

Los Angeles County Metropolitan Transportation Authority

# ADOPTED BUDGET

## FY2008

July 1, 2007 – June 30, 2008



**Metro**

America's  Best

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# FY08 Budget



Los Angeles County Metropolitan Transportation Authority  
Office of Management and Budget  
One Gateway Plaza  
Los Angeles, CA 90012-2952



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I. Description of Metro and Strategic Plan

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## Message from the Chief Executive Officer

Metro is a unique agency – a transit operator, a transportation planner, a transportation infrastructure builder, and an overseer of all transportation funding in Los Angeles County. The budget is a reflection of these different activities - it identifies expenses and revenues sufficient to cover all requirements for FY 2007/2008.

However, the agency continues to face challenges with identifying adequate funding to maintain existing bus and rail service. With adoption of the FY08 budget, Metro took a major step toward stabilizing the operating budget. For only the second time in the past 12 years there is a modest fare increase that will help to close the gap between escalating bus and rail operating expenses and limited operating revenues.

The \$3.1 billion budget is just under 3 percent more than last year's budget. The increase is largely due to increased transportation subsidies for the County and cities, CPI cost increases for Metro bus and rail service, funding for municipal bus operators, paratransit service for the disabled, ongoing construction for the Metro Gold Line Eastside Extension to East Los Angeles and the first phase of the Exposition Light Rail line to Culver City.

This is a no frills budget. Despite the fare increase, we will still need to use approximately \$40 million of one-time revenues this year to subsidize bus and rail operations. That means we have to aggressively pursue other revenue sources from state bond monies, advertising, property development along our rail lines and the Metro Orange Line, and explore other options such as congestion pricing, establishing benefit assessment districts around new rail lines, tapping shipping fees to pay for improving goods movement, and boosting Metro operating efficiency. Toward this end, we will expand Metro Rapid bus service, phase-in Metro Connections to serve major transit hubs, and purchase new high-capacity buses.

There will be a slight increase in bus service hours spread throughout Los Angeles County, including the popular Metro Orange Line, and the quality of service will improve as Metro purchases up to 100 new 60-foot articulated buses that have more seating capacity than standard 40-foot coaches. During FY08, Metro will experiment with a 65-foot prototype bus on the Metro Orange Line, which connects the North Hollywood Metro Rail stop with Warner Center in the San Fernando Valley.

In FY08, Metro will launch eight new Metro Rapid lines and work with the cities to install technology to extend green lights or turn red lights green ten seconds faster. The combination of signal priority and making fewer stops allows Metro Rapid to operate about 25 percent faster than local buses.

By June 2008, 500 Metro Rapid buses will serve 28 transit corridors covering 420 route miles and 35 cities throughout Los Angeles County. Besides Metro, the Santa Monica, Torrance, and Culver City municipal operators will also provide this special service.

Nearly 275,000 riders board Metro Rail trains weekdays and that will grow as the system, now spanning 73 miles, expands in 2009 with the scheduled opening of the six-mile extension of the Metro Gold Line from Union Station downtown to East Los Angeles via



Little Tokyo/Arts District and Boyle Heights and the 8.5-mile Exposition Line from downtown Los Angeles to Culver City, expected to open in 2010. Moreover, new joint development projects under construction or planned around many of the Metro Rail stations will help promote ridership.

Metro is a multimodal transportation agency responsible for funding a variety of highway and other regional transportation programs such as construction of freeway carpool lanes, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other transportation programs. Funding is also included for the Metro Freeway Service Patrol to help stranded motorists.

Some of the major highway projects that will be under construction in FY08 include:

- Interstate 405/US 101 interchange northbound connector gap closure.
- Interstate 405 northbound carpool lane from Ventura Boulevard to Burbank Boulevard.
- Interstate 5 carpool lanes in both directions between Route 14 and Route 118.
- Interstate 405 carpool lanes between Route 90 and Interstate 10.
- Interstate 405 southbound carpool auxiliary lane from Waterford Street to Interstate 10.
- US 101 freeway realignment and reconstruction of the ramps at Center Street.
- Route 60 carpool lanes both directions between Interstate 605 and Brea Canyon Road.

Metro is the lead transportation planning agency for Los Angeles County. In that capacity, it oversees an array of planning studies for critical new highway and public transportation projects that will be underway in the next fiscal year. Some examples include:

- Environmental clearance and preliminary engineering for the Canoga North/South Metro Orange Line extension.
- Environmental clearance for the Crenshaw-Prairie Transit Corridor projects.
- Environmental clearance for the I-710 corridor.

In FY08, Metro will also complete a Multi-County Goods Movement Action Plan that addresses the burgeoning truck and rail traffic moving goods from the ports.

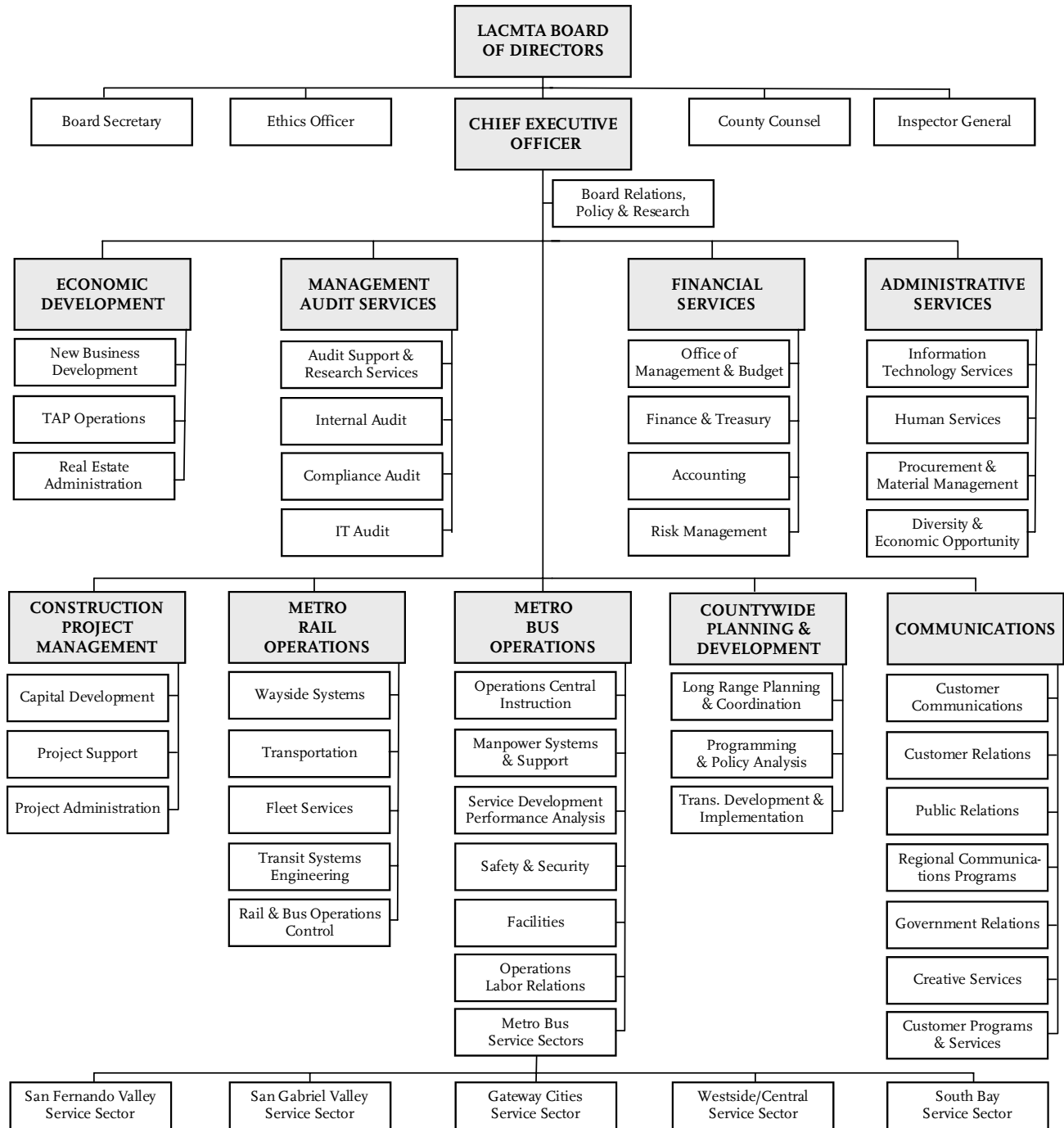
This fiscal year, Metro will update its Long Range Transportation Plan, which will set transportation spending priorities through the year 2030 against a backdrop of ever-growing demand for new mobility options with limited resources to pay for them. It's a balancing act, but Metro is adept at keeping its footing and moving forward in the face of challenges. And that's the mark of a true performer.

Sincerely,



Roger Snoble

## FY08 Los Angeles County Metropolitan Transportation Authority Organization Chart



## Metro Board of Directors



**Gloria Molina**  
Board Chairwoman  
LA County Supervisor  
1<sup>st</sup> Supervisorial District

Board Chairwoman Molina is also the Chairwoman of the LA County Board of Supervisors representing the First District. Chairwoman Molina was first elected to this office in March 1991 and re-elected in 1994, 1998 and 2002. Prior to her election to the Board of Supervisors, Chairwoman Molina served as State Assemblywoman for the 56<sup>th</sup> District from 1982 to 1987. In 1987, she was elected to the LA City Council, where she represented the First District until 1991. Before her election to public office, Chairwoman Molina served in the Carter White House and subsequently in the San Francisco Department of Health and Human Services. Chairwoman Molina remains active in community issues through her memberships with numerous civil rights organizations. She attended East L.A. College and Rio Hondo College.



**Pam O'Connor**  
Board 1<sup>st</sup> Vice Chair  
City Council Member  
City of Santa Monica

Council Member O'Connor has served on the Santa Monica City Council since 1994 and has served three terms as mayor. She is a member of the SCAG Regional Council and is on the Board of Directors of the Local Government Commission. She also serves on committees for the League of California Cities and the National League of Cities. Council Member O'Connor works as a private consultant, specializing in historic preservation. She has worked throughout Southern California on projects, including the rehabilitation of Los Angeles' City Hall and on numerous buildings at UCLA and USC. Council Member O'Connor earned a B.S. degree in journalism from Southern Illinois University and holds masters' degrees in historic preservation planning and in technology management from Eastern Michigan University.



**Antonio Villaraigosa**  
Board 2<sup>nd</sup> Vice Chair  
Mayor, City of Los Angeles

Antonio Villaraigosa was elected the 41<sup>st</sup> Mayor of Los Angeles in 2005. Previously, he represented the 14<sup>th</sup> District on the City Council and served on the Metro Board of Directors. Prior to his election to the City Council, Mr. Villaraigosa was elected to the California State Assembly, serving as Democratic Whip, Majority Leader and Speaker of the Assembly. Mayor Villaraigosa has earned a reputation as a national leader for his bold programs to address education, public safety, transportation and other challenges facing Los Angeles. He has also taken great strides to encourage fiscal responsibility throughout City government, reducing the deficit and working to balance the budget during his first two years in office.



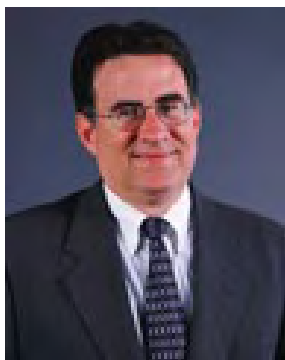
**Michael Antonovich**  
LA County Supervisor  
5<sup>th</sup> Supervisorial District

Mr. Antonovich is a member of the Los Angeles County Board of Supervisors and represents the Fifth Supervisorial District. Supervisor Antonovich was reelected to his seventh four-year term in 2004. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1969 to 1972. Supervisor Antonovich has held teaching positions with the Los Angeles Unified School District, California State University Los Angeles and Pepperdine University. In addition to his distinguished career in public service, he maintains an active role in community activities. Supervisor Antonovich holds a bachelor of arts degree and master's degree from California State University, Los Angeles.



**Yvonne Brathwaite Burke**  
LA County Supervisor  
2<sup>nd</sup> Supervisorial District

Mrs. Burke is the Los Angeles County Supervisor for the Second Supervisorial District, having been elected in 1992 and reelected in 1996, 2000, and 2004. Mrs. Burke served as a member of Congress from 1972 to 1978, and as a State Assemblywoman from 1966 to 1972. She has served on numerous boards, including the University of California Board of Regents, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), and Chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Mrs. Burke received a B.A. degree in political science from the University of California, Los Angeles, and a J.D. from the University of Southern California School of Law.



**John Fasana**  
City Council Member  
City of Duarte

Council Member Fasana has served on the Duarte City Council since 1987, and served as Mayor in 1990, 1997 and 2004. He has represented thirty San Gabriel Valley cities on the Los Angeles County Metropolitan Transportation Authority Board since its inception in 1993 and served as Metro Board Chair during the 2001-2002 fiscal year and is currently a member of the Executive Management and Audit Committee and the Construction Committee. Council Member Fasana also serves as Chair of the San Gabriel Valley Council of Governments Transportation Committee, and represents seven cities on the Foothill Transit Executive Board. He has 26 years of service with Southern California Edison and is a graduate of Whittier College with a bachelor of arts degree in business administration.



**David Fleming**  
Lawyer, Latham & Watkins  
City of Los Angeles  
Mayor Appointee

Mr. Fleming initiated charter reform in the City of Los Angeles. In 1997, he and Mayor Riordan co-chaired a voters' initiative to reform LA City government, culminating in the creation of a citizens' Charter Reform Commission which drafted the new charter that was adopted in 1999. In 2003, he was appointed a trustee of the James Madison Foundation by President George W. Bush. Fleming is currently the Chair of the LA Area Chamber of Commerce and on the Board of the MTA. He is a past chairman of the LA Economic Development Corporation, a past Vice-Chairman of the California Transportation Commission, a former commissioner on the LA City Ethics Commission and a former President of the LA City Board of Fire Commissioners. Mr. Fleming graduated from UCLA Law School and is a member of the California State Bar.



**Richard Katz**  
Past member, CA State Assembly  
City of Los Angeles  
Mayor Appointee

Mr. Katz served on the State Water Resources Control Board from 2001-2006. He served Governor Davis as his Senior Advisor on Energy and Water and led negotiations on the landmark Colorado River Agreement with the Federal Government, California Water Agencies, and the six other states. Mr. Katz served 16 years in the State Legislature beginning in 1980 including a term as the Democratic Leader. For 10 years, Mr. Katz chaired the Assembly Transportation Committee. He authored Proposition 111 to raise money for mass transit/highways and created the Congestion Management Program. Mr. Katz now resides in Sherman Oaks and owns a private consulting practice.



**Don Knabe**  
LA County Supervisor  
4<sup>th</sup> Supervisorial District

Mr. Knabe is a member of the Los Angeles County Board of Supervisors representing the Fourth District. Supervisor Knabe was elected to the Board in 1996 and reelected twice since. He is a White House appointee to the State and Local Elected Officials Senior Advisory Committee to the Homeland Security Advisory Council. Supervisor Knabe is a former Mayor and Councilman of the City of Cerritos. He is a recognized leader in regional transportation, serving on the Board of Directors for Metro, Metrolink, and the Alameda Corridor Transportation Authority. He is the immediate past Chairman and Member of the Southern California Regional Airport Authority and a Member of the Southern California Association of Governments Aviation Task Force. He holds a bachelor's degree in business administration from Graceland College in Lamoni, Iowa.





**Bonnie Lowenthal**  
City Council Member  
City of Long Beach

Council Member Lowenthal was elected to represent the First District of the City of Long Beach in 2001. She previously served two terms on the Long Beach Board of Education. She currently chairs the City's Housing and Neighborhoods Committee, Elections Oversight Committee and is Vice Chair of the State Legislation Committee. Council Member Lowenthal is the Long Beach representative on the Alameda Corridor Transportation Authority. She also serves as Vice-Chair of the SCAG – Transportation and Communications Committee, and is the Metro representative on the AQMD Mobile Source Review Committee. Council Member Lowenthal holds a BS from the University of Wisconsin and an MS in Community and Clinical Psychology from CSULB.



**Ara Najarian**  
City Council Member  
City of Glendale

Council Member Najarian was elected to the Glendale City Council in April 2005 and is currently serving as mayor. Before being elected to the city council, he was an elected member of the Glendale Community College Board of Trustees. He served 7 years on the Glendale Transportation and Parking Commission and served two of those years as Chairman. Council Member Najarian is currently Vice Chair of the Glendale Redevelopment Agency and is the Past Chair of the Glendale Housing Authority. He has been an attorney in private practice for 20 years. Council Member Najarian attended Occidental College where he received a BA in Economics and later earned his JD from USC School of Law.



**Bernard Parks**  
City Council Member  
City of Los Angeles  
City of Los Angeles  
Mayor Appointee

Mr. Parks is serving his second term on the LA City Council representing the Eighth Council District. He is Chair of the Budget and Finance Committee and sits on the Claims Board, Ad Hoc Stadium Committee, Board of Referred Powers and the Transportation Committee where he serves as Vice Chair. He was appointed to the Metropolitan Transportation Board of Commissioners by Mayor Villaraigosa. Council Member Parks sits on the Exposition Light Rail Line Construction Authority Board of Directors, and the Regional Council of the Southern California Association of Governments. He spent 38 years as a police officer and became Chief of Police in 1997. Under Chief Parks, homicides fell by 45%, rape assault dropped by nearly 20% and robbery declined by over 45%. Council Member Parks received his BS degree from Pepperdine University and his MS in Public Administration from the University of Southern California.



**Zev Yaroslavsky**

**LA County Supervisor  
3<sup>rd</sup> Supervisorial District**

Supervisor Yaroslavsky, a past chairman of the Metro Board of Directors, is a member of the Los Angeles County Board of Supervisors representing the Third Supervisorial District. He was elected to the office in November 1994 and re-elected three times, most recently in 2006. Supervisor Yaroslavsky is recognized as a leader on fiscal, health care, transportation, cultural and environmental matters. He is also regarded as the County's fiscal watchdog, insisting that it live within its means. He previously served as a member of the Los Angeles City Council between 1975 and 1994. The Los Angeles native earned his bachelor's degree in history and economics from UCLA in 1971 and a master's degree in history in 1972.



**Douglas Failing**

**Ex-officio Member  
Appointed by Governor**

Mr. Failing is the District Director of the California Department of Transportation and is responsible for the day-to-day operation of the nearly 2,600 Caltrans employees serving District 7, which includes Los Angeles and Ventura Counties. Prior to his appointment in June 2002, he served as District 7's Chief Deputy District Director. Mr. Failing has also represented Caltrans on the Alameda Corridor Transportation Authority Governing Board. Mr. Failing is a Registered Civil Engineer in the State of California and was an Executive Board member of the Institute for the Advancement of Engineering (IAE) and past president of the IAE – College of Fellows. Mr. Failing earned his bachelor of science degree in civil engineering from Michigan Technological University.

## Metro Profile

Formed in 1993, the Los Angeles County Metropolitan Transportation Authority (LACMTA), or Metro, serves as transportation planner and coordinator, designer, builder, and operator of the public transportation system for the region. Included among Metro's primary responsibilities to Los Angeles are the following:

- Operate the second largest bus system in the United States, providing over 94 million vehicle service miles annually with an average of 1.3 million boardings per weekday.
- Operate three light rail lines and one heavy rail line with about 275,000 boardings per weekday.
- Administer and distribute transportation funds for all Los Angeles County transit providers.
- Develop and construct Rapid Bus lines and fixed guideways for buses and multi-passenger vehicles.
- Construct new light and heavy rail lines.
- Provide highway construction funding and traffic flow management.
- Promote the use of public transit services and rideshare programs.

Metro headquarters and the Gateway Transit Center are located adjacent to historic Union Station. The Gateway Transit Center links Los Angeles County with neighboring counties in Southern California by providing easy connections for commuters to Metro Bus and Rail, Metrolink (commuter rail) and Amtrak (intercity rail).

A Board of Directors governs the LACMTA. With 13 voting members and one non-voting member, the Board of Directors is appointed as follows:

- The five members of the Los Angeles County Board of Supervisors.
- The Mayor of the City of Los Angeles and three mayoral appointees.
- Four members appointed by the Los Angeles County City Selection Committee.
- One non-voting member appointed by the Governor.

Though legally separate entities, the LACMTA's "blended component" units are, in substance, part of Metro's operations and are included as part of Metro's financial reporting. Accordingly, the activities of the Advanced Technology Vehicle Consortium (ATVC), the Public Transportation Services Corporation (PTSC), two Benefit Assessment Districts (BAD), Exposition Metro Line Construction Authority (Expo), and Service Authority for Freeway Emergencies (SAFE) are also included in the annual budget presentation that follows. Please see Appendices 16 through 20 for detailed financial statements.

The annual budget and additional information about the organization, programs, and services at Metro can be found on its website at [metro.net](http://metro.net).

### Brief History of Metro

1871 – Los Angeles grants operational franchises for horse drawn streetcar railways.

1951 – Los Angeles Chamber works with the state legislature to form the Los Angeles Metropolitan Transit Authority (LAMTA).

1957 – Legislature gives LAMTA authority to purchase and operate privately owned bus lines through sale of revenue bonds.



1964 – Southern California Rapid Transit District (SCRTD) was formed to deliver mass rapid transit system, acquire property by eminent domain, levy taxes with voter approval, issue bonds and create Benefit Assessment Districts.

1964 – Powers and authorities of the LAMTA transferred to the SCRTD.

1976 – Los Angeles County Transportation Commission (LACTC) formed by legislature as new oversight organization for planning and funding mass transit.

1993 – SCRTD and LACTC merged to form the Los Angeles County Metropolitan Transportation Authority (Metro).

### **Los Angeles County Profile**

Los Angeles County in California is the most populous county in the United States with an estimated population of 10.2 million. The county seat is the city of Los Angeles. The county is home to 88 incorporated cities and many unincorporated city-like areas. As of 2004, the county's population is larger than the populations of 42 states, ranking just behind Ohio, and is home to over a quarter of all California residents. In addition, if the county were a nation, it would be the 17th largest economy in the world.

Please see Appendix 22 for a more detailed description of the demographics for Los Angeles County.

## Strategic Planning Process Update

In the updated FY08 Strategic Plan, the CEO assigned Chief Officers to be key owners for each of the seven strategic goals. Each Chief Officer worked with Metro's Communications Department to identify their strategic planning goals, objectives, and strategies. Each strategic goal will have one or more objectives, defined by one or more implementation strategies, which have been aligned to a series of recommended action steps intended to improve overall operational performance.

In July of 2007, the Executive Management Team reaffirmed their commitment to continuous improvement of an efficient and effective transportation system for Los Angeles County. The Chief Officers agreed to report on their respective strategic business unit(s) accomplishments during the CEO's weekly staff meeting(s). These weekly meetings offer the Executive Management Team an opportunity to hear first-hand the strategic business unit's accomplishments, challenges and opportunities. More importantly, the Chief Officers are tasked with working in an open and collaborative manner in order to work better together as a cross-functional and integrated team.

The updated FY08 Metro Strategic Performance Plan will continue to be used

as the basis for agency-wide direction, decisions and activities. The strategic plan is a "living document", which means it is an "evolving plan" and not a rigid or fixed document. Each strategic goal has an established outcome or key performance indicator and performance measures that have been aligned to key management owners and team support partners for improved management accountability, productivity, and organizational performance. Key performance indicators are included in the Strategic Business Units section.

For this reason, the agency has continued to implement a "quarterly review" process as defined by the Office of Management and Budget (OMB). In addition, OMB has developed a balanced scorecard to monitor, track and measure the achieved key performance indicators, which permits management an opportunity to realign the strategic goals, objectives and strategies.

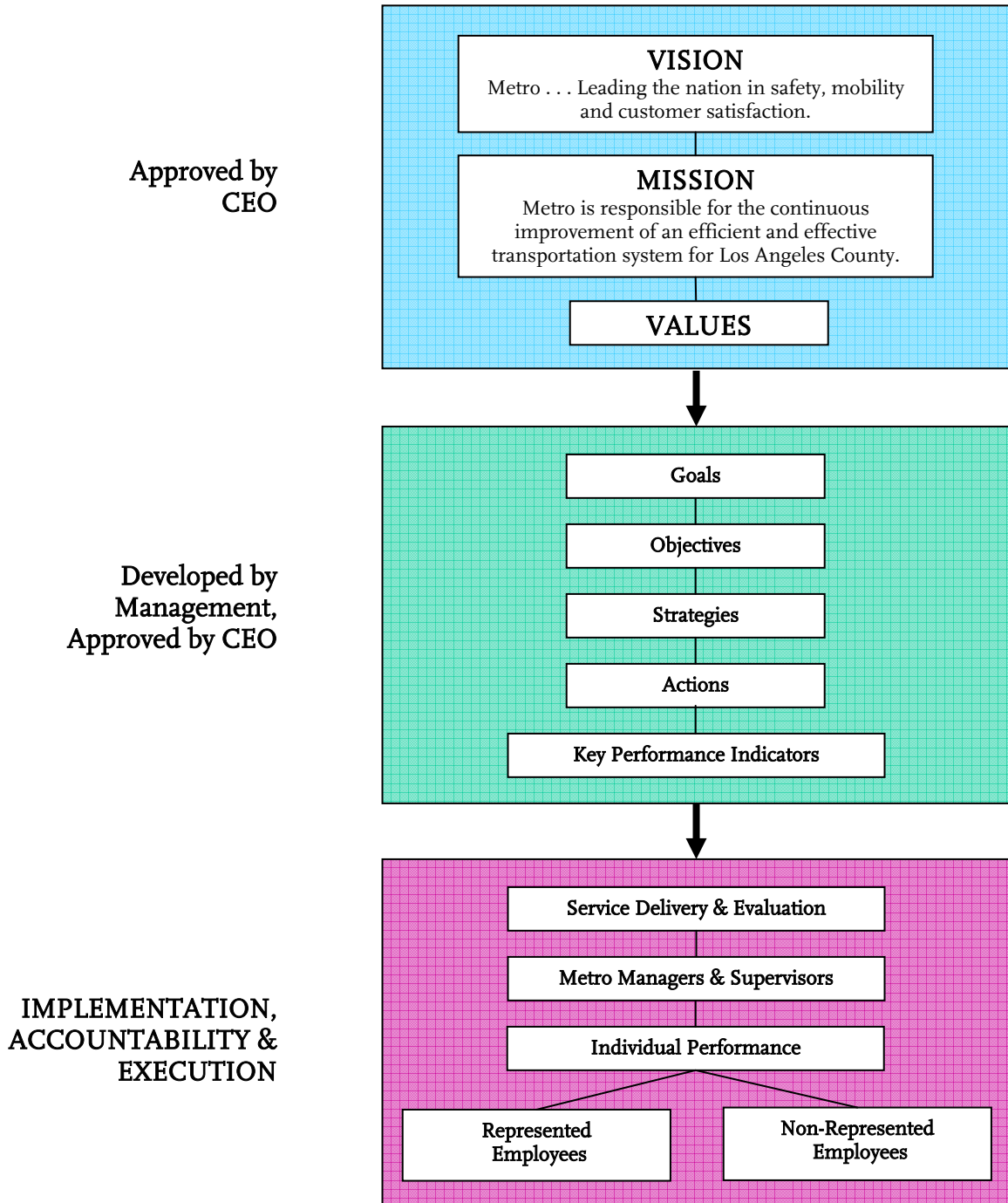
Each year the CEO will reassess the agency's performance, goals and objectives based upon budget appropriations. The programs and resources listed in the agency-wide strategic plan will be realigned annually, based on budget allocations and projections as part of Metro's Long and Short Range Transportation Plans.

## Strategic Plan FY08

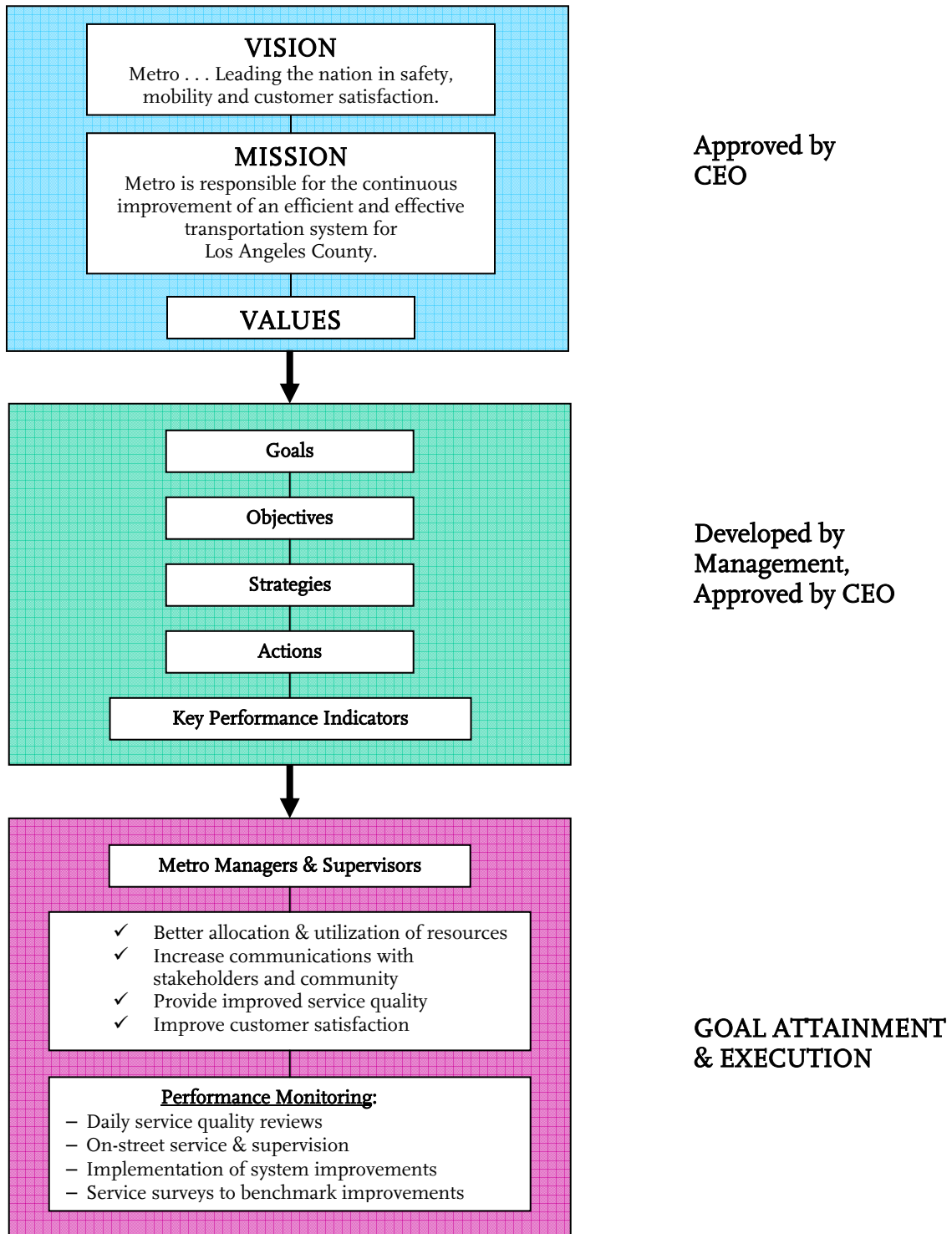
<b>Vision</b>	Metro . . . leading the nation in safety, mobility and customer satisfaction!
<b>Mission</b>	Metro is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.
<b>Core Business Goals</b>	<p>Goal 1: Improve transit services</p> <p>Goal 2: Deliver quality capital projects on time and within budget</p> <p>Goal 3: Exercise fiscal responsibility/maximize agency resources</p> <p>Goal 4: Provide leadership for the region’s mobility agenda</p> <p>Goal 5: Develop an effective and efficient workforce</p> <p>Goal 6: Secure local, state and federal funding</p> <p>Goal 7: Provide effective communication</p> <p>Goal 8: Enhance a safety-conscious culture with employees, contractors and customers</p>
<b>Values</b>	<p><u>Safety</u>            Safety’s 1<sup>st</sup> for our customers, employees and business partners. Accidents and injuries are preventable.</p> <p><u>Employees</u>        Employees are our most valuable resource and are to be treated with mutual respect and provided opportunities for professional development.</p> <p><u>Fiscal Responsibility</u>    Individually and as a team, we are accountable for safeguarding and wisely spending taxpayer dollars entrusted to Metro.</p> <p><u>Integrity</u>            We rely on the professional ethics and honesty of every Metro employee.</p> <p><u>Innovation</u>         Creativity and innovative thinking are valued and new ideas are welcomed.</p> <p><u>Customer Satisfaction</u>    We strive to exceed the expectations of our customers.</p> <p><u>Teamwork</u>            We actively seek to blend our individual talents in order to be the best in the nation.</p>

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## How the Strategic Plan Impacts Metro Employees – Ongoing



## How the Strategic Plan Impacts Metro Customers – Ongoing



## **Communication Plan (Model) - Ongoing**

Overall, this agency seeks continuous recognition as a leader in the national transportation industry. This requires the continuous commitment, energy and hard work of every Metro employee. It is critical that Metro Team Leaders communicate with one voice at every level of the organization and across every transit mode.

This is the basis for developing an agency-wide Communication Plan (model) that promotes and fosters open communication. The model provides each employee an opportunity to articulate and communicate the strategic direction of the agency and help Metro improve communication with customers, employees, business partners and/or stakeholders.

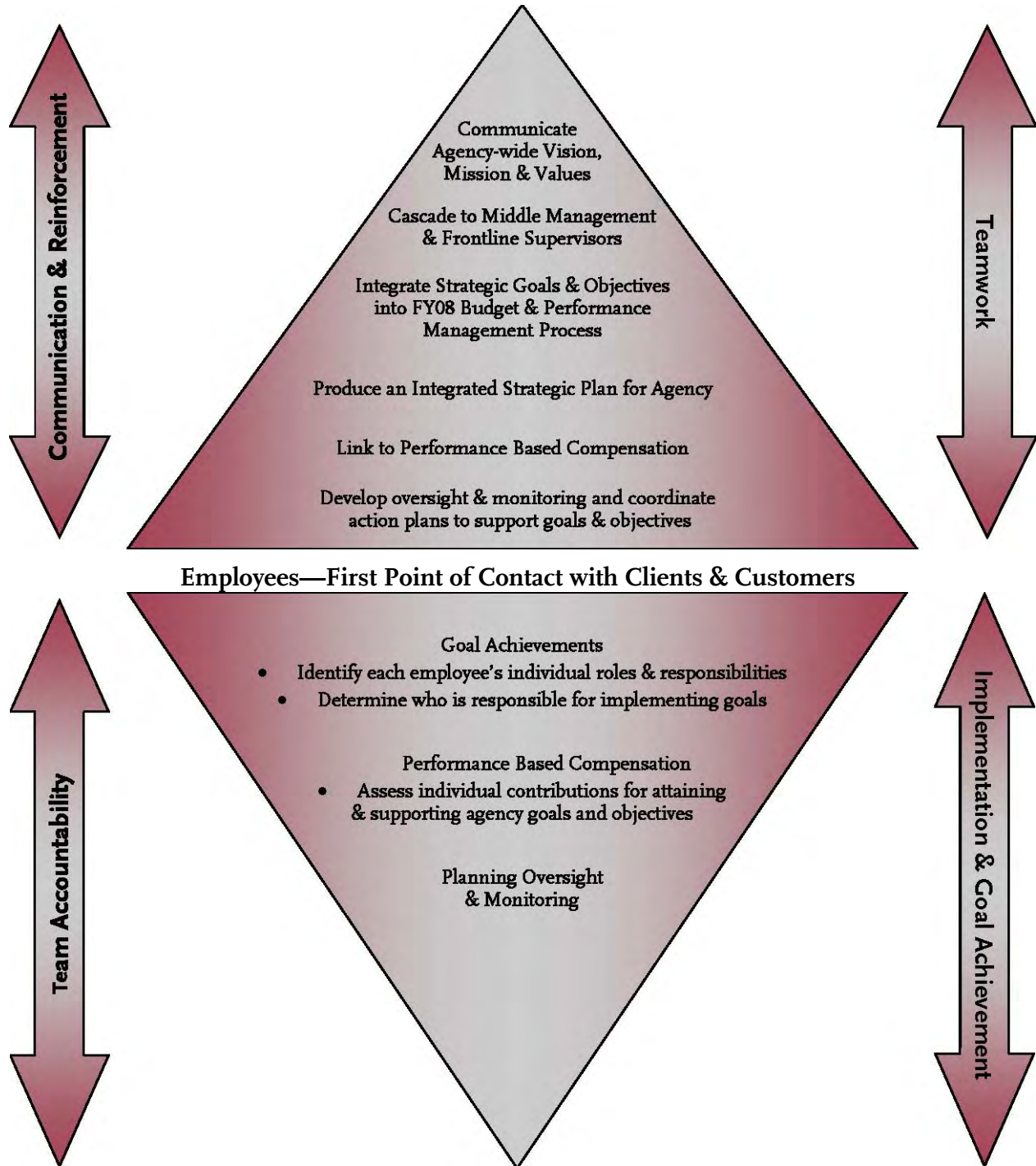
The success of the Strategic Plan can only be achieved through agency-wide communication and implementation. Therefore it is imperative that the Communication Plan involves every Metro employee. The Communications

Department will continue to develop marketing and promotional materials to reinforce the vision, mission, core values, goals and new strategic direction of the agency. This offers every employee an opportunity to “own” the strategic plan and to personally commit to implementing the strategic plan.

The Metro Operations Service Sectors’ various goals and objectives (e.g., service, fleet, facilities, etc.) are to be integrated and aligned to support the agency-wide Strategic Plan. In addition, the Metro Long-Range Transportation Plan has been aligned to include the short and long range Los Angeles County transportation program planning and project initiatives. All Metro strategic goals and objectives will be updated to address the new transportation direction as recommended by the Mobility 21 Coalition.

The diagram on the following page outlines the Leadership Model to cascade and communicate the Strategic Plan agency-wide.

# Practicing Leadership Model





## Key Performance Indicators and the Agency Scorecard

Like many of today's leading businesses, Metro tracks its Key Performance Indicators (KPIs) throughout the year to ensure services are provided at the proposed levels and within the approved budgets.

Metro has been using the CEO's Scorecard to track its KPIs since FY04. This desktop data-mining tool has provided Metro management with timely performance data for a wide variety of agency-critical areas such as operator and mechanic wage expense, natural gas fuel usage, workers' compensation claims, leave of absence rate, and bus accidents.

In order to give management rapid information, indicators are tracked at frequent intervals. Labor costs are reported at the end of each biweekly pay period, workers' compensation claims are tracked weekly. All other indicators are reported monthly.

Since its inception, management has used the Scorecard to help verify the results of the Safety's First Program, identify unexpected increases in wage costs, and monitor the rapid rise in natural gas prices.

The Scorecard compares current year performance to prior year performance in terms of effectiveness and efficiency of service delivery. Each indicator identifies the measurement of output to be monitored. The indicators also provide nominal values both of input and of output to measure productivity. Efficiency of the operation is measured by the cost per unit of output. Both productivity and efficiency are compared to the target set during the budget process.

The Scorecard allows management to drill down to the mode and cost center where the problem occurs. This feature allows senior management to view how individual managers are performing.

Because safety is Metro's top priority, there are three safety related indicators. The Scorecard shows Workers' Compensation claims per exposure hour, monthly lost work days, and bus accidents per 100,000 hub miles. All three indicators have been and are expected to continue improving.

The Scorecard contains fare revenue, boardings, and fare revenue per boarding. The fare increase in FY08 will result in higher revenue and a decrease in boardings, with a net increase in revenue per boarding.

The Scorecard shows wage cost – both the direct labor costs and total wage expense which includes the non-work time – for Metro's three largest represented labor groups. Furthermore, each union group is disaggregated by mode, cost center, and function. The cost is measured against the vehicle hours for transportation related activities and hub miles for maintenance related activities. A vehicle hour is defined as the time an operator is "behind the wheel" including layover and deadhead time. A hub mile represents the odometer readings.

The scorecard tracks the dollars spent on natural gas fuel, the amount of natural gas fuel (CNG) used, and the hub miles powered by natural gas. Management can tell if variances result either from using more CNG or from the price of CNG. It also allows management to see if fuel usage variances are caused by traveling

more miles using CNG, or using CNG less efficiently than budgeted.

this a major focus, the number of personnel on leave has declined.

One of Metro's significant labor costs is for personnel on long term leave. The Scorecard includes an indicator showing the number of employees by type of leave and cost center. Since management made

Vendors are major stakeholders in Metro. Therefore, Metro tracks whether or not invoices are paid on time. The scorecard allows each major business unit to monitor timely invoice payment.

	<b>Key Performance Indicator</b>	<b>FY06 Actual</b>	<b>FY07 Estimate <sup>(1)</sup></b>	<b>FY08 Target <sup>(2)</sup></b>
1	Operator Wage Expense per Vehicle Hour <sup>(3)</sup>	\$ 28.30	\$ 30.65	\$ 32.13
2	Operator Direct Labor per Vehicle Hour <sup>(4)</sup>	n/a	\$ 27.31	\$ 29.57
3	ATU Sector Wage Expense per Hub Mile <sup>(5)(6)</sup>	n/a	\$ 0.66	\$ 0.65
4	ATU Sector Direct Labor per Hub Mile <sup>(6)</sup>	n/a	\$ 0.56	\$ 0.57
5	ATU Non-Sector Wage Expense per Hub Mile	n/a	\$ 0.20	\$ 0.23
6	ATU Non-Sector Direct Labor per Hub Mile	n/a	\$ 0.16	\$ 0.19
7	AFSCME Transportation Wage Expense per Vehicle Hour <sup>(7)</sup>	\$ 2.39	\$ 2.71	\$ 2.90
8	AFSCME Transportation Direct Labor per Vehicle Hour	n/a	\$ 2.28	\$ 2.48
9	AFSCME Maintenance Wage Expense per Hub Mile	n/a	\$ 0.08	\$ 0.12
10	AFSCME Maintenance Direct Labor per Hub Mile	n/a	\$ 0.07	\$ 0.10
11	AFSCME Non-Sector Wage Expense per Vehicle Hour	\$ 1.35	\$ 1.39	\$ 1.52
12	AFSCME Non-Sector Direct Labor per Vehicle Hour	n/a	\$ 1.17	\$ 1.30
13	CNG Cost per Hub Miles	n/a	\$ 0.46	\$ 0.47
14	Fare Revenue (thousands)	\$279,641	\$ 286,247	\$ 321,518
15	Boardings (thousands)	482,018	495,913	475,677
16	Fare Revenue per Boarding	\$ 0.58	\$ 0.58	\$ 0.67
17	Bus Accidents per 100,000 Hub Miles	n/a	3.7	3.5
18	New Weekly Workers' Compensation Claims per 200,000 Exposure Hours	14.34	12.52	12.88
19	Lost Work Days per Month	4,393	4,076	4,174
20	On-Time Bill Payment	93%	94%	94%
21	Leave of Absence	571	570	565

n/a = indicator started in FY07.

<sup>(1)</sup> FY07 full-year actuals not available as of publication date.

<sup>(2)</sup> FY08 targets may be revised due to changes in budgets and resource allocations.

<sup>(3)</sup> Wage expense = wages, overtime and non-work time.

<sup>(4)</sup> Direct labor = wages and overtime.

<sup>(5)</sup> ATU is the Amalgamated Transit Union. This group represents maintenance employees such as mechanics and service attendants.

<sup>(6)</sup> Bus only.

<sup>(7)</sup> AFSCME is the American Federation of State, County and Municipal Employees. This group represents first line supervisors in transit operations.

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## II. Budget Highlights

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## About the Budget

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Statement 34 requires that financial information be consolidated into either governmental activities or business-type activities.

This budget document incorporates that principle and is consistent with the Agency’s Comprehensive Annual Financial Reports. Examples of business-type activities at Metro include transit operating and capital costs, infrastructure construction, and debt activities. These activities constitute the Enterprise Fund.

Examples of governmental activities are subsidies Metro provides to other agencies, the regional planning and programming of funds, and functions of the Metro Board of Directors. These activities are reported in the Governmental Fund, which includes both the Special Revenue Fund and the General Fund. The Enterprise Fund, General Fund, and Special Revenue Fund are classified as major funds as defined by the Governmental Accounting Standards Board Statement No. 34.

The detailed budgeting process and guiding financial policies are included in Appendices 1 through 3.

## Developing the Budget

Metro began the process of developing the FY08 budget immediately after adoption of the FY07 budget. The first step in the process was to develop the Ten-Year Forecast using known parameters and future assumptions agreed to by Executive Management. The Ten-Year Forecast included revenue and expense forecasts for all funds and major programs. The

Ten-Year Forecast identified potential situations where deficits might be experienced.

Once potential shortfalls had been identified, Metro began the process of reprioritizing programs. Metro also began a search for additional recurring and one-time revenues. As part of its continuous review of budget variances, Metro identified additional assumptions that needed to be modified, such as fuel prices, negotiated union wages and benefits, and fare revenues.

After analyzing all of the forecast information, Metro assigned targets to each department and held the department manager responsible for meeting the target. Simultaneously, Metro aggressively pursued additional local, state, and federal revenue and grants.

For five months the Metro Board of Directors considered deficit reduction strategies and fare increase scenarios. After a Special Board Workshop and public hearing, the Metro Board adopted a fare change designed to reduce the annual budget shortfall.

The FY08 budget was eventually balanced through a combination of expense reductions, fare revenue increases and various one time revenue solutions.

See Appendix 1 for a detailed discussion of Metro’s budget process.

## Budget Controls

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The legal level of budgetary control is at the fund level. Comprehensive multi-year plans are adopted when major capital

projects are approved and this provides project-length budgetary control in the capital project funds. The portion of costs expected to be incurred on each project during the fiscal year is included in annual appropriations. Metro maintains an encumbrance-based accounting system as another tool of budgetary control.

### **Financial Trends**

Metro's annual budget is consistent with the agency's long-term vision as described in its two principal planning documents:

The Short Range Transportation Plan for Los Angeles County (SRTP) focuses on the phasing of transportation improvements through 2009. It relies on performance-based modeling to identify the best solution for each mobility challenge. It can be found at [www.metro.net/projects\\_plans/shortrange.srtp.htm](http://www.metro.net/projects_plans/shortrange.srtp.htm)

The Long Range Transportation Plan for Los Angeles County (LRTP) looks ahead at transportation needs over the next twenty-five years, from 2001 through 2025. It is the blueprint for implementing future transportation improvements for Los Angeles County. It can be found at [www.metro.net/project\\_plans/longrange/lrtp.htm](http://www.metro.net/project_plans/longrange/lrtp.htm). Metro will adopt a new Long Range Transportation Plan this fiscal year.

### **Changes in Staff Levels**

The FY08 budget funds 9,082 full-time equivalent positions (FTEs) which is an increase of 86 from the previous year. Metro added 35 FTEs for the Bus Rebuild program, and 33 FTEs for improving bus maintenance. An additional 8 FTEs are included in the budget for the implementation of the new Transit Access Pass (TAP) program. New Corridor planning studies add 4 more FTEs. Metro also increased 6 FTEs in the Cash

Counting Facility and the inventory control areas. These positions are created with the anticipated efficiency savings from materials and supplies and reduction of overtime.

### **Changes in Fund Equity Balances**

#### ***Business-Type Activities***

Annually, a variety of revenue sources are used to balance the Enterprise Fund operating and capital budgets as well as debt commitments. For FY08, the Metro Board authorized a fare change expected to yield an additional \$32 million of fare revenues in FY08. The capital expenditures rely to some extent on debt that was issued in prior years (\$96.6 million in FY08). The fund also relies on fuel credits derived from compressed natural gas purchases (\$20.4 million in FY08, plus \$14.6 million from FY07) to help cover the operating deficit. Even with these other revenue infusions it was necessary to take an additional \$5.8 million from the fund balance of the General Fund to balance bus and rail operations (revenues equal to expenditures). This is evidence of the continuing scarcity of resources.

#### ***Governmental Activities***

In FY08, the Special Revenue Fund is budgeted to spend \$174.1 million from the fund balance. A good portion of this amount relates to programming \$109.1 million of Proposition A sales tax fund balance accumulated in FY07 when one-time STA fund windfall dollars were used to fund eligible activities normally funded by Proposition A resources. Additionally, \$23.9 million of TDA sales tax, accumulated in prior years, will be applied in FY08 towards bus and rail capital activities, \$21.9 million of STA and \$12.0 million of the SAFE fund balance is programmed towards eligible projects for

FY08. The General Fund is expected to transfer \$17.9 million from the fund balance primarily to improve bus maintenance, assist with TAP implementation, and install surveillance cameras on board buses to aid in accident investigation.

Refer to Appendix 7 for detailed information concerning Propositions A & C and TDA Administration uses.

### **Local Transportation Subsidies**

Transfers of sales tax and other revenues from the Governmental Funds to the Enterprise Fund are as follows:

General Fund	\$	43.5
Proposition A		477.8
Proposition C		247.7
TDA		258.1
STA		<u>69.4</u>
Total		\$1,096.5

All transfers are made in accordance with enabling legislation.



## FY08 Budget Highlights and Major Budget Assumptions

### Metro Bus and Rail -- FY08 Target Service Levels

Mode		Revenue Service Hours (000)	Change from FY07
Metro Bus	• Metro Operated	7,124	0.1%
	• Orange Line	102	20.7%
	• Purchased Transportation	550	0.0%
	• Total Metro Bus	7,776	0.3%
Metro Rail	• Blue Line	221	-0.1%
	• Green Line	88	-1.9%
	• Gold Line	74	-3.8%
	• Red Line	268	0.0%
	• Total Metro Rail	651	-0.7%
<b>Total</b>		<b>8,426</b>	<b>0.2%</b>

- Increase bus service by 24,604 revenue service hours.
- Decrease rail service by 4,873 revenue vehicle service hours.
- Continue to increase fleet of 60-foot articulated buses.
- Begin implementation of Metro Connections program to improve service between major activity centers.
- Begin natural gas hedging program to substantially reduce risk of price fluctuations.
- Implement eight new Metro Rapid bus lines:
  1. West Olympic Boulevard
  2. Garvey Ave./Cesar E Chavez Ave.
  3. Manchester Boulevard
  4. Atlantic Boulevard
  5. San Fernando Road South
  6. Sepulveda South (operated by Culver City Municipal Bus Lines)
  7. Torrance/Long Beach (operated by Torrance Municipal Bus Lines)
  8. Central Avenue
- Improve the bus and rail vehicle preventive maintenance programs.
- Implement first phase of Universal Fare System (UFS) allowing seamless countywide travel using smartcard technology.
- Increase Homeland Security efforts through a capital grant and increased fare checkers, security guard training, and additional security equipment.
- Increase pass and token prices while maintaining cash fares at the January 2004 level.
- Fare per boarding is forecasted at \$0.67 per boarding.
- Continue participation in the “bridge” training program to improve operator hiring potential.

## Capital Program

The Capital projects budgeting process commenced in September 2006 with an agency-wide call for projects. The proposed program of projects was adopted by the Executive Investment Committee in December 2006 and included in the annual budget process.

Capital projects are funded in agency-wide priority using criteria developed by Metro: safety, customer improvements, previously committed, and mandated. Although all capital projects receive an annual appropriation, capital projects are controlled by the life-of-project budget which must be approved by the Board. Revenues in the capital program are a combination of grants and local funds. Highlights of the FY08 major capital program include:

- The Gold Line Eastside Extension will continue a multi-year major construction phase.
- Construction of the Mid-City/Exposition Light Rail Transit project will continue in FY08.
- Metro will begin a major bus mid-life overhaul program rebuilding 250 buses and installing new engines in an additional 170 buses.

- The acquisition of equipment for a regional clearinghouse service center will continue. This clearinghouse will process all fare transactions and properly distribute the revenues to Metro and its municipal partners.
- Renovation of bus operating division facilities will continue in FY08.
- Construction of heavy rail operating Division 20 improvements will continue in FY08.
- Procurement of new Expo/Blue Line light rail vehicles will commence in FY08. Overhaul of heavy rail subway cars will commence in FY08.

Refer to Section V for a detailed discussion of the Capital Program.

## Other Budget Highlights and Assumptions

- Sales tax revenues programmed to be spent are \$1.973 billion in total.
- Salaries will increase according to union contracts for represented employees and at 3.5% for non-represented employees.

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

## Summary of Funding by Source

(\$ in millions)		FY04 Actual		FY05 Actual		FY06 Actual		FY07 Budget		FY08 Budget	
1	Sales Tax <sup>(1)</sup>	\$ 1,514.0	66.8%	\$ 1,587.5	60.4%	\$ 1,430.2	55.9%	\$ 1,881.5	62%	\$ 1,972.7	63.0%
2											
3	Federal, State, & Local Grants	377.2	16.6%	488.5	18.6%	702.8	27.5%	596.4	20%	602.5	19.3%
4											
5	Passenger Fares & Advertising	233.4	10.3%	284.2	10.8%	297.8	11.6%	294.8	10%	341.1	10.9%
6											
7	Net Proceeds from Financing	82.4	3.6%	185.6	7.1%	42.6	1.7%	193.3	6%	96.6	3.2%
8											
9	Other <sup>(2)</sup>	61.0	2.7%	80.8	3.1%	85.3	3.3%	70.0	2%	113.3	3.6%
10	<b>Total Funding Sources</b>	<b>\$ 2,268.0</b>	<b>100.0%</b>	<b>\$ 2,626.7</b>	<b>100.0%</b>	<b>\$ 2,558.7</b>	<b>100.0%</b>	<b>\$ 3,036.0</b>	<b>100.0%</b>	<b>\$ 3,126.2</b>	<b>100.0%</b>

(See Appendix 6 for further details.)

## Summary of Expenses/Expenditures by Program

(\$ in millions)		FY04 Actual		FY05 Actual		FY06 Actual		FY07 Budget		FY08 Budget	
11	Countywide Bus										
12	Metro Bus										
13	Operating <sup>(3)</sup>	\$ 725.5	32.0%	\$ 780.0	29.7%	\$ 839.5	32.8%	\$ 901.2	29.7%	\$ 928.2	29.7%
14	Capital	131.4	5.8%	178.2	6.8%	151.4	5.9%	194.2	6.4%	208.4	6.7%
15	Orange Line Capital	76.0	3.4%	119.8	4.6%	27.6	1.1%	14.6	0.5%	10.8	0.3%
16	<b>Metro Bus Subtotal</b>	<b>933.0</b>	<b>41.1%</b>	<b>1,078.0</b>	<b>41.0%</b>	<b>1,018.5</b>	<b>39.8%</b>	<b>1,110.0</b>	<b>36.6%</b>	<b>1,147.4</b>	<b>36.7%</b>
17											
18	Municipal Operator and										
19	Paratransit Programs <sup>(4)</sup>	240.9	10.6%	260.4	9.9%	242.2	9.5%	241.4	8.0%	257.2	8.2%
20	<b>Countywide Bus Subtotal</b>	<b>1,173.9</b>	<b>51.8%</b>	<b>1,338.4</b>	<b>51.0%</b>	<b>1,260.7</b>	<b>49.3%</b>	<b>1,351.5</b>	<b>44.5%</b>	<b>1,404.6</b>	<b>44.9%</b>
21											
22	Countywide Rail										
23	Metro Rail										
24	Operating <sup>(3)</sup>	179.4	7.9%	207.2	7.9%	214.0	8.4%	229.4	7.6%	237.6	7.6%
25	Capital	15.1	0.7%	22.5	0.9%	35.4	1.4%	22.7	0.7%	28.0	0.9%
26	Major Rail Construction	42.7	1.9%	48.1	1.8%	26.5	1.0%	59.4	2.0%	43.1	1.4%
27	LRT-Eastside/Expo	43.2	1.9%	190.3	7.2%	156.3	6.1%	334.9	11.0%	354.4	11.3%
28	<b>Metro Rail Subtotal</b>	<b>280.4</b>	<b>12.4%</b>	<b>468.1</b>	<b>17.8%</b>	<b>432.2</b>	<b>16.9%</b>	<b>646.5</b>	<b>21.3%</b>	<b>663.1</b>	<b>21.2%</b>
29											
30	Metrolink	39.6	1.7%	42.1	1.6%	45.5	1.8%	57.0	1.9%	58.5	1.9%
31	<b>Countywide Rail Subtotal</b>	<b>320.0</b>	<b>14.1%</b>	<b>510.2</b>	<b>19.4%</b>	<b>477.7</b>	<b>18.7%</b>	<b>703.4</b>	<b>23.2%</b>	<b>721.6</b>	<b>23.1%</b>
32											
33	Sales tax return to local										
34	jurisdictions	249.6	11.0%	280.7	10.7%	288.3	11.3%	300.7	9.9%	301.7	9.7%
35											
36	Streets and Highways	146.8	6.5%	138.7	5.3%	191.7	7.5%	291.0	9.6%	295.0	9.4%
37											
38	Debt Service <sup>(5)</sup>	312.3	13.8%	286.9	10.9%	287.6	11.2%	305.6	10.1%	308.5	9.9%
39											
40	Other Governmental	65.4	2.9%	71.8	2.7%	52.8	2.1%	83.9	2.8%	94.8	3.0%
41											
42	<b>Total Expenditures</b>	<b>\$ 2,268.0</b>	<b>100.0%</b>	<b>\$ 2,626.7</b>	<b>100.0%</b>	<b>\$ 2,558.7</b>	<b>100.0%</b>	<b>\$ 3,036.0</b>	<b>100.0%</b>	<b>\$ 3,126.2</b>	<b>100.0%</b>

(1) Sales tax revenues include the use of carryover balances.

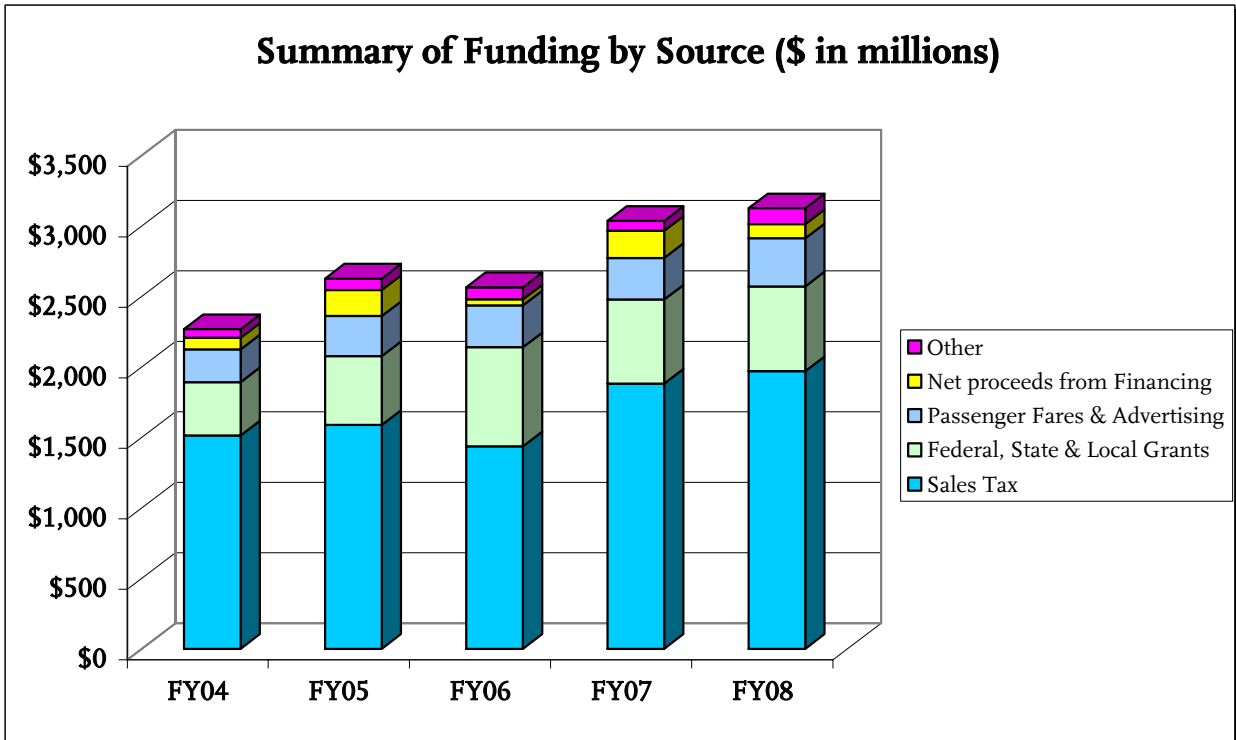
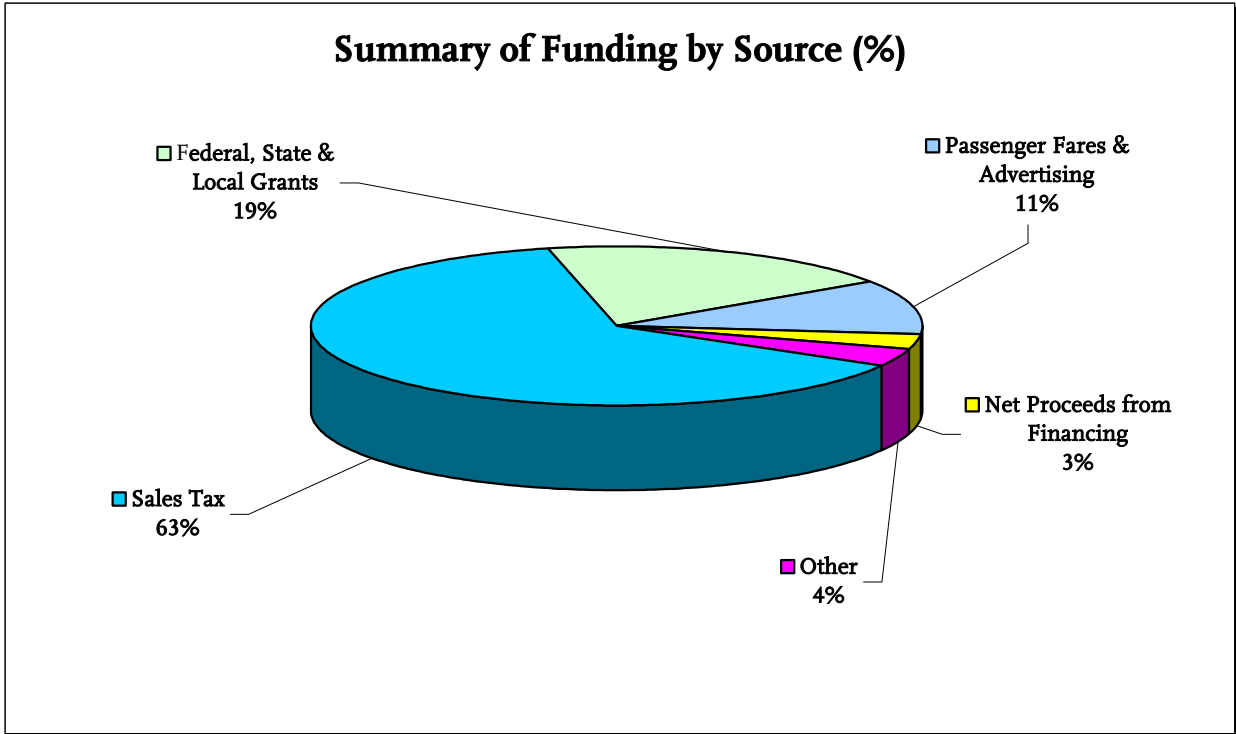
(2) Primarily CNG Fuel credits and lease revenues.

(3) Details shown on pages IV 4-5.

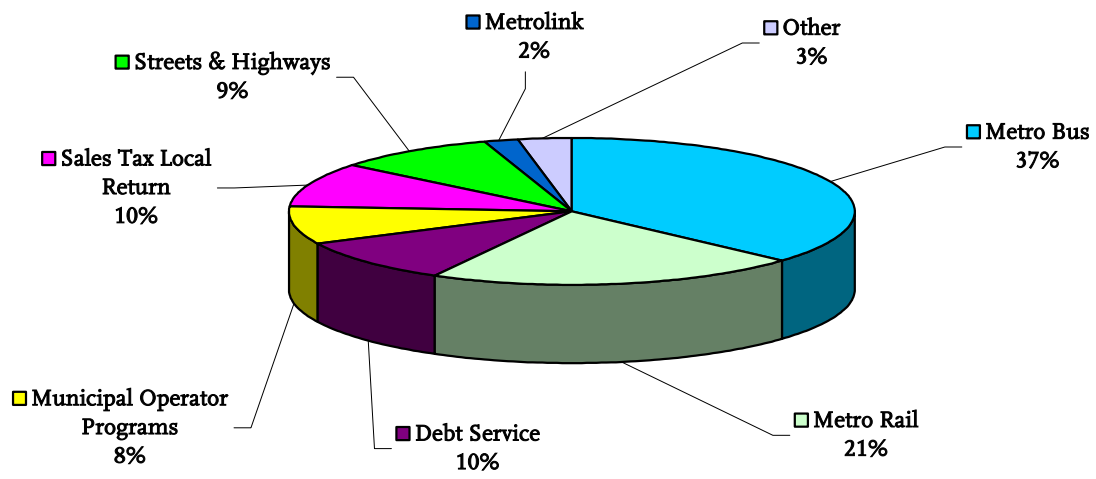
(4) ASI Paratransit: federal amounts included in prior years have been excluded in FY06 and FY07 because ASI will receive federal funds directly.

(5) Includes principal liability payments and Benefit Assessment District debt payments, but excludes the following items included in Section VII - Appendix 4 - Debt Service Schedule: 1) USG Building debt (General Revenue Bonds) debt service, 2) Capital grant bonds repaid from FTA grant with full funding agreement, and 3) defeased lease payments.

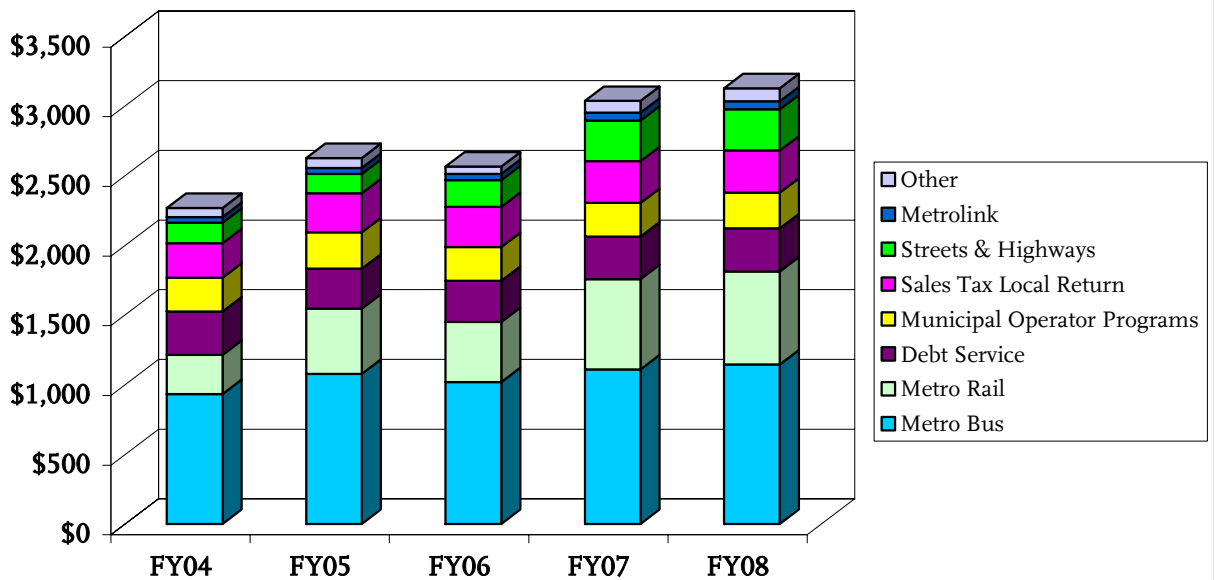
Note: Totals may not add due to rounding.



### Summary of Expenses/Expenditures by Program (%)



### Summary of Expenses/Expenditures by Program (\$ in millions)



## Enterprise Fund Summary of Revenues and Expenses

### Statement of Revenues and Expenses For the Years Ending June 30, 2006, 2007, and 2008

(\$ in millions)

<b>Enterprise Fund Summary</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Operating revenues:			
2     Passenger fares	\$ 280.6	\$ 278.5	\$ 321.5
3     Route subsidies	0.5	0.5	0.3
4     Advertising	17.2	16.2	19.3
5 <b>Total operating revenues</b>	<b>298.3</b>	<b>295.3</b>	<b>341.1</b>
6 Operating expenses:			
7     Operating	863.4	936.0	975.7
8     General & administrative	189.9	194.7	190.3
9 <b>Operating expenses, excluding depreciation:</b>	<b>1,053.3</b>	<b>1,130.7</b>	<b>1,166.0</b>
10 Operating loss	(755.0)	(835.5)	(824.9)
11 Operating subsidies and grants (other expenses):			
12     Local operating grants	0.2	-	-
13     State operating grants	-	-	-
14     Federal operating grants	207.1	188.0	200.0
15     Interest revenues	2.0	0.5	0.5
16     Net appreciation (decline) in fair value of investments	-	-	-
17     Debt (expense)	(3.2)	(14.3)	(14.1)
18     Gain (loss) on disposition of fixed assets	1.1	-	3.0
19     Other revenue	5.5	2.8	2.7
20 <b>Total operating subsidies and grants (other expenses)</b>	<b>212.6</b>	<b>177.0</b>	<b>192.1</b>
21 Gain (loss) before debt and capital items	(542.4)	(658.5)	(632.8)
22 Debt service & capital grants / contributions: <sup>(1)</sup>			
23     Local			
24         Capital	1.8	1.9	11.3
25         Debt service other revenues	2.7	2.4	2.3
26         Proceeds from financing	(96.0)	156.6	96.6
27         State - capital	201.8	167.6	214.5
28         Federal - capital	261.4	189.3	126.1
29 <b>Total debt service &amp; capital grants / contributions</b>	<b>371.7</b>	<b>517.8</b>	<b>450.7</b>
30 Capital program:			
31     Operating capital	186.5	218.4	236.5
32     Major construction	211.2	408.9	408.3
33 <b>Total capital program</b>	<b>397.7</b>	<b>627.3</b>	<b>644.8</b>
34 Debt service expenses: <sup>(2)</sup>			
35     Interest expense	157.3	152.3	146.2
36     Principal payments	108.8	111.9	121.2
37     Services	2.7	2.4	2.2
38 <b>Total debt service expenses</b>	<b>268.8</b>	<b>266.5</b>	<b>269.6</b>
39 Transfers In	837.2	1,034.5	1,096.5
40 <b>Net surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) Reflects repayment of State TCRP funds.

(2) Excludes defeased leases and includes non-cash items.

Note: Totals may not add due to rounding.

**Governmental Funds Summary of Revenues and Expenditures**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ending June 30, 2006, 2007 and 2008**

(\$ in millions)

<b>Governmental Funds - Summary</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2 Sales tax	\$ 1,739.0	\$ 1,850.8	\$ 1,798.0
3 Intergovernmental grants	27.0	55.2	56.9
4 Investment income	35.7	8.7	11.0
5 Net decline in fair value of investments	(3.0)	-	-
6 Lease and rental	12.7	10.3	14.6
7 Proceeds on lease/leaseback to service	-	-	-
8 Licenses and fines	8.2	7.5	7.5
9 Other	2.7	21.5	21.4
10 Total Revenues	1,822.3	1,954.1	1,909.3
11 Expenditures:			
12 Subsidies	711.0	815.5	848.6
13 Services	65.8	106.3	108.1
14 Debt and interest expenditures			
15 Interest and fiscal charges	1.5	1.5	1.5
16 Bond principal & commercial paper retirement	0.8	0.8	0.8
17 General and administrative	46.9	50.1	50.0
18 Total expenditures	826.0	974.2	1,009.0
19 Transfers In	120.5	98.2	111.5
20 Transfers Out	(957.7)	(1,128.8)	(1,204.0)
21 Proceeds from Financing	-	36.8	-
22 Net change in fund balances	159.1	(13.9)	(192.1)
23 Fund balances - beginning of year	746.9	906.1	892.2
24 Fund balances - end of year	\$ 906.1	\$ 892.2	\$ 700.1

Note: Totals may not add due to rounding

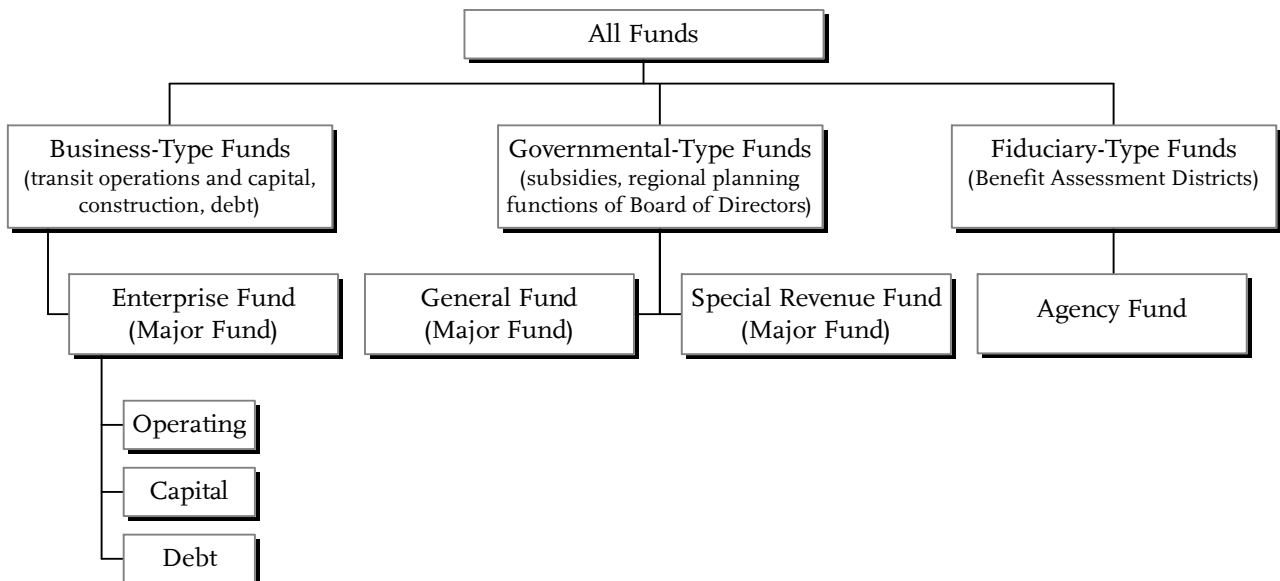
## Financial Structure Comparison to Organizational Structure

The table below shows how cost by fund discussed in the Financial Details section (Section IV) relates to cost by Strategic Business Unit discussed in the Strategic Business Units section (Section VI). Total

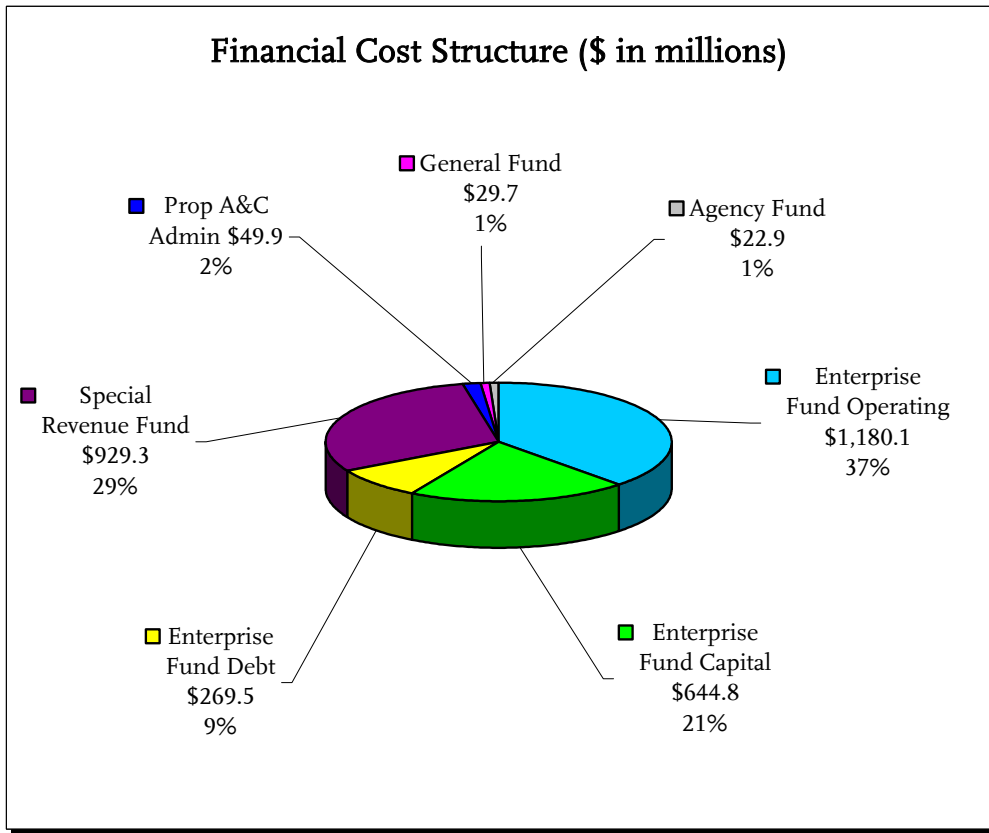
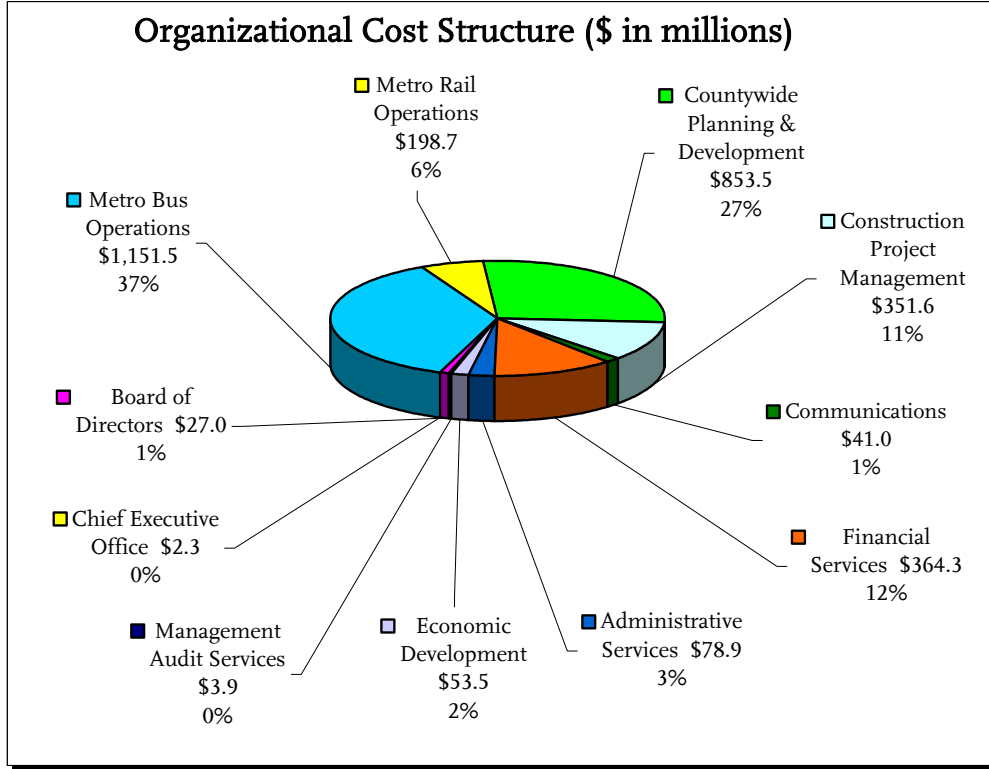
cost in the two sections match since they represent two ways of sorting the same detail. The chart below shows how the funds are structured.

(\$ in millions)	Business-Type			Governmental-Type			Fiduciary	All Types
	Enterprise Fund Operating <sup>(1)</sup>	Enterprise Fund Capital	Enterprise Fund Debt	Special Revenue Fund <sup>(2)</sup>	Prop A & C Admin <sup>(3)</sup>	General Fund <sup>(2)</sup>	Agency Fund <sup>(4)</sup>	Metro Total
1 Metro Bus Operations	\$ 896.3	\$ 174.9	\$ 4.0	\$ 72.8	\$ 1.4	\$ 2.1	\$ -	\$ 1,151.5
2 Metro Rail Operations	153.9	44.7	-	-	-	0.1	-	198.7
3 Countywide Planning & Development	-	0.1	-	834.5	11.4	7.3	0.2	853.5
4 Construction Project Management <sup>(5)</sup>	1.6	342.5	-	6.8	0.1	0.6	-	351.6
5 Communications	20.2	4.3	-	0.6	7.5	8.4	-	41.0
6 Administrative Services	58.9	14.2	-	0.8	4.7	0.3	-	78.9
7 Financial Services	39.3	17.6	265.5	9.7	7.0	2.5	22.7	364.3
8 Management Audit Services	0.3	-	-	0.4	2.9	0.3	-	3.9
9 Economic Development	8.5	35.5	-	3.1	0.5	5.9	-	53.5
10 Board of Directors	1.1	11.0	-	0.6	12.1	2.2	-	27.0
11 Chief Executive Office	-	-	-	-	2.3	-	-	2.3
12 Metro Total	\$ 1,180.1	\$ 644.8	\$ 269.5	\$ 929.3	\$ 49.9	\$ 29.7	\$ 22.9	\$ 3,126.2

- (1) Includes \$14.1 million of interest in the Other Expenses section of the financial statements.
- (2) Excludes interfund subsidies shown in the financial statements (SRF: \$1,158.0 million; GF: \$45.9 million).
- (3) Included in Special Revenue Fund financial statement.
- (4) Includes Benefit Assessment Districts
- (5) Includes Exposition Metro Line Construction Authority.







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### III. Customer Services

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## Customer Services



### Los Angelinos Ride America's Best

Los Angeles County Metropolitan Transportation Authority (Metro) was named North America's Top Transportation Agency of 2006. Metro beat out 50 of the largest transit properties across North America for the honor to be named No. 1.

The award, given by Washington, D.C.-based American Public Transportation Association (APTA), is given to U.S. and Canadian public transportation systems that have demonstrated achievement in efficiency, effectiveness and innovation in public transit.



This award distinguishes the many unsung heroes at Metro who work day in and day out to provide excellent service. Metro's outstanding customer service and growing ridership base was a key success factor leading to the award. The agency concluded one of the most productive years in its history. Metro's annual ridership increase was two times the national average, discretionary riders have

grown by 40 percent, customer satisfaction is at an all-time high and complaints are at an all-time low. Revenues are up, and Metro has kept costs below inflation.

### Introduction

Metro is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 10.2 million people – about 28% of California's residents – live, work, and play within its 1,433-square-mile service area.

Los Angeles differs from other metropolitan areas in that people here travel in all directions. They don't just travel from the suburbs to downtown. There are many centers of employment, recreation and residence, and the vast majority of residents do not use public transit. The lack of a clearly identifiable commute pattern, combined with being one of the most densely populated urban areas in the country, makes the task of planning transportation for Los Angeles County extremely complex.

## **Our Challenge**

While often viewed by the public as solely a transit operator, Metro is also charged with planning for a countywide transportation system that meets the needs of all of the traveling public including those who travel by streets and highways, public transit, and even those who bicycle and walk.

## **Metro Long and Short Range Transportation Plans**

Metro's efforts in FY08 will be directed to putting into place the next pieces of the transportation puzzle formulated in the twenty-five year Long Range Transportation Plan (LRTP) adopted by the Metro Board of Directors in 2001 and a more detailed Short Range Transportation Plan adopted in 2003. The LRTP will be updated in FY08 and five years added to the plan.

In formulating those plans, Metro staff employed the most sophisticated computer modeling techniques available to examine a large array of transportation options and funding scenarios. The Metro Board consulted with representatives from many different organizations – academics, business and community leaders, labor leaders, environmentalists, government officials, and transit users – and held numerous public outreach meetings. (See Appendix 21 for client survey results.)

## **Customer Services**

Metro provides a wide range of customer services designed to increase mobility and the quality of life throughout Los Angeles County. These services include bus and rail operations, ridesharing services, freeway services, and transit information.

In addition to operating its own service, Metro funds 16 municipal bus operators (Santa Monica Big Blue Bus, Santa Clarita

Transit, Long Beach Transit, Los Angeles Department of Transportation (LADOT), La Mirada Transit, Gardena Municipal Bus Lines, Foothill Transit, Montebello Bus Lines, Torrance Transit, Culver City Bus, Arcadia Transit, Antelope Valley Transit Authority, Claremont Dial-A-Ride, Norwalk Transit System, Commerce Municipal Bus Lines and Redondo Beach WAVE) and a wide array of transportation projects including bikeways and pedestrian facilities, local roads and highway improvements, goods movement, Metrolink, and the popular Freeway Service Patrol and Freeway Call Boxes program.

Recognizing that no one form of transit can solve urban congestion problems, Metro's multimodal approach uses a variety of transportation alternatives to meet the needs of the highly diverse populations in the region. The "M" logo used throughout the Metro System is the public symbol of this fully coordinated network.

Dedicated to providing the very best customer service are approximately 9,000 Metro employees in a wide variety of technical specialties and services including Metro Bus and Metro Rail operators and mechanics, construction engineers, safety inspectors, transportation planning professionals and customer information agents.

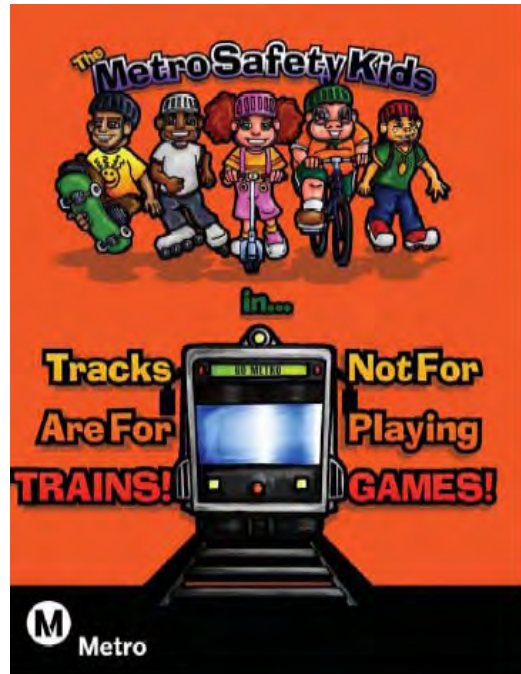
## **Customer Service Facts You Might Not Know**

- Metro's investment in new services and system improvements is paying major dividends. Bus and rail ridership is rising.
- Metro security has been bolstered using several grants. The U.S. Department of Homeland Security provided funding for improved

security and Metro took full advantage. As a result of a recent \$6.9 million Homeland Security grant used to add high-tech surveillance equipment, Metro's security is at a level unsurpassed by any other U.S. transit agency.



- Metro teaches safety at schools by: delivering safety presentations via a 4-D 'Metro Experience' mobile theater to over 153,000 students, teachers and parents, providing teaching aids such as the "Metro Safety Kids" fun activity book for elementary school children, and conducting Safety Education Tours.



- Los Angeles County currently has 1,252 miles of bike paths, including 251 miles of off-street, exclusive bike paths, which Metro plans to increase to 500 miles. There are also 481 miles of designated on-street bike lanes, which Metro's strategic bike plan envisions tripling, and 520 miles of bike routes marked by signage.





- As part of this program, Metro has placed 285 bike lockers and 400 racks capable of holding a total of 800 bicycles at Metro Rail and Metrolink stations throughout the county.



- Metro runs extra trains and buses to accommodate large crowds at special events such as the Memorial Services for President Gerald Ford and the Rose Bowl.



- Metro commissions artists to incorporate art into a wide array of transportation projects throughout Los Angeles County. From bus stops to rail stations, streetscapes to bus interiors, construction fences to poetry works, art creates a sense of place and engages transit riders. One half of one percent (0.5%) of rail construction cost is allocated to the creation of original art works.



- Metro is heavily involved in hundreds of local events and community activities such as Gifts for Skid Row Kids, Meals for Homebound Seniors, and many, many more.





## Metro Bus



### Overview

In FY08, Metro bus will handle over 395 million passenger boardings and provide approximately 1.5 billion miles of transportation for Metro's passengers while operating over 2,200 peak-hour buses on an average weekday.



### Bus Service Facts You Might Not Know

- In FY08, Metro Bus will procure up to 100 new articulated buses and debut eight new Metro Rapid lines.
- Large capacity vehicles have improved productivity. Metro was able to carry more people with fewer buses thanks to the new 46-seat NABI 45-foot "Compo-Bus," which is bigger, but significantly lighter, than a conventional steel-framed bus.

- Commemorating a recent Earth Day, Metro reached a milestone receiving its 2,000th CNG bus. Metro boasts the largest clean-air fleet in the nation.
- Sleek designs and vibrant colors highlight one of the most modern fleets on the road today. Color scheme features red for Rapid buses, blue for Express buses, and orange for Local buses.



- In addition, Metro added new 60-foot articulated compressed natural gas (CNG) buses to the fleet that seat 50% more passengers than a standard 40-foot bus.



- FlyAway buses travel from Union Station to LAX in 45 minutes or less and utilize high-occupancy vehicle lanes on the 110 and 105 Freeways, providing a significant time savings over driving alone to the airport in rush-hour traffic. The FlyAway buses

operate twenty-four hours a day, seven days a week. Secure underground parking is available at Union Station.



- Creating service sectors brought Metro to the community. Metro's decentralized community approach with five local service sectors brings operating decisions to its customers.
- Reports of graffiti on the fleet continue to go down. A combination of Metro's "zero tolerance" policy and aggressive law enforcement have contributed to the improvement.
- Metro is as close to being 100% ADA compliant as an agency can get. All bus lines are accessible with wheelchair lifts or ramps. All stops are now announced through an automated audio system. The rail system is equipped for passengers with hearing, mobility and visual impairments. In addition, Metro is the primary funding partner of Access Services, Inc. – a regional paratransit service provider.



- Transit TVs continue to garner high ratings. Metro contracted with Transit TV to provide this popular customer amenity. The TVs provide news, sports and entertainment. A survey revealed that nearly 9 out of 10 customers prefer riding with the TVs onboard.



### **Metro Rapid**

Recent studies of public bus transportation in Los Angeles have shown that half the time a bus is in service it is stopped either at a traffic signal or at a bus stop to board patrons. To improve bus speeds, the Metro Rapid Program was introduced in June 2000. Through system integration of bus signal priority, low floor buses, headway rather than timetable-based schedules, and fewer stops, passenger travel times have been reduced by as much as 29%. As a result, ridership increased by 40% in the two demonstration corridors, with one-third of the ridership increase consisting of new

riders who have never before ridden transit. Following the successful implementation of the Metro Rapid demonstration program, an expansion program identifying 26 additional corridors was developed. When completed in 2008, the Metro Rapid Program will operate 700+ vehicles over a network of 450 miles of Metro Rapid service, complementing light and heavy rail transit throughout Los Angeles County.



Metro Rapid has seven attributes which, when implemented as one program, provide fast, frequent bus service. One of the key elements of the program is the bus signal priority system, developed by the Los Angeles Department of Transportation in collaboration with Metro. This system, comprised of loops and radio transponders, is capable of extending the green phase or shortening the red phase of traffic signals. Buses requesting priority are granted priority depending on the scheduled headway of the previous Metro Rapid bus detected at the intersection. The system also provides real-time passenger information signs at each station.



### **Key Metro Rapid Attributes:**

- Simple route layout: Makes it easy to find, use and remember.
- Frequent service: Buses arrive as often as every 3-10 minutes during peak commuting times.
- Fewer stops: Stops spaced about  $\frac{3}{4}$  of a mile apart, like rail lines, at most major transfer points.
- Level boarding: Low-floor buses speed-up dwell times.
- Bus priority at traffic signals: New technology reduces traffic delay by extending the green light or shortening the red light to help Metro Rapid get through intersections.
- Color-coded buses and stops: Metro Rapid's distinctive red paint makes it easy to identify Metro Rapid stops and buses.
- Enhanced stations: Metro Rapid stations provide information, lighting, canopies and "Next Trip" displays.

### **Metro Connections**

In the fall of 2003, Metro began a bus system restructuring study known as Metro Connections. The intent of Metro Connections is to move Metro's predominately downtown Los Angeles-focused grid system to a hybrid grid and center-based bus service delivery, which will better reflect the region's multiple activity centers and destinations. In addition, restructuring seeks to more



effectively utilize and integrate the varied strengths of each of the region's many service providers. The key themes of the Metro Connections Project are:

- Faster, high-speed, point-to-point destination-based service.
- Increased use of the region's high-capacity, high-speed rail and transit way system.
- Improved regional service coverage and connectivity.
- Upgraded inter-community and local service.
- Coordinated, convenient connections between services.
- Customer service improvements designed to enhance the quality and convenience of the travel experience.
- Implementation of the restructuring plan will commence in FY08.



## Metro Rail



### Overview

Metro Rail has designed, built and now operates over 146 miles of track. In FY08, Metro Rail will deploy 24 new light rail vehicles and operate 261 rail cars to handle over 83 million passenger boardings at 65 stations and provide approximately 0.5 billion miles of transportation for Metro passengers.

Metro Rail prides itself in maintaining a modern, clean fleet of rail cars and clean, modern, safe rail stations.





Connections can also be made to Metrolink commuter rail service and Amtrak at Union Station.



### Rail Service Facts You Might Not Know

- In FY08, Metro Rail will generate approximately 651,000 revenue service hours.



- Transportation to and from each Metro Rail station is available from Metro Bus and community bus lines.

- Extension of the Gold Line is currently under construction. The \$898.8 million Metro Gold Line Eastside Extension project will build a six-mile line from Union Station to Atlantic Avenue with eight stations along the route which includes 1.8-mile twin tunnels. The line is slated to open in late 2009.



- Groundbreaking took place recently for construction of the newest extension of the 65-station Metro Rail system, the Exposition Light Rail line. It will run 8.5-miles from downtown Los Angeles to Culver City and be completed by 2010. The second phase will extend from Culver City to Santa Monica.





- Metro is a primary funding partner for Metrolink, Southern California's 388-mile commuter rail system that includes seven lines encompassing fifty-four stations and handles over 42,000 daily boardings.



## Transportation Services

### Metro Freeway Service Patrol

- Metro, in partnership with the California Department of Transportation (Caltrans) and the California Highway Patrol (CHP), manages the largest fleet of tow and service trucks in the country. This service is known as the Los Angeles County Metro Freeway Service Patrol (FSP).
- The Freeway Service Patrol aids over 300,000 stranded motorists a year. A fleet of 151 Metro-funded tow trucks assists stranded motorists on over 450 miles of Los Angeles County freeways. The program, operated by SAFE, assists motorists to keep traffic moving and reduce congestion. The service includes free Big Rig Tow Service for trucks traveling along the Long Beach Freeway.



- Over 70% of motorists needing assistance wait less than five minutes. Tow truck operators change flat tires, fill radiators, tape leaky hoses, and provide jump-starts and gasoline or, when necessary, tow the vehicle to a safe location off the freeway.

### Service Authority for Freeway Emergencies

- The Los Angeles County Service Authority for Freeway Emergencies

(SAFE) is responsible for providing motorist aid services throughout Los Angeles County.

- SAFE is responsible for the operation and maintenance of the Kenneth Hahn Call Box System, which consists of approximately 4,500 call boxes installed throughout the County. The call boxes provide motorists with a means of requesting assistance.
- SAFE's newest responsibility is maintaining the #399 Mobile Call Box program, which allows motorists to utilize their cell phones to request assistance.

### Paratransit Services

- Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. The purpose of the paratransit service program is to improve the quality and effectiveness of transportation services to the elderly and to persons with disabilities through coordination of public transportation with social service agencies and other charitable organizations, and to provide services to persons with disabilities in accordance with the ADA.
- Paratransit ridership in Los Angeles County is projected to increase by an average of at least 3% per year for the next five years.

### High Occupancy Vehicles Lanes

- The High Occupancy Vehicle (HOV) lane system extends to over 450 lane miles. Servicing fourteen freeway corridors, the network ranks as one of the largest HOV systems in the country.





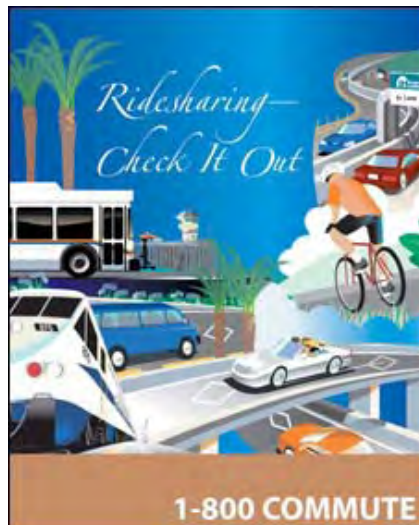
- Caltrans estimates that nearly 1 million motorists will be using HOV lanes every day in Los Angeles County. It is projected that by the year 2030, 163 miles of HOV lanes will be added to the L.A. County freeway system.

### Rideshare Program

- Los Angeles County is at the forefront of innovations and efforts to battle traffic and smog. Thousands of worksites throughout the region offer rideshare programs to their employees to reduce the number of cars on the road.
- Since FY03, Metro has been directly operating the countywide rideshare services. In addition, Metro has been working closely with four neighboring county transportation agencies to provide several regional commuter programs.
- The new services that have been initiated since establishment of the Metro-operated rideshare program include: (1) state-of-the art web-based regional rideshare matching software and database, (2) online ridematch services for individual commuters and employers to match their employees, (3) a restructured employer commute assistance outreach program for more cost effective operations, (4) two new annual employer pass programs to help introduce commuters to transit, (5) a revamped rideshare incentive

program that has vastly increased participation, and (6) a regional commute assistance website, CommuteSmart.info, and an e-newsletter, CommuteSmart.news.

- An important regional Guaranteed Ride Home program began operation last year. The program assists commuters who need to get home due to emergency.
- The number of registered carpoolers continues to rise. Responding to programs such as Metro Rewards, carpool registrations have grown from 38,803 in FY02 to over 300,000.

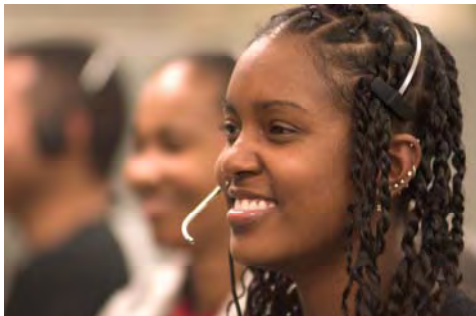


- Vanpool participation is also on the rise. Metro-organized vanpools have increased from 649 in FY02 to almost 1,000 today.



## 1-800-COMMUTE

- Through 1-800-COMMUTE, a statewide toll-free number, callers can access Metro information for personal transit assistance seven days a week. Callers are given route, schedule, and fare information for all public transportation providers serving the County. Rideshare assistance is also available.



## Reduced Fare Program

- The Reduced Fare Program enables eligible customers to ride the Metro System at a significantly reduced price with a current monthly stamp affixed to a valid ID card. Personalized ID cards are provided to eligible full-time college or vocational students, seniors and disabled customers.
- Students in grades K through 12 participate in the reduced fare program by using a photo-less Student Fare Card, which is valid for one school year. The cards are available at Metro Customer Centers, by mail, and

through participating LAUSD and Pasadena Unified schools.

- College and vocational Student ID cards are valid for an academic term.
- Persons 62 years and older qualify for a senior ID Card. Senior ID cards are made at Customer Centers, the San Fernando Valley Sector Office and some Senior Centers.
- Personalized ID cards for the disabled are issued for various time periods based on the individual's disability.
- All other Reduced Fare applications are available at Metro Customer Centers, by mail, or on-line at Metro's website, [metro.net/reducedfares](http://metro.net/reducedfares).



## MetroMail Program

- The MetroMail Program provides customers with the convenience of purchasing monthly passes, stamps and tokens through the mail. Various individuals, companies, schools, non-profit organizations and government agencies use this service. They submit the MetroMail Order Form along with the appropriate payment, and the fare media is sent in a timely manner via mail or UPS. MetroMail Order Forms are available on [metro.net](http://metro.net).



and participate in the Cityride Scrip redemption program.



### **E-Commerce On-Line Pass Program**

- For added convenience, Metro and EZ transit passes can be purchased on-line with a credit card. Orders can be placed at [metro.net/passes](http://metro.net/passes) and will be shipped before the first of the following month.

- The Metro Lost and Found service is located at the Wilshire Customer Center. This operation receives, processes and returns claimed articles and disposes of unclaimed items. Customer Center and Lost and Found information is available on [metro.net](http://metro.net).

### **Metro Customer Centers**

- The four Metro Customer Centers located in Los Angeles serve over 400,000 customers each year, selling Metro passes and tokens and EZ transit passes; accepting Reduced Fare applications from college/vocational students and disabled customers; issuing Student Fare Cards and Senior ID cards; answering customer's questions; displaying rail/bus schedules, maps and brochures; distributing special promotional information; and providing vendor pick up and exchange services. The Centers also support the Los Angeles County Buy-Down subsidy program by processing certifications and selling county fare media to the general public, students (grades K-12 and college/vocational), seniors and disabled residents who reside in eligible unincorporated areas of the County. Some locations also sell fare media for Foothill Transit and the Los Angeles Department of Transportation



### **Metro Pass and Token Sales Vendor Network**

- The Metro Pass and Token Sales Vendor Network includes over 800 locations where patrons can purchase Metro passes and tokens and EZ regional transit passes, which can be used on participating transit bus services. Vendors are located throughout the Los Angeles County area and a complete list of sales outlets is provided on [metro.net](http://metro.net).





- Metro also offers a program for Non-Profit Community groups to increase member benefits, while supporting their community and transit services. Once approved, these groups may purchase discounted Metro passes and tokens and pass those savings on to their members. Applications are available on metro.net under Support Your Community.

### metro.net

- metro.net is Metro's presence on the world wide web. It offers an interactive trip planner, ride matching and comprehensive transit service information for the entire Southern California region, including maps of public transit throughout Los Angeles County.
- metro.net is accessible from anywhere in the world 24 hours a day. In 2005, the site had over 2 million visitors. The site also affords customers the convenience of purchasing fare media, reserved parking spaces at rail stations, or Metro apparel and merchandise online. Complete information regarding Metro's other transportation services and projects are available as well. (<http://www.metro.net>)

A screenshot of the METRO TRIP PLANNER interface. The form includes fields for "From" and "To", a "When" dropdown set to "Today", radio buttons for "Leave At" and "Arrive by" (with "Arrive by" selected), time selection fields for "Hour" and "Minute", and radio buttons for "AM" and "PM" (with "AM" selected). A "Fare Type" dropdown is set to "Regular". A red "PLAN TRIP" button is at the bottom. An example address is provided: "Example: 101 Main St, 1st/Spring, or Union Station (Use a forward slash '/' between streets in intersection)".

### What Our Passengers Think

- Two surveys, one scanning customer satisfaction throughout the Metro system and the other focusing on the new Metro Orange Line, have found that high quality basic service is what riders want and appreciate.
- In one of the largest customer satisfaction surveys of its kind polling nearly 18,000 riders, Metro trains and buses received high marks for innovation, as well as for quality of essential services.
- In a poll administered last fall aboard Metro buses and trains, customers said they noticed and appreciated Metro's efforts in improving basic services such as adding more buses to lines when those lines grow in popularity.
- Where basic services including seating and safety are concerned, the survey found it is getting easier to get a seat. A vast majority of customers - 80% - now find a seat, versus 69% just three years ago. Where safety is concerned, customers said they feel safe at bus stops (80%) and when riding the system (87%). In addition, 79% said drivers are courteous.



- Riders overwhelmingly approve of efforts to integrate new technology into the system.
- A prime example is customer reaction to the new Entertainment Television System on board Metro buses. Eighty-six percent of riders approve of the TV monitors that broadcast current news and sports headlines, stock quotes, word games, trivia questions and snippets of vintage television shows. The monitors were installed last year in buses throughout the system.
- Also popular were changes made to timetables. Seventy-six percent of riders approve of the redesign to make the timetables easier to read and understand.
- One area needing improvement is getting the word out about the ease and usefulness of Metro's website, metro.net. While more people are consulting the website which contains information on how to plan bus or rail trips, join a carpool, find a Park & Ride lot near a Metro station and purchase monthly Metro passes, only 37% of the riders surveyed use the website.



- Metro's efforts to clean up graffiti as soon as it appears have also been noticed. In the prior survey, the majority of riders, 52%, thought graffiti was a problem. Now, a majority, 54%, think graffiti is not a problem.
- In the other recent customer service survey, this one focusing on Metro's Orange Line which started service in November 2005, riders registered overwhelming approval of the service. More than 90% of respondents indicated that they normally have a seat for their trip and that they like the Metro Liner buses and the pre-paid boarding system.



- Survey results indicate the North Hollywood Metro Red Line station is the primary destination for Metro Orange Line riders, indicating that the Metro Orange Line is acting as a perfect complement to the Metro Red Line. Fifty-seven percent of riders who

said they drove alone or carpooled prior to the opening of the Metro Orange Line used the 101 Freeway to complete their trip, suggesting that Metro Orange Line service may be helping to offset 101 Freeway traffic.



- Thirty-six percent of Metro Orange Line respondents said they had a car available as an alternative to make their trip (compared with 28% system wide). Also noteworthy, the survey found that 31% of Orange Line riders are new riders and riders who have used Metro for less than a year.



- Overall, more than 4 out of 5 customers think Metro's image is improving and see a continued trend toward better service. A large majority of the riders polled said they use Metro bus and rail primarily for commuting to and from work.

See Appendix 21 for additional information about Metro's riders and their opinions of the service Metro provides.

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## IV. Financial Details By Fund



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## Business-Type Activities

### Enterprise Fund

Business-type activities are budgeted in the Enterprise Fund in a manner similar to the way they are handled in the private sector. The business-type activities included within the Enterprise Fund are Metro Bus, contracted bus service, Metro Rail, and Regional Activities. In addition, the Enterprise Fund records capital and debt service activities related to transit operations. The Enterprise Fund is a major fund as defined by Governmental Accounting Standards Board Statement No. 34.

### Expenses

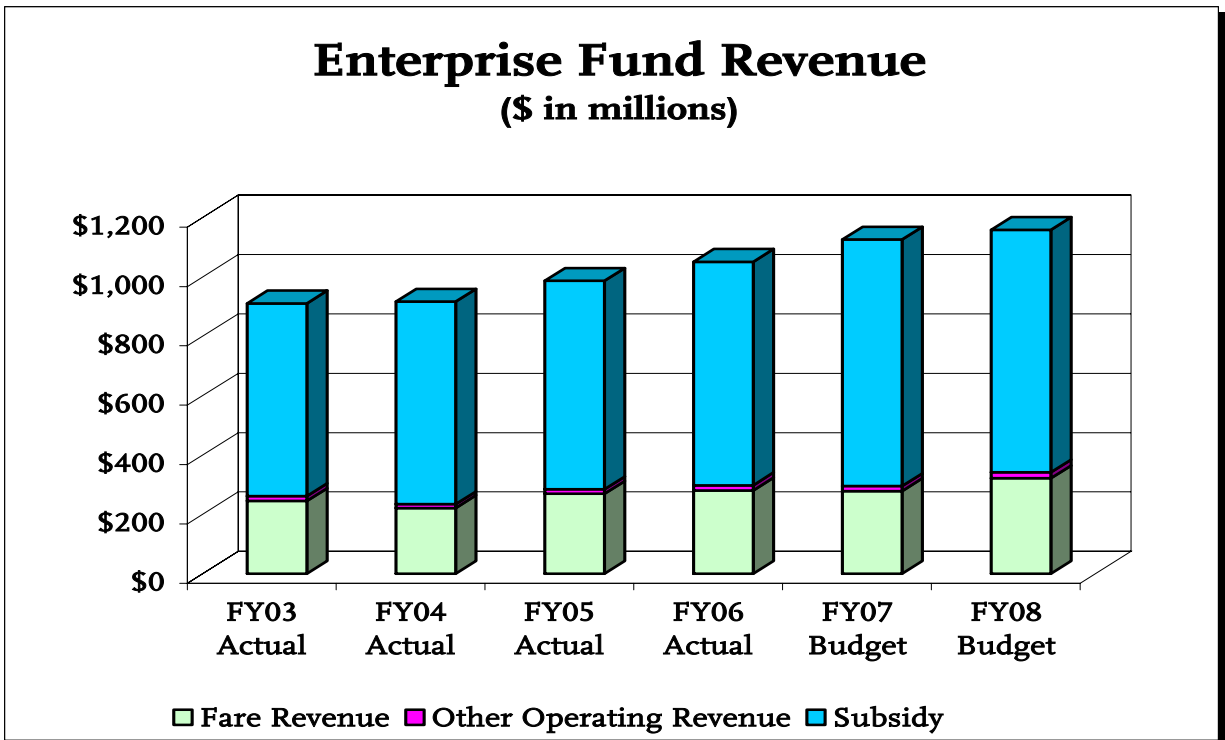
The Enterprise Fund budget of \$2,094.5 million is composed of \$1,166.0 million operating expenses, \$644.8 million for capital projects and \$283.7 million for debt service activities. These are discussed in more detail later in this section.

Approximately 66% of the Enterprise Fund operating expenses is for labor and

fringe benefits. Fuel and materials represents another 13% of expenses, with the remainder being comprised of contracted services (3%), security (6%), casualty and liability (5%), and other expenses (7%). \$190.3 million, or 16%, of operating expenses are general and administrative in nature. Please see Appendices 8 through 13 for more detailed discussion on Activity Based Cost by Mode.

### Revenues

Bus and rail operating revenues recover approximately 30% of the cost to provide transit services. The remaining 70% is funded through a combination of non-operating revenues (primarily federal grants) and transfers (Prop A and C, TDA and STA tax-based revenues). Grant revenues are assumed to increase according to state and federal appropriation levels.



## Service Levels

<b>Mode*</b>		<b>Revenue Service Hours</b>	<b>Revenue Service Miles</b>	<b>Unlinked Passenger Trips</b>	<b>Passenger Miles</b>
Bus	Local & Rapid	7,124,394	87,209,951	373,474,326	1,379,037,800
	Orange Line	101,561	1,619,412	6,611,462	46,280,237
	Purchased Transp	550,011	7,628,790	15,170,425	49,910,699
	Subtotal Bus	7,775,966	96,458,153	395,256,213	1,475,228,735
Rail	Blue Line	221,031	4,858,623	24,458,007	181,649,618
	Green Line	88,167	2,705,572	10,736,303	70,886,912
	Gold Line	73,715	1,653,458	5,651,340	41,819,916
	Heavy Rail	267,725	6,258,413	39,575,103	198,785,743
	Subtotal Rail	650,638	15,476,066	80,420,753	493,142,188
<b>Totals</b>		<b>8,426,604</b>	<b>111,934,219</b>	<b>475,676,966</b>	<b>1,968,370,924</b>

\* See Appendices 14 and 15 for sector detail and previous year comparisons.

## Cost Per Unit of Service

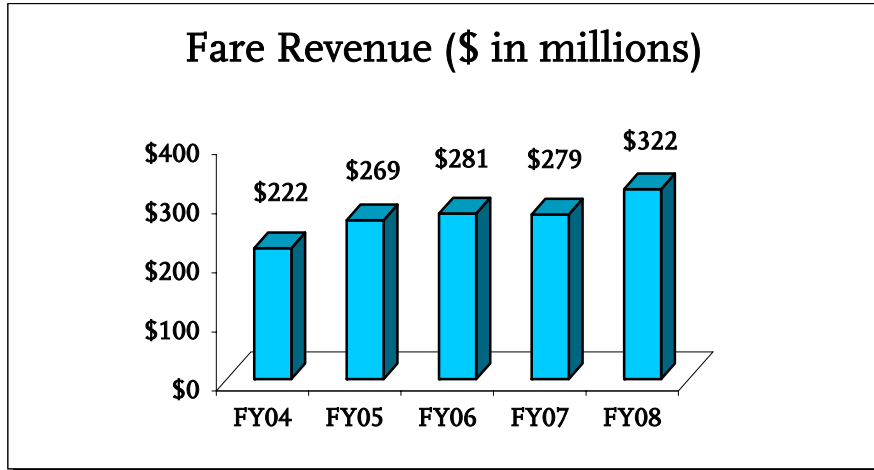
<b>Mode</b>		<b>Revenue Service Hours*</b>	<b>Revenue Service Miles</b>	<b>Unlinked Passenger Trips</b>	<b>Passenger Miles</b>
Bus	Local & Rapid	\$121.10	\$9.89	\$2.31	\$0.63
	Orange Line	\$221.99	\$13.92	\$3.41	\$0.49
	Purchased Transp	\$69.55	\$5.01	\$2.52	\$0.77
	Subtotal Bus	\$118.77	\$9.57	\$2.34	\$0.63
Rail	Blue Line	\$302.24	\$13.75	\$2.73	\$0.37
	Green Line	\$453.90	\$14.79	\$3.73	\$0.56
	Gold Line	\$565.16	\$25.20	\$7.37	\$1.00
	Heavy Rail	\$333.68	\$14.27	\$2.26	\$0.45
	Subtotal Rail	\$365.52	\$15.37	\$2.96	\$0.48
<b>Combined Bus &amp; Rail</b>		<b>\$137.82</b>	<b>\$10.38</b>	<b>\$2.44</b>	<b>\$0.59</b>

\* See Appendices 8 through 13 for Activity Based Cost per revenue service hour by mode.

### Fare Revenue

The chart below depicts actual passenger fare revenue received in FY04 through FY06, plus budgeted receipts for FY07 and FY08. Fare revenue in FY08 is projected to grow by 15% due to fare restructuring.

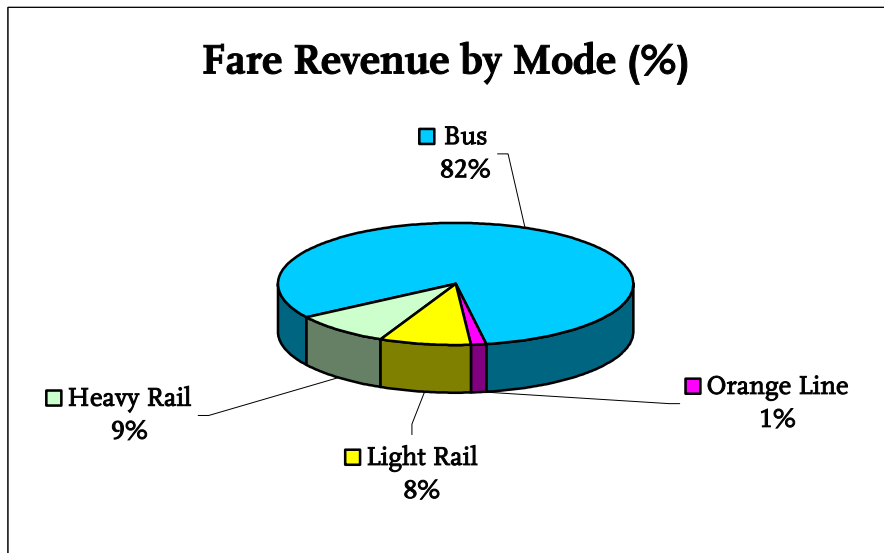
Fare revenue is allocated among modes and lines according to ridership estimates for each line. Fare revenues are assumed to be \$0.67 per boarding.



### Fare Revenue by Mode

The chart below illustrates the distribution of the estimated FY08 fare revenue by mode. As shown on the graph, most of

Metro's fare revenue is attributed to bus operations.



Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

## Enterprise Fund by Mode

### Statement of Revenues and Expenses For the Years Ending June 30, 2006, 2007, and 2008

(\$ in millions)

Enterprise Fund by Mode	Bus Rapid Transit			Bus			Light Rail		
	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget
1 Operating revenues:									
2 Passenger fares <sup>(1)</sup>	\$ -	\$ 3.0	\$ 4.4	\$ 233.9	\$ 226.0	\$ 261.4	\$ 22.7	\$ 24.7	\$ 27.3
3 Route subsidies	-	-	-	0.5	0.5	0.3	-	-	-
4 Advertising	-	0.1	0.0	17.2	16.1	19.0	-	-	-
5 Total operating revenues	-	3.1	4.5	251.6	242.6	280.6	22.7	24.7	27.3
6									
7 Operating expenses:									
8 Operating	10.2	17.8	20.5	696.2	738.3	757.8	97.9	111.7	121.3
9 General & administrative	1.5	2.5	2.1	129.3	139.7	143.7	38.7	32.1	27.2
10 Operating expenses, excluding depreciation:	11.7	20.2	22.5	825.5	878.0	901.4	136.6	143.8	148.5
11									
12 Operating loss	(11.7)	(17.1)	(18.1)	(573.9)	(635.4)	(620.8)	(113.9)	(119.1)	(121.2)
13									
14 Operating subsidies and grants (other expenses):									
15 Local operating grants	-	-	-	0.1	-	-	-	-	-
16 State operating grants	-	-	-	-	-	-	-	-	-
17 Federal operating grants	7.8	13.1	13.7	153.2	125.1	139.8	38.3	30.1	27.2
18 Interest revenues	-	-	-	2.0	0.5	0.5	-	-	-
19 Net (decline) in fair value of investments	-	-	-	-	-	-	-	-	-
20 Debt (expense)	-	-	-	(3.2)	(14.3)	(14.1)	-	-	-
21 Gain (loss) on disposition of fixed assets	-	-	-	1.1	-	3.0	-	-	-
22 Other revenue	-	-	-	5.1	2.6	2.6	0.4	0.1	0.1
23 Total operating subsidies and grants (other expenses)	7.8	13.1	13.7	158.3	113.9	131.7	38.7	30.1	27.3
24									
25 Gain (loss) before debt and capital items	(3.9)	(4.0)	(4.3)	(415.6)	(521.5)	(489.1)	(75.2)	(89.0)	(94.0)
26									
27 Debt service & capital grants / contributions: <sup>(2)</sup>									
28 Local									
29 Capital	-	1.9	0.1	1.8	-	-	-	-	17.8
30 Debt service grants/other revenues	-	-	-	2.7	0.4	0.3	-	1.8	1.7
31 Proceeds from financing	(63.2)	24.8	10.9	7.5	36.3	8.6	(36.7)	89.5	64.6
32 State - capital	98.4	-	-	(0.2)	-	-	103.6	167.6	207.9
33 Federal - capital	5.1	0.7	0.4	127.0	64.3	41.7	124.9	118.4	83.6
34 Total debt service & capital grants / contributions	40.3	27.5	11.4	138.8	100.9	50.7	191.8	377.3	375.6
35									
36 Capital program:									
37 Operating capital	-	-	-	156.8	194.6	208.4	23.5	13.6	16.7
38 Major construction	43.1	28.8	15.0	1.7	-	-	163.1	374.2	380.8
39 Total capital program	43.1	28.8	15.0	158.5	194.6	208.4	186.6	387.8	397.5
40									
41 Debt service expenses: <sup>(2)</sup>									
42 Interest expense	-	-	-	9.9	12.3	11.9	110.7	103.7	99.5
43 Principal payments	-	-	-	6.0	11.9	12.0	76.2	73.4	80.3
44 Services	-	-	-	0.1	0.4	0.3	1.9	1.6	1.5
45 Total debt service expenses	-	-	-	16.0	24.5	24.2	188.8	178.7	181.3
46									
47 Transfers In	6.7	5.4	7.9	451.3	639.6	671.1	258.8	278.2	297.1
48									
49 Net surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Intermodal allocation methodology was revised subsequent to FY05

(2) Excludes defeased leases and includes non-cash items

Note: Totals may not add due to rounding

Los Angeles County Metropolitan Transportation Authority  
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	Heavy Rail			Non-Modal Regional			Total		
	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget
1									
2	\$ 24.0	\$ 24.8	\$ 28.4	\$ -	\$ -	\$ -	\$ 280.6	\$ 278.5	\$ 321.5
3	-	-	-	-	-	-	0.5	0.5	0.3
4	-	-	0.3	-	-	-	17.2	16.2	19.3
5	24.0	24.8	28.7	-	-	-	298.3	295.3	341.1
6									
7									
8	57.0	65.4	72.0	2.1	2.8	4.2	863.4	936.0	975.1
9	20.4	20.5	17.4				189.9	194.7	190.9
10	77.4	85.9	89.3	2.1	2.8	4.2	1,053.3	1,130.7	1,166.0
11									
12	(53.4)	(61.0)	(60.6)	(2.1)	(2.8)	(4.2)	(755.0)	(835.5)	(824.9)
13									
14									
15	-	-	-	-	-	-	0.1	-	-
16	-	-	-	-	-	-	-	-	-
17	7.8	19.8	19.2	-	-	-	207.1	188.0	200.0
18	-	-	-	-	-	-	2.0	0.5	0.5
19	-	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	(3.2)	(14.3)	(14.1)
21	-	-	-	-	-	-	1.1	-	3.0
22	-	0.1	0.1	-	-	-	5.5	2.8	2.7
23	7.8	19.9	19.2	-	-	-	212.6	177.0	192.1
24									
25	(45.6)	(41.2)	(41.3)	(2.1)	(2.8)	(4.2)	(542.4)	(658.5)	(632.8)
26									
27									
28									
29	-	-	-	-	-	-	1.8	1.9	11.3
30	-	0.2	0.2	-	-	-	2.7	2.4	2.3
31	(3.6)	6.0	12.5	-	-	-	(96.0)	156.6	96.6
32	-	-	-	-	-	-	201.8	167.6	214.5
33	4.4	5.9	0.3	-	-	-	261.4	189.3	126.1
34	0.8	12.1	13.0	-	-	-	371.7	517.8	450.7
35									
36									
37	6.2	10.2	11.3	-	-	-	186.5	218.4	236.5
38	3.3	6.0	12.5	-	-	-	211.2	408.9	408.3
39	9.5	16.2	23.8	-	-	-	397.7	627.3	644.8
40									
41									
42	36.7	36.2	34.7	-	-	-	157.3	152.3	146.2
43	26.6	26.6	28.9	-	-	-	108.8	111.9	121.2
44	0.7	0.4	0.4	-	-	-	2.7	2.4	2.2
45	64.0	63.2	64.0	-	-	-	268.8	266.5	269.6
46									
47	118.3	108.5	116.1	2.1	2.8	4.2	837.2	1,034.5	1,096.5
48									
49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## **Capital Program**

The Capital Program includes projects to improve infrastructure, acquire equipment, and construct new bus and rail transportation facilities. The capital budget is developed concurrently and approved with the operating budget. The Capital Program is discussed in greater detail in Section V.

Capital program activity is budgeted in the Enterprise Fund.

### **Revenues**

Revenues for the Capital Program are primarily from intergovernmental grants for infrastructure improvements and equipment acquisition projects (capital

projects) and a combination of intergovernmental grants and long-term debt for the major bus and rail projects. The Capital Program reflects cost estimates and implementation plans for projects based on agency priorities as established by the Capital Review Committee. Funding is allocated based on plans and schedules to provide resources for project implementation.

### **Expenditures**

Capital Program expenditures are comprised of direct project costs for the acquisition, expansion and rehabilitation of infrastructure and capital assets as well as staff necessary for successful design, construction, acquisition, and implementation. Expenditures also include all administrative costs to support the projects.

## Debt Program

Debt Service activity is recorded in the Enterprise, General and Agency Funds. This is detailed in the schedule titled “Metro FY08 Debt Service Schedule” in Appendix 4.

Total Metro outstanding debt is \$4.6 billion. The Agency Fund accounts for another \$63.6 million in Benefit Assessment District debt. No debt issuance is planned for FY08.

Metro has refunded more than \$4.4 billion of its long-term debt to achieve debt service savings. Those savings exceed \$307 million on a present value basis and \$425 million on a cash basis.

### Revenues

Annual revenue budgeted for the payment of debt service consists primarily of local sales tax proceeds from Proposition A and Proposition C. Additional sources of debt repayment include federal grants, monies previously set aside pursuant to lease/leaseback transactions, and other miscellaneous revenue receipts.

### Expenditures

Commercial paper is issued to provide interim funding for capital expenditures prior to the issuance of long-term bonds. If deemed appropriate during the fiscal year, long-term bonds may be issued. Otherwise, long-term bonds are anticipated to be issued in subsequent fiscal periods to retire the commercial paper and provide permanent, long-term financing.

The total FY08 debt service requirement is \$424.2 million; \$399.4 million is related to Transit Operations activities. The remaining \$24.9 million is budgeted in the General and Agency funds. See the

FY08 Debt Service Schedule for further detail.

### Debt Limitations/Use Restrictions

Metro issues additional debt consistent with the Board-adopted multi-year Capital Program. Revenues are allocated in accordance with the applicable ordinances, legislation, and planning processes.

Although Metro’s bonds are not subject to California constitutional debt limitations, Metro has contractual covenants as part of its bond indentures that limit the issuance of additional debt. The additional bond covenants restrict the percentage amount of specific revenue sources that may be used to service debt. These covenants provide protection to bondholders by limiting the amount of additional bonds that may be issued.

Metro has been assigned high credit ratings on its bonds as a result of having sound security provisions in the bond indentures, properly managing its finances, and pledging sales tax revenues to repay the bonds. Metro’s senior lien sales tax revenue bonds have been assigned credit ratings of Aa3, AAA, and AA- by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings, respectively.

### Debt Policy

The Metro’s debt policy establishes guidelines for the issuance and management of the agency’s debt. The policy’s priorities are as follows:

- Achieve the lowest cost of capital.
- Maintain a prudent level of financial risk.
- Preserve future financial flexibility.
- Maintain strong credit ratings and good investor relations.



- Ensure that local, emerging and disadvantaged business enterprise investment banking and financial firms will be considered for, and utilized in, lead and senior manager roles when appropriate.

The policy calls for a Capital Plan of at least five years to be developed annually. The plan must indicate its debt service requirements and the effect on the agency's debt burden.

The policy prescribes that long-term debt should be used to finance essential capital facilities, projects and certain equipment where it is cost-effective and fiscally prudent. Long-term debt may not be used to fund any operational activities.

Lease financing should be used when it is advantageous to do so either financially or operationally.

Short-term debt is permissible as interim funding as long as it is replaced by permanent funding.

The level of unhedged variable rate debt is limited to 20% of all outstanding debt. The corresponding limit for the total of hedged and unhedged variable rate debt is 50%.

The policy sets target and maximum amounts of revenue that can be dedicated to debt service as percentages of the respective revenue sources. Details are shown in Appendix 4.

Issuance of long-term debt secured by Prop A and Prop C sales tax revenues is also limited by additional bond test covenants. Prior to the issuance of new bonds secured by Prop A and Prop C sales tax revenues, Metro must demonstrate that sales tax revenue collected for a certain period prior to the issuance of the new bonds is sufficient to provide minimum debt service coverage levels for all debt service, including debt service related to the new bonds.

**FY08 Debt Service Coverage Ratios**

(\$ in millions)

	FY06 Actual	FY07 Budget	FY08 Budget	Foot- notes
1 Proposition A:				
2 Net Sales Tax Revenue	\$ 501.8	\$ 500.6	\$ 520.6	1
3 First Tier Senior Lien Annual Debt Service	\$ 141.5	\$ 140.7	\$ 144.5	2
4 First Tier Senior Lien Debt Service Coverage	3.55x	3.56x	3.60x	4
5				
6 Residual Net Sales Tax Revenue	\$ 360.3	\$ 359.9	\$ 376.2	
7 First Tier Second Senior Lien Annual Debt Service	\$ 3.3	\$ 5.7	-	2
8 First Tier Second Senior Lien Annual Debt Service Coverage	3.47x	3.42x	N/A	4
9				
10 Residual Net Sales Tax Revenue	\$ 357.0	\$ 354.2	\$ 376.2	
11 Second Tier Annual Debt Service	\$ 4.7	\$ 4.6	\$ 2.3	2
12 Second Tier Debt Service Coverage	3.36x	3.32x	3.55x	4
13				
14				
15 Proposition C:				
16 Net Sales Tax Revenue	\$ 535.2	\$ 534.1	\$ 555.4	1
17 Second Senior Lien Annual Debt Service	\$ 100.1	\$ 100.7	\$ 100.2	3
18 Second Senior Lien Annual Debt Service Coverage	5.35x	5.30x	5.54x	4
19				
20				
21 General Revenue:				
22 Pledged Revenue	\$ 326.8	\$ 298.0	\$ 347.0	
23 Annual Debt Service	\$ 25.0	\$ 24.5	\$ 24.5	
24 Debt Service Coverage	13.08x	12.16x	14.16x	4

**Footnotes:**

- 1 - Sales tax revenue net of required allocations to local governments for transit purposes and less the administrative fee paid to the State Board of Equalization.
- 2 - Net Proposition A Sales Taxes is first applied to pay debt service on the First Tier Senior Lien Bonds. Remaining unapplied Proposition A Sales Taxes revenues are next applied to pay debt service on the First Tier Second Senior Lien Bonds and then the Second Tier Bonds.
- 3 - Net Proposition C Sales Taxes is first applied to pay debt service on the First Senior Lien Bonds. Metro has no First Senior Lien Bonds outstanding as of August 1, 2007. Remaining unapplied Proposition C Sales Taxes revenues are next applied to pay debt service on the Second Senior Lien Bonds.
- 4 - Coverage is as of June 30, 2007. The bond indentures do not impose any minimum coverage requirement.

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

**FY08 Debt Service Requirements**

		Principal	Interest	Foot- notes
1	Proposition A:			
2	FY08 Budget	\$ 71,632,932	\$ 84,936,372	1
3	FY09 Projected	74,614,631	80,965,921	1
4	FY10 Projected	78,046,446	77,060,099	1
5	FY11 Projected	82,010,262	72,766,680	1
6	FY12 Projected	85,973,194	68,453,841	1
7	Total	392,277,463	384,182,912	1
9	Proposition C:			
10	FY08 Budget	47,040,000	61,965,553	1
11	FY09 Projected	50,583,000	57,616,391	1
12	FY10 Projected	50,740,000	57,014,515	1
13	FY11 Projected	53,080,000	54,798,093	1
14	FY12 Projected	55,420,000	52,541,323	1
15	Total	256,863,000	283,935,876	1
17	General Revenue:			
18	FY08 Budget	16,430,000	8,117,069	
19	FY09 Projected	17,190,000	7,473,415	
20	FY10 Projected	18,050,000	6,753,176	
21	FY11 Projected	19,020,000	5,941,197	
22	FY12 Projected	5,650,000	5,743,391	
23	Total	76,340,000	34,028,248	
25	Grant Revenue:			
26	FY08 Budget	47,750,000	7,862,888	2
27	FY09 Projected	37,990,000	5,869,450	
28	FY10 Projected	58,085,000	3,648,200	
29	FY11 Projected	95,885,000	1,606,478	
30	FY12 Projected	-	-	
31	Total	239,710,000	18,987,016	
33	Special Revenue:			3
34	FY08 Budget	20,105,000	2,271,698	
35	FY09 Projected	21,365,000	1,289,813	
36	FY10 Projected	22,170,000	443,950	
37	FY11 Projected	-	-	
38	FY12 Projected	-	-	
39	Total	63,640,000	4,005,460	
41	Capitalized Leases:			
42	FY08 Budget	3,367,421	446,701	
43	FY09 Projected	2,792,013	319,953	
44	FY10 Projected	2,602,961	209,005	
45	FY11 Projected	2,313,235	123,731	
46	FY12 Projected	1,990,257	55,362	
47	Total	13,065,887	1,154,752	
49	Other Debt:			4
50	FY08 Budget	45,003,085	4,096,155	
51	FY09 Projected	14,214,519	3,872,932	
52	FY10 Projected	67,699,716	12,460,880	
53	FY11 Projected	83,325,832	5,444,047	
54	FY12 Projected	50,333,029	5,763,262	
55	Total	\$ 260,576,182.12	\$ 31,637,275.41	

**Footnotes:**

- 1 - Includes projected debt service for the Commercial Paper programs and General Fund debt.
- 2 - Interest expense for the Grant Revenue Bonds is net of capitalized interest and earnings from the Debt Service Reserve Fund.
- 3 - The Special Revenue debt service is solely an obligation of two Benefit Assessment Districts and is paid from assessments levied within each District.
- 4 - Other Debt represents outstanding leveraged leases. Principal and interest payments for the leveraged leases are made from restricted funds on deposit, not from future revenues.

## Governmental Activities

Governmental activities are budgeted in the Governmental funds comprised of the Special Revenue Fund and the General Fund. They consist of Metro's non-proprietary activities. The Special Revenue Fund budget includes the

administration of special transportation programs and the pass-through funding to other agencies in Los Angeles County. Most of the General Fund budget is made up of Metro's non-capital real estate activities.

### Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2006, 2007 and 2008

(\$ in millions)

Governmental Funds	Governmental Funds						Total		
	Special Revenue Fund			General Fund			FY06 Actual	FY07 Budget	FY08 Budget
	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget			
1 Revenue:									
2 Sales tax	\$ 1,739.0	\$ 1,850.8	\$ 1,798.0	\$ -	\$ -	\$ -	\$ 1,739.0	\$ 1,850.8	\$ 1,798.0
3 Intergovernmental grants	26.1	49.6	46.1	0.9	5.7	10.8	27.0	55.2	56.9
4 Investment income	27.7	4.6	6.9	8.0	4.1	4.1	35.7	8.7	11.0
5 Net decline in fair value of investments	(2.4)	-	-	(0.6)	-	-	(3.0)	-	-
6 Lease and rental	-	-	-	12.7	10.3	14.6	12.7	10.3	14.6
7 Proceeds on lease/leaseback to service	-	-	-	-	-	-	-	-	-
8 Licenses and fines	7.7	7.0	7.0	0.5	0.5	0.5	8.2	7.5	7.5
9 Other	-	-	-	2.7	21.5	21.4	2.7	21.5	21.4
10 Total Revenues	1,798.1	1,912.0	1,858.0	24.2	42.1	51.4	1,822.3	1,954.1	1,909.4
11									
12 Expenditures:									
13 Subsidies	710.8	815.5	848.6	0.2	0.0	-	711.0	815.5	848.6
14 Services	60.3	91.5	86.6	5.5	14.8	21.5	65.8	106.3	108.1
15 Debt and interest expenditures			-						-
16 Interest and fiscal charges	-	-	-	1.5	1.5	1.5	1.5	1.5	1.5
17 Bond principal & commercial paper retirement	-	-	-	0.8	0.8	0.8	0.8	0.8	0.8
18 General and administrative	41.9	44.4	44.0	5.0	5.7	6.0	46.9	50.1	50.0
19 Total expenditures	813.0	951.4	979.2	13.0	22.8	29.8	826.0	974.2	1,009.0
20									
21 Transfers In	87.5	92.1	105.1	33.0	6.1	6.4	120.5	98.2	111.5
22 Transfers (out)	(933.4)	(1,123.5)	(1,158.0)	(24.4)	(5.3)	(45.9)	(957.7)	(1,128.8)	(1,204.0)
23 Proceeds from Financing		36.8	-				-	36.8	-
24									
25 Net change in fund balances	139.3	(34.0)	(174.1)	19.8	20.0	(17.9)	159.1	(13.9)	(192.1)
26									
27 Fund balances - beginning of year	650.6	789.9	756.0	96.3	116.2	136.2	746.9	906.1	892.2
28									
29 Fund balances - end of year	\$ 789.9	\$ 756.0	\$ 581.9	\$ 116.2	\$ 136.2	\$ 118.3	\$ 906.1	\$ 892.2	\$ 700.1

Note: Totals may not add due to rounding.

## Special Revenue Fund

The Special Revenue Fund (SRF) accounts for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or major capital projects) that are earmarked for specified purposes. The SRF reflects Metro's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County. Within the SRF group are three major funds (Propositions A, C, and TDA) as defined by the Governmental Accounting Standards Board Statement No. 34.

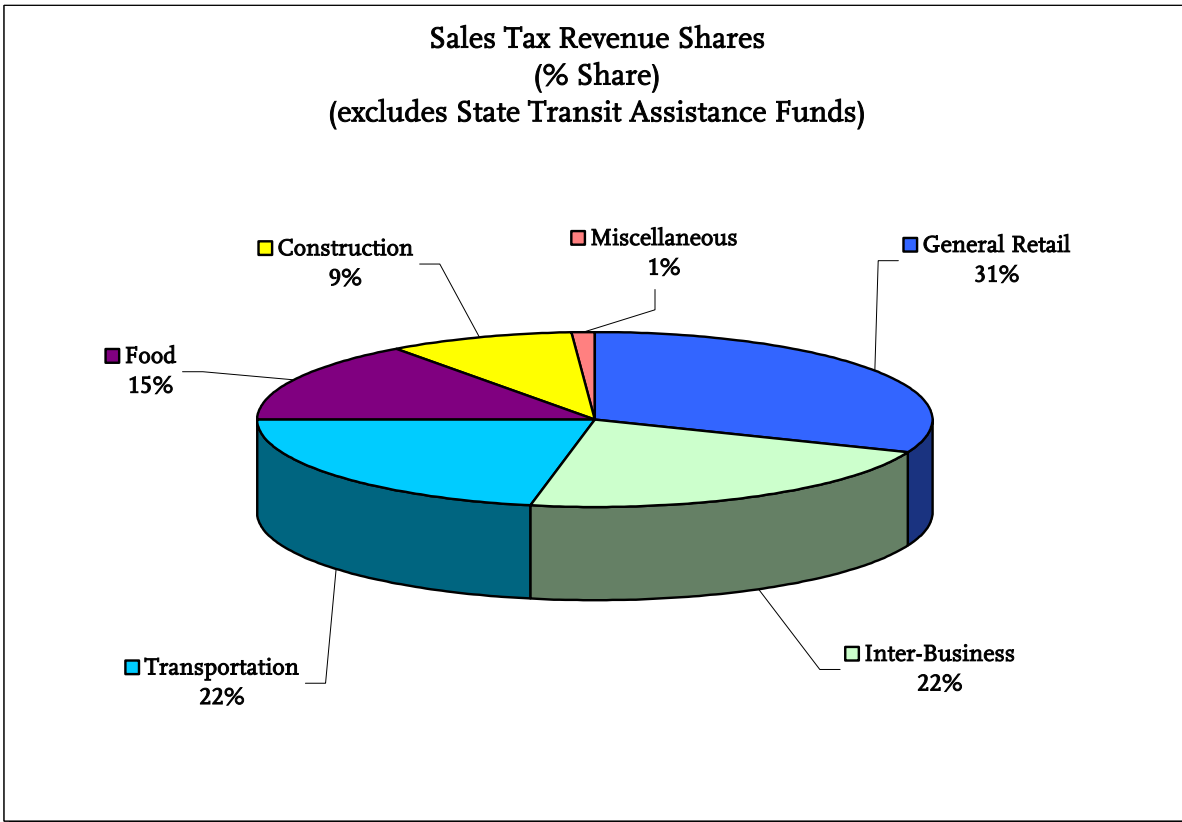
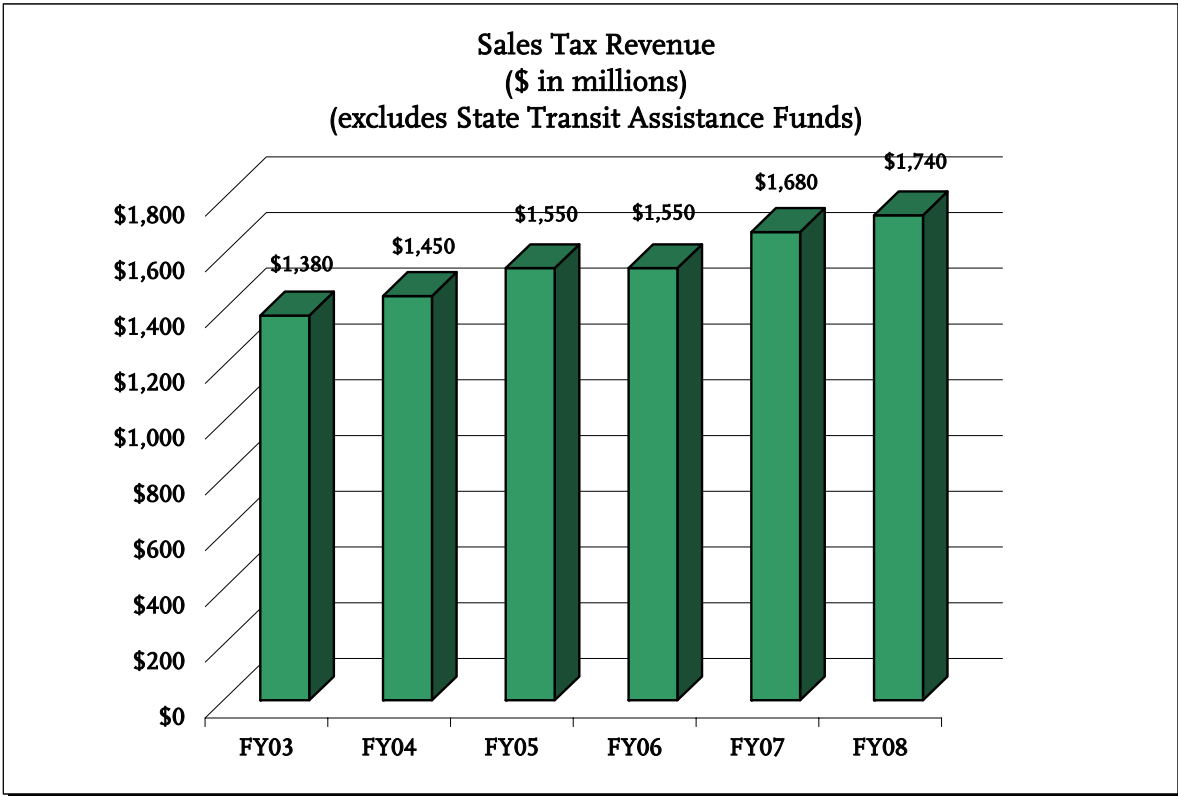
### Revenue

The primary source of revenue is Proposition A sales tax, Proposition C sales tax, Transportation Development Act

(TDA) sales tax, and State Transit Assistance (STA) sales tax on gasoline. Other sources include Service Authority for Freeway Emergencies (SAFE), Congestion Mitigation and Air Quality (CMAQ), and other funds used to account for programs with dedicated revenue. Sales tax revenues are assumed to increase by 4% over the previous year's budget. This assumption is the 20-year historical average.

### Expenditures

Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 87% of Special Revenue expenditures. The remaining 13% goes for SAFE, FSP, other contracts, administrative costs and labor.



## **Description of Revenue**

### **Proposition A**

Revenue is generated from a 0.5% sales tax in Los Angeles County pursuant to the Prop A Ordinance of 1980 that specifies funds must be used exclusively to improve transit in Los Angeles County.

Metro is responsible for administering Prop A funds and the interest earned. Metro uses 5% of Prop A it receives for administration. The remaining 95% of Prop A is apportioned as follows:

- 25% Local Return program
- 35% Rail Development Program
- 40% Discretionary

### **Proposition C**

Revenues are generated from Los Angeles County's 0.5% sales tax for "public transit purposes" pursuant to the Prop C Ordinance of 1990. Eligible uses are:

- The maintenance, improvement and expansion of public transit
- Congestion Reduction
- Increase of Mobility

Metro uses 1.5% of overall funds for administrative purposes. The remaining 98.5% is apportioned as follows:

- 5% rail and bus security
- 10% commuter rail/transit centers
- 20% local return
- 25% transit-related improvements to streets, highways, and fixed guideways on railroad rights-of-way
- 40% discretionary

### **Transportation Development Act**

Revenues are derived from 0.25% of the 7.25% retail sales tax collected statewide. The 0.25% is returned by the State Board of Equalization proportionally to each county based on their tax collections.

## **TDA Article 4: Public Transportation Systems**

Up to 93% of total TDA funds are allocated to municipal transit operators, Transit Districts and Joint Power Authorities. Allocation is subject to the Formula Allocation Procedure (based on vehicle services miles and fare revenue).

### **State Transit Assistance**

Revenues derived from sales and use taxes on diesel fuel and gasoline as follows:

- 4.75% sales tax on diesel fuel.
- 4.75% sales tax on \$0.09 of the gasoline state excise tax on gasoline.
- "Spillover" is a potential source of additional revenue that applies when the growth in sales tax revenue on all sales (including gas) exceeds the growth in sales tax revenue on all sales (excluding gas).

### ***STA Population Share***

STA funds are allocated 50% to counties based on the ratio of each county's population to the state's population. These funds can be used for transit operations or roads. Metro has chosen to allocate its population share completely to Metro Rail Operations.

### ***STA Operator Revenue Share***

The remaining 50% of STA funds is allocated to counties based on the ratio of the total transit operator's revenues to the total revenues of transit operators in the state. These funds can be used for transit operations or capital. Metro allocates to itself and other regional bus operators according to the Board-approved Formula Allocation Procedure (FAP).

See Appendices 5 and 6 for a detailed discussion of revenue sources and the allocation of funds.

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Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

## Special Revenue Fund

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Years Ending June 30, 2006, 2007 and 2008**

(\$ in millions)	Proposition A & C, TDA Administration			Proposition A			Proposition C			Transportation Development Act		
	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget
1 Revenue:												
2 Sales tax	\$ -	\$ -	\$ -	\$ 669.0	\$ 667.5	\$ 694.2	\$ 669.0	\$ 667.6	\$ 694.3	\$ 338.7	\$ 338.8	\$ 352.4
3 Intergovernmental grants	3.2	2.9	4.0	-	-	-	16.5	27.7	25.4	-	-	-
4 Investment income	-	-	-	5.3	1.2	1.2	13.2	2.3	2.3	5.6	-	1.0
5 Net (decline) in fair value of investments	-	-	-	(0.5)	-	-	(1.7)	-	-	-	-	-
6 Licenses and fines	-	-	-	-	-	-	-	-	-	-	-	-
7 Other	-	-	-	-	-	-	0.5	-	-	-	-	-
8 Total revenues	3.2	2.9	4.0	673.8	668.7	695.4	697.6	697.6	722.0	344.4	338.8	353.4
9												
10 Expenditures:												
11 Subsidies	-	0.1	0.9	248.3	243.7	256.3	345.0	435.8	452.4	97.7	109.3	113.8
12 Services	10.2	18.0	14.1	-	-	-	47.9	56.2	50.0	-	-	-
13 General and administrative	34.8	34.7	34.8	-	-	-	4.9	7.1	7.2	-	-	-
14 Total expenditures	45.0	52.8	49.8	248.3	243.7	256.3	397.8	499.1	509.6	97.7	109.3	113.8
15												
16 Transfers In	44.7	49.4	54.7	-	-	-	42.7	41.9	44.7	-	0.6	0.6
17 Transfers Out	-	(1.8)	(3.9)	(395.8)	(354.1)	(551.4)	(271.7)	(345.9)	(266.3)	(218.3)	(247.2)	(264.1)
18 Proceeds from Financing	-	-	-	-	-	-	-	36.8	-	-	-	-
19												
20 Net change in fund balance	3.0	(2.3)	5.0	29.7	70.9	(112.3)	70.8	(68.8)	(9.2)	28.5	(17.0)	(23.9)
21												
22 Fund balance - beginning of year	(3.0)	-	(2.3)	136.9	166.6	237.5	287.3	358.1	289.3	138.4	166.9	149.8
23												
24 Fund balance - end of year	\$ -	\$ (2.3)	\$ 2.7	\$ 166.6	\$ 237.5	\$ 125.2	\$ 358.1	\$ 289.3	\$ 280.1	\$ 166.9	\$ 149.8	\$ 125.9

\* Other includes regional EZ Transit Pass Program, Regional Grantee-FTA, EXPO Phase II, and Metro Sponsored CFP.

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

	State Transit Assistance			SAFE			Other*			Total		
	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget	FY06 Actual	FY07 Budget	FY08 Budget
1												
2	\$ 62.2	\$ 176.9	\$ 57.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,739.0	\$ 1,850.8	\$ 1,798.0
3	-	-	-	-	-	-	6.3	19.0	16.7	26.1	49.6	46.1
4	2.2	0.4	1.7	1.4	0.7	0.7	-	-	-	27.7	4.6	6.9
5	-	-	-	(0.2)	-	-	-	-	-	(2.4)	-	-
6	-	-	-	7.7	7.0	7.0	-	-	-	7.7	7.0	7.0
7	-	-	-	-	-	-	-	-	-	-	-	-
8	64.4	177.3	58.8	8.9	7.7	7.7	6.3	19.0	16.7	1,798.1	1,912.0	1,858.0
9												
10												
11	14.6	9.4	11.3	-	-	-	5.2	17.2	13.9	710.8	815.5	848.6
12	-	-	-	2.3	15.7	15.0	-	1.6	7.5	60.3	91.5	86.6
13	-	-	-	1.8	2.2	1.6	0.4	0.4	0.4	41.9	44.3	44.0
14	14.6	9.4	11.3	4.1	17.9	16.6	5.6	19.2	21.8	813.0	951.3	979.2
15												
16	-	-	-	-	-	-	0.1	0.2	5.0	87.5	92.1	105.1
17	(46.3)	(171.5)	(69.3)	(1.3)	(3.0)	(3.0)	-	-	-	(933.4)	(1,123.5)	(1,158.0)
18											36.8	-
19												
20	3.5	(3.6)	(21.8)	3.5	(13.2)	(11.9)	0.8	-	(0.1)	139.3	(33.9)	(174.1)
21												
22	62.1	65.6	62.0	29.0	32.5	19.3	(0.2)	0.7	0.7	650.6	789.9	756.0
23												
24	\$ 65.6	\$ 62.0	\$ 40.2	\$ 32.5	\$ 19.3	\$ 7.4	\$ 0.7	\$ 0.7	\$ 0.6	\$ 789.9	\$ 756.0	\$ 581.9

## Regional Programs

Metro provides funding directly to projects through grants of local funds or indirectly through allocated federal or state grants. Local funds consist mainly of Proposition A and Proposition C funds which are disbursed by Metro to agencies based on an approved spending plan. Federal and state grant funds are programmed or allocated by Metro and disbursed directly by the granting agency or disbursed by Metro to the grantee or recipient. The recipient agency is responsible for

administering and managing the federal or state grant.

The FY08 Budget for local funding commitments to the Call for Projects (CFP) reflects current year cash flow. Funding for all other local programs, including Municipal Operator programs, Access Services, Inc. (ASI), Proposition A Incentive, Local Return, and Metrolink, reflects the FY08 programmed amounts.

### FY08 Budget Revenue Summary - Regional Subsidy Program Budget

(\$ in thousands)

Funding Category	Transit Operator Programs	ADA/ Accessibility Funding Program	CFP Projects & Programs	Other Local Projects	Commuter Rail & Intercity Rail	Other Planning Projects	Total Subsidy Budget
1 Prop A - Local Return 25%	\$ -	\$ -	\$ 164,872	\$ -	\$ -	\$ -	164,872
2 Prop A - Discretionary 95% of 40%	218,235			-			218,235
3 Prop A - Incentive 5% of 40%		18,132					18,132
4 Prop C - Local Return 20%			136,772				136,772
5 Prop C - Security 5%	33,129						33,129
6 Prop C - Commuter Rail 10% <sup>(1)</sup>			7,958		58,212		66,170
7 Prop C - Streets & Hwys 25%			160,832			1,000	161,832
8 Prop C - Discretionary 40% <sup>(2)</sup>	103,775	28,070	-	10,536			142,381
9 Other (Federal, Local, FAU Cash, & CMAQ)			9,405	5,367			14,772
10 Other (EZ Pass)				8,500			8,500
11 TDA	343,498		27,768				371,266
12 STA Formula	45,560						45,560
13 Total	\$ 744,194	\$ 46,202	\$ 507,606	\$ 24,403	\$ 58,212	\$ 1,000	\$ 1,381,617

NOTES:

(1) Commuter Rail & Intercity Rail now reflects entire budget for Metrolink Capital dollars for stock car acquisition (was included in the Call-for-Projects in prior years).

(2) Transit Operator Programs total includes MOSIP funds.

**Regional Subsidy Program Budget Detail**  
**FY08 Budget**

(\$ in thousands)

Regional Fund Description	FY06 Actual	FY07 Budget	FY08 Budget
1			
2 Transit Operator Programs			
3     Formula Allocated Funds	\$ 504,531	\$ 574,536	\$ 607,736
4     Transit Security	31,241	30,195	33,129
5     BSIP & MOSIP Programs*	69,735	29,576	83,701
6     Foothill Mitigation	7,676	7,114	9,822
7     Transit Service Expansion	5,954	6,282	6,436
8     FY07 Fuel Inflation allocation	-	6,000	-
9     Base Bus Restructuring	3,011	3,289	3,369
10                     Transit Operator Programs total	622,148	656,992	744,194
11			
12 ADA/Accessibility Funding Programs			
13     ASI - Access Services, Inc.	24,177	25,059	28,070
14     Proposition A Incentive programs	10,379	13,149	18,132
15                     ADA Accessibility Funding Programs total	34,556	38,208	46,202
16			
17 CFP Projects and Programs			
18     Proposition A and C Local Return	288,264	300,730	301,644
19     Call for Projects & Rapid Bus	127,099	177,666	178,194
20     TDA Bikeways/Transit/Streets & Hwys Pgms	18,268	25,617	27,768
21                     CFP Projects and Programs total	433,631	504,013	507,606
22			
23 Other Local Projects			
24     Immediate Needs	5,015	5,000	9,950
25     SHORE/General Relief Tokens	1,050	1,050	400
26     Regional Grantee-FTA	3,859	9,739	5,367
27     EZ Pass Program	14	7,500	8,500
28     Miscellaneous Other Local Projects	-	-	186
29                     Other Local Projects total	9,938	23,289	24,403
30			
31 Commuter Rail & Intercity Rail Programs			
32     Metrolink	45,303	52,277	58,187
33     Intercity Rail	25	25	25
34                     Commuter Rail & Intercity Rail Programs total	45,328	52,302	58,212
35			
36 Other Planning Projects			
37     Other P&P Planning	-	65	-
38     Transit Planning	13	-	-
39     Pedestrian Bikeway Enhancements & Rideshare Svcs	221	40	-
40     Bus Speed Improvements on Van Nuys Blvd.	-	-	1,000
41                     Other Planning Projects total	234	105	1,000
42			
43 Total Metro Funded Programs	\$ 1,145,835	\$ 1,274,908	\$ 1,381,617

Note: BSIP/MOSIP funds for FY07 budget do not include Metro's allocation of Prop C 40%.

## **Regional Programs Descriptions**

### **Transit Operator Programs**

Transit Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 40% Discretionary, and Propositions A and C interest revenues to Metro Operations and 16 transit service providers in Los Angeles County. These funds are allocated based on formulas prescribed by state law and by Metro's Board of Directors.

In addition, operators receive Proposition C 40% Discretionary funds under five programs approved by the Metro Board of Directors: Foothill Mitigation Program, Transit Service Expansion, Discretionary Bus Restructuring, Bus Service Improvement Plan (BSIP) including Overcrowding Relief, and the Municipal Operator Service Improvement Program (MOSIP).

### **ADA/Accessibility Funding Programs**

Metro contracts with Access Services, Inc., (ASI) to provide complementary paratransit services for persons with disabilities who cannot use fixed route buses and trains, enabling the County's fixed route operators to be fully compliant with ADA requirements. ASI is also the Consolidated Transportation Services Agency (CTSA) for Los Angeles County, responsible for improving mobility options and for coordinating specialized transportation.

### **Paratransit Programs**

The Proposition A Discretionary Incentive program provides support to many local jurisdictions within Los Angeles County for the provision of public and private paratransit service.

### **Call for Projects and Other Transportation Improvement Programs**

#### **Propositions A and C Local Return**

The Proposition A and Proposition C ordinances require that each of the 88 cities and Los Angeles County receives a direct share, based on population, of the total Proposition A and Proposition C sales tax revenues. Known as "local return," these funds must be used to support transit needs or other transportation related projects including paratransit and fixed route service, street and road maintenance (Prop C only) on streets heavily used by transit, and other transit-related improvements.

#### **Transportation Improvement Program Call for Projects**

The Transportation Improvement Program (TIP) Call for Projects (CFP) is a biennial process for allocating selected local, state, and federal transportation funds to cities in Los Angeles County, Los Angeles County, municipal transit operators, joint power authorities, and other public agencies. After Metro establishes funding estimates, eligible organizations submit project applications for review.

Metro staff, based on a scoring system adopted by Metro's Board of Directors, evaluates the merits of each submittal and develops a priority ranking. Metro's Board of Directors reviews the staff recommendations and adopts a multi-year funding program. After adoption by its Board of Directors, Metro allocates funding based on project cash flow plans and secures written agreements with successful project sponsors.

### **TDA Article 3 and Article 8**

TDA Article 3 funds are allocated to all cities and the unincorporated areas of Los Angeles County based on population. TDA Article 3 funds may be used for pedestrian and bicycle facilities, including retrofitting facilities, to comply with the Americans with Disabilities Act (ADA). TDA Article 8 funds may be used for transit and paratransit.

If Metro finds that all transit needs in the jurisdiction have been met, Article 3 and 8 funds may be used for the development, construction, and maintenance of local streets and roads. Eligible claimants for TDA Article 8 funds include the cities of Avalon, Lancaster, Palmdale, and Santa Clarita, and the unincorporated areas of Los Angeles County.

### **Other Local Programs**

Metro provides \$10.4 million in funding for Support for Homeless Re-Entry (SHORE) and the Immediate Needs Transportation Program (INTP).

### ***Regional Grantee***

Metro is acting as the grantee for federal funds on a pass-through basis. In FY08, the budgeted amount for pass-through grants is \$9.6 million.

FY08 participants include Baldwin Park, Bell, Burbank, Compton, Cudahy, El Segundo, Glendale, Maywood, Monrovia, Monterey Park, Palmdale, Pasadena, Playa Vista, Redondo Beach, Sierra Madre,

South Pasadena, and West Covina, as well as Catellus Development Group and the Los Angeles Neighborhood Initiative (LANI).

### ***EZ Transit Pass Program***

The EZ transit Pass Program is a regional pass program that allows patrons to transfer among various transit providers. Currently, twenty operators participate in the program. The program provides seamless travel for patrons who use the EZ Pass to access different transit systems.

Metro administers the program by collecting all revenues (\$25.9 million in FY08) and distributing them to the participating operators, including Metro, upon receipt of their requests for reimbursement.

### **Regional Commuter Rail Program**

Metrolink is a regional passenger rail system which links downtown Los Angeles to the four surrounding counties and the Antelope Valley. Average passenger trip length is 37 miles.

Construction, operation, and maintenance of the Metrolink fleet, right-of-way, and facilities are performed by the Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA). Metro and the four county members of the JPA provide funding, in combination with passenger fares, state and federal grants, and other operating revenue.

## General Fund

The General Fund includes activities associated with government that are not legally or otherwise required to be accounted for in another fund.

The General Fund provides legal services, planning and joint development programs, and Metro rideshare communication activities with constituents and customers. The General fund is also used for revenues not attributable to other funds, such as sales-leaseback and filming on non bus and rail operating Metro owned property.

### Revenues

The primary sources of revenue to the General Fund are HOV fines, interest income, employee activities, and Federal, State, and Local grants. Metro also collects rental and lease revenue on owned property and generates revenue from property management functions provided by the Real Estate Department. Revenues collected from non-recurring sources such as CNG fuel credits also are recorded in the General Fund.

### Expenditures

The General Fund records expenditures for joint development administration,

Homeland Security training, and right-of-way administration.

For FY08, the Board authorized application of monies from the General Fund (including those generated by CNG fuel credits) towards improved bus maintenance, Regional Service Center and Clearinghouse activities, installation of incident based surveillance cameras, and covering the bus operating budget shortfall. These activities account for the decreased fund balance. This fund balance will continue to decrease unless new sources of operating revenues are identified. The Metro Board of Directors has already approved an additional fare increase scheduled for FY10 to help address this problem.

Budgeted expenditures in FY08 include legal services, employee activities, bikeway and pedestrian planning studies, joint development, rideshare services, Homeland Security programs, and debt expenditures and retirement. Expenditures associated with property management activities that are not directly attributable to transit operations or construction efforts are also included in the General Fund.

## Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2006, 2007, and 2008

(\$ in millions)

<b>General Fund</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2 Intergovernmental grants	\$ 0.9	\$ 5.7	\$ 10.8
3 Investment income	7.4	4.1	4.1
4 Lease and rental	12.7	10.3	14.6
5 Licenses and fines	0.5	0.5	0.5
6 CNG fuel credits	2.7	21.5	21.4
7 Total Revenues	24.2	42.1	51.4
8			
9 Expenditures:			
10 Subsidies	0.2	-	-
11 Services	6.9	14.8	21.5
12 Debt and interest expenditures	1.5	1.5	1.5
13 Bond principal & commercial paper retirement	0.8	0.8	0.8
14 General and administrative	3.6	5.7	6.0
15 Total expenditures	13.0	22.8	29.8
16			
17 Transfers In	33.0	6.1	6.4
18 Transfers Out	(24.4)	(5.3)	(45.9)
19			
20 Net change in fund balance	19.9	20.0	(17.9)
21			
22 Fund balances - beginning of year	96.3	116.2	136.2
23			
24 Fund balances - end of year	\$ 116.2	\$ 136.2	\$ 118.3

Note: Totals may not add due to rounding



## Fund Balances

**For The Years Ending June 30, 2006, 2007 and 2008.**

(\$ in millions)

Fund	FY06 Actual	FY07 Estimated	FY08 Estimated
1 <b>Special Revenue Funds:</b>			
2     Proposition A:			
3         Administration	\$ 4.7	\$ -	\$ -
4         Local Return	5.8	-	-
5         Rail Set Aside	67.5	88.2 (1)	39.5 (2)
6         Discretionary	3.2	58.5 (1)	-
7         Incentive	20.6	20.1	15.2
8         Interest	0.7	1.9	3.1
9     Proposition C:			
10        Administration	1.8	-	-
11        Local Return	4.9	-	-
12        Commuter Rail	50.2	39.3	26.1
13        Discretionary	105.9	72.3	149.1 (3)
14        Street & Highways	192.7	68.3	-
15        Security	6.7	8.8	4.7
16        Interest	(1.7)	0.7	2.1
17     Transportation Development Act:			
18        Administration	-	-	-
19        Article 3	0.5	0.5	-
20        Article 4	22.1	22.1	-
21        Article 8	1.3	1.3	-
22        Interest	-	-	-
23     State Transit Assistance:			
24        Revenue Share	12.8	13.9	-
25        Population Share	8.7	9.2	-
26        Interest	-	-	1.3
27     SAFE	32.5	19.3	7.3
28     Prop. A, C, TDA Administration	-	0.9	2.7
29 <b>General Fund:</b>			
30     Sales/leaseback	30.3	17.8	23.8
31     Right-of-Way Lease	37.5	37.5	41.2
32     HOV Fines	0.5	0.5	-
33     Interest	0.2	-	7.9
34     Employee Activities	0.2	0.3	0.6
35     FAU	2.5	1.4	-
36     Ridesharing	1.4	1.4	-
37     General	43.9	49.6	44.7
38     CNG Fuel Credits	-	15.3	-
39 <b>Other:</b>			
40     Debt Service	982.4	982.4	987.8 (5)
41     Benefit Assessment Districts (4)	84.6	84.6	84.6 (5)
42     Pension Plans (Jointly Administered) (4)	711.1	711.1	711.1 (5)

(1) Swap in FY07 with STA windfall.

(2) Committed to capital rail rehabilitation program.

(3) \$41.4 million committed to outstanding encumbrances.

(4) FY06 ending balance used for budgeting purposes in FY07 and FY08.

(5) Fully committed.

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## V. Capital Program

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## **Program Description**

The Capital Program (CP) is a financial plan of proposed capital projects, their costs, and schedules. The CP is designed to meet Metro's infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of Metro and is updated annually. Appropriations for the capital budget are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year.

The CP provides for the acquisition, construction, reconstruction, purchase of initial fixtures and equipment, renovation, rehabilitation, and replacement of facilities with a life expectancy of at least one year and any related costs for land acquisitions, land improvements, design, feasibility studies, engineering studies and engineering. It includes projects which are, or will become, the property of Metro.

Capital projects are planned and executed in phases. The project development phase identifies project requirements and defines the project work scope. This includes preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, and assessment of alternatives.

The design phase includes professional consultant activities, legal and technical documentation, environmental clearance, constructability review, data collection, advertising, assessment of alternatives related to project design, construction management services, and bid reviews. The property acquisition phase includes the purchase of land, easements, and rights-of-way. This also includes negotiating the purchase price, surveys, appraisals, environmental audits,

permits, legal costs, maps, charts, and other costs.

The construction phase includes project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspection, testing, and permitting.

Metro's 79 capital projects for FY08 are grouped in one of the following eleven elements: Bus Acquisition, Bus Facilities Improvements, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Improvements, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse, Other Capital, and Major Construction.

Each element is managed by a subject matter expert known as an "Element Sponsor." The Element Sponsors are responsible for validating project need, approving the scope, ranking the projects and monitoring the project managers to ensure project completion on schedule and within budget. The annual and Life-of-Project (LOP) budgets for each project are shown in the Capital Projects List beginning on page V-5.

## **Funding**

The CP is funded primarily with federal, state and local grants. Additionally, Metro finances a portion of the capital projects with debt and short term financing.

## **Major Construction Projects**

The FY08 Construction Program includes funds for construction of the Metro Gold Line Eastside Extension, construction of the Expo Light Rail Line, acquisition of light rail vehicles for Expo and the Blue Line, overhaul of Red Line subway cars,

and close out activities for the Orange Line and the Canoga Station Park and Ride facility.

### **Metro Gold Line Eastside Extension**

This project will connect East Los Angeles with downtown Los Angeles. The corridor will extend 6 miles from Union Station to the intersection of Beverly and Atlantic Boulevards. It will operate at-grade for 4.3 miles and through tunnels in Boyle Heights for 1.7 miles. Revenue operation is projected to begin in FY10. The total cost of the project is \$898 million.

The FY08 project includes: construction of both underground stations; completion of tunnel finishes (trackwork, lighting and walkways); structural completion of the East and West portals; completion of the six at-grade LRT stations; completion of trackwork installation along the LRT guideway; and, initiation of Systems Integration Testing.

### **Orange Line**

The Orange Line is an exclusive 14-mile, at-grade busway from the Metro Red Line North Hollywood station to Warner Center via the Burbank/Chandler right-of-way. The full busway project consists of a 26-foot wide busway, a bikeway, and a landscaped median. It parallels several major streets and has thirteen stations spaced approximately one mile apart. The total cost of the project is \$313 million.

Total travel time for the full length of the corridor is approximately 40 minutes. Park and Ride facilities at five stations provide approximately 3,200 parking spaces and there is existing parking at the North Hollywood Metro Red Line Station.

The FY08 project includes costs for contract close out activities.

### **Canoga Station Park and Ride**

This project includes funds for contract close out activities. The total cost of the project is \$26 million.

### **Mid-City/Exposition Light Rail Transit Project**

The Exposition Light Rail line will travel along the Exposition railroad right-of-way between downtown Los Angeles and Culver City. It will share track and two stations (7th Street/Metro Center and Pico) with the Metro Blue Line as it leaves downtown Los Angeles. It will then travel along the Exposition right-of-way to the current terminus at Washington/National.

Eight new stations will be constructed.

The light rail line project will be approximately 8.6 miles in length and will parallel the heavily congested I-10 freeway. The cost of the project to Culver City is \$640 million and revenue operation is projected to begin in 2009. Estimated travel time from downtown Los Angeles to Culver City is under 30 minutes. The total cost of the project is \$640 million.

The FY08 schedule includes completion of final design, trench construction and wall installation, track installation, street improvements, construction of the La Brea Overpass, construction of the Ballona Creek Vehicle Bridge, realignment of National Boulevard in Culver City, and construction of stations.

### **Expo Line and Metro Blue Line Light Rail Vehicle Project**

The FY08 activities scheduled consist of Metro Integrated Project Team efforts to negotiate the Option No. 1 to the existing vehicle procurement and obtain Board approval to award the Option. These Option cars are assigned to the new Expo Line and as replacements for the existing

Metro Blue Line fleet. The total cost for 50 rail cars is \$174 million.

**Metro Red Line Heavy Rail Subway Vehicle Mid-Life Refurbishment**

The FY08 activities scheduled consist of Metro Integrated Project Team efforts to complete Board approval for the procurement, issue the Request for Proposal/ Invitation for Bid (RFP/IFB), evaluate the proposals, and obtain Board

approval to award the refurbishment contract. The total cost to rehabilitate 104 rail cars is \$203 million.

**Rail Vehicle Maintenance**

The FY08 Rail Vehicle Maintenance program includes retrofitting brake components on the heavy rail cars and upgrading the Green Line light rail vehicle signaling package.

## **Infrastructure Improvement and Acquisition Capital Projects**

The infrastructure improvement and acquisition projects are sorted by the following elements: Bus Acquisition, Bus Facilities Improvements, Bus Maintenance, Rail Facilities Improvements, Rail Vehicle Maintenance, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse Projects, and Other Capital Projects.

### **Bus Acquisitions**

Metro will acquire additional CNG articulated buses, six hybrid gasoline-electric articulated buses, and retrofit four Metro vehicles with hydrogen-compressed natural gas (HCNG) engines. The total cost to purchase 95 articulated buses is \$86 million.

### **Bus Facilities Improvements**

FY08 Bus Facilities Improvements projects include construction work at bus divisions to replace and refurbish equipment and facilities, expansion of buildings and facilities, and storage tank replacement. Work will continue on a new bus operating division.

### **Bus Maintenance**

The FY08 budget includes funding to rebuild 250 CNG buses which have reached their mid-life. In addition, new engines will be installed in 170 buses.

### **Rail Facilities Improvements**

FY08 Rail Facilities Improvements projects cover facility expansion, safety improvements, security projects, and support equipment.

### **Wayside Systems**

Wayside Systems projects for FY08 include funds for upgrading of stations and operating facilities, safety improvements, and maintenance and

refurbishment of traction power, signals, facilities and track.

### **IT/Communications**

IT/Communications projects for FY08 support development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include replacement of telecommunications transmission equipment, replacement of work stations, and technology upgrades. Development of the Transit Operator Activity Scheduling and Tracking (TOAST) for tracking operator payroll will continue with implementation scheduled for FY09.

### **Non-Revenue Vehicles**

The FY08 Non-Revenue Vehicles capital program includes purchase of replacement and expansion vehicles to support bus and rail operations and general Metro functions.

### **Warehouse Projects**

Warehouse projects for FY08 include upgrading materials handling systems and constructing storage facilities at two bus divisions.

### **Other Capital Projects**

Other Capital projects for FY08 include completion of Gateway headquarters improvements and acquisition of new printing presses. Other FY08 expenditures in this element are for the Universal Fare System (UFS) and the Regional Service Center and Clearinghouse. A study to determine the feasibility of adding fare gates at Red Line Stations will be initiated in FY08.

Los Angeles County Metropolitan Transportation Authority  
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## Capital Projects List

(\$ in thousands)		Expected Expenditures		FY09 and Future	Life of Project	New
Project Title	CP#	Through FY07	FY08			
<b>1 Bus Acquisition</b>						
2	ATV Bus Purchase (Hybrid Vehicles)	200044	\$ 4,295	\$ 130	\$ 177	\$ 4,603
3	HCNG Demonstration Project	201033	1,144	107	7	1,258
4	CNG Articulated Buses, Option 2	201044	-	86,427	-	86,427 Y
<b>5 Bus Acquisition Total</b>			<b>5,439</b>	<b>86,665</b>	<b>184</b>	<b>92,288</b>
<b>6</b>						
<b>7 Bus Facilities Improvements</b>						
8	RRC General Building Modifications	202006	1,066	39	13	1,118
9	In-ground Bus Hoist Replacement	202007	8,118	163	-	8,281
10	New Division 9 Transportation Building Improvements	202014	14,990	1,505	4	16,500
11	Temple & Beaudry Layover Facility	202016	1,448	220	23	1,692
12	Division 7 Facility Improvements	202017	4,323	764	12	5,100
13	El Monte Transit Station Enhancements	202021	106	7	3	115
14	FY08 UST Replacement	202027	-	1,315	-	1,315 Y
15	FY08 Bus Facility Contingency Projects	202037	-	2,503	-	2,503 Y
16	FY08 Bus Division Maintenance Equipment	202042	-	2,253	-	2,253 Y
17	FY08 Replace Bus Div. Emergency Generators	202047	-	1,859	-	1,859 Y
18	FY08 HVAC Replacement Program All Divisions	202062	-	1,288	-	1,288 Y
19	Articulated Bus Facility Modifications	202065	4,886	1,736	19	6,641
20	Division 1 Expansion	202066	11,491	78	6	11,574
21	Division 6 Relocation	202076	1,022	500	-	1,522
22	Division 5, 10, & 18 Renovations	202181	18,127	173	32	18,333
23	In-ground Bus Hoist Replacement -- Phase II	202203	-	1,402	2,970	4,372 Y
24	Articulated Bus Facility Modifications -- Phase II	202204	2,184	1,179	16	3,380
25	ATMS Upgrade	202232	-	1,774	10,333	12,107 Y
26	Division 18 Solar Energy Project	202237	-	5,000	-	5,000
27	Division 1, 3, 8, 9 and 15 Renovations	202239	-	7,096	6,624	13,720 Y
28	Bauchet Street Storage and Facilities Maintenance Structure	202246	-	4,652	8,273	12,925 Y
29	Metro Orange Line Passenger Amenities	202249	-	100	515	615 Y
<b>30 Bus Facilities Improvements Total</b>			<b>67,762</b>	<b>35,608</b>	<b>28,843</b>	<b>132,213</b>
<b>31</b>						
<b>32 Bus Maintenance</b>						
33	FY08 Bus Midlife Program	203005	-	29,500	-	29,500 Y
34	FY08 Replace RRC Shop Equipment	203011	-	1,015	-	1,015 Y
35	FY08 RRC Engine Replacement Program	203015	-	11,000	-	11,000 Y
<b>36 Bus Maintenance Total</b>			<b>-</b>	<b>41,515</b>	<b>-</b>	<b>41,515</b>



Los Angeles County Metropolitan Transportation Authority  
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**Capital Projects List (continued)**

(\$ in thousands)		Expected Expenditures Through FY07	FY08	FY09 and Future	Life of Project	New
37	<b>IT/Communications</b>					
38	ITS Telecommunications Transmission Replacement Proj.	\$ 1,343	\$ 3,245	\$ 4,953	\$ 9,541	
39	FY08 Computer Equipment Technology Refresh Program	-	2,104	-	2,104	Y
40	FY08 Financial/HR System Upgrades	-	447	-	447	Y
41	Remote Storage for Disaster Recovery	-	783	-	783	Y
42	Transit Operator Activity Scheduling and Tracking	2,288	3,552	1,841	7,681	
43	MRL Line Segment 1: PBX T-1 Trunk Route Retrofit	-	519	-	519	Y
44	<b>IT/Communications Total</b>	<b>3,631</b>	<b>10,650</b>	<b>6,794</b>	<b>21,075</b>	
45						
46	<b>Non-Revenue Vehicles</b>					
47	FY08 Bus System Replacement Non-Revenue Vehicles	-	10,841	-	10,841	Y
48	FY08 Rail Support Replacement Non-Revenue Vehicles	-	4,636	-	4,636	Y
49	FY08 Rail Support Expansion Non-Revenue Vehicles	-	2,042	-	2,042	Y
50	<b>Non-Revenue Vehicles Total</b>	<b>-</b>	<b>17,520</b>	<b>-</b>	<b>17,520</b>	
51						
52	<b>Other Capital Projects</b>					
53	Universal Fare Collection System	82,768	13,363	1,476	97,607	
54	Regional Service Center and Clearinghouse	15,940	4,131	1	20,072	
55	Gateway Headquarters Improvement Projects	2,645	135	54	2,834	
56	Replace Two Color Printing Press	13	3,391	-	3,404	Y
57	<b>Other Capital Projects Total</b>	<b>101,365</b>	<b>21,020</b>	<b>1,531</b>	<b>123,917</b>	
58						
59	<b>Rail Facilities Improvements</b>					
60	MRL Station Canopies	1,434	313	4,839	6,586	
61	Vermont/Santa Monica Sta. Underground Water Mitigation	752	285	246	1,283	
62	FY08 Rail Facility Improvements Contingency Projects	-	1,500	-	1,500	Y
63	MRL Seg-2 & 3 Station PLC and EMP Upgrade	204	729	193	1,126	
64	Division 22 Improvements - Phase II	1,653	2,473	769	4,895	
65	Division 20 Carwash & Cleaning Platform	236	1,060	14,104	15,400	
66	Division 21 Improvements - Phase II	908	2,343	1,749	5,000	
67	Division 20 Additional Vehicle Hoists	1,001	904	2,345	4,250	
68	Division 22 Paint Booth	3	145	2	150	
69	FY08 Rail Security Projects	-	1,000	-	1,000	Y
70	<b>Rail Facilities Improvements Total</b>	<b>6,190</b>	<b>10,752</b>	<b>24,247</b>	<b>41,190</b>	
71						
72	<b>Rail Vehicle Maintenance</b>					
73	Breda Rail Car Retrofit	1,825	517	-	2,342	
74	P2000 Vehicle Signaling Package Upgrade	829	963	1,572	3,364	
75	FY08 RFS Tools & Equipment	-	431	-	431	Y
76	<b>Rail Vehicle Maintenance Total</b>	<b>2,654</b>	<b>1,911</b>	<b>1,572</b>	<b>6,138</b>	

Los Angeles County Metropolitan Transportation Authority  
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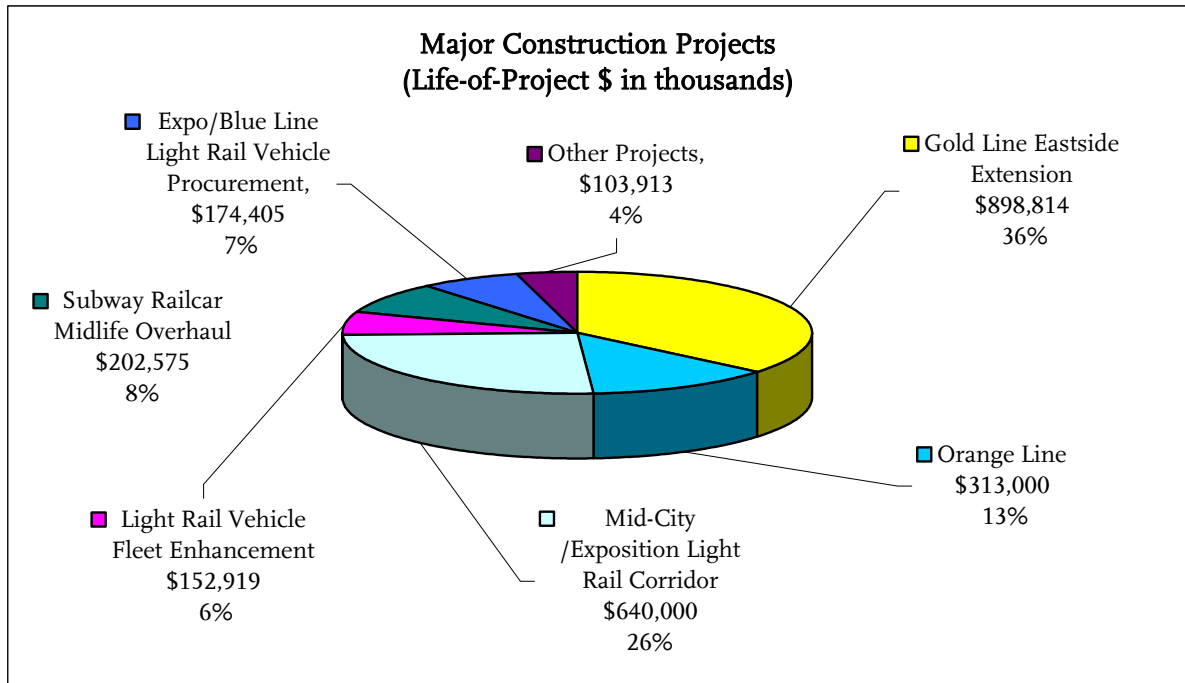
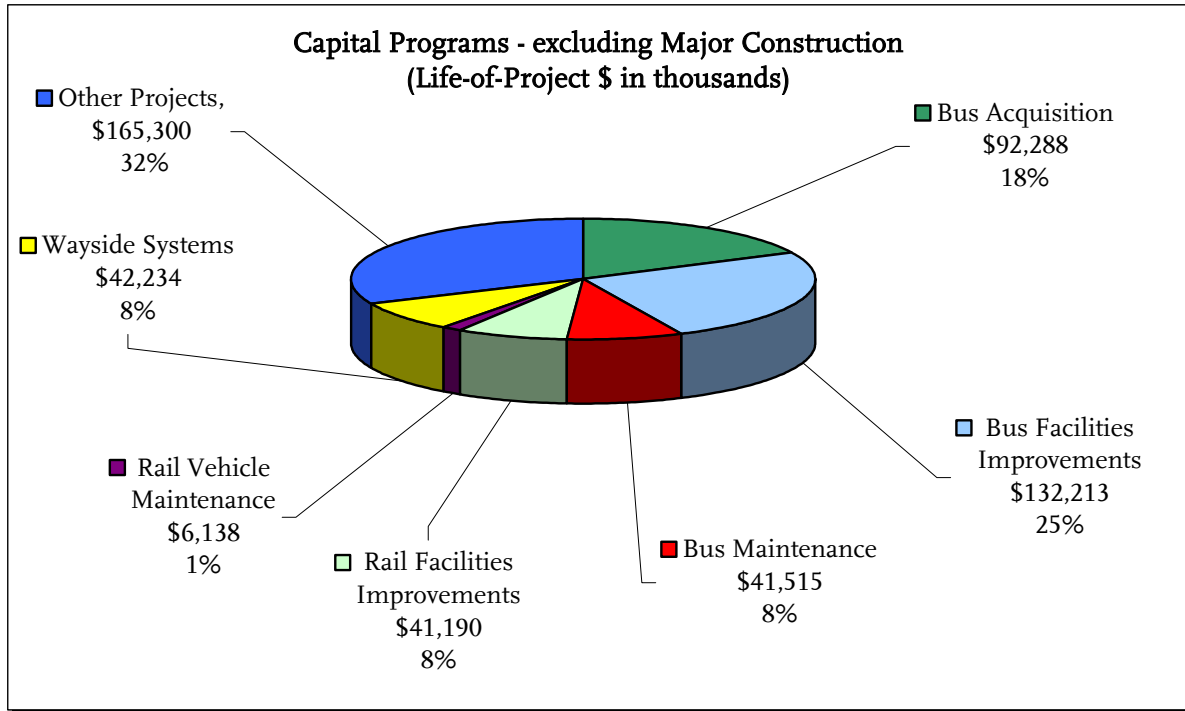
(\$ in thousands)		Expected Expenditures Through FY07	FY08	FY09 and Future	Life of Project	New
77	<b>Warehouse</b>					
78	Division 3 Replace Warehouse Facility	209027	\$ 167	\$ 1,437	\$ -	\$ 1,604
79	Division 7 Warehousing Support - West Hollywood	209028	-	1,184	-	1,184 Y
80	<b>Warehouse Total</b>		<b>167</b>	<b>2,622</b>	<b>-</b>	<b>2,788</b>
81						
82	<b>Wayside Systems</b>					
83	Fiber Optic Rail Communication System	205001	1,280	724	1,007	3,011
84	Rail Security Improvements	205004	4,416	116	1,937	6,469
85	Rail Communications Systems Upgrade	205005	1,126	394	812	2,332
86	MBL Grade Crossing Improvements	205006	4,807	1,459	4,334	10,600
87	MBL Four-Quadrant Gate Program Expansion	205012	2,495	1,437	1,722	5,655
88	Light Rail Train Tracking Improvements	205014	513	400	42	956
89	MRL Seg-1 Remote Terminal Unit (RTU) Upgrade	205017	2,381	264	-	2,645
90	FY08 Wayside Systems Tools and Equipment	205021	-	365	-	365 Y
91	FY08 Wayside Systems Contingency Projects	205031	-	1,500	-	1,500 Y
92	PGL Traction Power Substations	205034	6,918	1,521	262	8,701
93	<b>Wayside Systems Total</b>		<b>23,936</b>	<b>8,181</b>	<b>10,117</b>	<b>42,234</b>
94	<b>Subtotal for Capital Program</b>		<b>211,145</b>	<b>236,444</b>	<b>73,288</b>	<b>520,878</b>

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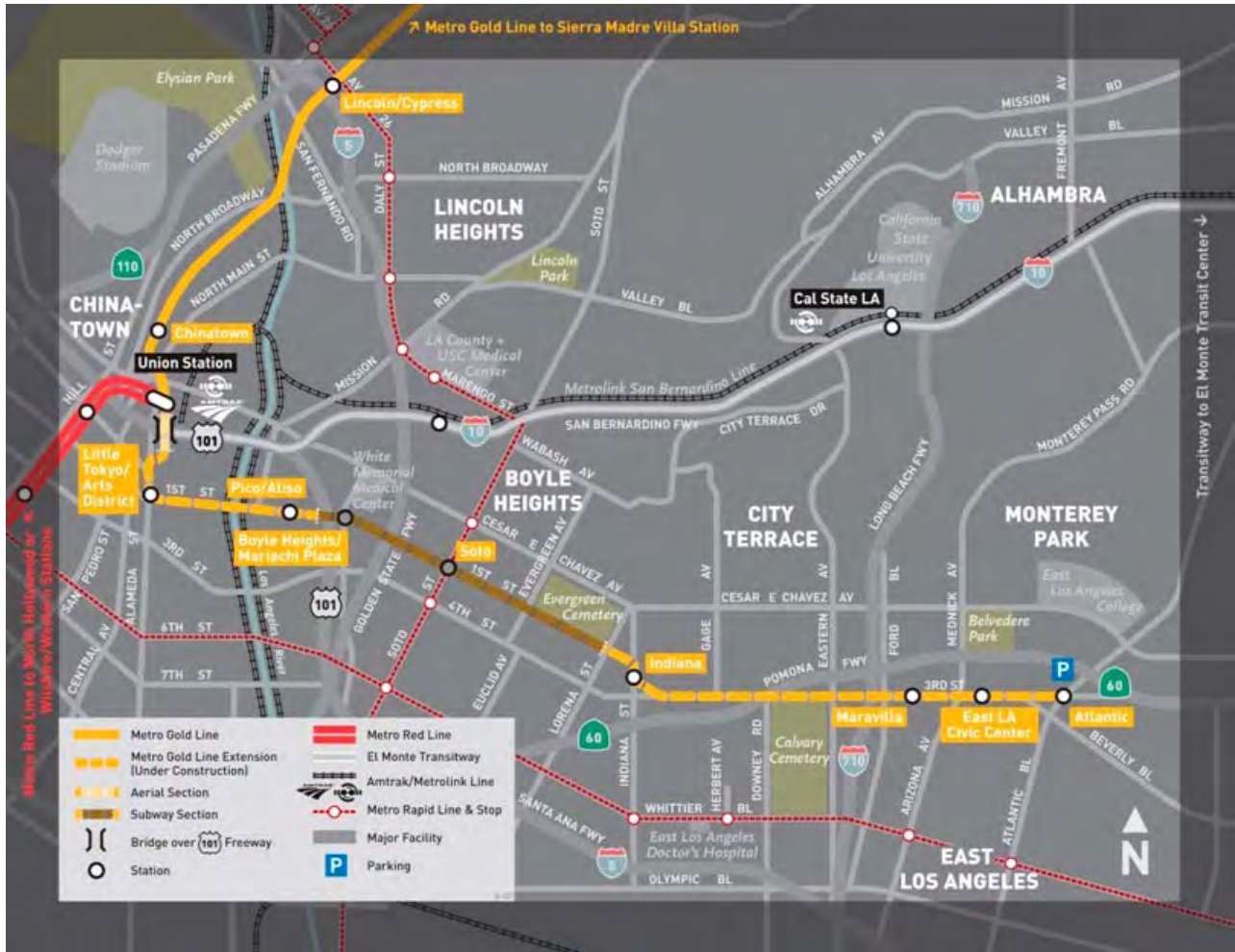
**Capital Projects List (continued)**

(\$ in thousands)		Expected Expenditures		FY09 and Future	Life of Project	New	
Project Title	CP#	Through FY07	FY08				
<b>95 Major Construction</b>							
96	Subway Railcar Midlife Overhaul	206034	\$ -	\$ 4,421	\$ 198,154	\$ 202,575	Y
97	Expo/Blue Line Light Rail Vehicle Procurement	206035	-	1,101	173,304	174,405	Y
98	Metro Gold Line Eastside Extension	800088	633,548	170,003	95,263	898,814	
99	Orange Line	800112	271,179	10,821	31,000	313,000	
100	SFV East-West Bikeway Project	800114	9,821	612	205	10,638	
101	Canoga Station Park and Ride Project	800117	24,071	1,929	0	26,000	
102	Lankershim Depot Restoration Project	800118	1,313	1,668	619	3,600	
103	Light Rail Vehicle Fleet Enhancement	800151	91,586	22,608	38,725	152,919	
104	MGL Eastside Extension Enhancements	800288	3,562	17,227	21,211	42,000	
105	Pasadena Gold Line Closeout	809005	-	2,729	-	2,729	Y
106	MRL Seg. 2 Closeout	809081	7,620	7,172	514	15,307	
107	MRL Segment 3 North Hollywood Closeout	809082	2,185	883	571	3,639	
108	Mid-City/Exposition Light Rail Corridor	890001	60,803	167,140	412,057	640,000	
109	<b>Major Construction Total</b>		<b>1,105,687</b>	<b>408,315</b>	<b>971,625</b>	<b>2,485,627</b>	
110	<b>Capital Program Grand Total</b>		<b>\$ 1,316,832</b>	<b>\$ 644,759</b>	<b>\$ 1,044,913</b>	<b>\$ 3,006,505</b>	

## Capital Programs – Expenditures by Element



## Gold Line Eastside Extension Project



Gold Line Eastside Extension Project – Route Map



**Gold Line Eastside Extension Project – Bridge over 101 Freeway**



**Gold Line Eastside Extension – Laying Track along First Street**





**Gold Line Eastside Extension Project – West End of Soto Station**



**Gold Line Eastside Extension Project – Construction at Soto Station**





**Gold Line Eastside Extension – Boyle Heights / Mariachi station**



**Gold Line Eastside Extension – Construction at I-710 Freeway**



**Gold Line Eastside Extension – Project Rendering: Little Tokyo/Arts District Station**



**Gold Line Eastside Extension – Project Rendering: Pico Aliso Station**





**Gold Line Eastside Extension – Project Rendering: Mariachi Plaza Station**



**Gold Line Eastside Extension – Project Rendering: Soto Station**



**Gold Line Eastside Extension – Project Rendering: Indiana Station**



**Gold Line Eastside Extension – Project Rendering: Maravilla Station**





**Gold Line Eastside Extension – Project Rendering: East LA Civic Center Station**



**Gold Line Eastside Extension – Project Rendering: Atlantic Station**

## Mid-City Exposition Light Rail Transit Project



Mid-City / Exposition LRT Project - Route Map



Groundbreaking Ceremony for the Mid-City/Exposition LRT Project





**Mid-City / Exposition LRT Project - Project Rendering: Gateway Stations**  
Gateway Stations are stations located near major destinations along the alignment. These stations anticipate high boardings and may include extensive pedestrian linkages within the station's vicinity to major destinations nearby.



**Mid-City / Exposition LRT Project - Project Rendering: Neighborhood Stations**  
Neighborhood Stations are smaller scaled stations located in smaller neighborhoods along the alignment. Pedestrian linkages would typically include enhancements to a station site area.

## Exposition Transit Parkway

The Exposition Light Rail line features an urban design concept for the alignment called the Exposition Transit Parkway. The goal of this concept is to establish a multi-

modal transit corridor combining a light rail transit alignment, a bikeway, streets and pedestrian linkages in a safe, balanced and cohesive parkway setting.



**Mid-City / Exposition LRT Project - Project Rendering: Transit Parkway**



**Mid-City / Exposition LRT Project - Project Rendering: Transit Parkway**



## Capital Project Operating Impact Assessment

Capital projects in the FY08-12 capital program with a life-of-project (LOP) cost in excess of \$5.0 million have been reviewed to determine the cost impact on Metro operations. The operating cost impact assessment considers costs and/or savings related to ongoing operations, power requirements, maintenance labor and materials, training, and security.

Projects which replace existing facilities or equipment often do not change the cost of operations over the life of the asset. Functionally equivalent replacements generally require the same levels of energy to operate equipment, maintenance activities, training, and security. In those instances where a replacement asset involves a higher or lower cost to operate than the asset being replaced, the cost or saving is identified.

The cost of operations of major construction projects such as bus corridors and rail corridors is based on service levels when complete. Once in full operation, such projects will be operated at a specific level of revenue service hours. The cost of operation is based on the cost per hour times the annual revenue service hours to be operated. In instances where a new project duplicates existing service, the duplicated service has been excluded from the operating cost impact.

Some projects must be monitored after implementation to determine annual operating cost impacts. In these instances future budgets will contain operating cost impacts based on data for a full fiscal year of operations.

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## FY08-12 Capital Projects with Potential Operating Cost Impacts

Element	CP#	Title	Description of cost impacts or savings	Annual amount of cost or (saving)
Bus Facilities Improvements	202007	In-Ground Bus Hoist Replacement	No additional costs will be incurred.	\$0
Bus Facilities Improvements	202014	Div. 9 Transportation Building and Facility Improvements	Savings may be realized due to decreased building maintenance costs and improved efficiency.	(\$100,000)
Bus Facilities Improvements	202017	Division 7 Facility Improvements	No additional costs will be incurred by this project.	\$0
Bus Facilities Improvements	202065	Articulated Bus Facility Modifications	No additional costs will be incurred by this project.	\$0
Bus Facilities Improvements	202066	Division 1 Expansion	Cost of operating an expanded division will likely be offset by a reduction in deadhead mileage and other operational savings.	\$0
Bus Facilities Improvements	202181	Divisions 5, 10, and 18 Renovations	Annual savings may be realized due to operational efficiencies created by division improvements.	\$0
Bus Facilities Improvements	202232	ATMS Upgrade	Additional costs for training, inventory, facility rental, energy, and maintenance activities.	\$233,000
Bus Facilities Improvements	202237	Division 18 Solar Energy Project	Annual savings in electrical usage will be realized.	(\$300,000)
Bus Facilities Improvements	202239	Div. 1, 3, 8, 9, and 15 Renovations	Annual savings may be realized due to operational efficiencies created by division improvements.	\$0
Bus Facilities Improvements	202246	Bauchet Street Storage and Facilities Structure	Annual savings may be realized due to operational efficiencies created by division improvements. However, increased labor costs may offset such savings.	\$0
Bus Maintenance	203005	FY08 Bus Midlife Program	The Bus Mid-Life program is a proactive plan to replace major components before they reach failure mileage. The consolidated replacement and repair program minimizes out of service time by avoiding reactive major component replacement due to catastrophic failure.	\$0 Prevents maintenance costs from increasing with age.
Bus Maintenance	203015	FY08 RRC Engine Replacement Program	The RRC Engine Replacement Program is a proactive plan to replace bus engines prior to their failure. The program prevents major negative impacts on bus service and the public caused by a significant, unmanageable number of buses out of service with a failed engine. No additional operating costs or savings will be incurred by this project.	\$0
IT / Communications	207061	ITS Telecommunications Transmission Upgrade Project	Savings of about \$1,000,000 per year in telephone costs are anticipated. Other savings that cannot be empirically determined include reduced labor for maintenance and repair parts for old equipment.	(\$1,000,000)
IT / Communications	207061	Transit Operator Activity Scheduling and Tracking	Three data technicians have been hired to support this project.	\$300,000
Major Construction	800088	Metro Gold Line Eastside Extension	Project operating cost is based on the first full year of operation following completion.	\$26,381,000
Major Construction	800113	Mid-City/Exposition Light Rail Corridor	Project operating cost is based on the first full year of operation following completion.	\$30,468,000

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Element	CP#	Title	Description of cost impacts or savings	Annual amount of cost or (saving)
Major Construction	800151	LRV Fleet Enhancement Project	These rail cars will be assigned to the Metro Gold Line and will replace existing vehicles which will be reallocated to the rail lines as maintenance spares	Included in Eastside Extension and Gold Line operating costs
Major Construction	800288	Metro Gold Line Eastside Extension Enhancements	The operating impact of this project will be included in the Metro Gold Line Eastside Extension project (800088).	Included in Eastside Extension operating costs.
Other Capital Projects	200225	Universal Fare Collection System	Contracted maintenance is part of the original contract cost. Eleven Service Attendants have been added to maintain equipment	\$1,100,000
Other Capital Projects	200351	Regional Service Center and Clearinghouse	Operating cost estimates will be developed during project specification.	Estimated \$6 million
Rail Facilities Improvements	204006	Metro Red Line Station Canopies	The completion of this project could reduce maintenance costs, including maintenance man-hours and expensive escalator parts to repair 22 entrance escalators. Without canopy protection, the average annual saving on repair cost is about \$170,000 annually. (i.e., \$20k for hiring pumping service, \$100k for repair equipment due to water damage, and \$50k for subsequent repair). The majority of escalators are currently 16 years old. The average life expectancy of inner escalator is between 25 and 30 years. Without canopies, the escalators start to fail after 12 years of service per our maintenance contractor. The total savings with canopy protection for the last 16 years would be \$170,000/yr x 16 years=\$2,720,000. The replacement cost for each escalator is around \$700,000. Replacing 22 escalators is around \$15,400,000. The annual saving over 16 years would be \$ 962,500. The combined annual saving would be \$1,132,500.	(\$1,132,500)
Rail Facilities Improvements	204047	Division 20 Carwash and Cleaning Platform	This project will improve the overall operational efficiencies by building a new platform and car wash. Saving in labor hours is not feasible at this point until project is completed.	\$0
Rail Facilities Improvements	204053	Division 21 Improvements - Phase II	The current facility does not provide the minimum of amenities to support the revenue fleet size required for the current Gold-Line Phase-I and Eastside extension project. An example is brake overhauls, since the existing shop does not properly support an exchange process to transport rail cars to another location to perform the work costs \$5,500 each way in shipping fees. Based on required OEM equipment cycles to properly maintain equipment, shipping expenses alone will exceed \$500,000 on an annual basis.	(\$500,000)
Wayside Systems	205004	Rail Security Improvements	With the installation of IDS improvements and the DVR system, there will be an additional maintenance cost of 80 hours of Rail Communication Inspector per year.	\$17,000
Wayside Systems	205006	Metro Blue Line Crossing Improvements	Operational cost savings are based on the estimated maintenance costs required to maintain the existing grade crossings without necessary upgrades, performing only temporary repairs and taking into consideration estimated labor, parts, material and operational impacts. Historically these types of temporary maintenance repair costs escalate exponentially with age.	(\$150,000)
Wayside Systems	205012	MBL Four Quadrant Gate Program Expansion	Expected cost savings due to expected decrease in accidents at crossing (train vs. vehicles) which average \$500,000 per incident (damage to the LRV, delays in schedule, bus bridge, man-hours, litigation costs). Maintenance costs for each of six intersection runs approximately \$3,000 per year.	\$18,000 Indeterminate amount of savings may offset the above cost.
Wayside Systems	205034	Four PGL Traction Power Substations	Unquantifiable savings anticipated due to operational efficiencies. The two new Traction Power Substations will ensure the capability of the system to increase service schedule headways and will enhance reliability and efficiency of PGL traction system. Estimated annual operational cost increase \$125,000 due to the additional energy costs and maintenance labor requirements.	\$125,000

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## VI. Strategic Business Units

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## **Metro Summary Description**

Metro is the principal planner, builder, and operator of public transportation services and infrastructure improvements in Los Angeles County. Metro is organized into eleven Strategic Business Units (SBUs): Metro Bus Operations, Metro Rail Operations, Countywide Planning and Development, Construction Project Management, Communications, Administrative Services, Financial Services, Economic Development, Management Audit Services, Office of the CEO, and Board of Directors.

Metro Transit Operations consists of two separate SBUs: Metro Bus Operations and Metro Rail Operations. Together, they manage all aspects of transit operations.

Countywide Planning and Development is responsible for programming and administering federal, state, and local transportation funds, preparing the Transportation Improvement Plan (TIP), and planning and coordinating regional transportation services and infrastructure improvements throughout Los Angeles County.

Construction Project Management is responsible for providing the engineering and construction oversight for major construction projects and Metro facilities improvements.

Communications is responsible for the strategic evaluation, development, and implementation of agency-wide marketing and communications programs.

Administrative Services, which is comprised of Information Technology Services, Procurement and Material Management, Human Services, and Diversity and Economic Opportunity provides essential administrative support to the entire organization.

Financial Services, which includes Accounting, Treasury/Finance, Office of Management and Budget, and Risk Management, provides indispensable financial support to the entire organization.

Economic Development is responsible for developing new business opportunities, managing Metro real estate, and implementing the county-wide fare collection system.

Management Audit Services provides the CEO and the Executive Management team with independent internal audit and business and technology risk consulting services.

The Office of the CEO coordinates and oversees key programs and provides support to the Board of Directors.

The Board of Directors establishes Metro policies and approves appropriations. The Board also manages or supervises Board meetings and Board committee meetings, ethics and lobby registration programs, the Inspector General, and legal counsel.

## Summary of FY08 Budgeted FTEs by Department

	FY06 Budget	FY07 Budget	FY08 Budget	Change from FY07
1 Metro Bus Operations				
2 San Fernando Valley Service Sector	1,071	1,117	1,117	-
3 San Gabriel Valley Service Sector	962	1,073	1,089	16
4 Gateway Cities Service Sector	1,027	1,033	1,060	27
5 South Bay Service Sector	1,206	1,178	1,172	(6)
6 West Side/Central Service Sector	1,371	1,308	1,306	(2)
7 Purchased Transportation	4	4	4	-
8 Central Maintenance	328	335	372	37
9 Service Development Performance Analysis	80	62	59	(3)
10 Manpower System & Support	17	17	16	(1)
11 Operations Central Instruction	80	82	83	1
12 Safety & Security	114	111	111	-
13 Facilities	159	159	159	-
14 Vehicle Technology	30	31	32	1
15 Operations Labor Relations	10	15	17	2
16 Motorist Services	9	9	8	(1)
17 Metro Bus Operations Total	6,468	6,534	6,605	71
18				
19 Metro Rail Operations				
20 Rail General Manager	10	11	10	(1)
21 Transportation	329	336	337	1
22 Wayside Systems	384	388	388	-
23 Fleet Services	330	346	345	(1)
24 Transit Systems Engineering	45	28	28	-
25 Rail & Bus Operations Control	76	76	76	-
26 Metro Rail Operations Total	1,174	1,185	1,184	(1)
27				
28 Countywide Planning & Development				
29 Chief Planning Officer	4	4	3	(1)
30 Long Range Planning & Coordination	22	22	23	1
31 Transportation Dev. & Implementation	47	57	59	2
32 Programming & Policy Analysis	30	31	31	-
33 Countywide Planning & Development Total	103	114	116	2
34				
35 Construction Project Management				
36 Capital Development	27	25	25	-
37 Project Support	26	27	27	-
38 Project Administration	35	34	34	-
39 Construction Project Management Total	88	86	86	-
40				
41 Communications				
42 Chief Communication Officer	8	7	8	1
43 Customer Communications	30	30	29	(1)
44 Customer Relations	103	103	103	-
45 Public Relations	10	11	11	-
46 Regional Communication Program	16	18	16	(2)
47 Government Relations	6	6	7	1
48 Creative Services	14	14	14	-
49 Customer Programs & Services	28	28	28	-
50 Communications Total	215	217	216	(1)



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	FY06 Budget	FY07 Budget	FY08 Budget	Change from FY07
51 Economic Development				
52     New Business Development	3	7	7	-
53     Real Estate Administration	20	20	20	-
54     TAP Operations	-	1	9	8
55 <b>Economic Development Total</b>	<b>23</b>	<b>28</b>	<b>36</b>	<b>8</b>
56				
57 Administrative Services				
58     Information Technology Services	132	130	130	-
59     Human Services	168	153	152	(1)
60     Procurement & Material Management	226	223	228	5
61     Diversity & Economic Opportunity	22	22	22	-
62 <b>Administrative Services Total</b>	<b>548</b>	<b>528</b>	<b>532</b>	<b>4</b>
63				
64 Financial Services				
65     Accounting	79	78	78	-
66     Office Of Management & Budget	19	19	19	-
67     Finance & Treasury	64	62	65	3
68     Risk Management	47	61	61	-
69 <b>Financial Services Total</b>	<b>209</b>	<b>220</b>	<b>223</b>	<b>3</b>
70				
71 Management Audit Services				
72     Chief Auditor	6	4	5	1
73     Audit Support & Research Services (ASRS)	7	3	3	-
74     Internal Audit	5	10	9	(1)
75     IT Audit	4	4	5	1
76     Compliance Audit	8	7	6	(1)
77 <b>Management Audit Services Total</b>	<b>30</b>	<b>28</b>	<b>28</b>	<b>-</b>
78				
79 Board of Directors				
80     Board of Directors & Board Secretary	11	11	11	-
81     Ethics Office	7	7	7	-
82     County Counsel	4	4	4	-
83     Inspector General	23	23	23	-
84 <b>Board of Directors Total</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>-</b>
85				
86 Chief Executive Office				
87     Chief Executive Office	1	1	1	-
88     Board Relation, Policy, Research & Library Service	13	10	10	-
89 <b>Chief Executive Office Total</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>-</b>
90				
91 <b>Agency Total</b>	<b>8,917</b>	<b>8,996</b>	<b>9,082</b>	<b>86</b>

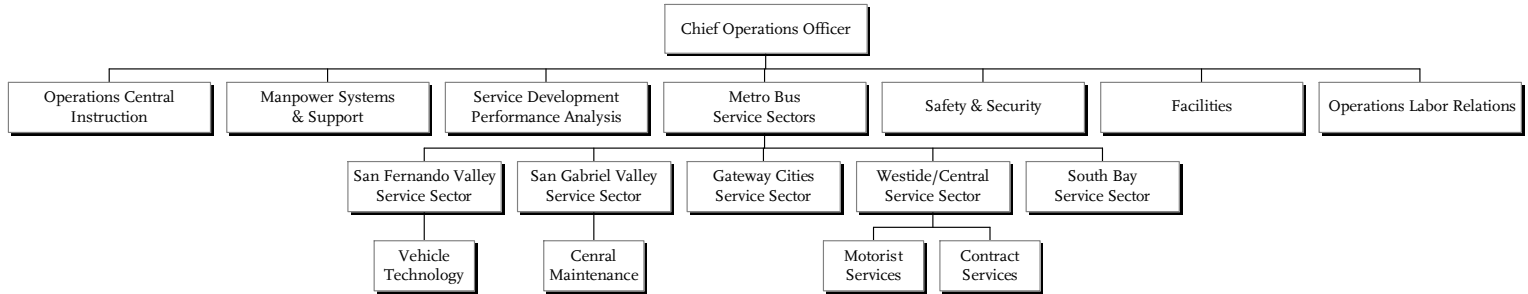
## Summary Expenditures

<b>FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Metro Bus Operations	6,467	6,534	6,605
2 Metro Rail Operations	1,174	1,185	1,184
3 Countywide Planning & Development	103	114	116
4 Construction Project Management	88	86	86
5 Communications	215	217	216
6 Economic Development	24	28	36
7 Administrative Services	548	528	532
8 Financial Services	209	220	223
9 Management Audit Services	30	28	28
10 Board of Directors	45	45	45
11 Chief Executive Office	14	11	11
12 <b>Agency Total</b>	<b>8,917</b>	<b>8,996</b>	<b>9,082</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
13 Metro Bus Operations	\$ 989,607	\$ 1,110,818	\$ 1,151,443
14 Metro Rail Operations	170,363	203,300	198,677
15 Countywide Planning & Development	728,759	826,046	853,529
16 Construction Project Management	200,447	338,843	351,618
17 Communications	33,111	38,295	41,012
18 Economic Development	26,998	55,253	53,489
19 Administrative Services	86,368	73,556	78,862
20 Financial Services	300,157	360,319	364,325
21 Management Audit Services	3,933	3,895	3,935
22 Board of Directors	16,252	23,147	26,975
23 Chief Executive Office	2,738	2,665	2,334
24 <b>Agency Total</b>	<b>\$ 2,558,733</b>	<b>\$ 3,036,139</b>	<b>\$ 3,126,197</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
25 Wages & Benefits	\$ 767,302	\$ 814,562	\$ 841,593
26 Fuel & Propulsion Power	66,477	80,122	75,356
27 Acquisitions	306,301	439,766	392,433
28 Services	194,003	265,611	266,169
29 Purchased Transportation	33,587	35,585	36,181
30 Material & Supplies	111,379	106,548	118,440
31 Insurance	47,672	49,449	60,840
32 Subsidies	729,781	821,891	848,686
33 Subsidy to Expo Authority	11,355	96,313	153,491
34 Other Support	24,263	27,329	26,753
35 Debt	266,614	298,962	306,256
36 <b>Agency Total</b>	<b>\$ 2,558,733</b>	<b>\$ 3,036,139</b>	<b>\$ 3,126,197</b>

## Metro Bus Operations



### Introduction

Metro Bus Operations consists of five service sectors and nine major support units, each committed to providing safe, courteous, professional, dependable, clean and efficient transit services. Metro Bus Operations also administers Paratransit Service, the Metro Freeway Service Patrol (FSP), and the Service Authority for Freeway Emergencies (SAFE).

In FY08, Metro Bus Operations will provide more than 7.7 million revenue service hours, supporting approximately 395 million boardings.

### Metro Bus Service Sectors

The five Metro Bus service sectors include the San Fernando Valley, San Gabriel Valley, Gateway Cities, South Bay, and Westside/Central. Each service sector is responsible for all facets of bus operations: transportation, maintenance, service planning and scheduling, and coordination of community-based communications.

### South Bay Service Sector

The South Bay Service Sector is responsible for providing transit service to the following geographic areas: Norwalk (East) to LAX and the Beach Cities (West), Hollywood (North) to San Pedro (South) and downtown Los Angeles. South Bay Sector's East/West Service connects with

the Blue Line, and the North/South service connects with the Green Line. The Sector consists of three functional locations: South Bay Service Sector Office, Arthur Winston Division, and Carson Division.

The South Bay Sector Office, located in Torrance, coordinates with the Governance Council to deliver quality transportation to the community and provide support to the operating divisions. The Arthur Winston Division, located in South Los Angeles, operates 216 CNG and diesel buses, providing 600,260 service hours. The Carson Division operates 302 CNG and diesel vehicles providing 849,493 revenue service hours.

### Westside/Central Service Sector

Operating boundaries for the Westside/Central Service Sector extend to the west as far as Malibu and to the east, past downtown Los Angeles. This sector is unique because it provides service to some of the most heavily traveled lines and traverses some of the most congested streets in the Los Angeles area.

The sector includes three operating divisions: Division 6, located in Venice, operates 81 buses, providing 145,565 revenue service hours; Division 10, located in northeast Los Angeles, operates 243 buses, providing 743,752 revenue service

hours; and Division 7, located in West Hollywood, operates 236 buses providing 708,081 revenue service hours.

### **San Fernando Valley Service Sector**

The San Fernando Valley Service Sector provides transportation services to the cities of Agoura Hills, Calabasas, Hidden Hills, La Cañada/Flintridge, Burbank, Glendale, and San Fernando and to numerous San Fernando Valley communities within the City of Los Angeles. This sector also operates the very successful Orange Line.

The sector office, located in Chatsworth, provides administrative support for its two operating divisions, as well as schedules activities to ensure the delivery of quality transportation to the community. The operating divisions are located in Sun Valley (in east San Fernando Valley) and Chatsworth (in west San Fernando Valley) and employ over 1,100 personnel. Both divisions are responsible for a fleet of 497 buses traveling approximately 23.3 million miles. The divisions provide a total of 1,360,773 revenue service hours – 557,009 revenue service hours at Division 8 in Chatsworth and 803,764 revenue service hours at Division 15 in Sun Valley.

### **San Gabriel Valley Service Sector**

The San Gabriel Valley Service Sector is the primary provider of bus transit service to the western San Gabriel Valley, East Los Angeles, and North Los Angeles areas. Cities served within the west San Gabriel Valley include Alhambra, Arcadia, El Monte, Monrovia, Montebello, Monterey Park, Pasadena, Rosemead, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, and Temple City. Additionally, the San Gabriel Valley Service Sector provides regional service to the east San Gabriel Valley.

The San Gabriel Valley Service Sector operates two divisions: Division 3, located in Cypress Park, and Division 9, located in El Monte. The San Gabriel Valley Service Sector office, located in El Monte, provides planning and administrative services to its two operating divisions.

For FY08, the San Gabriel Valley Service Sector will operate 472 buses traveling about 21.3 million miles, with 685,966 revenue service hours at Division 3 and 787,538 revenue service hours at Division 9.

### **Gateway Cities Service Sector**

The Gateway Cities Service Sector is comprised of 26 cities and unincorporated areas of southeast Los Angeles County, including Artesia, Avalon, Bell, Bellflower, Bell Gardens, Cerritos, Commerce, Compton, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Habra Heights, Lakewood, La Mirada, Long Beach, Lynwood, Maywood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier.

The Gateway Cities sector office is located in Downey, which brings Metro operations closer to the Gateway Cities communities and local transit partners. Gateway Cities sector staff works closely with cities in its region, the Gateway Cities Council of Governments, transit providers and other organizations throughout the Gateway Cities to improve transit service in the area. Sector staff also conducts monthly council meetings, semi-monthly bus-ride-alongs, and Metro facilities tours with the Gateway Cities Sector Governance Council, which oversees bus service in the area. The Gateway Cities Sector also provides strategic planning, service development, and administrative support to two operating divisions, both

located in downtown Los Angeles. Division 1 operates 254 buses providing 742,127 revenue service hours, and Division 2 operates 209 buses providing 602,401 revenue service hours in FY08.

### **Contract Services**

Contract Services is responsible for three main programs: Purchased Transportation, Motorist Services, and Paratransit Services.

Purchased Transportation contracts with privately-owned bus companies to provide bus service on more than 20 bus lines in the north, south and east regions of Metro's service area. The FY08 boardings under these purchased transportation contracts are projected to be approximately 15.2 million.

Motorist Services is chiefly responsible for two programs – Freeway Service Patrol (FSP) and Service Authority for Freeway Emergencies (SAFE). FSP's fleet of roving tow trucks mitigates freeway congestion by promptly assisting disabled motorists and removing debris. The SAFE program supports the network of freeway call boxes used by motorists in need of assistance. For a more detailed description of the Motorist Services programs, please refer to page III-13 and Appendix 20 of this book.

The Paratransit program, managed by Access Services, Inc. (ASI), provides public transportation services to the elderly and disabled. For additional information concerning paratransit services, please refer to page IV-20.

### **Central Maintenance**

Central Maintenance provides maintenance support to operating divisions. The department consists of Central Maintenance Shops, Fleet Management and Support Services, and

Quality Assurance, which includes direct involvement with the California Highway Patrol and Title 13 of the California Code of Regulations.

The Central Maintenance Shops provide heavy maintenance and bus refurbishment for all bus operating divisions including complete paint jobs, major accident repair, engine replacements, and mid-life overhauls/refurbishments. Additional Central Maintenance Shop functions include the rebuild and fabrication of parts, tools and rotables used by bus maintenance and other Metro departments.

Fleet Management and Support Services controls and assigns the bus fleet, provides assistance in repair to buses en-route and at layover zones to avoid service disruption, and provides M3 technical support to maintenance departments.

Quality Assurance is directly responsible for the management of goods and services contracts, fare collection maintenance, radio equipment maintenance, and non-revenue vehicle/equipment.

### **Service Development and Performance Analysis**

Service Development organizes the operating framework for the Metro bus and rail systems. The department provides timely and accurate information to operating division and sector staff that assists in developing efficient, effective, and community-responsive service. Service Development is also responsible for development of the Metro Connections program. Metro Connections is designed to restructure the Metro bus and rail system to improve operational efficiency and expand regional transit ridership.

## **Manpower Systems and Support**

Manpower Systems and Support is responsible for division management and supervisory training, developing and implementing division policy and procedures, conducting compliance audits, and providing system support for the Transit Operating and Trends System (TOTS)/Automated Bidding System (ABS). The department also provides key functional support, including hiring, assigning and promoting United Transportation Union (UTU), Amalgamated Transit Union (ATU), American Federation of State County and Municipal Employees (AFSCME) and Transportation Communications Union (TCU) employees.

Manpower collects, analyzes, and provides data for departmental business needs, as well as provides support for labor negotiations, management recommendations and feasibility studies.

The department continues implementation of the Transit Operator Activity Scheduling and Tracking (TOAST) project in conjunction with Service Development and ITS, which will automate bus and rail operator assignments and scheduling.

## **Operations Central Instruction**

Operations Central Instruction (OCI) is responsible for implementing a defensive driving curriculum for new and veteran bus operators, mechanics, and service attendants for all operating divisions. OCI provides progressive training with a cost effective approach to strengthen employee skills and meet Metro's goals in the areas

of safety, customer relations, and on-time performance.

## **System Safety and Security**

System Safety and Security manages the Safety's 1st program that was established to reduce injuries and accidents. The objective of the program is to provide leadership, guidance, technical direction, and resources to protect people, prevent mishaps, achieve regulatory compliance and control hazards, hazardous occupational exposures, and costs. The department collects, analyzes, and audits accident and injury data on a computerized tracking system called TransitSafe. Injury and accident trends are reviewed with General Managers during monthly Tactical Safety Meetings to quickly identify root causes of problems and improve overall performance.

Additionally, System Safety and Security is responsible for security and law enforcement services, including the Los Angeles Sheriff's Department Transit Services Bureau. System security provides timely and critical threat assessment and response. The department is continually developing and enhancing security programs for the protection of Metro's passengers, employees, properties, revenues and assets.

## **Facilities**

Department functions include Facilities and Property Maintenance, Facilities Engineering, Sign Shop, and Stops and Zones. The department's primary function includes the development, implementation, and management of capital programs for Metro's facilities. In addition, the department is also responsible for implementing the Board approved Energy Efficiency Policy and Program to help reduce operational costs, improve existing facilities and improve

employee safety. The Department also provides support to all Metro operating divisions by maintaining terminals, stations, bus stops, layover zones, landscape, and inactive right-of-ways. Facilities strives to provide safe, efficient and world-class facilities to enable transit customers and Metro employees to experience an efficient and effective transit system.

### **Vehicle Technology**

Vehicle Technology identifies, reviews, tests, and procures high-capacity, alternative fueled, advanced technology buses. It provides operational and technical support and training on the operation and maintenance of new vehicles, manages all bus acquisitions, processes bus warranty claims, and oversees advanced vehicle technology projects that can increase operating efficiency or improve services provided for Metro transit passengers and employees.

### **Operations Labor Relations**

The Operations Labor Relations group is responsible for labor relations activities, including collective bargaining, contract administration and work systems. Labor agreements are negotiated with three unions – UTU, ATU, and AFSCME. Negotiations with AFSCME will begin later this year. Contract administration includes advising management on the interpretation and application of all of the agreements, administration of discipline and the grievance procedures of each union agreement, including the arbitration process. Work Systems are reviewed and evaluated to determine whether they are consistent with contract language or are responsible for generating grievances.

## **Significant Events in FY08**

### **Bus Operating Sectors**

- Implement Incident Based Surveillance System on all buses to reduce bus accidents, assist in accident investigations, and operator training and counseling.
- Increase hours of service on the Metro Orange Line to accommodate increased ridership.
- Continue planning, development and implementation of Metro Connections.
- Implement 8 new Rapid Bus lines, 6 of which are operated by Metro.
- Implement CNG fuel price hedging.

### **Facilities**

- Initiate Division 18 solar energy project.
- Upgrade and replace bus facilities and equipment.

### **Vehicle Technology**

- Continue the Hybrid Compressed Natural Gas (HCNG) Demonstration Project, co-sponsored by Advanced Transit Vehicle Consortium (ATVC), which will attempt to demonstrate potential zero emissions vehicle technology.
- Oversee procurement of up to 100 articulated buses.

### **Central Maintenance**

- Initiate bus midlife and engine replacement programs.

## Metro Bus Operations Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 San Fernando Valley Service Sector	1,071	1,117	1,117
2 San Gabriel Valley Service Sector	962	1,073	1,089
3 Gateway Cities Service Sector	1,027	1,033	1,060
4 South Bay Service Sector	1,206	1,178	1,172
5 West Side/Central Service Sector	1,371	1,308	1,306
6 Contract Services	4	4	4
7 Central Maintenance	328	335	372
8 Service Development Performance Analysis	80	62	59
9 Manpower System & Support	17	17	16
10 Operations Central Instruction	80	82	83
11 Safety & Security	114	111	111
12 Facilities	159	159	159
13 Vehicle Technology	30	31	32
14 Operations Labor Relations	10	15	17
15 Motorist Services	9	9	8
16 Metro Bus Operations Total FTEs	6,468	6,534	6,605

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
17 San Fernando Valley Service Sector	\$ 113,252	\$ 126,789	\$ 129,416
18 San Gabriel Valley Service Sector	111,712	127,161	132,597
19 Gateway Cities Service Sector	108,732	117,720	124,612
20 South Bay Service Sector	132,703	135,252	138,381
21 West Side/Central Service Sector	144,662	147,153	150,734
22 Contract Services	64,255	62,524	65,459
23 Central Maintenance	48,771	59,678	93,473
24 Service Development Performance Analysis	9,860	10,803	12,735
25 Manpower System & Support	1,162	1,449	1,437
26 Operations Central Instruction	4,168	5,449	5,603
27 Safety & Security	74,855	81,679	81,848
28 Facilities	52,330	88,795	71,066
29 Vehicle Technology	90,988	90,695	89,497
30 Operations Labor Relations	9,214	10,847	12,524
31 Motorist Services	22,943	44,824	42,059
32 Metro Bus Operations Total	\$ 989,607	\$ 1,110,818	\$ 1,151,443

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
33 Wages & Benefits	\$ 545,886	\$ 582,550	\$ 605,618
34 Fuel & Propulsion Power	49,842	58,740	53,974
35 Acquisitions	113,133	143,577	137,085
36 Services	105,077	137,831	139,279
37 Purchased Transportation	33,587	35,585	36,181
38 Material & Supplies	69,173	73,405	88,412
39 Insurance	39,634	41,484	50,694
40 Subsidies	22,481	25,245	28,256
41 Other Support	10,793	12,400	11,944
42 Metro Bus Operations Total	\$ 989,607	\$ 1,110,818	\$ 1,151,443



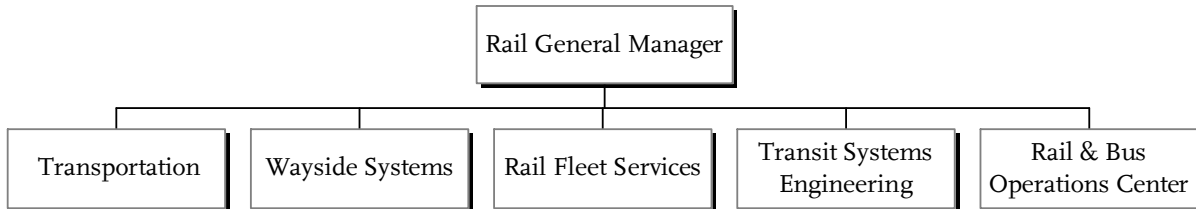
## Metro Bus Operations: Key Performance Indicators

Goal 1: Improve Transit Services	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Efficiently and effectively operate service sectors.</b>				
In Service On-Time Performance				
Bus Systemwide	66.50%	64.35%	63.77%	65.30%
San Fernando Valley Sector	68.54%	65.19%	65.60%	67.50%
San Gabriel Valley Sector	70.10%	68.59%	65.85%	68.00%
Gateway Cities Sector	71.20%	71.73%	68.01%	71.00%
South Bay Sector	64.31%	59.05%	62.39%	60.00%
Westside/Central Sector	63.39%	60.82%	57.59%	60.00%
Complaints per 100,000 Boardings*				
Bus Systemwide	3.54	2.41	2.46	2.75
San Fernando Valley Sector	4.39	3.24	3.00	3.00
San Gabriel Valley Sector	2.95	2.18	2.49	2.50
Gateway Cities Sector	2.58	1.69	1.78	2.00
South Bay Sector	3.61	2.49	2.51	3.25
Westside/Central Sector	4.10	2.53	2.66	3.00
Scheduled Revenue Hours Delivered				
Bus Systemwide	99.32%	100.77%	99.30%	99.50%
Vehicle Accidents per 100,000 Hub Miles				
Bus Systemwide	3.5	3.5	3.7	3.5
San Fernando Valley Sector	2.7	3.0	2.8	2.9
San Gabriel Valley Sector	3.0	2.8	3.1	2.9
Gateway Cities Sector	4.3	3.7	4.1	3.7
South Bay Sector	3.6	3.7	4.0	4.0
Westside/Central Sector	4.0	4.0	4.8	4.0
Passenger accidents per 100,000 boardings				
Bus Systemwide	0.22	0.21	0.22	0.22
Mean Miles Between Mechanical Failures (requiring a bus exchange)				
Bus Systemwide	n/a	3,274	3,532	3,500
San Fernando Valley Sector	n/a	3,319	3,619	3,500
San Gabriel Valley Sector	n/a	3,467	3,376	3,500
Gateway Cities Sector	n/a	2,506	3,163	3,500
South Bay Sector	n/a	3,688	3,826	3,500
Westside/Central Sector	n/a	3,499	3,651	3,500

\* Decline anticipated due to fare increase.

Goal 5: Develop an effective and efficient workforce	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners.</b>				
<b>New lost work time indemnity claims reported/filed</b>				
Bus Systemwide	918	917	902	900
<b>New workers' compensation indemnity claims per 200,000 exposure hours</b>				
Bus Systemwide	13.61	12.27	12.68	12.13
San Fernando Valley Sector	14.45	11.75	13.74	12.00
San Gabriel Valley Sector	10.14	12.57	13.35	11.56
Gateway Cities Sector	14.11	11.45	10.27	10.80
South Bay Sector	14.65	13.85	10.81	12.91
Westside/Central Sector	18.80	14.61	12.99	13.40
<b>Cost per Revenue Hour</b>				
Bus Systemwide	\$102.80	\$110.09	\$115.76	\$118.77

## Metro Rail Operations



### Introduction

Comprised of five major functional units, Metro Rail operates over 200 light and heavy rail vehicles; maintains over 65 rail stations, over 146 miles of track, overhead catenaries and heavy rail traction power systems; and oversees all facets of rail operations. Additionally, Metro Rail is responsible for all rail-related capital projects.

During FY08, Metro Rail will provide 382,913 revenue vehicle hours for light rail and 267,725 hours for heavy rail, supporting approximately 80 million boardings.

### Transportation

Transportation is responsible for scheduling all revenue service delivery and other movements on the rail right-of-way, controlling all movements within the limits of each rail yard, monitoring and improving the quality of service delivery, monitoring and controlling all scheduled and unscheduled movement by vehicles and personnel on the rail right-of-way, collecting and maintaining data on service performance, training and supervising rail operators, and providing direct customer service with Closed Circuit Television (CCTV) through monitoring of stations and provision of communications with customers.

### Wayside Systems

Wayside Systems maintains and inspects the rail systems' communications, facilities, custodial services, signal equipment, track and traction power. This includes maintaining and repairing electronic communications, Programmable Logic Controllers, fire panels, security systems, and Systems Control and Data Acquisition (SCADA) systems, testing fire systems at all rail stations and operating divisions, supporting the installation, maintenance and inspection of the pan/tilt/zoom cameras to be installed on the Metro Orange Line, and maintaining and inspecting crossings, mainline and yard switches, relays, and tracks. Additionally, Wayside Systems cleans, maintains and repairs rail stations, facilities and parking lots for all Metro Rail lines and Metro Orange Line.

### Rail Fleet Services

Rail Fleet Services (RFS) manages the procurement of new revenue vehicles, maintenance and service, graffiti abatement, and paint and body repair of all revenue vehicles. RFS also maintains the P865 vehicles that are used on the Metro Blue Line, P2000 vehicles used on the Metro Green Line and Metro Gold Line, and the Breda cars used on the Metro Red Line.

Delivery and acceptance of P2550 vehicles is one of RFS's main focuses during FY08. RFS will also procure 16 new vehicles for the EXPO line and 34 new vehicles to replace the old P865 vehicles being used on the Metro Blue Line. Rail Fleet services will begin the mid-life overhaul of the heavy rail revenue vehicles for the Metro Red Line, which involves replacement of all major system components.

### **Transit Systems Engineering**

Transit Systems Engineering (TSE) maintains SCADA systems at the Rail Operations Control Center as well as programming of the Programmable Logic Controllers and Fire Control Panels for Metro Rail. Transit Systems Engineering also supports the Advanced Transportation Management System at the Bus Operations Control Center. TSE is also responsible for Rail Power Engineering, Rail Signal Engineering, and managing Rail Operations Capital Projects and future rail activations.

During FY08, TSE will begin the following major capital projects:

- Metro Red Line Station Canopies
- Division 20 Carwash and Cleaning Platform
- Rail Security Improvements
- Metro Blue Line Grade Crossing Improvements
- Metro Blue Line Four Quadrant Gate Program Expansion
- New Pasadena Gold Line Traction Power Substations
- Subway Railcar Midlife Overhaul
- Expo/Blue Line Light Rail Vehicle Procurement

### **Bus and Rail Operations Control Center**

Bus Operations Control Center (BOC) monitors and controls special bus movements and coordinates, develops, and implements all special event services and bus leases. BOC modifies bus activity when conditions require outside interaction due to accidents and detours, monitors Americans with Disabilities Act (ADA) compliance and serious customer complaints through undercover rides and field observations, and provides failure management to assist Metro in meeting its operating goals in the areas of safety, customer relations and on-time performance.

The Rail Operations Control Center (ROC) operates 24 hours/7 days a week. This department serves a dispatch function for rail service and monitors and controls all scheduled and unscheduled movement by vehicles and personnel on the rail rights-of-way. Like its counterpart, BOC, the ROC provides surveillance of stations and emergency operations and control.

### **Significant Events in FY08**

#### **Metro Rail**

During FY08, Metro Rail will complete the following major capital projects:

- Receive up to twenty-four P2550 light rail vehicles.
- Continue facility improvements at rail operating facilities.
- Initiate effort to construct new rail operations training facilities.
- Continue upgrades of rail facility tools and equipment.
- Further enhance security systems and training through the expenditure of grants from the Department of Homeland Security.

## Metro Rail Operations Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Rail General Manager	10	11	10
2 Transportation	329	336	337
3 Wayside Systems	384	388	388
4 Fleet Services	330	346	345
5 Transit Systems Engineering	45	28	28
6 Rail & Bus Operations Control	76	76	76
7 Metro Rail Operations Total FTEs	1,174	1,185	1,184

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
8 Rail General Manager	\$ 1,506	\$ 2,089	\$ 5,809
9 Transportation	36,197	36,659	38,728
10 Wayside Systems	54,413	59,556	61,649
11 Fleet Services	45,260	79,336	60,637
12 Transit Systems Engineering	25,588	17,754	23,681
13 Rail & Bus Operations Control	7,398	7,905	8,173
14 Metro Rail Operations Total	\$ 170,363	\$ 203,300	\$ 198,677

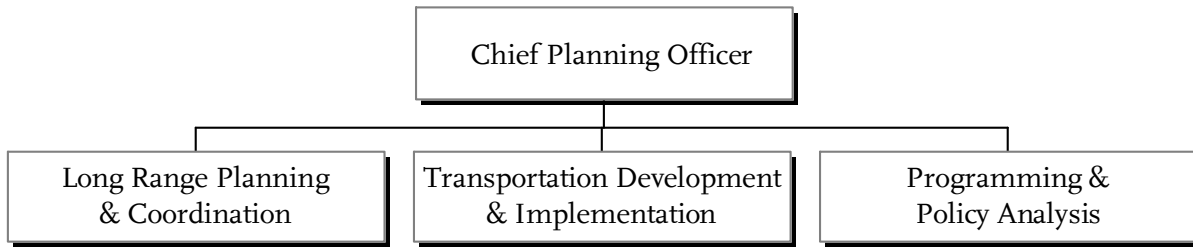
<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
15 Wages & Benefits	\$ 107,515	\$ 111,754	\$ 114,402
16 Fuel & Propulsion Power	17,504	21,381	21,381
17 Acquisitions	18,062	38,961	32,017
18 Services	10,034	13,056	11,550
19 Material & Supplies	14,499	13,279	13,889
20 Insurance	2,154	2,090	3,772
21 Other Support	595	2,779	1,666
22 Metro Rail Operations Total	\$ 170,363	\$ 203,300	\$ 198,677

## Metro Rail Operations: Key Performance Indicators

Goal 1: Improve transit services	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Efficiently and effectively operate service sectors</b>				
<b>In Service On-Time Performance</b>				
Heavy Rail	98.66%	99.05%	99.07%	99.00%
Light Rail	98.12%	98.09%	99.06%	99.00%
<b>Complaints per 100,000 Boardings</b>				
Heavy Rail	1.13	0.66	0.41	0.50
Light Rail	1.33	1.06	0.77	0.73
<b>Scheduled Revenue Hours Delivered</b>				
Heavy Rail	97.94%	98.22%	98.84%	99.50%
Light Rail	96.29%	95.32%	98.39%	99.50%
<b>Rail accidents per 100,000 revenue train miles</b>				
Heavy Rail	0.22	0.22	0.00	0.14
Light Rail	0.32	0.43	0.63	0.40
<b>Passenger accidents per 100,000 boardings</b>				
Heavy Rail	0.02	0.01	0.01	0.02
Light Rail	0.06	0.03	0.01	0.04
<b>Mean Miles Between Mechanical Failures</b>				
Heavy Rail	11,759	19,587	17,260	20,000
Light Rail	14,998	24,020	29,861	30,000

Goal 5: Develop an effective and efficient workforce	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners</b>				
<b>New lost work time indemnity claims reported/filed</b>				
Rail	104	125	89	75
<b>New workers' compensation indemnity claims per 200,000 exposure hours</b>				
Rail	9.32	11.56	11.39	10.00
<b>Cost per Revenue Hour</b>				
Heavy Rail	\$292.22	\$306.03	\$320.63	\$333.68
Light Rail	\$375.61	\$393.51	\$370.89	\$387.78

## Countywide Planning and Development



### Strategic Business Unit

Countywide Planning and Development (CP&D) is responsible for programming and administering federal, state, and local transportation funds, preparing a financially constrained Transportation Improvement Plan (TIP), and planning and coordinating regional transportation services and infrastructure improvements. It does this in partnership with Metro Operations, the County of Los Angeles and the 88 cities and 16 municipal operators within the County.

### Chief Planning Officer

The Chief Planning Officer directs the overall programs of Metro's planning and programming services, develops strategies, defines major priorities, and resolves critical transportation issues in Los Angeles County.

### Long Range Planning and Coordination

The Long Range Planning and Coordination department is responsible for regional transit planning, long and short range transportation planning, and transportation modeling and technical analysis necessary to support the development of countywide and regional plans and programs. The department is responsible for transit activities including planning, design, development,

monitoring, and municipal operator coordination for the Metro Rapid program and other regional transit planning activities. The Department is also responsible for developing countywide plans and programs, including the Long and Short Range Transportation Plans and the Congestion Management Program, and for regional transportation planning and air quality conformance coordination. Finally, the Department performs technical analysis in support of plans, programs, and projects, including transportation modeling, geographic information system analysis, user benefit analysis for federal New Starts funding, and freight data collection and modeling.

### Transportation Development and Implementation

The Transportation Development and Implementation (TDI) department is responsible for project development, management, and/or implementation of multiple modes of transportation within Los Angeles County, including Highway/Freeway, Arterials, Transportation Demand Management (TDM), Rail and Busway, Signal Synchronization, Intelligent Transportation Systems, Bicycle, Pedestrian, Goods Movement and others. In addition, this department approves and administers the utilization of Call for Projects (CFP) funds by the cities and

county and provides assistance on joint development activities. This department also serves as the project planning lead in the LRTP and CFP. The department is organized into two geographic sub-regions with three area planning teams in each sub-region. One sub-region includes the Central, Gateway Cities/Southeast and San Gabriel Valley. The South Bay, San Fernando Valley/No County and Westside area planning teams are in the other sub-region. Each team is responsible for corridor planning, project management and implementation of multiple modes of transportation within its geographic area.

### **Programming and Policy Analysis**

Programming and Policy Analysis is responsible for strategic capital planning, regional and local programming, and regional program management for all fund sources that support Metro's mission of improving mobility and promoting innovative and comprehensive transportation systems throughout Los Angeles County. The department also manages the Transportation Improvement Program (TIP); analyzes state, federal and local programming proposals and policies; applies for and administers state, federal and local grants; programs the Call for Projects (CFP); serves as the funding lead in the LRTP and CFP; allocates and administers local and municipal operator funding; provides funding policy development and guidance for regional programs; is Metro's liaison with state and federal grantor agencies; and is Metro's liaison to the cities on Proposition A and Proposition C Local Return, Discretionary funds, and TDA Articles 3, 4 and 8.

### **Significant Events in FY08**

- Conduct planning, design, development, and programming for new Metro Rapid lines.
- Monitor performance of Metro Rapid system consistent with Metro Rapid Service Warrants.
- Conduct nexus study for countywide developer mitigation fee through Congestion Management Program.
- Complete update of the Long Range Transportation Plan.
- Complete 2007 Call for Projects process, recertification and deobligation activities.
- Continue to develop state-of-the-art freight model.
- Review and make recommendations on federal, state and local legislative initiatives and policy issues (i.e., SAFETEA-LU, Proposition 42, SB 45, State Transportation Infrastructure Bonds etc); support federal, state and local legislative requests (e.g., FY08 and FY09 USDOT Appropriations).
- Prepare and submit 2008 State Transportation Improvement Program request for funding for Los Angeles County.
- Manage and administer FY08 Transit Fund Allocations for Cities and Transit Operators and program FY08 funding for Metrolink commuter rail services.
- Complete Environmental Clearance and Initiate Conceptual Engineering for the Canoga North/South Extension.
- Continue coordination with the City of Los Angeles on the North-South Corridor Arterial Bus Speed improvements.
- Complete construction of the Route 134 Design-Build soundwall.
- Complete Diesel Multiple Unit (DMU) feasibility analysis.

- Continue on-going coordination with Caltrans on the Highway Program.
- Initiate Alternative Analysis for Crenshaw-Prairie Transit Corridor and release Request for Proposal (RFP) for Preliminary Engineering.
- Award contract for the Harbor Subdivision Alternatives Analysis.
- Board approval of the 2007 Call for Projects Recertification/Deobligation/Extensions and execute necessary Letters of Agreement/Memorandum of Understandings (LOA/MOU) and amendments to existing agreements.
- Complete Bicycle and Pedestrian Access Plans for four Metro Green Line stations in the South Bay along with a toolkit for local jurisdictions.
- Continue coordination with Los Angeles World Airports (LAWA) on their master plan and ground access improvements.
- Complete Westside Extension Alternatives Analysis study, tunnel feasibility assessment and conceptual engineering.
- Complete Preliminary Engineering of the County of Los Angeles segment of the Wilshire Bus lane extension.
- Execute agreement with the City of Los Angeles for the Wilshire Bus lane implementation.
- Complete 12 regional Bicycle Transit Hub plans.
- Support Expo Line Phase 2 Environmental clearance.
- Apply for, manage and administer FY08 federal, state, and local grants for transportation projects and activities.
- Coordinate Metro department efforts and prepare submittals for the FTA 2008 Triennial Review.
- Implement new federal, Human Services Transportation Planning provisions required under the SAFETEA-LU legislation.
- Conduct EIS/EIR for SR2 Southern Freeway terminus and transportation efficiency improvements to Glendale Blvd.
- Complete multi-county Goods Movement Action Plan.
- Continue deployment for bus signal priority on Metro Rapid corridors outside of the City of Los Angeles.
- Conduct Route 57/60 Technical Feasibility Analysis.
- Award contract for alternative analysis/draft DEIS/EIR and conceptual engineering for Exposition LRT Phase II to Santa Monica.
- Award contract to conduct EIR/EIS for I-710 corridor.
- Award contract to conduct AA for Regional Connector and Eastside Gold Line Phase II Extension.



## Countywide Planning and Development Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Chief Planning Officer	4	4	3
2 Long Range Planning & Coordination	22	22	23
3 Transportation Dev. & Implementation	47	57	59
4 Programming & Policy Analysis	30	31	31
5 <b>Countywide Planning &amp; Development Total FTEs</b>	<b>103</b>	<b>114</b>	<b>116</b>

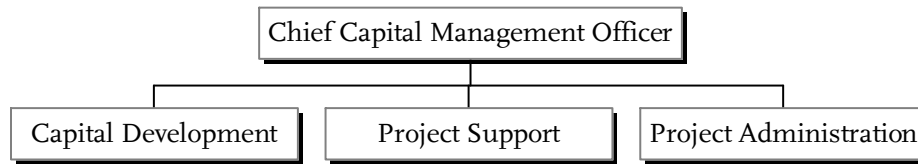
<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
6 Chief Planning Officer	\$ 644	\$ 535	\$ 450
7 Long Range Planning & Coordination	3,357	4,827	4,867
8 Transportation Dev. & Implementation	13,029	25,602	32,171
9 Programming & Policy Analysis	711,730	795,081	816,040
10 <b>Countywide Planning &amp; Development Total</b>	<b>\$ 728,759</b>	<b>\$ 826,046</b>	<b>\$ 853,529</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
11 Wages & Benefits	\$ 11,428	\$ 13,686	\$ 14,080
12 Acquisitions	-	2,540	150
13 Services	7,352	20,309	26,744
14 Material & Supplies	178	176	289
15 Subsidies	707,299	789,146	811,930
16 Other Support	2,502	189	334
17 <b>Countywide Planning &amp; Development Total</b>	<b>\$ 728,759</b>	<b>\$ 826,046</b>	<b>\$ 853,529</b>

## Countywide Planning and Development: Key Performance Indicators

Goal 4: Provide leadership for the region's mobility agenda	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Provide quality planning, technical analysis and programming</b>				
% Updates reflected in the Long Range Transit Plan in accordance with the scheduled actions	100%	100%	100%	100%
% Implementation of the Congestion Management Program annual conformity process	100%	100%	100%	100%
% of Transportation Demand Modeling conducted to support major plans, program and projects	100%	100%	100%	100%
% of planning, design and development of new Metro Rapid corridors completed to meet implementation schedule	100%	100%	100%	100%
% of participation at COG/COG working group meetings related to transportation issues.	n/a	90%	90%	90%
% of work for the I-710 South Corridor EIR/EIS completed.	n/a	n/a	5%	30%
% of work for the Crenshaw Corridor EIR/EIS completed.	n/a	n/a	n/a	40%
% of work for the Northern/Canoga Extension of the Metro Orange Line EIR completed.	n/a	n/a	n/a	50%
% of work for the Regional Connector Downtown Alternative Analysis study completed.	n/a	n/a	n/a	30%
% of work of the Westside Corridor Alternative Analysis study completed.	n/a	n/a	n/a	60%
% of work for the Harbor Subdivision Alternative Analysis study completed.	n/a	n/a	n/a	30%
% of work for the project funding recommendations for the 2007 Call for Projects completed.	n/a	n/a	n/a	100%
% of STIP allocation requests received	100%	100%	100%	100%
% of STIP time extension requests received	100%	100%	100%	100%
% of FAP program funding allocated on schedule	100%	100%	100%	100%
# of financial forecasting model runs completed	2	2	2	2
# of funding sources guide updates completed	1	1	1	1
Complete 1 set of revenue demand charts for regional funding sources	1	1	1	1
\$ available to pay on invoices received (for subsidies to others)	\$750M	\$677M	\$778M	\$811M
% of Local Return forms turned around within prescribed time period	100%	100%	100%	100%
% of needed applications filed for LA County projects and programs	100%	100%	100%	100%
% of needed grant applications filed for Metro projects and programs	100%	100%	100%	100%
% of MOUs developed and submitted for processing (cities)	100%	100%	100%	100%
% of MOUs developed and submitted for processing (municipal operators)	100%	100%	100%	100%
\$ received from the Benefit Assessment Districts	\$20M	\$21M	\$21M	\$21M
% of reassessment requests received and processed on schedule	100%	100%	100%	100%
<b>Goal 5: Develop an effective and efficient workforce</b>				
	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: % employees completed safety training</b>				
% employees completed safety training	100%	100%	100%	100%

## Construction Project Management



### Strategic Business Unit

Construction Project Management is responsible for providing engineering services and construction oversight for major construction projects, transit corridors, capital improvement projects, and rail engineering service requests. The primary focus during FY08 is the Metro Orange Line closeout of construction and systems contracts and activities; Metro Gold Line Eastside Extension completion of at-grade stations, trackwork installation, utility relocation and phase II girder strengthening construction of the 1<sup>st</sup> Street Bridge; installation of system components, permanent power feeds at each traction power substation; and initiation of systems testing along the guideway; closeout of the Canoga Station Park and Ride; and final design and restoration of the historic Lankershim Depot; and development of the I-405 Carpool Lane Project.

### Capital Development

Capital Development is responsible for planning, engineering, and constructing of new fixed guideway systems and extensions to the highest safety and performance standards while paying close attention to the environmental and economic concerns.

### Project Support

Project Support is responsible for providing functional support within the Construction Project Management Division; providing cost-effective design and other engineering professional

services from preliminary engineering through final design and construction of bus and rail projects; the construction management and oversight of all rail construction-related activities and construction related rail capital projects; providing the appropriate plans to mitigate contamination impacts, maintain compliance with all environmental regulations pertaining to hazardous wastes and materials, monitor environmental contractors working on projects, and provide regulatory interfacing to resolve Metro concerns; interfaces with Third Party agencies and utilities to design and construct any improvements to existing systems and new projects, and safety and quality support on all projects managed by the Construction Project Management Division.

### Project Administration

Project Administration is responsible for managing division and cost center activities in support of the Metro Capital Program in addition to providing technical and administrative guidance and assistance.

This includes planning, scheduling budgeting, tracking, reporting, analyzing, and forecasting the impact of engineering, construction and Rail Capital Projects; providing timely and accurate configuration management of contract changes and all documentation in support of Construction Project Management projects; and for the implementation of administrative and quality control

measures during design, procurement, construction, installation, testing, start-up and turnover that ensure the transit system meets the expectations of Metro's customers.

### **Significant Events in FY08**

Following are the capital program activities budgeted during the fiscal year:

- Close-out the Metro Orange Line and Canoga Station/Park and Ride contracts.
- Complete the Lankershim Depot Restoration final design and the restoration of the historic Lankershim Depot.
- Execute the following Metro Gold Line Eastside Extension activities:
  - complete all at-grade stations, track work installation, utility relocation and Phase II girder strengthening construction of the 1<sup>st</sup> Street Bridge;
  - complete final phase of underground stations construction;
  - install system components and permanent power feeds at each traction power station; and,
  - start systems testing along the guideway.
- The FY08 Budget includes Construction Project Management Division support in engineering,

construction safety, third party administration and project control for future Transit Corridor projects such as the Regional Downtown Connector, the Eastside Extension Phase II, the Crenshaw Corridor, the Red Line Western Extension, and the Metro Orange Line Canoga Park Extension.

- The Construction Project Management Division will provide project development support for the I-405 Carpool lane Project during FY08. This includes development of design-build contract documents, industry outreach, and project management assistance.
- The FY08 budget includes costs for engineering design and construction activities for the completion of construction of the Glendale Freeway Soundwall, Metro Red Line Station Canopies, Light Rail Divisions 11, 20, 21 (Phase II), and 22 (Phase II) improvements which includes the blow down pit and enclosure structure, main shop expansion and car wash, environmental inspection and environmental remediation activities, and various rail facilities and wayside system upgrades.

## Construction Project Management Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Capital Development	27	25	25
2 Project Support	26	27	27
3 Project Administration	35	34	34
4 <b>Construction Project Management Total FTEs</b>	<b>88</b>	<b>86</b>	<b>86</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
5 Capital Development	\$ 4,922	\$ 3,249	\$ 3,243
6 Project Support	5,746	4,033	4,152
7 Project Administration	189,779	331,561	344,222
8 <b>Construction Project Management Total</b>	<b>\$ 200,447</b>	<b>\$ 338,843</b>	<b>\$ 351,618</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
9 Wages & Benefits	\$ 11,101	\$ 10,921	\$ 10,918
10 Acquisitions	154,928	214,846	176,782
11 Services	17,105	16,477	10,150
12 Material & Supplies	251	182	196
13 Subsidy to Expo Authority	11,355	96,313	153,491
14 Other Support	5,707	104	80
15 <b>Construction Project Management Total</b>	<b>\$ 200,447</b>	<b>\$ 338,843</b>	<b>\$ 351,618</b>

## Construction Project Management: Key Performance Indicators

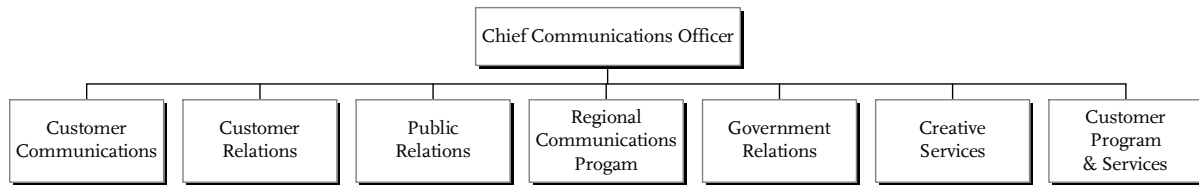
Goal 2: Deliver quality capital projects on time and within budget.	FY06 Actual	FY07 Actual	FY07 Estimated	FY08 Target
<b>Objective: Design and build quality projects.</b>				
<b>Orange Line</b>				
Closeout C0675 Design/Build contract except for remaining reliability demonstration testing which continues into FY08.	n/a	n/a	n/a	31-Dec-07
<b>Canoga Station/Park and Ride</b>				
Closeout Contract C0739.	n/a	n/a	n/a	31-Dec-07
<b>Gold Line Eastside Extension</b>				
Metro to receive construction access to the 1st Street Bridge from the City of Los Angeles	n/a	n/a	n/a	19-Oct-07
Structural completion of the East Portal	n/a	n/a	n/a	11-Dec-07
Tunneling contractor completes all work	n/a	n/a	n/a	20-Aug-07
Completion of the six at-grade LRT Stations	n/a	n/a	n/a	30-Jun-08
Completion of trackwork installation along LRT guideway	n/a	n/a	n/a	28-Dec-07
Begin Systems Integration Tests	n/a	n/a	n/a	4-Mar-08

Goal 2: Provide leadership to deliver quality capital projects.	FY06 Actual	FY07 Actual	FY07 Estimated	FY08 Target
<b>Objective: Design and build quality projects.</b>				
<b>Division 11</b>				
Complete project closeout	n/a	n/a	n/a	30-Sep-07
<b>Division 21</b>				
Start contract procurement process.	n/a	n/a	n/a	17-Jul-07
Complete contract procurement process.	n/a	n/a	n/a	25-Nov-07
Award Design/Build contract for Main Shop Expansion and Car Wash.	n/a	n/a	n/a	26-Nov-07
<b>MRL Station Canopies</b>				
100% design by GEC	n/a	n/a	n/a	15-Jan-08
Award Design/Build contract.	n/a	n/a	n/a	30-Jun-08
<b>Hwy 134 Soundwall</b>				
Complete construction	n/a	n/a	n/a	31-Jan-08
Landscape Maintenance to begin	n/a	n/a	n/a	31-Jan-08
Closeout Complete	n/a	n/a	n/a	30-Jun-08
<b>Planning Support</b>				
Support Planning in the preparation of the Draft Environmental Report for Crenshaw Corridor, MOL Canoga Extension North, Red Line Western Extension, Regional Downtown Connector, and various other projects.	n/a	n/a	n/a	On going

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

Goal 8: Work with contractors to provide a safe work site to minimize lost time accidents.	FY06 Actual	FY07 Actual	FY07 Estimated	FY08 Target
<b>Objective: Provide Occupational Safety &amp; Health services to contractors and other Metro divisions.</b>				
<b>Occupational Safety &amp; Health Services</b>				
Each Metro Construction Safety employee will attend a minimum of one professional development course during the fiscal year. Information learned will be shared with the department through an "After Action Report".	n/a	n/a	100%	100%
Safety Employees will complete annual requirements to maintain current certifications.	n/a	n/a	100%	100%
Safety Employees not yet Board Certified as Certified Safety Professionals will complete one preparatory course and at least one attempt to pass the appropriate certification exam.	n/a	n/a	0%	100%
Metro Managers & Directors will make time available to their staff to attend the appropriate training as offered through the Construction Safety Department.	n/a	n/a	100%	100%
<b>Incident Statistics</b>				
Monthly publication of injury and incident summary reports for each Major Capital Project and smaller operations Capital Projects as a whole.	n/a	n/a	100%	100%
Use monthly reports to monitor and respond to (through various interventions) developing negative trends in the incident data.	n/a	n/a	100%	100%
Use monthly reports to monitor and reward/recognize developing positive trends in the incident data.	n/a	n/a	100%	100%

## Communications



### Introduction

Communications is responsible for the strategic evaluation, development and implementation of agency-wide marketing, communications, constituent relations, fare media distribution and customer service programs.

### Chief Communications Officer

The Chief Communications Officer oversees and directs the activities of the organization to increase awareness and support and to improve the public perception of Metro and its services. The goals are to increase patronage, raise revenues and create a positive image of Metro, as well as, to position Metro to attract discretionary riders, and be recognized as the transportation leader both regionally and nationally.

### Creative Services

Creative Services provides design services (graphic design, environmental graphics, graphic standards, photography and illustration), production management (procurement and trafficking), website management (design and coordination) and implementation of Metro's public art policy (Metro Art), which includes community involvement and artist participation in the development of Metro's transit system and provides free docent-guided tours.

### Customer Communications

Customer Communications promotes awareness and use of Metro programs, projects and services through informational materials, signage, advertising and corporate sales promotion. Working with the Service Sectors, the department markets existing routes and service enhancements as well as a complete line of alternative transportation, pass and rideshare programs to area employers, educational institutions, current and potential riders, and the general public. The group includes internal printing services, manages all purchased media as well as revenue contracts for advertising on the Metro bus and rail system, and handles internal employee communications.

### Customer Relations

Customer Relations is the Agency's communication link with customers and provides various options for the public to be served and heard. One-on-one regional transportation information is provided through 1-800-COMMUTE. There customers receive route, schedule and fare information for Metro services in addition to transit services for the adjacent four counties. Customers may also plan their own trip by utilizing Metro's Trip Planner located on the website at [www.metro.net](http://www.metro.net). This department also serves as the centralized contact point to handle and process customer complaints received via the telephone, email and over-the-counter.



The unit also handles official correspondence written on behalf of Board members and Metro executive staff, manages customer response systems analysis, and operates the Metro Customer Information Distribution Center and Agency switchboard (Centrex) System.

### **Customer Programs and Services**

Customer Programs and Services operates Metro's four Customer Centers that serve over 600,000 patrons each year. The department also administers the reduced fare programs for students and the disabled, manages the centralized lost and found operation, and oversees fare media production and distribution to Metro bus divisions, Customer Centers and over 650 vendor outlets in Los Angeles County. The unit manages the Metro Passes by Mail program and e-commerce sales of passes on-line.

### **Public Relations**

Public Relations manages media relations, special events and promotions, production of Metro cable shows and videos, commercial filming, the Metro Store and employee activities. It informs the public about Metro's activities via press releases, media features, broadcast media, community speakers and Metro's internal and external websites.

### **Regional Communications Programs**

Regional Communications Programs provides a multitude of functions including external interface, research and program development. The group is responsible for public liaison and stakeholder programs throughout Los Angeles County to build support for broad agency objectives and specific initiatives through local governance, construction of major capital projects, management of outreach for corridor and project

consensus, public campaigns for bus and rail safety education and service changes. Another function performed by the group is to conduct research to gauge customer satisfaction, general public opinion on transportation services and feedback on new services implemented or under development. In addition, the group is responsible for developing and implementing new programs and services that enhance transportation options for Los Angeles County residents.

### **Government Relations**

Government Relations serves as the principal liaison to all federal, state and local (City of Los Angeles) elected officials and their staff, along with government agencies and commissions. The department develops Metro's legislative goals and objectives, advances the agency's policy agenda in Sacramento, Washington and Los Angeles City Hall, crafts and implements strategies to accomplish Metro's legislative priorities, and builds relationships with federal and state legislators, as well as City of Los Angeles elected officials.

### **Significant Events in FY08**

- Continue targeted service marketing and ridership promotions in an effort to increase ridership and revenue.
- Enhance community marketing to increase awareness of local Metro service.
- Pursue and secure opportunities for increased funding at federal, state and local levels, and move the region closer to attaining its fair share of funding.
- Support Mobility 21 activities to continue Metro's active role in advancing regional transportation and gaining additional funding for mass transit, highway, and other mobility programs in Los Angeles County.

- Conduct construction mitigation and public outreach to support continued success for the project team as major milestones are achieved during the construction of the Metro Gold Line Eastside Extension.
- Continue safety education and outreach throughout communities near the Orange Line, Gold Line and Blue Line.
- Build support for agency initiatives through ongoing contact and relationships with local governance entities (Councils of Governments {COGs}, etc.), chambers of commerce, business organizations, environmental groups and other key stakeholders.
- Effectively support agency projects and initiatives including Wilshire Bus Rapid Transit (BRT), Montebello Alameda Corridor East (ACE), etc.
- Manage outreach contracts for major corridor studies including Orange Line North/South Extension, Westside Corridor Extension, I-710 Corridor Study, Crenshaw-Prairie, East LA, Regional Connector and Harbor Subdivision.
- Continue business-to-business sales efforts targeting local businesses to provide subsidized transit passes and rideshare incentive programs to their employees.
- Install new generation of bus stop signs and signage support infrastructure (such as grand pylons) at rail stations, bus stations and park/ride facilities, and construct information walls at rail and bus station entrances.
- Fully implement the countywide Metro Vanpool Program to promote vanpool usage for purposes of reducing the number of single occupant vehicle commuter trips and generating new regional funds.
- Upgrade three of Metro's customer centers to improve the customer experience and prepare for Transit Access Pass (TAP).
- Begin the implementation phase of the new TAP system by starting a pilot test of 2,000 TAP customers at Metro Customer Centers.
- Attract discretionary riders by partnering with outside businesses and organizations in exchange for equivalent cross-promotional advertising.
- Continue survey research activities to measure customer satisfaction, general public opinion and impacts from new Metro services initiatives which will be streamlined to improve cost effectiveness.
- Host two million visitors on metro.net and update content to ensure current and accurate information.
- Implement new web features and "self-help" enhancements on the Trip Planner to better meet the specific transit needs of Metro's customers.
- Feature live chats on metro.net with Metro Board members and executive staff that will focus on critical mobility issues from goods movement to the Long Range Transportation Plan.
- Provide real-time transit arrival information to riders via the online "Trip Planner" feature on metro.net and access to "NexTrip" and "My Trip" services for web-enabled cellular phone users and wireless devices.
- Develop and implement e-mail update system for customer communications, allowing for timely service announcements, notices about construction, new programs, job openings, special offers, etc.
- Produce more videos promoting ridesharing in-house for Metro's cable television shows, Metro.net and

Transit TV that will be distributed to cable and mainstream media and various web sites.

- Complete 5 major permanent art projects and 18 temporary art projects.

## Communications Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Chief Communication Officer	8	7	8
2 Customer Communications	30	30	29
3 Customer Relations	103	103	103
4 Public Relations	10	11	11
5 Regional Communication Program	16	18	16
6 Government Relations	6	6	7
7 Creative Services	14	14	14
8 Customer Programs & Services	28	28	28
9 <b>Communications Total FTEs</b>	<b>215</b>	<b>217</b>	<b>216</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
10 Chief Communication Officer	\$ 1,935	\$ 6,793	\$ 1,194
11 Customer Communications	11,596	10,795	13,160
12 Customer Relations	6,044	7,385	7,502
13 Public Relations	2,300	2,167	2,267
14 Regional Communication Program	2,488	2,374	7,768
15 Government Relations	1,519	1,602	1,744
16 Creative Services	3,041	2,619	2,745
17 Customer Programs & Services	4,189	4,561	4,631
18 <b>Communications Total</b>	<b>\$ 33,111</b>	<b>\$ 38,295</b>	<b>\$ 41,012</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
19 Wages & Benefits	\$ 17,016	\$ 18,582	\$ 18,859
20 Acquisitions	81	-	3,342
21 Services	7,779	13,629	12,826
22 Material & Supplies	1,597	1,202	1,202
23 Other Support	6,639	4,882	4,782
24 <b>Communications Total</b>	<b>\$ 33,111</b>	<b>\$ 38,295</b>	<b>\$ 41,012</b>

## Communications: Key Performance Indicators

Goal 1: Improve Transit Services	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Improve service quality and capacity for bus and rail systems</b>				
Total radio reach/frequency (percentage of targeted audience that heard radio ad/number of times ads were heard)	75%/8.0	75%/6.0	75%/6.0	75%/6.0
Total newspaper ad distribution per quarter, in 000's (total distribution of newspapers that carried ad times # of ads run in qtr)	58,000	54,000	54,000	54,000
Number of active employer worksites using Metro Commute	n/a	1,075	1,200	1,300
Passes sold monthly through employer accounts	9,130	10,043	13,000	14,000
Total number of Rideshare Incentive participants in LA County	n/a	20,000	25,000	30,000
Total number of Rideshare vanpools in LA County	1,008	975	975	975
Average wait time on 1-800-COMMUTE (min:sec)	5:50	5:15	5:00	4:30
Value of positive news coverage in print and broadcast media, as equivalent value of advertising	\$8,041,429	\$10,000,000	\$6,000,000	\$8,000,000
Total revenue generated from film leasing	\$553,610	\$550,000	\$550,000	\$600,000

Goal 1: Improve Transit Services	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
Number of individuals reached through safety tours, presentations, community outreach and community events	300,000	1,500,000	2,000,000	2,000,000

Goal 1: Improve Transit Services	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Improve transit security of bus and rail system</b>				
Conduct safety training for students/residents along the Metro Gold Line Eastside Extension	n/a	n/a	n/a	60,000

Goal 2: Deliver quality capital projects on time and within budget	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Conduct Construction mitigation and community outreach</b>				
Complete Construction mitigation for impacted businesses along the Metro Gold Line Eastside Extension	n/a	n/a	36	36

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Goal 4: Provide Leadership for the Region's mobility agenda	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Provide Quality planning, programming and analysis for Los Angeles County projects and programs</b>				
Coordinate and facilitate regular meetings with the stakeholders in the region on goods movement on the Alameda Corridor East (ACE) and City of Montebello grade separation issues	n/a	n/a	n/a	16
Develop and begin implementation of community outreach programs for all corridor studies - 710 South EIR/EIS, Orange Line Canoga EIR, Crenshaw, Westside Corridor "To The Sea", Regional Connector Downtown, Eastside Phase II, and Harbor subdivision	n/a	n/a	n/a	100%

Goal 4: Provide Leadership for the Region's mobility agenda.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Coordinate implementation of multi-modal transportation programs with partner agencies</b>				
Number of community outreach meetings in support of the Agency's goals as appropriate with Councils of Governments, community advisory committees, subcommittees, chambers, business, shipping, environmental, residential, and labor organizations within 88 cities.	n/a	n/a	n/a	70

Goal 6: Secure local, state and federal funding.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Advance and protect Metro's authority and transportation interests of the Los Angeles region by strengthening communications with elected officials and external stakeholders and by maintaining an active advocacy role in promoting Metro's capital projects and programs.</b>				
Number of legislator and aide contacts established through briefings, meetings, and hosting events to communicate Metro's position on legislative matters of interest to the Agency,	75	200	300	300
Percent of state and legislative programs conducted to secure resources to carry out / implement Metro's priority projects and programs.	100%	100%	100%	100%

## Economic Development



### Introduction

Economic Development is responsible for the development, planning and implementation of New Business opportunities that provide innovative transit solutions that improve transit connectivity within the region and significant increases in revenue to Metro.

### New Business Development

Joint Development is primarily a transit station area real property asset development, management and land use planning program for Metro which secures the most appropriate private and public sector development on Metro owned property. Joint Development ensures that such development supports Metro's multi-modal transit mission, and provides appropriate returns on the value of Metro property while being compatible with local community development objectives.

Joint Development also strives to reduce auto use and congestion through encouragement of transit-linked development. It also coordinates with local jurisdictions in station area land use planning in the interest of establishing development patterns that enhance transit use.

### Real Estate Administration

The Real Estate Department's mission is to provide high quality real estate services in the areas of appraisal, environmental investigations, acquisition, relocation services, and property management in a way that is fiscally responsible, customer focused, and responsive.

The Real Estate Department has two functional units: (1) Real Estate Services and (2) Property Management. The Real Estate Services unit is responsible for the acquisition of all real property required for the construction and operation of Metro's administrative, bus and rail projects. This includes real property appraisals, Phase I and Phase II environmental site assessments, negotiations with sellers, and providing relocation assistance to occupants displaced by Metro projects in compliance with federal and/or state guidelines. The unit also disposes any surplus property no longer required for Metro purposes.

The Property Management unit manages Metro's real property that is not required for immediate transit use including short-term rental, licensing and permitting. The unit negotiates with property owners for leasing of property required for Metro's administrative and operational needs, and provides management services for the retail space, common areas/ transit

center at Gateway, and manages right-of-way leases for the San Bernardino Association of Governments (SANBAG) and the Foothill Gold Line Construction Authority.

### **Universal Fare System /Transit Access Pass Regional Operations and Administration**

The Universal Fare System (UFS) and Transit Access Pass (TAP) is a regional electronic smart card fare payment system that is now a US registered trademark, TAP®. TAP oversees the design, build, operations and maintenance of this new technology for Metro and 11 other Los Angeles County Municipal Operator participants. In addition to the acquisition of capital equipment, TAP is responsible for the operations of a regional customer service and financial clearinghouse. TAP has also begun preliminary analysis and discussions with interested third-parties for potential incorporation with Transit Oriented Development (TOD) projects and the use of this TAP smart card for parking and retail.

### **Significant Events in FY08**

- Kick off the Regional Customer Service and Regional Clearinghouse operation for TAP program at 707 Wilshire Boulevard location.
- Begin UFS installation on 11 Municipal Operator systems.
- Field test TAP “interoperability” with Municipal Operators.
- Present two new agreements for revenue generation through arrangements with major credit card/bank issuers in connection with TAP Cards.

- Present plan for revenue generation through usage of TAP media in connection with Metro Transit-Oriented Development projects as well as for transit-adjacent private development projects (parking, retail, etc.), through use of clearing house for billing.
- Complete evaluation and secure Board approval for exclusive negotiations for transit oriented development of a two million square foot North Hollywood project.
- Complete negotiations for two new “FlyAway” program lots on Metro sites in conjunction with Los Angeles World Airports (LAWA).
- Complete negotiations with LAWA to secure airport site for relocation of Metro’s Venice bus facility.
- Conduct agency-wide training for affected Strategic Business Units (SBUs) that are implementing TAP technology (Transit Operations, Communications, ITS, Finance).
- Work with Metro’s TAP-contracted consultants to secure federal funding for security-related TAP elements.
- Work with LADOT on its Information Technology Systems (ITS) grant.
- Work with Government Relations on Proposition 1B funding for security-related grants.
- Issue three new Requests For Proposals for major transit oriented development sites.



## Economic Development Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 New Business Development	3	7	7
2 Real Estate Administration	20	20	20
3 TAP Operations	-	1	9
4 <b>Economic Development Total FTEs</b>	<b>23</b>	<b>28</b>	<b>36</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
5 New Business Development	\$ 283	\$ 1,467	\$ 1,593
6 Real Estate Administration	6,817	30,605	28,390
7 TAP Operations	19,898	23,181	23,506
8 <b>Economic Development Total</b>	<b>\$ 26,998</b>	<b>\$ 55,253</b>	<b>\$ 53,489</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
9 Wages & Benefits	\$ 2,736	\$ 3,228	\$ 4,244
10 Acquisitions	16,911	36,717	35,933
11 Services	5,147	13,257	11,200
12 Material & Supplies	1,865	1,770	1,815
13 Other Support	340	282	296
14 <b>Economic Development Total</b>	<b>\$ 26,998</b>	<b>\$ 55,253</b>	<b>\$ 53,489</b>

## Economic Development: Key Performance Indicators

### Goal 1: Improve transit services.

	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Efficiently and effectively operate service.</b>				
Increase TAP Card circulation and usage to provide greater customer convenience	n/a	n/a	14,000	50,000

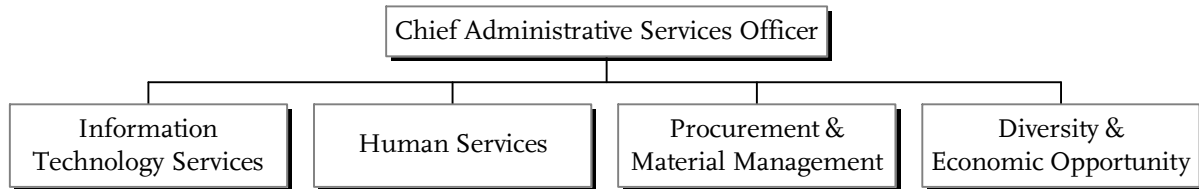
### Goal 2: Deliver quality capital projects on time and within budget.

	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Utilize Integrated Project Management process to manage capital projects to bring projects in on-time and on budget.</b>				
Generate approximately \$15.3 million in annual revenue from the sale and short-term and long-term lease of Metro real property assets, and the reimbursement of property management expenses from LADOT, SANBAG, and PBLCA.	15.75 million	16 million	15.98 million	15.3 million
Generate approximately \$2.5 million in annual revenue from Transit Oriented Development projects.	n/a	n/a	1.9 million	2.5 million

### Goal 4: Provide leadership for the region's mobility agenda

	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Provide leadership in the planning and coordination of regionally significant projects and programs.</b>				
Convert Municipal Operators onto TAP for "seamless travel"	n/a	n/a	n/a	3
Completion and execution of full joint development agreements and ground leases for joint development projects	n/a	n/a	n/a	9
Issue Requests For Proposals for major transit oriented development projects on Metro-owned sites.	n/a	n/a	1	3

## Administrative Services



### Introduction

Administrative Services provides cross-functional administrative and technological support to Metro's core business units. This strategic business unit has information technology, human resources, training, labor relations, general services, procurement, and diversity/economic opportunity components. Each component consists of departments and resources that serve all Metro operating units.

### Information Technology Services

Information Technology Services (ITS) is responsible for the development, implementation, operation, maintenance, and technical support of Metro's computer systems and integrated communications network. ITS is comprised of four units: Information Management, Operations and Service Delivery, Systems Architecture and Technology Integration, and Planning and Administration.

#### ***Information Management***

Information Management provides system maintenance, enhancements, development and support for Metro's 140 business system applications. Mission critical systems include Financial Information System (FIS), Maintenance and Materiel Management (M3), Human Resources (HR), Payroll, Transit Operator and Trends System (TOTS), Scheduling, Customer Information System (CIS),

Trip Planner and Electronic Content Management System (ECMS). Duties include application design, development, testing, and implementation, application upgrade maintenance and incident resolution.

#### ***Operations and Service Delivery***

Operations and Service Delivery provides support for Metro desktop and kiosk workstations, Wide Area Network, the Board Room, electronic surveillance systems, PBX telephone systems, and audio visual services. The unit manages and operates the Help Desk and Data Center Operations which includes over 3,200 desktop computers, 12,000 phone devices, and 2,100 telecommunications data line services.

#### ***Systems Architecture and Technology Integration***

Systems Architecture and Technology Integration supports the activities associated with constructing, integrating and managing Metro's infrastructure for network, databases and data security. Services include Network Engineering which supports all Local Area Network, Wide Area Network and wireless networks, Database Management which supports all UNIX database storage systems and Systems Integration Management which support all Windows operating systems, data storage and the disaster recovery program.

### ***Planning and Administration***

Planning and Administration manages vendor contracts and licensing agreements, budget planning and performance analysis, administrative management reporting and personnel administration. Services include policy and procedure development and adherence, project management oversight and audit compliance.

### **Human Services**

The Human Services unit is comprised of five departments: Administration, General Services, Human Resources, Organizational Development and Training and Employee & TCU Labor Relations. These functions support essential agency-wide activities and projects.

#### ***Administration***

The Administration unit is responsible for the essential functions of ADA Compliance, Agency-wide policy development and special agency-wide projects. The Executive Office provides leadership and management oversight of administrative services such as policy development, building management and ADA compliance, and chairs the Gateway Tactical Safety Committee and Pre-Qualification Appeals Panel, as well as the provision of staff for Metro's Accessibility Advisory Committee.

#### ***General Services***

General Services is dedicated to providing a variety of essential and important services to all Metro departments. General Services provides USG facility and administrative services, including building management and maintenance, records management, mail services, travel coordination, copy

services, and pest and rubbish oversight for Metro facilities. General Services is comprised of five operating functions: General Services Administration, Mail Services, Copy Services, Building Services, and the Records Management Center.

#### ***Employee and TCU Labor Relations***

Employee and TCU Labor Relations provide the resources to manage Metro's Transportation Communications Union (TCU) labor agreement in a professional manner. The department negotiates and administers Metro's collective bargaining agreement with TCU, manages grievances arising out of interpretation and administration of the labor agreement, serves as advocate for Metro management during arbitrations related to the labor agreement, provides contract interpretation and due process advice to Metro management, and manages grievances of all non-represented employees.

#### ***Human Resources***

Human Resources furnishes administration and guidance on all aspects of personnel management for Metro including recruitment and staffing, job classification and compensation, leave programs, drug and alcohol compliance programs, employee assistance program, violence prevention/threat management program, transportation subsidy/rideshare program, management of the Gateway Childcare Center outsourcing contract and automated recordkeeping.

### ***Organizational Development and Training***

The Organizational Development and Training (OD&T) department functions as the agency-wide internal consultant services unit whose purpose is to facilitate and integrate organizational best practices, increase individual and team performance, improve cycle time, increase financial and operational effectiveness, meet or exceed client/customer requirements and facilitate agency-wide strategic planning outcomes. OD&T designs and develops customized agency-wide employee, management and leadership development training programs to enhance the knowledge, skills and abilities of the workforce and prepares employees for the changing demands of the workplace.

### **Procurement and Material Management**

Procurement and Material Management's mission is to deliver efficient, cost effective, value-added services that are responsive to and supportive of both Metro's internal and external clients. Procurement and Material Management includes Material Management, Contract Administration, Client/Vendor Services and Diversity and Economic Opportunity.

#### ***Material Management***

Material Management plans, acquires and controls inventory assets to deliver efficient and cost effective services that are responsive to client demands and expectations. Included is the accurate forecasting of mid to long term material requirements, the cost effective provisioning and acquisition of goods and services, inventory accounting, supply chain management, inventory storage, asset

security and timely distribution of materials, parts and supplies.

#### ***Contract Administration***

Contract Administration performs acquisition planning, coordinates pre-award actions to produce executable contracts and then performs post-award contract administration, claims/change order processing/negotiation, contract close-out, and unencumbers physically complete contracts for the strategic business units. It also supports the procurement of all non-inventory requirements and administers Metro's purchasing card program. Within Contract Administration, the Estimating unit develops independent cost estimates in support of establishing a fair and reasonable price for Metro's procurement transactions, including new procurements and contract modifications. It also provides support in performing price analysis, cost analysis, value engineering review and contract price negotiations.

#### ***Client Vendor Services***

Client/Vendor Services oversees and manages the administrative processes and business information systems in support of Procurement and Material Management and its clients. This includes five major functional areas: operation of the Automatic Storage and Retrieval System (40,000 random storage locations); M3 Maintenance and Material Management System; TransportMax; support of the Purchase Order Module of the Financial Information System; maintenance of the vendor data base and related systems including the department's Internet and Intranet web sites; management and control of

documents, reports and records; and the planning and deployment of major systems, such as M3, Electronic Content Management System (ECMS), FIS 11i, Internet Procurement, Internet Supplier Portal, Purchasing Intelligence, e-Marketplace and TransportMax.

## **Diversity and Economic Opportunity**

The Diversity and Economic Opportunity Department (DEOD) is responsible for developing and implementing Contract Compliance, Small Business Certification, Small Business Outreach, Equal Employment Opportunity, and Labor Compliance programs. The DEOD promotes diversity and economic opportunity in the community through proactive and inclusive monitoring, mentoring, training, and outreach activity. DEOD is responsible for ensuring that decisions affecting employment practices and contracting are made without regard to sex (including sexual orientation), race, color, ancestry, religious creed, national origin, physical and mental disability, HIV and AIDS, medical conditions (e.g., cancer), age (over 40), marital status, veteran status, or any other status protected by applicable federal or state statutes.

## **Significant Events in FY08**

### **Information Technology Services**

- Provide support to 19 capital projects. Major projects include the Telecom Transmission Replacement Project, Computer Equipment Technology Refresh Project, Remote Storage for Disaster Recovery Project, Financial and HR System Upgrade Project, Red Line PBX Trunk Route Retrofit Project, and the Transit Operator

Activity Scheduling and Tracking Project.

- Conduct advance project management training for all key directors and managers. This training will provide the tools to insure all application development and network infrastructure projects are successfully completed on time and within budget.

## **Human Services**

### ***Administration***

- Commencement of two ADA programs aimed at older and disabled adults: the first program to improve bus services for individuals with disabilities and the second to increase mobility of senior citizens through the provision of 15 workshops held throughout the county.
- Implement new administrative policy review process and upgrade policy web site on the Metro intranet.

### ***General Services***

- Complete procurement and implement new multi-year pest control contract for agency facilities.
- Increase garage security by installing surveillance cameras and behavior tracking system.
- Assist in the development and implementation of a Metro electronic records management policy.
- Obtain Board approval to revise the Records Management Retention Schedule incorporating new legal requirements on electronic records.

### ***Employee and TCU Labor Relations***

- Design system enhancements for employee record keeping and grievance tracking.

- Resolve outstanding labor issues from last bargaining process, through labor/management team effort.

### ***Human Resources***

- Conduct recruitment activities to maintain low agency-wide vacancy rates.
- Continue the Bus Operator Bridge program to improve bus operator hiring.
- Manage non-occupational leaves of absence in compliance with state law, human resources policy and collective bargaining agreements to support employee needs and minimize lost work time.
- Increase employee participation in the agency-wide rideshare program.

### **Organizational Development and Training (OD&T)**

- Begin an undergraduate on-site college program with California State Polytechnic University Pomona and California State University Los Angeles.
- Partner with ITS and Procurement to conduct new training for employees on ECMS, M3 Material Ordering, Crystal Reports and Visio, etc.
- Update Metro's Strategic Plan for Fiscal Year 2008.

### **Procurement and Material Management**

- Implement the Material Cost Saving Initiative.
- Complete user training and initial roll-out of M3 Image Manager.
- Execute material provisioning plans for the Bus Midlife Project and Bus Engine Replacement Program.

- Conclude bus division material usage and inventory reorder point update project.
- Perform and fulfill FTA required Equipment Asset Inventory cycle and deliver results to Accounting.
- Continue efforts to minimize residual inventory obsolescence resulting from the planned retirement of the vehicles manufactured by TMC (Transportation Manufacturing Corporation).
- Implement Capital Warehousing Improvement Projects for Division 3 and Division 7.
- Execute plans to build the 490 Bauchet Facility Capital Project.
- Develop a commodity codes system appropriate for Metro purchases to facilitate faster identification of small firms and sources of supply. Metro suppliers are currently classified by a NAICS code (North American Industrial Classification Series) which indicates what goods and material a firm can provide another.
- Grow Metro P-card (Purchase-card) Program through "method of payment". Provide select procurement staff the ability to order Agency goods and material using the Metro P-card. This will increase Agency efficiency and increase the quarterly rebate.
- Update Project Management Training.
- Revise Procurement Policy Manual.
- Publish Procurement Instructions and Procedures Update.
- Conduct research and assess software market for contract administration system, including requirements definition.

### **Diversity and Economic Opportunity**

- Complete and integrate a Contract Compliance Management System compatible with FIS to provide greater

efficiency and effectiveness in monitoring contracts.

- Reduce Small Business Certification backlog and minimize the processing time for certification reviews.
- Manage Metro's portion of a multi-agency effort to conduct a disparity

study. The study's results are used to determine whether discrimination exists in Metro's Transportation Contracting Industry, and use that determination to make adjustments to Metro's Disadvantaged Business Enterprise (DBE) program.

### Administrative Services Reports

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Information Technology Services	132	130	130
2 Human Services	168	153	152
3 Procurement & Material Management	226	223	228
4 Diversity & Economic Opportunity	22	22	22
5 <b>Administrative Services Total FTEs</b>	<b>548</b>	<b>528</b>	<b>532</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
6 Information Technology Services	\$ 24,259	\$ 22,638	\$ 27,188
7 Human Services	22,390	22,247	21,457
8 Procurement & Material Management	37,508	25,924	27,478
9 Diversity & Economic Opportunity	2,211	2,747	2,740
10 <b>Administrative Services Total</b>	<b>\$ 86,368</b>	<b>\$ 73,556</b>	<b>\$ 78,862</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
11 Wages & Benefits	\$ 51,170	\$ 51,866	\$ 51,465
12 Acquisitions	2,472	3,095	7,094
13 Services	8,710	8,292	9,061
14 Material & Supplies	16,005	4,547	4,570
15 Other Support	8,011	5,755	6,672
16 <b>Administrative Services Total</b>	<b>\$ 86,368</b>	<b>\$ 73,556</b>	<b>\$ 78,862</b>



## Administrative Services: Key Performance Plans and Measures

### Information Technology Services

Goal 1: Improve transit services.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Insure high service availability of desktop systems which access mission critical transit service and agency business systems.</b>				
Complete all ITS Work Order tickets promptly, professionally, and courteously. Customer rating (scale 1-low to 5 high)	4.40	4.50	4.55	4.60

Goal 1: Improve transit services.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Insure high service availability of mission critical systems and applications that support transit service and agency business functions.</b>				
Mission Critical Application Availability to the agency.	96.6%	98.0%	99.5%	99.5%

Goal 2: Deliver quality capital projects on time and within budget.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Design and build quality projects.</b>				
Capital project schedule adherence	98.0%	98.1%	95.8%	98.0%

### Human Services: Administration

Goal 1: Improve transit services.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Efficiently and effectively operate service</b>				
Conduct Accessibility Advisory Committee meetings	n/a	n/a	n/a	9
Conduct Seniors on the Move programs with a minimum of 1 in each of the Board of Supervisors districts	n/a	n/a	n/a	15

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners</b>				
Provide disability awareness training classes to Metro employees	n/a	n/a	n/a	8

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Develop an aggressive recruitment program to reduce bus operator vacancies</b>				
Reduce bus operator vacancies	n/a	n/a	203	40

Goal 7: Maintain open lines of communication.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Maintain open lines of communication with surrounding cities and counties</b>				
Review all administrative policies every two years from date of last review	n/a	n/a	n/a	100%

**Human Services: General Services**

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners.</b>				
Percent of safety work orders responded to and completed within 30 minutes of notification	n/a	100%	100%	100%
Percent of custodial trouble calls responded to and completed within 30 minutes of notification	n/a	n/a	n/a	100%
Percent of public records requests provided in compliance with policies	98%	97%	99%	98%
Percent of staff record requests completed by time requested	100%	100%	99%	98%
Percent of mail distributions completed on-time	98%	98%	98%	98%
Percent of internally-generated, tracked packages delivered within 12 hours of pickup	100%	99%	98%	98%
Percent of externally-generated packages delivered within six hours	99%	99%	99%	98%
Percent of Copy Center jobs delivered on-time	100%	97%	97%	98%

**Human Services: Employee and TCU Labor Relations**

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Continue to strengthen the labor management working relationship by reducing the number of labor issues at third step by 50%</b>				
Respond to TCU grievances within contract time limits and hold non-contract hearings	n/a	100%	100%	100%
Provide interpretation and application of TCU Labor Agreement and employee relations specific non-contract policies with a turnaround not to exceed one business day.	n/a	n/a	n/a	100%

**Human Services: Human Resources**

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Develop an aggressive recruitment program to reduce bus operator vacancies</b>				
Maintain existing turnover rate at a level of 9% or less (excluding RIFs) throughout FY07 by providing total compensation information to employees	n/a	9%	9%	8%
Number of Bus Operator applications processed	n/a	2,600	2,700	2,700
Increase percentage of bus operator applicants who pass interview and existing test using current criteria by 10%	n/a	n/a	n/a	10%
Minimize the total number of employees on leave of absence	n/a	570	570	565
Increase employee participation in the agency wide rideshare program by 10%	n/a	28%	28%	30%

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**Human Services: Organizational Development and Training**

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners</b>				
Client satisfaction rating for Signal Synch classes (1 to 5 scale)	4.36	4.46	4.39	4.38
Number of Signal Technicians completing on-site training	173	299	280	300

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Develop an aggressive recruitment program to reduce bus operator vacancies</b>				
Client satisfaction rating for training & development sessions (1 to 5 scale)	4.60	4.59	4.6	4.6
Employees completing formal in-house training	6,484	6,444	3,000	3,000

**Procurement and Material Management**

Goal 1: Improve transit systems.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Efficiently and effectively operate service</b>				
Quarterly average No-stock hold as a percent of active fleet	0.13%	<1.0%	<1.0%	<1.0%

Goal 2: Deliver quality capital projects on time and within budget.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Utilize Integrated Project Management process to manage capital projects to bring projects in on-time and on-budget</b>				
Percentage of cost estimates that are at or below the Estimating Department's stated standard cycle time (16 work days for estimate deliverables with a threshold of \$2M and under & 30 work days for estimate deliverables over \$2M)	80%	70%	80%	75%

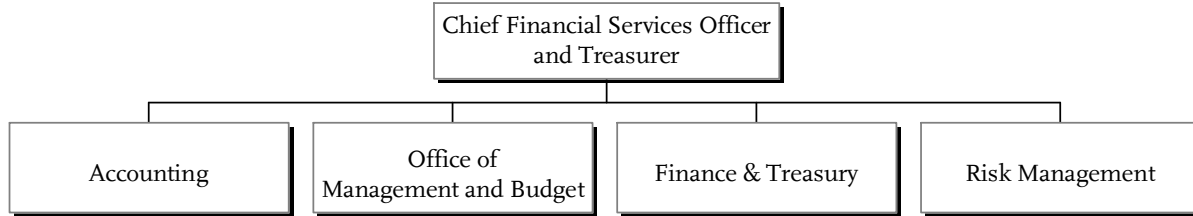
Goal 3: Exercise fiscal responsibility	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Continue to improve the procurement process.</b>				
Percentage of invoices paid within 30 days	95%	95%	95%	95%
Average inventory material procurement cycle time (days)	8.18	9.00	9.00	9.00
Average non-inventory material/services procurement cycle time for IFB (days)	27.14	26.00	26.00	26.00
Average non-inventory material/services procurement cycle time for RFP (days)	36.04	45.00	45.00	45.00
Client Feedback (scale: 1-low to 3-high)	2.90	2.00	2.00	2.00

**Diversity & Economic Opportunity**

**Goal 2: Deliver quality capital projects on time and within budget.**

	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Utilize Integrated Project Management process to manage capital projects to bring projects in on-time and on-budget</b>				
DEOD's Contract Compliance unit: Review and evaluate all projects over \$25K for construction and \$40K for services and commodities to identify Prime and Subcontract opportunities for certified firms that participate in Metro's DBE, SBE and M/WBE small business programs. Assist Metro in creating a level playing field for small businesses in efforts to meet its annual small business goals.	100%	100%	100%	100%
DEOD's Labor Compliance unit: Monitor 50% of contractor certified payroll reports to identify prevailing wage underpayments on Metro Public Works projects per Federal and State wage regulations.	100%	100%	100%	100%
DEOD's EEO unit: Provide thorough and prompt processing of internal discrimination complaints within 60 days to increase customer service to Metro employees.	62 days	60 days	60 days	60 days
DEOD's Certification unit: Complete 100% of submitted small business certification applications within 90 days of receiving all required documentation per Federal Regulations.	90%	100%	100%	100%

## Financial Services



### Introduction

Finance provides cross-functional administrative and financial services to support Metro's core business units.

### Accounting

Accounting generates financial reports and analyses used to support Metro's financial activities and reporting and auditing requirements. This encompasses bond issues, billing and reporting to funding partners, and management evaluations of budget variances.

Accounting also records Metro's project accounting, capital assets, fare media, payroll, accounts payable, and accounts receivable transactions through the Financial Information System (FIS).

### Office of Management and Budget

The Office of Management and Budget (OMB) develops the annual operating, capital, and subsidy budgets; prepares revenue and expense projections; prepares the annual revision to the 10-Year Forecast; maintains the CEO's Scorecard, manages operating and capital expenditure and revenue plans; and conducts special studies that analyze key business activities.

### Finance and Treasury

Treasury forecasts, monitors and manages cash requirements, directs the investment of available cash and debt proceeds, and administers the debt program. The

Revenue Administration unit collects and deposits fare revenue, inspects and monitors fare collection facilities, equipment, and procedures with law enforcement to counteract counterfeit fare media, and maintains Ticket Vending Machine collection equipment. The Pension and Benefits unit administers all facets of group health and welfare plans, pension plans, 401 (k) and 457 deferred compensation plans and unemployment insurance. The department also provides retirement and financial counseling programs for employees.

### Risk Management

Risk Management is responsible for protecting Metro's assets through the identification, management and control of insurance risks. These responsibilities include management and oversight of the following: worker's compensation claims administration (including special investigations); general liability claims administration; the placement and administration of appropriate insurance programs; self-insured liability reserves through risk financing techniques; and the recovery of insurance proceeds for damage to Metro property.

## Significant Events in FY08

### Accounting

- Process improvement of P-Card Program utilizing Oracle FIS.
- Process improvement of Capital Projects-CIP maximizing FIS capabilities.
- Implementation of the Paycard Project in Payroll for better customer service to employees and to improve General Accounting work processes.
- Implementation of the Payroll Self Service project for direct deposits and W4's for improved services to employees and to streamline work processes in Payroll and HR.

### Office of Management and Budget

- Redesign the Capital Program Analysis System to a web-based data management system to provide greater access to all users.
- Refine ten-year forecast models to include more detail related to non-enterprise fund activities.
- Implement additional components in the integrated performance monitoring management system (CEO's Scorecard).
- Improve capital projects management to improve annual cash flow projections.
- Make recommendations through the update of the 10-year forecast to solve the operating deficit.

### Finance and Treasury

- Manage the implementation and funding of a tax exempt trust to offset a portion of the future retiree medical liability, as valued according to GASB 45.
- Outstanding long-term debt will not increase during the fiscal year. Sufficient bond proceeds are currently

available to meet the FY08 bond proceeds funding requirements of the Metro Gold Line Eastside Extension, the Metro Exposition Line and other capital projects.

- Implement the recently adopted Natural Gas Hedging Program to offset changes to the price of natural gas during the fiscal year, thereby increasing budget stability and greatly reducing the potential for large cost variances. Pricing has been hedged for about 95% of the planned gas volume for FY08. Additional hedges will be periodically utilized to hedge 95% of the FY09 gas volume prior to development of the FY09 budget.
- Pursue opportunities to increase investment returns on certain restricted bond proceeds and other invested amounts, as well as to refund certain long-term bonds to reduce debt service.
- Decrease bill processing costs in FY08. Fare restructuring will result in fewer one-dollar bills collected and "sold" to the contracted vendor.
- Increase large bill (\$2-\$20) processing. Large bills are counted manually in-house by cash room personnel.
- Decrease overtime costs in FY08 by adding 3 FTEs to cash room staff.
- Implement increased functionality of new fare collection equipment to include acceptance of credit and debit cards as a form of payment.
- Provide support for the implementation of the UFS Transit Access Pass.
- Complete the implementation of the Oracle Advanced Benefit (OAB) system and develop new online open enrollment platform.
- Launch the new MyRetirement.Metro website providing online access to

benefit estimates, annual statements and pension plan provisions.

### **Risk Management**

- Implement new Enterprise Insurance Program (EIP) for more efficient and effective monitoring of insurance compliance by Metro vendors.
- Roll out the new Public Liability/Property Damage Claims System to enhance functionality and paperless processing.
- Execute annual contract with Valley Oaks system (VOS) for the direct leasing of its claims system for Workers' Compensation and upgrade software to facilitate paperless processing.
- Complete selection of a new Bill Review and Utilization Review service provider for Metro's Workers' Compensation claims.
- Complete a compliance audit of all CY06 and CY07 claims.
- Implement safety pilot projects in coordination with transit operations.

**Financial Services Reports**

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Accounting	79	78	78
2 Office Of Management & Budget	19	19	19
3 Finance & Treasury	64	62	65
4 Risk Management	47	61	61
5 <b>Financial Services Total FTEs</b>	<b>209</b>	<b>220</b>	<b>223</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
6 Accounting	\$ 8,860	\$ 9,835	\$ 9,857
7 Office Of Management & Budget	2,296	2,359	2,303
8 Finance & Treasury	278,885	337,378	341,223
9 Risk Management	10,115	10,748	10,942
10 <b>Financial Services Total</b>	<b>\$ 300,157</b>	<b>\$ 360,319</b>	<b>\$ 364,325</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
11 Wages & Benefits	\$ 11,870	\$ 12,786	\$ 12,861
12 Services	19,125	22,649	21,680
13 Material & Supplies	7,713	11,913	7,990
14 Insurance	5,884	5,875	6,374
15 Other Support	-	634	664
16 Debt	255,565	298,962	306,256
17 <b>Financial Services Total</b>	<b>\$ 300,157</b>	<b>\$ 360,319</b>	<b>\$ 364,325</b>



## Financial Services: Key Performance Indicators

### Accounting:

Goal 3: Exercise fiscal responsibility	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Conduct monthly performance monitoring reviews to assess financial performance</b>				
% of invoices paid within 30 days from the invoice date	93%	94%	94%	94%
% reduction in number of unprocessed/unmatched invoices over 30 days outstanding from previous year	n/a	n/a	-6%	5%
# of days to pay properly approved Expense Reports from submittal date	6.0	2.0	5.0	5.0
# of days from month end to submit accurate grant billings	7.0	6.5	6.2	6.0
% of errors in total paychecks, including special checks issued	1.00%	0.07%	0.95%	1.00%
# of calendar days audited CAFR report was late (with 31-Dec-200X GFOA submission date)	0	0	0	0
# of working days to complete FTA Quarterly Financial Report submittals (45 days at regular quarter and 60 days at year end)	45/60	45/60	45/60	45/60
# of calendar days State Controller's Report were late (with 31-Mar-200X Federal Clearinghouse submission date)	0	0	0	0
# of working days to complete month-end financial closing	9	10.5	6	6
# of calendar days A133 Single Audit Report was late (with 31-Mar-200X SCO submission date)	0	0	0	0

Goal 5: Develop an effective and efficient workforce:	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Create a safety conscious culture throughout Metro and its customers and business partners</b>				
% of employees sent to Safety Training	100%	100%	100%	100%
# programs developed to promote safety and reduce injuries in the department, per quarter	1.0	1.5	3.0	2.0

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

**Office of Management & Budget:**

<b>Goal 3: Exercise fiscal responsibility</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Estimated</b>	<b>FY08 Target</b>
<b>Objective: Manage the approved budget.</b>				
Percent of budget expended (budget to actual)	75.9%	77.5%	80.0%	82.0%
Percent of sales tax and fare revenue collected (forecast to actual)	103.7%	109.5%	100.0%	100.0%

<b>Goal 3: Exercise fiscal responsibility</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Estimated</b>	<b>FY08 Target</b>
<b>Objective: Implement an integrated performance monitoring management system.</b>				
Number of key performance indicators in Metro Scorecard	13	14	28	30

<b>Goal 3: Exercise fiscal responsibility</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Estimated</b>	<b>FY08 Target</b>
<b>Objective: Conduct monthly performance monitoring reviews to assess financial performance.</b>				
Number of work days after pay date to access updated Metro Scorecard data	3.0	3.0	3.0	3.0

<b>Goal 5: Develop an effective and efficient workforce.</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Estimated</b>	<b>FY08 Target</b>
<b>Objective: Invest in employee development.</b>				
Percent of OMB staff members who have attended at least one training class in the fiscal year	100%	100%	100%	100%

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

**Finance & Treasury:**

<b>Goal 3: Exercise Fiscal Responsibility</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Estimate</b>	<b>FY08 Target</b>
<b>Objective: Exercise effective fiscal accountability.</b>				
% of Positive Pay Exceptions resolved within 4 hours of notification	100%	100%	100%	100%
Operating Fund portfolios total return will equal or exceed the market weighted composite index of the 91 day T-Bill and the Merrill Lunch 1-3 year Govt/Corp Index	1.04	>=1.0	>=1.0	>=1.0
% of bond proceeds investments reviewed each quarter and adjusted as appropriate.	100%	100%	100%	100%
% of bond issues reviewed each quarter to identify refunding opportunities meeting the targets defined in the Debt Policy.	100%	100%	100%	100%
% of deliverable items provided in compliance with covenants related to debt and lease agreements.	90%	95%	95%	95%
% of system hours TVMs are out of service each quarter.	6%	5%	4%	2%

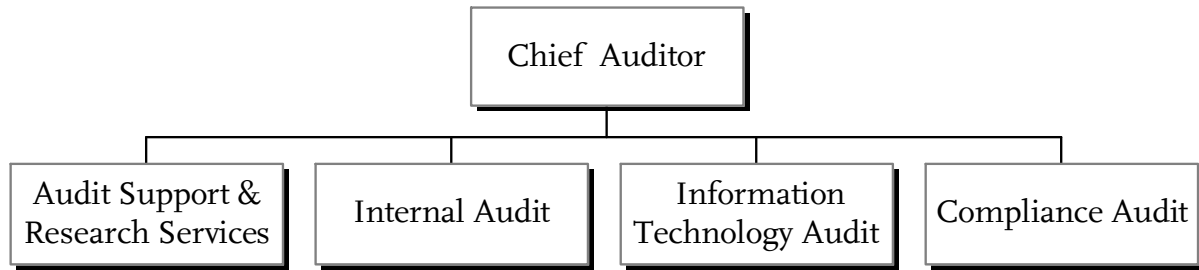
<b>Goal 5: Develop an effective and efficient workforce</b>	<b>FY05 Actual</b>	<b>FY06 Actual</b>	<b>FY07 Target</b>	<b>FY08 Target</b>
<b>Objective: Exercise efficient transaction processing</b>				
% of Retirement Applications processed within 30 days of receiving all required documentation	95%	97%	98%	98%
% of 401(k)/457 enrollment/payroll deductions and changes processed within the pay period submitted	95%	98%	100%	100%
% of Health and Welfare and benefit plan premiums paid by established timeframe	100%	97%	100%	100%

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

**Risk Management:**

Goal 5: Develop an effective and efficient workforce	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Enhance a safety conscious culture throughout Metro, its customers and business partners</b>				
Number of new reported Workers' Compensation claims	1,432	1,266	1,140	1,140
Number of new Workers' Compensation claims per 200,000 exp. hours	16.26	14.52	12.88	12.88
Total number of lost work days	57,308	52,719	58,041	50,083
Number of lost work days per 200,000 exp. hours	651	605	656	566
Number of new bus traffic accident claims	2,156	2,101	2,151	2,000
Number of new bus traffic accident claims per 100K hub miles	2.07	2.00	2.03	1.89
Workers' Compensation Subrogation Recoveries	\$443,701	\$319,182	\$421,677	\$150,000
Public Liability/Property Damage Subrogation Recoveries	\$649,917	\$312,903	\$786,594	\$350,000
Workers' Compensation Chargeback per 100 employees	\$647,307	\$660,017	\$565,867	\$498,165

## Management Audit Services



### Introduction

Management Audit Services provides highly reliable, independent, objective assurance and consulting services designed to add value and improve Metro's operations. The department assists the CEO and his management team with a systematic, disciplined approach to evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

Management Audit Services (MAS):

- Evaluates internal controls throughout the agency.
- Conducts compliance reviews to applicable laws and regulations.
- Reviews financial and management data for accuracy, completeness and reliability.
- Conducts performance audits of operations and processes to ensure agency resources are managed economically, efficiently, and effectively.
- Performs management control self assessments (CSA).
- Performs contract and contract change order audits as required by law and Board adopted policy.
- Performs audits of grantees in accordance with grants and MOUs.
- Pre-Qualifies vendors in compliance with law and Board adopted policy.

- Tracks and resolves all external and internal audit findings as required by OIG policy and Generally Accepted Government Auditing Standards (GAGAS).
- Conducts assurance services in compliance with GAGAS.

MAS adheres to the following professional standards and codes when completing its assurance and advisory services:

- Government Auditing Standards promulgated by the Comptroller General of the United States;
- Standards for Professional Practice of Internal Auditing and Code of Ethics promulgated by the Institute of Internal Auditors; and
- Information Systems Auditing Standards promulgated by the Information Systems Audit and Control Association.

### Chief Auditor

The Chief Auditor oversees and directs all audits, advisory services, contractor pre-qualification determinations and audit follow-up services of MAS. Another function of the Chief Auditor is to implement a Quality Assurance and Improvement Program as required by Auditing Standards. In addition, the Chief Auditor is required to develop comprehensive, cost effective training

programs to comply with Auditing Standards.

### **Audit Support and Research Services**

Audit Support Services is responsible for administration, financial management, budget coordination, Pre-Qualification, audit follow-up and resolution tracking.

### **Internal Audit**

The Internal Audit unit is composed of Operations Audit and Financial Audit groups. Both groups provide assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, and internal controls.

Program effectiveness audits focus on assessing the extent organizational goals and objectives are being achieved.

Economy and efficiency audits combine financial information with information about outputs or the results achieved to determine cost effectiveness. Internal control audits assess the processes and procedures for planning, organizing, directing, and controlling program operations and management's system for measuring, reporting, and monitoring program performance.

Internal audit also provides CSA services to the agency. The focus of these services is to document the procedures as they currently exist and identify the risks associated with these procedures.

Additionally, technical assistance in various areas of expertise is provided to management in the form of consulting engagements.

### **Information Technology Audit**

Information Technology (IT) Audit has two focuses. One is to review IT Systems

for adequate controls, effective performance and accuracy and reliability of the data being processed. The other is to provide support services to other MAS Auditors to meet auditing standards requirements when reliance needs to be placed on IT systems.

IT Audit objectives include providing assurance that internal controls in the automated processing environment are working properly, and that the data processed through IT systems is accurate, complete and reliable. In addition, IT Auditors are required to evaluate risks and relevant controls in the automated environment in compliance with regulations such as Health Insurance Portability and Accountability Act (HIPAA), Sarbanes-Oxley Act and Privacy Act.

### **Compliance Audit**

The Compliance Audit group is composed of Contract Audit, Grants Audit and Internal Regulatory Compliance groups. The Contract Audit function reviews costs proposed or incurred on Metro's contracts and change orders to provide recommendations of a fair and reasonable price to Contract Administrators.

The Grants Audit function reviews costs associated with memorandums of understanding (MOU's) under the Call for Projects program to promote compliance with terms and conditions of the MOU and help ensure costs billed are allocable to the MOU.

The Internal Regulatory Compliance group is a new unit established in FY08. It is responsible for identifying and assessing compliance to various Federal and State laws and regulations applicable to Metro.

### **Significant Events in FY08**

- The department will complete the third agency-wide risk assessment. Risk assessment is an important tool both in identifying significant risks the agency faces and prioritizing audit resources. It is also effective in ensuring effective and efficient auditing services. The risk assessment will identify the significant strategic, operational, compliance and financial areas of agency risk.
- The annual audit plan will be submitted to Executive Management and the Board for input and approval. It will be a comprehensive document listing all planned audits, control self-assessments and known consulting engagements.
- The department will continue to internally develop leading edge practices in auditing. As part of that effort, Management Audit Services actively participates in numerous professional organizations and will be making a presentation on “Making Risk Based Auditing Practical for Staff Application” at the Institute of Internal Auditors Risk and Control Conference. Additionally, the department will host the Western Region Government Training Seminar in FY08.

**Management Audit Services Reports**

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Chief Auditor	6	4	5
2 Audit Support & Research Services (ASRS)	7	3	3
3 Internal Audit	5	10	9
4 IT Audit	4	4	5
5 Compliance Audit	8	7	6
6 Management Audit Total FTEs	30	28	28

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
7 Chief Auditor	\$ 1,226	\$ 918	\$ 1,025
8 Audit Support & Research Services (ASRS)	658	324	331
9 Internal Audit	449	1,205	1,017
10 IT Audit	344	350	534
11 Compliance Audit	1,257	1,098	1,028
12 Management Audit Total	\$ 3,933	\$ 3,895	\$ 3,935

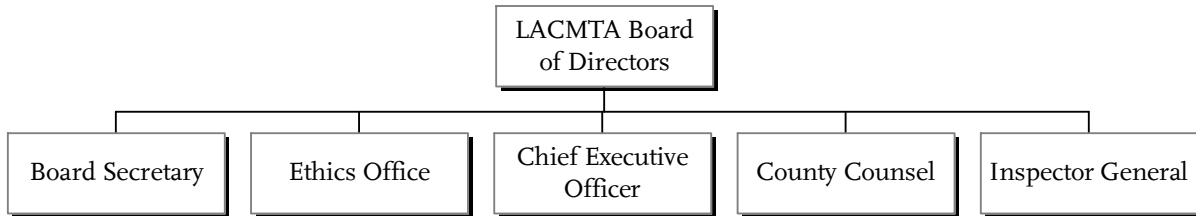
<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
13 Wages & Benefits	\$ 2,792	\$ 3,027	\$ 3,067
14 Services	775	822	822
15 Material & Supplies	11	11	11
16 Other Support	356	35	35
17 Management Audit Total	\$ 3,933	\$ 3,895	\$ 3,935



**Management Audit Services: Key Performance Indicators**

Goal 3: Exercise Fiscal Responsibility	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Ensure appropriate and effective financial controls are in place.</b>				
Percentage of Internal Audit Recommendations Implemented	n/a	n/a	83%	90%
Percentage of costs questioned , sustained	n/a	80%	70%	80%
Percentage of the audit plan completed	n/a	80%	80%	80%

## Board of Directors



### Introduction

The Board of Directors establishes policies and authorizes appropriations of Metro. Reporting directly to the Board of Directors are the Chief Executive Officer, Board Secretary, County Counsel, Chief Ethics Officer, and Inspector General.

### Board Secretary

The Board Secretary is responsible for coordinating and overseeing Board meeting and Sector Governance Council processes including agendas, minutes, resolutions, and scheduling. The Secretary also oversees the Legal Services function, which is responsible for accepting and processing all legal documents served on Metro and its employees.

### Ethics Officer

The Ethics Officer advises the Board of Directors, executive management, and staff on ethical, financial disclosure, and conflict of interest issues. It also administers the Metro's Statement of Economic Interest Disclosure and Lobby Registration reporting programs, and conducts ethics training. The Ethics Office also researches state laws and regulations governing campaign contributions, fund raising activities, government employee conduct, and lobby regulations, and serves as Metro's Disadvantaged Business Enterprise Reconsideration Officer.

### Chief Executive Officer

See Office of the Chief Executive Officer section.

### County Counsel

As general counsel to Metro, County Counsel provides legal representation and advice.

Additionally, County Counsel provides advice and representation on construction matters and employee relations and personnel matters. County Counsel also drafts and reviews contracts, represents Metro in litigation and arbitration, and oversees legal services provided by outside law firms.

County Counsel attorneys attend Board and committee meetings and provide advice on issues of governmental law such as the Brown Act, procurement law, eminent domain, Public Records Act, conflict of interest laws, and federal and state laws relating to transportation.

### Inspector General

The Office of Inspector General (OIG), which was created as part of the legislation that also created the Metro, reports directly to the Board.

The Office of Inspector General conducts analyses, evaluations, and appraisals of performance effectiveness as well as of the

accuracy of information systems. It is charged with the responsibility to detect, investigate, deter, and prevent fraud, waste, and abuse in Metro programs, operations, and resources.

The OIG also maintains liaison with law enforcement officials, district attorneys, and the U.S. attorney for appropriate referral, coordination, and cooperation in civil or criminal matters.

**Board of Directors**

(excludes Office of the Chief Executive Officer)

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Board of Directors & Board Secretary	11	11	11
2 Ethics Office	7	7	7
3 County Counsel	4	4	4
4 Inspector General	23	23	23
5 Board of Directors Total FTEs	45	45	45

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
6 Board of Directors & Board Secretary	\$ 965	\$ 1,259	\$ 1,288
7 Ethics Office	585	703	747
8 County Counsel	12,207	18,285	22,038
9 Inspector General	2,495	2,901	2,903
10 Board of Directors Total	\$ 16,252	\$ 23,147	\$ 26,975

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
11 Wages & Benefits	\$ 4,069	\$ 4,475	\$ 4,479
12 Acquisitions	7	30	30
13 Services	11,958	18,440	22,252
14 Material & Supplies	53	46	48
15 Other Support	166	156	167
16 Board of Directors Total	\$ 16,252	\$ 23,147	\$ 26,975

## Board of Directors: Key Performance Plans and Indicators

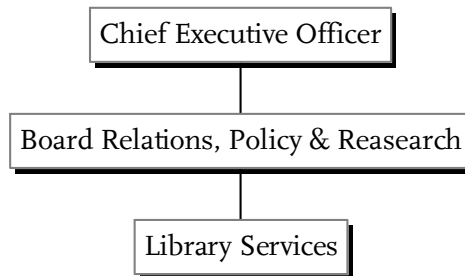
### Ethics

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: To promote compliance with Ethics related laws and the Metro Code of Conduct to demonstrate integrity.</b>				
Percent of annual Statements of Economic Interest received by 4/1/08 that are processed by 4/7/08 to comply with the law for Board and Sector Council members, employees and consultants.	100%	100%	100%	100%

Goal 5: Develop an effective and efficient workforce.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Contact late Lobbyists failing to file renewal forms promptly.</b>				
Percent of registered Lobbyists who fail to file timely annual renewals contacted by the department by February 15th.	100%	100%	100%	100%

Goal 3: Exercise fiscal responsibility.	FY05 Actual	FY06 Actual	FY07 Estimated	FY08 Target
<b>Objective: Pay all invoices promptly.</b>				
Percentage of invoices paid within 30 days.	100%	100%	95%	97%

## Office of the Chief Executive Officer



### Office of the Chief Executive Officer

The Office of the Chief Executive Officer manages Metro, which is the third-largest transportation agency in the United States. The Office of the Chief Executive Officer directs all activities of the agency, including the operations of a multi-modal transit system, construction improvements, and regional transportation planning and programming functions.

The Office of the Chief Executive Officer oversees key programs and initiatives,

emphasizes a customer focus, a commitment to safety, and allocates resources efficiently. It works with staff, elected officials, and the community to bring consensus on key projects while at the same time improving the mobility and livability of Los Angeles County. The Office of the Chief Executive Officer also provides policy recommendations, research, advice, and counsel in the development of strategies and the resolution of complex political, business, and governmental issues. The Office serves as a liaison between Metro's Board of Directors and executive management.

**Office of the Chief Executive Officer Reports**

<b>Department FTEs</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Chief Executive Office	1	1	1
2 Board Relation, Policy, Research & Library Service	13	10	10
3 Office of Chief Executive Office Total FTEs	14	11	11

<b>Expenditures (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
4 Chief Executive Office	\$ 558	\$ 489	\$ 483
5 Board Relation, Policy, Research & Library Service	2,180	2,176	1,851
6 Office of Chief Executive Office Total	\$ 2,738	\$ 2,665	\$ 2,334

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
7 Wages & Benefits	\$ 1,720	\$ 1,688	\$ 1,599
8 Services	816	848	605
9 Material & Supplies	34	18	18
10 Other Support	168	112	112
11 Office of Chief Executive Office Total	\$ 2,738	\$ 2,665	\$ 2,334

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## VII. Appendix

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## Appendix 1: Metro Budget Process

### Budget Overview

The annual budget, as adopted by the Board of Directors, is the legal authority to obligate and spend funds. It includes all operating, capital and debt service requirements of Metro for the fiscal year, July 1<sup>st</sup> to June 30<sup>th</sup>. The annual budget is comprised of the operating budget, the capital program, subsidies to other agencies, and debt programs.

The budget is comprised of two funds. The Enterprise Fund includes all business-type activities such as bus and rail operations, capital projects, and debt service. The Governmental Fund includes activities such as Special Revenue administration, Propositions A and C and TDA (sales tax) administration, and other General Fund activities.

The operating budget provides a summary of the planned revenues and expenses for the fiscal year for Metro services and programs including the following:

- All revenue and expenditure/expense assumptions and projections.
- Revenue service hours and miles of bus and rail service.

The operating budget includes Metro Bus and Metro Rail operations, Freeway Service Patrol (FSP), planning activities and projects, property management activities, debt service, and agency administration.

The capital budget process is integrated into the annual budget process. The capital budget includes all capital projects including transit corridor and rail construction projects and the Capital Program (CP). The CP consists of all

activities associated with bus acquisition, bus and rail capital improvements, facility construction and other capital improvements such as information technology enhancements. When the Board of Directors approves a capital project, it authorizes the schedule and total expenditures over the life of the project.

Appropriations for the capital budget are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year. Providing flexible funding over the life of a project authorizes staff to re-appropriate unexpended revenues and expenses from the prior year.

Metro's annual budget includes funds provided for regional programs through grants of local funds or indirectly through allocating federal and state grants to local agencies and transit operators throughout Los Angeles County. Funds are allocated to other governmental agencies in accordance with legislative requirements, Board of Directors policy, or through a competitive awards process known as the Call for Projects (CFP). The Board of Directors approves the projects recommended for funding through the annual budget and the competitive process.

Regional programs funded in the Special Revenue Fund include capital and operating allocations to municipal bus operators, direct disbursements to Los Angeles County municipalities for transportation programs, and services for disabled persons provided by Access Services, Inc. (ASI).

Metro's financial records reflect only those funds that are actually received and directly disbursed by Metro.

## **Budget Workflow**

In accordance with the Financial Stability Policy, the annual budget is adopted before July 1<sup>st</sup> to define the legal level of expenditures/expenses for the fiscal year. Budgeting for the fiscal year is divided into four phases: (1) budget formulation and preparation, (2) budget reviews, (3) budget adoption, and (4) budget implementation. (See Appendices 2 and 3)

### **Budget Formulation and Preparation**

- Initial planning, development of assumptions, preparation of instructions and training materials began in December after a mid-year review of the FY07 budget.
- FY08 budget kickoff meetings were held with departments in mid-January 2007.
- Departments completed and submitted a budget planning document in January. The document provided Executive Management with an early look at summary level budget requests. The planning document was used by executives to direct departments to reduce expenses consistent with expected revenue.
- Budget system training classes were held in mid-February 2007.
- Departments revised their budget requests in February 2007 based on direction from Executive Management. They submitted revised requests to the Office of Management and Budget (OMB) in March.
- Capital Program expense and labor requests were submitted by departments to the assigned Project Manager for approval prior to being included in the department's budget request to their Executive Officer.

## **Budget Reviews**

- The Capital Program was developed concurrently with the annual operating budget. Recommendations for the update to the Capital Program were reviewed with Executive Management in December 2006.
- Project and department level reviews of budget requests were completed in March 2007.

### **Budget Adoption**

- The budget document was released to the Board of Directors and public on May 30, 2007.
- A workshop was held for the Board of Directors on June 13, 2007.
- The public hearing was held on June 20, 2007, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Program were adopted at the June 28, 2007 meeting of the Board of Directors.

### **Budget Implementation**

- The FY08 Budget was implemented on July 1, 2007.
- Periodic financial reports are prepared to enable management to monitor and control the budget.
- Quarterly financial reports are prepared by Finance and presented by the Executive Management to the Board of Directors. These reports monitor financial performance and ensure compliance with the approved budget.

## **Budget Basis**

The Metro is a single entity for budgeting and accounting purposes. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental and proprietary funds, except that depreciation and amortization are not budgeted. The Governmental Accounting Standards Board (GASB) defines a fund as a *“fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.”*

Funds are classified and budgeted into three categories: governmental, proprietary, and fiduciary. Governmental includes the General Fund and a collection of special revenue funding sources collectively known as the Special Revenue Fund. The proprietary category includes the Enterprise Fund. The fiduciary fund category includes agency funds for the Benefit Assessment Districts (BADs). All governmental funds are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. The proprietary and fiduciary funds use the accrual basis of accounting in which revenue is recognized when it is earned or received.

Metro uses its special revenue funds to account for those funds that are restricted by purpose and use. The Special Revenue Fund reflects Metro’s responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County.

In addition, Metro is responsible for acting as a trustee for certain funds, such

as pension trust funds and restricted agency funds, which are held by Metro as an agent for others. Metro uses fiduciary funds to account for these assets. Benefit Assessment District (BAD) funds are trustee funds that Metro collects and serves as the trustee for debt payment. The outstanding debt is an obligation of the Benefit Assessment District; Metro administers the program through the collection of taxes from property owners and payments to bondholders.

Metro also receives and disburses Regional EZ Pass monies. Regional EZ Pass is regional fare media good for passage on participating regional transit providers. All Regional EZ Pass revenues are sent to Metro, which distributes them to the transit providers.

Service Authority for Freeway Emergencies (SAFE) administers the Los Angeles County Call Box program, which coordinates emergency services to motorists on freeways. SAFE is an independent financial entity. SAFE funding is derived from the \$1 fee collected on California annual vehicle registrations.

The Exposition Metro Line Construction Authority (Expo) is an independent agency created by State legislation to administer the design and construction contracts awarded to build the Exposition light rail line. For budgeting purposes all revenues and expenditures for Expo are included in the capital program budget.

## **Budget Policies and Procedures**

The annual budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special programs and

previously approved capital projects. The agency uses the zero-based budgeting methodology to determine resources for new programs and capital projects as well as general and administrative expenses. Metro's chart of accounts is reviewed and supplemented on an as-needed basis. In accordance with the Financial Stability Policy, the Finance unit monitors revenues and budget expenditures throughout the fiscal year.

For all Metro accounting funds, budgetary oversight and control is attained through checking available funds for non-labor transactions. Available funds are identified as unspent and unencumbered. Available funds are verified for a department and project by monitoring combined budget totals for non-labor account categories or for individual acquisition-related accounts.

### **Budget Amendments**

Budget detail is a management plan for financial activity and is prepared at the fund, project, department and account level. The legal level of control is at the fund level.

Total expenditures cannot exceed the final appropriation adopted by the Board, with the exception of unspent capital funds from the preceding year. During the fiscal year, changes in law, economic conditions and emergencies can have an impact on budget authority. Spending authority may be increased or decreased throughout the fiscal year as unanticipated situations arise. Management may make revisions within operational and project budgets only when there is no net dollar impact to the total appropriations at the fund level. As such, the Chief Executive Officer can approve administrative revisions to the financial plan if changes are consistent with the appropriation by fund.

The Metro's source of authority to make changes is rooted in disclosure on financial policy as stated in Metro's Comprehensive Annual Financial Report (CAFR) where reference to the legal level of authority is at the fund level so that staff has the ability to make changes within that legal authority.

### **Capital Program Budget**

The Capital Program (CP) budget is adopted on a life-of-project basis. Thus, annual re-appropriations are not required. Changes to the life-of-project budget for any project whose life-of-project budget is over \$1 million must be approved by the Board. The CP budget process was completed as part of the FY08 budget process. Project managers analyze the status of their funded projects (re-forecasting schedules, costs, etc.). They also submit new projects for consideration through the CP budget process in the second quarter of the current fiscal year.

The CP budget process:

- determines which prior year projects will not be completed as scheduled in the current fiscal year
- identifies new requirements or projects since the adoption of the prior CP, including changes to the life-of-project budget
- defines project costs in terms of labor and non-labor costs
- authorizes capital projects and associated funding plans
- estimates the operating impact of the capital investment (including cost increases)

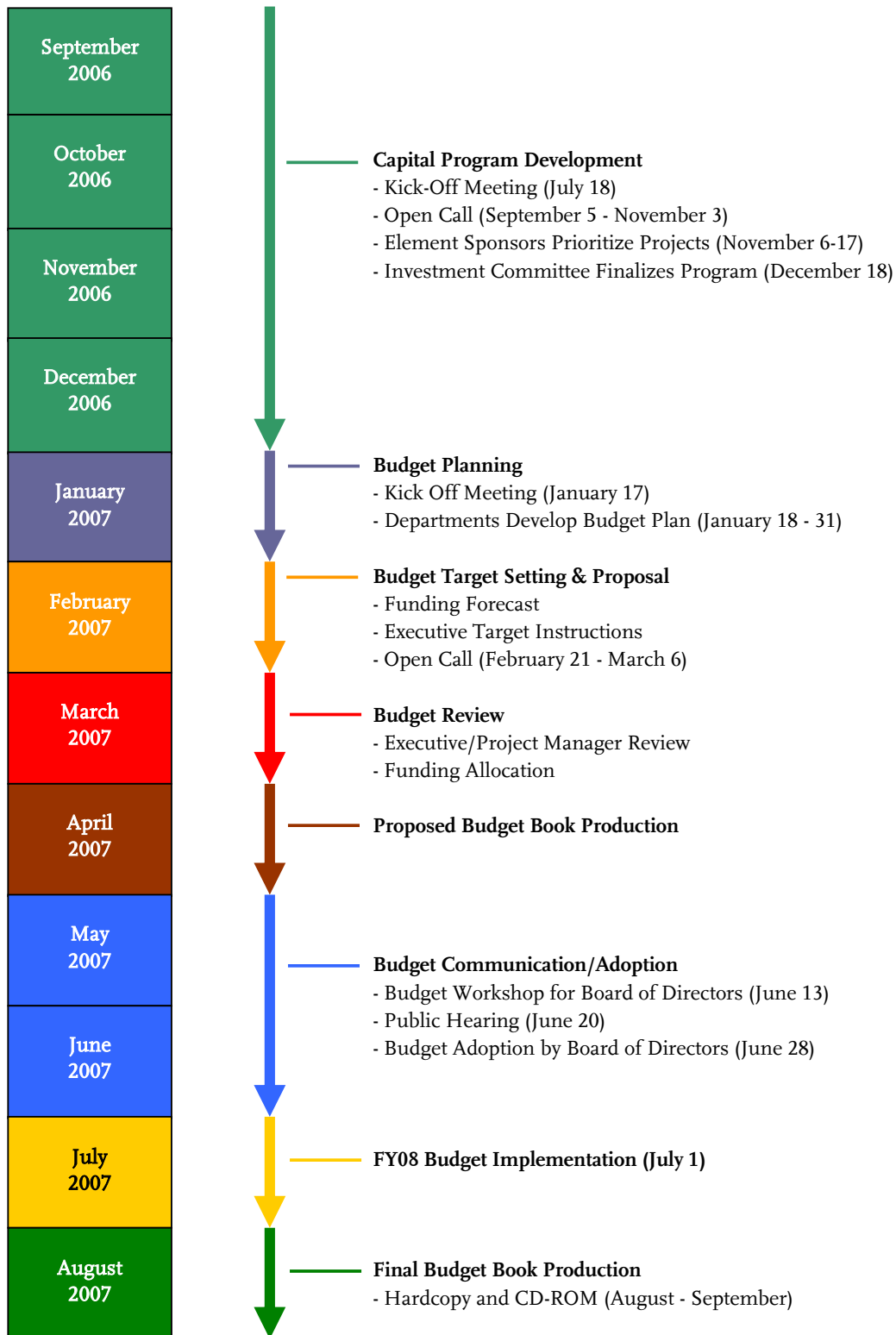
The CP is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gather project information (current and new projects) and submit the

information to OMB in the first quarter of the current fiscal year. OMB compiles the information and disseminates the information to Element Sponsors (department executive officers, or deputy executive officers, etc.). Element Sponsors review and rank projects, then compile a list of proposed projects for the next fiscal year.

OMB assembles the proposed project lists and submits the list to Executive Management. Executive Management reviews the list of recommended capital projects and further prioritizes the projects to match available revenues. OMB submitted the approved CP to Metro's Board of Directors for review and adoption in the fourth quarter of FY07 as part of the FY08 budget process.

## Metro FY08 Budget Development Schedule

Key events and dates in the budget development cycle





## Appendix 2: Financial Stability Policy Development

### Purpose

The Board shall review and approve an update to the financial policies each year as part of the annual budget and financial planning process.

The Financial Stability Policy shall be divided into three sections: Goals, Strategies, and General Fiscal Policies. The purpose of the policy is to ensure that Metro prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.

Also included in the policy are Business Planning Parameters and Debt Financial Standards. The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year's budget and other Metro financial plans and establishes future business targets for management to achieve.

The purpose of the Debt Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in financial planning are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace. These standards will be consistent with the Board-approved Debt Policy.

### Application

This policy applies to all Metro financial plans.

#### 1.0 Procedures

- 1.1 The Management Team will review each of the policy areas annually.
- 1.2 Metro's performance against the financial policies shall be measured and reported to the CEO throughout the year on a regular cycle.
- 1.3 At least annually, a mid-term report of Metro's financial and programmatic performance will be presented to the Board.
- 1.4 The financial policies may be amended or waived by the Board on a case-by-case basis.

#### 2.0 Definition of Terms

- 2.1 Financial Plan – Any plan, denominated in financial terms, that represents Metro's official intentions to external parties, including other levels of government and their agencies, stakeholders, business partners and customers of the transportation system in Los Angeles County.
- 2.2 CEO – Metro's chief executive officer or designee.
- 2.3 Management Team – Appointed by the CEO.
- 2.4 Budget – The financial plan that summarizes Metro's intentions during a fiscal year.

2.5 Capital Program – The financial plan that details Metro’s investment in its own assets over a five-year period. The Capital Program is updated and included in each year’s budget. The current year’s expenditures are appropriated within the budget.

**3.0 Responsibilities**

3.1 OMB shall be responsible for conducting the periodic performance reviews required under this policy.

3.2 Based on inputs from all units of Metro, OMB shall be responsible for presenting the updated financial standards to the Board for review and approval.

**4.0 Flowchart**

Not applicable.

**5.0 Reference**

5.1 Metro Debt Policy  
5.2 Metro Investment Policy

**6.0 Attachments**

None

**7.0 Procedure History**

7.1 Initial Action – February 2002  
Adoption of this policy supersedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:

- Fin 1 Fiscal Policies (General)
- Fin 2 Budget Preparation and Approval
- Fin 3 Budgetary Controls
- Fin 4 Budget Amendments and Adjustments
- Fin 5 Fiscal Monitoring and Reporting
- Fin 6 Funds Programmed to Other Agencies
- Fin 7 Contingency Fund
- Fin 8 Chart of Accounts
- Fin 9 Revenue Policies

**Adoption of Financial Stability Policy – January 2007.**

Adoption of this policy superseded the following sections of the January 2006 Financial Standards: G1-G12

## Appendix 3: Financial Stability Policy

### Policy Statement

Metro has an important responsibility to the taxpayers of Los Angeles County to prudently manage its long and short-term finances. In time of economic change and uncertainty, it is especially important for Metro to ensure its ability to deliver safe, quality and reliable transportation services that are based upon a strong and stable financial foundation.

The Financial Stability Policy is divided into three sections: Goals, Strategies, and General Fiscal Policies. Additional financial guidance is found in the Business Planning Parameters adopted in FY2006-07 and included with the Financial Stability Policy. The purpose of the policy is to ensure that Metro prudently manages its financial affairs, establishes appropriate cash reserves, limit the level of debt that may be incurred, ensure that the debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace and to provide management with a framework for developing the upcoming year's budget and other longer range financial plans and establishing future business targets for management to achieve.

### Financial Goals

- G1. Maintain public safety on Metro's bus and rail system as the top priority.
- G2. Maintain an operating and capital financial base that is sufficient to deliver safe, quality

transportation improvements and transit service efficiently and cost-effectively to meet the levels of demand.

- G3. Continuously improve productivity.
- G4. Reserved.
- G5. Reserved.
- G6. Establish and maintain reserves equal to 5% of the operating budget to ensure that Metro can adjust to economic downturns, extraordinary cost increases and other financial emergencies.
- G7. Maintain the highest possible credit rating and reputation for prudent financial management.

### FY2007-2008 Financial Strategies

- S1. Metro gives top priority to funding of public safety on Metro's bus and rail system. Present the details of the safety and security budget to the Metro Board of Directors for separate approval at the time of annual budget adoption.
- S2. Adjust transit operating expenses as needed to reflect changes in service demand, technology, productivity and revenue availability.
- S3. Endeavor to keep growth in regional bus and operating expenses (as measured by a rolling average of growth in bus and rail operating cost per vehicle service hour) at or below

- the rate of inflation. A proposed strategy for mitigating expenditures will be presented to the Board at the time of annual budget adoption.
- S4. New programs proposed for Board adoption will include a cost recovery analysis to determine the cost of implementing the program in measurable terms.
- S5. Departments who provide services to the public or outside entities will perform a cost recovery analysis during the fiscal year budget process and make the information available as part of budget adoption.
- S6. Any capital project savings above \$200,000 must return to the Board for approval prior to the reprogramming or transfer of funds to other projects or programs.
- S7. Implement technology and productivity advancements designed to reduce or avoid increasing operational costs.
- S8. Explore greater efficiency, effectiveness and ways to increase ridership.
- S9. Work to increase and optimize ridership on the Metro system through partnerships that foster transit-oriented development and improve access to the Metro system.
- S10. Regularly review productivity improvement programs and
- results as part of the annual budget process.
- S11. Adopt an annual budget that includes an allocation to capital programs adequate to meet annual baseline reinvestment needs for projects and programs which are essential to ensure system performance.
- S12. Pursue grant funding for Metro capital projects pursuant to the priorities as addressed in the Long Range Transportation Plan, Short Range Transit Plan, and Five-Year Capital Improvement Program.
- S13. Use debt financing prudently to leverage local, regional, state and federal funding for major cyclical capital investments, such as, transit vehicles, facilities, fare collection equipment, and train control renovation and replacement.
- S14. Reserved.
- S15. Reserved.
- S16. Reserved.
- S17. Reserved.
- S18. Reserved.
- S19. Reserved.
- S20. Increase revenue from other sources such as advertising, parking, concessions, and joint development while meeting customer needs and providing safe, reliable service.

S21. Maintain a 5% operating reserve to be used in times of significant revenue decline to preserve the region's ongoing ability to deliver safe and reliable service to the customer and to reinvest in capital.

shall approve the Financial Institutions Resolution that designates Metro officials empowered to open, close, or authorize changes to accounts and authorizes Metro officials to designate individuals as Official Signatories for financial accounts.

### General Fiscal Policies

F1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. The fiscal year-end for financial reporting purposes shall be June 30.

F4. Reserved.

F5. An annual actuarial analysis shall be performed on all Metro self-administered retirement plans. The Metro shall make annual contributions that, when combined with employee contributions, fund actuarially computed costs as they accrue.

F2. An independent certified public accounting firm shall perform an examination of Metro's consolidated financial statements (including Single Audit requirements) and retirement plan financial statements on an annual basis. The goal is to receive an unqualified opinion on the financial statements and an opinion that Metro is in compliance with Federal Single Audit requirements in all material respects and to receive the government Finance Officers Association (GFOA) award for excellence in financial reporting.

F6. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, Metro shall record the liabilities, including losses incurred but not reported, at 100% of the net present value.

The goal is to maintain restricted cash balances in amounts equal to the present value of estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities will be made annually.

F3. Funds shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable state law, California Government Code Section 53600 et seq.

F7. Since sales taxes are received on a monthly basis, the allocations among the various ordinance categories shall also be recorded monthly.

In accordance with the Investment Policy, the Board

Expenditures against appropriations are limited to

- cash actually on-hand during the fiscal year.
- F8. Sales tax collections received during a fiscal year that are in excess of the sales tax budget for that year shall be reported as unreserved, designated fund balances in the Special Revenue Fund. Excess Local Return monies are disbursed when received. Any other excess balances may only be expended pursuant to Board authorization. Such funds are generally available for appropriation in the subsequent budget cycle in accordance with their ordinance designations.
- F9. The fiscal year shall end on June 30 of each year. By December of each fiscal year, the Board shall review and approve the Financial Stability Policy that will be used by management as a framework for developing the following year's budget. By February, the Board will establish Business Planning Parameters including farebox recovery ratio, sales tax growth assumptions, and other key performance measurement goals to provide detailed guidance for development of the upcoming annual budget. The Board shall approve the budget by June 30 of each fiscal year.
- F10. The annual budget establishes the legal level of appropriation. The budget shall include operating, capital, regional funding and other components necessary to implement the policy directions contained in the Financial Strategies Section of the Financial Stability Policy, previously Board adopted longer-term plans such as the Long Range Transportation Plan and the Short Range Transit Plan. Appropriations for the operating budget lapse at the end of one year. Appropriations for the capital and regional funding budgets are approved on a life-of-project basis. Any allocations of one-time revenues to any Metro program or project will be identified for the Board at the time of budget adoption or budget change and will only be recommended after considering the alternatives of reducing the level of service, reducing the cost per unit of service, reducing the scope of capital projects, deferring capital projects and/or raising fares. Any requests for project or program funding after annual budget adoption will be referred to the appropriate Board committee for Board review and recommendation. The budget shall be prepared in a fashion to clearly describe the projects and programs contained therein and to receive the GFOA award for excellence in budgetary presentation.
- F11. Reserved.
- F12. Metro shall adopt a regional long-range (covering at least 20 years) transportation plan for Los Angeles County at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects

and programs. The plan update report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules.

- F13. Annually, Metro shall adopt a five-year (short-range) transit plan for Los Angeles County. The plan will include service levels and ridership by mode for each of the years. The five-year plan will also identify the capital investment needs to support the existing regional system and regional service expansion. The SRTP will incorporate the first five years of Metro's ten-year forecast which will include a hierarchy of strategies that are to be implemented when Metro's financial stability is threatened and strategies required to eliminate any potential deficit.

The plan will also identify key performance indicators by which to measure accomplishment of the plan's goals.

- F14. Metro shall maintain a cost-effective system of internal control to adequately safeguard assets. In assessing the internal control system, management must weigh the cost of control against the expected benefit to be derived from its implementation.

Management will develop a risk assessment and an audit plan each year prior to the adoption of the annual budget. The Board's Executive Management and Audit Committee (EMAC), as the audit committee for Metro will provide input and approve the

audit plan. Furthermore, completed internal audits will be submitted to the Board under separate cover as they are distributed to the Chief Executive Officer.

Recommendations for improvements to the system of internal controls are requirements of the various regularly scheduled and specifically directed audits that are performed in accordance with Generally Accepted Governmental Auditing Standards, the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and Information Systems Audit and control Association Information Systems Auditing Standards, where appropriate. These recommendations, management's action plans and progress toward implementation will be periodically reported to the Board under separate cover.

- F15. The Board will review and update the Debt Policy annually to ensure that debt assumptions used in financial planning are based on financial parameters similar to, or more conservative than, those that would be placed on Metro by the financial marketplace.

- F16. Retiree Medical Liabilities – The Government Accounting Standards Board has adopted Statement #45 (GASB 45) that is effective for Metro's fiscal year ending June 30, 2008. As defined in the standard, a

significant liability recognizing the past and future costs of providing medical and related benefits, other than pensions, to its retirees is required to be recorded. Annually, the actuarially required contribution (ARC) is required to be recorded as an expense. The ARC recognizes the cost of the retiree benefits earned by current employees during the period and amortization of the unfunded past liabilities. GASB 45 does not mandate an entity's approach to setting aside cash to provide the future benefits.

It is Metro's policy to fully fund the ARC, i.e., set aside and restrict the cash. However, since this amount is significantly greater than the current amount needed for these expenditures on the "pay as you go" basis, a separate discussion of this issue will be brought to the Board in setting the parameters for each upcoming budget year. A greater accounting liability will result when setting aside less cash than the ARC amount.

### **Financial Standards - Business Planning Parameters**

- B1. Sales tax revenue forecasts shall be based on the 20 year historical growth in Los Angeles County taxable sales, which is currently 4.0%.
- B2. Passenger revenue forecasts shall be derived from historical actual revenues. During periods affected by actual or proposed fare structure changes, the impacts on ridership and average fare

forecasts shall be estimated conservatively.

The Board will review and update the fare policy on a regular cycle, at least each 5th year since prior review and approval. From time to time, management may propose fare modifications to achieve transit ridership improvements and to maintain financial viability.

- B3. Reserved
- B4. The Board desires to steadily improve service efficiency over time. For Metro operated bus and rail service, cost per revenue vehicle service hour (measured separately for bus and rail) may not increase by more than the projected rate of inflation for the Los Angeles area plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board.

The projected incremental cost impact on cost per revenue vehicle service hour of new services, programs, and/or facilities shall be presented to the Board for approval as part of the annual update of the SRTP each year.

- B5. Service planning assumptions for bus operations will be based upon demonstrated needs as defined through the 5 Year Short Range Plan.
- B6. Staffing for FY08, measured in FTE's, will be held to or below the FY07 level, adjusted for service



expansion or other new scope that has been approved by the Board.

funding requests by project or program each year.

- B7. Regional programs such as local return, formula allocation procedure and Call for Projects shall be funded according to the terms of the laws, regulations and/or discretionary procedures approved by the Board.
- B8. The capital plan covers Metro's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities and is included in each annual budget. The capital plan shall include funding for asset replacement and expansion projects. Capital projects in excess of \$5 million shall be presented separately for life-of-project approval by the Board. Capital projects with life-of-project budget changes that cause the project to exceed \$1 million or if the change exceeds \$1 million shall be presented to the Board for approval.
- B9. Metro applies for and receives discretionary Federal and State funding. Discretionary funding shall be requested for major system expansion projects or extraordinary transit capital needs. (e.g., Bus Rapid Transit, Light Rail Transit or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on appropriate State and Federal criteria and the likelihood of obtaining approvals.

The Board shall approve all discretionary State and Federal

- B10. Prop A and C administrative funds are appropriated through the annual budget to pay for activities not required to be accounted for in other funds. The following statements provide guidance for appropriation and use of Prop A and C administrative funds.

### **Appropriation**

Up to 5% of Prop A may be appropriated for administrative purposes.

The Prop C ordinance allows up to 1.5% to be appropriated for administrative purposes.

All sales tax funds are deposited initially into the various special revenue funds then transferred to the funds designated for expenditure. The Administrative Fund is within the Special Revenue Fund. Administrative Funds are limited to the lesser of appropriations or actual sales taxes received.

Administrative funds must be expended or encumbered within one year after the end of the year of appropriation. Lapsing is accounted for on the first-in, first-out basis. Lapsed Administrative funds, if any, are returned to the Special Revenue Fund at the end of each year for re-appropriation through the next budget process.

### **Eligible Uses**

Administrative activities include the planning, management, execution, use and conduct of the projects and programs funded by Prop A and C funds.

Administrative funds may not be used for operating or building the transit system or

regional programs that are operations-related.

state and federal laws and the Debt Policy.

Following are examples, not an all-inclusive listing, of eligible uses of administrative funds:

- Indirect costs that are not allowable under federal guidelines, OMB Circular A-87, i.e., lobbying, interest expense, bad debt expense, cost of general governance.
- Indirect costs that Metro elects not to allocate through its annual FTA approved cost allocation plan (CAP) because to do so might burden projects or programs in an inequitable manner.
- Development of planning and programming documents required by federal and state regulations and Board policy.
- Activities that benefit Metro projects and programs indirectly such as internships, career development, training programs, etc.
- Transportation planning activities including bus, rail, highway and other surface transportation modes.
- Consent decree oversight.

- D2. Long-term debt may be included in the budget or longer range plans; however, no such debt shall be incurred without the specific approval of the Board.
- D3. Reserved.
- D4. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D5. Reserve funds that may be required by the financial markets for each debt issuance shall be maintained. Cash and securities, insurance or surety bonds may fund these reserves. For financial planning purposes, reserve requirements shall be included in the par amount of debt issued.
- D6. Metro shall maintain a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure rating of "A" or better on sales tax backed securities and secure A1 or P1 rating on other short-term debt, and, if necessary, to secure credit enhancement from financial institution with a rating of "AA" or better.

The proposed expenditure programs for these activities will be shown in detail in the annual budget. Actual expenditures will be shown in the comprehensive annual financial report.

### **Financial Standards - Debt**

D1. Metro may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of applicable

D7. Debt service coverage ratio minimums by sales tax ordinance categories are shown in the Debt Policy. For financial planning purposes, those ratios shall not be exceeded in the development of longer-term financial plans.

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Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

## Appendix 4: FY08 Debt Service Schedule

Budgeted Debt		Principal Adjustments				
		Initial PAR Value	Principal Balance as of 6/30/07	Principal Payment FY08	Accreted Interest	Principal Balance as of 6/30/08
1	1991-B Refunding	281,425,000	65,510,000	12,450,000	-	53,060,000
2	1992-A Refunding	98,700,000	61,200,000	11,900,000	-	49,300,000
3	1996-A New Money	110,580,000	-	-	-	-
4	1997-A Refunding	256,870,000	5,090,000	4,770,000	-	320,000
5	1999-A Forward Refunding	160,205,000	140,255,000	7,735,000	-	132,520,000
6	1999-B New Money	150,340,000	29,255,000	2,825,000	-	26,430,000
7	1999-C Refunding	170,495,000	167,870,000	505,000	-	167,365,000
8	2001-A New Money	55,685,000	15,425,000	1,135,000	-	14,290,000
9	2001-B Refunding	191,215,000	178,420,000	75,000	-	178,345,000
10	2003-A Forward Refunding	273,505,000	238,625,000	12,080,000	-	226,545,000
11	2003-B Refunding	243,795,000	243,795,000	-	-	243,795,000
12	2005-A New Money	242,795,000	238,345,000	5,515,000	-	232,830,000
13	2005-B Refunding	43,655,000	43,655,000	4,770,000	-	38,885,000
14	2005-C Refunding	265,825,000	265,825,000	1,350,000	-	264,475,000
15	2007-A Refunding	46,635,000	46,635,000	-	-	46,635,000
16	1996 Refunding	104,715,000	-	-	-	-
17	Prop A Commercial Paper	350,000,000	109,948,000	5,698,000	-	104,250,000
18	<b>Prop A Debt Sub-Total</b>	<b>3,046,440,000</b>	<b>1,849,853,000</b>	<b>70,808,000</b>	<b>-</b>	<b>1,779,045,000</b>
19	1992-A New Money	516,855,000	13,450,000	13,450,000	-	-
20	1993-A Refunding	204,095,000	195,650,000	1,185,000	-	194,465,000
21	1995-A New Money	250,000,000	13,655,000	6,630,000	-	7,025,000
22	1998-A Refunding	219,710,000	219,710,000	-	-	219,710,000
23	1999-A New Money	124,805,000	108,650,000	2,915,000	-	105,735,000
24	2000-A New Money	161,995,000	22,045,000	3,245,000	-	18,800,000
25	2003-A Refunding	94,840,000	68,835,000	8,945,000	-	59,890,000
26	2003-B Refunding	170,775,000	168,075,000	375,000	-	167,700,000
27	2003-C Refunding	221,850,000	214,850,000	1,625,000	-	213,225,000
28	2004-A New Money	176,345,000	171,035,000	3,290,000	-	167,745,000
29	2006-A Refunding	129,385,000	129,385,000	385,000	-	129,000,000
30	Prop C Commercial Paper	150,000,000	77,254,000	2,825,000	-	74,429,000
31	Local Allocation -- City of Los Angeles	21,700,000	4,340,000	2,170,000	-	2,170,000
32	<b>Prop C Debt Sub-Total</b>	<b>2,442,355,000</b>	<b>1,406,934,000</b>	<b>47,040,000</b>	<b>-</b>	<b>1,359,894,000</b>
33	2000 Breda Lease (Norwest)	64,882,355	49,781,112	1,845,958	-	47,935,154
34	2000 Breda Lease (CIBC)	13,780,433	11,093,527	1,200,793	-	9,892,734
35	2000 Breda Lease (Comerica)	87,396,529	67,107,788	2,477,295	-	64,630,493
36	2001 Agilent Lease	264,054,348	41,711,377	-	2,777,017	44,488,394
37	2001 Comerica Lease	75,742,288	90,346,210	3,864,583	6,510,114	92,991,741
38	2002 Textron Lease	114,779,263	19,585,645	-	1,281,259	20,866,905
39	2002 Philip Morris Lease	384,088,739	319,687,373	29,770,851	16,776,056	306,692,578
40	2002 First Hawaiian Lease	65,774,837	75,143,407	2,535,893	4,952,560	77,560,075
41	2003 Fleet Lease	89,632,800	100,505,173	3,307,713	6,812,579	104,010,038
42	Capitalized Leases	96,848,132	13,895,708	3,367,421	-	10,528,287
43	Debt Overhead Costs	-	-	-	-	-
44	<b>Other Debt Sub-Total</b>	<b>1,256,979,725</b>	<b>788,857,320</b>	<b>48,370,506</b>	<b>39,109,585</b>	<b>779,596,399</b>
45	2005 Capital Grant Revenue	264,885,000	239,710,000	47,750,000	-	191,960,000
46	<b>Grant Revenue Debt Sub-Total</b>	<b>264,885,000</b>	<b>239,710,000</b>	<b>47,750,000</b>	<b>-</b>	<b>191,960,000</b>
47	2003 Workers Comp	88,485,000	52,040,000	12,330,000	-	39,710,000
48	1996-A Refunding (USG)	185,735,000	-	-	-	-
49	2004-A Refunding (USG)	197,050,000	188,350,000	4,100,000	-	184,250,000
50	<b>General Revenue Debt Sub-Total</b>	<b>471,270,000</b>	<b>240,390,000</b>	<b>16,430,000</b>	<b>-</b>	<b>223,960,000</b>
51	<b>Enterprise Fund Debt Total</b>	<b>7,481,929,725</b>	<b>4,525,744,320</b>	<b>230,398,506</b>	<b>39,109,585</b>	<b>4,334,455,399</b>
52	1993-A CRA Housing	9,454,406	8,457,535	234,932	-	8,222,603
53	2002-A CRA Redevelopment Refunding	20,920,000	19,005,000	590,000	-	18,415,000
54	<b>Prop A General Fund Debt Sub-Total</b>	<b>30,374,406</b>	<b>27,462,535</b>	<b>824,932</b>	<b>-</b>	<b>26,637,603</b>
55	<b>MTA Debt Total</b>	<b>7,512,304,130</b>	<b>4,553,206,855</b>	<b>231,223,438</b>	<b>39,109,585</b>	<b>4,361,093,002</b>
56	1992-A Bnft Assmt. Dist. A1	154,055,000	18,905,000	18,905,000	-	-
57	2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	41,560,000	180,000	-	41,380,000
58	2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	3,175,000	1,020,000	-	2,155,000
59	<b>Agency Fund Sub-Total</b>	<b>203,225,000</b>	<b>63,640,000</b>	<b>20,105,000</b>	<b>-</b>	<b>43,535,000</b>
60	<b>Total</b>	<b>7,715,529,130</b>	<b>4,616,846,855</b>	<b>251,328,438</b>	<b>39,109,585</b>	<b>4,404,628,002</b>

Footnotes

\* No New Financing in FY08.

1 - Debt service is paid from Prop A 35% Sales Tax Revenue and is to be reimbursed from net revenues of the project.

2 - Interest expense is calculated using a 3.75% interest rate.

3 - Interest expense is calculated using a 3.75% interest rate for tax-exempt notes and a 5.75% interest rate for taxable notes.

4 - The interest expense budgeted for the 2005 Capital Grant Revenue Bonds is net of earnings from the Debt Service Reserve Fund.

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Debt Service							Enterprise Fund	General Fund	Agency Fund	Foot Notes
Principal	Interest	Total Debt Service P&I	Misc. Fees*	Total Debt Service Expense						
1	12,450,000	3,448,900	15,898,900	15,000	15,913,900	15,913,900	-	-		
2	11,900,000	2,888,980	14,788,980	320,000	15,108,980	15,108,980	-	-		
3	-	-	-	61,314	61,314	61,314	-	-		
4	4,770,000	16,000	4,786,000	436,600	5,222,600	5,222,600	-	-		
5	7,735,000	6,714,488	14,449,488	9,500	14,458,988	14,458,988	-	-		
6	2,825,000	1,263,799	4,088,799	246,141	4,334,940	4,334,940	-	-		
7	505,000	8,270,448	8,775,448	9,500	8,784,948	8,784,948	-	-		
8	1,135,000	623,381	1,758,381	153,799	1,912,180	1,912,180	-	-		
9	75,000	9,357,425	9,432,425	9,500	9,441,925	9,441,925	-	-		
10	12,080,000	10,602,794	22,682,794	(1,078,919)	21,603,875	21,603,875	-	-		
11	-	11,308,950	11,308,950	(659,280)	10,649,670	10,649,670	-	-		
12	5,515,000	11,403,781	16,918,781	(458,034)	16,460,747	16,460,747	-	-		
13	4,770,000	1,944,250	6,714,250	(421,605)	6,292,645	6,292,645	-	-		
14	1,350,000	9,201,383	10,551,383	771,054	11,322,437	11,322,437	-	-		
15	-	2,329,650	2,329,650	15,000	2,344,650	2,344,650	-	-		
16	-	-	-	37,149	37,149	37,149	-	-		
17	5,698,000	4,123,050	9,821,050	660,000	10,481,050	10,481,050	-	-	2	
18	70,808,000	83,497,279	154,305,279	126,719	154,431,998	154,431,998	-	-		
19	13,450,000	-	13,450,000	5,000	13,455,000	13,455,000	-	-		
20	1,185,000	10,024,671	11,209,671	680,000	11,889,671	11,889,671	-	-		
21	6,630,000	414,475	7,044,475	5,000	7,049,475	7,049,475	-	-		
22	-	11,234,875	11,234,875	5,000	11,239,875	11,239,875	-	-		
23	2,915,000	5,017,288	7,932,288	5,000	7,937,288	7,937,288	-	-		
24	3,245,000	931,475	4,176,475	194,730	4,371,205	4,371,205	-	-		
25	8,945,000	3,026,488	11,971,488	7,500	11,978,988	11,978,988	-	-		
26	375,000	5,977,278	6,352,278	(384,105)	5,968,173	5,968,173	-	-		
27	1,625,000	7,524,047	9,149,047	679,777	9,828,824	9,828,824	-	-		
28	3,290,000	8,079,093	11,369,093	(162,991)	11,206,102	11,206,102	-	-		
29	385,000	5,900,450	6,285,450	(101,555)	6,183,895	6,183,895	-	-		
30	2,825,000	3,742,105	6,567,105	346,500	6,913,605	6,913,605	-	-	3	
31	2,170,000	93,310	2,263,310	-	2,263,310	2,263,310	-	-		
32	47,040,000	61,965,555	109,005,555	1,279,856	110,285,411	110,285,411	-	-		
33	1,845,958	1,394,840	3,240,798	-	3,240,798	3,240,798	-	-		
34	1,200,793	819,383	2,020,175	-	2,020,175	2,020,175	-	-		
35	2,477,295	1,881,932	4,359,227	-	4,359,227	4,359,227	-	-		
36	-	-	-	-	-	-	-	-		
37	3,864,583	-	3,864,583	-	3,864,583	3,864,583	-	-		
38	-	-	-	-	-	-	-	-		
39	29,770,851	-	29,770,851	-	29,770,851	29,770,851	-	-		
40	2,535,893	-	2,535,893	-	2,535,893	2,535,893	-	-		
41	3,307,713	-	3,307,713	-	3,307,713	3,307,713	-	-		
42	3,367,421	446,701	3,814,122	-	3,814,122	3,814,122	-	-		
43	-	-	-	750,000	750,000	750,000	-	-		
44	48,370,506	4,542,856	52,913,362	750,000	53,663,362	53,663,362	-	-		
45	47,750,000	7,862,888	55,612,888	(431,551)	55,181,337	55,181,337	-	-	4	
46	47,750,000	7,862,888	55,612,888	(431,551)	55,181,337	55,181,337	-	-		
47	12,330,000	1,666,477	13,996,477	146,402	14,142,879	14,142,879	-	-		
48	-	-	-	495,596	495,596	495,596	-	-		
49	4,100,000	6,450,593	10,550,593	620,808	11,171,401	11,171,401	-	-	6	
50	16,430,000	8,117,070	24,547,070	1,262,806	25,809,876	25,809,876	-	-		
51	230,398,506	165,985,648	396,384,154	2,987,830	399,371,984	399,371,984	-	-		
52	234,932	486,056	720,988	1,000	721,988	-	721,988	-	1	
53	590,000	953,039	1,543,039	1,000	1,544,039	-	1,544,039	-	1	
54	824,932	1,439,095	2,264,027	2,000	2,266,027	-	2,266,027	-		
55	231,223,438	167,424,743	398,648,181	2,989,830	401,638,011	399,371,984	2,266,027	-		
56	18,905,000	557,698	19,462,698	9,500	19,472,198	-	-	19,472,198	5	
57	180,000	1,607,575	1,787,575	157,596	1,945,171	-	-	1,945,171	5	
58	1,020,000	106,425	1,126,425	46,057	1,172,482	-	-	1,172,482	5	
59	20,105,000	2,271,698	22,376,698	213,153	22,589,851	-	-	22,589,851		
60	251,328,438	169,696,441	421,024,879	3,202,983	424,227,862	399,371,984	2,266,027	22,589,851		

5 - The Benefit Assessment District debt service is solely an obligation of the respective Districts and is paid from the Debt Service Reserve Fund.

6 - Debt service for the 2004 Union Station Gateway bonds is treated as rent and is reimbursed to the Enterprise Fund through the overhead allocation process.

\* Includes amortized issuance costs, bond discounts & premiums.

<b>Proposition A Sales Tax Revenue Debt Affordability Targets</b>		
<b>Category</b>	<b>Allowable Uses and Status</b>	<b>Debt Policy Maximum</b>
Prop A Rail 35%	<i>Rail Operations and Capital.</i> Is currently committed to debt service in an amount close to the Policy Maximum.	87% of Prop A 35% Rail revenues.
Discretionary 40%	<i>Any transit purpose.</i> Current state law directs these funds to bus subsidies and incentives.	No further issuance.
Local Return 25%	<i>Any transit purpose.</i> Distributed to localities based on population.	N/A

## **Tests for Issuance of Additional Bonds:**

### **First Tier Senior Prop A Bonds**

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 35% of Prop A revenues collected must equal at least 115% of maximum annual debt service for all First Tier Senior Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

### **First Tier Second Senior Prop A Bonds**

There are no outstanding First Tier Second Senior Obligations and such lien level has been closed.

### **Second Tier Prop A Bonds**

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must equal at least 115% of maximum annual

debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds. In addition, for 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 40% of Prop A revenues collected must equal at least 125% of maximum annual debt service for all Prop A Bonds issued for non-rail purposes that will be outstanding immediately following the issuance of the new bonds.

### **Third Tier Prop A Obligations**

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Third Tier Prop A Obligations, 75% of all Prop A revenues collected must equal at least 100% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

**All Prop A Bonds**

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must

equal at least 130% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

<b>Proposition C Sales Tax Revenue Debt Affordability Targets</b>		
<b>Category</b>	<b>Allowable Uses and Status</b>	<b>Debt Policy Maximum</b>
Discretionary 40%	Bus and Rail, Capital and Operating.	40% of Prop C 40% Discretionary revenues.
Highway 25%	Streets, Highways and Fixed Guideway Projects on Railroad Right-of-Way.	60% of Prop C 25% Highway.
Commuter Rail 10%	Commuter Rail and Park and Ride. Operations or capital.	40% of Prop C 10% Commuter Rail.
Security 5%	Transit Security. Operations or capital.	No debt issuance.
Local Return 20%	Any transit purpose and certain roadways heavily used by transit. Distributed to localities based on population.	N/A

**First Senior Prop C Bonds**

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, pledged Prop C revenues collected must equal at least 400% of maximum annual debt service for all First Senior Prop C Bonds and 130% of maximum annual debt service for all Prop C Bonds that will

be outstanding immediately following the issuance of the new bonds.

**Second Senior Prop C Bonds**

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, pledged Prop C revenues collected must equal at least 130% of maximum annual debt service for all Second Senior Prop C

Bonds that will be outstanding immediately following the issuance of the new bonds.

**Subordinate Lien Prop C Obligations**

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds or debt obligations, pledged Prop C revenues collected must equal at least 130% of maximum annual debt service for all Second Senior and Subordinate Lien Prop C debt and obligations that will be

outstanding immediately following the issuance of the new bonds or debt obligations. In addition, for 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Subordinate Lien Prop C obligations, pledged Prop C revenues collected must equal at least 100% of maximum annual debt service for all Prop C Bonds and obligations that will be outstanding immediately following the issuance of the new bonds.



## Appendix 5: Revenue Detail – FY08 Budget

<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
<b><i>Sales Tax Revenues</i></b>			
Proposition A	\$860.1 million in revenues include \$165.9 million in carryover balance \$694.2 million in new sales tax. \$770.4 million programmed.	The FY08 sales tax forecast is based on FY06 budget escalated by 3.8% for FY07 and 4% for FY08.	All areas of budget-operations, debt service, general fund, planning projects, rail construction, and subsidies.
Proposition C	\$884.6 million in revenues include \$190.3 million in carryover balance and \$694.3 million in new sales tax. \$744 million programmed.	The FY08 sales tax forecast is based on FY06 budget escalated by 3.8% for FY07 and 4% for FY08.	All areas of budget-operations, debt service, general fund, planning projects, bus procurement, and subsidies.
Transportation Development Act (TDA)	\$376.3 million in revenues include \$23.9 million in carryover balance and \$352.4 million in new sales tax. \$376.3 million programmed.	The FY08 sales tax forecast is based on FY06 budget escalated by 3.8% for FY07 and 4% for FY08.	Metro bus operations, local match to capital projects, subsidies to municipal bus operators.
State Transit Assistance (STA)	\$80.2 million in revenues include \$23.1 million carryover balance and \$57.1 million in new revenues. \$80.2 million programmed.	The FY08 sales tax is based on January 15, 2007 State Controller's office 2007-2008 fiscal year fund allocation estimate for LA County.	Metro agency-wide capital and rail operations, subsidies to municipal bus operators.
<b><i>Intergovernmental Revenues</i></b>			
<b>Local Funds</b>			
City of Los Angeles	\$13.6 million in new revenues. \$13.6 million programmed.	Based on Debt Service Schedule and other project costs.	\$2.3 million in Debt repayment for City of Los Angeles debt funded bus buy and \$11.3 million for Expo. Light Rail Corridor – Phase I.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
<b><i>State Funds</i></b>			
STIP(State Transportation Improvement program Fund )	\$110.6 million in new revenues. \$110.6 million programmed.	Based LA County's share of federal and state fuel tax revenue.	Gold Line Eastside Extension, Light Rail Vehicle Procurement Expo. Phase I and II.
SHA (State highway Account)	\$0.2 million in new revenues. \$0.2 million programmed.	Based LA County's share of federal and state fuel tax revenue.	MBL Four – Quadrant Gate Program Expansion Project (Light Rail), etc.
Traffic Congestion Relief (TCRP) Program	\$104.7 million in new revenues. \$104.7 million programmed.	Awarded by state legislature.	Various Expo. LR. Related projects and MGL Eastside Enhancement.
STIP – (PPM) Planning, Programming and Monitoring	\$10.3 million in new revenues. \$10.3 million programmed.	Based on state formula.	Labor related grants for Countywide Planning Projects, Red Line Westside Extension, Regional Downtown Connection and Various Call for Projects.
(FSP) Freeway Service Patrol State Grant	\$11.1 million in new revenues. \$11.1 million programmed.	Allocated by state legislature.	Free tow truck service on freeways during weekday peak hours and weekends on selected freeways.
STIP - Rideshare	\$3.3 million in new revenues. \$3.3 million programmed.	Based on state formula.	Rideshare related services.
<b><i>Federal Revenues</i></b>			
Section 5309 [3] Capital – New Starts	\$80.0 million in new revenues. \$80.0 million programmed.	Based on full funding grant agreement.	Metro Gold Line Eastside Extension project.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
Section 5309 [3] Fixed Guideways	\$42.0 million in new revenues. \$42.0 million programmed.	Based on FTA'S capital program formula and grants awarded.	Preventive maintenance for Blue, Green, Red and Gold lines.
Section 5309 [3] Bus Facilities	\$7.3 million in new revenues. \$7.3 million programmed.	Based on grants awarded	\$1.5 million for purchase of Articulated Buses, \$1.4 million for Crenshaw Corridor and \$4.3 million for Regional Grantee - FTA Regional Grantee pass through subsidy and \$0.08 for Orange Line.
Federal Section 5307 [9]. Preventive Maintenance and Capital	\$149.2 million new revenues. \$149.2 million programmed.	Preventive Maintenance funds appropriated by Congress annually and allocated on Urbanized Area Formula basis. Capital projects are based on grants awarded.	\$139.8 million for bus preventive maintenance , \$8.7 million for Universal Fare Collection System and Div. 7 Facilities Improvement \$0.7
FTA Grant – CMAQ	\$56.5 million new revenues. \$56.5 million programmed.	Awarded in Regional Transit Alternatives Analysis (RTAA) or other Board action.	\$13.7 million for Metro Orange Line. \$30.8 million for CNG Artic buses purchase. \$11.3 million for Metro Rapid Bus Phase II. \$0.7 million for Grantee Pass through and Metro sponsored projects.
Federal TEA	\$0.1 million new revenues. \$0.1 million programmed.	Based on grant awarded and Board adopted funding plan.	SFV E-W Bikeway Project.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
Federal STP	\$1.6 million new revenues. \$1.6 million programmed.	Based on grant awarded and Board adopted funding plan.	\$1.3 million for MBL Four- Quadrant Gate Program and \$0.3 for SFV E-W Bikeway Project.
FTA Grant 5340 Growing States and High Density States Formula	\$6.4 million in new revenues. \$6.4 million programmed.	Funds appropriated by congress annually and allocated based on population.	Rail Preventive Maintenance.
Federal – Homeland Security	\$0.8 million new revenues. \$0.8 million programmed.	Based on grants awarded.	Bus and Red Line security enhancements.
Job Access	\$2.9 million in new revenues.	Based on FTA’S formula.	Rideshare service.
New Freedom S5316, S5317	\$0.2 million in new revenues. \$0.2 million programmed	Based on grants awarded	Job access staff and professional services.
Federal Other	\$0.9 million in revenues. \$0.9 million programmed.	Based on congressional approval and discretionary grant awarded.	Transit and highway planning and Metro sponsored projects.
<b><i>Investment Income Revenues</i></b>			
Prop A Interest	\$3.1 million in revenues include \$1.9 in carryover funds and \$1.2 million in new revenues. \$0.0 programmed.	Stable interest rates.	N/A in FY08
Prop C Interest	\$3.0 million in revenues includes \$0.7 million in carryover funds and \$2.3 million in new revenues. \$0.9 programmed.	Stable interest rates.	\$0.9 investment and debt management.
TDA Interest	\$1.0 million new revenues. \$1.0 million programmed.	Stable interest rates.	Formula subsidy
STA Interest	\$1.7 million new revenues. \$0.4 million programmed.	Stable interest rates.	Formula subsidy

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
General Fund Interest Revenue	\$2.5 million in new revenue. \$0.0 million programmed.	Stable interest rates.	N/A in FY08
Sales Leaseback Interest Revenue	\$0.6 million in new revenues. \$0.0 programmed.	Stable interest rates.	N/A in FY08
Right of way lease interest revenues	\$0.8 million in new revenues. \$0.0 programmed.	Stable interest rates.	N/A in FY08
Service Authority for Freeway Emergencies (SAFE) – Interest revenue	\$0.7 million in new revenues. \$0.7 million programmed.	Stable interest rates.	Call box maintenance.
FAU Cash Interest	\$0.2 million in new revenues. \$0.0 programmed.	Stable interest rates.	N/A in FY08
Interest Revenues (EF)	\$0.5 million in new revenues. \$0.5 million programmed.	Stable interest rates.	Bus operations.
<b><i>Lease and Rental</i></b>			
Lease and Rental	\$52.1 million in revenue includes \$37.5 million in carryover balance and \$11.6 million in new revenues. \$10.9 million programmed.	Based on current property management leases.	Property management, Joint Development projects, Eastside mitigation revolving loan, economic development.
<b><i>License and Fines</i></b>			
Service Authority for Freeway Emergencies (SAFE)	\$26.3 million in revenues including \$19.3 million in carryover balance and \$7.0 million in new revenues. \$19.0 million programmed.	Estimated revenues are generated from a \$1.0 annual registration fee on vehicles in LA County.	Call boxes maintenance upkeep and freeway service patrol.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
HOV Lanes Fines	\$0.5 million in new revenues. \$1.0 million programmed.	Based on State Highway Operations Dept. estimate of anticipated funds.	Freeway Service Patrol (FSP) program.
<b><i>Other Revenues</i></b>			
Parking Fees – USG Building	\$1.5 million in new revenues. \$0.0 programmed.	Estimated revenue is based on Real Estate Administration analysis.	Reserved for joint development use.
Joint Development	\$1.5 million in new revenues. \$0.0 programmed	Based on project schedule anticipated revenue for FY08.	Reserved for joint development use.
Sales Leaseback	\$26.5 million in carryover balance. \$0.0 in new revenues. \$2.7 million programmed.	No new transactions in FY08.	Bus operating capital.
Employee Activities	\$1.0 million in revenues including \$0.3 million in carryover balance and \$0.7 million in new revenues. \$0.5 million programmed.	Based on revenues for Employee Center and Metro logo merchandise.	Employee activities related projects.
Miscellaneous Other	\$0.2 million in new revenue. \$0.0 programmed.	Based on labor reimbursement from PBLCA, City of LA and Sandbag.	N/A in FY08
Cafeteria Vending at Stations	\$0.04 million in new revenue. \$0.0 programmed.	Based on expected vending machine activity.	Employee activities related projects
General Fund.	\$85.3 million in revenues including \$64.9 million in carryover balance and \$20.4 in new revenues. \$40.8 million programmed.	CNG credits.	Bus operations.
FAU Cash	\$1.1 million in carryover balance. \$1.1 million programmed.	No new revenues in FY08. Previous grant awards.	Charged to specific projects.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
Ridesharing Funds	\$1.4 million in carryover and \$1.4 million programmed.	No new revenues in FY08. Previous grant awards.	Rideshare related services.
Air Quality Mgmt District (AQMD).	\$0.2 million in new revenues. \$0.2 million programmed.	Based on grants awarded.	\$0.1 for Rideshare and \$0.1 for Regional Grantee- FTA projects
Benefit Assessment District (BAD)	\$22.9 million in new revenues. \$22.9 million programmed.	Commercial property assessment to equal annual debt service expenditures.	Financing reimbursements for Benefit Assessment (BAD) debt service.
EZ Pass Program	\$9.1 million in new revenues. \$9.1 million programmed.	Based on growing participation	\$8.5 million EZ Pass Program subsidy (excluding Metro portion) and \$0.6 million expenses for program administration.
<b><i>Operating Revenues</i></b>			
Fare Box Revenues- Passenger fares	\$318.6 million in new revenues. \$318.6 million programmed.	Expected FY08 boarding at \$0.67 per boarding.	Bus and rail operations.
Metrolink Interagency Agreement	\$2.9 million in new revenues. \$2.9 million programmed.	Expected FY08 boarding at \$0.67 per boarding.	Bus and rail operations.
Hollywood Bowl Shuttle	\$0.3 million in new revenues. \$0.3 million programmed.	Based on Regional Transportation Planning and Development estimate.	Bus operations.
Advertising	\$19.3 million in new revenues. \$19.3 million programmed.	Based on contract.	Bus and Rail operations.
<b><i>Non – Operating Revenues</i></b>			
Bus Parts/Scrap Sales	\$0.5 million in new revenues. \$0.5 million programmed.	Based on expected sale of salvaged bus parts and non-revenue vehicles.	Bus operations.

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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
County Buy-down	\$0.5 million in new revenues. \$0.5 million programmed.	Based on Customer Service Department revised cash flow assumption.	Bus operations.
Fare Violations/Fines	\$0.7 million in new revenues. \$0.7 million programmed.	Based on projected citations that will be issued in FY07.	Bus operations.
Proceed from sales of surplus property	\$3.0 million in new revenues. \$3.0 million programmed.	Based on expected sale excess real-estate.	Bus operations.
Miscellaneous	\$0.5 million in new revenues. \$0.5 million programmed.	Historical experience.	Bus operations.
<b><i>Other Financing Sources</i></b>			
Proposition A 35% Rail Bonds	\$55.9 million in bond financing. \$55.9 million programmed.	Based on Board adopted funding plan.	Bauchet St. Storage Facility, Universal Fare Collection System, Subway Railcar Midlife Overhaul, MGL Eastside Extension, MRL Segment II and Segment III NH closeout.
Proposition A 40% Discretionary Bonds	\$3.8 million in bond financing. \$3.8 million programmed.	Based on Board adopted funding plan.	New Div. 9 Transportation Bldg and Bauchet St. Storage facility.
Proposition C 25% Street and Hwys Bonds	\$29.3 million bond financing. \$29.3 million programmed.	Based on Board adopted funding plan.	Orange Line, Mid City Expo. Blvd. LRT and SFV Bikeway.
Proposition C 40% Disc. Bonds	\$7.4 million bond financing. \$7.4 million programmed.	Based on Board adopted funding plan.	MGL Gold Line Eastside Extension enhancements.



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<b>Fund Type</b>	<b>Revenues</b>	<b>Assumptions</b>	<b>Application/Uses</b>
General Revenue Bonds	\$0.1 million General Revenue Bonds (leftover from USG). \$0.1 million programmed.	Based on Board adopted funding plan.	Gateway Headquarters Improvement.

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## Appendix 6: Summary of Revenues and Carryover by Source

(\$ in thousands)	Fiscal Year 2006				Fiscal Year 2007				Fiscal Year 2008			
	Carry over	Actual	Total	Spent	Carry over	Budget	Total	Program- med	Carry over	Budget	Total	Program- med
1 Sales Tax Revenues												
2 Proposition A												
3 Administration	\$ 2,245	\$ 33,449	\$ 35,694	\$ 30,968	\$ 4,726	\$ 33,375	\$ 38,101	\$ 35,677	\$ 209	\$ 34,710	\$ 34,919	\$ 32,240
4 Local Return (25%)	-	158,884	158,884	158,884	5,828	158,532	164,360	164,360	1	164,871	164,872	164,872
5 Rail - Set Aside (35%)	38,739	222,437	261,177	193,663	67,513	221,944	289,458	201,212	88,246	230,819	319,065	279,604
6 Discretionary (95% of 40%)	79,550	241,503	321,053	249,185	3,224	240,968	244,192	155,668	57,312	250,604	307,916	275,549
7 Incentive (5% of 40%)	19,271	12,711	31,981	11,397	20,585	12,683	33,267	13,149	20,118	13,190	33,308	18,132
8 Total proposition A	139,805	668,984	808,789	644,096	101,877	667,502	769,379	570,066	165,886	694,194	860,080	770,397
9												
10 Proposition C												
11 Administration	1,090	10,035	11,126	9,290	1,836	10,014	11,850	10,014	746	10,414	11,160	11,160
12 Local Return (20%)	-	131,798	131,798	131,798	4,855	131,515	136,370	136,370	(1)	136,773	136,772	136,772
13 Security (5%)	5,529	32,949	38,479	31,783	6,696	32,879	39,575	30,736	8,839	34,193	43,032	38,318
14 Commuter Rail (10%)	49,649	65,899	115,548	65,573	50,227	65,757	115,985	76,691	39,294	68,387	107,681	81,590
15 Streets & Highways (25%)	189,869	164,747	354,616	178,715	192,692	164,393	357,085	188,290	69,162	170,967	240,129	240,128
16 Discretionary (40%)	51,145	263,596	314,741	208,881	105,860	263,029	280,193	332,981	72,293	273,547	345,840	236,064
17 Total proposition C	297,283	669,025	966,307	626,040	362,167	667,587	941,057	775,082	190,333	694,281	884,614	744,033
18												
19 Transportation Development Act - TDA												
20 Administration	-	6,000	6,000	6,000	29	6,000	6,029	6,000	-	6,000	6,000	6,000
21 Article 3 - (2%)	12,994	6,655	19,649	1,523	478	6,656	7,134	6,897	477	6,927	7,404	7,404
22 Article 4 - (92.68%)	125,613	308,204	433,817	289,051	22,119	308,100	330,220	324,219	22,103	320,395	342,498	342,498
23 Article 8 - (5.32%)	1,806	17,882	19,689	16,745	1,297	18,068	19,366	18,720	1,313	19,051	20,364	20,364
24 Total TDA	140,413	338,742	479,154	313,320	23,924	338,825	362,749	355,836	23,893	352,373	376,266	376,266
25												
26 State Transit Assistance - STA												
27 Revenue Share - PUC 99314	47,341	34,378	81,719	37,920	12,760	90,140	102,900	92,968	13,930	31,630	45,560	45,560
28 Population Share - PUC 99313	14,792	27,867	42,659	23,034	8,698	86,783	95,481	87,576	9,216	25,428	34,644	34,644
29 Total STA <sup>(1)</sup>	62,133	62,245	124,378	60,954	21,458	176,923	198,382	180,544	23,146	57,058	80,204	80,204
30 Total Sales Tax	639,633	1,738,995	2,378,628	1,644,410	509,425	1,850,837	2,271,566	1,881,528	403,258	1,797,906	2,201,164	1,970,900
31												
32 Intergovernmental												
33 Local Funds												
34 City of LA.	-	5,438	5,438	5,438	-	4,277	4,277	4,277	-	13,567	13,567	13,567
35 Local	-	1,325	1,325	1,325	-	133	133	134	-	-	-	-
36 Total local funds	-	6,763	6,763	6,763	-	4,410	4,410	4,411	-	13,567	13,567	13,567
37 State Funds												
38 State Regional STIP	-	175,998	175,998	175,998	-	70,991	70,991	71,011	-	110,608	110,608	110,608
39 State Highway Account	-	-	-	-	-	157	157	159	-	181	181	181
40 TCRP, AB 2928 (STCR Program)	-	14,895	14,895	14,895	-	98,808	98,808	98,808	-	104,706	104,706	104,706
41 STIP - PPM	-	-	-	-	-	3,687	3,687	4,776	-	13,622	13,622	13,622
42 Freeway Service Patrol - State/Local Grant	-	7,038	7,038	7,038	-	9,500	9,500	9,500	-	11,112	11,112	11,112
43 State - Homeland Security	-	137	-	-	-	-	-	-	-	-	-	-
44 State Other	-	3,907	3,907	3,907	-	-	-	-	-	-	-	-
45 Total state funds	-	201,974	201,974	201,837	-	183,142	183,142	184,254	-	240,229	240,229	240,229
46 Federal Funds												
47 Federal Section 5309 Capital - New Starts	-	120,958	120,958	120,958	-	100,000	100,000	100,000	-	80,000	80,000	80,000
48 Federal Section 5309 Fixed Guideways	-	31,150	31,150	31,150	-	47,254	47,254	47,255	-	42,041	42,041	42,042
49 Federal Section 5309 Bus Facilities	-	6,559	6,559	6,559	-	11,952	11,952	11,952	-	7,335	7,335	7,335
50 Federal Section 5307	-	219,611	219,611	219,611	-	134,257	134,257	134,257	-	149,265	149,265	149,265
51 Congestion Mitigation & Air Quality - CMAQ	-	104,017	104,017	103,683	-	93,201	93,201	93,320	-	56,477	56,477	56,477
52 Federal TEA	-	1,330	1,330	1,330	-	207	207	207	-	131	131	131
53 Regional Surface Transp. Funds (RSTP)	-	-	-	-	-	492	492	492	-	1,565	1,565	1,565
54 Federal STP	-	-	-	-	-	1,484	1,484	1,484	-	-	-	-
55 Growing State Rail Prev. Maint. Sec. 5340	-	-	-	-	-	6,731	6,731	6,400	-	6,400	6,400	6,400
56 Federal Homeland Security	-	1,948	1,948	1,948	-	6,400	6,400	6,731	-	836	836	836
57 Job Access Reverse Commute (JARC) S3035	-	-	-	-	-	68	68	3,795	-	2,946	2,946	2,946
58 New Freedoms S5316, S5317	-	-	-	-	-	208	208	325	-	157	157	157
59 Federal Other	-	-	-	-	-	1,554	1,554	1,554	-	856	856	856
60 Total federal funds	-	485,572	485,572	485,239	-	403,809	403,809	407,772	-	348,009	348,009	348,010
61 Total Intergovernmental	-	694,309	694,309	693,839	-	591,361	591,361	596,437	-	601,805	601,805	601,806
62 Balance to following page	\$ 639,633	\$ 2,433,304	\$ 3,072,938	\$ 2,338,249	\$ 509,425	\$ 2,442,198	\$ 2,862,927	\$ 2,477,965	\$ 403,258	\$ 2,399,711	\$ 2,802,969	\$ 2,572,706

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(\$ in thousands)	Fiscal Year 2006				Fiscal Year 2007				Fiscal Year 2008			
	Carry over	Actual	Total	Spent	Carry over	Budget	Total	Program- med	Carry over	Budget	Total	Program- med
63 Balance from previous page	\$ 639,633	\$ 2,433,304	\$ 3,072,938	\$ 2,338,249	\$ 509,425	\$ 2,442,198	\$ 2,951,623	\$ 2,477,965	\$ 403,258	\$ 2,399,711	\$ 2,802,969	\$ 2,572,706
64 Investment Income												
65 Prop A Interest	(2,868)	4,760	1,892	-	713	1,200	1,913	-	1,913	1,200	3,113	-
66 Prop C Interest	(9,942)	11,513	1,571	772	(1,651)	2,342	692	-	692	2,342	3,034	912
67 TDA Interest	1,806	5,644	7,451	2,608	-	-	-	-	-	1,000	1,000	1,000
68 STA Interest	-	2,188	2,188	-	-	400	400	400	-	1,688	1,688	400
69 General Fund - Interest Revenue	-	2,198	2,198	-	185	2,500	2,685	-	3,900	2,500	6,400	-
70 Sales Leaseback	-	2,135	2,135	-	-	600	600	-	-	600	600	-
71 Right of way lease revenues	-	2,575	2,575	-	-	800	800	-	-	800	800	-
72 SAFE - Interest Revenue	-	1,245	1,245	-	-	685	685	685	-	700	700	700
73 FAU Cash Interest	-	360	360	-	-	150	150	150	-	150	150	-
74 Interest Earned on Debt Service Funds	-	10,169	10,169	-	-	-	-	-	-	-	-	-
75 Interest revenues Transit Operations	-	(577)	-	2,024	-	-	-	-	-	500	500	500
76 Interest Earned on Capital Projects Fund/ISF	-	7,826	7,826	-	-	-	-	-	-	-	-	-
77 Total investment income	(11,004)	50,036	39,032	5,404	(753)	8,677	7,924	1,235	6,505	11,480	17,985	3,512
78 Lease and Rental	26,881	12,509	39,390	4,426	37,540	10,325	47,865	10,354	37,511	11,550	49,061	10,901
79 SAFE	28,982	7,663	36,645	5,384	32,511	7,000	39,511	20,205	19,306	7,000	26,306	18,953
80 HOV Lanes Fines	13	494	507	4,378	529	500	1,029	500	529	500	1,029	1,029
81 Total license and fines	28,995	8,158	37,152	9,761	33,040	7,500	40,540	20,705	19,835	7,500	27,335	19,982
82 Other												
83 General fund revenues												
84 Parking Fees - USG Building	-	-	-	-	-	-	-	-	-	1,500	1,500	-
85 Joint Development	-	-	-	-	-	-	-	-	-	1,513	1,513	-
86 Sales Leaseback	22,768	2,134	24,902	(5,397)	30,300	-	30,300	3,757	26,542	-	26,542	2,700
87 Employee Activities	(10)	422	411	581	185	569	753	468	286	749	1,035	469
88 Miscellaneous other	-	-	-	-	-	-	-	-	-	217	217	-
89 Surplus Property	-	170	170	-	-	-	-	-	-	-	-	-
90 Cafeteria, Vending at station	-	184	184	-	-	-	-	-	-	40	40	-
91 General fund	39,055	2,129	41,184	333	43,911	20,953	64,864	-	64,864	20,400	85,264	40,813
92 Total General Fund Revenues	61,812	5,039	66,851	(4,483)	74,395	21,522	95,917	4,225	91,692	24,419	116,111	43,982
93 FAU Cash	6,264	1	6,265	4,378	2,543	-	2,543	1,121	1,128	-	1,128	1,099
94 Ridesharing	1,344	-	1,344	-	1,446	-	1,446	-	1,446	-	1,446	1,446
95 AQMD	-	-	-	-	-	-	-	-	-	240	240	240
96 Benefit Assessment District	-	21,241	21,241	21,241	-	22,983	22,983	22,984	-	22,853	22,853	22,853
97 EZ Pass Program	-	5,282	5,282	4,941	-	8,073	8,073	8,073	-	9,078	9,078	9,078
98 Total other	69,420	31,562	100,982	26,076	78,384	52,577	130,961	36,404	94,266	56,590	150,856	78,697
99 Operating revenues:												
100 Fare Box Revenues - Passenger fares	-	277,382	277,382	277,382	-	275,880	275,880	275,880	-	318,603	318,603	318,603
101 Route subsidies - Hollywood shuttle	-	481	481	621	-	-	-	-	-	305	305	305
102 Metrolink	-	3,190	3,190	3,190	-	2,650	2,650	2,650	-	2,915	2,915	2,915
103 Advertising	-	17,200	17,200	17,200	-	16,225	16,225	16,225	-	19,300	19,300	19,300
104 Total operating revenues	-	298,253	298,253	298,393	-	294,755	294,755	294,755	-	341,123	341,123	341,123
105 Non-operating revenues												
106 Other:												
107 Bus Parts/Scrap Sales	-	-	-	-	-	530	530	530	-	530	530	530
108 Filming Fees	-	458	458	458	-	550	550	550	-	550	550	550
109 County Buy down	-	455	455	455	-	439	439	439	-	450	450	450
110 Rental - Bldg/Fare Violations/Other	-	1,713	1,713	1,713	-	750	750	750	-	650	650	650
111 Proceeds from Sales of Surplus Property	-	1,085	1,085	1,085	-	1,011	1,011	1,011	-	3,000	3,000	3,000
112 Miscellaneous	-	2,724	2,724	2,724	-	500	500	500	-	500	500	500
113 Total other	-	6,435	6,435	6,435	-	3,780	3,780	3,780	-	5,680	5,680	5,680
114 Total non-operating revenue	-	6,435	6,435	6,435	-	3,780	3,780	3,780	-	5,680	5,680	5,680
115 Total Revenues	753,925	2,840,258	3,594,182	2,688,745	657,636	2,819,812	3,388,753	2,845,198	561,374	2,833,634	3,395,008	3,032,600
116 Other financing Sources												
117 Proceeds from financing												
118 Proposition A Rail Bonds/CP	-	9,518	9,518	9,518	-	57,001	57,001	57,003	-	55,868	55,868	55,869
119 Proposition A Disc Bonds/CP	-	-	-	-	-	8,536	8,536	8,541	-	3,831	3,831	3,832
120 Proposition C Commuter Rail Bond/CP	-	-	-	-	-	11,998	11,998	12,005	-	-	-	-
121 Proposition C Discretionary Bonds/CP	-	5,976	5,976	5,976	-	25,409	25,409	25,418	-	7,431	7,431	7,431
122 Proposition C St & Hwys Bonds/CP	-	-	-	-	-	73,310	73,310	73,334	-	29,343	29,343	29,343
123 Bridge/FFGA Financing Bonds	-	-	-	-	-	15,669	15,669	15,715	-	-	-	-
124 General Revenue Bond	-	285	285	285	-	1,302	1,302	1,304	-	135	135	135
125 Total proceeds from financing	-	15,779	15,779	15,779	-	193,225	193,225	193,321	-	96,608	96,608	96,609
126 Proceeds from refunding bonds	-	-	-	-	-	-	-	-	-	-	-	-
127 Total other financing sources	-	15,779	15,779	15,779	-	193,225	193,225	193,321	-	96,608	96,608	96,609
128 Total revenues and carryovers <sup>(2)</sup>	\$ 753,925	\$ 2,856,037	\$ 3,609,961	\$ 2,704,524	\$ 657,636	\$ 3,013,037	\$ 3,670,675	\$ 3,038,518	\$ 561,374	\$ 2,930,242	\$ 3,491,616	\$ 3,129,210

NOTE: Intergovernmental funds are on reimbursement basis; therefore, no carryover balances are assumed.

- (1) State sales tax
- (2) Includes non-cash items

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## Appendix 7: Propositions A & C, and TDA Administration Expenditures and Funding

Project	Task Name	Revenue Source					FY08 Total Allocation
		Prop A Administration	Prop C Administration	TDA Administration	TDA Planning and Programming	PPM (Planning and Programming Monitoring) & Other (1)	
1	Available funds	34,918,599	11,159,783	2,237,319	3,762,681	8,830,421	60,908,803
2							
3	<u>100002-Governmental/Oversight</u>						
4	General Oversight	22,237,702	-	-	-	-	22,237,702
5	Legal Expenses	190,000	-	-	-	-	190,000
6	Transportation Foundation	1,952	-	-	-	-	1,952
7	Treasury Oversight	206,526	-	-	-	-	206,526
8	Total Project 100002	22,636,180	-	-	-	-	22,636,180
9							
10	<u>100012-Prop A &amp; C Audit</u>						
11	Prop A & C Audit	25,637	25,637	-	-	-	51,275
12	Total Project 100012	25,637	25,637	-	-	-	51,275
13							
14	<u>100050-Administration-Special Revenue Planning</u>						
15	G&A Costs	-	3,679,630	-	-	-	3,679,630
16	Total Project 100050	-	3,679,630	-	-	-	3,679,630
17							
18	<u>100060-Admin.-General Planning</u>						
19	G & A Costs	4,785,803	3,234,622	-	-	-	8,020,425
20	Total Project 100060	4,785,803	3,234,622	-	-	-	8,020,425
21							
22	<u>400228-Regional Downtown Connection</u>						
23	<u>400228-Regional Downtown Connection</u>	-	-	-	-	2,266,853	2,266,853
24	Total Project 400228	-	-	-	-	2,266,853	2,266,853
25							
26	<u>400229-Harbor Subdivision MIS</u>						
27	400229-Harbor Subdivision MIS	263,643	-	-	-	-	263,643
28	Total Project 400229	263,643	-	-	-	-	263,643
29							
30	<u>400231-DMU Tech Feasibility Study</u>						
31	400231-DMU Tech Feasibility Study	20,131	-	-	-	-	20,131
32	Total Project 400231	20,131	-	-	-	-	20,131
33							
34	<u>400232-Eastside Extension</u>						
35	400232-Eastside Extension	-	-	-	1,968,889	-	1,968,889
36	Total Project 400232	-	-	-	1,968,889	-	1,968,889
37							
38	<u>402130-Disparity Study-Contracting</u>						
39	Disparity Study-Contracting	500,000	-	-	-	-	500,000
40	Total Project 402130	500,000	-	-	-	-	500,000
41							
42	<u>405510-Other Planning and Programming - Admin.</u>						
43	Consolidated Audit Services	144,291	134,065	219,859	-	-	498,215
44	Triennial Audit Management	-	-	496,750	-	-	496,750
45	HOV Administration	-	14,071	-	-	-	14,071
46	Prop A/C Administration	94,274	94,274	-	-	-	188,548
47	Grants Administration	-	-	988,005	-	-	988,005
48	TDA Article 3 & 8	-	-	119,362	-	-	119,362
49	TIP Administration	42,186	-	-	-	872,858	915,044
50	STIP PPM	-	-	-	-	1,119,285	1,119,285
51	Government Coordination / Outreach.	-	628,473	-	-	-	628,473
52	Bus System Improvements Plan	201,873	-	-	-	-	201,873
53	Station Planning/Joint Develop	-	226,044	-	-	-	226,044
54	Bike Parking Racks & Lockers	156,386	-	-	-	-	156,386
55	Art Program	-	170,283	-	-	-	170,283
56	Public Outreach	7,658	7,658	-	-	-	15,317
57	General Planning	1,041,552	-	-	-	-	1,041,552
58	General Commuter Program	-	3,301	-	-	-	3,301
59	Increase customer awareness Program	-	1,984,119	-	-	-	1,984,119
60	Total Project 405510	1,688,221	3,262,289	1,823,977	-	1,992,143	8,766,630

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Project	Task Name	Revenue Source					FY08 Total Allocation
		Prop A Administration	Prop C Administration	TDA Administration	TDA Planning and Programming	PPM (Planning and Programming Monitoring) & Other (1)	
61							
62	<u>405511-Transit Planning - Admin.</u>						
63	SHORE Program Support	\$ -	\$ 37,621	\$ -	\$ -	\$ -	\$ 37,621
64	Long Range Plan Update	379,430	-	-	-	1,097,116	1,476,546
65	Smart Shuttle	4,049	-	7,774	-	-	11,822
66	Municipal Funding & Coordination.	112,913	112,913	112,913	-	-	338,740
67	Admin. NTD Report - Local Cities	36,745	11,412	187,319	-	-	235,476
68	Restructuring Study	-	515,222	-	-	-	515,222
69	Bus Service Improvements	438,571	-	-	-	-	438,571
70	Metro Rapid Bus	163,084	253,084	-	-	-	416,169
71	(BSP) Bus Service Efficiency & Effectiveness	502,257	-	30,336	-	-	532,593
72	Transit Planning	564,443	-	-	86,116	-	650,559
73	Rapid Bus Planning (BRT) Research	-	-	-	-	10,000	10,000
74	Railvolution	-	27,351	-	-	-	27,351
75	ADA Compliance	37,064	-	-	-	-	37,064
76	Research & Development	-	-	-	8,344	77,938	86,282
77	Metro Access - South Bay - Pedestrian/Bicycle	37,861	-	-	-	-	37,861
78	GIS Work for Planning Studies	24,208	-	-	-	471,584	495,792
79	Total Project 405511	2,300,625	957,605	338,343	94,460	1,656,638	5,347,670
80							
81	<u>405518-Red Line Westside Extension</u>						
82	405518-Red Line Westside Extension	-	-	-	621,247	2,914,788	3,536,035
83	Total Project 405518	-	-	-	621,247	2,914,788	3,536,035
84							
85	<u>407002-South Bay Transit Corridor</u>						
86	South Bay Transit Corridor	-	-	-	55,000	-	55,000
87	Total Project 407002	-	-	-	55,000	-	55,000
88							
89	<u>407003-OCTA Partnership Improvement</u>						
90	OCTA Partnership Improvement	-	-	-	125,000	-	125,000
91	Total Project 407003	-	-	-	125,000	-	125,000
92							
93	<u>407007-South Bay Goods Movement</u>						
94	South Bay Goods Movement	-	-	-	100,000	-	100,000
95	Total Project 407007	-	-	-	100,000	-	100,000
96							
97	<u>407008-Gateway COG</u>						
98	Gateway COG	-	-	-	238,085	-	238,085
99	Total Project 407008	-	-	-	238,085	-	238,085
100							
101	<u>410053-TDA Subsidy (SCAG &amp; LA County Auditor/Controller)</u>						
102	SCAG & LA County Auditor/Controller	-	-	75,000	560,000	-	635,000
103	Total Project 410053	-	-	75,000	560,000	-	635,000
104							
105	<u>609911-Transit Academy/TOPS</u>						
106	TOP	19,478	-	-	-	-	19,478
107	Total Project 609911	19,478	-	-	-	-	19,478
108							
109	<u>Total Expenditures/Allocations</u>	32,239,718	11,159,783	2,237,319	3,762,681	8,830,421	58,229,923
110							
111	Remaining balance at June 30, 2008	\$ 2,678,881	\$ -	\$ -	\$ -	\$ -	\$ 2,678,881

(1) Other in PPM & Other Revenue Source is a \$10,000 Planning Research-Rapid Bus, BRT Federal Grant.

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## Appendix 8: Activity Based Bus Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>Transportation</b>						
1 Wages & Benefits	\$ 324,593,899	\$ 45.61	\$ 339,799,542	\$ 47.70	\$ 15,205,643	\$ 2.09
2 Services	55,996	0.01	55,996	0.01	-	-
3 Materials & Supplies	206,302	0.03	206,302	0.03	-	-
4 Training	5,272,376	0.74	5,528,742	0.78	256,367	0.04
5 Control Center	7,495,452	1.05	7,810,633	1.10	315,181	0.04
6 Scheduling & Planning	3,633,867	0.51	3,714,552	0.52	80,684	0.01
<b>Sub-Total</b>	<b>341,257,891</b>	<b>47.95</b>	<b>357,115,767</b>	<b>50.13</b>	<b>15,857,876</b>	<b>2.18</b>
<b>Division Maintenance</b>						
11 Wages & Benefits	106,992,220	15.03	114,522,727	16.07	7,530,507	1.04
12 Fuel	59,280,846	8.33	53,833,804	7.56	(5,447,042)	(0.77)
13 Materials & Supplies	39,669,732	5.57	41,366,719	5.81	1,696,986	0.23
14 Fueling Contractor Reimb.	(2,489,580)	(0.35)	(2,222,023)	(0.31)	267,557	0.04
15 Services	430,770	0.06	1,387,101	0.19	956,331	0.13
<b>Sub-Total</b>	<b>203,883,989</b>	<b>28.65</b>	<b>208,888,328</b>	<b>29.32</b>	<b>5,004,339</b>	<b>0.67</b>
<b>RRC Regular Maintenance</b>						
19 Wages & Benefits	5,900,766	0.83	6,261,428	0.88	360,663	0.05
20 Materials & Supplies	4,294,443	0.60	2,527,756	0.35	(1,766,688)	(0.25)
21 Maintenance Services	193,000	0.03	193,000	0.03	-	-
<b>Sub-Total</b>	<b>10,388,209</b>	<b>1.46</b>	<b>8,982,184</b>	<b>1.26</b>	<b>(1,406,025)</b>	<b>(0.20)</b>
<b>RRC Preventive Maintenance</b>						
25 Power Plant Assembly	5,648,323	0.79	4,971,708	0.70	(676,615)	(0.10)
26 Accident Repair	1,779,874	0.25	1,940,677	0.27	160,803	0.02
27 Wheelchair Lifts	263,831	0.04	165,780	0.02	(98,052)	(0.01)
28 Painting	803,233	0.11	659,577	0.09	(143,655)	(0.02)
29 Windows	19,578	0.00	19,578	0.00	-	(0.00)
<b>Sub-Total</b>	<b>8,514,840</b>	<b>1.20</b>	<b>7,757,321</b>	<b>1.09</b>	<b>(757,519)</b>	<b>(0.11)</b>
<b>Other Maintenance</b>						
33 Maintenance Support	17,007,626	2.39	16,361,957	2.30	(645,669)	(0.09)
34 Non-Revenue Vehicles	4,910,969	0.69	5,140,339	0.72	229,370	0.03
35 Facilities Maintenance	31,892,292	4.48	32,638,656	4.58	746,364	0.10
36 Training	1,628,995	0.23	1,679,397	0.24	50,402	0.01
<b>Sub-Total</b>	<b>55,439,882</b>	<b>7.79</b>	<b>55,820,350</b>	<b>7.84</b>	<b>380,468</b>	<b>0.05</b>
<b>Sub-Total Maintenance</b>	<b>\$ 278,226,920</b>	<b>\$ 39.09</b>	<b>\$ 281,448,182</b>	<b>\$ 39.50</b>	<b>\$ 3,221,262</b>	<b>\$ 0.41</b>

Note: RSH = Revenue Service Hour

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>41 Other Operating Costs</b>						
42 Transit Security	20,161,248	\$ 2.83	\$ 21,013,238	\$ 2.95	\$ 851,990	0.12
43 General Managers	13,822,839	1.94	13,766,337	1.93	(56,502)	(0.01)
44 Revenue	13,289,183	1.87	17,234,811	2.42	3,945,628	0.55
45 Service Development	5,794,802	0.81	6,947,388	0.98	1,152,586	0.16
46 Safety	1,830,983	0.26	1,731,373	0.24	(99,611)	(0.01)
47 Casualty & Liability	47,047,986	6.61	55,958,642	7.85	8,910,657	1.24
48 Workers' Comp	47,866,059	6.73	38,300,894	5.38	(9,565,164)	(1.35)
49 Transitional Duty Program	2,226,965	0.31	2,498,517	0.35	271,551	0.04
50 Utilities	6,102,736	0.86	7,159,937	1.00	1,057,201	0.15
51 Other Metro Operations	4,360,178	0.61	4,148,887	0.58	(211,291)	(0.03)
52 Building Costs	7,586,457	1.07	7,711,409	1.08	124,952	0.02
53 Copy Services	985,205	0.14	1,087,675	0.15	102,470	0.01
<b>54 Sub-Total</b>	<b>171,074,639</b>	<b>24.04</b>	<b>177,559,108</b>	<b>24.92</b>	<b>6,484,469</b>	<b>0.88</b>
55						
<b>56 Support Department Costs</b>	<b>48,825,154</b>	<b>6.86</b>	<b>46,613,787</b>	<b>6.54</b>	<b>(2,211,367)</b>	<b>(0.32)</b>
57						
<b>58 Total Local &amp; Rapid</b>	<b>839,384,604</b>	<b>117.94</b>	<b>862,736,844</b>	<b>121.10</b>	<b>23,352,240</b>	<b>3.15</b>
<b>59 Revenue Service Hours</b>	<b>7,116,912</b>		<b>7,124,394</b>		<b>7,482</b>	
60						
<b>61 Purchased Transportation</b>						
62 Contracted Service	35,585,306	64.67	36,180,862	65.78	595,556	1.12
63 Security	1,558,883	2.83	1,622,245	2.95	63,362	0.12
64 Administration	527,113	0.96	451,068	0.82	(76,045)	(0.14)
<b>65 Sub-Total</b>	<b>37,671,302</b>	<b>68.46</b>	<b>38,254,175</b>	<b>69.55</b>	<b>582,873</b>	<b>1.09</b>
<b>66 Revenue Service Hours</b>	<b>550,285</b>		<b>550,011</b>		<b>(274)</b>	
67						
<b>68 Total Excluding Debt</b>	<b>877,055,906</b>	<b>\$ 114.39</b>	<b>900,991,019</b>	<b>\$ 117.40</b>	<b>23,935,114</b>	<b>\$ 3.01</b>
<b>69 Revenue Service Hours</b>	<b>7,667,197</b>		<b>7,674,405</b>		<b>7,208</b>	
70						
<b>71 Enterprise Fund Debt</b>						
72 Interest	1,695,493		1,803,379		107,886	
73 Administration	948,223		436,720		(511,504)	
<b>74 Sub-Total</b>	<b>2,643,716</b>		<b>2,240,099</b>		<b>(403,617)</b>	
75						
<b>76 Total Cost</b>	<b>\$ 879,699,621</b>		<b>\$ 903,231,118</b>		<b>\$ 23,531,496</b>	

## Appendix 9: Activity Based Orange Line Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>1 Transportation</b>						
2 Wages & Benefits	\$ 4,051,424	\$ 48.14	\$ 5,252,705	\$ 51.72	\$ 1,201,280	\$ 3.58
3 Control Center	243,190	2.89	247,143	2.43	3,953	(0.46)
<b>4 Sub-Total</b>	<b>4,294,614</b>	<b>51.03</b>	<b>5,499,847</b>	<b>54.15</b>	<b>1,205,234</b>	<b>3.13</b>
<b>5</b>						
<b>6 Division Maintenance</b>						
7 Wages & Benefits	1,605,308	19.07	1,737,712	17.11	132,404	(1.96)
8 Fuel	670,000	7.96	757,556	7.46	87,556	(0.50)
9 Materials & Supplies	666,700	7.92	666,700	6.56	-	(1.36)
10 Fueling Contractor Reimb.	-		(85,603)	(0.84)	(85,603)	
<b>11 Sub-Total</b>	<b>2,942,008</b>	<b>34.96</b>	<b>3,076,365</b>	<b>30.29</b>	<b>134,357</b>	<b>(4.66)</b>
<b>12</b>						
<b>13 Other Maintenance</b>						
14 Maintenance Support	20,311	0.24	23,294	0.23	2,983	(0.01)
15 Non-Revenue Vehicles	6,737	0.08	8,035	0.08	1,298	-
16 Facilities Maintenance	3,150,108	37.43	3,308,824	32.58	158,717	(4.85)
<b>17 Sub-Total</b>	<b>3,177,156</b>	<b>37.75</b>	<b>3,340,153</b>	<b>32.89</b>	<b>162,997</b>	<b>(4.86)</b>
<b>18</b>						
<b>19 Sub-Total Maintenance</b>	<b>6,119,163</b>	<b>72.70</b>	<b>6,416,518</b>	<b>63.18</b>	<b>297,354</b>	<b>(9.53)</b>
<b>20</b>						
<b>21 Other Operating Costs</b>						
22 Transit Security	6,065,150	72.06	6,428,766	63.30	363,616	(8.76)
23 General Managers	567,930	6.75	637,737	6.28	69,807	(0.47)
24 Revenue	1,014,646	12.06	1,128,043	11.11	113,397	(0.95)
25 Service Development	54,192	0.64	81,294	0.80	27,102	0.16
26 Casualty & Liability	723,363	8.59	909,178	8.95	185,814	0.36
27 Workers' Compensation	672,247	7.99	651,148	6.41	(21,099)	(1.58)
28 Utilities	99,769	1.19	148,326	1.46	48,557	0.28
29 Other Metro Operations	24,392	0.29	42,284	0.42	17,892	0.13
30 Building Costs	119,939	1.43	140,912	1.39	20,972	(0.04)
31 Copy Services	16,106	0.19	19,950	0.20	3,844	0.01
<b>32 Sub-Total</b>	<b>9,357,735</b>	<b>111.18</b>	<b>10,187,637</b>	<b>100.31</b>	<b>829,902</b>	<b>(10.87)</b>
<b>33</b>						
<b>34 Support Department Costs</b>	<b>484,982</b>	<b>5.76</b>	<b>441,935</b>	<b>4.35</b>	<b>(43,047)</b>	<b>(1.41)</b>
<b>35</b>						
<b>36 Total Cost</b>	<b>\$ 20,256,495</b>	<b>\$ 240.68</b>	<b>\$ 22,545,937</b>	<b>\$ 221.99</b>	<b>\$ 2,289,443</b>	<b>\$ (18.68)</b>
<b>37 Total Revenue Service Hours</b>	<b>84,165</b>		<b>101,561</b>		<b>17,396</b>	



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## Appendix 10: Activity Based Blue Line Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>Transportation</b>						
Wages & Benefits	\$9,268,441	\$ 41.90	\$9,507,696	\$ 43.02	\$ 239,255	\$ 1.11
Materials & Supplies	46,327	0.21	46,327	0.21	-	-
Other	12,635	0.06	12,635	0.06	-	-
<b>Sub-Total</b>	<b>9,327,403</b>	<b>42.17</b>	<b>9,566,658</b>	<b>43.28</b>	<b>239,255</b>	<b>1.11</b>
<b>Maintenance</b>						
<b>Vehicle Maintenance</b>						
Wages & Benefits	10,739,287	48.55	11,112,017	50.27	372,730	1.72
Materials & Supplies	3,937,322	17.80	3,908,453	17.68	(28,869)	(0.12)
Other	4,134	0.02	4,134	0.02	-	-
Services	40,821	0.18	40,821	0.18	-	-
<b>Sub-Total</b>	<b>14,721,565</b>	<b>66.55</b>	<b>15,065,426</b>	<b>68.16</b>	<b>343,861</b>	<b>1.61</b>
<b>Wayside Maintenance</b>						
Wages & Benefits	5,655,807	25.57	5,872,662	26.57	216,856	1.00
Materials & Supplies	789,747	3.57	789,747	3.57	-	-
Services	412,280	1.86	656,558	2.97	244,278	1.11
Propulsion Power	6,791,563	30.70	6,791,563	30.73	-	0.02
Other	5,568	0.03	4,568	0.02	(1,000)	-
<b>Sub-Total</b>	<b>13,654,964</b>	<b>61.73</b>	<b>14,115,098</b>	<b>63.86</b>	<b>460,133</b>	<b>2.13</b>
<b>Other Maintenance</b>						
Non-Revenue Vehicles	321,346	1.45	314,421	1.42	(6,925)	(0.03)
Facilities Maintenance	1,357,456	6.14	1,382,160	6.25	24,704	0.12
<b>Sub-Total</b>	<b>1,678,802</b>	<b>7.59</b>	<b>1,696,581</b>	<b>7.68</b>	<b>17,778</b>	<b>0.09</b>
<b>Sub-Total Maintenance</b>	<b>30,055,332</b>	<b>135.88</b>	<b>30,877,105</b>	<b>139.70</b>	<b>821,773</b>	<b>3.82</b>
<b>Other Operating Costs</b>						
Transit Security	11,610,718	52.49	12,365,984	55.95	755,266	3.46
General Manager	479,839	2.17	599,283	2.71	119,443	0.54
Revenue	1,221,674	5.52	1,245,839	5.64	24,165	0.11
Service Development	232,682	1.05	474,437	2.15	241,756	1.09
Safety	306,325	1.38	389,179	1.76	82,854	0.38
Casualty & Liability	962,661	4.35	3,292,240	14.89	2,329,579	10.54
Workers' Comp	1,580,512	7.15	1,232,946	5.58	(347,566)	(1.57)
Utilities	687,193	3.11	1,045,360	4.73	358,167	1.62
Other Metro Operations	183,678	0.83	185,868	0.84	2,190	0.01
Building Costs	339,759	1.54	364,552	1.65	24,793	0.11
Copy Services	68,190	0.31	54,868	0.25	(13,322)	(0.06)
<b>Sub-Total</b>	<b>17,673,231</b>	<b>79.90</b>	<b>21,250,556</b>	<b>96.14</b>	<b>3,577,325</b>	<b>16.24</b>
<b>Support Department Costs</b>	<b>5,177,067</b>	<b>23.40</b>	<b>5,109,742</b>	<b>23.12</b>	<b>(67,325)</b>	<b>(0.29)</b>
<b>Total Cost</b>	<b>\$ 62,233,033</b>	<b>\$ 281.35</b>	<b>\$ 66,804,061</b>	<b>\$ 302.24</b>	<b>\$ 4,571,028</b>	<b>\$ 20.89</b>
<b>Total Revenue Service Hours</b>	<b>221,197</b>		<b>221,031</b>		<b>(166)</b>	

## Appendix 11: Activity Based Green Line Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>Transportation</b>						
Wages & Benefits	\$ 6,565,704	\$ 73.07	\$ 6,628,878	\$ 75.19	\$ 63,174.09	\$ 2.11
Materials & Supplies	44,319	0.49	44,319	0.50	-	0.01
Other	12,635	0.14	12,635	0.14	-	-
<b>Sub-Total</b>	<b>6,622,658</b>	<b>73.71</b>	<b>6,685,832</b>	<b>75.83</b>	<b>63,174</b>	<b>2.12</b>
<b>Maintenance</b>						
<b>Vehicle Maintenance</b>						
Wages & Benefits	5,356,016	59.61	5,069,272	57.50	(286,744)	(2.11)
Materials & Supplies	1,650,412	18.37	1,670,995	18.95	20,584	0.58
Other	3,174	0.04	3,174	0.04	-	-
Services	50,821	0.57	50,821	0.58	-	0.01
<b>Sub-Total</b>	<b>7,060,424</b>	<b>78.58</b>	<b>6,794,263</b>	<b>77.06</b>	<b>(266,160)</b>	<b>(1.52)</b>
<b>Wayside Maintenance</b>						
Wages & Benefits	5,560,496	61.89	5,719,036	64.87	158,539	2.98
Materials & Supplies	314,353	3.50	314,353	3.57	-	0.07
Services	285,110	3.17	285,110	3.23	-	0.06
Propulsion Power	3,373,492	37.55	3,373,492	38.26	-	0.72
Other	4,976	0.06	3,976	0.05	(1,000)	(0.01)
<b>Sub-Total</b>	<b>9,538,427</b>	<b>106.16</b>	<b>9,695,966</b>	<b>109.97</b>	<b>157,539</b>	<b>3.81</b>
<b>Other Maintenance</b>						
Non-Revenue Vehicles	314,256	3.50	314,421	3.57	165	0.07
Facilities Maintenance	1,909,049	21.25	1,856,824	21.06	(52,224)	(0.19)
<b>Sub-Total</b>	<b>2,223,305</b>	<b>24.74</b>	<b>2,171,245</b>	<b>24.63</b>	<b>(52,060)</b>	<b>(0.12)</b>
<b>Sub-Total Maintenance</b>	<b>18,822,155</b>	<b>209.48</b>	<b>18,661,474</b>	<b>211.66</b>	<b>(160,681)</b>	<b>2.18</b>
<b>Other Operating Costs</b>						
Transit Security	6,229,228	69.33	6,613,667	75.01	384,439	5.68
General Manager	454,071	5.05	572,324	6.49	118,253	1.44
Revenue	1,127,847	12.55	1,155,639	13.11	27,793	0.55
Service Development	192,725	2.14	272,953	3.10	80,228	0.95
Safety	297,699	3.31	372,806	4.23	75,107	0.92
Casualty & Liability	387,029	4.31	196,305	2.23	(190,724)	(2.08)
Workers' Comp	1,053,969	11.73	805,916	9.14	(248,053)	(2.59)
Utilities	483,745	5.38	641,451	7.28	157,706	1.89
Other Metro Operations	129,300	1.44	124,261	1.41	(5,039)	(0.03)
Building Costs	240,541	2.68	248,656	2.82	8,116	0.14
Copy Services	48,002	0.53	37,437	0.42	(10,565)	(0.11)
<b>Sub-Total</b>	<b>10,644,155</b>	<b>118.47</b>	<b>11,041,415</b>	<b>125.23</b>	<b>397,260</b>	<b>6.77</b>
<b>Support Department Costs</b>	<b>3,741,384</b>	<b>41.64</b>	<b>3,630,466</b>	<b>41.18</b>	<b>(110,919)</b>	<b>(0.46)</b>
<b>Total Cost</b>	<b>\$ 39,830,352</b>	<b>\$ 443.30</b>	<b>\$ 40,019,187</b>	<b>\$ 453.90</b>	<b>\$ 188,835</b>	<b>\$ 10.60</b>
<b>Total Revenue Service Hours</b>	<b>89,850</b>		<b>88,167</b>		<b>(1,683)</b>	

## Appendix 12: Activity Based Gold Line Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>1 Transportation</b>						
2 Wages & Benefits	\$ 6,660,886	\$ 86.92	\$6,798,038	\$ 92.22	\$ 137,151.86	\$ 5.30
3 Materials & Supplies	50,832	0.66	50,832	0.69	-	0.03
4 Other	41,981	0.55	41,981	0.57	-	0.02
<b>5 Sub-Total</b>	<b>6,753,698</b>	<b>88.13</b>	<b>6,890,850</b>	<b>93.48</b>	<b>137,152</b>	<b>5.35</b>
<b>6</b>						
<b>7 Maintenance</b>						
<b>8 Vehicle Maintenance</b>						
9 Wages & Benefits	5,073,428	66.20	4,992,979	67.73	(80,449)	1.53
10 Materials & Supplies	1,037,812	13.54	1,062,268	14.41	24,457	0.87
11 Other	3,174	0.04	3,174	0.04	-	-
12 Services	30,819	0.40	30,819	0.42	-	0.02
<b>13 Sub-Total</b>	<b>6,145,234</b>	<b>80.19</b>	<b>6,089,241</b>	<b>82.61</b>	<b>(55,993)</b>	<b>2.41</b>
<b>14</b>						
<b>15 Wayside Maintenance</b>						
16 Wages & Benefits	5,493,050	71.68	5,707,001	77.42	213,951	5.74
17 Materials & Supplies	514,249	6.71	514,249	6.98	-	0.27
18 Services	249,681	3.26	712,906	9.67	463,225	6.41
19 Propulsion Power	2,089,821	27.27	2,089,821	28.35	-	1.08
20 Other	3,876	0.05	3,876	0.05	-	-
<b>21 Sub-Total</b>	<b>8,350,677</b>	<b>108.97</b>	<b>9,027,853</b>	<b>122.47</b>	<b>677,176</b>	<b>13.50</b>
<b>22</b>						
<b>23 Other Maintenance</b>						
24 Non-Revenue Vehicles	313,723	4.09	314,421	4.27	698	0.17
25 Facilities Maintenance	1,422,117	18.56	1,399,002	18.98	(23,114)	0.42
<b>26 Sub-Total</b>	<b>1,735,840</b>	<b>22.65</b>	<b>1,713,423</b>	<b>23.24</b>	<b>(22,417)</b>	<b>0.59</b>
<b>27</b>						
<b>28 Sub-Total Maintenance</b>	<b>16,231,750</b>	<b>211.81</b>	<b>16,830,517</b>	<b>228.32</b>	<b>598,767</b>	<b>16.51</b>
<b>29</b>						
<b>30 Other Operating Costs</b>						
31 Transit Security	8,716,625	113.75	9,284,537	125.95	567,912	12.21
32 General Manager	480,627	6.27	598,727	8.12	118,100	1.85
33 Revenue	1,113,252	14.53	1,182,870	16.05	69,618	1.52
34 Service Development	189,725	2.48	363,484	4.93	173,759	2.46
35 Safety	344,573	4.50	372,854	5.06	28,281	0.56
36 Casualty & Liability	1,050,279	13.71	549,607	7.46	(500,673)	(6.25)
37 Workers' Comp	1,020,656	13.32	800,246	10.86	(220,409)	(2.46)
38 Utilities	468,446	6.11	743,420	10.09	274,974	3.97
39 Other Metro Operations	125,212	1.63	108,757	1.48	(16,455)	(0.16)
40 Building Costs	227,629	2.97	247,470	3.36	19,841	0.39
41 Copy Services	46,484	0.61	37,331	0.51	(9,152)	(0.10)
<b>42 Sub-Total</b>	<b>13,783,509</b>	<b>179.86</b>	<b>14,289,304</b>	<b>193.85</b>	<b>505,795</b>	<b>13.98</b>
<b>43</b>						
<b>44 Support Department Costs</b>	<b>4,954,289</b>	<b>64.65</b>	<b>3,650,210</b>	<b>49.52</b>	<b>(1,304,079)</b>	<b>(15.13)</b>
<b>45</b>						
<b>46 Total Cost</b>	<b>\$ 41,723,246</b>	<b>\$ 544.46</b>	<b>\$ 41,660,881</b>	<b>\$ 565.16</b>	<b>\$ (62,365)</b>	<b>\$ 20.71</b>
<b>47 Total Revenue Service Hours</b>	<b>76,633</b>		<b>73,715</b>		<b>(2,918)</b>	

Los Angeles County Metropolitan Transportation Authority  
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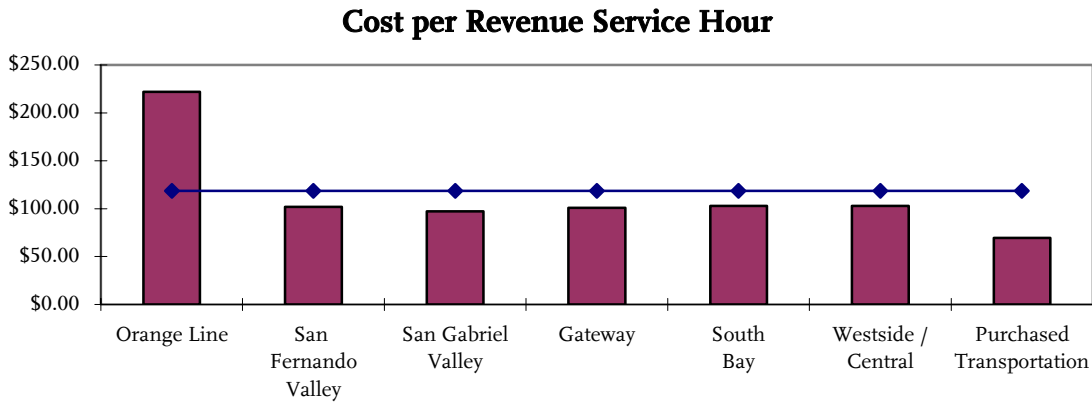
## Appendix 13: Activity Based Heavy Rail Cost Model

Activities	FY07 Budget		FY08 Budget		FY07 to FY08	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>Transportation</b>						
Wages & Benefits	\$ 8,830,367	\$ 32.97	\$ 9,377,216	\$ 35.03	\$ 546,849	\$ 2.06
Materials & Supplies	50,693	0.19	50,693	0.19	-	-
Other	12,635	0.05	12,635	0.05	-	-
<b>Sub-Total</b>	<b>8,893,695</b>	<b>33.21</b>	<b>9,440,544</b>	<b>35.26</b>	<b>546,849</b>	<b>2.06</b>
<b>Maintenance</b>						
<b>Vehicle Maintenance</b>						
Wages & Benefits	10,599,227	39.57	11,093,621	41.44	494,394	1.86
Materials & Supplies	3,745,941	13.99	3,743,355	13.98	(2,586)	-
Other	11,134	0.04	11,134	0.04	-	-
Services	109,728	0.41	109,728	0.41	-	-
<b>Sub-Total</b>	<b>14,466,031</b>	<b>54.01</b>	<b>14,957,839</b>	<b>55.87</b>	<b>491,809</b>	<b>1.86</b>
<b>Wayside Maintenance</b>						
Wages & Benefits	12,892,645	48.14	13,720,122	51.25	827,477	3.11
Materials & Supplies	1,068,541	3.99	1,068,541	3.99	-	-
Services	1,081,242	4.04	1,146,182	4.28	64,940	0.24
Propulsion Power	9,238,600	34.49	9,238,600	34.51	-	0.01
Other	37,480	0.14	7,480	0.03	(30,000)	(0.11)
<b>Sub-Total</b>	<b>24,318,508</b>	<b>90.80</b>	<b>25,180,925</b>	<b>94.06</b>	<b>862,417</b>	<b>3.26</b>
<b>Other Maintenance</b>						
Non-Revenue Vehicles	327,002	1.22	314,421	1.17	(12,581)	(0.05)
Facilities Maintenance	5,548,965	20.72	5,407,098	20.20	(141,867)	(0.52)
<b>Sub-Total</b>	<b>5,875,967</b>	<b>21.94</b>	<b>5,721,519</b>	<b>21.37</b>	<b>(154,448)</b>	<b>(0.57)</b>
<b>Sub-Total Maintenance</b>	<b>44,660,506</b>	<b>166.75</b>	<b>45,860,283</b>	<b>171.30</b>	<b>1,199,777</b>	<b>4.55</b>
<b>Other Operating Costs</b>						
Transit Security	17,366,169	64.84	18,567,216	69.35	1,201,047	4.51
General Manager	503,637	1.88	625,180	2.34	121,544	0.45
Revenue	1,259,925	4.70	1,577,113	5.89	317,188	1.19
Service Development	264,558	0.99	434,908	1.62	170,350	0.64
Safety	385,497	1.44	465,902	1.74	80,405	0.30
Casualty & Liability	2,907,503	10.86	3,156,622	11.79	249,118	0.93
Workers' Comp	1,904,759	7.11	1,555,258	5.81	(349,501)	(1.30)
Utilities	849,521	3.17	1,119,985	4.18	270,464	1.01
Other Metro Operations	227,067	0.85	288,305	1.08	61,238	0.23
Building Costs	446,120	1.67	457,435	1.71	11,315	0.04
Copy Services	84,298	0.31	68,578	0.26	(15,719)	(0.06)
<b>Sub-Total</b>	<b>26,199,054</b>	<b>97.82</b>	<b>28,316,502</b>	<b>105.77</b>	<b>2,117,448</b>	<b>7.95</b>
<b>Support Department Costs</b>	<b>6,122,545</b>	<b>22.86</b>	<b>5,718,310</b>	<b>21.36</b>	<b>(404,235)</b>	<b>(1.50)</b>
<b>Total Cost</b>	<b>\$ 85,875,799</b>	<b>\$ 320.63</b>	<b>\$ 89,335,639</b>	<b>\$ 333.68</b>	<b>\$ 3,459,840</b>	<b>\$ 13.05</b>
<b>Total Revenue Service Hours</b>	<b>267,831</b>		<b>267,725</b>		<b>(106)</b>	

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## Appendix 14: FY08 Bus Operating Statistics

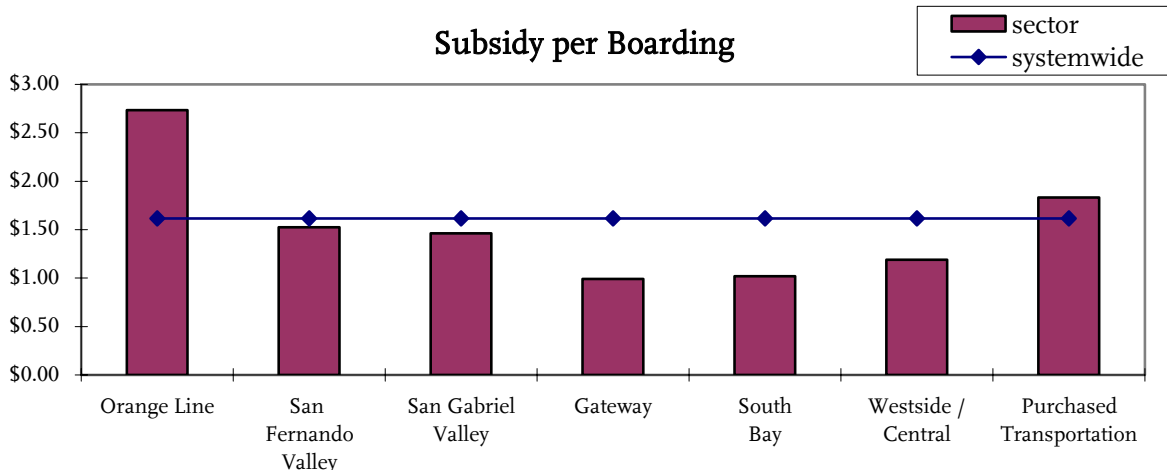
	Orange Line	San Fernando Valley	San Gabriel Valley	Gateway Cities
Boardings (000)	6,611	56,807	65,510	79,278
Revenue Service Hours (000)	102	1,259	1,474	1,345
Revenue Service Miles (000)	1,619	17,552	18,030	15,240
Hub Miles (000)	1,775	21,521	21,289	18,722
Boardings Per Revenue Service Hour	65.1	45.1	44.5	59.0
Passenger Miles (000)	46,280	191,539	245,663	297,291
Cost Per Revenue Service Hour	\$221.99	\$101.96	\$97.29	\$100.91
Cost Per Passenger Mile	\$0.49	\$0.67	\$0.58	\$0.46
Cost Per Boarding	\$3.41	\$2.26	\$2.19	\$1.71
Subsidy Per Boarding	\$2.73	\$1.52	\$1.46	\$0.99
Subsidy Per Passenger Mile	\$0.39	\$0.45	\$0.39	\$0.26
Fare Recovery Ratio	19.6%	29.7%	30.6%	39.5%
Fare Revenue per Boarding	\$0.67	\$0.67	\$0.67	\$0.67

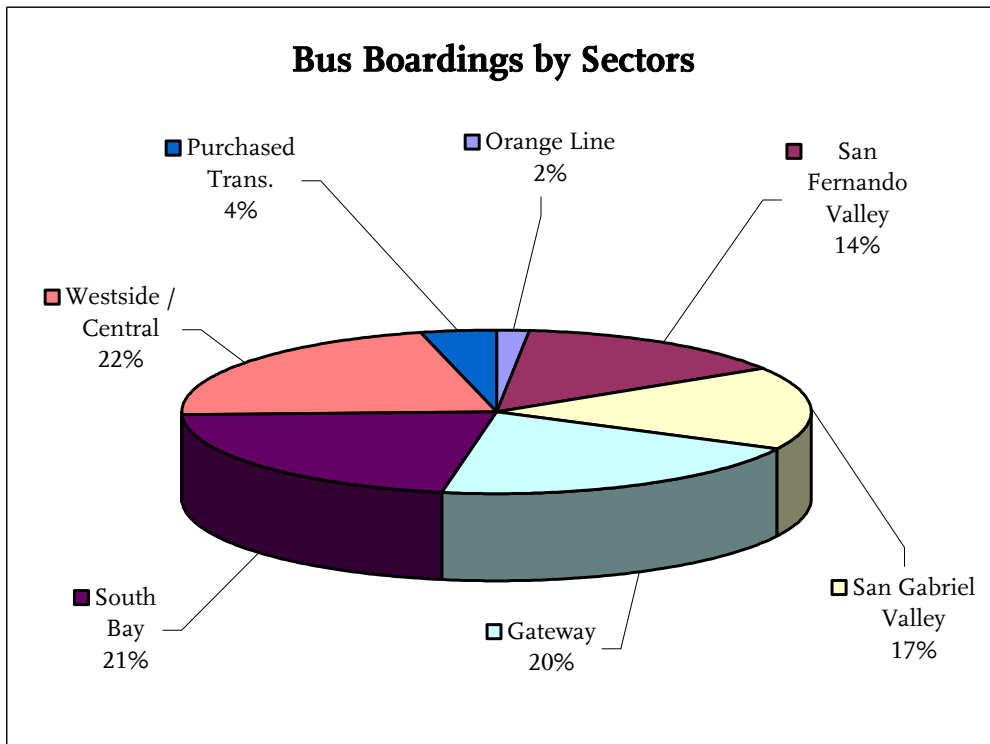
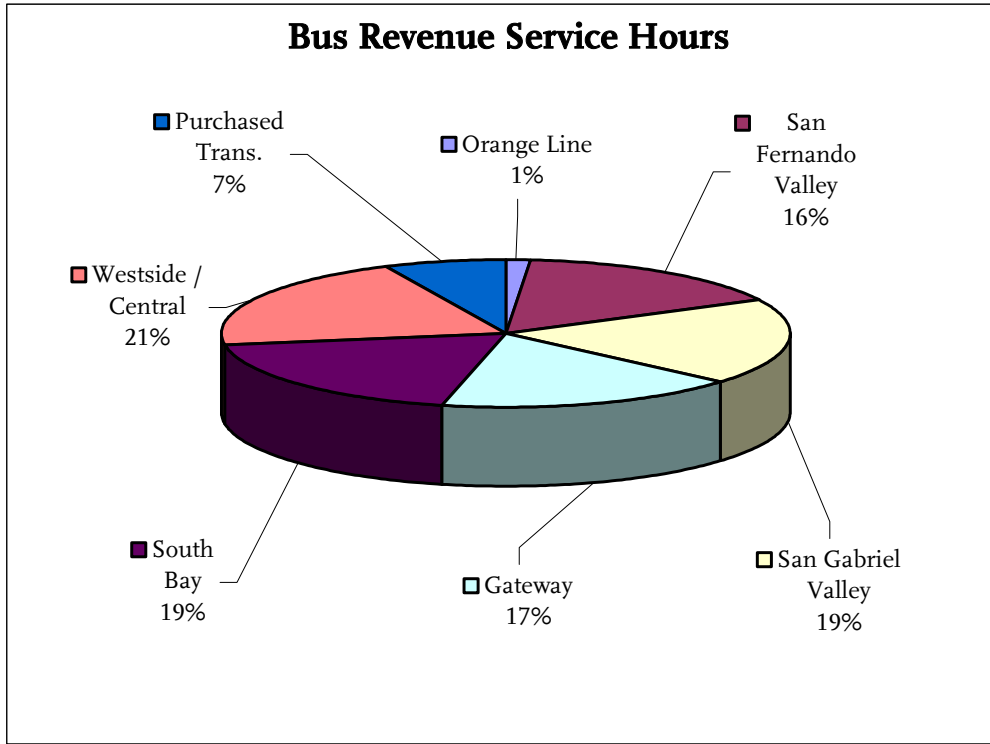


Los Angeles County Metropolitan Transportation Authority  
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	South Bay	Westside/ Central	Purchased Transportation	Systemwide *
Boardings (000)	86,068	85,811	15,170	395,256
Revenue Service Hours (000)	1,450	1,597	550	7,776
Revenue Service Miles (000)	17,579	18,809	7,629	96,458
Hub Miles (000)	22,143	23,158	9,576	118,183
Boardings Per Revenue Service Hour	59.4	53.7	27.6	50.8
Passenger Miles (000)	322,860	321,793	49,911	1,475,337
Cost Per Revenue Service Hour	\$102.98	\$102.78	\$69.55	\$118.77
Cost Per Passenger Mile	\$0.46	\$0.51	\$0.77	\$0.63
Cost Per Boarding	\$1.73	\$1.91	\$2.52	\$2.34
Subsidy Per Boarding	\$1.02	\$1.19	\$1.83	\$1.62
Subsidy Per Passenger Mile	\$0.27	\$0.32	\$0.56	\$0.43
Fare Recovery Ratio	38.6%	35.3%	26.6%	28.8%
Fare Revenue per Boarding	\$0.67	\$0.68	\$0.67	\$0.67

\* Systemwide statistics include bus operating expenses from support activities not assigned directly to sector management, such as in Central Maintenance, Central Control & Instruction, Facilities, and Administrative Support.







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## Appendix 15: Modal Operating Statistics

<b>Bus excluding Orange Line</b>	<b>Notes</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>	<b>Inc/(Dec) Budget</b>
1 Fares (\$000)		\$ 231,545	\$ 225,983	\$ 261,388	\$ 35,406
2 Other Operating Revenue (\$000)		\$ 17,681	\$ 16,631	\$ 19,259	\$ 2,628
3 Expenses (\$000)	(1)	\$ 825,312	\$ 877,056	\$ 900,991	\$ 23,935
4 Boardings (000)		397,408	381,113	388,645	7,532
5 Farebox Recovery Ratio		28.1%	25.8%	29.0%	3.2%
6 Vehicle Service Hours (000)	(2)	7,554	7,667	7,674	7
7 Cost Per Hour		\$ 109.25	\$ 114.39	\$ 117.40	\$ 3.01
8 Cost Per Passenger Mile		\$ 0.57	\$ 0.62	\$ 0.63	\$ 0.01
9 Vehicle Service Miles (000)	(2)	92,046	93,827	94,839	1,012
10 Passenger Miles (000)	(3)	1,450,081	1,411,688	1,428,948	17,261
11 Fare Revenue Per Boarding		\$ 0.58	\$ 0.59	\$ 0.67	\$ 0.08
12 Subsidy Per Boarding		\$ 1.45	\$ 1.66	\$ 1.60	\$ (0.07)
13 Subsidy Per Passenger Mile		\$ 0.40	\$ 0.45	\$ 0.43	\$ (0.02)
14 Vehicles Operated		2,203	2,218	2,213	(5)

<b>Orange Line</b>	<b>Notes</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>	<b>Inc/(Dec) Budget</b>
15 Fares (\$000)		\$ 1,424	\$ 3,041	\$ 4,428	\$ 1,387
16 Other Operating Revenue (\$000)		\$ -	\$ 94	\$ 46	\$ (48)
17 Expenses (\$000)	(1)	\$ 12,494	\$ 20,256	\$ 22,546	\$ 2,289
18 Boardings (000)		3,790	5,147	6,611	1,465
19 Farebox Recovery Ratio		11.4%	15.0%	19.6%	4.6%
20 Vehicle Service Hours (000)	(2)	56	84	102	17
21 Cost Per Hour		\$ 223.52	\$ 240.68	\$ 221.99	\$ (18.68)
22 Cost Per Passenger Mile		\$ 0.51	\$ 0.56	\$ 0.49	\$ (0.08)
23 Vehicle Service Miles (000)	(2)	891	1,342	1,619	277
24 Passenger Miles (000)	(3)	24,637	36,028	46,280	10,252
25 Fare Revenue Per Boarding		\$ 0.38	\$ 0.59	\$ 0.67	\$ 0.08
26 Subsidy Per Boarding		\$ 2.92	\$ 3.33	\$ 2.73	\$ (0.59)
27 Subsidy Per Passenger Mile		\$ 0.45	\$ 0.48	\$ 0.39	\$ (0.08)
28 Vehicles Operated		21	21	28	7

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<b>Light Rail</b>	<b>Notes</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>	<b>Inc/(Dec) Budget</b>
29 Fares (\$000)		\$ 22,656	\$ 24,685	\$ 27,255	\$ 2,569
30 Other Revenue (\$000)		\$ -	-	-	-
31 Expenses (\$000)	(1)	\$ 135,657	\$ 143,787	\$ 148,484	\$ 4,697
32 Boardings (000)		42,021	41,778	40,846	(933)
33 Farebox Recovery Ratio		16.7%	17.2%	18.4%	1.2%
34 Vehicle Service Hours (000)	(2)	345	388	383	(5)
35 Cost Per Hour		\$ 393.51	\$ 370.89	\$ 387.78	\$ 16.89
36 Cost Per Passenger Mile		\$ 0.46	\$ 0.50	\$ 0.50	\$ 0.01
37 Vehicle Service Miles (000)	(2)	8,031	9,326	9,218	(108)
38 Passenger Miles (000)		297,477	289,449	294,356	4,908
39 Fare Revenue Per Boarding		\$ 0.54	\$ 0.59	\$ 0.67	\$ 0.08
40 Subsidy Per Boarding	(3)	\$ 2.69	\$ 2.85	\$ 2.97	\$ 0.12
41 Subsidy Per Passenger Mile	(3)	\$ 0.38	\$ 0.41	\$ 0.41	\$ -

<b>Heavy Rail</b>	<b>Notes</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>	<b>Inc/(Dec) Budget</b>
42 Fares (\$000)		\$ 24,015	\$ 23,187	\$ 28,447	\$ 5,260
43 Other Revenue (\$000)		\$ -	1,634	300	(1,334)
44 Expenses (\$000)	(1)	\$ 78,460	\$ 85,876	\$ 89,336	\$ 3,460
45 Boardings (000)		40,277	38,868	39,575	707
46 Farebox Recovery Ratio		30.6%	27.0%	31.8%	4.8%
47 Vehicle Service Hours (000)	(2)	256	268	268	-
48 Cost Per Hour		\$ 306.03	\$ 320.63	\$ 333.68	\$ 13.05
49 Cost Per Passenger Mile		\$ 0.41	\$ 0.47	\$ 0.45	\$ (0.02)
50 Vehicle Service Miles (000)	(2)	5,856	6,296	6,258	(37)
51 Passenger Miles (000)		193,020	183,467	198,786	15,318
52 Fare Revenue Per Boarding		\$ 0.60	\$ 0.59	\$ 0.71	\$ 0.12
53 Subsidy Per Boarding	(3)	\$ 1.35	\$ 1.57	\$ 1.53	\$ (0.04)
54 Subsidy Per Passenger Mile	(3)	\$ 0.28	\$ 0.33	\$ 0.30	\$ (0.03)

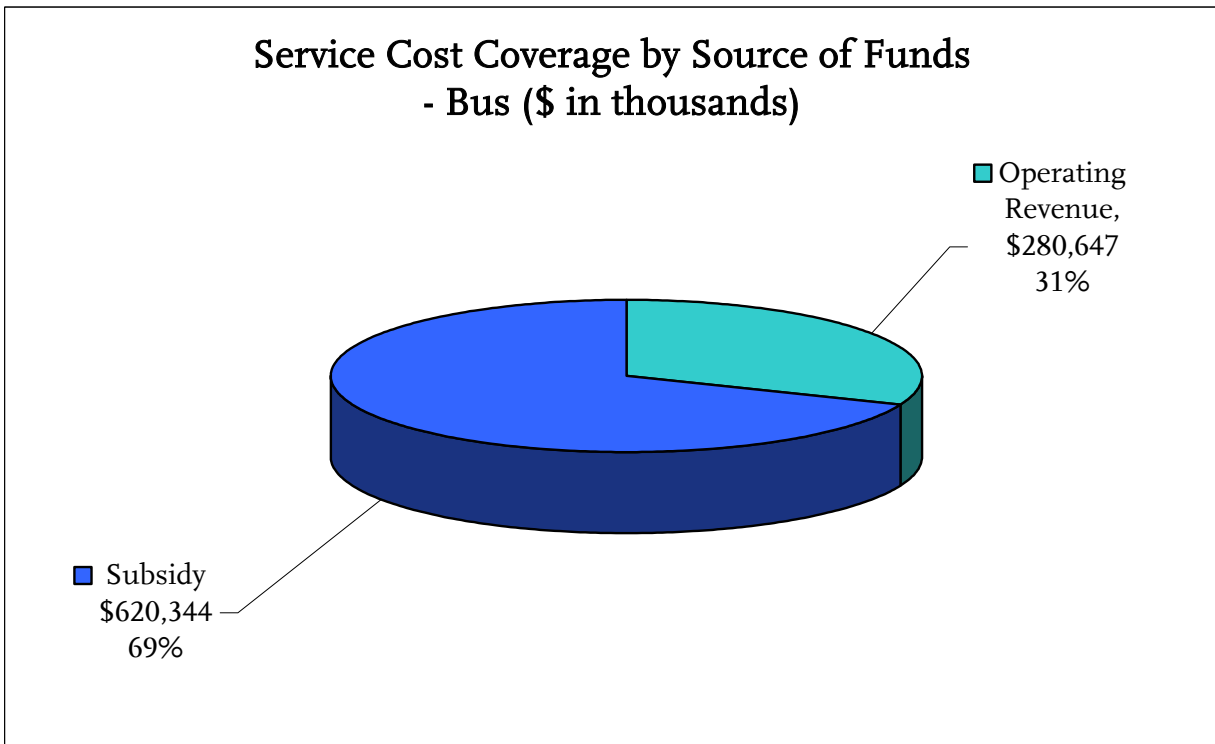
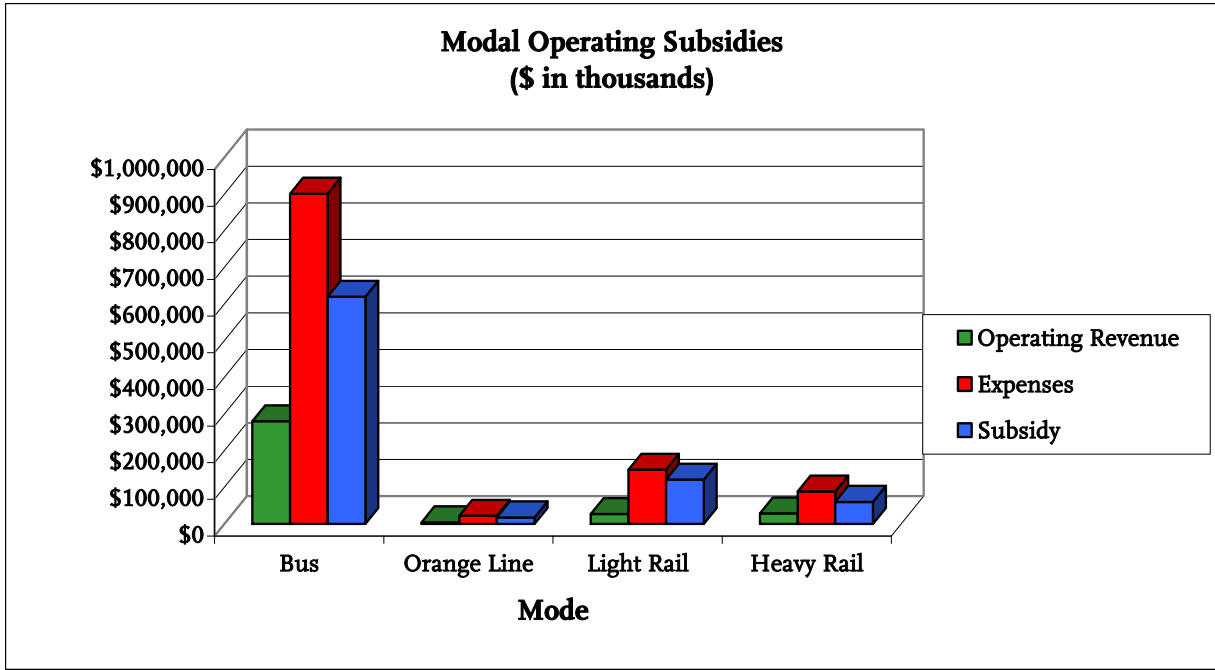
(1) Expenses include Transitional Duty Program but exclude interest and debt administration.

(2) Reflect revenue vehicle hours & miles.

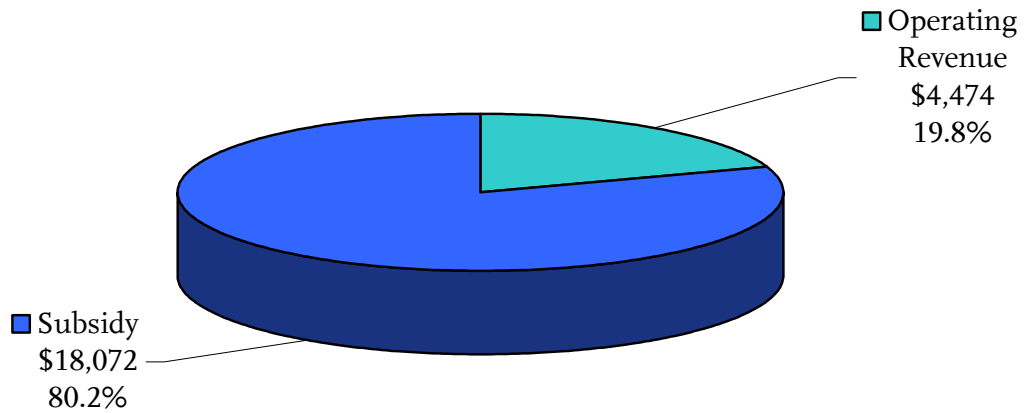
(3) Subsidy excludes all operating revenue.

(4) Light Rail includes the Blue, Green and Gold Lines.

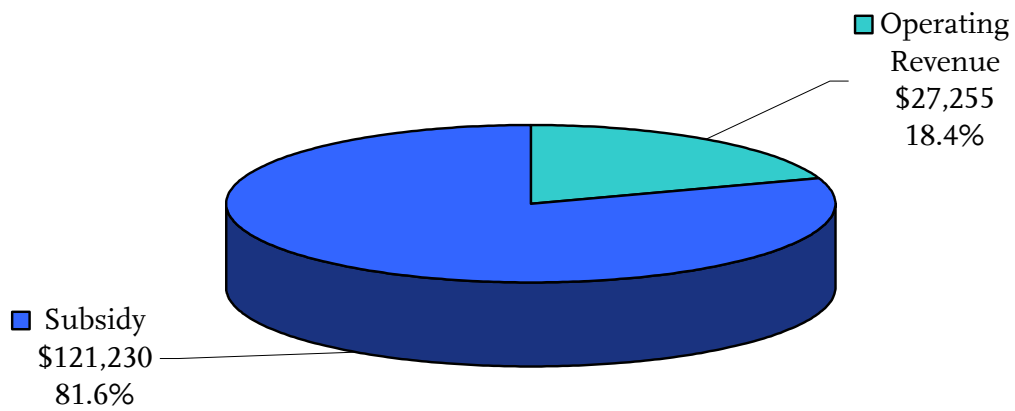
(5) Heavy Rail includes the Red and Purple Lines.



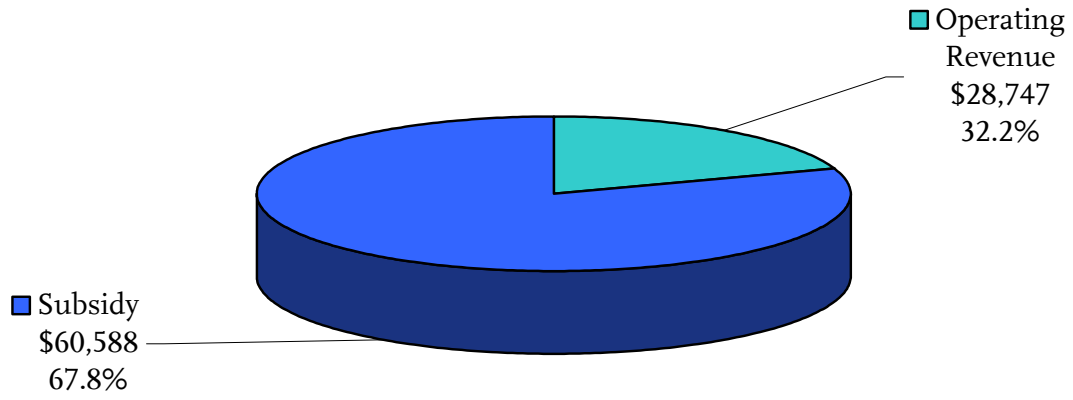
### Service Cost Coverage by Source of Funds - Orange Line (\$ in thousands)



### Service Cost Coverage by Source of Funds - Light Rail (\$ in thousands)



**Service Cost Coverage by Source of Funds  
- Heavy Rail (\$ in thousands)**



## **Appendix 16: Advanced Technology Vehicle Consortium**

The Advanced Technology Vehicle Consortium (ATVC) is an advisory body organized and funded by Metro, LA City, LA County, and the AQMD as a working unit to promote clean-fuel vehicles and technologies, outside Metro's normal operating structure.

The ATVC is an independent non-profit California public corporation with its own independent Board of Directors that includes Y. Burke-Chair; J. Fasana-Vice Chair; A. Villaraigosa; Z. Yaroslavsky; M. Antonovich; and B. LaPisto-Kirtley.

The ATVC is responsible for the continued development and commercialization of the Advanced Technology Bus and has been instrumental in identifying and recommending new transit technologies that include composite "Compo" buses, high capacity CNG articulated vehicles, and gasoline hybrid buses.

The ATVC monitors emissions standards and recommends technologies that will meet those standards. It also identifies technologies that leverage capital funds to reduce operating costs and improve performance, safety, and passenger comfort.

## **Appendix 17: Public Transportation Services Corporation**

In December 1996, LACMTA created the Public Transportation Services Corporation (PTSC), a nonprofit public benefit corporation organized under the laws of the state. PTSC was created in order to transfer certain functions, currently performed by the LACMTA, and the employees related to those functions, to this new corporation. The PTSC conducts essential public transportation activities including but not limited to the following: (a) coordinates multi-modal multi-jurisdictional transportation planning, (b) programs Federal, state and local funds for transportation projects

county-wide within Los Angeles County, (c) oversees construction, (d) provides certain business services to the County's Service Authority for Freeway Emergencies (SAFE) and the Southern California Regional Rail Authority (SCRRA), (e) provides security services to the operation of the Metro Bus and Rail systems, and (f) provides other activities and services as it deems necessary. One advantage of the PTSC is that it allows the employees of the corporation, including those transferred from the LACMTA, to participate in the California Public Employees Retirement System (PERS).



**Statement Of Revenues, Expenses and Changes in Retained Earnings**  
For The Years Ending June 30, 2006, 2007 and 2008.

(\$ in millions)

<b>PTSC Only</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2     Reimbursement for support services	\$ 171.9	\$ 184.8	\$ 201.0
3 Total revenue	171.9	184.8	201.0
4			
5 Operating expenses:			
6     Salaries, wages & fringe	171.7	184.5	200.7
7     Services, leases, taxes & misc	0.2	0.3	0.3
8 Total expenses	171.9	184.8	201.0
9			
10 Increase(decrease) in retained earnings	-	-	-
11			
12 Retained earnings - beginning of year	-	-	-
13			
14 Retained earnings - end of year	\$ -	\$ -	\$ -

## Appendix 18: Agency Funds

The Agency Fund is used to report Benefit Assessment financial activity.

Benefit Assessment is a fee used to pay part or all of the cost of capital improvements enhancing the value of property receiving service from, or located near and benefiting from, those capital improvements. Metro's Benefit Assessment is a levy on properties within one-half mile of downtown Metro Red Line stations and one-third mile of the Westlake/MacArthur Park Station.

Metro's Benefit Assessment Districts A1 and A2 were created pursuant to a resolution adopted by the former Southern California Rapid Transit District's Board of Directors on July 11, 1985, to pay for a portion of the construction costs of the Metro Red Line Segment 1 stations. BAD A1 includes the downtown area of Los Angeles. The boundary is set at one-half

mile from the centers of the Metro Red Line Union, Civic Center, Pershing Square, and 7<sup>th</sup> Street Metro Stations. BAD A2 includes the MacArthur Park area. The boundary is set at one-third mile from the center of the Westlake/MacArthur Park Station.

The purpose of the Benefit Assessment District (BAD) Program is threefold: (1) to ensure that assessments are levied at a rate high enough to repay the A1 and A2 Assessment Districts' bonded indebtedness and administrative costs, (2) to implement the property owner appeals process, and (3) to maintain a current inventory of assessable properties. The A1 and A2 Districts' bonds do not constitute an indebtedness of Metro and are payable solely from payments received on assessments against the levied properties.

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Years Ending June 30, 2006, 2007 and 2008**

(\$ in millions)

<b>Agency Fund</b>	<b>FY06 Actuals</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2     Other	\$ 23.5	\$ 23.0	\$ 22.9
3 Total revenues	23.5	23.0	22.9
4			
5 Expenditures:			
6     Debt and interest expenditures	23.2	22.6	22.6
7     General and administrative	0.2	0.4	0.3
8 Total expenditures	23.5	23.0	22.9
9			
10 Net change in fund balances	-	-	-
11			
12 Fund balances - beginning of year	-	-	-
13			
14 Fund balances - end of year	\$ -	\$ -	\$ -

## **Appendix 19: Exposition Metro Line Construction Authority**

The Exposition Metro Line Construction Authority (Authority) was created by the State Legislature under Public Utilities Code Section 132600, et seq. for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Exposition Metro Line light rail project from the Metro Rail Station at 7<sup>th</sup> Street and Flower Street in the City of Los Angeles to downtown Santa Monica.

The Authority is governed by a board consisting of seven voting members, who are appointed as follows: 1) two members appointed by the City Councils of the Cities of Santa Monica and Culver City, 2) two members appointed by the Los Angeles County Board of Supervisors, 3) one member appointed by Metro, and 4) two members appointed by the City Council of the City of Los Angeles. The CEO of Metro also serves as an ex officio, non-voting member.

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For The Years Ending June 30, 2006, 2007, and 2008.**

(\$ in millions)

<b>Exposition Metro Line Construction Authority</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2     Reimbursement from Metro	\$ 20.2	\$ 120.7	\$ 173.5
3 Total revenue	20.2	120.7	173.5
4			
5 Expenditures:			
6     Expo & Metro Staff & Administration	4.3	6.8	7.2
7     Land, Building & Equipment Acquisition	0.5	20.3	18.2
8     Design/Build Contract	15.5	93.5	148.1
9 Total expenditures*	20.2	120.7	173.5
10			
11 Increase(decrease) in retained earnings	-	-	-
12			
13 Retained earnings - beginning of year	-	-	-
14			
15 Retained earnings - end of year	\$ -	\$ -	\$ -

\* FY08 Budget: Phase I is \$167.2 million and Phase II is \$6.3 million.

## Appendix 20: Service Authority for Freeway Emergencies

The Los Angeles County Service Authority for Freeway Emergencies (SAFE) was established in Los Angeles County in 1988. SAFE is a separate legal authority created under state law and is responsible for providing motorist aid services in Los Angeles County. SAFE currently operates, manages and/or funds:

- The Los Angeles County Kenneth Hahn Call Box System
- #399 – Mobile Call Box program
- Metro Freeway Service Patrol (FSP) Big Rig Demonstration Project
- The expansion of the Metro Freeway Service Patrol.

In FY08, SAFE will continue the operation and management of the call box system and the #399 program. SAFE will also continue its funding of the Metro FSP Big Rig Demonstration Project and the expansion of the Metro FSP program. SAFE also plans on completing an evaluation of the entire call box system and obtaining authorization to proceed with implementing the recommendations

regarding the placement and number of call boxes throughout the County.

Another item on SAFE's agenda for FY08 is the implementation of a new Motorist Aid and Traveler Information System (MATIS). This new system will consolidate all call center operations, provide Metro FSP fleet monitoring services and provide comprehensive traveler information services via the web and phone (511). SAFE plans on having a contract awarded during the first quarter of FY08 and will begin the operation of MATIS during the third quarter of FY08. Additionally, SAFE is in the process of updating all the analog call boxes to digital in accordance with the discontinuance of the availability of any analog signals beginning in 2008.

SAFE receives its funding from a dedicated \$1 surcharge assessed on each vehicle registered within Los Angeles County. SAFE's annual budget is developed and approved separately from Metro's budget by the SAFE Board of Directors.

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Years Ending June 30, 2006, 2007 and 2008**

(\$ in millions)

<b>Service Authority for Freeway Emergencies</b>	<b>FY06 Actual</b>	<b>FY07 Budget</b>	<b>FY08 Budget</b>
1 Revenue:			
2     Investment income	\$ 1.2	\$ 0.7	\$ 0.7
3     Licenses and fines	7.7	7.0	7.0
4     Other	0.0	-	-
5 <b>Total revenues</b>	<b>8.9</b>	<b>7.7</b>	<b>7.7</b>
6 Expenditures:			
7     Services	2.3	15.7	15.0
8     General and administrative	1.8	2.2	1.6
9 <b>Total expenditures</b>	<b>4.1</b>	<b>17.9</b>	<b>16.7</b>
10 Excess (deficiency) of revenue over			
11     expense before transfers	4.9	(10.2)	(9.0)
12 Other Financing Sources (Uses)			
13     Operating Transfers in	-		-
14     Operating Transfer (out)	(1.3)	(3.0)	(3.0)
15 <b>Total other financing and sources (uses)</b>	<b>(1.3)</b>	<b>(3.0)</b>	<b>(3.0)</b>
16 Fund balances - beginning of year	29.0	32.5	19.3
17			
18 <b>Fund balances - end of year</b>	<b>\$ 32.5</b>	<b>\$ 19.3</b>	<b>\$ 7.3</b>

## Appendix 21: Metro's Clientele

<b>Demographic Profile of Metro Bus Riders by Sector*</b>						
Characteristic	Metro System	San Fernando Valley	San Gabriel Valley	West Central	South Bay	Gateway
Gender (Percent):						
Male	43	44	43	44	41	43
Female	57	56	57	56	59	57
Median Household Income	\$12,000	\$13,000	\$12,000	\$12,000	\$12,000	\$11,000
Mean Age (Years)	39.6	39.9	39.3	40.6	39.5	38.4
Ethnicity (Percent):						
Hispanic/Latino	58	56	68	59	46	64
African-American/Black	20	10	12	16	36	25
White/Caucasian	12	22	8	14	9	5
Asian/Pacific Islander	8	9	10	9	6	4
Other (American-Indian/ Multi-Racial)	2	3	2	2	3	2

\*FY2002 On-Board Bus Survey, page 4.

### Summary of Survey Results - Bus

Major findings from 31,000 completed surveys for the FY2002 Bus On-Board (Weekday) Survey are as follows:

#### Demographic Profile

- Weekday Metro Bus riders are 57% female and 43% male, with little difference by Metro service sector.
- Median annual household income for weekday bus riders is \$12,000 per year, again with little difference by service sector.
- Latinos are the largest ethnic group among weekday riders (58%). African-Americans are 20% of the ridership, and Whites and Asians are 12% and 8%, respectively. Latino bus riders are particularly prominent in the San Gabriel Valley (68%) and Gateway (64%) sectors. African-American riders comprise 36% of the South Bay sector. White riders are most numerous in the San Fernando Valley (22%).

- The average age of weekday riders is 39.6. Whites and Asians are older than the other groups (46.5 and 45.9, respectively).

#### Travel Characteristics

- A large majority of weekday Metro Bus riders (74%) use more than one bus or train in the course of their one-way trip.
- Riders access their first bus or train almost entirely by walking (93%). A similar percentage (94%) walk to their final destination.
- Most riders (82%) use Metro buses 5 or more days per week.
- The home-to-work trip (and its reverse work-to-home) constitutes 58% of all weekday trips.
- Most weekday Metro Bus riders use passes to pay their boarding fare (52%), more than 1/3 of whom use the regular monthly pass. Pass use is highest in the West Central sector (58%) and lowest in South Bay (50%).



**Travel Patterns**

- San Fernando Valley sector riders remain within the San Fernando Valley sector on 66% of all bus trips that originate there. This is in contrast to the San Gabriel Valley (47%) and South Bay (48%)—the only two sectors where a majority of riders travel outside of their sector.
- The major destination for riders outside of their own sector (for all

sectors except West Central) is West Central. From the San Fernando Valley and South Bay, trips to West Central outnumber all other inter-sector trips combined, and from the San Gabriel Valley West Central trips are virtually equal to the total trips to all other sectors. Only from Gateway are West Central trips not so common.

<b>Demographic Profile of Metro Rail Riders by Line*</b>				
Characteristic	All Lines	Blue Line	Red Line	Green Line
Gender (Percent):				
- Male	55	54	55	57
- Female	45	46	45	43
Median Household Income	\$22,000	\$17,000	\$25,000	\$22,000
Mean Age (Years)	39.0	37.6	39.8	38.6
Ethnicity (Percent):				
- Hispanic/Latino	41	43	39	41
- White/Caucasian	24	15	30	18
- African-American/Black	22	32	16	28
- Asian Pacific Islander	9	7	11	10
- Other (American Indian/Multi-Racial)	4	3	4	3

\*FY2002 On-Board Rail Survey, page 3 (before opening of Gold Line in summer of 2003)

**Summary of Survey Results - Rail**

For the FY2002 Rail On-Board (Weekday) Survey, here are major findings from 12,182 completed surveys.

**Demographic Profile**

- Weekday Metro Rail riders are 55% male and 45% female, with little difference by line.
- Median annual household income is \$22,000 per year. The Red Line demonstrates the highest income

(\$25,000) and the Blue Line the lowest (\$17,000).

- Latinos are the largest ethnic group of riders (41%), with only small variations by line. Caucasian riders represent 24% of the ridership for all lines but 30% for the Red Line. African-American riders comprise 32% of the Blue Line and 28% of the Green Line, but only 22% overall owing to low Red Line ridership (16%).
- Median annual household income among Caucasian riders is \$50,000

and over. African-Americans average \$21,000 and Latinos \$14,000. Median income among Asian riders is \$34,000. All four ethnic groups demonstrate their lowest median income on the Blue Line. Latino and Asian incomes are highest on the Green Line.

- The mean age of Metro Rail riders is 39.0 years. Latino riders are notably younger than other groups (34.8 years) and Caucasian riders are the oldest (45.0 years).

### **Travel Characteristics**

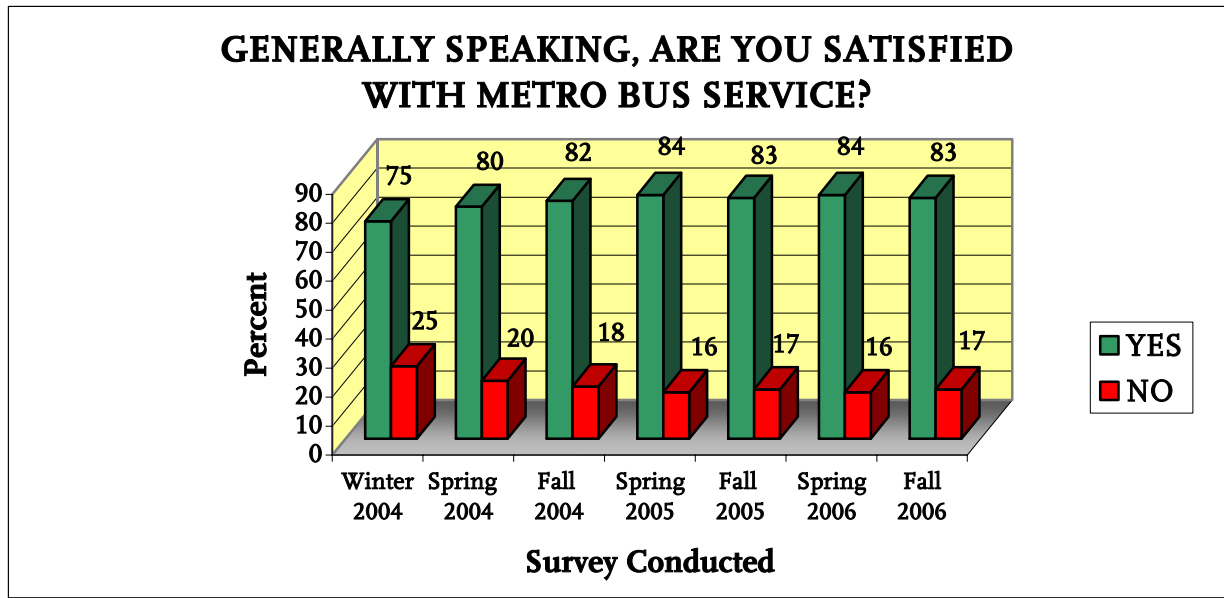
- A large majority of weekday Metro Rail riders (67%) use more than one bus or train in the course of their one-way trip.
- Riders access their first bus or train mostly by walking (70%). An even larger percentage (82%) walk to their final destination.
- Most riders (72%) use Metro Rail 5 or more days per week.
- The 7th Street/Metro station (26%) and Pershing Square (9%) attract the most work trips.

- The dominant trip purpose for frequent weekday Metro Rail riders is the home-work trip (71%); the second most prevalent trip purpose is home-school (9%).
- Riders indicate that their median one-way trip consumes 65 minutes, including 35 minutes on board buses and trains and 10 minutes each for getting to, getting from, and waiting.
- Most Metro Rail riders use passes to pay their boarding fare (58%), half of whom use the regular monthly pass. Red Line pass usage is particularly high (66%) because of Metrolink riders.

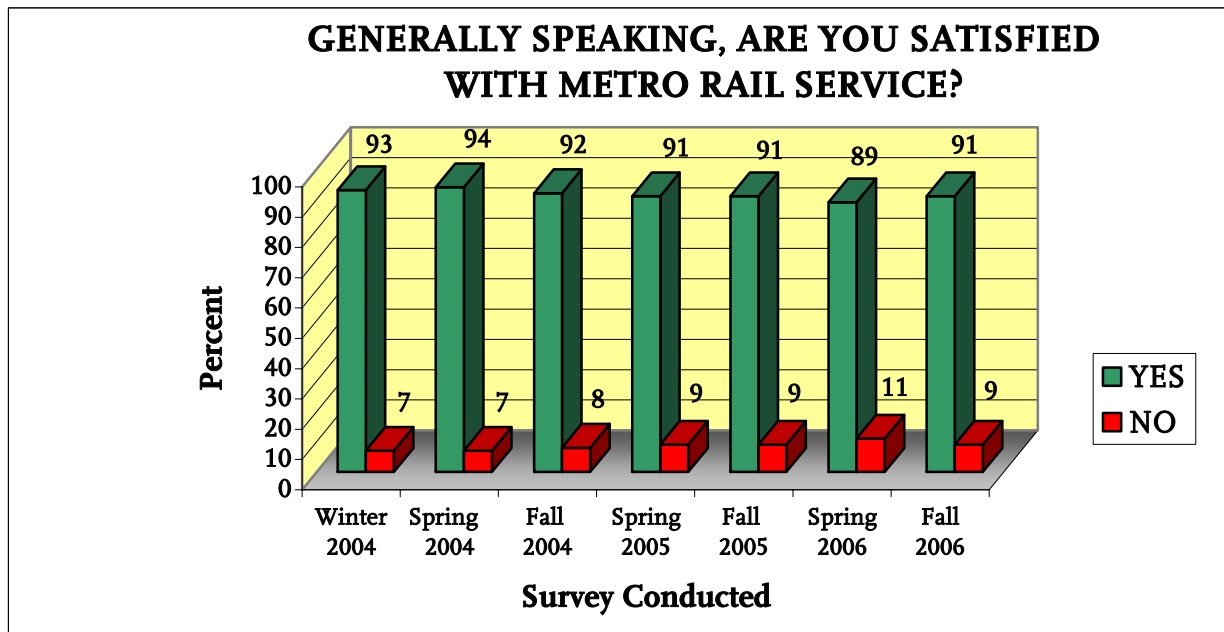
### **Clientele and Economic Conditions**

Metro has seen an increase in ridership that is attributed to soaring gasoline prices. Ridership on the Red Line jumped 10% in the first nine months of FY06 compared to the same period in FY05. Boardings rose 15% on the Green Line and 13% on the Blue Line. Bus boardings, including the Orange Line, increased 8%.

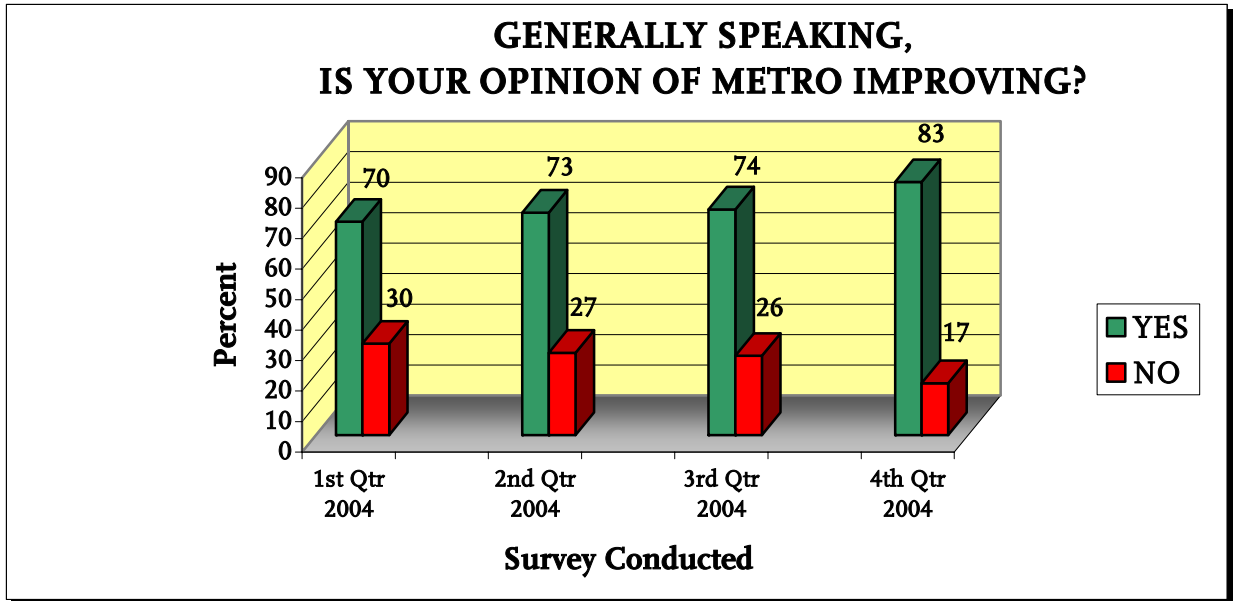
**Customer Satisfaction Survey – Bus**



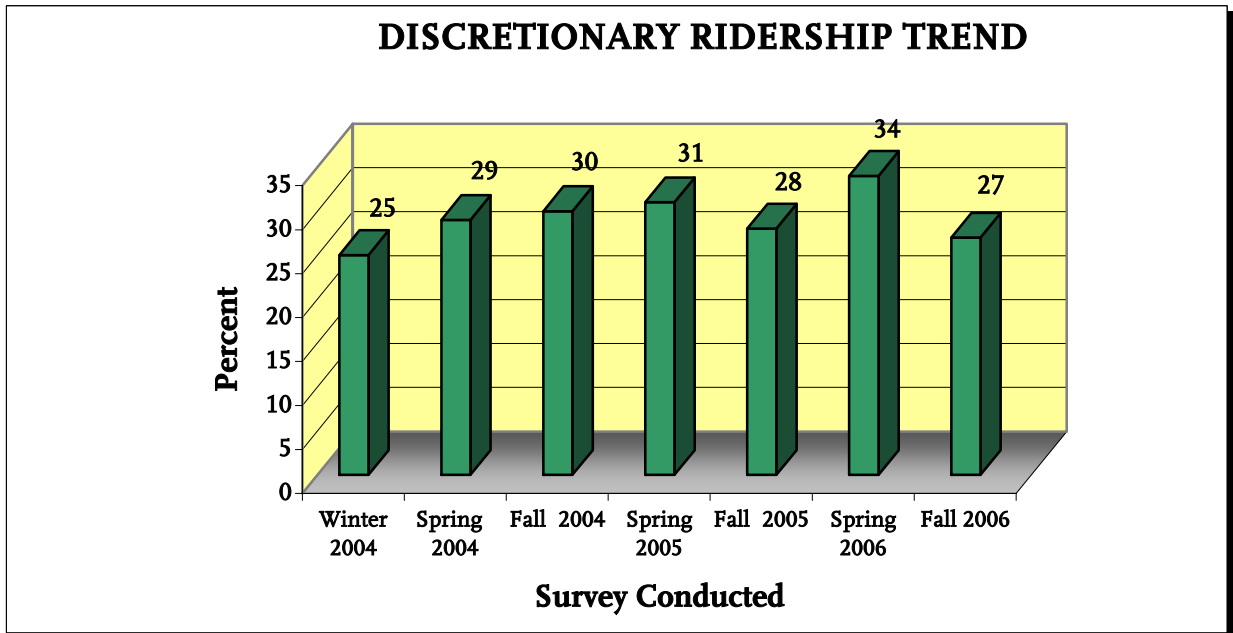
**Customer Satisfaction Survey – Rail**



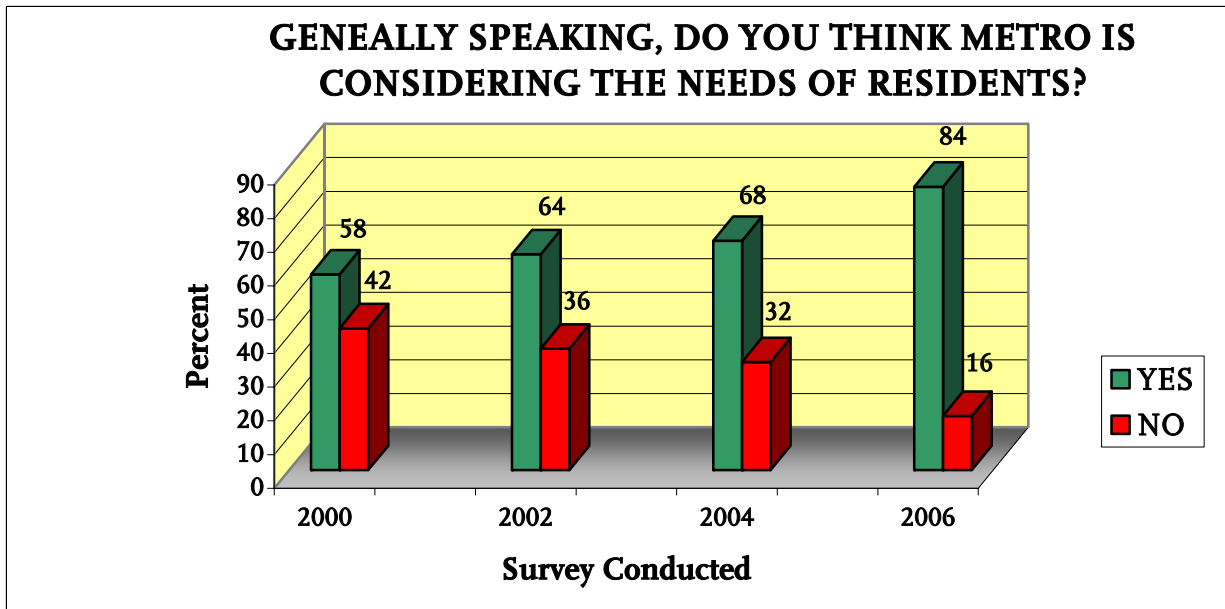
### Opinion of Metro Survey



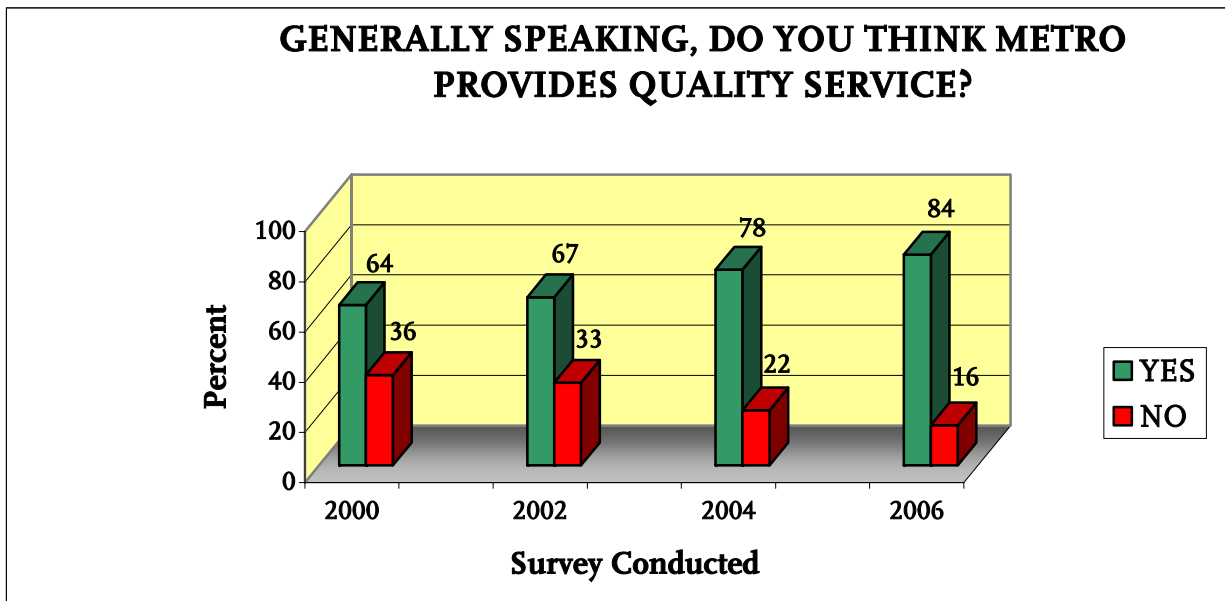
### Discretionary Ridership Survey



### Needs of Residents Survey



### Service Quality Survey



## Appendix 22: Demographics, Statistics, and Economic Outlook

### Location

Los Angeles County is located in Southern California and is included in Southern California Association of Governments (SCAG) which functions as the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles.<sup>1</sup> (See map on page VII-76.)

### Cities in Los Angeles County

Cities in the county include: Agoura Hills, Alhambra, Arcadia, Artesia, Avalon, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Beverly Hills, Bradbury, Burbank, Calabasas, Carson, Cerritos, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Duarte, El Monte, El Segundo, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Industry, Inglewood, Irwindale, La Canada, Flintridge, La Habra Heights, Lakewood, La Mirada, Lancaster, La Puente, La Verne, Lawndale, Lomita, Long Beach, Los Angeles, Lynwood, Malibu, Manhattan Beach, Maywood, Monrovia, Montebello, Monterey Park, Norwalk, Palmdale, Palos Verdes Estates, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Fe Springs, Santa Monica, Sierra Madre, Signal Hill, South El Monte, South Gate, South Pasadena, Temple City, Torrance, Vernon, Walnut, West Covina, West Hollywood, Westlake Village and Whittier.

### Land Area

The geography of Los Angeles County covers 4,084 square miles, and had a January, 2007 population of 10.3 million. California is the nation's most populous state and about 28% of the state's population lives in Los Angeles County. The County's population could make it close to the ninth largest state in the nation, comparable to Michigan.<sup>2</sup>

### Geography

Land area: 4,084 square miles

Unincorporated area: 2,638 square miles

Flat land: 1,741 square miles

Mountains: 1,875 square miles

Hills: 246 square miles

Islands: 129 square miles

Mountain valleys: 59 square miles

Marsh land: 28 square miles

Mainland coast: 75 miles

Note: Santa Catalina and San Clemente Islands are part of Los Angeles County (71.96 and 57.17 square miles respectively)<sup>3</sup>

### Altitude

Lowest point: 9 feet below sea level at  
Wilmington

Highest point: 10,080 feet above sea level  
atop Mt. San Antonio<sup>4</sup>

### Transportation

Los Angeles County has a varied, extensive transportation network. It has the Los Angeles International Airport, plus three other commercial airports: Bob Hope Airport in Burbank, Palmdale Regional

Airport, and Long Beach Airport. The county is serviced by the ports of Los Angeles, Long Beach, and Port Hueneme. And there is an array of mass transit options: various bus operators, Amtrak, Metrolink commuter rail, and Metro Rail subway and light rail. (See Air & Rail Transportation Map on page VII-77.) Major rail freight service is provided by the Burlington Northern Santa Fe and Union Pacific railroads. Los Angeles County also has its world famous freeway system.

Roadway miles (excluding freeways) in Los Angeles County are as follows:

City roadways: 16,785 miles

County roadways: 3,117 miles

State highways: 869 miles

Total: 20,771 miles<sup>5</sup>

### **Demographics:**

#### ***Population of Los Angeles County (January 2007)***

Total in Los Angeles County: 10,331,939

Largest City (Los Angeles): 4,018,080

Living within cities (88 cities): 9,239,938

Living in unincorporated areas: 1,092,001<sup>6</sup>

(See Population Distribution Map on page VII-78.)

#### ***Language Diversity***

As of 2005, 57% or about 5.1 million people in Los Angeles County speak a language other than English at home as compared to 19.4% for the U.S. as a whole (population: age 5 years and over).<sup>7</sup>

#### ***Average Household Income***

Median household income is \$43,518 as of 2004 Census Data for Los Angeles County residents.<sup>8</sup>

### ***Poverty in Los Angeles County***

1.6 million of 10.3 million Los Angeles County residents, about 16% of residents, have a household income in the poverty range. Average poverty thresholds are dependent on the number of persons per household: 1 person under \$10,295 ranging up to 9 people or more under \$41,588.<sup>9</sup>

The poverty rate of Los Angeles County is 24% (about 652,752) for children or about one out of every four children under 18 years of age is living in a household with an income within the poverty threshold.<sup>10</sup>

### **Local Economy of Los Angeles County**

The “new economy” of Los Angeles County is often technology-driven, and includes bio-medicine, digital information technology, multimedia, and advanced transportation technology. This reflects the vibrant technological research capabilities of the County and its creative resources and the growing fusion between technology and creativity.

### **Economic Strength in the Los Angeles County Region**

#### ***Major Industries***

International trade is a major component of the area’s economy. The Los Angeles Customs District (including the ports of Long Beach and Los Angeles, Port Hueneme, and Los Angeles International Airport) is the nation’s largest, based on value of two-way trade. In 2006, this totaled \$328.1 billion, compared with \$293.9 billion in 2005. Major investments are being made in port and transportation facilities and there are also three foreign trade zone designations.

#### ***Employment Levels***

Total civilian employment as of June 2007 was 4,669,700. Total employment for all

industries counted was 4,150,500, an increase of 0.9% from the previous year. Farm jobs totaled 8,200. Non-farm jobs totaled 4,142,300. (Note: Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.)<sup>11</sup>

The gross product of Los Angeles County in 2006 was \$446.8 billion, which would make it the 17<sup>th</sup> largest national economy in the world if the County were a country.<sup>12</sup>

Los Angeles County has a diverse economic base and is the largest major manufacturing center in the U.S. on the basis of employment, with 457,000 workers in this activity in March 2006, a decrease of 1.6% from the previous year. The largest manufacturing components are split between durable goods and nondurable goods jobs.

254,300 durable goods jobs, including:

- Computer and Electronic Product Manufacturing with 59,900 jobs.
- Transportation Equipment Manufacturing with 49,900 jobs.
- Fabricated Metal Products with 49,600 jobs.

202,700 nondurable goods jobs, including:

- Apparel Manufacturing with 59,200 jobs.
- Food Manufacturing with 42,300 jobs.

Other leading industries in Los Angeles County are in Service Jobs providing 3,477,000 jobs including:

- Trade, Transportation and Utilities with 809,700 jobs.
- Government jobs are 596,800.
- Business and Professional Services with 595,100 jobs.

- Educational and Health Services with 474,700 jobs (an increase of 3.5% from previous year).
- Leisure and Hospitality with 393,400 jobs.
- Financial Activities and Real Estate with 249,400 jobs.
- Information with 210,500 jobs. Included in Information is Motion Picture and Sound Recording with 131,300 jobs and Broadcasting in Radio, TV, and Cable (except Internet) with 19,600 jobs.
- Other Services include 147,400 jobs.

(See County-to-County Commuting Maps on page VII-79.)

### ***Major Employers in Los Angeles County***

This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2007 1st Edition.

- American Honda Motor Co Inc
- Amtrak
- BP Carson Refinery
- BP West Coast Products
- California Institute Of Technology
- Century Plaza Towers
- Edison International
- Gardena Fire Department
- Jet Propulsion Laboratory
- Kaiser Foundation Hospital
- Kaiser Permanente
- Lockheed Martin Aeronautics Co.
- Long Beach Memorial Hospital
- Los Angeles County Medical Center
- Los Angeles Police Department
- Memorial Rehabilitation Hospital
- Pacific Enterprises Company
- Penske Truck Rental
- Six Flags Magic Mountain Inc.
- UCLA
- University-of Southern California



- VA Greater Los Angeles Health
- Walt Disney Co.

comparable estimates for the nation were 4.5 percent in June 2007, 4.5 percent in May 2007, and 4.6 percent a year ago.”<sup>13</sup>

***Employment and Wages***

Unemployment rate and labor force (not seasonally adjusted) for Los Angeles County as of June 2007 is as follows:

Labor force: 4,910,800  
Employed: 4,669,700  
Unemployed: 241,100

“The seasonally adjusted unemployment rate in Los Angeles County increased to 4.9 percent in June 2007 from the rate of 4.6 percent one year ago in 2006. The California seasonally adjusted unemployment rate was 5.2 percent in June 2007, 5.2 percent in May 2007, and 4.9 percent a year ago in June 2006. The

**Education**

Higher and specialized education is a strength of Los Angeles County with about 200 college and university campuses. These range from California Institute of Technology, the Claremont Colleges, UCLA, and USC, to specialized institutions such as the California Institute for the Arts, the Art Center College of Design, the Fashion Institute of Design and Merchandising, and the Otis Art Institute. Medical education is also a strong point with two medical schools, two dental schools, and two eye institutes, as well as specialized research and treatment facilities such as the City of Hope.

***Change in Size of School Age Population***<sup>14</sup>

**Los Angeles County Education Public School Enrollment  
By Ethnic Group, K-12**

	1990		1999-2000		2004-2005		2000-2005
	number	percent	number	percent	number	percent	% change
Total Enrollment	1,406,718	100.00%	1,650,948	100.00%	1,734,040	100.00%	5.03%
Asian	117,012	8.32%	130,959	7.93%	132,736	7.65%	1.36%
African American	173,308	12.32%	188,100	11.39%	179,801	10.37%	-4.41%
Filipino	25,766	1.83%	31,232	1.89%	38,458	2.22%	23.14%
Hispanic	729,157	51.83%	966,699	58.55%	1,069,735	61.69%	10.66%
Native American, Eskimo or Aleut	4,064	0.29%	4,929	0.30%	4,934	0.28%	0.10%
Pacific Islander	7,226	0.51%	8,021	0.49%	7,863	0.45%	-1.97%
Other (multiple answer/ no answer)			3,010	0.18%	15,155	0.87%	403.49%
White	350,185	24.89%	317,998	19.26%	285,358	16.46%	-10.26%

**Culture and Recreation**

Metro provides transportation services to many cultural destinations, including museums, gardens, beaches, harbors and parks. There are numerous performing arts centers, theatres, forums, and halls.

Los Angeles County also has many sporting events and is home to world renowned teams. Metro also offers art tours of the art work at its rail stations.<sup>15</sup>

**Healthcare**

Metro transports its customers to a large number of hospitals and other medical facilities. Although the number of emergency rooms has been reduced in recent years in Los Angeles County due to financial and other problems, U.S. News and World Report has released its 2007 Reports and the news is that University of California Hospital at Los Angeles (UCLA Hospital) is ranked third overall in the USA. Please see U.S. News and World Report for a more complete list of hospitals in the competition and the resulting honor roll.

Metro coordinates with city, county and regional response teams and emergency preparedness officials. When an emergency occurs, the LA County Sheriff takes the lead for response and manages the emergency operations center with Metro as an active participant. Assessments and directions are conducted and given through the Sheriff to Metro and other entities such as first responders. The Sheriff's office also coordinates all public sector/municipalities response efforts. In the event of an incident, Metro takes the lead in assisting the Sheriff's office with regard to public transit services: to offset service interruptions as well as maintain service in all unaffected areas.<sup>16</sup>

**Public Safety**

Metro bus and train operators do their best to avoid traffic accidents driving through one of the most congested service areas in the USA with one of the highest crime indicators: One of every five motor vehicles stolen in the USA occurs in California.

All emergency preparedness is coordinated by the County and the State. There is a regional operation for the State Office of Emergency Services and the county operates an office of emergency management. Most entities within the county integrate their emergency planning into what is coordinated by the county.

**By Category and Crime**

**Los Angeles County Compared to California State <sup>17</sup>**

Category/Crime	County 2005	State 2005	% of State
Violent Crimes	66,350	189,593	35%
Homicide	1,068	2,503	43%
Forcible Rape	2,384	9,345	26%
Robbery	26,694	63,424	42%
Aggravated Assault	36,204	114,321	32%
Property Crimes	188,763	722,333	26%
Burglary	58,861	249,563	24%
Motor Vehicle Theft	70,621	256,998	27%
Total Larceny-Theft	156,681	688,820	23%
Over \$400	59,281	215,772	27%
\$400 and Under	97,400	473,048	21%
Arson	3,783	12,272	31%

## Demographic Factors that Affect Current and Future Levels of Service

### *Population Growth*

Today more than 10 million people call Los Angeles County home, residing in 88 cities and in approximately 140 unincorporated areas.

Los Angeles County's population equals about 28% of the State of California. From 2006 to 2007, California's population grew 1.3%; Los Angeles County's population grew by 0.7%.

### **Population Estimates with Annual Percent Change January 1, 2006 and 2007**<sup>18</sup>

State/County	Total Population		Percent Change
	1/1/2006	1/1/2007	
California	37,195,240	37,662,518	1.3%
Los Angeles	10,257,994	10,331,939	0.7%

### **Outlook**

According to the most current Los Angeles Economic Development Corporation Forecast, the economy is expected to continue growing. The County's unemployment rate is expected to increase slightly from the 2007 rate of 4.9 percent to 5.1% in 2008, while taxable retail sales in the County in 2007 will increase 5.5%.

Regional industries with favorable outlooks for 2008 include aerospace, business and professional services, international trade, technology and travel and tourism. A variety of ongoing major construction projects will continue in 2008 including notable redevelopment efforts in the Hollywood and downtown Los Angeles neighborhoods.

Challenges for Los Angeles County include dealing effectively with constrained land availability, office and industrial space shortages, cooling in the housing market, poverty, crime, traffic congestion, and the labor situation in

ports and the entertainment industry.<sup>12</sup> Economist Jerry Nickelsburg of the UCLA Anderson Forecast predicts, "...Although we are revising downward our forecast for the manufacturing sector, the services sector seems more than robust enough to make up for manufacturing and housing weakness."<sup>19</sup>

Metro has been fully engaged in addressing traffic congestion, which has been a long acknowledged problem and has become a more prominent issue. At the beginning of 2007, Los Angeles County had 7,589,243 registered vehicles and 5,915,839 registered driver licenses.<sup>20</sup>

### **Local Transportation History**

Los Angeles County has been served by public transit for nearly 130 years. During this time, at least 220 private and public companies have operated systems that have included horse cars, cable cars, incline railways, steam trains, electric streetcars, interurban cars, trolley buses, and gas or diesel powered buses. The major players in this long history are noted below.

By 1933, Pacific Electric and Los Angeles Railway had included bus passenger service, but patronage of rail and bus had been crippled by the advent of the automobile, which resulted in even larger decline in the later forties and fifties. One reason noted for the change to buses was a serious drought in 1924 which caused a power shortage and required Pacific Electric to limit electric trolley service.

Various independent bus companies came into being with the intention of competing with the existing system. A history of bus service in the county follows:

1922-1939 Motor Transport Company  
 1923-1949 LA CBD & Westside Lines  
     1920's Original Stage Line Los Angeles-San Fernando  
     1920's Pasadena Ocean Park State Line  
     1920's Studio Bus line (Hollywood-Culver City)  
     1930 Los Angeles Motor Bus Company  
 1930's-1954 Asbury Rapid Transit System  
     1945 Los Angeles Transit Lines  
 1953-1958 Metropolitan Coach Lines  
 1951-1964 Los Angeles Metropolitan Transit Authority Acquisitions: Crosstown Suburban Bus Lines (1961), Foster Transportation Co (1962), Riverside City Lines (1963), Glendale City Lines (1962)  
 1964-1993 Southern California Rapid Transit District Acquisitions: Pasadena City Lines (1940-67), Inglewood City Lines (1942-67), Blue & White Bus Company (1967-1971), Eastern City Transit (1949-1971), San Pedro Motor Bus Assn. (1961-1973), Highland Transit - San Pedro (1938-1972), San Pedro Transit Lines (1961-1973), Western Greyhound Lines - Long Beach to Santa Monica (1923-1974), Ontario-Upland Bus Lines (1928-1973), Pomona Valley Municipal Transit System (1966-1972)  
 1976-1993 Los Angeles County Transportation Commission  
     1993 - Los Angeles County Metropolitan present Transportation Authority (Metro)

1886-1898 Temple Street Cable Railway  
 1886-1894 Los Angeles Electric Railway (Pico Electric Railway), Electric Rapid Transit Company, The Belt Line Railway Company  
 1886-1894 Los Angeles and Pacific Railway (Los Angeles Ostrich Farm Railway Company, Los Angeles County Railway Company)  
 1886-1901 Santa Ana, Orange and Tustin Street Railway Company, The Santa Ana and Orange Motor Company, The International Railway Company  
 1886-1911 Riverside and Arlington (Crescent City Railway Company, Hall's Addition Railway Company, Riverside Railway Company, San Bernardino Interurban Railway Company)  
 1887-1893 City Railway Company of Pasadena North Fair Oaks Avenue Line  
 1887-1893 San Gabriel Valley Rapid Transit Railroad  
     1888 Highland Railroad Company North Lake Avenue Line, North Loop Line, Arroyo Seco Line  
     1888 West Second Street Cable Railway  
     1888 Pacific Railway Company  
 1889-1896 Los Angeles Cable Railway Company, Pacific Railway Company  
 1890-1895 Los Angeles Consolidated Electric Railway Company - LACE  
 1891 West Pasadena Railway Company West Colorado and Orange Grove Avenue Line  
 1893-1938 Pasadena and Mount Wilson Railway, Pasadena and Mount Lowe Railway, Pacific Electric Mt. Lowe Division  
 1894-1902 Pasadena and Los Angeles Electric Railway, Los Angeles and Pasadena Electric Railway Company  
 1895-1910 Los Angeles Railway Company  
 1895-1903 Los Angeles Traction Company  
 1897-1902 Los Angeles and Pasadena Electric Railway, Pasadena Electric  
 1896-1911 Los Angeles Pacific  
 1899-1953 Pacific Electric  
 1899-1903 Redlands Street Railway  
 1901-1908 Playa Del Rey Incline  
 1901-1911 Los Angeles and Redondo  
 1901-1969 Angels Flight  
 1903-1910 Los Angeles Inter-Urban Railway (The Los Angeles and Glendale Electric Railway Company, The Los Angeles Traction Company)  
 1903-1911 Redlands Central Railway  
 1903-1911 San Bernardino Valley Traction Company

In 1973, the State of California formed county public transportation agencies for Orange (OCTD now OCTA), Riverside (RTA) and San Bernardino (OmniTrans) Counties, giving local control to their rapidly growing populations.<sup>21</sup>

### **The Street Railway History of Los Angeles** <sup>22</sup>

Los Angeles has a rich history of local public transportation based on street railways, including many predecessors of Metro as detailed below.

1873 Spring and Sixth Street Railroad Co.  
 1885-1889 Second Street Cable Railroad  
 1886 Pasadena Street Railroad Company North Fair Oaks Avenue Line (horsecar)  
 1886-1888 Colorado Street Railway Company East Colorado Street Line (horsecar), South Loop Line (horsecar)

Los Angeles County Metropolitan Transportation Authority  
FY08 Budget

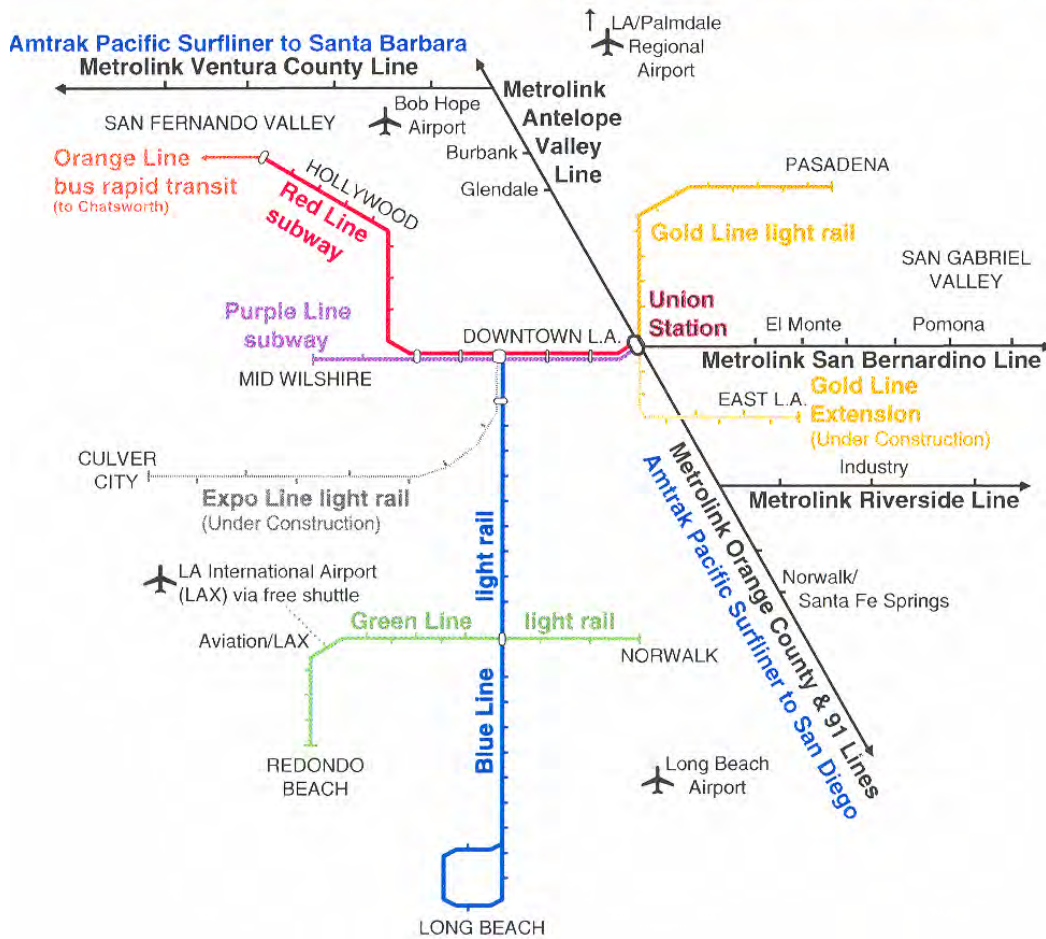
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1904-1943 Court Flight	1923-1949 Los Angeles Motor Bus Company, Los Angeles Motor Coach Company
1904-1918 Santa Catalina Incline Railway	1945-1958 Los Angeles Transit Lines - LATL
1921-1923 (Island Mountain Railway)	1953-1958 Metropolitan Coach Lines - MCL, Asbury Rapid Transit (1954-on)
1909-1919 Los Angeles and Mt. Washington Incline Railway	1958-1963 Los Angeles Metropolitan Transit Authority - LAMTA
1909-1930 Glendale and Montrose (Glendale and Eagle Rock)	1963-1993 Southern California Rapid Transit District (No rail operations until Blue Line.)
1910-1912 Laurel Canyon Utilities Company	1993-on Los Angeles County Metropolitan Transportation Authority - LACMTA - - Metro
1910-1929 Santa Monica—Ocean Park—Venice Electric Tram	1996-2001 Angel's Flight (restored)
1910-1945 Los Angeles Railway Corporation - LARy	1999-on Los Angeles to Pasadena Blue Line Construction Authority on to Montclair
1916-1953 White Bus Lines, Motor Transit Company, Pacific Electric Motor Transit Lines	
1917-1918 Montecito Railroad Company	

### Map of Los Angeles County



## Los Angeles County Air & Rail Transportation Map



Source: Los Angeles County Economic Development Corp. (LAEDC) 2007 "L.A. in Five Minutes" Los Angeles County Air & Rail Transportation Map: LACMTA, Metrolink, and Amtrak.



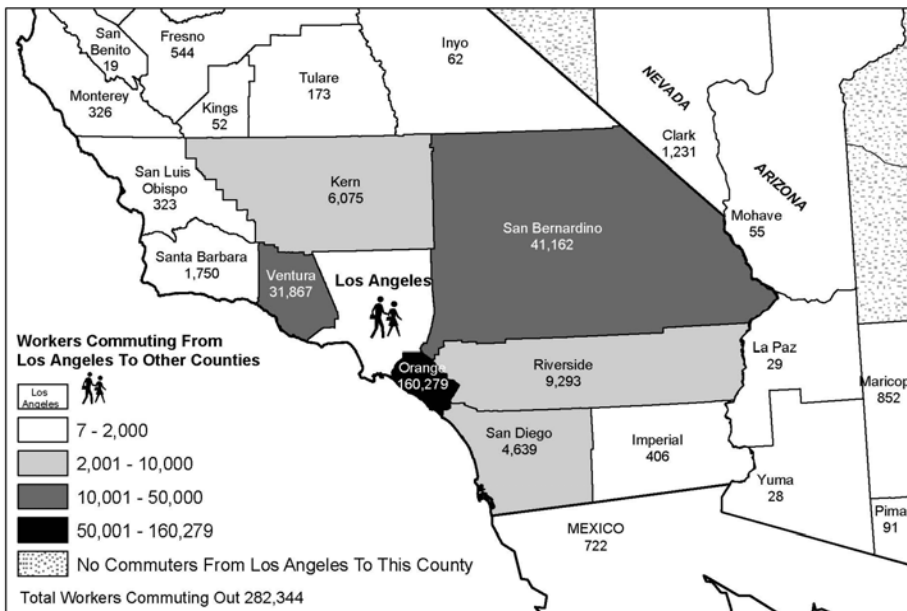
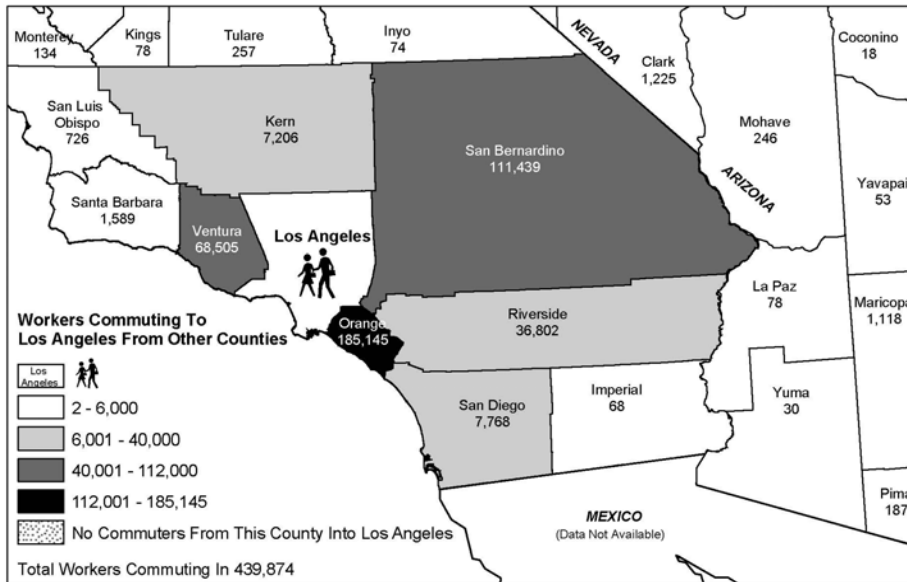
### January 1, 2007 Population Estimates Population Distribution



Map Prepared by the California Department of Finance, Demographic Research Unit, State Data Center, May 2007.



## Los Angeles County-to-County Commuting



Total Workers That Live And Work In Los Angeles 3,576,406      Data Source: U.S. Census 2000

Cartography by  
 Current Economic Statistics Group  
 Labor Market Information Division  
 California Employment Development Department  
 www.labormarketinfo.edd.ca.gov  
 June 2006

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## Appendix 23: GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Los Angeles County Metropolitan Transportation Authority, California, for its annual budget for the fiscal year beginning July 1, 2006 (FY07). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy

document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. Metro believes the current budget continues to conform to program requirements, and it will be submitted to GFOA to determine its eligibility for another award.



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## VIII. Glossary

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## **Explanation of Terms**

<b>AA</b>	Alternatives analysis. A detailed study and assessment of the various options available for the purpose of selecting one for implementation. An alternatives analysis is required if funds are sought for capital-intensive major transportation projects.
<b>ABC Cost Models</b>	Activity-based cost. Methodology that measures the cost and performance of activities, resources, and cost objects. Resources are assigned to activities, then activities are assigned to cost objectives based on their use. ABC cost models recognize the causal relationships of cost drivers to activities.
<b>Accrual Basis</b>	Method of accounting that recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.
<b>Actuarial Analysis</b>	Analysis completed and submitted by an individual versed in the collection and interpretation of numerical data (especially someone who uses statistics to calculate insurance premiums).
<b>ADA</b>	Americans with Disabilities Act. A comprehensive civil rights measure signed into law on July 1990 to ensure persons with disabilities receive equal access to transportation and other services.
<b>AFSCME</b>	American Federation of State, County and Municipal Employees. The union representing maintenance and transportation supervisors.
<b>Agency Fund</b>	Fund used to report Benefit Assessment financial activity. See also Benefit Assessment.
<b>Alternative Fuels</b>	Low-polluting fuels that are used to propel a vehicle instead of high-sulfur diesel or gasoline. Examples include methanol, ethanol, propane or compressed natural gas, liquid natural gas, low-sulfur or "clean" diesel and electricity.
<b>Amortization</b>	Process of decreasing or accounting for an amount over a period of time.
<b>Appropriation</b>	Federal budgetary term that refers to an act of Congress that permits federal agencies to incur obligations and make payments out of the Treasury for specified purposes.

<b>AQMD</b>	Air Quality Management District. Officially called the South Coast AQMD - the air pollution control agency for the four-county region including Los Angeles and Orange counties and parts of Riverside and San Bernardino counties. The AQMD sets extensive requirements on employers for ride sharing encouragement.
<b>Articulated Bus</b>	Extra long (60 ft.), high-capacity bus with two connected passenger compartments. The rear body section is connected to the main body by a joint mechanism that allows the vehicle to bend when in operation for sharp turns and yet has a continuous interior.
<b>ASI</b>	Access Services, Inc. ASI is a private non-profit corporation, which is the Consolidated Transportation Services Agency (CTSA) for Los Angeles County and, as such, has the responsibility to improve and coordinate the paratransit services for 187 different social service and public paratransit operators.
<b>At-Grade</b>	At natural ground level when describing transitways or streets; the intersecting transitways and streets are at the same elevation and actually intersect (i.e. grade crossings that are not separated).
<b>ATMS</b>	Advanced Transportation Management System. A state-of-the-art communications package being installed in Metro's active bus fleet and at the bus operations control center.
<b>ATU</b>	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.
<b>ATVC</b>	Advanced Technology Vehicle Consortium. An independent non-profit California public corporation organized and funded by Metro, City of Los Angeles, Los Angeles County, and Air Quality Management District as a working unit to promote clean air vehicles and advanced technologies.
<b>BAD</b>	Benefit Assessment District. A limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.
<b>Balanced Budget</b>	A budget is balanced when current expenditures are equal to revenues.
<b>Benefit Assessment</b>	Fee used to pay part or all of the cost of capital improvements enhancing the value of property receiving service from, or located near and benefiting from, those capital improvements.
<b>BIAS</b>	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and justify those requests.



<b>Big Rig</b>	Common reference to a commercial semi truck, tractor-trailer, or eighteen-wheeler used to haul freight on public highways.
<b>Bikeway</b>	Any road, street, path, or way that is specifically designated in some manner as being open to bicycle travel, regardless of whether such facilities are designated for exclusive use of bicycles or are to be shared with other vehicles or pedestrians.
<b>Boardings</b>	Number of passengers entering a vehicle of a public transportation system. Passengers are counted each time they enter a vehicle, no matter how many vehicles are used from trip origin to destination. Also known as an unlinked passenger trip.
<b>Bond</b>	Interest-bearing promise to pay a specified sum of money on a specified date.
<b>BRT</b>	Bus rapid transit. Bus service operated on exclusive rights-of-way (busway) and on short stretches of street lanes designated for bus use.
<b>BSIP</b>	Bus Service Improvement Program. Program to provide additional buses on existing lines to relieve overcrowding.
<b>Budget</b>	Plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
<b>Busway</b>	A roadway reserved for buses only. It may be grade separated or a signal controlled roadway.
<b>CAFR</b>	Comprehensive Annual Financial Report. LACMTA's annual financial statements.
<b>California Transportation Commission (CTC)</b>	The Commission is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California.
<b>Caltrans</b>	California Department of Transportation. Caltrans is responsible for the design, construction, maintenance, and operation of the California State Highway System, as well as that portion of the Interstate Highway System within the state's boundaries.
<b>Capital Asset</b>	Property, facility or equipment whose cost exceeds \$5,000 per unit and has a useful life greater than one year. Capital asset costs include installation cost, delivery cost, sales and use taxes, staff training costs, and general & administrative overhead costs.
<b>Capital Expenditure</b>	Acquisition of a capital asset.
<b>Capital Program (CP)</b>	Portfolio of capital projects and their funding.

<b>Capital Project</b>	Defined scope of work to build, acquire, or renovate physical assets, to add value, or to significantly increase the asset's useful life.
<b>Carpool</b>	Arrangement in which two or more people share the use, cost, or both of traveling in privately owned automobiles between fixed points on a regular basis.
<b>Carpool Lane</b>	A highway or street lane intended primarily for carpools, and other high-occupancy-vehicle, either all day or during specified periods.
<b>Cash Basis</b>	Basis for keeping accounts whereby revenue and expense are recorded on the books of account when received and paid, respectively, without regard to the period to which they apply.
<b>Catellus Development Group</b>	Business unit of ProLogis Inc. that specializes in large-scale development projects involving residential, retail and office facilities.
<b>CEQA</b>	California Environmental Quality Act. A statute that requires all jurisdictions in the State of California to evaluate the extent of environmental degradation posed by a proposed development or project.
<b>CFP</b>	Call for projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
<b>Chief Officers</b>	The Chief Executive Officer's direct reports.
<b>Cityride</b>	Program offered by the Los Angeles Department of Transportation that allows senior and mobility impaired citizens of Los Angeles to purchase Metro fare media at a discount.
<b>CMAQ</b>	Congestion Mitigation and Air Quality. Federal funds available for either transit or highway projects that contribute significantly to reducing automobile emissions that cause air pollution.
<b>Commercial Paper</b>	Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility.
<b>Compo Bus</b>	Composite bus. Transit buses built using a lightweight composite structure. These buses are approximately 5,000 pounds lighter than conventional transit buses, with expected reduced brake wear and improved fuel economy.
<b>Congestion Pricing</b>	Transportation planning strategy which includes tolls for driving in traffic-choked urban areas and other means of promoting carpooling, bicycling or mass transit use to reduce traffic congestion.

<b>Contingency</b>	Amount that is included in the baseline project budget estimate to cover additional project execution costs which may include: uncertainties in the design; changes in construction technology; changes in site conditions; schedule changes; changes in specifications; changes in economic conditions (construction, equipment, etc.); and changes in safety and regulatory requirements.
<b>Contract Services</b>	Metro department responsible for the Purchased Transportation, Motorist Services, and Paratransit programs.
<b>Corridor</b>	Defined metropolitan area considered for significant transportation projects such as highway improvements, bus transitways, light rail lines, bikeways, etc.
<b>CP&amp;D</b>	Countywide Planning and Development. The Metro strategic business unit responsible for providing leadership, expertise and capability in program development, policy planning and technical analysis in the implementation of transportation system improvements and in the management of travel demand.
<b>CPI</b>	Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living.
<b>CPUC</b>	California Public Utilities Commission. The Commission regulates privately owned electric, telecommunications, natural gas, water and transportation companies, in addition to household goods movers and rail safety.
<b>CTSA</b>	Consolidated Transportation Services Agency. Metro has been designated as the CTSA for Los Angeles County to coordinate all paratransit services to ensure compliance with the Americans with Disabilities Act (ADA).
<b>DBE</b>	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
<b>Debt Program</b>	Activities related to current and planned debt service requirements and their funding.
<b>Debt Service</b>	Repayment of the principal and/or interest on debt.
<b>Defeased Lease</b>	Lease for which all the scheduled rental payments and the purchase option payment are fully funded from amounts provided at the lease closing. The invested amounts are held by the lease trustee and applied to make the scheduled payments.

<b>DEIS</b>	Draft Environmental Impact Statement. A detailed informational document that presents an analysis of all reasonable alternatives to resolve a transportation need, the probable environmental effects and mitigation measures for significant effects.
<b>Department of Homeland Security</b>	Federal government department established to provide the unifying core for the vast national network of organizations and institutions involved in efforts to secure the nation.
<b>Depreciation</b>	Allocation of the cost of an asset over its useful life.
<b>Direct Cost</b>	Cost that is identifiable with a specific product, function, or activity.
<b>Direct Labor</b>	Normal time plus overtime.
<b>Discretionary Ridership</b>	The estimated number of rides taken by people using a public transportation system in a given time period that otherwise could have used non-public transportation means (i.e., private automobile).
<b>EEO/AA</b>	Equal Employment Opportunity/Affirmative Action. Federal laws prohibiting job discrimination.
<b>EIR</b>	Environmental Impact Report. A detailed statement prepared under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a project and discussing ways to avoid or mitigate the effects.
<b>EIS</b>	Federal Environmental Impact Statement. A comprehensive study of likely environmental impacts resulting from major federally assisted projects; the National Environmental Policy Act (NEPA) requires these statements.
<b>EMP</b>	Emergency Management Panel. Command panel installed on a wall in public areas of each passenger rail station for coordination of fire/rescue and emergency response forces.
<b>Encumber</b>	To reserve funds so the funds cannot be used for another purpose or project.
<b>Encumbrances</b>	Commitments related to unperformed contracts for goods or services.
<b>Enterprise Fund</b>	Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting. Includes related capital and debt activity.
<b>Executive Investment Committee</b>	Comprised of the Chief Executive Officer and his direct reports. The committee's purpose is to approve and monitor the Capital Program.

<b>Executive Management Team</b>	Comprised of the Chief Executive Officer and his direct reports.
<b>Exposition Metro Line Construction Authority</b>	Authority established by the State Legislature for oversight and management of final design and construction of the Exposition Light Rail Transit Project.
<b>EZ Pass</b>	The regional EZ Pass is a monthly pass offered to customers that provides seamless riding among Los Angeles County's sixteen Municipal transit operators and Metro bus and rail services.
<b>FAP</b>	Formula Allocation Program. FAP is the adopted method for allocation of federal, state, and local transit operating subsidies to Los Angeles County bus operators. The current formula allocates funds as follows: 50% based on vehicle service miles and 50% based on "fare units." Allocations are made using audited performance data.
<b>Fare</b>	The price paid to ride public transportation such as a bus or train.
<b>Fare Media</b>	Monthly passes, weekly passes, day passes, pass stamps, municipal transfers, and tokens.
<b>Farebox Recovery Ratio</b>	Farebox revenue divided by operating costs.
<b>FASB</b>	Financial Accounting Standards Board. The Board establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.
<b>FAU</b>	Federal Aid Urban. Authorized by the enactment of the Federal Highway Act every five years. Cities and the county are eligible for FAU funds for projects such as street reconstruction and widening, and installation of lights and signals.
<b>Fiduciary Funds</b>	Financial resources held or managed in an agent or fiduciary capacity.
<b>FIS</b>	Financial Information System. Metro's automated, integrated financial accounting and control system.
<b>Fiscal Year</b>	The period at the end of which a governmental agency determines its financial position and results of operations. Metro's fiscal year begins July 1 and ends June 30 of the following calendar year.
<b>Fixed Assets</b>	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

<b>Fixed Guideway System</b>	System of vehicles that can operate only on its own guideway constructed for that purpose (e.g., commuter rail, light rail). Federal usage in funding legislation also includes exclusive right-of-way bus operations.
<b>FlyAway</b>	Scheduled daily bus service from Union Station, Westwood, or Van Nuys to Los Angeles International Airport provided by Los Angeles World Airports.
<b>Freeway</b>	Highway with full control of access, with all cross roads grade-separated, and interchanged with major cross roads. Accommodates heavy traffic volumes at high speed.
<b>FSP</b>	Metro Freeway Service Patrol. Funded by Metro, these contracted towing services remove stalled vehicles from peak period congested freeways. The service is managed by Metro in conjunction with the California Highway Patrol and Caltrans.
<b>FTA</b>	Federal Transit Administration. The Federal government, through the FTA, provides financial assistance to develop new transit systems and improve, maintain, and operate existing systems.
<b>FTE</b>	Full-time equivalent position. A part-time position is converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to a 0.5 of a full-time position.
<b>Full Funding Grant Agreement</b>	The federal government's commitment to support a transit project over the course of several fiscal years, contingent upon the availability of funds.
<b>Function</b>	Activity or a group of related activities for which the reporting unit is responsible.
<b>Fund</b>	Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and changes in these assets and liabilities.
<b>Fund Balance</b>	Fund equity in governmental funds - the difference between fund assets and liabilities.
<b>FY</b>	Fiscal year. The period at the end of which a governmental agency determines its financial position and results of operations. The Metro fiscal year begins July 1 and ends June 30.
<b>GAAP</b>	Generally Accepted Accounting Principles. A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB).

<b>GASB</b>	Governmental Accounting Standards Board. The Board establishes and improves standards of state and local governmental accounting and financial reporting, resulting in useful information for users of financial reports, and educates the public, including issuers, auditors, and users of those financial reports.
<b>General And Administrative (G&amp;A) Costs</b>	All activities associated with general administration of the transit agency, including transit service development, injuries and damages, safety, personnel administration, legal services, insurance, data processing, finance and accounting, purchasing and stores, engineering, real estate management, office management and services, customer services, promotion, market research and planning.
<b>General Fund</b>	Fund used to account for those financial resources that are not required to be accounted for in any other fund.
<b>General Relief Token Program (GR)</b>	Metro program that provides tokens for transportation of homeless/indigent persons.
<b>Governmental Funds</b>	Two fund types are used to account for the agency's governmental-type activities: the General Fund, and the Special Revenue Fund. See applicable descriptions herein.
<b>Grade Crossing</b>	Physical arrangement of two transportation routes where there is possible physical interference between vehicles on each route. For example, a railroad crossing at street that requires the automobiles to stop to let a train pass.
<b>Grantee</b>	Metro or other party, if specifically described as such, in its role as a recipient of an outside source of funds, usually Federal funding.
<b>Guideway</b>	Facility housing a transit system, either a subway tunnel, at-grade trackway or busway, or aerial structure. Also see fixed guideway.
<b>Headway</b>	The amount of time separation between scheduled vehicles traveling on the same route and in the same direction.
<b>Heavy Rail</b>	High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.
<b>Hedging</b>	Any method of minimizing the risk of price change (for example, hedged variable rate debt or fuel contract hedging).
<b>HIPPA</b>	Health Insurance Portability and Accountability Act. A Federal law that allows persons to qualify immediately for comparable health insurance coverage when they change their employment status. Establishes a set of national standards for the protection of certain health information.

<b>HOV</b>	High occupancy vehicle lanes or carpool lanes on freeways dedicated for use by vehicles with multiple occupants.
<b>Hub Miles</b>	The mileage operated by each bus based on the reading of the bus odometer, located on the hub of a rear axle, which usually is read during the daily fueling of the bus. This is the mileage data used to schedule the preventive and planned maintenance.
<b>Hybrid Vehicle</b>	Vehicle that combines two or more sources of power that can directly or indirectly provide propulsion power, so as increase efficiency and thereby reduce emissions. A hybrid vehicle uses a mixture of technologies such as internal combustion engines, electric motors, gasoline, compressed natural gas, and batteries.
<b>IFB</b>	Invitation for bids. An advertised competitive solicitation for fixed price bids. Awards are made to the responsive, responsible bidder that submits the lowest price.
<b>Immediate Needs Transportation Program</b>	Program started after the Los Angeles riots to distribute taxi vouchers and bus tokens in Los Angeles County.
<b>Indirect Cost</b>	Cost that is not identifiable with a specific product, function, or activity.
<b>Infrastructure</b>	The fixed components of a transit system, such as rights-of-way, tracks, signal equipment, stations, park-and-ride lots, bus stops, and maintenance facilities.
<b>ITS</b>	Information Technology Services. The department that provides the computer services function at Metro.
<b>JARC</b>	Job Access/Reverse Commute Grant Program. A program enacted through the Personal Responsibility and Work Reconciliation Act of 1996 that provides transportation access to suburban employment for urban residents.
<b>Joint Development</b>	Projects that combine public and private resources to build mixed use development around transit station areas.
<b>JPA</b>	Joint Powers Authority. A voluntary association of government entities formed into a special purpose agency to deal with a common problem or problems, carry out a specific project, or provide a specific service, for example, the operation of a regional transit system.
<b>Key Performance Indicators (KPI)</b>	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.
<b>LACMTA</b>	Los Angeles County Metropolitan Transportation Authority. Serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest counties. Also referred to as MTA or Metro.



<b>LADOT</b>	Los Angeles Department of Transportation. The City of Los Angeles operates the second largest fleet of buses in Los Angeles County next to LACMTA.
<b>LANI</b>	Los Angeles Neighborhood Initiative. A non-profit corporation established by the City of Los Angeles Mayor's Office to improve transportation services, revitalize public spaces, and promote small business in Los Angeles neighborhoods.
<b>Lease</b>	Contract, written or oral, by which possession of land and/or building space is given by owner (lessor) to another (tenant) for a specified period of time (lease term) and for a specified consideration (rent).
<b>Lien</b>	Claim by one person (lien holder) on the property of another as security for money owed. First lien holders get paid first if the property is foreclosed. Subordinate (secondary) lien holders generally follow in order of the recording of their liens.
<b>Life-Of-Project</b>	Schedule and total expenditures approved by the Board of Directors for a capital project.
<b>Light Rail</b>	Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line (catenary).
<b>LOA</b>	Letter of agreement. A written agreement.
<b>Local Return</b>	Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements.
<b>Long-Term Debt</b>	Financial obligations lasting over one year. For example, debt obligations such as bonds and notes which have maturities greater than one year are considered long-term debt.
<b>LRT</b>	Light rail transit. Modern-day term for a streetcar-type of transit operation.
<b>L RTP</b>	Long Range Transportation Plan. A 25-year plan for multi-modal transportation needs of Los Angeles County.
<b>LRV</b>	Light rail vehicle. Electrically propelled passenger carrying rail vehicle.
<b>M3</b>	Maintenance and Material Management System. A materiel, equipment, and facilities management system that automates the control, planning, acquisition and distribution of inventory and tracking of maintenance activities.

<b>MATIS</b>	Motorist Aid and Traveler Information System. A new system that consolidates all call center operations, provides Metro Freeway Service Patrol fleet monitoring services and offers traveler information services via the world-wide web and telephone (511).
<b>Measurable And Available</b>	Revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities.
<b>Measurable Terms</b>	Quantifiable in dollars and cents.
<b>Metro</b>	Preferred nickname for and reference to the Los Angeles County Metropolitan Transportation Authority (LACMTA).
<b>Metro.net</b>	Metro provides transit services and Agency information as a resource to the public and transit customers in Southern California via the internet at <a href="http://www.metro.net">www.metro.net</a> .
<b>Metro Blue Line</b>	Long Beach-Los Angeles Light Rail Transit Project. A 22-mile light rail line constructed by Metro. The line opened for service July 14, 1990.
<b>Metro Bronze Line</b>	Harbor express busway.
<b>Metro Connections</b>	Project to restructure Los Angeles County's current grid-based bus system to a system that focuses on providing high-speed connections within a network of major activity centers throughout the county.
<b>Metro Exposition Line</b>	Culver City-Los Angeles Mid-City/Exposition Light Rail Transit Project. An 8.5-mile light rail line currently under construction. The line is projected to open in 2010.
<b>Metro Gold Line</b>	Union Station-Pasadena Light Rail Transit Project. A 13.7-mile light rail line constructed by the Metro Blue Line Construction Authority. The line opened for revenue service July 28, 2003.
<b>Metro Gold Line Eastside Extension</b>	6-mile Metro Gold Line light rail transit extension planned to provide service between Union Station and East Los Angeles. The line is scheduled to open in late 2009.
<b>Metro Green Line</b>	Norwalk-Redondo Beach Light Rail Transit Project. A 20-mile light rail line constructed by Metro on the median of the I-105 freeway. The line opened for service August 12, 1995.
<b>Metro Orange Line</b>	14-mile Metro Rapidway operating on a dedicated right-of-way between the North Hollywood Metro Rail Station and Warner Center in Woodland Hills. The line opened October 29, 2005.
<b>Metro Purple Line</b>	Union Station-Wilshire/Western Station subway line (formerly a branch of the Metro Red Line).

<b>Metro Rapid</b>	Bus service on arterial streets with several attributes to improve service operating speeds including traffic signal priority, level boarding and alighting with low floor buses, fewer stops, and active management of service operation.
<b>Metro Red Line – Segment I</b>	Segment I of the Metro Rail project constructed by Metro from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
<b>Metro Red Line – Segment II</b>	Segment II includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996, and Wilshire/Vermont north to Hollywood/Vine, which opened for service in June 1999.
<b>Metro Red Line – Segment III</b>	Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000.
<b>Metro Silver Line</b>	El Monte express busway.
<b>Metrolink</b>	Regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992.
<b>MetroMail</b>	Metro program where customers can purchase monthly passes, pass stamps, and tokens through the US mail.
<b>MIS</b>	Major Investment Study. The study is required by the FTA to obtain federal funds for any major capital improvement.
<b>Mission Statement</b>	Brief statement that summarizes an organization’s purpose, intent, and commitment.
<b>Mobility 21</b>	Coalition of transportation providers, business leaders, elected officials, local municipalities, and academia and labor representatives that meet to develop solutions to the transportation issues facing Los Angeles County.
<b>Mode</b>	Particular form of transportation identified by the vehicle or mode used, i.e., bus, light rail, heavy rail, car, bike, or foot.
<b>Modified Accrual Basis</b>	Method of accounting that recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under modified accrual accounting, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.
<b>MOSIP</b>	Municipal Operator Service Improvement Program. The program was created in 1999 to provide Los Angeles County's transit operators with funding from Proposition C 40% discretionary to alleviate overcrowding on their transit systems.

<b>MOU</b>	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.
<b>MTA</b>	Metropolitan Transportation Authority. Also known as LACMTA or Metro.
<b>Multi-County Goods Movement Action Plan</b>	Multi-county plan to develop a consensus strategy and plan to sustain and develop an integrated goods movement system that facilitates the transportation of goods, improves the environment, fosters economic development and sustains efforts to develop more livable and healthy communities.
<b>Multimodal</b>	Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.
<b>Municipal Operator</b>	City or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district.
<b>Non-Revenue Vehicles</b>	Vehicles that do not carry fare-paying passengers.
<b>NTD</b>	National Transit Database. A database consisting of financial and operational information for over 600 U.S. transit agencies that receive FTA Section 5307 grants.
<b>Objective</b>	Time-phased measurable accomplishment required realizing the successful completion of a strategic goal.
<b>OMB</b>	Office of Management and Budget. Metro department that develops and coordinates the agency budget activities.
<b>Operating Budget</b>	Funds allocated for normal Metro operations, such as employee salaries, rentals, power and fuel. Excludes funds allocated for capital and fiduciary activities.
<b>Operating Expenses</b>	All expenses pertaining to the normal operation of the agency, with the exception of capital expenditures, interest expenses and non-recurring losses.
<b>Operating Fund</b>	Funds allocated for normal MTA operations, such as employee salaries, rentals, power and fuel.
<b>Operating Fund Portfolio</b>	Collection of investments held to fund ongoing Metro operations.
<b>Overhead</b>	Expenses not directly chargeable to a particular program, which support multiple programs of Metro.
<b>Overhead Catenary</b>	Overhead contact wire system that supplies power from a central power source to a rail vehicle or trolley bus.

<b>P-Card</b>	Metro's Purchase Card Program is designed to streamline and simplify the requisitioning, purchase and payment process for small dollar transactions. The P-Card may be used to purchase goods and limited services in person, over the phone or on the internet.
<b>Paratransit</b>	Flexible forms of transportation services that are not confined to a fixed route. Paratransit is generally used to provide service for people with disabilities in compliance with the Americans With Disabilities Act of 1990 (ADA).
<b>Passenger Miles</b>	The cumulative distance ridden by passengers.
<b>Performance Indicators</b>	Specific quantitative and qualitative measure of work performed as an objective of specific departments or programs.
<b>Performance Measures</b>	Data collected to determine how effective or efficient a department or program is in achieving its objectives.
<b>Preliminary Engineering</b>	The engineering and architectural services necessary to develop the information required for commencing final design of a capital project.
<b>Pre-Qualification Program</b>	Program that assures that Metro enters into contracts only with qualified firms.
<b>Program</b>	Group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
<b>Prop A</b>	Proposition A is a sales tax initiative approved by the Los Angeles County voters in 1980. The proposition established a one-half cent sales tax to be used for public transportation purposes.
<b>Prop C</b>	Proposition C is a sales tax initiative approved by the Los Angeles County voters in 1990. The proposition established a one half-cent sales tax to be used for public transportation purposes.
<b>Proprietary Fund</b>	Fund type that is used to account for business-type activities, i.e., activities that receive a significant portion of their funding through user charges. See Enterprise Fund.
<b>PTSC</b>	Public Transportation Services Corporation. Created by the LACMTA in December 1996, the PTSC is a non-profit public benefit corporation organized under the laws of the State of California.
<b>Quadrant Gate</b>	Specialized type of gate at a grade crossing designed to enhance public safety.

<b>Purchased Transportation</b>	Metro operated bus lines that are contracted to private transportation companies. These companies provide maintenance and operations services for these lines comparable to those provided by Metro operating divisions.
<b>Recognized</b>	To realize revenues in the accounting period in which they arise and measure them at their fair value on the date that they arise.
<b>Recorded</b>	Documented or booked.
<b>Revenue Service Hours (RSH)</b>	Total number of scheduled hours that a bus or train is in service. This total excludes hours spent traveling to and from storage facilities and during other non-service travel. Also referred to as Revenue Vehicle Service Hours (RVSH).
<b>Revenue Service Miles</b>	Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel.
<b>Revenue Vehicle</b>	Vehicles that carry fare-paying passengers.
<b>Revenue Vehicle Miles</b>	Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel.
<b>RFP</b>	Request for proposal. The competitive proposal method of procurement. Award is made on a negotiated fixed price or cost reimbursement basis.
<b>Right-Of-Way</b>	Land or rights to land use held for transit operations or for public way. For rail operations, the designated area of main line and the yard within fences or medians.
<b>ROD</b>	Revenue operations date. The date revenue operations begin.
<b>Rotable</b>	A component or part that can be repaired and returned to service multiple times, i.e. alternators, generators, transmissions, radiators, blowers, etc.
<b>RTAA</b>	Regional Transit Alternatives Analysis. A projection that identifies future funding availability through fiscal year 2010.
<b>SAFE</b>	Service Authority for Freeway Emergencies. One dollar from each vehicle registration within Los Angeles County is used to provide expanded and improved emergency call box service along the highways. SAFE is a separate legal entity.
<b>SAFETEA-LU</b>	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009.

<b>Safety's First Program</b>	Safety's First is the name of Metro's agency-wide safety program. The goal of the program is to cut employee on-the-job injury claims by making Metro workplaces safer for all employees.
<b>SANBAG</b>	San Bernardino Associated Governments. The council of governments and transportation planning agency for San Bernardino County.
<b>Sarbanes-Oxley Act of 2002</b>	Legislation that established new or enhanced standards for all U.S. public company boards, management, and public accounting firms. The directive raised the standards of corporate transparency and accountability.
<b>SBE</b>	Small Business Enterprise. Businesses in which more than 50% of the business is owned and operated primarily by socially or economically disadvantaged individuals.
<b>SBU</b>	Strategic Business Unit. Metro is organized into eleven strategic business units: Metro Bus Operations, Metro Rail Operations, Countywide Planning and Development, Construction Project Management, Communications, Administrative Services, Financial Services, Economic Development, Management Audit Services, Office of the CEO, and Board of Directors.
<b>SCADA</b>	Supervisory Control and Data Acquisition system. A system used by Rail Operations to regulate, direct, and modify train movement and to monitor the functional state of rail facilities (e.g. rail signals, switches, electricity loads, station ventilation, security, etc.).
<b>SCAG</b>	Southern California Association of Governments. SCAG is mandated by the federal government as the Metropolitan Planning Organization (MPO) for six counties (Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial). Its mission is to research and develop plans for transportation, growth management, hazardous waste management, and air quality.
<b>Scorecard</b>	System that graphically displays the status of many agency key performance indicators. The Scorecard (also referred to as the CEO Scorecard) measures plans against results and displays historical data, current totals, targets, and forecasts so users can easily assess progress, monitor trends, and identify best practices.
<b>Scrip</b>	De facto form of currency that can be exchanged for something of value. Cityride scrip issued by Los Angeles Department of Transportation can be exchanged for Metro fare media.

<b>SCRRRA</b>	Southern California Regional Rail Authority. A joint powers authority including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink.
<b>Senior Management Team</b>	Comprised of the Chief Executive Officer, his direct reports, and their direct reports.
<b>Service Sector</b>	Five geographic bus service areas of Metro managed by a General Manager with oversight from an independent, appointed local council. The five sectors are known as Metro San Fernando Valley, Metro San Gabriel Valley, Metro South Bay, Metro Gateway Cities, and Metro Westside-Central.
<b>SHORE</b>	Support for Homeless Re-entry Program. Metro provides bus tokens to Los Angeles County shelters and missions.
<b>Short-Term Debt</b>	Financial obligations lasting one year or less. For example, T-bills and commercial papers are considered short-term debt since their maturities are typically shorter than one year.
<b>Smart Card</b>	Thin plastic card the size of a credit card with an embedded microprocessor. At Metro, the cards will be used as fare media – see TAP.
<b>Socially or Economically Disadvantaged Individuals</b>	Any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, Women, or any found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards of the USDOT 49 CFR Part 26.
<b>Soundwall</b>	Wall built on a freeway or other roadway intended to alleviate vehicle noise from residential, recreational, retail or commercial developments.
<b>Special Revenue Fund</b>	Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes.
<b>Spillover</b>	Potential source of additional revenue that applies when the growth in sales tax revenue on all sales (including gas) exceeds the growth in sales tax revenue on all sales (excluding gas).
<b>S RTP</b>	Short Range Transportation Plan. A planning document with five-year projections that describes goals and objectives of each transit operator in the county, provides estimates of ridership, services and expenses, and outlines proposed service modifications.



<b>STA</b>	State Transit Assistance fund. Used to account for the revenue from the sales tax on gasoline used for transit purposes. The STA fund was created as an amendment to the Transportation Development Act of 1976.
<b>STIP</b>	State Transportation Improvement Program. The California Transportation Commission (CTC) adopted this program that serves as the primary vehicle for programming funds for highway projects.
<b>Strategic Goal</b>	Broad statement of direction in which planning or action is aimed representing an ideal end that Metro wishes to attain.
<b>Strategic Plan</b>	Program or method worked out beforehand for the accomplishment of Metro goals and objectives.
<b>TAP</b>	Transit Access Pass. A thin plastic card the size of a credit card with an embedded microprocessor commonly referred to as a “smart card.” Used as fare media in stored-value collection systems for multi-modal transit operations.
<b>TCU</b>	Transportation Communications Union. The union representing selected clerical office employees, telephone information clerks, custodial staff, and stores personnel.
<b>TDA</b>	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to Metro for its transportation planning activities.
<b>TDM</b>	Transportation Demand Management. Demand based techniques for reducing traffic congestion, such as ridesharing programs and flexible work schedules enabling employees to commute to and from work outside of peak hours.
<b>TEA-21</b>	Transportation Equity Act for the 21st Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21st Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next six years. This Act was replaced by SAFETEA-LU.
<b>Teamsters</b>	International Brotherhood of Teamsters (IBT). Union representing security guards.
<b>Ticket Vending Machine</b>	Vending machines located at transit station entrances for the purchase of tickets. Also referred to as a TVM.
<b>TIP</b>	Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit systems.

<b>TOAST</b>	Transit Operator Activity Scheduling and Tracking system. The new automated bus and rail operator assignments and scheduling system designed to replace TOTS in 2009.
<b>TOTS</b>	Transit Operating and Trend System. A system that collects and reports bus operator salary and hours data.
<b>Trackway</b>	Heavy or light rail right-of-way.
<b>TransitSafe</b>	Web-based Incident and Accident Tracking system that will capture information for the entire Metro.
<b>TransportMAX</b>	Internet-based, integrated procurement tool that provides public transportation agencies the ability to reduce procurement processing time and costs and at the same time create an effective audit trail for their online transactions.
<b>UFS</b>	Universal Fare System. Fare collection equipment that will enable the region's customers to travel seamlessly and ensure compatibility with other transit systems within Los Angeles County.
<b>Unencumber</b>	Release of a commitment related to contracts for goods or services that were not performed or were completed with leftover committed funds.
<b>Unincorporated Area</b>	Land not governed by a local authority. Land within a county, but not within an incorporated city. Public services such as fire, water, and police are often provided by the county.
<b>Unlinked Passenger Trip</b>	The boarding of one passenger on a transit vehicle in revenue service.
<b>Unreserved Designated Fund Balances</b>	Funds designated for a specific project that have not been encumbered.
<b>USDOT</b>	United States Department of Transportation. A Federal department responsible for ensuring a fast, safe, efficient, accessible and convenient national transportation system.
<b>UTU</b>	United Transportation Union. Union representing bus and rail operators and other operations employees.
<b>Vanpool</b>	Group of people who share the use and cost of van transportation between designated origins and destinations on a regular basis, for example, daily trip to work. The van may be privately owned, leased from a public or private company, or provided by the employer. The driver is usually a member of the group.
<b>VOS</b>	Valley Oaks System. Tracking system used for Workers' Compensation claims.

<b>Wage Expense</b>	Normal time, overtime and paid time off (vacation, sick leave, jury duty, etc.).
<b>Wayside System</b>	System for automatically controlling train movement, enforcing train safety, and directing train operations by computers.
<b>Zero-Based Budgeting</b>	Process justifying an overall budget or individual budgeted items each fiscal year rather than incorporate proposed changes from a previous budget.

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## IX. Abbreviations

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## Abbreviations

AA	Alternatives analysis
ABC	Activity-based costing
ABS	Automatic Bidding System
ADA	Americans with Disabilities Act
AFSCME	American Federation of State, County, and Municipal Employees
ARC	Actuarial Required Contributions
AQMD	Air Quality Management District
ASI	Access Services, Inc.
ATMS	Advanced Transportation Management System
ATU	Amalgamated Transit Union
ATVC	Advanced Technology Vehicle Consortium
BAD	Benefit Assessment District
BIAS	Budget Information Analysis System
BOC	Bus Operations Control
BRT	Bus Rapid Transit
BSIP	Bus Service Improvement Program
CAFR	Comprehensive Annual Financial Report
Caltrans	California Department of Transportation
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act
CFP	Call for Projects
CHP	California Highway Patrol
CMAQ	Congestion Mitigation and Air Quality
CNG	Compressed natural gas

CP	Capital Program
CP&D	Countywide Planning and Development
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSP	Certified Safety Professional
CTC	California Transportation Commission
CTSA	Consolidated Transportation Services Agency
CY	Calendar Year
DBE	Disadvantaged Business Enterprise
DEIS	Draft Environmental Impact Statement
ECMS	Electronic Content Management System
EEO/AA	Equal Employment Opportunity/Affirmative Action
EF	Enterprise Fund
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EMP	Emergency Management Panel
FAP	Formula Allocation Program
FASB	Financial Accounting Standards Board
FAU	Federal Aid Urban
FFGA	Full Funding Grant Agreement
FIS	Financial Information System
FSP	Freeway Service Patrol
FTA	Federal Transit Administration
FTE	Full time equivalent
FY	Fiscal year



GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GF	General Fund
GPS	Global positioning system
GR	General Relief Token Program
HCNG	Hydrogen-Compressed Natural Gas
HIPPA	Health Insurance Portability and Accountability Act
HOV	High occupancy vehicle
IBT	International Brotherhood of Teamsters
IFB	Invitation for bids
ITS	Information Technology Services
JARC	Job Access/Reverse Commute Grant Program
JPA	Joint Powers Authority
KPI	Key Performance Indicator
LACMTA	Los Angeles County Metropolitan Transportation Authority
LADOT	Los Angeles Department of Transportation
LANI	Los Angeles Neighborhood Initiative
LASD	Los Angeles Sheriffs Department
LOA	Letter of agreement
LRT	Light rail transit
L RTP	Long Range Transportation Plan
LRV	Light rail vehicle
M3	Maintenance and Material Management System
MATIS	Motorist Aid and Traveler Information System
MBL	Metro Blue Line

Metro	Los Angeles County Metropolitan Transportation Authority
MGL	Metro Gold Line
MIS	Major Investment Study
MOSIP	Municipal Operator Service Improvement Program
MOU	Memorandum of Understanding
MRL	Metro Red Line
MTA	Metropolitan Transportation Authority
NC	Non-Contract
NTD	National Transit Database
OAB	Oracle Advanced Benefit System
OMB	Office of Management and Budget
PBLCA	Pasadena Blue Line Construction Authority
PERS	California Public Employees Retirement System
PGL	Pasadena Gold Line
PLC	Programmable Logic Controller
PRMA	PTSC-MTA Risk Management Authority
Prop A	Proposition A
Prop C	Proposition C
PTSC	Public Transportation Services Corporation
RFP	Request for Proposal
RFS	Rail Fleet Services
ROC	Rail Operations Control
RRC	Regional Rebuild Center
RSH	Revenue service hours
RSM	Revenue service miles

RTAA	Regional Transit Alternatives Analysis
RVSH	Revenue vehicle service hours
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SANBAG	San Bernardino Associated Governments
SBE	Small Business Enterprise
SBU	Strategic Business Unit
SCADA	Supervisory Control and Data Acquisition system
SCAG	Southern California Association of Governments
SCRRA	Southern California Regional Rail Authority
SHORE	Support for Homeless Re-entry Program
SRF	Special Revenue Fund
S RTP	Short Range Transportation Plan
STA	State Transit Assistance Fund
STIP	State Transportation Improvement Program
TAP	Transit Access Pass
TCU	Transportation Communications Union
TDA	Transportation Development Act
TDM	Transportation Demand Management
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TIP	Transportation Improvement Program
TOAST	Transit Operator Activity Scheduling and Tracking system
TOTS	Transit Operating and Trend System
TSE	Transit Systems Engineering

TVM	Ticket vending machine
UFS	Universal Fare System
USDOT	United States Department of Transportation
USG	Union Station Gateway
UST	Underground storage tank
UTU	United Transportation Union
VOS	Valley Oaks System
WE	Wage expense

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