Agenda

Los Angeles County Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

Union Station Conference ROOM

1. Call to Order/Roll Call

2. Agenda Reports by Standing Committees
   - Bus Operations
   - Local Transit Systems
   - Streets and Freeways
   - TDM/Air Quality
   Attachment 1: Subcommittee Agendas
   Attachment 2: Subcommittee Actions
   5 min

3. Consent Calendar
   - Approval of Minutes
   Attachment 3: Draft January 14, 2009 Minutes
   - Congestion Management Program Local Conformance Findings

4. Chairperson’s Report
   10 min

5. Legislative Update
   - Federal
   - State
   15 min

6. Proposed Economic Stimulus Program
   60 min

7. 2009 Call for Projects
   - Review Draft Call Application
   15 min

Action (Alan Patashnick, Fanny Pan)

Information
   (David Reyno)
   (Alex Gonzalez)
   (Bahman Janka)
   (Mark Yamarone)

Action

Information
   (Alan Patashnick)

Information
   (Raffi Hamparian)
   (Michael Turner)

Update
   (David Yale/Toye Oyewole)

Possible Action
   (Rena Lum and Modal Leads)
8. Congestion Mitigation Fee Update
   10 min (Robert Calix)

9. New Business

10. Adjournment

TAC Minutes and Agendas can be accessed at:
    www.metro.net/TAC

Please call Fanny Pan at (213) 922-3070 or e-mail to “panf@metro.net”, if you have questions regarding the agenda or the meeting. The next meeting will be on March 4, 2008 at 9:30 a.m. in the Union Station Conference Room on the 15th floor.
Attachment 1

Subcommittee January 2009 Agendas

- Bus Operations
- Local Transit Systems
- Streets and Freeways
- TDM/Air Quality
Agenda

Los Angeles County
Metropolitan Transportation Authority

BUS OPERATIONS SUBCOMMITTEE

Windsor Conference Room — 15th Floor

1. Call to Order
   1 minute

2. Approval of October 21, 2008 & November 18, 2008 Minutes
   1 minute

3. Chair’s Report
   5 minutes

4. Legislative Report
   10 minutes

5. Proposed Federal Stimulus Package
   10 minutes

6. FY 09 STA Test - 2nd Draft
   5 minutes.

7. Measure R Local Return Working Group Start-Up - Muni Operating & Capital Funds
   15 minutes

8. Bus Service Improvement Plan
   10 minutes

Action
David Reyno

Action
BOS

Information
David Reyno

Information
Raffi Hamparian/Marisa Yeager/
Michael Turner

Information
Raffi Hamparian

Information
Susan Richan

Information
Susan Richan/Rufus Cayetano

Information
Rufus Cayetano
9. New Business

10. Adjournment

Information Items:

- 90-day Rolling Agenda
- RTAA-CMAQ Fund Balances
- SAFETEA-LU 5307 15% Discretionary Fund Balances
- SAFETEA-LU 5307 85% Fund Balances
- SAFETEA-LU TE1% Fund Balances
- Summary of Invoices — FY08
- Summary of EZ Pass Invoices — FY07
- Subsidy Matrix
- TDA/STA Claim Summary
- Document Requirement Status

BOS Agenda Packages can be accessed online at:
http://www.metro.net/about_us/committees/bos.htm

Please call MARTHA BUTLER at 213-922-7651 or QUENISHA WILLIAMS at 213-922-7474 if you have questions regarding the agenda or meeting. The next BOS meeting will be held February 17, 2009 at 9:30 am in the Windsor Conference Room, 15th Floor of the Gateway Building.
Agenda

Los Angeles County
Metropolitan Transportation Authority

LOCAL TRANSIT SYSTEMS SUBCOMMITTEE

Board Conference Room – 3rd Floor

1. Call to Order

2. Approval of Minutes – December 11, 2008
   (to be handed out at meeting)

3. Senior TAP Card Presentation

4. 2009 Call for Projects

5. FY ’08 NTD Reporting Status/Update


7. FY ’06 NTD MOU’s/Payments

8. New Business/Adjournment

Action
Alex Gonzalez, Chair

Action
Alex Gonzalez, Chair

Presentation
Metro TAP Staff

Information
Metro Staff

Information
Jay Fuhrman, Metro

Information
Jay Fuhrman, Metro

Information
Jay Fuhrman, ASI

Alex Gonzalez, Chair
Agenda
Los Angeles County
Metropolitan Transportation Authority

Streets and Freeways Subcommittee

Windsor Conference Room, 15th Floor

1. Call to Order
   1 min

2. Approval of Minutes
   Attachment 1: Draft November 20, 2008 Minutes
   Attachment 2: Sign in Sheet/Attendance Sheet
   1 min

3. Chairperson Report
   Attachment 3: 90 Day Rolling Agenda
   10 min

4. Metro Report
   • TAC Actions
   10 min

5. Measure R Local Return Working Group Start up
   5 min

6. Caltrans Report
   • SRTS Grant Status
   • Prop 1B Grant Status
   10 min

Action (Bahman Janka)

Action (Subcommittee)

Information (Bahman Janka)

Information (Randy Lamm)

Action (Susan Richan)

Information (Kirk Cessna)
7. Streets and Freeways Input on Economic Stimulus
   10 min

8. Legislative Update
   • Federal – SAFETEA-LU Reauthorization
     10 min
   • State Budget

8. Call for Projects Update
   • Summary of Changes to Modal Applications
     20 min

9. Call for Projects Funding Process
   10 min

10. LRTP Update
    10 min

11. New Business
    5 min

12. Adjournment
    1 min

Action (Toye Oyewole, Raffi Hamparian/Marisa Yeager, David Yale)

Information (Michael Turner, Raffi Hamparian, Marisa Yeager, David Yale)

Update (Rena Lum and modal leads)

Information (David Yale)

Information (Rena Lum)

Discussion (Subcommittee)

Action (Subcommittee)

The next meeting of the Streets and Freeways Subcommittee is scheduled for February 19, 2009 (date, time and room subject to change) at 9:30 AM in the Windsor Conference Room, 15th Floor. Please contact Randy Lamm at (213) 922-2470 should you have any questions or comments regarding this or future agendas.

Agendas can be accessed online at: http://www.metro.net/sfs
Agenda
Los Angeles County
Metropolitan
Transportation Authority

TDM/ AIR
QUALITY SUB
COMMITTEE

Pasadena
Conference Room

Call to Order/Roll Call
Chairperson's Report
5 min

3. Legislative Update
   Federal
   State
   10 min

4. Call for Projects Update
   -Application 2009
   5 min

5. TDM Improvement
   Efforts

6. New Business

7. Adjournment

Action (Mark Yamarone

Information
(Mark Yamarone)

Information
(Raffi Hamparian)

Update
(Rena Lum, Rufina Juarez)

Robin Blair, Central Area Team Director

TDM Information & Technology Symposium
February 05, 2009, Board Room
8:30 am -3:30 pm

Please call Rufina Juarez at (213) 922-7405 or e-mail to “juarezr@metro.net”, if you have questions regarding the agenda or the meeting. The next meeting will be on March 18 2009 at 10:30 a.m. in Room to TBD

Metropolitan Transportation Authority

Metro
Attachment 2

Subcommittee Actions
Disposition of January 2009 Subcommittee Actions

Bus Operation Subcommittee:

January 27, 2009 meeting

No Action

Local Transit Systems Subcommittee:

January 29, 2009

No Action

Streets and Freeways Subcommittee:

January 15, 2009 meeting

Motion by Ken Johnson, 2nd by Mohammad Mostakhami. Develop a First Come First Served list of projects based on specific requirements developed collectively by Streets and Freeways. These requirements will be given out to local jurisdictions. The list will be developed by Friday, January 23, 2009. The list will be used to determine how much can be delivered. The delivery date is to have plans, specifications, estimates, right of way certifications, and utility clearance etc. to Caltrans Local Programs by April 30*, 2009. This deadline date is assuming a date of signature by the President of February 18, 2009. The motion was passed with a vote 15 for, and 1 against.

After the motion was approved there was some discussion as to the course of action. The project list will include the following information: project description, funding requested, environmental, right-of-way, date the PSE package with everything needed and the schedule to Caltrans Local Programs.

There was also discussion about having appropriate deadline check points for which projects were approved for obligation.

For Categorically Exempt projects, they shall be submitted to Caltrans Local Programs by February 19, 2009 (or the day after the President signs the bill) with the PES form. Metro will check on February 20, 2009 with Caltrans to determine the list of projects submitted. On March 19, 2009, Metro will check with Caltrans to determine the number of projects approved and which had some problem resulting in them being dropped from the list.

By April 1, 2009 Metro will check to determine which projects passed Caltrans Local Programs review and will be obligated to come up with the total economic stimulus dollars going to local jurisdictions and the amount to be obligated by Metro.
Metro staff will take the motion under advisement to make a recommendation to the Metro Board of Directors. As soon as we have the recommendation we will forward to TAC.

*We know the April 30th date is in the motion but it is probably too late for Metro to obligate any unused funds. March 30th is the more practical date, but we will review the schedule as more information is known and revise accordingly.

**Since then Metro has sent out a letter to all local jurisdictions instructing them to submit their projects into the TIP database by February 6 and this will be the method for developing a project list.

TDM/Air Quality Subcommittee:

January 21, 2009 meeting

No Action
Attachment 3

Draft January 14, 2009 TAC Minutes

Sign-In Sheet

Handouts
Meeting Minutes

Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

1. Call to Order/Roll Call

Fanny Pan (Alternate Chair) called the meeting to order at 9:35 a.m., took roll and declared a quorum was present.

2. Agenda Reports by Standing Committees

BOS (David Reyno)
- Reported on:
  - No meeting in December;
  - Next meeting will be on January 27th.

Local Transit Systems (Alex Gonzalez)
- Measure R Update:
  - Discussion on National Transportation Database (NTD) audits and the formation of a Committee to set-up training in February 2009 to address audit issues.

Streets and Freeways (Steven Huang)
- Last meeting was held on November 20, 2008;
- Elected new officers:
  - Chairperson – Bahman Janka (City of Pasadena);
  - Vice-Chairperson – Maged El-Rabaa (County of Los Angeles);
- Requested to review Call for Project Application at its next meeting;
- Next meeting will be on January 15th.

TDM/Air Quality (Mark Yamarone) Handouts
- Announced the TDM Technology and Innovation Symposium is scheduled for February 5th from 9:00 am to 3:30 pm with various speakers with vast backgrounds. Please see Rufina Juarez and other Metro staff for more information;

Draft TAC Minutes, January 14, 2009
Next meeting will be on January 21st.

3. Consent Calendar

Motion to approve the Draft November 12, 2008 minutes made by Patrick DeChellis (County of Los Angeles) and seconded by Greg Herrmann (League of California Cities – Arroyo Verdugo Cities). There were no abstentions or objections.

4. Chairperson’s Report (Alan Patashnick, Metro)

- At the December 4, 2008 Board meeting:
  - Allowed the City of Bellflower to deviate from Metro’s Right-of-Way Preservation and the Call for Projects Guidelines for a bikeway and pedestrian path;
  - Increased bike locker rental fee from $15 semi-annually and $25 annually to $24 semi-annually with no annual lease option;
    - Allowed an increase of fees up to $36 semi-annually at high demand locations;
    - The CEO has the authority to raise locker fees by an amount that will not exceed inflation;
  - Programmed $130 million of the $275.5 million in anticipated Proposition 1B State and Local Transportation Partnership Program (SLTPP) revenues for:
    - $50 million to I-5 south from the Orange County line to SR 605,
    - $40 million to I-5/Carmenita Interchange, and
    - $40 million for the I-5 North Carpool Lanes from SR 118 to SR 170;
  - Programmed the remaining $145.5 million in SLTPP Funds to:
    - San Fernando Valley North/South Canoga Corridor $73.8 million
    - Metrolink Safety Improvement $20.0 million
    - Metro Bus and Rail Capital Safety Improvement $41.3 million
    - 2009 Call for Projects $10.4 million;
  - Reprogrammed the $130 million of local sales tax funds released by the SLTPP to:
    - San Fernando Valley North/South Canoga $73.8 million
    - East San Fernando Valley North/South Corridor $2.7 million
    - Metrolink Safety Improvements $20.0 million
    - 2009 Call for Project $33.5 million;
  - Programmed up to $90.2 million in State Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Bond Funds to miscellaneous transit projects;
  - Instructed CEO to coordinate appropriate activities regarding staff participation in the Los Angeles Regional Collaborative for Climate Action and Sustainability in order to meet the obligations of SB 375, AB 32 and other climate change related legislations;
  - Report back to the Board in January regarding Measure R revenues to acquire real estate for rail yard and maintenance facility development. This is based on the Consolidated Rail Yard Site Analysis Report which identified nine
potential sites for the rail yard. In addition, assess if Metro should acquire one or more properties of the nine sites identified;

- Adopted the Public Outreach and Communications Plan for the Congestion Pricing Demo Project;
- Adopted and amended a 2009 Federal and State Legislative Program which directs the CEO to pursue initiatives which promotes the efficient and rapid delivery of Measure R projects, leverage Measure R funds for additional State and federal resources, and form a coalition to protect State funds;
- Approved contract funds to perform the initial analysis at the four quadrant gates on Metro Gold Line Eastside Extension before other funds are used;
- Directed the CEO to enter into a Memorandum or Understanding (MOU) with the City of Los Angeles regarding Midway Yard:
  - No further yard expansion other than previously specified by Board action;
  - Partner with the City of Los Angeles to pursue a grade crossing adjacent to Midway Yard in order to provide access to the Los Angeles River;
  - Engage Metrolink as a working group participant;
  - Conduct periodic community outreach; and
  - Work with City of Los Angeles to acquire property for the consolidated rail yard;
- Approved the exception of Santa Monica Municipal Bus Line, Rapid Line #7 (Pico Boulevard), from service parameters specified in the New Service Plan effective August 18, 2008;
- Approved the award of the Contactless Smart Card for $1.5 million over a 24-month period;
- Directed the CEO to solicit feedback through service sectors regarding bus improvements wanted by the public for the Board in February 2009;
- Provided Board and Municipal Operators with estimated funding through Measure R 20% funds using the Formula Allocation Procedures (FAP);
- Directed Metro and Municipal bus service coordinate activities to avoid service duplication and show how each operator intends to spend its portion of Measure R funds;
- Amended the Bus System Improvement Plan which considers line restructuring;
- Approved the following nominees for membership on the South Bay Service Sector Governance Council:
  1. Devon Deming -- reappointment to November 2011;
  2. Ralph Franklin - reappointment to November 2011;
  3. Rena Kambara - new appointment to November 2011;
  4. Kim Turner - new appointment to November 2011;
  5. Don Szerlip - reappointment to November 2011; and
- Approved a hiring freeze of any new Metro employees unless specifically exempted by the Board:
  - freeze promotions except by Metro Board approval;
  - Ban executing any new consultants contracts, unless related to Measure R, Prop 1B, Congestion Pricing and Homeland Security;
- Exempt those employees in operations, maintenance, and safety of the Metro system working on Measure R.
- Announced the retirement of Metro CEO, Roger Snoble.

5. Proposed Economic Stimulus Program (Toye Oyewole, Metro)

Mr. Oyewole reported the Proposed Economic Stimulus Program is restricted to projects that are ready to be obligated within 90 days and will create new jobs. However, if the funds are not obligated within 90 days, California will lose the entire funds to another State. During a recent management meeting, Mr. Oyewole stated that approximately $30 billion will be available nationwide toward infrastructure, streets and freeways, and bridges with about 10% coming to the State. Mr. Oyewole asked the Technical Advisory Committee (TAC) for their help in the allocation and the use of Economic Stimulus funds.

Mr. Oyewole requested TAC’s assistance in developing an allocation method for local jurisdictions. Mr. Oyewole stated that according to the Surface Transportation Program – Local (STPL), the County of Los Angeles currently has approximately $59 million in funds distributed to the cities that are not being spent. Mr. Oyewole stated that 10% of the Economic Stimulus funds should be distributed to the State and Metro may receive 62.5% of the State’s portion. Mr. Oyewole suggested that the 62.5% be divided in the same manner as the old STPL format.

Mr. Oyewole asked how TAC would propose to work with the legislation and what the best way to split the funds. From Metro’s standpoint, assuming California receives $2 billion and funds are distributed to all cities in the county, what happens if an agency cannot use the allocated funds with the timeframe? Should it be taken out or should it be put into a pot for first-come first-serve to be used for ready to go projects until it is depleted? Mr. Oyewole stated that he is proposing these questions because he does not have concrete information other than the nationwide $30 billion on infrastructure, streets and freeways, and bridges projects, and nationwide $12 billion on transit projects. Metro’s management would like TAC to be involved in proposing a method for distribution of Economic Stimulus funds, assuming the legislation passes in Washington, D.C.

Mr. Oyewole stated that David Yale (Metro) will be at the Streets and Freeway Subcommittee meeting tomorrow, January 15, 2009. Currently, he is in Sacramento for the CTC meeting and may have news on how to handle the distribution of the proposed funds. Metro wants TAC’s input concerning the allocation of the Economic Stimulus funds. If we are to give the funds to every city, we will lose it because not every city has a project that is ready to obligate in 90 days, according to the restrictions on the federal funds.

Sumi Gant (City of Long Beach) asks if the STP funds may be subject to STP rules, could it be used for local streets? Patrick DeChelliis (Los Angeles County) responded no; every federal requirement and process is required. It has to be on federal aid eligible routes.

Michael Uyeno (City of Los Angeles) asked if Federal government was talking about advancing funds, rather than reimbursements. Mr. DeChelliis responded that it was a request the State has made and does not think so.
Mr. Uyeno stated that the fact that it has to be in the TIP is an important factor because that means you only have so many different projects in the TIP right now and you have to have funding for the project. Mr. DeChellis responded affirmatively but need to talk to the SCAG representative. Amending the TIP to include the street rehabilitation projects that do not require air quality conformity should be done administratively.

Mr. DeChellis went back to Mr. Oyewole’s question: if Metro gets a certain amount of money, how does TAC propose to distribute the funds? Mr. Oyewole reiterated the importance of the restrictions of the funds. Mr. DeChellis responded it has to be on federal aid eligible projects. Renee Berlin (Metro) stated that it also has to be on projects that are ready to go. Mr. DeChellis responded yes, it has to be ready to obligate in 90 days. Distributing the funds on a formal basis probably does not work to ensure that we obligate all the funds we have available, so a first-come first-serve basis probably works best.

Mr. Oyewole added that if we include this year’s FY 09 distribution of $59 million un- obligated STPL funds, how do we make it fair so everyone gets a portion without losing any of it? Metro wants it to be a regional process to benefit the whole region. Therefore, how do we fairly distribute the funds to everyone without losing it because the Feds are serious about the 90 day time frame? From management’s perspective, if funds are not obligated within 90 days, they may be de-obligated to someone who will use it. Metro has the right to deobligate funds from one project to another project that is ready to go in order not to lose it. Ms. Gant responded that 90 days does not give us much time.

Mr. DeChellis stated to stay focused on the State level, either you have a project or you don’t and we have at least two different approaches: 1) first-come first-serve; 2) an allocation process that could be traded to someone who could use it for future STP projects. However, not all regions are equally prepared to spend the funds, but to ensure everyone receives their share, they would trade it for future STIP dollars. An agency would have to find someone to partner with or risk the chance of losing it.

Magan Champaneria (City of Los Angeles) responded that there is about $255 million in STPL that has not been spent statewide. Mr. Oyewole responded that Los Angeles County has $59 million in unspent STPL including the $20 million for FY 09. In fact, $8 million of FY 09 dollars is subject to lapse, if this Committee agrees. Therefore, should the funds continue to remain unobligated, we will not be able to keep it. Mr. DeChellis recommended some sort of "set-aside" funds for cities and the County or some other way to best use the money. He added that most agencies have projects ready to go; however, they have not been federalized and cannot be processed. They have to be on major or secondary routes and prepared with all requirements met. What can we do and how can we do this?

John Drayton (Metro) asked if it make sense to take a few large regional projects that are eligible, and then take funds that are displaced and give them back as described. Administratively, if you are rushing this through trying to get money spent seems to make sense. Rather than doing 20 or 30 different small projects, would the cities and County be a candidate for that kind of bartering? Mr. DeChellis suggested having cities and County give their share to Metro and have Metro promise to give the cities and County other monies
later. Another suggestion was cities and county give Metro their share to supplement the Proposition 1B projects that the State has taken away, and have Metro allocate funds to cities and County after it receives the Proposition 1B funds. However Metro has to get the State to agree that funds can be spent in accordance to Local Streets and Roads criteria.

Mr. Oyewole responded that it would be good, however Metro should ask TAC members to lobby their State Legislator. Almost all expenditure in the Proposition 1B requires State Legislation to define what the funds can be spent on. Mr. DeChellis disagreed by saying that Corridor Mobility Improvement Account (CMIA) money was delegated down to the California Transportation Commission (CTC). The CTC can make the call and would not have to go back to the State for legislation concerning the CMIA money. Mr. DeChellis added that jobs that are hung-up with Proposition 1B could be supplemented with federal money to get those jobs moving. Also jobs that are ready to go, but missing the Proposition 1B portion could use the Federal Stimulus funds to trade with cities and the County.

Mr. Oyewole suggested TAC may want to request the Streets & Freeway Subcommittee to develop the recommendation since the discussion concerns highway dollars. Mr. DeChellis then recommended having the Streets & Freeway develop a proposal and have it emailed to TAC members by close of business Thursday, January 15th.

6. Legislative Update (Raffi Hamparian, Metro)

Federal (Handout)

Mr. Hamparian reported on what Metro has learned about the Stimulus Bill. Metro's objectives and priorities have been communicated to the Obama transition team on transportation to the United States Senators and Los Angeles County Congressional Delegates.

Mr. Hamparian reported that there is no Stimulus Bill. There is no official language for the incoming administration to discuss on Capitol Hill. The closest thing is the proposal that was given to the Chairman of the Transportation & Infrastructure (T&I) Committee, Representative James Oberstar. Mr. Oberstar has had intense dialogue with Speaker of the House Nancy Pelosi. It is believed that Chairman Oberstar would likely play a major role in the creation of the final Stimulus Bill language. What we know from Chairman Oberstar's proposal that was released a few weeks ago is the following:

- $85 billion in Infrastructure,
  - $30 billion for Highway,
  - $12 billion for Transit with 2.5% taken off the top for New Starts Projects, and
  - $5 billion for Rail;
- An outline on the "use it or lose it" provisions. These provisions would not keep the money in a specific region or State, rather it would return the funds to Washington D.C. for allocation to those jurisdictions that have shown an ability to obligate the money;
- In respect to obligation, Chairman Oberstar envisions a two (2) step process:
  1. 50% of the money would need to be obligated within 90 days; and
  2. The remainder to be obligated in one calendar year.
Metro staff roughly estimates that in the Highway portion, for example, an appropriation of $30 billion could translate to somewhere in the vicinity of $2.8 to $3 billion coming to the State of California. Los Angeles County would then end up with approximately $500 million. In the Transit portion, California could get approximately $1.5 billion. According to this rough estimate, Los Angeles County could receive about 30-35% of the dollar amount.

Metro has asked for three primary things:

- Allocation of funds to be done through the existing Surface Transportation Program. That money would come to the State and be apportioned 62.5% to Metro and 37.5% to the State. The State would apportion their share to the State Highway Operation and Protection Program (SHOPP) and to the State Transportation Improvement Program (STIP);

- Metro has asked for a bonus/incentive program to be incorporated into the Stimulus Bill. Metro believes that areas like Los Angeles that are investing local dollars should be rewarded by the Stimulus Bill. If Metro is going to match the Federal Stimulus dollars, we would like to have a bonus for that match. As for now, Metro is working on incorporating specific legislative language into the Stimulus Bill. If Metro is not fortunate enough to get the bonus language in the Stimulus Bill, then it will be incorporated into the next Surface Transportation Authorization Bill that Congress will consider later this year.

- A letter was signed by Senator Charles Schumer, Senator Hillary Clinton, Senator Frank Lautenberg, Senator Robert Menendez and Senator Dianne Feinstein to the Senate leadership requesting that transit not become lost in the equation and the traditional split between Highway and Transit not to be followed in the Stimulus Bill.

Mr. Hamparian reported that there was a proposal, but it is unknown if it is still on the table for consideration. Caltrans’ Director Will Kempton suggested apportioning the money into thirds, with one-third each going to the State, RTPAs and cities and counties. Metro is opposed to apportioning the money in this manner. Metro’s Board will consider and make decisions concerning the allocation of funds. It is fair to say that the Metro Board would be sympathetic to the needs of the County of Los Angeles and the cities that constitute our transit-starved region.

David Feinberg (League of California Cities – Westside Cities COG) asked of the $12 billion for Transit, $2.5 billion is subtracted for New Starts, and $5 billion for Rail, does that leave the rest for bus? Mr. Hamparian responded that the bus would be within the $1.5 billion coming to the State of California. The $5 billion for Rail is separate.

State (Michael Turner, Metro)

Mr. Turner reported that the State continues to be without a budget. There is currently a deficit of over $42 billion and it is expected to grow. The State has gone through Special Session and a number of different proposals from Governor Swarzenegger. Legislators have gone back and forth as to what to do. The most recent action is the Governor’s reissuing of a proposal last week. Legislators are seriously considering the proposal. Nothing has come from the leadership meetings held by the big five (5) which included the Governor,
Assembly and Senate majority and minority leaders. There was a Special Session Proposal calling for elimination of the Gas Tax and Gas Sales Tax and replacing it with a thirty-nine cent fee. The fee would benefit transportation by:

- Indexing revenues that come from gas sales, fees, and taxes;
- Indexing provisions, which means there would be an increasing amount of money going to transportation. However, because it is called a fee, an argument was made that there is no nexus between the sale of gas and public transportation. Public transit would lose money as opposed to streets and road repair which would win in the equation. That proposal could still come back or eliminate funds in the State Transit Assistance Account (STA). The Governor has called for the elimination of the STA which would end the State’s funding for public transit. Legislation with the support of leadership has maintained the existing account with a minimal amount of funds, but is using the rest of the revenues to solve the rest of the budget problems;
- As of January 13, the fee proposal is not going anywhere. Legislators are going back to considering things raised by the Governor’s budget proposal, sales tax increase, expansion to sale tax to services, and others. The Vehicle Licenses Fee (VLF) may be reconsidered;
- We are dealing with cessation of funds because transit funds are held, future STA allocation is stagnated, and the State will not fund bond projects.

For Metro, this means a possible loss of funds for the Expo Line and the I-405 Carpool Lane RFP cannot be issued. The I-710 Freeway’s new median and repaving by Caltrans, and the 10 State Highway Operations, Preservation and Protection (SHOPP) projects may have to be halted. SHOPP and TIP received funds from Caltrans’ Proposition 1B portion may be discontinued. Currently, Metro is working with various coalitions, such as the Californian Transit Association (CTA), to put together support for transit funding. Labor unions, environmental groups, and social services have been lobbying Sacramento in support, and the importance of keeping transit money. Mr. Turner concluded that he will report to the Board on January 15th to outline how to protect transportation funding through an enactment of legislation or constitutional amendments.

Mr. Uyeno asked regarding the thirty-nine cent fee proposal, is the State going to take all the sales tax or hold Transportation Development Act (TDA) and STA? Mr. Turner responded that they would hold TDA not STA. TDA would have remained and they would have kept the sales tax on diesel which would have gone to the Public Transportation Account (PTA).

Mr. DeChellis reported that legislators have proposed to withhold cities and County gas tax payments again. From February through September agencies can use their Prop 1B money if they already received it. Mr. DeChellis added that out of the 1/3, 1/3, 1/3 split, Caltrans needs $1.8 billion to complete their Prop 1B projects and was considering borrowing their share of the $3 billion that the State will receive from local cities and the County. Caltrans is considering returning Federal AB 3090 funds that they expect to receive from the State in December to cities and the County in exchange for the borrowed funds. In the meantime, the cities and County will require an IOU on AB 3090 from the CTC to give their $2 billion share of the States funds to Caltrans. Mr. DeChellis concluded by asking Los Angeles Region if it should exchange its Federal money with Caltrans, to use on projects that have been stopped, to get something in return later?
Mr. Turner responded that if we do something other than the Surface Transportation Program (STP) Formula, we will have to get State Legislation passed and Prop 1B money is restricted. Michelle Caldwell (Metro) stated that projects not ready to go and/or money put up in advance for later payment is a risk. Mr. Turner responded that the State is facing a real problem regarding projects that will lose funding. We are facing a situation where projects could be stopped and the only source of revenue is the Stimulus money. Caltrans showed an interest to keep the projects running by using the Stimulus money. Therefore, the question is "who makes the decision and how will the process work?"

Mr. Turner stated that it would not be wise to leave discretion to the State. The beauty of the STP program is that it allows us to make the decision at the discretion of Los Angeles County to use the STP funds on projects as needed. Another issue is repayment as one comment suggested we get repaid from Proposition 1B money, but Proposition 1B is tied up in the Corridor Mobility Improvement Account (CMIA) and the Trade Corridor Improvement Funds (TCIF). These allocated funds equal over half of the Prop 1B money. The rest of Prop 1B money is allocated to the STIP-$2 billion, SHOPP-$2 billion, Streets and Road repair which totals over $17 billion out of the $19.5 billion.

Mr. Turner continued that the beauty of having local control is that we decide how to spend the funds, but there is a downside to bailing out the State as well as not bailing out the State. If we follow the STP formula then we can make the decisions and there are ways to enter into an agreement with the State, i.e. AB39. Therefore, how will you get a guarantee from the State to get projects repaid while the County receive the exact amount of money it is suppose to receive? Or, will we get into a situation that we bail out State Route 99 (SR 99) and lose funding for something else. Therefore, if you bail out SR 99 and other rural highways, we will lose our highway and transit projects because we only have two votes on the CTC.

7. FY 09 Budget Amendment for STA Shortfall (Michelle Caldwell, Metro) Handout

Ms. Caldwell reported on the FY 09 Budget Amendment which addresses the loss of STA revenues. The FY 09 Budget had $227.2 million for the region in STA revenues. The budget adopted by the State in September 2008 had $90 million for the LA region. The Board Action is the mitigation of the $136.3 million deficit. Metro has received $22 million out of the $90 million in STA revenues this year. However, it is unclear if Metro will receive the $60 million balance. The Board is not addressing that issue at this time.

Ms. Caldwell stated Metro is back-filling STA with fund balances. The Municipal Operators will be made whole by Metro which amounts to $18.5 million of the $136 million loss. Metro is cutting expenses and reprogramming prior year savings to resolve the loss of STA. Metro is requesting a $1 million Budget Amendment to address the sale lease-back contract. This is a federally approved financing technique in which Metro sold equipment, e.g. rail cars, to private equity investors, then leased back the equipment form the investors. The money for the investors is fully defeasible and goes into a 30-year guaranteed investment account. At the end of the 30 years, the money is given back to the investors fully paid and Metro continues to operate the equipment. There is an up front benefit for a transit property
who participates in the sales lease-back. Metro earned $60 million from the ten sales lease-back agreements. There were 59 transit properties who participated in the sales lease-back, which were encouraged by the Federal Transit Administration’s Innovative Financing Guidelines for ways to earn additional revenue. An insurer, Equity Payment Underwriter, insures the money for 30 years. The insurer must have an AAA rating or be replaced by another AAA rated insurer. Eight out of 10 Metro contracts were insured with AIG. AIG was down-graded and had to be replaced with an AAA rated insurer; however there weren’t any insurers available due to the various market financial collapses. Metro has been working on a federal solution and was part of the federal bailout for the auto industry. Metro had included a couple of sentences in the bailout package but that language was vetoed. Terry Matsumoto (Chief Finance Officer-Metro) will continue to work with the new Administration improve the situation. Metro’s interest rates on variable rate bonds have hit unprecedented highs. Metro estimates a need to add $23 million to pay interest on the outstanding Prop A and C bonds.

8. FY10 Business Planning Parameters (Michelle Caldwell, Metro) Handout

Metro’s Financial Stability Policy requires the Board to set the Parameters of how we will be developing the FY 10 Budget in January 2009. Metro has a list of assumptions for Board adoption which includes a Sales Tax Revenue Forecast for Prop A and C of $102.5 million, TDA revenue forecast, fare forecast, fare-box recovery ratio forecast, etc.

Mr. DeChellis asked why the Measure R revenue is so low. Ms. Caldwell responded that Measure R is low because an analysis was taken early in the year, after Measure R passed, and compared the first year receipts to the first year receipts of Proposition C. Measure R’s sales tax submittals to the State Board of Equalization are not required until the quarter beginning of July 1, 2009. Perry Blake (Metro) responded that the first quarter amount is 58% of the Proposition C total. Ms. Caldwell added that with 58% compliance and reduced sales tax receipts, the amount is low. In year two, it goes up to 97 to 98%, assuming it gets closer to Proposition A and C in year two.

Ms. Caldwell referred to Attachment B of the Board report, which provides the information going before the Finance & Budget Committee today. Metro has a FY 10 budget deficit of $115.7 million after these assumptions. The next step is to mitigate the assumptions (page 11 of the hand out) which include to:

- identify additional reductions during the FY 10 budget process. Metro received 198 employees suggestion, on ways to cutting costs;
- continue to seek additional State and federal funding;
- recommend use of fund balance, if necessary.

9. 2009 Call for Projects (Rena Lum, Metro)

Ms. Lum reported that we are moving forward with the 2009 Call for Projects unless we receive directions to the contrary from the Board. We will ask for Board approval to initiate the process at this month’s meeting.
The tentative schedule is to post the application on line in PDF format, possibly one week after the Board approval. Paper copies of the Draft Call for Project Application package will follow two weeks after in early February. The Applicant Workshop be on February 24th in the Metro Board room. Sub-regions workshops are scheduled for Gateway Cities, San Gabriel Valley COG, and South Bay COG's. We are waiting to hear back from the other sub-regions. Applications are due mid-April and expect Board adoption by September 2009. In April, hopefully David Yale will return to TAC to provide funding marks. Due to uncertainty in the Long Range Transportation Plan (LRTP) as well as the State budgets, the amount of funding available is unknown. However Metro is moving forward with the full Call unless we receive other instructions.

10. 2009 Long Range Transportation Plan (Rena Lum, Metro)

Ms. Lum reported that the LRTP, originally scheduled for adoption by Board in January, was pulled because Metro is waiting to review the impacts of the Federal Infrastructure Stimulus Package and the State Budget negotiations.

Mr. DeChellis stated that Transit Corridor Projects running through the City will require a 3% local contribution towards project construction. The funding must be committed before the project moves forward.

11. Measure R Local Return Working Group Start Up (Susan Richan, Metro)

Ms. Richan reported that the Working Group will look at the 15% Local Return portion of the Measure R. Metro would like to recruit representatives region-wide from local jurisdictions as well as Metro committees and subcommittees. The first meeting is anticipated in February. Ms. Richan asked the interested members to put their names on the Working Group sign-up sheet.

12. Propose TAC Meeting Date Change (Alan Patashnick)

Mr. Patashnick stated that the CTC will meet on the second Wednesday of each month starting this year, except in February when they will meet on the third Wednesday of the month. That schedule precipitated the request to consider changing the TAC meeting schedule. Dates were proposed to TAC members.

- 1st Wednesday of the month
- No change

Before the discussion began, Mr. El-Rabaa reported that this is his last meeting. He will leave County of Los Angeles by the end of January and will be working overseas in the future.

After discussion, there was a motion to move the TAC meeting date to the first Wednesday of the month for a six month trial basis, starting March 2009 was made by Mr. DeChellis and seconded by Mr. Yamarone. TAC agreed to determine whether to make the change permanent at its September 2009 meeting. There were 16 in favor of moving the meeting to
the 1st Wednesday of the month, and 8 opposed. Motion carried, so TAC will meet on the 1st
Wednesday of the month starting March 2009.

13. Adjournment

The next meeting will be on February 11, 2009 at 9:30 a.m. in the Union Station Room on
the 3rd floor.
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<tr>
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<tr>
<td>AUTOMOBILE CLUB OF CALIFORNIA</td>
<td>1. Marianne Kim/Stephen Finnegan</td>
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<td>BUS OPERATIONS SUBCOMMITTEE (BOS)</td>
<td>1. David Reyno/Grace Eng Nadel</td>
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<td>2. Dennis Kobats/Susan Lipman</td>
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<tr>
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<td>1. Sgt. Mike Stefanoff/Lt. Dave Bowen</td>
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<td>CALTRANS</td>
<td>1. Raja Marwah/Alberto Angelini</td>
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<td>2. Rose Caseo/Kirk Lessner</td>
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<td>CITIZEN REPRESENTATIVE ON ADA</td>
<td>1. Ellen Blackman/John Whitbread</td>
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<td>1. Sumi Gant/Mark Christoffels</td>
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<td>1. James Leighton/John Fong</td>
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<td>2. Haripal Vir/Mike Uyeno</td>
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<td>3. Gina Manchra/Ferdy Chan</td>
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<td>Mark Herwick/Gunnar Hand</td>
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<td>Shafi Afshar/Maged El-Rabaa</td>
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<td>Patrick V. DeChellis/Paul Maselbas</td>
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<td>LEAGUE OF CALIFORNIA CITIES</td>
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<td>Arroyo Verdugo Cities</td>
<td>Greg Herrmann/Cathi Cole</td>
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<td>Gateway Cities COG</td>
<td>Desi Alvarez/Lisa Rapp</td>
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<td>North Los Angeles County</td>
<td>Robert Brager/Ramiro Adca</td>
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<td>San Gabriel Valley COG</td>
<td>Nicole Pizzo/Mike Behen</td>
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<td>South Bay Cities COG</td>
<td>Larry Stevens/Craig Bradshaw</td>
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<td>Westside Cities COG</td>
<td>Steven Huang/Victor Rollinger</td>
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<td>David Feinberg/Sharon Perlstein</td>
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<td>Committee/Authority</td>
<td>Member 1</td>
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<td>LOCAL TRANSIT SYSTEMS SUBCOMMITTEE (LTSS)</td>
<td>Jacob Badgianian/Alex Gonzalez</td>
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<td>METROPOLITAN TRANSPORTATION AUTHORITY (Metro)</td>
<td>Alan Patashnik/Fanny Pan Countywide Planning &amp; Development</td>
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<tr>
<td>SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA - Ex-Officio)</td>
<td>Steve Lantz/Joanna Capelle</td>
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<td>SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD -- Ex-Officio)</td>
<td>Eyvonne Sells/Kathryn Higgins</td>
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<td>SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG -- Ex-Officio)</td>
<td>David Rubinow/Annie Nam</td>
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<td>GOODS MOVEMENT REPRESENTATIVE (Ex-Officio)</td>
<td>Lupe Valdez/Ron Guss</td>
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<td>TRANSPORTATION DEMAND MANAGEMENT/AIR QUALITY SUBCOMMITTEE</td>
<td>Mark Yamarone/Phil Aker</td>
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<td>STANA JONES</td>
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<td>2</td>
<td>Abdullah Ansari</td>
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<td>3</td>
<td>SHIRLEY LAU</td>
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<td>DUMMY AGUIRRE</td>
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This symposium is designed for:
Transportation professionals who are interested in the effect of the future of transportation demand management on their communities. Decision makers, policy makers or stakeholders, who are interested in how technology and innovation can bring about a greener, more livable and less congested region, should attend.

Symposium participants will explore transportation demand management issues, such as congestion, public transportation, housing, and trends in technology, energy alternatives and other public interests of our time. Be a part of this exciting exchange of information and dialogue. Help re-think possible solutions to a constrained environment. Let’s direct the choices that will re-shape LA County into a sustainable community.

We will discuss:
- Changing the travel patterns in Los Angeles County.
- Using new California planning law to improve TDM.
  (AB 32, SB 375, AB 1358)
- Applying new technology to help manage travel demand in Los Angeles County.
- Integrating sustainability and TDM in local land use entitlement practices.

Guest and Vendor Registration: http://metro.net/tdm

For questions and other inquiries, please contact:

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Rufina Juarez
Metro
Project Manager - TDM/TI, Central Area Team
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juarezr@metro.net
January 8, 2009

The Honorable Harry Reid  
Senate Majority Leader  
Washington, DC 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
Washington, DC 20510

The Honorable Daniel Inouye  
Chairman  
Senate Committee on Appropriations  
Washington, DC 20510

The Honorable Thad Cochran  
Ranking Member  
Senate Committee on Appropriations  
Washington, DC 20510

The Honorable Patty Murray  
Chairman  
Senate Subcommittee on Transportation, Housing, and Urban Development  
Senate Committee on Appropriations  
Washington, DC 20510

The Honorable Christopher Bond  
Ranking Member  
Senate Subcommittee on Transportation, Housing, and Urban Development  
Senate Committee on Appropriations  
Washington, DC 20510

Dear Colleagues:

We write to express the critical importance of funding public transportation projects in the proposed economic recovery package, and we ask that you support efforts to make sure that we are doing what we can to rebuild and revitalize our mass transit systems in the months ahead. Investment in mass transit systems will help us achieve our national goal of reducing our reliance on oil, while creating the jobs that we need to help the economy bounce back from recession. There are an estimated $52 billion in transit capital investments that can and should be made over the next two years, and given the high economic stimulus and green job creation potential that investment in public transit has, we ask that the economic recovery package reflect as much of this need as possible.

Many of our country's transit systems are aging and in need of various capital improvements. Moreover, with the unpredictability of fuel prices and growing traffic congestion, it is now more important than ever that Americans have an affordable, alternative means of transportation. In 2007 Americans took 10.3 billion trips on U.S. public transportation - the highest number of trips taken in fifty years; yet across the country transit systems are facing funding deficits and are struggling to maintain aging and over-burdened infrastructure, resulting in fare increases and service cuts despite the surge in ridership demand over the last year. For that reason, we strongly request that transit investments be targeted to systems that are in the most need of investment and have maintenance and improvement projects that are ready to go.
Public transportation is also an effective green investment in our nation's economy. When passengers switch from cars to heavy, commuter, and light rail, regular or rapid bus transit for their daily commutes, they reduce congestion, carbon emissions, as well as daily wear and tear on roads and bridges. Improving and expanding mass transportation systems also creates new travel opportunities for workers seeking jobs outside of their immediate communities.

Investing in mass transportation will be critical for reaching the three million new jobs that the proposed economic recovery package hopes to create. Mass transportation demands workers who will design, build, maintain and operate transit systems; and these workers exist at every skill level and in geographically diverse regions throughout the country.

Building the green infrastructure for the 21st century will require substantial investments in mass transit, both in the economic recovery package and beyond. Therefore, we strongly suggest that in addition to including investment in transit as part of the infrastructure component of the recovery package, transit investment should also be a part of the green jobs and energy component. There is more than $80 billion needed in mass transit investment over the next two years, by way of transit capital assistance grants to create new transit lines and systems in cities throughout our country. We also ask that you consider including funding for transit agencies to make investments to reduce their use of energy through energy assistance grants for public transit systems, as well as providing operating assistance to help the nation's transit providers respond to steep increases in ridership.

Thank you for your attention to this important matter. Public transportation should be a high priority in the proposed economic recovery package, and we ask for your full support.

Sincerely,

Charles E. Schumer
United States Senator

Hillary Rodham Clinton
United States Senator

Frank R. Lautenberg
United States Senator

Robert Menendez
United States Senator

Dianne Feinstein
United States Senator
December 26, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232 Capitol
Washington, D.C. 20515

The Honorable Harry Reid
Senate Majority Leader
S-221 Capitol
Washington, D.C. 20510

Dear Madam Speaker and Majority Leader Reid:

As you continue to coordinate and consult with the transition team of President-elect Obama in developing a comprehensive economic recovery plan, we are writing to express our strong appreciation of your efforts and also to request your assistance in addressing two critical transportation issues.

Ensure Proper Distribution of Highway Funds to Metropolitan Areas

The House-passed economic stimulus bill utilizes the Surface Transportation Program (STP) as the mechanism to distribute highway funds. We applaud this decision, as STP includes very specific suballocation and set-aside requirements that work well for the metropolitan regions we represent. However, the language specifically exempts states from suballocating funds to regions/metropolitan areas. Under the House version passed in September (H.R. 7110), these program features would not apply. As a result, funds may not properly flow to the regions – or they may not even flow at all. This would be a significant problem for metropolitan areas.

In order to rectify this situation, Metro respectfully requests that the economic recovery legislation include language clarifying that current law (i.e. the existing STP structure) would apply when stimulus funds are distributed to the states. This would ensure that formula funds reach the local level.

Reward Localities That Raise Dedicated Transportation Funds

A total of 19 counties in California – along with dozens more throughout the nation – are known as “self-help” counties because of their commitment to raise local funds (typically a voter-approved sales tax) dedicated for transportation purposes. California “self-help” entities include the counties of Alameda, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Clara, Sonoma and Tulare.

Collectively, California’s “self-help” counties raise $2.98 billion annually in dedicated transportation revenue. Moreover, since the 1980’s when the first transportation sales tax measures were adopted, “self-help” counties in our state have raised a total of $34.8 billion as of December 31, 2006. These are impressive figures and reflect a strong willingness on the part of our counties to generate sizable local dollars for critical transportation investments.
As such, we believe the economic recovery package should reward areas that raise and invest their own money versus areas that have chosen not to raise transportation revenue. Specifically, we urge Congress to do the following:

- Allow, but not require, up to 100 percent federal funding on recovery projects.

- Allow state and local agencies to determine the match requirement if the locality elects not to accept 100% federal funding on a given recovery project.

- Establish a self help incentive component that rewards state and local agencies for investing their own funding in transportation projects. Under this program, any project sponsor that chooses to match federal transportation stimulus funds with local funds would be eligible for additional incentive funds in direct proportion to the recovery funds allocated to the state and local agencies. For example, if California and its self help agencies were to match federal transportation recovery funds in an amount that equals 20 percent of all local/state match nationwide, then California and its local self help agencies would be allocated 20 percent of the incentive funding.

Such an approach would combine federal funds with local funds to produce even greater levels of economic stimulus and job creation.

As the economic recovery package moves forward, Metro looks forward to working closely with you to ensure that the transportation component of the bill creates the greatest possible impact on job creation and economic growth. We thank you in advance for your consideration of these important issues.

Sincerely,

Roger Snoble
Chief Executive Officer

cc: Hon. James Oberstar, Chairman of the House Transportation & Infrastructure Committee  
Hon. Barbara Boxer, Chairman of the Senate Environment & Public Works Committee  
Hon. Christopher Dodd, Chairman of the Senate Banking, Housing & Urban Affairs Committee  
Los Angeles County Congressional Delegation  
Obama-Biden Transition Project Agency Review Working Group on Transportation
Requested Actions - Budget Amendment

Prop A & C Debt Interest Increases

Sales-Leaseback Contracts

State Funding Shortfall
additional reductions possible in State mid-year

- Municipal Operators: $18.5 million
- Rail: $60.2 million
- Bus: $57.6 million

Impacts:

- Region: Adopted State budget $90 million for L.A.
- Prior budget: $227.2 million STA revenue

State Funding Shortfall (STA)
Total proposed mitigation = $136.3 million

Savings reprogrammed to FY09 $6.2 million of prior year capital program

Capital expense reduction

Capital expense reduction

FY09 Metro and Muni operating expenses

FY09 Metro and Muni operating expenses

$21.9 million FY09 bus and rail operating and

$108.2 million Fund Balance Transfer to Fund

Three Part STA Mitigation Proposal
Some capital projects deferred until FY10

Eliminated FY09 new ridership initiative

Reduced professional services, travel and training

and Measure R projects and programs

- Related to Prop IB, Congestion Reduction Demonstration
- Operation, maintenance or safety of the transit system, or
- CEO mandated non-contract hiring freeze. Excludes:

$21.9 Million Expense Reductions
modifications
require specialized legal assistance for
Once agreements reached, each contract will

solution
working with other transit properties for federal

Replacement firms difficult to find and costly

Leaseback contracts requiring replacement

AIC downgrade triggered clause in sales

Sales-Leaseback Contracts
fund interest cost

Additional budget required in FY09 to

banks participating in the market place

Refunding delayed due to lack of liquidity

interest rates on our variable rate bonds

Volatile economic market increased

Prop A and C Debt Interest
Fund for rail operations

Transfer $29.9 million of prior STA population share fund balance to enterprise fund.

A. Transfer $89.7 million Prop C40% fund balance to Enterprise Fund for bus and rail operations.

B. Transfer $18.5 million of Prop C40% fund subsidies and amend STA claims balance to eligible Municipal Operators.

C. Transfer $29.9 million of prior STA.
Fund to pay interest expense

General Fund balance to the Debt Service

Transfer $23 million of Prop A, C, and

Leaseback fund balance

Financial Services budget from the sales.

Add $1 million of expense and revenue to

FY08 savings from completed capital projects

Approve reprogramming of $6.2 million of

Requested Action (cont')
January 14, 2009
Finance and Budget Committee
Parameters
FY10 Business Planning
development, adopted annually as framework for budget Planning Parameters are to be

Financial Stability Policy:

Introduction
(Prop A & C: $102.5 million less than the FY09 budget)

B. TDA: $323.5 million

forecasts)

Metro

Budget based on UCLA/Muni Services reduced

Measure R: $380.3 million

Prop C: $649 million

Prop A: $649 million

Sales Tax Revenue:

Business Planning Parameters
Revenue per boarding is $0.66 per boarding.

E. Farebox recovery ratio result is 26.4%.

Farebox recovery ratio result is 26.4%.

($15.8 million more than FY09 budget based on FY09 trends)

D. Fare revenues: $342 million

Economic environment

($227 million less than FY09 based on current state budget)

C. State Transit Assistance (STA): $0

Business Planning Parameters (cont.)
C. DWP Settlement

(legislation extended credits through Dec 2009)

F. CNG Fuel Credits: $10.2 million

Business Planning Parameters (cont.)
(Projects)

Includes all direct and indirect FTEs required to support listed programs

- Congestion Reduction Demonstration Projects
- Interstate 405 project management and construction
- Prop I B capital project management, development, and construction
- Measure R Implementation
- Eastside Extension Rail Operations

Activities:

H. New FTEs added only for the following

Business Planning Parameters (cont.)
(excludes employees with collective bargaining agreements in effect)

K. NO WAGE INCREASES

1. Duplication and unproductive service
   (includes 102 RSH for Orange Line and restructuring of 100,000 hours in June and 60,000 hours in December to eliminate)

Bus revenue service hours: 7,560,000

1. Rail revenue service hours: 8,286 (includes addition of Eastside Extension)

Business Planning Parameters (cont.)
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<th>Revised Deficit after Decreases ($115.7)</th>
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<tr>
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<td>Expense Reductions</td>
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<td>Decrease to Deficit</td>
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<td>Revised Deficit ($279.7)</td>
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<td>Revenue Losses</td>
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<td>Deficit per Ten-Year Forecast ($134.1)</td>
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Status of FY10 Deficit
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<td>Measure R: Backfill Fare Revenue Loss</td>
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<td>Prop 1B: Bus Rebuild and Contract Service Bus Buy</td>
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<td>4.0</td>
<td>Prop 4% for Rail Operating (Substitute for STA)</td>
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<td>8.2</td>
<td>DWP Settlement to Fund Operating Expense</td>
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<td>6.12</td>
<td>CNC Fuel Credit Extension</td>
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<td>Total Revenue Update</td>
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Recommended use of fund balances, if necessary

Continue to seek additional state and federal funding

"Defeat the Deficit" Program

FY10 budget process

Identify additional expense reductions during Next Steps