

Quarterly Financial Update

Finance, Budget & Audit Committee
April 15, 2015



Metro

Economic Indicators

Los Angeles County Consumer Price Index		
Percent Change yr/yr		
Dec '14	Jan '15	Feb '15
0.7%	-0.1%	0.1%

- Inflation remains low
- Excluding Food and Energy, Feb. 2015 vs Feb 2014 rate of change = 1.6%
- Rate of gasoline price decline has slowed

Economic Indicators

Unemployment Rate			
	Dec '14	Jan '15	Feb '15
US	5.6%	5.7%	5.5%
California	7.0%	7.0%	6.7%
Los Angeles County	7.9%	7.9%	7.8%

- Unemployment rates continue to fall
- Los Angeles County average since July 1 2014 = 8%
- Total Employment in Los Angeles County = 4.67 million
- The State and Los Angeles County has recovered all jobs lost during the great recession

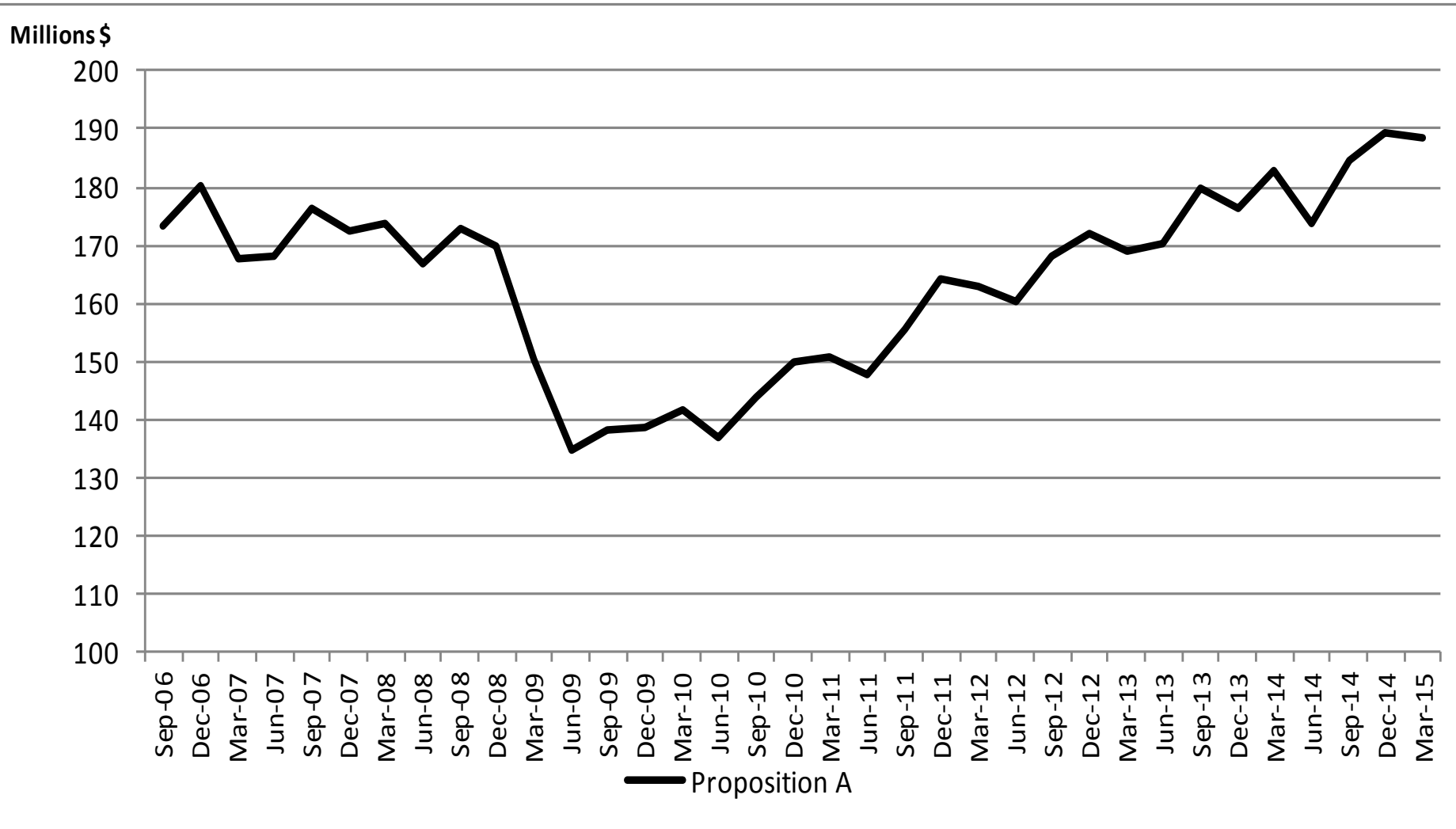
Economic Indicators

Selected Interest Rates			
Rate period	Dec '14	Jan '15	Feb '15
2 yr	0.7%	0.5%	0.6%
10 yr	2.2%	1.7%	2.0%
20 yr	2.5%	2.0%	2.3%

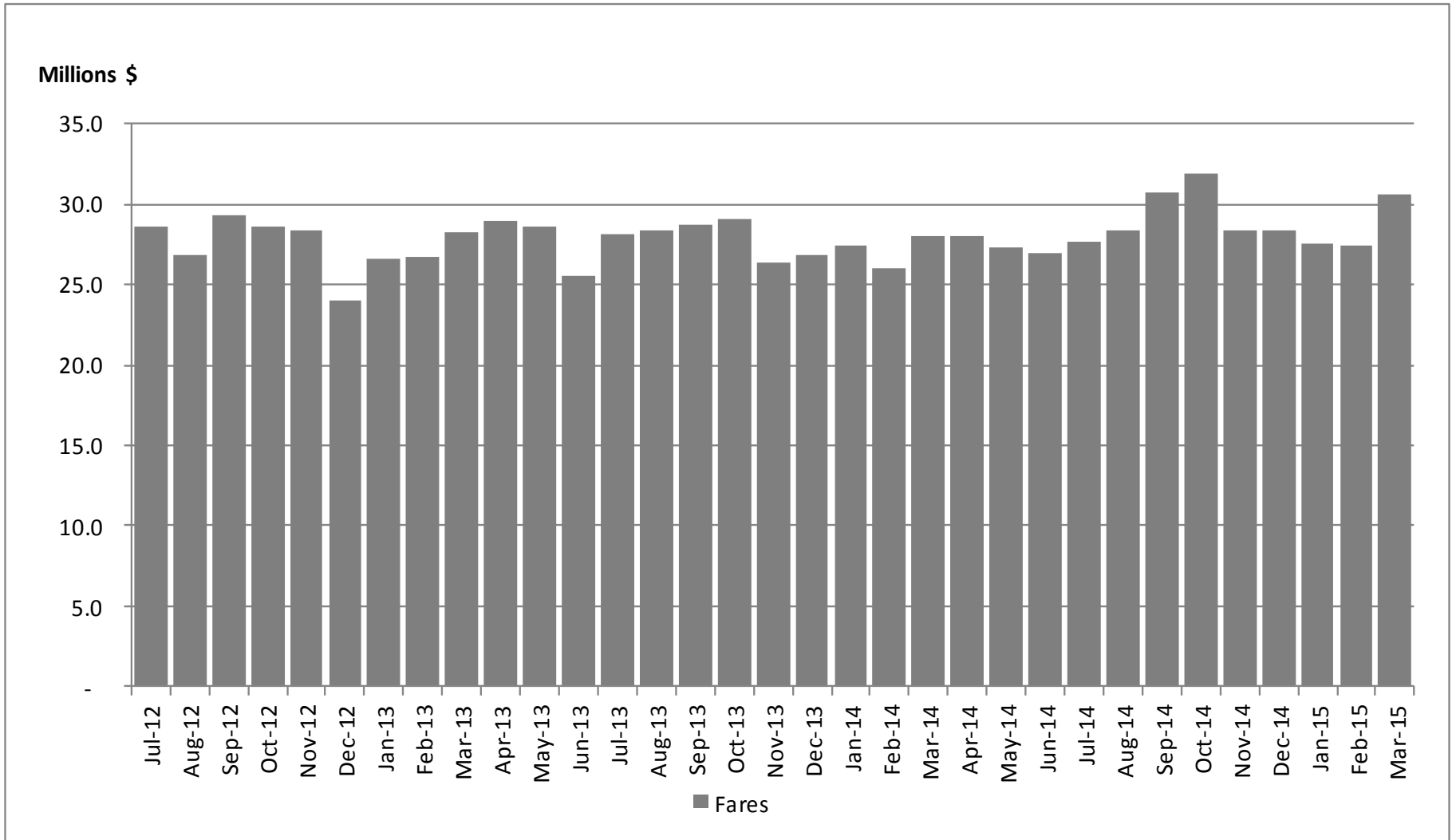
- General consensus is Federal Reserve action to increase rates June or shortly thereafter.
- Strong pressures from foreign capital markets continue to moderate US interest rates.

Proposition A Sales Tax Revenue

Actual Quarterly Cash Receipts



Transit Fare Revenues



Metro Pension Funds

BARGAINING UNIT	Plan Assets 12/31/14 (\$Million)	Employer Contribution FY15 (\$Million)	# Active Employees	# Retirees Receiving Monthly Payments	Funding Ratio 1/1/2014
SMART (UTU)	\$533.20	\$19.80	3,516	2,447	70%
ATU	\$382.20	\$28.90	2,026	1,074	64%
TCU	\$107.90	\$4.70	655	477	70%
AFSCME (Closed Plan)*	\$58.90	\$1.50	46	156	82%
Non-Contract (Closed Plan)*	\$122.90	\$4.20	42	1,162	74%
Total – Managed Retirement Plans	\$1,205.10	\$59.10	6,285	5,316	
CalPERS**	\$404.20	\$25.30	1,732	742	86%
TOTAL	\$1,595.50	\$84.40	8,017	6,014	

**California Public Employees Retirement System: Plan effective date is 8/10/97 for Non-Contract, AFSCME, and Teamster employees □

Awaiting receipt of final 2014 Actuarial Audit

Recent Activities and Accomplishments:

Completed the Peer Review of Metro's fare policy.

Continued Development of the FY16 Budget

Notified by the State of California that employees are now subject to PEPPRA requirements as of the April.

Completed the FTA required National Transit Database (NTD) and Single Audit (A-133) requirements

Established banking structure for the Business Interruption Fund.

Working administrator Pacific Coast Regional Small Business Development Corporation

Released an RFP for the development of the TAP mobile application.

Upcoming Activities and Next Steps:

Conduct Budget Public Forum for the FY16 proposed budget on April 25th

Board consideration of the Proposed FY16 Budget – May 2015

Leading a multi-departmental task force to address the decline in transit ridership

Conducting a multi-agency survey to develop requirements for future fare collection processes

Preparations for the drawdown of TIFIA loan funds

TAP Update

TAP Network Complete

- 26 partners onboard with TAP by end of April
- Recent additions: Beach Cities, LAWA, Carson, Compton, Baldwin Park, Glendale, Burbank, LA County
- EZ transit pass sticker to be phased out by September 2015
- Adding Ralphs pass sales locations in Long Beach, Gardena and Torrance

\$500K Board-Approved Discretionary Fund

Date	Item	Amount
08/18/14	TAP fare device upgrades	\$20,488
	Tap-in/Tap-in ability at Willowbrook	\$88,598
	Add'l TVM at Civic Center	\$21,858
	Support for Metrolink Limited Use TAP card encoding	\$42,000
	TOTAL	\$172,944
04/15/15	FUND BALANCE	\$327,056