

FISCAL YEAR 2019 BUDGET DEVELOPMENT UPDATE

Finance, Budget and Audit Committee
March 14, 2018

Meeting Agenda

- FY19 Budget Process and Schedule
- Outreach Update
- FY19 Preliminary Budget by Program Overview
- Expenses
 - Transit Expansion
 - Highway Construction
 - Regional Rail
- Next Steps

FY19 Budget Process and Schedule



Month	Topic
February	Process and Budget Outlook <ul style="list-style-type: none"> • Budget Development Process and Schedule • Stakeholder Outreach Plan • Sales Tax Forecast, Resources Assumptions • Cost Inflation Estimate
March	New Infrastructure Planning and Construction <ul style="list-style-type: none"> • New Transit System: Rail, Bus Rapid Transit • Highway • Regional Rail • Outreach Update
April	Operating Budget and Regional Subsidy <ul style="list-style-type: none"> • Metro Transit, including Bus and Rail Service Levels • State of Good Repair (SGR) • Subsidy to Regional Partners • Other Agency-wide Programs
May	FY19 Budget Adoption (Planned) <ul style="list-style-type: none"> • Consolidated Agency-wide Expenses and FTEs Budget Proposal • Public Hearing on May 16, 2018 • Summary of Public Comment and Stakeholder Review • Final Board Adoption on May 24, 2018
June	<ul style="list-style-type: none"> • Prep Funds Availability for Metro Programs & Regional Allocations

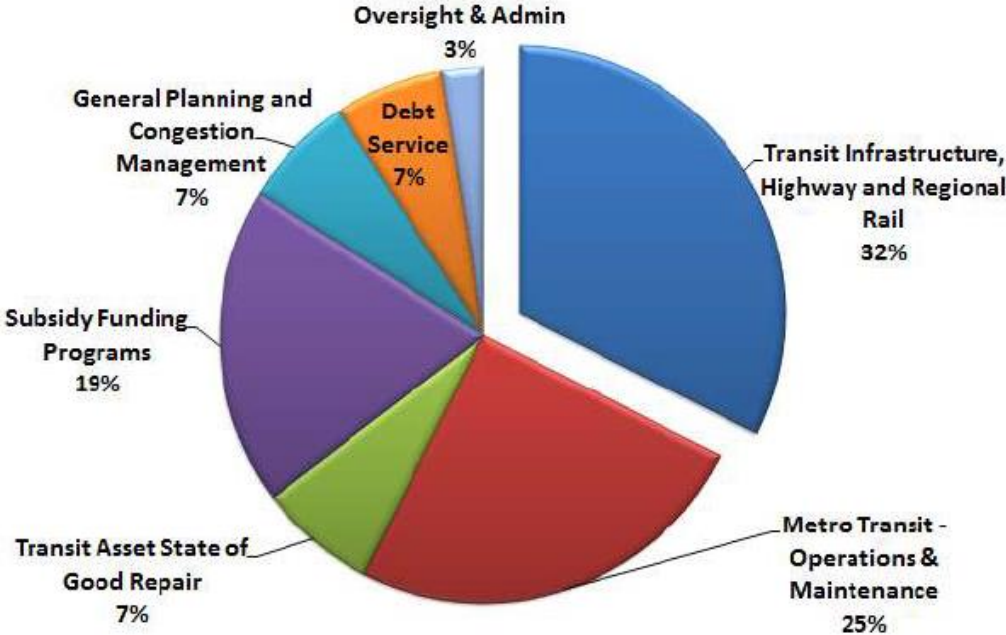
Outreach

- Outreach will be conducted throughout the budget process until board adoption
- Soliciting input with “bottoms-up” approach through key groups (transit riders, communities, key stakeholders, transit operators, and general public)
- Continue to utilize social media campaigns to deliver more information on the budget
- Online Budget Tool
- Telephone Town Hall

Type	Description	Dates
Board Updates	Monthly Board Reports will provide status of budget process	Finance & Budget Committees (Feb/Mar/Apr/May)
Board Staff Briefings	Meetings will be held on specific budget topics with Departments	Focused briefings (Feb/Mar/Apr/May)
Stakeholder meetings	Policy Advisory Committee Technical Advisory Subcommittee Bus Operations Subcommittee Local Transit Systems Subcommittee Streets & Freeways Citizens Advisory Council	Apr 3 Apr 4 Apr 17 Apr 19 Apr 19 Mar 21, Apr 25
Public	Service Council Meetings Telephone Town Hall Meeting On-Line Budgeting Tool Blog posts on theSource Website to provide latest budget information Metro TakeOnes Email for public to provide comments Public Hearing	Apr 4-13 Apr 4-5 Mar/Apr/May Mar/Apr/May Mar/Apr/May Mar/Apr/May Mar/Apr/May May 16
Board and Deputy briefings	Will be scheduled as requested with each of the Board offices	May (as requested)

FY19 Preliminary Budget by Program Overview

Current preliminary FY19 target is estimated to be \$6.5B

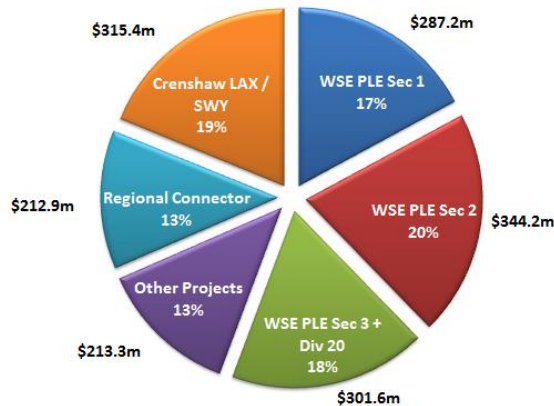


*FY19 Preliminary Budget subject to change as budget becomes finalized

FY19 Transit Expansion

MM/MR Transit Expansion Projects Cashflow (\$ in 000's)	FY 18 Budget	FY 19 Proposed Budget	FY 19 less FY 18	% Expend thru FY 19
TRANSIT				
1 Westside Purple Line Ext (WSE PLE) Sect 1*	379,597	287,221	(92,385)	49%
2 WSE PLE Sect 2*	267,331	344,163	76,832	36%
3 WSE PLE Sect 3**	245,247	228,049	(17,199)	14%
4 WSE PLE Div 20 Turnback & Portal Widening	73,303	73,564	261	
5 Crenshaw LAX / SWY / Div 22 / Addl Activities*	409,713	315,440	(94,272)	97%
6 Regional Connector*	200,999	212,854	11,855	69%
7 GoldLine Foothill Ext to Claremont*	22,212	39,757	17,545	4%
8 Airport Metro Connector**	76,284	27,671	(48,613)	16%
9 East SFV Transit Corridor**	3,206	26,017	22,811	3%
10 W Santa Ana Branch Corridor**	5,534	23,859	18,325	1%
11 SFV I-405 / Sepulveda Pass Transit Corridor**	4,774	18,354	13,580	
12 Orange Line Improvements**	9,108	15,011	5,903	6%
13 Business Interruption Fund	7,000	9,188	2,188	
14 Eastside Light Rail Access*	3,946	8,925	4,979	84%
15 Expo II & Foothill Project Closeouts	5,117	7,270	2,153	
16 Eastside Extension II**	5,432	5,822	390	
17 Planning Studies for MM/MR Transit Projects		31,621	31,621	
18 Meas R / M Transit Expansion	1,718,802	1,674,775	(44,027)	
*Current Board Authorized Life of Project Budget				
**Uses Project Cost Estimate in 2015\$ per Measure M Ordinance Attachment				

- Total Transit expansion program is estimated at \$1,674.8M for FY19
- 87% of the Proposed Transit Expansion Budget is planned for 3 major projects:
 - Westside Purple Line Extension Sections 1-3, including division 20 expansion for a total of \$933M
 - Regional Connector Light Rail Transit for \$213M; target opening on Dec. 2021
 - Crenshaw LAX / Southwestern Yard for \$315M; target opening on Oct. 2019
- FY19 Groundbreakings Planned:
 - Gold Line Foothill to Claremont \$40M
 - Orange Line Improvements for \$15M
- Business Interruption Fund is at \$9.2M project allocations



FY19 Highway Construction

	Highway Projects Cashflow (\$ in 000's)	FY18 Budget	FY19 Proposed Budget	FY19 less FY18
	HIGHWAY			
1	MM / MR Subregional Projects	68,588	137,497	68,909
2	MM / MR Caltrans	24,746	70,290	45,544
3	MR ITS & Metro Managed Total	27,923	29,318	1,394
4	Soundwall Projects	15,483	43,153	27,669
5	I-405 Closeout	6,090	3,572	(2,519)
6	Highway Planning Efforts	19,369	20,636	1,267
7	Highway	162,201	304,466	142,265

- Annual growth is \$162M to \$304M representing 88% year over year
- Highways are not a Metro asset, as Metro normally manages front end efforts:
 - Plans, Specifications & Estimates (PS&E)
 - Project Approval/Environmental Document (PA/ED)
 - Project Implementation Document (PID)
- Measure **R/M** Sub Regional projects grow from \$68.6M to \$137.5M
- MR Caltrans projects grow from \$24.7M to \$70.3M
- MR ITS & Metro Managed projects grow from \$27.9M to \$29.3M
- Soundwall Projects \$43.2M
- I-405 Closeout Project \$3.6M

FY19 Regional Rail

	Regional Rail / Metrolink Operations Projects Cashflow (\$ in 000's)	FY18 Budget	FY19 Proposed Budget	FY19 less FY18
	REGIONAL RAIL			
1	Rosecrans & Marquardt Grade Separation	20,917	30,487	9,570
2	LINK Union Station (LINKUS)	24,970	29,300	4,330
3	Brighton to Roxford Double Track	4,500	6,662	2,162
4	Other Projects/Staff Support	16,094	7,703	(8,391)
5	Metrolink Operations	76,976	76,976	0
6	Metrolink Captial & State of Good Repair	34,698	27,221	(7,477)
7	Regional Rail	178,155	178,349	194

- The FY19 Regional Rail program expenditure levels remain flat from FY18. \$178.2M versus \$178.3M

Metro Regional Rail Project highlights in FY19 Budget include:

- Link US design/engineering
- Rosecrans/Marquardt Grade Crossing Project
- Brighton to Roxford design/engineering
- Doran Street Grade Crossing design/engineering
- Capacity studies on the:
 - Antelope Valley Line – LAUS to Burbank
 - Antelope Valley Line – North County
 - San Bernardino Line
- Grade Crossing safety enhancements and improvements study; New Burbank Airport Station closeout

Metrolink operating subsidy is currently proposed to remain equal to FY18 Board approved level

Next Steps

- Monthly Board Status Update until targeted May Budget Adoption
- Continue outreach efforts to engage stakeholder groups utilizing social media and creative venues, such as Telephone Town Hall and Online Budgeting Tool
- Public hearing of the proposed budget will take place on May 16th
- Final board adoption expected on May 24th
 - Board adoption legally required before fiscal year start

