

# FY16 Budget Basics

Service Councils  
February 2015



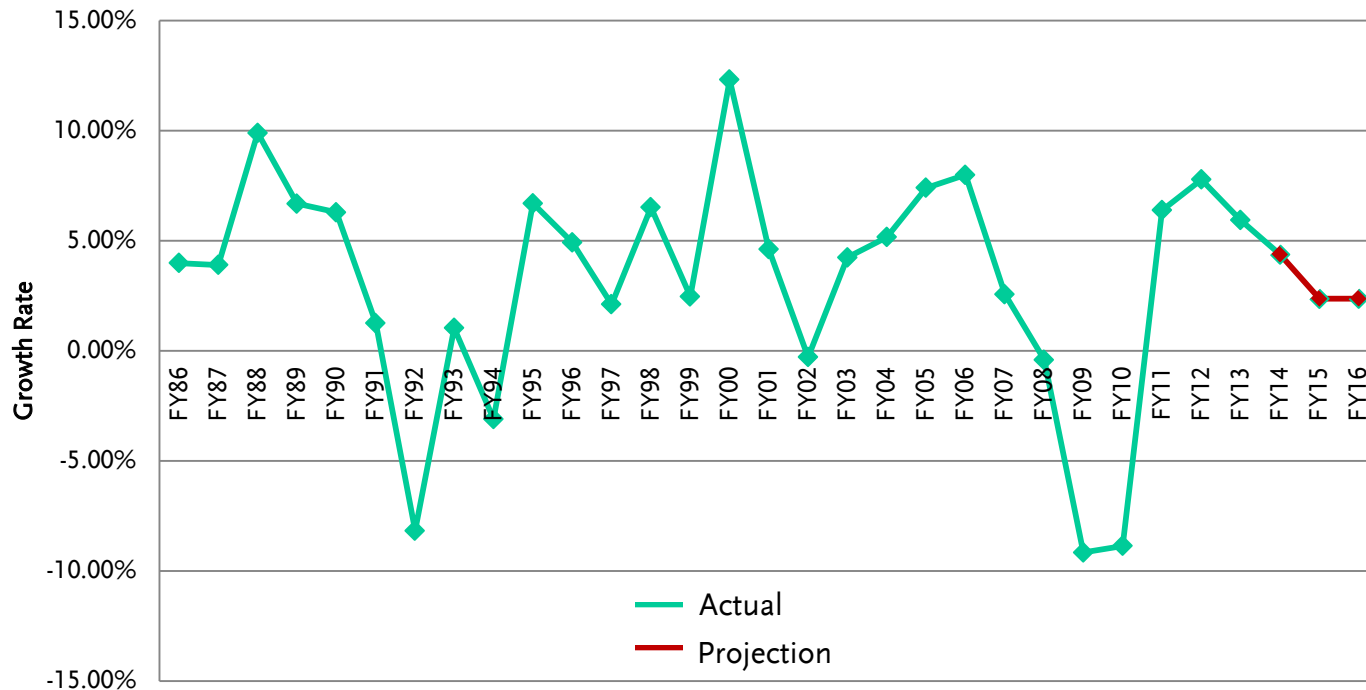
**Metro**

# FY16 Budget Emphases

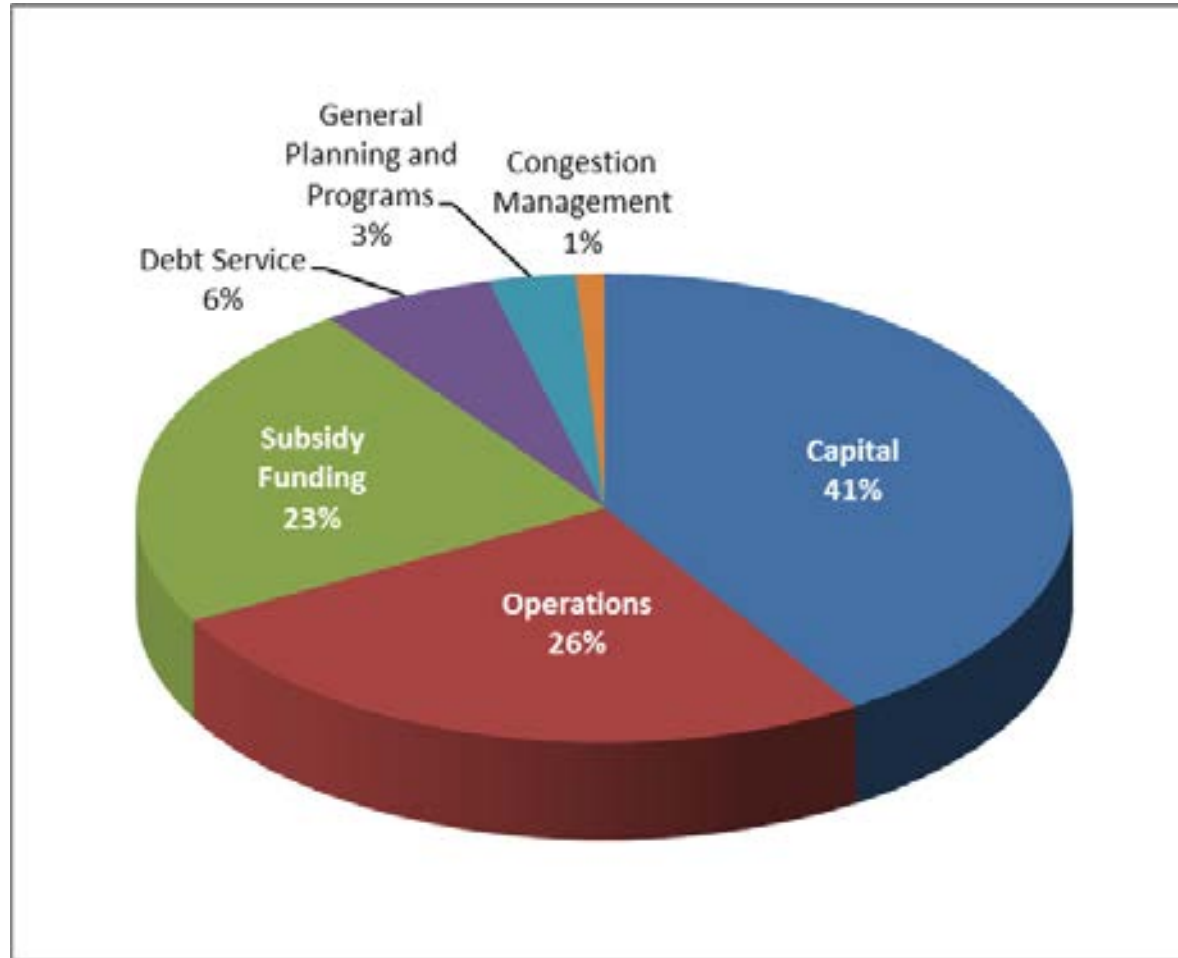
- Safety and security
- Transit service quality improvement
- New bus and rail vehicle purchases
- Delivery of rail and highway projects
- Bike programs
- Technology enhancements
- Opening of EXPO II to Santa Monica and Gold Line Foothill Extension
- State of good repair
- Union Station
- Potential transportation ballot measure
- Other new initiatives such as first/last mile and active transportation

# Sales Tax Growth Assumption

- The FY15 sales tax budget is assumed to grow 2.4% above the FY14 actuals. Given that FY15 first quarter actual revenues are only slightly above budget (1.3%) and a drop in revenue growth from FY12 to FY15, the FY16 sales tax growth rate is assumed to continue growing at 2.4% over FY15 Budget in order to provide a conservative approach to revenue projections.



# Budget Categories



*Percentages based on FY15 Budget*

# Service Assumptions

## Bus

- Assumes full year implementation of Line 788 (Valley-Westside Express).
- Any additional service changes approved by the Board will be reflected and amended into the FY16 budget.
- Bus replacement program anticipated to continue in FY16.

## Rail

- Assumes Gold Line Foothill Extension and EXPO II to Santa Monica will begin revenue service during the end of the third quarter of FY16.
- WiFi on Red/Purple and Silver Line.
- Design and construction efforts are continuing for Crenshaw/LAX Transit Corridor, Regional Connector, and Westside Subway Extension Section 1 projects.

# Fare Revenue Assumptions

## Fares

- Fare per boarding at \$0.76/boarding (up from \$0.70 in FY14 and \$0.74 in FY15) as a result of Phase I Fare Increase.
- No additional fare increase is currently assumed in the FY16 budget development process
- Any decisions on Phase II and III of the fare increase will not be considered until completion of an APTA Peer Review.

## TAP

- 15 agencies on TAP with 10 more expected by Spring 2015
- TAP Smart Phone Mobile App to be developed (TAP card sales, loading, virtual TAP card)

# Budget Development Timeline

December	Budget Development Strategies
January	Sales Tax and Expense Assumptions
February	Capital Program
March	Full-Time Equivalents, Subsidies, Operating and Agencywide Expenses
April	Proposed Budget
May	Board Adoption

## Outreach with key stakeholders:

- Board of Directors
- Executive staff
- Service Councils
- Citizen Advisory Council (CAC)
- Technical Advisory Committee (TAC)
- Bus Operations Subcommittee (BOS)
- Electronic media (e.g. social media, the Source, webinar, web page, etc.)

