

Quarterly Financial Update

Finance, Budget & Audit Committee
October 15, 2014



Metro

Introduction

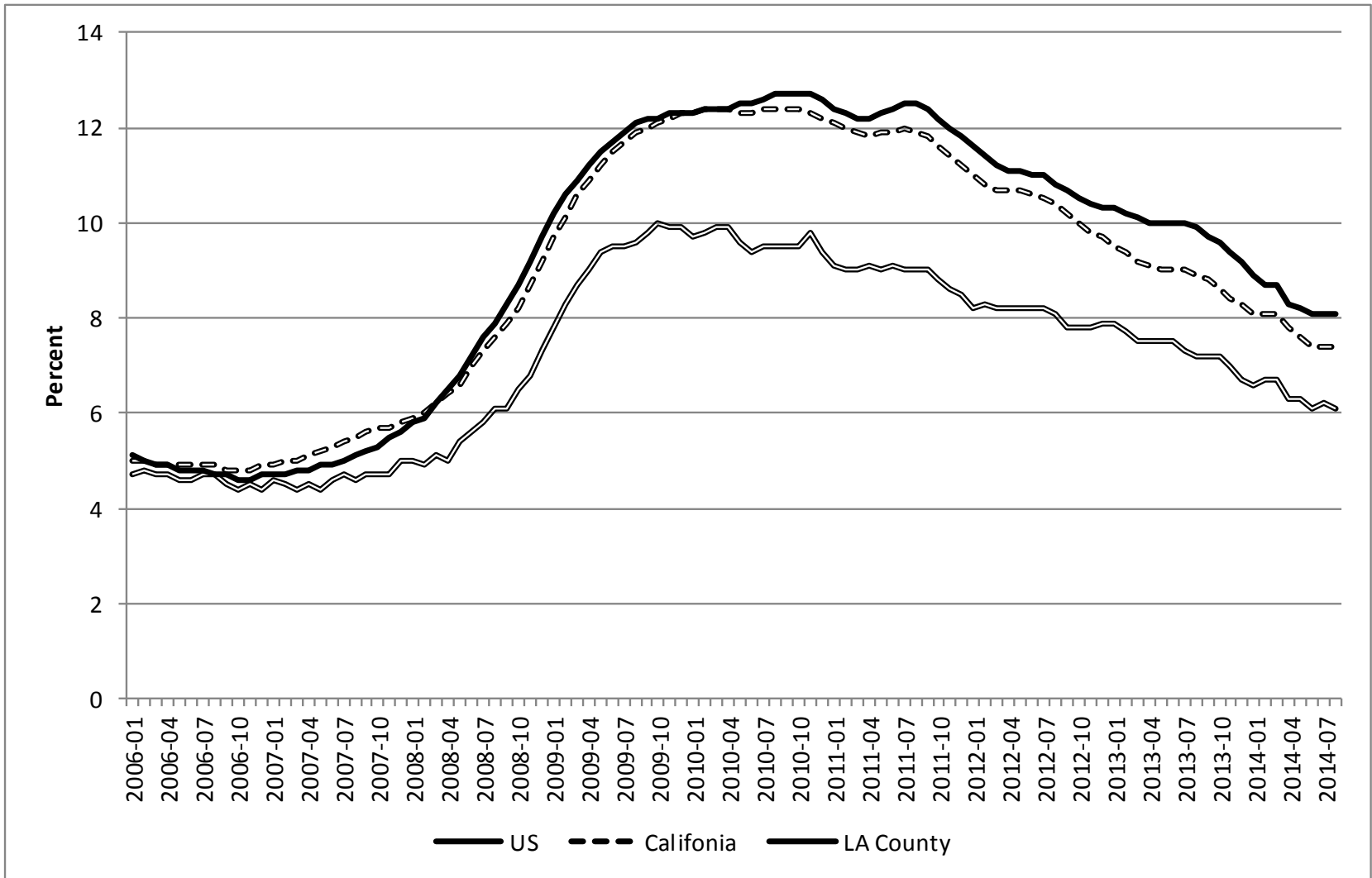
February 2014 – The Finance & Budget business unit was consolidated under the leadership of the Executive Director, Finance & Budget.

The Finance & Budget business unit provides professional management of Metro's financial resources through the following functions:

- **Treasury**: Banking, Investments, and Debt Management
- **Pension & Benefits**: Benefit and Pension Administration
- **Accounting**: Financial Reporting, Payments, Grant and Revenue Billing, Payroll
- **Revenue Collection**: Collection, Counting and Deposit of Fare Revenues and the Management of the Fare Collection System Maintenance Agreement
- **TAP**: Overall Management of the Regional Fare Collection System,
- **Local Programming**: Municipal Operators & Local Return, Fare Clearinghouse; Fare Subsidy Programs
- **Office of Management and Budget**: Develop, Implement and Oversee the Annual Operating, Capital and Subsidy budgets.

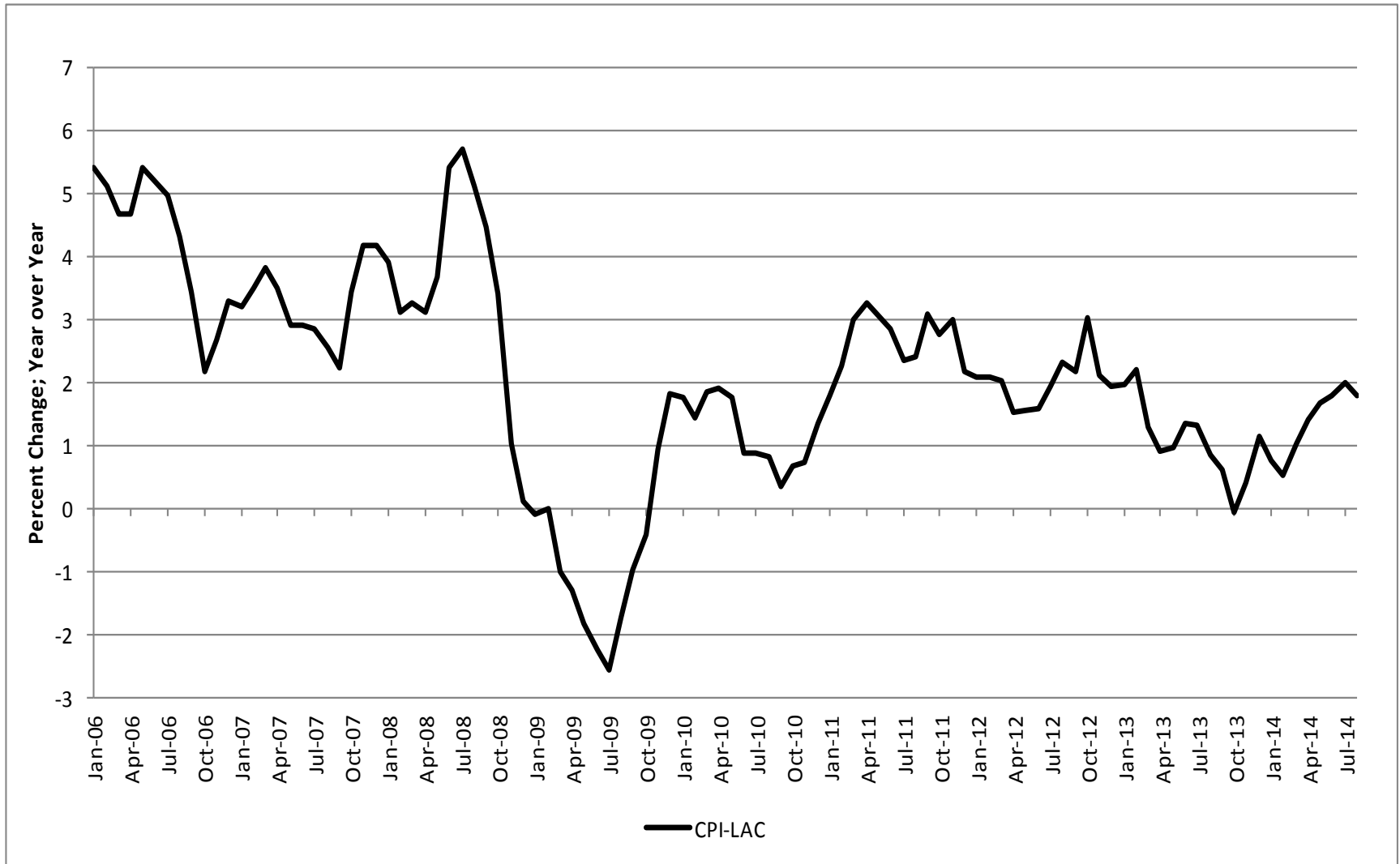
Unemployment Rates

US / CA/ LA County



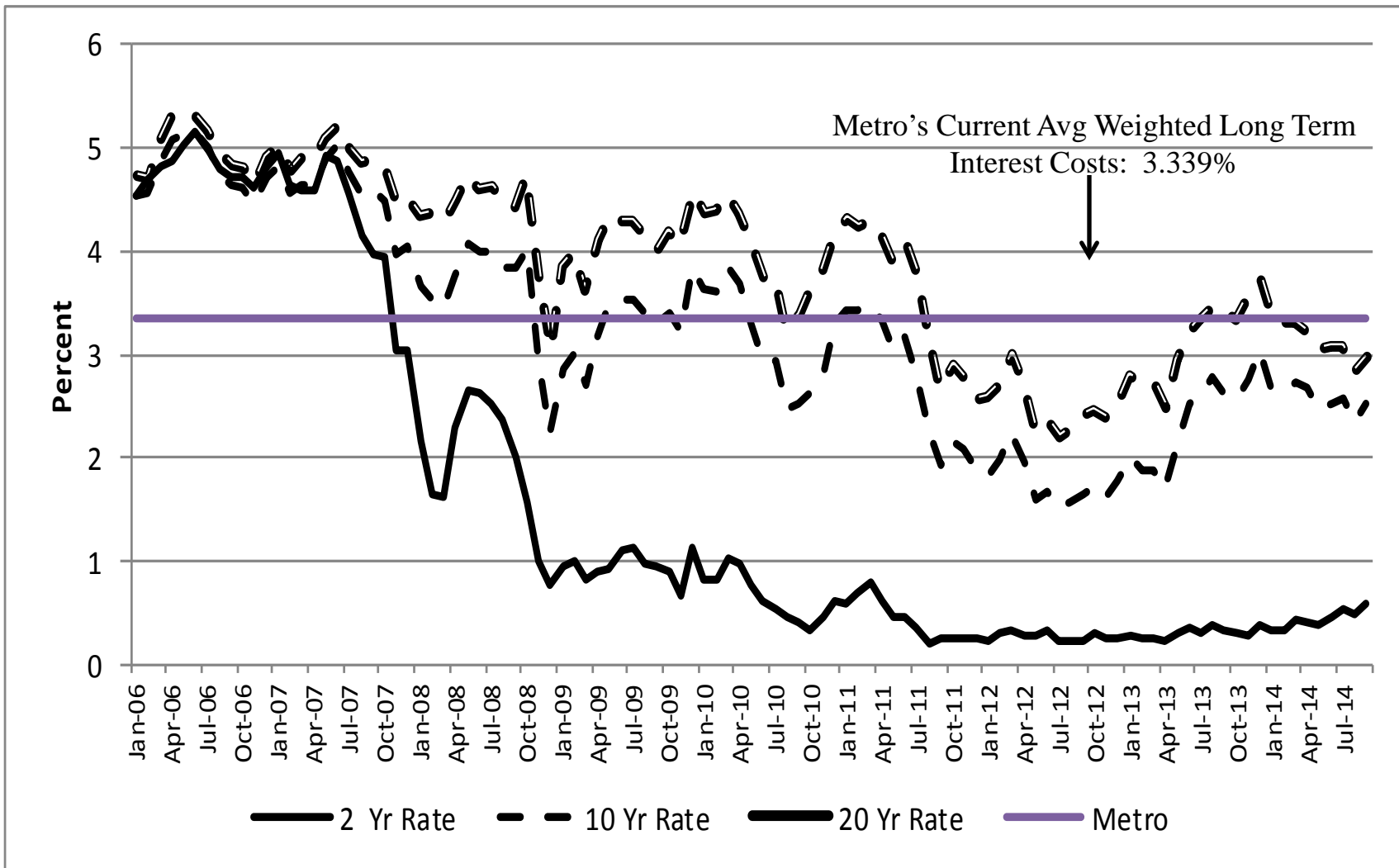
Consumer Price Index

Los Angeles County



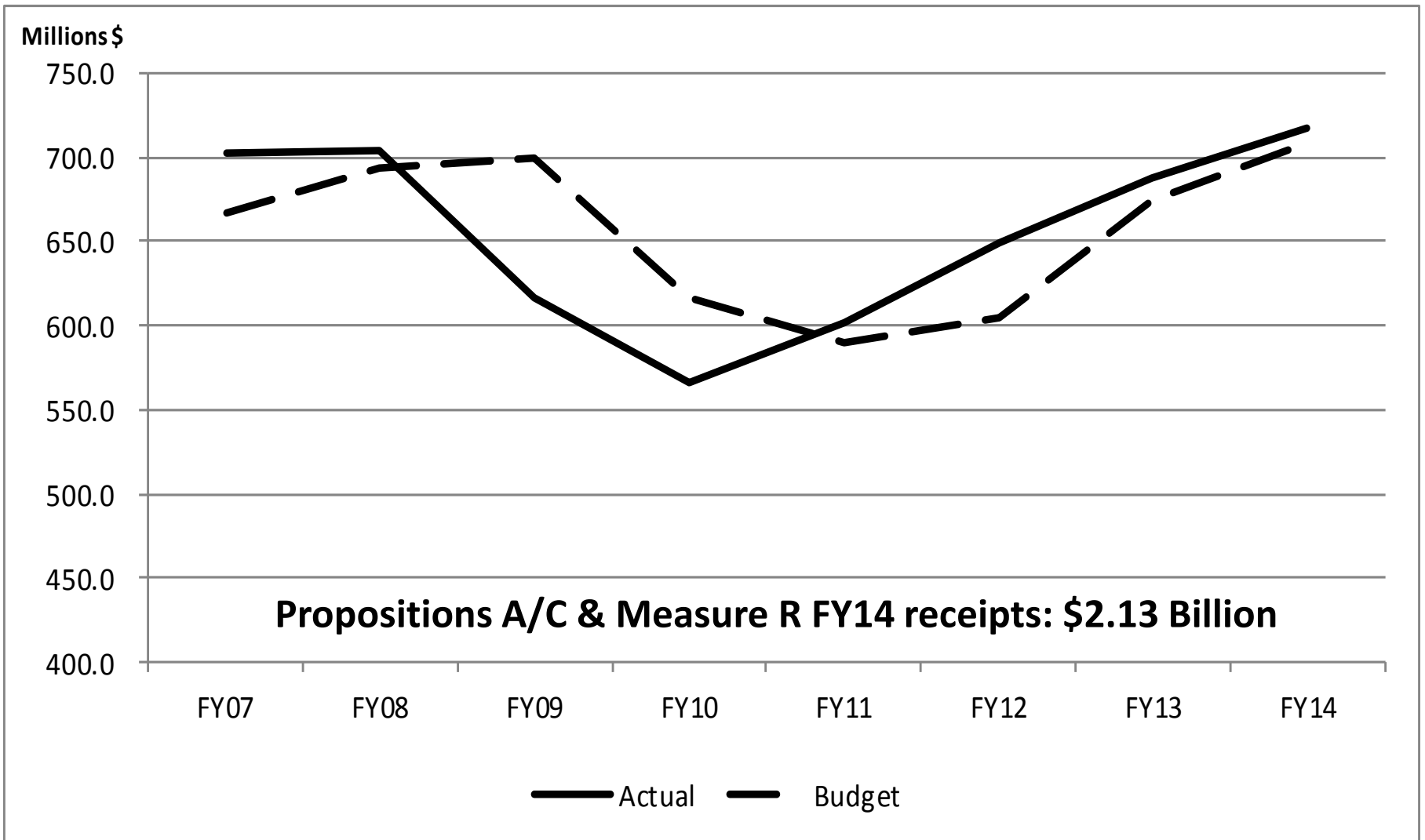
Selected Interest Rates

2 / 10 / 20 Year US Treasury Yields

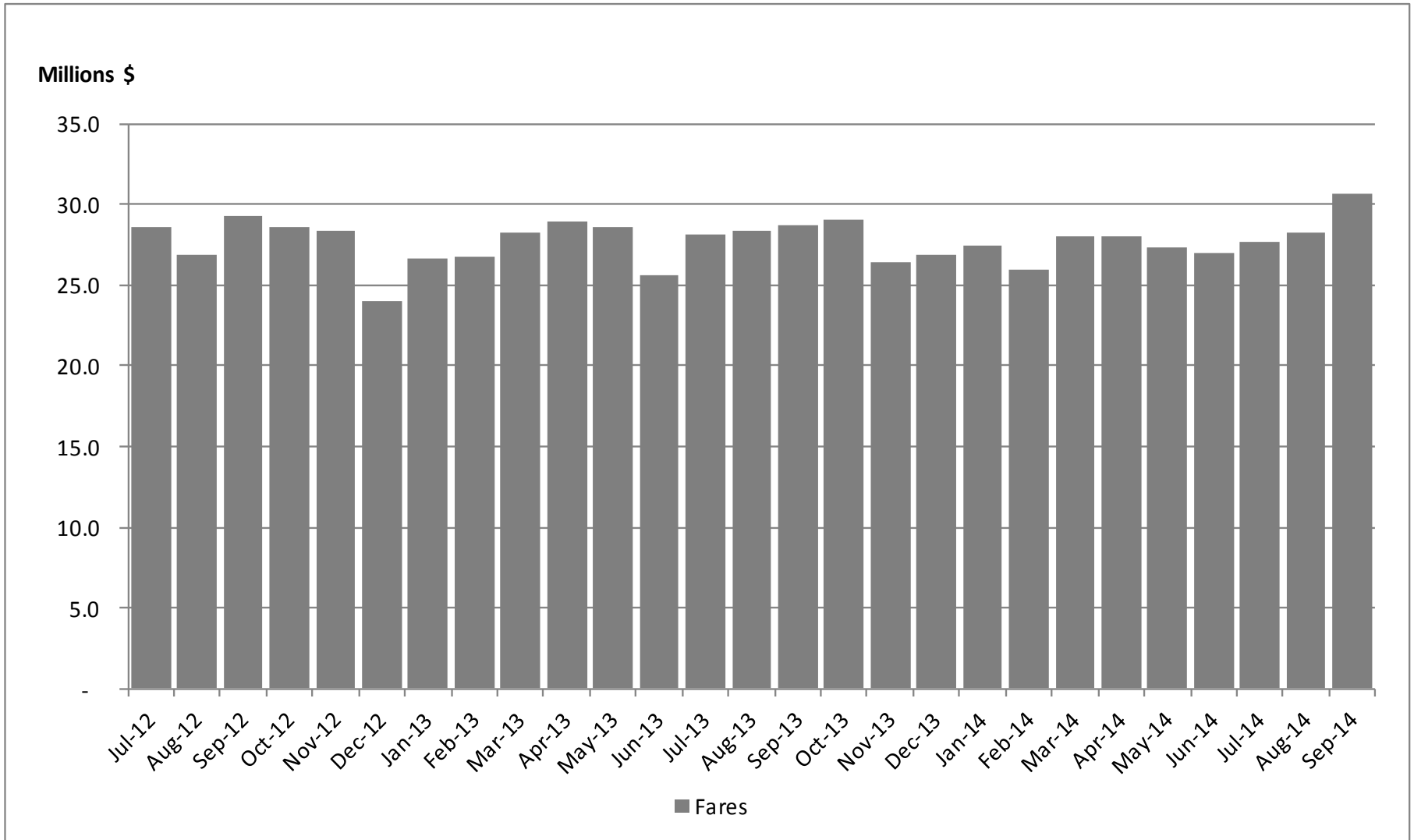


Proposition A Sales Tax Revenue

Budget vs Actual



Transit Fare Revenues



September '14 vs. September '13: +7.1%

Recent Activities and Accomplishments:

- Successful implementation September 15 of the Board Approved fare adjustment.
- Froze Student Fares at current levels
- Updated the eligibility and expanded outreach and enhanced marketing for Regional Relief Transportation Program
- Receipt of the Government Finance Officers Association award of Excellence in Reporting for the FY 13 CAFR and the PRISM award for Excellence for Metro's Accounts Payable Group.
- Auditors on site conducting the FY14 year end audit

Recent Activities and Accomplishments: (cont)

- Transitioned ELTP employees into Metro's medical insurance program per requirements of the Affordable Care Act
- Replaced expiring credit facilities on Prop A 2008 bonds, reducing debt service by approximately \$750 thousand per year compared to the previous lines of credit
- Refunded \$61.2 million Prop C Bonds, reducing debt service by \$9.8 million on a net present value basis over the life of the bonds. An average of \$500 thousand per year
- Completed the retro payment to the ATU and TCU Health & Welfare Trust funds in accordance with approved union contracts.
- Launched the Future Fare Collection meetings with Regional Transit Agencies

Upcoming Activities and Next Steps:

- Preparations for the APTA fare policy peer review – Kickoff January 2015 – Report to the Board in Spring 2015.
- Development of the FY 16 Agency Priorities and updated Financial Outlook in preparation for the FY 16 budget process.
- Complete FY 14 year-end external Financial Audit.
- Conducting benefits Open Enrollment for Non-Contract / AFSCME / Teamsters Employees – First two weeks in November
- Seeking Board approval in November for a refunding of approximately \$185 million Prop A bonds. Estimated debt service savings of \$1 million annually, and \$20 million over the life of the bonds.
- Continue to assess and monitor the impacts of the fare increase on revenues, ridership, and transfer activity

Questions