940	367		1,307	367	39.1%	
Rail Agreements	4,726	279		5,005	279	5.9%	
Subtotal Operations & Services	123,302	(256)	2,476	125,523	2,220	1.8%	
Maintenance-of-Way							
MoW - Line Segments	26,596	3,575	5,023	35,194	8,598	32.3%	PTC
MoW - Extraordinary Maintenance	1,090	(91)		999	(91)	(8.3%)	
Subtotal Maintenance-of-Way	27,686	3,484	5,023	36,193	8,507	30.7%	
Administration & Services							
Salaries & Fringe Benefits	10,686	(169)	-	10,517	(169)	(1.6%)	
Non-Labor Expenses	1,648	515	3,273	5,436	3,788	229.8%	\$3.3M PTC; FY13-14 includes \$757K in Data Lines Moved From Utilities
Indirect Administrative Expenses	11,753	499		12,251	499	4.2%	
Professional Services	1,917	(616)	-	1,301	(616)	(32.1%)	
Subtotal Administration & Services	26,004	229	3,273	29,506	3,502	13.5%	
Contingency (Non-Train Ops)	500	-		500	-	0.0%	
Total Expenses Including MoW	177,493	3,457	10,773	191,722	14,230	8.0%	

RISK MANAGEMENT

Revenues							
Member Agency Revenues	18,600			18,667	67	0.4%	
PL/PPD Revenues						0.0%	
Total Revenues	18,600	-	-	18,667	67	0.4%	
Insurance							
Liability/Property/Auto	16,020	(65)		15,955	(65)	(0.4%)	
Claims	1,000			1,000	-	0.0%	
Claims Administration	1,580	132		1,712	132	8.4%	
Subtotal Insurance	18,600	67	-	18,667	67	0.4%	
Total Expenses	18,600	67	-	18,667	67	0.4%	

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Cost Component Distribution to Member Agencies
(\$000s)

2% Growth/5% Fare Increase/Weekend Fare Change/PCA Charge

	FY 12-13 Budget	Proposed FY 13-14 Budget	Metro	OCTA	RCTC	SANBAG	VCTC
EXPENSES	196,093	210,389	112,323	45,936	14,931	25,858	11,342
REVENUES	105,422	109,407	59,577	25,401	6,529	14,200	3,700
NET LOCAL SUBSIDY	90,671	100,983	52,746	20,535	8,401	11,658	7,642

OPERATIONS

Revenues							
Farebox Revenue	88,297	92,171	48,281	21,745	6,485	12,838	2,823
Dispatching	2,763	2,699	1,412	904	-	56	326
Other Revenues	670	670	377	140	44	88	21
MOW Revenues	13,692	13,867	9,508	2,612	0	1,217	530
Member Agency Revenues	74,678	82,316	42,711	16,455	7,127	9,026	6,997
Total Revenues	180,100	191,722	102,288	41,855	13,656	23,226	10,697
Operations & Services			0.5527	0.2220	0.0652	0.1219	0.0382
Train Operations	37,195	39,979	22,096	8,876	2,609	4,873	1,525
Equipment Maintenance	23,078	24,666	12,801	5,532	1,801	3,367	1,166
Fuel	28,265	25,791	13,689	6,213	1,839	3,192	859
Non-Scheduled Rolling Stock Repairs	100	50	27	11	3	7	2
Operating Facilities Maintenance	1,064	1,063	572	232	73	150	37
Other Operating Train Services	713	641	323	117	66	68	68
Security - Sheriff	5,248	4,466	2,609	933	255	560	108
Security - Guards	1,095	1,870	943	341	191	197	193
Supplemental Additional Security	621	691	362	163	49	96	21
Public Safety Program	196	270	136	49	28	28	29
Passenger Relations	1,445	1,620	828	384	116	242	51
Holiday Trains	350	269	142	59	19	40	10
TVM Maintenance/Revenue Collection	4,198	4,947	2,308	1,072	660	577	330
Marketing	1,297	954	499	209	69	145	32
Media & External Communications	538	620	313	113	64	65	66
Utilities/Leases	3,553	2,677	1,350	488	274	282	283
Transfers to Other Operators	7,315	7,269	4,083	1,455	403	1,055	273
Amtrak Transfers	1,367	1,367	434	869	-	-	63
Station Maintenance	940	1,307	792	199	69	181	66
Rail Agreements	4,726	5,005	1,812	1,485	1,006	367	334
Subtotal Operations & Services	123,302	125,523	66,118	28,800	9,592	15,492	5,520
Maintenance-of-Way							
MoW - Line Segments	26,596	35,194	20,307	7,256	1,066	4,399	2,167
MoW - Extraordinary Maintenance	1,090	999	575	243	11	107	64
Subtotal Maintenance-of-Way	27,686	36,193	20,882	7,498	1,077	4,506	2,231
Administration & Services							
Salaries & Fringe Benefits	10,686	10,517	5,301	1,927	1,074	1,110	1,106
Non-Labor Expenses	1,648	5,436	2,902	1,068	474	637	355
Indirect Administrative Expenses	11,753	12,251	6,177	2,234	1,255	1,291	1,295
Professional Services	1,917	1,301	656	237	133	137	137
Subtotal Administration & Services	26,004	29,506	15,036	5,466	2,936	3,175	2,893
Contingency (Non-Train Ops)	500	500	252	91	51	53	53
Total Expenses Including MoW	177,493	191,722	102,288	41,855	13,656	23,226	10,697

RISK MANAGEMENT

Revenues							
Member Agency Revenues	18,600	18,667	10,035	4,080	1,274	2,632	645
PL/PD Revenues							
Total Revenues	18,600	18,667	10,035	4,080	1,274	2,632	645
Insurance							
Liability/Property/Auto	16,020	15,955	8,577	3,487	1,089	2,250	551
Claims	1,000	1,000	538	219	68	141	35
Claims Administration	1,580	1,712	920	374	117	241	59
Subtotal Insurance	18,600	18,667	10,035	4,080	1,274	2,632	645
Total Expenses	18,600	18,667	10,035	4,080	1,274	2,632	645

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Operating Subsidy Allocation By Member Agency
(\$000s)

2% Ridership Growth/5% Fare Increase/Weekend Pass/PCA Charge

	Total FY 13-14	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations & Services	125,523	66,118	28,800	9,592	15,492	5,520
Maintenance-of-Way	36,193	20,882	7,498	1,077	4,506	2,231
Administration & Services	30,006	15,288	5,557	2,987	3,228	2,946
Insurance	18,667	10,035	4,080	1,274	2,632	645
Total Expenses Incl. MOW	210,389	112,323	45,936	14,931	25,858	11,342
Revenues						
Gross Farebox	92,171	48,281	21,745	6,485	12,838	2,823
Dispatching	2,699	1,412	904	-	56	326
Other Operating	670	377	140	44	88	21
Maintenance-of-Way	13,867	9,508	2,612	0	1,217	530
Total Revenues	109,407	59,577	25,401	6,529	14,200	3,700
Total County Allocation	100,983	52,746	20,535	8,401	11,658	7,642
FY 2012-13 Budget	90,670	46,066	19,933	7,642	10,186	6,844
Increase/(Decrease)	10,312	6,680	602	759	1,472	799
Percentage Change	11.4%	14.5%	3.0%	9.9%	14.5%	11.7%

INCREASE/(DECREASE) FROM FY12-13 BUDGET

	Total Variance	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations & Services	2,220	1,728	(309)	168	483	151
Maintenance-of-Way	8,507	4,876	1,721	408	964	538
Administration & Services	3,502	2,166	520	327	338	151
Insurance	67	90	178	(156)	12	(57)
Total Expenses Incl. MOW	14,297	8,860	2,109	747	1,797	783
Revenues						
Gross Farebox	3,874	1,638	1,756	8	353	119
Dispatching	(64)	(69)	(3)	-	9	(1)
Other Operating	0	28	(5)	(20)	5	(7)
Maintenance-of-Way	174	583	(240)	(0)	(42)	(127)
Total Revenues	3,984	2,180	1,508	(12)	325	(15)
Total County Allocation	10,312	6,680	602	759	1,472	799

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Fare Revenue and Ridership**

2% Ridership Growth/5% Fare Increase/Weekend Pass Change/PCA Charge

Operating Line	Average Daily Ridership			Revenue/Rider (\$'s)		Fare Revenue (\$000's)		
	FY12-13 Budget	FY13-14 Budget	% Incr FY13 Bud	FY12-13 Budget	FY13-14 Budget	FY12-13 Budget	FY13-14 Budget	% Incr FY13 Bud
San Bernardino								
Weekday	12,256	12,332	0.6%	7.47	7.62	23,528	23,956	1.8%
Weekend	7,120	8,258	16.0%	5.95	5.82	2,139	2,498	16.8%
Ventura County	4,413	4,259	-3.5%	6.12	6.73	6,941	7,315	5.4%
Antelope Valley								
Weekday	6,474	6,529	0.9%	7.43	7.36	12,214	12,255	0.3%
Weekend	3,977	5,359	34.7%	6.52	5.38	1,310	1,499	14.4%
Riverside	5,279	5,070	-4.0%	7.46	8.02	10,309	10,367	0.6%
Orange County								
Weekday	9,285	9,581	3.2%	7.52	8.30	17,743	20,285	14.3%
Weekend	3,180	4,009	26.1%	7.72	5.74	1,240	1,196	-3.5%
OC MSEP	166	100	-39.8%	7.00	7.50	294	191	-35.0%
IEOC								
Weekday	4,142	4,397	6.1%	6.40	6.64	7,240	7,446	2.8%
Weekend	2,026	1,658	-18.2%	3.33	5.09	341	439	28.8%
91	2,254	2,503	11.0%	8.23	7.35	4,999	4,726	-5.5%
Totals								
Weekday	44,268	44,771	1.1%			83,268	86,540	3.9%
Weekend	16,303	19,283	18.3%			5,029	5,631	12.0%
Total						88,297	92,171	4.4%

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET**

**Maintenance of Way Revenues
(\$000's)**

Agreement/Territory	FY10-11 Actual	FY11-12 Actual	FY12-13 Budget	FY13-14 Budget	Change from FY13 Budget
Amtrak Intercity	1,253	1,223	1,293	1,271	-1.7%
LAUS Rail Yard Operations & Maintenance (Amtrak)	718	503	625	500	-20.0%
Azusa Branch Shared Use (UPRR/SPTC)	121	185	155	135	-12.9%
Baldwin Park Branch Shared Use (UPRR/SPTC)	272	412	245	295	20.2%
Coast & Saugus Shared Use (UPRR/SPTC)	5,527	6,201	5,706	6,350	11.3%
East Bank Joint Facility (UPRR/SPTC)	891	765	825	780	-5.5%
Mission Tower (UPRR/SPTC)	80	89	86	92	7.0%
San Diego & Olive Subdivision Shared Use (BNSF)	1,548	1,553	1,975	1,750	-11.4%
Pasadena Subdivision Shared Use (BNSF)	2,330	2,338	2,500	2,432	-2.7%
State Grade Crossing (CPUC)	164	161	166	162	-2.3%
Federal Funds/Other Revenue	27	3	117	100	-14.2%
Total	12,930	13,434	13,692	13,867	1.3%

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Non-Fare Operating Revenue
(\$000's)

DISPATCHING AGREEMENTS

Agreement/Territory	FY10-11 Actual	FY11-12 Actual	FY12-13 Budget	FY13-14 Budget	Change from FY13 Budget
Amtrak Intercity	1,949	1,904	1,960	1,951	-0.5%
Coast & Saugus Shared Use (UPRR/SPTC)	257	257	262	257	-1.8%
East Bank Joint Facility (UPRR/SPTC)	90	90	92	90	-2.0%
Mission Tower (UPRR/SPTC)	281	281	350	290	-17.0%
San Diego & Olive Subdivision Shared Use (BNSF)	44	48	46	48	5.1%
Pasadena Subdivision Shared Use (BNSF)	59	63	54	63	15.8%
North County Transit District (NCTD)	399	315	-	-	N/A
Total	3,079	2,957	2,763	2,699	-2.3%

OTHER REVENUES

Revenue Source	FY10-11 Actual	FY11-12 Actual	FY12-13 Budget	FY13-14 Budget	Change from FY13 Budget
Marketing Revenues	114	52	75	75	0.0%
ARRA 5307 - VCTC	582				N/A
FY07 Security Grant	(0)				N/A
Amtrak TVM Revenues	217	230	225	225	0.0%
Insurance Recoveries	108	32	-	-	N/A
Interest	264		300	300	0.0%
Miscellaneous Revenues	158	26	70	70	0.0%
Total	1,442	340	670	670	0.0%

Total Non-Fare Operating Revenues	4,521	3,297	3,369	3,369	0.0%
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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
 FISCAL YEAR 2013-14 PROPOSED BUDGET
 Maintenance of Way Expenditures and Revenue Offset
 (\$000's)

Revenue Forecast Allocation

Line Segment/Territory	FY 13-14 Budget	Metro	OCTA	RCTC	SANBAG	VCTC
Operating Lines	12,555	8,216	2,612	0	1,197	530
LA - San Bernardino	1,651	454	-	-	1,197	-
LA - Ventura (Burbank Jct to Moorpark)	1,337	808	-	-	-	530
LA - Lancaster	5,561	5,561	-	-	-	-
Fullerton - San Diego County Line	2,451	-	2,451	-	-	-
Olive Subdivision	161	-	161	-	-	-
Riverside Layover Facility	0	0	0	0	0	0
River Corridor	1,392	1,392	-	-	-	-
Extraordinary Maintenance (Derailments, Storm Damage)	-	-	-	-	-	-
Non-Operating Lines	1,312	1,292	-	-	20	-
Sierra Madre - Claremont (Pasadena Sub)	1,292	1,292	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	20	-	-	-	20	-
Total	13,867	9,508	2,612	0	1,217	530

Net Subsidy Allocation

Line Segment/Territory	FY 13-14 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC
Operating Lines	21,746	10,969	4,886	1,077	3,112	1,701
LA - San Bernardino (1)	5,932	3,549	-	-	2,383	-
LA - Ventura (Burbank Jct to Moorpark) (2)	3,595	2,208	-	-	-	1,387
LA - Lancaster	2,205	2,205	-	-	-	-
Fullerton - San Diego County Line	4,815	738	3,541	457	79	-
Olive Subdivision	625	-	397	195	34	-
Riverside Layover Facility (3)	108	48	20	30	10	-
River Corridor (4)	3,466	1,646	686	385	499	250
Extraordinary Maintenance (5) (Derailments, Storm Damage)	999	575	243	11	107	64
Non-Operating Lines	581	405	-	-	176	-
Sierra Madre - Claremont (Pasadena Sub)	405	405	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	176	-	-	-	176	-
Total	22,327	11,374	4,886	1,077	3,288	1,701

Total Expenditure Forecast

Line Segment/Territory	FY 13-14 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC
Operating Lines	34,301	19,185	7,498	1,077	4,310	2,231
LA - San Bernardino	7,583	4,003	-	-	3,580	-
LA - Ventura (Burbank Jct to Moorpark)	4,933	3,015	-	-	-	1,917
LA - Lancaster	7,766	7,766	-	-	-	-
Fullerton - San Diego County Line	7,266	738	5,992	457	79	-
Olive Subdivision	786	-	557	195	34	-
Riverside Layover Facility	109	48	20	30	10	0
River Corridor	4,858	3,039	686	385	499	250
Extraordinary Maintenance (Derailments, Storm Damage)	999	575	243	11	107	64
Non-Operating Lines	1,893	1,697	-	-	196	-
Sierra Madre - Claremont (Pasadena Sub)	1,697	1,697	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	196	-	-	-	196	-
Total	36,193	20,882	7,498	1,077	4,506	2,231

- (1) MoW net subsidy split by route miles (59.82% LACMTA and 40.18% SANBAG).
- (2) MoW net subsidy split by train miles (62.08% LACMTA and 37.92% VCTC).
- (3) Net subsidy split by train miles of trains using the Riverside Layover, excluding San Diego County (46.98% LACMTA, 17.93% OCTA, 25.72% RCTC, and 9.36% SANBAG).
- (4) Split is assumed All Share (47.5% LACMTA, 19.8% OCTA, 14.4% SANBAG, 7.2% VCTC, and 11.1% RCTC) of cost in excess of revenues.
- (5) Split is assumed All Share for derailments (\$20,000) and percent of route miles owned (57.55% LACMTA, 24.27% OCTA, 1.07% RCTC, 10.69% SANBAG, and 6.41% VCTC) for storm damage, gate knockdowns, and vandalism (\$480,000).

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Maintenance of Way Expense Detail By Line Segment/Territory
(\$000s)

Line Segment/Territory	FY 10-11 Expenditure Actual	FY 11-12 Expenditure Actual	FY 12-13 Expenditure Budget	FY 13-14 Expenditure Budget	Variance FY 14 Budget vs. FY 13 Budget	
					(Over)/Under	%
Operating Lines	29,567	23,529	26,187	34,301	(8,891)	(35.0%)
LA - San Bernardino	6,258	5,033	5,638	7,583	(2,431)	(47.2%)
Track	1,366	857	918	1,318	(280)	(27.0%)
Signal & Communications	1,805	1,949	2,116	2,568	(260)	(11.3%)
Structures	225	187	200	195	(40)	(25.6%)
Procurement	1,024	321	384	269	(33)	(14.0%)
Other	1,112	937	1,227	1,404	(588)	(72.0%)
Agency Costs	725	782	793	1,829	(1,231)	(205.7%)
LA - Ventura (Burbank Jet to Moorpark)	4,050	3,120	3,727	4,933	(1,409)	(40.0%)
Track	859	732	774	946	23	2.4%
Signal & Communications	996	1,012	1,187	1,359	(107)	(8.6%)
Structures	126	73	140	129	(17)	(15.0%)
Procurement	734	110	157	175	(5)	(2.8%)
Other	817	598	895	1,003	(414)	(70.4%)
Agency Costs	518	595	573	1,320	(888)	(205.7%)
LA - Lancaster	6,852	4,934	5,755	7,766	(2,571)	(49.5%)
Track	1,531	1,162	1,155	1,198	68	5.4%
Signal & Communications	1,664	1,465	1,417	1,887	(281)	(17.5%)
Structures	229	192	329	288	(88)	(44.0%)
Procurement	1,277	142	204	306	(3)	(0.9%)
Other	1,290	983	1,628	1,734	(684)	(65.2%)
Agency Costs	862	989	1,021	2,353	(1,583)	(205.7%)
Fullerton - San Diego County Line	5,455	4,780	5,273	7,266	(1,876)	(34.8%)
Track	952	1,051	1,059	1,476	(212)	(16.8%)
Signal & Communications	1,764	1,823	1,911	2,275	45	1.9%
Structures	219	214	205	194	(39)	(24.8%)
Procurement	931	161	169	227	9	3.9%
Other	932	779	1,135	1,265	(449)	(55.0%)
Agency Costs	656	751	794	1,830	(1,231)	(205.7%)
Olive Subdivision	504	423	547	786	(211)	(36.7%)
Track	153	83	74	59	38	39.2%
Signal & Communications	112	222	291	444	(98)	(28.5%)
Structures	12	7	19	20	(8)	(73.2%)
Procurement	47	6	17	19	(2)	(10.5%)
Other	112	31	88	109	(49)	(80.7%)
Agency Costs	68	74	59	136	(92)	(207.4%)
Riverside Layover Facility	71	75	65	109	(36)	(49.7%)
Track	12	35	16	11	11	51.0%
Signal & Communications	9	7	6	10	0	4.7%
Structures	0	-	2	3	0	12.1%
Procurement	18	1	1	4	1	15.3%
Other	16	15	22	40	(22)	(122.6%)
Agency Costs	16	17	17	40	(27)	(205.7%)
River Corridor	4,845	3,861	4,092	4,858	(357)	(7.9%)
Track	958	856	790	862	97	10.1%
Signal & Communications	2,318	1,992	2,095	2,265	414	15.4%
Structures	77	43	69	54	20	27.2%
Procurement	539	177	226	111	2	2.0%
Other	610	455	533	691	(301)	(77.0%)
Agency Costs	344	339	380	876	(589)	(205.7%)
Extraordinary Maintenance	1,532	1,304	1,090	999	1	0.1%
(Derailments, Storm Damage, Gate Knockdowns, Vandalism)						

Maintenance of Way Expense Detail By Line Segment/Territory
(\$000s)

Line Segment/Territory	FY 10-11 Expenditure Actual	FY 11-12 Expenditure Actual	FY 12-13 Expenditure Budget	FY 13-14 Expenditure Budget	Variance	
					FY14 Budget vs. FY13 Budget (Over)/Under	%
Non-Operating Lines	1,119	926	1,500	1,893	(767)	(68.1%)
Sierra Madre - Claremont (Pasa. Sub.)	983	815	1,344	1,697	(724)	(74.4%)
Track	60	94	269	186	61	24.8%
Signal & Communications	305	309	373	435	(165)	(61.3%)
Structures	32	25	109	123	(84)	(215.3%)
Procurement	221	22	46	58	2	2.7%
Other	205	180	347	432	(227)	(110.3%)
Agency Costs	160	184	200	461	(310)	(205.7%)
Baldwin Park Branch (San Bernardino Co.)	137	111	155	196	(43)	(28.0%)
Track	22	24	35	24	14	36.8%
Signal & Communications	39	38	36	53	4	7.5%
Structures	0	2	10	10	(5)	(98.4%)
Procurement	31	3	6	9	(1)	(17.6%)
Other	27	21	42	41	(15)	(56.5%)
Agency Costs	18	23	26	59	(40)	(207.8%)
Total Maintenance-of-Way	30,687	24,456	27,686	36,193	(9,657)	(36.4%)
Track	5,911	4,894	5,092	6,081	(179)	(3.0%)
Signal & Communications	9,013	8,817	9,433	11,296	(449)	(4.1%)
Structures	921	743	1,082	1,016	(260)	(34.4%)
Procurement	4,822	944	1,211	1,178	(30)	(2.6%)
Other	5,120	3,999	5,916	6,719	(2,748)	(69.2%)
Extraordinary Maintenance	1,532	1,304	1,090	999	1	0.1%
Agency Costs	3,367	3,754	3,861	8,905	(5,992)	(205.7%)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Annual Operating Budget Distribution by Cost Component
(\$000s)

2% Ridership Growth/No Fare Policy Changes

	FY 12-13 Budget	FY 13-14 Increase	New Items: PTC, EMF, TAP Tickets	Proposed FY 13-14 Budget	FY13-14 Budget vs. FY12-13 Budget Increase %	PTC, EMF, TAP Related Items
EXPENSES	196,093	3,492	10,773	210,358	14,265 7.3%	
REVENUES	105,422	-	-	105,164	(259) (0.2%)	
NET LOCAL SUBSIDY	90,671	3,492	10,773	105,194	14,523 16.0%	

OPERATIONS

Revenues						
Farebox Revenue	88,297			87,928	(369) (0.4%)	
Dispatching	2,763			2,699	(64) (2.3%)	
Other Revenues	670			670	- 0.0%	
MOW Revenues	13,692			13,867	175 1.3%	
Member Agency Revenues	74,678			86,527	11,849 15.9%	
Total Revenues	180,100	-	-	191,691	11,590 6.4%	
Operations & Services						
Train Operations	37,195	1,584	1,200	39,979	2,784 7.5%	EMF - Pin-Up Crews
Equipment Maintenance	23,078	1,588		24,666	1,588 6.9%	
Fuel	28,265	(2,474)		25,791	(2,474) (8.8%)	
Non-Scheduled Rolling Stock Repairs	100	(50)		50	(50) (50.0%)	
Operating Facilities Maintenance	1,064	(51)	50	1,063	(1) (0.1%)	EMF - Fuel Start-Up & Facility Maint
Other Operating Train Services	713	(72)		641	(72) (10.1%)	
Security - Sheriff	5,248	(782)		4,466	(782) (14.9%)	
Security - Guards	1,095	415	360	1,870	775 70.7%	EMF - Guards
Supplemental Additional Security	621	39		659	39 6.3%	
Public Safety Program	196	74		270	74 37.9%	
Passenger Relations	1,445	175		1,620	175 12.1%	
Holiday Trains	350	(81)		269	(81) (23.0%)	
TVM Maintenance/Revenue Collection	4,198	(118)	867	4,947	749 17.8%	TAP Tickets
Marketing	1,297	(342)		954	(342) (26.4%)	
Media & External Communications	538	82		620	82 15.3%	
Utilities/Leases	3,553	(876)		2,677	(876) (24.7%)	\$757K Data Lines Moved to Non-Labor: \$170K Mountain Top Antenna Leases Moved to MOW
Transfers to Other Operators	7,315	(46)		7,269	(46) (0.6%)	
Amtrak Transfers	1,367	-		1,367	- 0.0%	
Station Maintenance	940	367		1,307	367 39.1%	
Rail Agreements	4,726	279		5,005	279 5.9%	
Subtotal Operations & Services	123,302	(288)	2,476	125,491	2,189 1.8%	
Maintenance-of-Way						
MoW - Line Segments	26,596	3,575	5,023	35,194	8,598 32.3%	PTC
MoW - Extraordinary Maintenance	1,090	(91)		999	(91) (8.3%)	
Subtotal Maintenance-of-Way	27,686	3,484	5,023	36,193	8,507 30.7%	
Administration & Services						
Salaries & Fringe Benefits	10,686	(169)		10,517	(169) (1.6%)	
Non-Labor Expenses	1,648	515	3,273	5,436	3,788 229.8%	\$3.3M PTC; FY13-14 includes \$757K in Data Lines Moved From Utilities
Indirect Administrative Expenses	11,753	499		12,251	499 4.2%	
Professional Services	1,917	(616)		1,301	(616) (32.1%)	
Subtotal Administration & Services	26,004	229	3,273	29,506	3,502 13.5%	
Contingency (Non-Train Ops)	500	-		500	- 0.0%	
Total Expenses Including MoW	177,493	3,425	10,773	191,691	14,198 8.0%	

RISK MANAGEMENT

Revenues						
Member Agency Revenues	18,600			18,667	67 0.4%	
PL/PD Revenues					- 0.0%	
Total Revenues	18,600	-	-	18,667	67 0.4%	
Insurance						
Liability/Property/Auto	16,020	(65)		15,955	(65) (0.4%)	
Claims	1,000	-		1,000	- 0.0%	
Claims Administration	1,580	132		1,712	132 8.4%	
Subtotal Insurance	18,600	67	-	18,667	67 0.4%	
Total Expenses	18,600	67	-	18,667	67 0.4%	

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET
Operating Subsidy Allocation By Member Agency
(\$000s)

2% Ridership Growth/No Fare Policy Changes

	Total FY 13-14	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations & Services	125,491	66,101	28,793	9,589	15,488	5,518
Maintenance-of-Way	36,193	20,882	7,498	1,077	4,506	2,231
Administration & Services	30,006	15,288	5,557	2,987	3,228	2,946
Insurance	18,667	10,035	4,080	1,274	2,632	645
Total Expenses Incl. MOW	210,358	112,306	45,929	14,928	25,854	11,341
Revenues						
Gross Farebox	87,928	46,055	20,746	6,186	12,247	2,693
Dispatching	2,699	1,412	904	-	56	326
Other Operating	670	377	140	44	88	21
Maintenance-of-Way	13,867	9,508	2,612	0	1,217	530
Total Revenues	105,164	57,352	24,403	6,231	13,609	3,570
Total County Allocation	105,194	54,955	21,526	8,697	12,245	7,771
FY 2012-13 Budget	90,670	46,066	19,933	7,642	10,186	6,844
Increase/(Decrease)	14,524	8,889	1,593	1,055	2,060	927
Percentage Change	16.0%	19.3%	8.0%	13.8%	20.2%	13.5%

INCREASE/(DECREASE) FROM FY12-13 BUDGET

	Total Variance	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses						
Train Operations & Services	2,189	1,711	(316)	165	479	150
Maintenance-of-Way	8,507	4,876	1,721	408	964	538
Administration & Services	3,502	2,166	520	327	338	151
Insurance	67	90	178	(156)	12	(57)
Total Expenses Incl. MOW	14,265	8,843	2,102	744	1,793	782
Revenues						
Gross Farebox	(369)	(588)	758	(290)	(238)	(10)
Dispatching	(64)	(69)	(3)	-	9	(1)
Other Operating	0	28	(5)	(20)	5	(7)
Maintenance-of-Way	174	583	(240)	(0)	(42)	(127)
Total Revenues	(259)	(46)	509	(311)	(266)	(145)
Total County Allocation	14,524	8,889	1,593	1,055	2,060	927

PTC EXPENSES

PTC expenses were phased into FY13-14 based on when the resources are needed. The annual value is shown as reference to reflect cost to the Operating Budget. Costs were further split between train operations and MOW. Expenses related to the ROW were charged. Non-ROW expenses related to rolling stock and the back office were charged to train operations.

Train operations expenses are allocated on current train miles. MOW expenses are allocated on MOW track miles.

	Annual \$	Phased \$	Annual		Phased	
			Trn Ops	MOW	Trn Ops	MOW
PTC Licenses	1,364,293	983,309	956,437	407,856	647,067	336,242
Vendor Maintenance & Support	1,950,000	1,825,000	1,200,000	750,000	1,200,000	625,000
Telecommunications (1)	1,260,956	1,121,489	739,756	521,200	729,756	391,733
Warranties	139,553	104,665	45,864	93,689	34,398	70,267
Management/Tech Supt/ODC	1,387,500	1,387,500		1,387,500		1,387,500
MECC	1,865,848	1,366,028		1,865,848		1,366,028
VTMI	321,129	321,129		321,129		321,129
S&C Labor Shift to Op Budget	345,325	345,325	191,165	154,160	191,165	154,160
New Staff Positions (Op Budget)	1,392,093	841,726	817,083	575,010	470,541	371,185
Total PTC	10,026,697	8,296,171	3,950,306	6,076,391	3,272,927	5,023,243

(1) Value is a net increase over the current \$757K in existing data line expenses & \$170K in antenna site leases

Fare Increase	Change in:	
	Revenue	Ridership
0% *	\$ 605,728	0
1%	\$ 1,296,107	(26,032)
2%	\$ 1,985,025	(51,753)
3%	\$ 2,672,498	(77,170)
4%	\$ 3,358,545	(102,289)
5%	\$ 4,043,182	(127,117)
6%	\$ 4,726,424	(151,659)
7%	\$ 5,408,289	(175,921)

*Includes the proposed Weekend Pass Change. However, no PCA adjustment is reflected in the above chart.

Attachment B
Proposed Service
Reductions

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2013-14 PROPOSED BUDGET**

**Proposed Subsidy Reduction Options
(\$000's)**

	Total	Metro	OCTA	RCTC	SANBAG	VCTC
FY13-14 Proposed Budget						
Total Expenses	210,358	112,306	45,929	14,928	25,854	11,341
Total Revenues	105,164	57,352	24,403	6,231	13,609	3,570
Member Subsidy	105,194	54,955	21,526	8,697	12,245	7,771

Non-Service Expense Options

1) Holiday Toy Express *	(194)	(101)	(42)	(14)	(29)	(7)
2) Diesel Fuel @ \$3.40/Gal	(733)	(384)	(182)	(54)	(90)	(24)
3) 3% Merit Increase	384	200	70	36	41	38

* Holiday Toy Express expenses are net of budgeted sponsorships

Service Deletions - Assumes October Implementation

Option 1-SB	(284)	(169)	4	1	(122)	1
Option 2-SB	475	282	20	7	162	4
Option 3-AV	(74)	(83)	4	0	4	0
Option 4-VN	(92)	(83)	16	6	11	(43)
Option 5-MSEP	(619)	-	(619)	-	-	-
Option 6-IEOC/MSEP	(696)	-	(572)	(129)	4	-
Option 7-Weekend	(3,410)	(1,439)	(1,584)	(252)	(88)	(47)

Fare Increase - July Implementation

3.5%	3,216	1,684	759	226	448	98
5.0%	4,243	2,222	1,001	299	591	130
7.0%	5,608	2,937	1,323	395	781	172

**Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
(\$000's)**

Option 1: Eliminate San Bernardino Trains 382/385/386/387

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(676)	(403)	4	1	(279)	1
Revenue Change	(391)	(234)	-	-	(157)	-
Subsidy	(284)	(169)	4	1	(122)	1

Option 2: Eliminate San Bernardino Trains 310/318/327/335

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(804)	(484)	20	7	(352)	4
Revenue Change	(1,280)	(766)	-	-	(514)	-
Subsidy	475	282	20	7	162	4

Option 3: Eliminate Antelope Valley Trains 281/283/284/286

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(325)	(334)	4	0	4	0
Revenue Change	(251)	(251)	-	-	-	-
Subsidy	(74)	(83)	4	0	4	0

Option 4: Eliminate Ventura County Line Trains 109 & 116

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(394)	(305)	16	6	11	(122)
Revenue Change	(301)	(222)	-	-	-	(79)
Subsidy	(92)	(83)	16	6	11	(43)

Option 5: Eliminate OC MSEP Trains 641/640/643/642/644/645

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(734)	-	(734)	-	-	-
Revenue Change	(116)	-	(116)	-	-	-
Subsidy	(619)	-	(619)	-	-	-

Option 6: Eliminate 5th Peak IEOC/OC MSEP Trains 815/633/632/635/634/812

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(820)	-	(659)	(159)	(2)	-
Revenue Change	(124)	-	(87)	(31)	(6)	-
Subsidy	(696)	-	(572)	(129)	4	-

Option 7: Eliminate Weekend Service (Full Year)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense Change	(8,697)	(4,465)	(2,720)	(384)	(1,081)	(47)
Revenue Change	(5,287)	(3,025)	(1,136)	(132)	(993)	-
Subsidy	(3,410)	(1,439)	(1,584)	(252)	(88)	(47)

Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
Option 1: Eliminate San Bernardino Trains 382/385/386/387
(\$000's)

Note: Train 386 is the late night train to San Bernardino

Service	Train	Depart	Arrival	Departure
	382	LAUS	San Bernardino	12:50 PM
	385	San Bernardino	LAUS	2:30 PM
	386	LAUS	San Bernardino	11:00 PM
	387	San Bernardino	LAUS	9:05 PM

Ridership	Train	2 Year Average			3/4 Year	
		Weekday	Annual Loss		Ridership Loss	3/4 Year Revenue Loss
	382	68	(14,325)	41% Loss	(10,744)	(75.7)
	385	51	(10,634)	41% Loss	(7,975)	(56.2)
	386	56	(25,802)	90% Loss	(19,351)	(136.4)
	387	50	(23,260)	90% Loss	(17,445)	(123.0)
Total Riders per Day		225	(74,021)		(55,516)	\$ (391.4)

Expense Savings (\$000's)

Crews	221.3
Fuel	416.5
Sheriff	36.8
\$	674.6

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Crew	(221.3)	(132.4)	-	-	(88.9)	-
Fuel	(416.5)	(249.1)	-	-	(167.3)	-
Sheriff	(36.8)	(22.0)	-	-	(14.8)	-
Other *	(1.0)	0.2	4.3	1.2	(7.7)	1.1
Expense Impact	(675.6)	(403.3)	4.3	1.2	(278.8)	1.1
Fare Revenue	(391.4)	(234.1)	-	-	(157.2)	-
Subsidy Impact	\$ (284.2)	\$ (169.2)	\$ 4.3	\$ 1.2	\$ (121.5)	\$ 1.1

* Other consists of impacts resulting from changes in ridership, fare revenue, and moves thru LAUS
The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
Option 2: Eliminate San Bernardino Trains 310/318/327/335
(\$000's)

Assumes Option 1 is approved and additional ridership is lost on Option 1 Trains 382 & 385.

Service	Train	Depart	Arrival	Departure
	310	LAUS	San Bernardino	12:20 PM
	382 Optn1	LAUS	San Bernardino	12:50 PM
	327	San Bernardino	LAUS	2:00 PM
	385 Optn 1	San Bernardino	LAUS	2:30 PM
	318	LAUS	San Bernardino	3:45 PM
	335	San Bernardino	LAUS	6:25 PM

Ridership	Train	Average			Ridership	
		Weekday	Annual Loss		(3/4 Year)	Revenue Loss
	310	122	(38,731)	62% Loss	(29,048)	(204.8)
	382	68	(21,662)	62% Loss	(16,246)	(114.5)
	327	108	(34,127)	62% Loss	(25,595)	(180.4)
	385	51	(16,081)	62% Loss	(12,060)	(85.0)
	318	367	(112,829)	60% Loss	(84,622)	(596.6)
	335	89	(18,606)	41% Loss	(13,955)	(98.4)
Total Riders per Day		804	(242,036)		(181,527)	\$ (1,279.8)

Expense Savings (\$000's)

Crews	387.2
Fuel	416.5
\$	803.7

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Train Mile/LAUS						
Moves Impact	(0.0)	(24.4)	115.1	43.6	(157.3)	23.0
Crews	(387.2)	(219.7)	(53.0)	(20.1)	(83.9)	(10.5)
Fuel	(416.5)	(239.4)	(43.1)	(16.4)	(109.0)	(8.5)
Other *	(0.7)	(0.5)	1.2	0.3	(1.9)	0.2
Expense Impact	(804.4)	(484.0)	20.2	7.3	(352.2)	4.2
Fare Revenue	(1,279.8)	(765.6)	-	-	(514.2)	-
Subsidy Impact	475.4	281.6	20.2	7.3	162.0	4.2

* Other consists of impacts resulting from changes in ridership, fare revenue, and moves thru LAUS
The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget

Service Reduction Options

Option 3: Eliminate Antelope Valley Trains 281/283/284/286

(\$000's)

Service	Train	Depart	Arrival	Departure
	281 *	LAUS	Santa Clarita	8:10 AM
	283 *	LAUS	Santa Clarita	10:45 AM
	284	Santa Clarita	LAUS	9:30 AM
	286 *	Santa Clarita	LAUS	11:55 AM

Ridership	Train	2 Year Average			3/4 Year	
		Weekday	Annual Loss		Ridership Loss	3/4 Year Revenue Loss
	281 *	40	(12,440)	60% Loss	(9,330)	(63.5)
	283 *	30	(13,151)	85% Loss	(9,863)	(67.2)
	284	24	(6,149)	50% Loss	(4,612)	(31.4)
	286 *	40	(17,372)	85% Loss	(13,029)	(88.7)
Total Riders per Day		135	(49,112)		(36,834)	\$ (250.8)

* TRANSporter Bus Connection at Newhall

Expense Savings (\$000's)

Crews	72.0
Fuel	252.1
\$	324.1

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Crew	(72.0)	(72.0)	-	-	-	-
Fuel	(252.1)	(252.1)	-	-	-	-
Other **	(1.2)	(9.7)	4.1	0.5	3.7	0.3
Expense Impact	(325.3)	(333.8)	4.1	0.5	3.7	0.3
Fare Revenue	(250.8)	(250.8)	-	-	-	-
Subsidy Impact	\$ (74.4)	\$ (83.0)	\$ 4.1	\$ 0.5	\$ 3.7	\$ 0.3

** Other consists of impacts resulting from changes in ridership, fare revenue, and moves thru LAUS
The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
Option 4: Eliminate Ventura County Line Trains 109 & 116
(\$000's)

Service	Train	Depart	Arrival	Departure	
	109	LAUS	Moorpark	1:00 PM	
	116	Moorpark	LAUS	2:25 PM	
		2 Year Average Weekday	Annual Loss	3/4 Year Ridership Loss	3/4 Year Revenue Loss
Ridership	109	60	(30,615)	100% Loss	(143.0)
	116	83	(33,819)	80% Loss	(158.0)
Total Riders per Day		142	(64,434)		(48,325) \$ (301.1)
					\$ (301.0673)
Expense Savings (\$000's)					
Crews		218.4			
Fuel		172.8			
	\$	391.3			

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Train Mile/LAUS						
Moves Impact	(0.0)	(87.5)	94.5	35.8	58.0	(100.8)
Crews	(218.4)	(120.3)	(45.2)	(17.2)	(27.4)	(8.4)
Fuel	(172.8)	(95.2)	(35.7)	(13.6)	(21.7)	(6.6)
Other **	(2.3)	(1.8)	2.7	0.7	2.1	(6.0)
Expense Impact	(393.5)	(304.9)	16.3	5.8	11.0	(121.7)
Fare Revenue						
Train Mile Impact	(0.0)	(39.0)	-	-	-	39.0
Reduced Ridership	(301.1)	(183.2)	-	-	-	(117.9)
Fare Impact	(301.1)	(222.2)	-	-	-	(78.9)
Subsidy Impact	\$ (92.5)	\$ (82.7)	\$ 16.3	\$ 5.8	\$ 11.0	\$ (42.9)

0.3916

** Other consists of impacts resulting from changes in ridership, fare revenue, and moves thru LAUS
The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
Option 5: Eliminate OC MSEP Trains 641/640/643/642/644/645
(\$000's)

Service	Train	Depart	Arrival	Departure
	641	Oceanside	Fullerton	3:00 PM
	640	Fullerton	Laguna Niguel	4:50 PM
	643	Laguna Niguel	Fullerton	5:50 PM
	642	Fullerton	Laguna Niguel	7:45 PM
	645	Laguna Niguel	Fullerton	8:50 PM
	644	Fullerton	Oceanside	10:00 PM

Ridership	Train	2 Year	Annual Loss *	10% Loss	3/4 Year	3/4 Year Revenue Loss
		Average Weekday			Ridership Loss	
	641	47	(910)	10% Loss	(683)	(5.1)
	640	48	(920)	10% Loss	(690)	(5.2)
	643	68	(13,059)	100% Loss	(9,794)	(73.5)
	642	9	(839)	50% Loss	(630)	(4.7)
	645	8	(1,555)	100% Loss	(1,167)	(8.7)
	644	17	(3,250)	100% Loss	(2,438)	(18.3)
Total Riders per Day		197	(20,535)		(15,401) \$	(115.5)

* Assumes additional 25% reduced ridership due to discontinuance of OCLink pricing.

Expense Savings (\$000's)

Crews	287.9
Fuel	437.8
Sheriff	7.8
Total	\$ 733.5

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Crew	(287.9)	-	(287.9)	-	-	-
Fuel	(437.8)	-	(437.8)	-	-	-
Sheriff	(7.8)	-	(7.8)	-	-	-
Other *	(0.9)	-	(0.9)	-	-	-
Expense Impact	(734.4)	-	(734.4)	-	-	-
Fare Revenue	(115.5)	-	(115.5)	-	-	-
Subsidy Impact	\$ (618.9)	\$ -	\$ (618.9)	\$ -	\$ -	\$ -

* Other consists of impacts resulting from changes in ridership and fare revenue. The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget
Service Reduction Options
Option 6: Eliminate 5th Peak IEOC/OC MSEP Trains 815/633/632/635/634/812
(\$000's)

Service	Train	Depart	Arrival	Departure
	815	Riverside-DT	Laguna Niguel	7:00 AM
	633	Laguna Niguel	Fullerton	8:50 AM
	632	Fullerton	Laguna Niguel	10:00 AM
	635	Laguna Niguel	Fullerton	11:30 AM
	634	Fullerton	Laguna Niguel	1:35 PM
	812	Laguna Niguel	Riverside-DT	3:30 PM

Ridership	Train	2 Year	Annual		3/4 Year	3/4 Year
		Average Weekday	Loss		Ridership Loss	Revenue Loss
	815	174	(65,868)	74% Loss	(49,401)	(303.8)
	633 *	9	(166)	10% Loss	(124)	(0.9)
	632 *	8	(1,497)	100% Loss	(1,123)	(8.4)
	635 *	14	(1,332)	50% Loss	(999)	(7.5)
	634 *	20	(1,966)	50% Loss	(1,475)	(11.1)
	812	232	(52,324)	44% Loss	(39,243)	(241.3)
Total Riders per Day		457	(123,153)		(92,364)	\$ (573.1)

* Assumes additional 25% reduced ridership due to discontinuance of OCLink pricing.

Expense Savings (\$000's)

Crews	287.9
Fuel	437.8
Sheriff	7.8
\$	733.5

Member Agency Impact (\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Expense						
Crew	(326.4)	-	(267.5)	(58.3)	(0.6)	-
Fuel	(422.7)	-	(346.4)	(75.6)	(0.7)	-
Sheriff	(70.2)	-	(44.8)	(25.1)	(0.2)	-
Other **	(0.6)	-	(0.4)	(0.1)	(0.0)	-
Expense Impact	(819.9)	-	(659.2)	(159.1)	(1.6)	-
Fare Revenue						
OC MSEP	(27.9)	-	(27.9)	-	-	-
IEOC	(95.9)	-	(59.6)	(30.6)	(5.8)	-
Fare Total	(123.8)	-	(87.5)	(30.6)	(5.8)	-
Subsidy Impact	\$ (696.1)	\$ -	\$ (571.8)	\$ (128.6)	\$ 4.2	\$ -

** Other consists of impacts resulting from changes in ridership and fare revenue. The Supplemental Security budget will change with Fare Revenue. Supplemental Security = Fare Revenue x 0.75%

Fiscal Year 2013-14 Proposed Operating Budget

Weekend Cost Breakdown

(\$000's)

	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Weekend Costs						
Amtrak	2,390.5	1,081.9	970.3	91.3	246.9	-
Diesel Fuel	2,770.1	1,391.6	856.7	105.3	416.5	-
Mechanical	876.5	515.4	158.0	30.6	172.5	-
Sheriff	1,233.4	865.9	246.7	41.1	79.6	-
Dispatcher	130.0	36.4	62.8	10.5	20.3	-
Call Center	141.1	55.4	59.7	9.1	16.9	-
CER's	48.6	22.6	18.1	1.5	6.3	-
Rail Agreements	227.3	29.0	165.3	25.9	7.1	-
Weekend Services Added - Used on Weekday						
Train Master	124.5	68.7	25.5	9.7	15.5	5.0
Sheriff	467.8	251.5	102.3	31.9	66.0	16.2
Weekend Costs Charged to System						
CER's	63.4	32.0	11.6	6.5	6.7	6.7
Call Center	66.5	34.8	14.6	4.8	10.1	2.2
Guards	157.5	79.4	28.7	16.1	16.6	16.6
Total Weekend Expenses	8,697.2	4,464.6	2,720.3	384.4	1,081.1	46.8
Weekend Subsidy						
	Total	LACMTA	OCTA	RCTC	SANBAG	VCTC
Weekend Expenses						
Pure Weekend Costs	7,817.5	3,998.2	2,537.7	315.4	966.2	-
Costs Used on Weekdays	592.3	320.2	127.8	41.6	81.5	21.2
Weekend Costs Charged to System	287.4	146.1	54.9	27.4	33.4	25.6
Total Costs	8,697.2	4,464.6	2,720.3	384.4	1,081.1	46.8
Weekend Fare Revenue						
San Bernardino	2,345.0	1,346.2	-	32.8	966.0	-
Antelope Valley	1,407.1	1,407.1	-	-	-	-
Orange County	1,122.9	271.7	851.2	-	-	-
Inland Empire-Orange County	412.1	-	285.3	99.6	27.2	-
Total Fare Revenue	5,287.2	3,025.1	1,136.5	132.4	993.2	-
Weekend Subsidy	3,410.0	1,439.5	1,583.8	252.0	87.9	46.8

Attachment C
FY2013-14 Rehabilitation
Projects

Attachment C

FY 2013-14 NEW AUTHORITY REHABILITATION PROJECTS PROJECTS by SUBDIVISION (\$ Thousands)

Subdivision	Project Category	Project Description	TOTAL BUDGET	LACMTA	OCTA	RCTC	SANBAG	VCTC	LEASE
Ventura LA	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from VenSub to TCOSF or MOC.	\$400.0	\$400.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ventura LA	Signage	Rehab CMS and PA Systems	\$140.8	\$140.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ventura LA	Signal	Rehab crossing equipment, crossing gates, predictors batteries and other equipment.	\$531.0	\$531.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ventura LA	Structures	ROW ditching and grading.	\$59.6	\$59.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ventura LA	Track	Rehab Transition Rails & Insulated Joints. Replace rail on curve.	\$118.8	\$118.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ventura VC	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from VenSub to TCOSF or MOC.	\$480.0	\$0.0	\$0.0	\$0.0	\$0.0	\$480.0	\$0.0
Ventura VC	Facilities	Replace light fixtures at Moorpark layover	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$100.0	\$0.0
VENTURA VC	Signage	Rehab CMS and PA Systems	\$367.9	\$0.0	\$0.0	\$0.0	\$0.0	\$367.9	\$0.0
VENTURA VC	Signal	Rehab cables, switch machines, control electronics, gates, predictors, batteries and other crossing equipment. Install detector near tunnel 26.	\$1,004.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,004.0	\$0.0
Ventura VC	Structures	Hydraulic study and design for replacement of two bridges at MP 438.62 and 438.89.	\$120.0	\$0.0	\$0.0	\$0.0	\$0.0	\$120.0	\$0.0
Ventura VC	Track	Rehab crossing @ Sequoia Ave, MP 436.1 (Ven County).	\$300.0	\$0.0	\$0.0	\$0.0	\$0.0	\$300.0	\$0.0
Valley	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from Valley Sub to TCOSF or MOC.	\$700.0	\$700.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Valley	Safety	Improve Downtown Burbank pedestrian crossing. Fencing at 2 locations.	\$350.0	\$350.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Valley	Signage	Rehab CMS and PA Systems	\$678.2	\$678.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Valley	Signal	Rehab crossing equipment, crossing gates, predictors and other equipment.	\$297.0	\$297.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Valley	Structures	Vacuum tunnels, ROW grading, Hydro design. Culvert/bridge design.	\$500.0	\$500.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Valley	Track	Replace rail on curves.	\$1,225.0	\$1,225.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
San Gabriel	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from SG Sub to TCOSF or MOC.	\$500.0	\$300.0	\$0.0	\$0.0	\$200.0	\$0.0	\$0.0
San Gabriel	Safety	Fencing at Fontana-Beech MP 47.6	\$25.0	\$15.0	\$0.0	\$0.0	\$10.0	\$0.0	\$0.0
San Gabriel	Signage	Rehab CMS and PA Systems	\$728.6	\$437.2	\$0.0	\$0.0	\$291.4	\$0.0	\$0.0
San Gabriel	Signal	Rehab selected crossing gates, gate savers, predictors and other crossing equipment. Upgrade signal tech.	\$887.5	\$532.5	\$0.0	\$0.0	\$355.0	\$0.0	\$0.0
San Gabriel	Structures	ROW grading/ditching.	\$40.0	\$24.0	\$0.0	\$0.0	\$16.0	\$0.0	\$0.0
San Gabriel	Track	Rehab Transition Rails & Insulated Joints. Rehab rail on curves.	\$1,300.0	\$780.0	\$0.0	\$0.0	\$520.0	\$0.0	\$0.0
PASADENA	Track	Rehab crossings, and replace timber crossties.	\$1,125.0	\$1,125.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from OC Sub to TCOSF or MOC.	\$500.0	\$0.0	\$500.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange	Safety	Fencing at San Clemente State Park	\$25.0	\$0.0	\$25.0	\$0.0	\$0.0	\$0.0	\$0.0

Attachment C

Subdivision	Project Category	Project Description	TOTAL BUDGET	LACMTA	OCTA	RCTC	SANBAG	VCTC	LEASE
Orange	Signal	Rehab 2 electrologic locations. Replace batteries/cables. Replace corroded signal and wiring equipment along the beach.	\$375.0	\$0.0	\$375.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange	Structures	Rehab analysis/design for Trabuco Creek Bridge (MP 173.6).	\$75.0	\$0.0	\$75.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange	Track	Rehab wood ties and rail on curves.	\$3,553.4	\$0.0	\$3,553.4	\$0.0	\$0.0	\$0.0	\$0.0
Orange/Olive	Signage	Rehab CMS and PA Systems	\$500.0	\$0.0	\$500.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange/Olive	Signal	Rehab crossing gates, predictors, batteries, other crossing equip.	\$375.0	\$0.0	\$375.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange/Olive	Structures	RDW grading, Hydrology design.	\$80.0	\$0.0	\$80.0	\$0.0	\$0.0	\$0.0	\$0.0
Orange/Olive	Track	Rehab Transition Rails & Insulated Joints	\$100.0	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0
Olive	Track	Rehab wood crossies	\$307.9	\$0.0	\$307.9	\$0.0	\$0.0	\$0.0	\$0.0
91-1A	Signage	Rehab CMS and PA Systems	\$396.7	\$396.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
zRiver	Comm	Renew or replace obsolete Comm equipment (hardware or software). Repair deficient comm. paths from River Sub to TCOSF or MOC.	\$400.0	\$192.0	\$79.2	\$44.4	\$57.6	\$28.8	\$0.0
zRiver	Safety	Expand fencing near 9th Street	\$25.0	\$11.9	\$9.0	\$2.8	\$3.6	\$1.8	\$0.0
zRiver	Signal	Rehab CP First St, and upgrade electrocode, rehab batteries, cables, gates & selected switches.	\$430.0	\$204.3	\$85.1	\$47.7	\$61.9	\$31.0	\$0.0
zRiver	Structures	RDW grading - River sub	\$100.0	\$47.5	\$19.8	\$11.1	\$14.4	\$7.2	\$0.0
zRiver	Track	Rehab Transition Rails & Insulated Joints.	\$100.0	\$47.5	\$19.8	\$11.1	\$14.4	\$7.2	\$0.0
zSystemwide	Comm/IT	Renew power support systems at MOC. Refresh train traffic control data center systems to comply with ITC and Federal reqmts incl. I-ETMS Rung 2, and 3.	\$1,800.0	\$855.0	\$356.4	\$199.8	\$299.2	\$129.6	\$0.0
zSystemwide	Facilities	Rehab drop table and wheel true machine at CMF. Repair fuel tanker truck, improve EMF fuel system & MoW building.	\$1,717.0	\$815.6	\$340.0	\$190.6	\$247.2	\$123.6	\$0.0
zSystemwide	IT	IT projects: Electronic ticket sales, data warehouse, TAM system, analyze ticket sales upgrades, FIS Ph2, improve customer information system.	\$2,650.0	\$1,258.8	\$524.7	\$294.2	\$381.6	\$190.8	\$0.0
zSystemwide	Mechanical	Rail Car Rehab - HVAC Overhaul and Door operator overhaul (12 cars)	\$353.2	\$167.8	\$69.9	\$39.2	\$50.9	\$25.4	\$0.0
zSystemwide	Mechanical	Traction Motor Overhaul (8 locomotives/Year)	\$368.0	\$174.8	\$72.9	\$40.8	\$53.0	\$26.5	\$0.0
zSystemwide	Mechanical	Tier-4 Locomotives - Member Agency Share	\$5,000.0	\$2,375.0	\$990.0	\$555.0	\$720.0	\$360.0	\$0.0
zSystemwide	Signal	Replace dwarf signal heads with LED and PTC compliant signal heads. Improve signal and crossing security.	\$375.0	\$178.1	\$74.3	\$41.6	\$54.0	\$27.0	\$0.0
zSystemwide	Track	Rehab CMF west access, tail track and crossing, track measurement & testing, systemwide rail grinding.	\$1,677.0	\$796.6	\$332.0	\$186.1	\$241.5	\$120.7	\$0.0
zSystemwide	Vehicles	Rubber Tire Vehicles - Federal	\$499.8	\$197.9	\$133.9	\$63.8	\$82.8	\$41.4	\$0.0
zSystemwide	Vehicles	Rubber Tire Vehicles - Non Federal	\$75.2	\$75.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Grand Total	FY 2013-14 REHABILITATION PROJECT BUDGET	\$33,836.6	\$16,006.5	\$8,974.3	\$1,728.3	\$5,634.5	\$3,499.0	\$8.0
		OCTA Rate Settlements (Year 2)	\$0.0	\$4,500.0	\$6,500.0	\$0.0	\$2,000.0	\$0.0	\$8.0
		FY 2013-14 TOTAL REHABILITATION BUDGET	\$33,836.6	\$20,506.5	\$2,474.3	\$1,728.3	\$5,634.5	\$3,499.0	\$0.0

- 1) LACMTA funding from local Prop C and Measure R.
- 2) OCTA funding from FTA section 5337. Local match from Toll Revenue Credits.
- 3) RCTC funding from RCTC 5309 grant CA-05-026B.
- 4) SANBAG funding from FTA sections 5309 and 5337. Local match from Toll Revenue Credits. Subject to approval by SANBAG Board.
- 5) VCTC funding from FTA sections 5337 and 5307. Local match from Toll Revenue Credits.