



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel:  
metro.net

8

**PLANNING AND PROGRAMMING COMMITTEE  
MAY 18, 2005**

**SUBJECT: SCRRA FY 2005-06 ANNUAL WORK PROGRAM  
AND REPROGRAMMING FOR METROLINK**

**ACTION: APPROVE WORK PROGRAM AND REPROGRAMMING**

**RECOMMENDATION**

- A. Approve a \$46,558,460 financial contribution of Proposition C 10% local sales tax funding from the Los Angeles County Metropolitan Transportation Authority (LACMTA) to the Southern California Regional Rail Authority (SCRRA) FY 2005-06 Preliminary Budget for Metrolink (Attachment A), consistent with a Board-approved FY 2005-06 LACMTA Budget;
- B. Approve the reprogramming of \$2,474,560 in Proposition C 10% local sales tax funding from the FY 2003-04 SCRRA subsidy to Metrolink projects described in Attachment B; and
- C. Approve repayment of \$3,239,000 in funds advanced by the Orange County Transportation Authority (OCTA) for the Keller Yard Storage Facility and the Los Angeles Union Station Mail Dock/Platform Conversion projects over five years, with the first \$647,800 payment scheduled in FY 2005-06 and using reprogrammed prior year SCRRA subsidy from action B above.

**ISSUE**

The SCRRA Joint Powers Agreement requires that the LACMTA and the other SCRRA member agencies approve their share of Metrolink funding before the SCRRA Board of Directors can adopt a budget. Additionally, approval from the LACMTA Board of Directors is needed for the commitment to repay the OCTA for advancing funds for the Keller Yard Facility and Union Station Platform projects.

**POLICY IMPLICATIONS**

The SCRRA Fiscal Year (FY) 2005-06 Preliminary Budget identifies rehabilitation/renovation and new capital projects, sets service levels and establishes each member agency's share of costs for Metrolink. The SCRRA Preliminary Budget anticipates continuing the Metrolink service levels from the current fiscal year. The SCRRA introduced minor service additions to the San Bernardino Line in early FY 2004-05 on a demonstration basis. These services are

being evaluated and may be modified slightly to ensure maximum productivity. The services may be evaluated again in Spring 2006. If successful, they will become permanent, and any associated costs will be rolled into the LACMTA's annual operating subsidy calculation basis.

The LACMTA contributions of \$30,200,000 for operations and \$13,600,000 for rehabilitation and renovation are the funding levels established for FY 2005-06 in the 2003 Short Range Transportation Plan for Los Angeles County. To address higher operation costs due to increased insurance premiums following the January 26, 2005 train incident in Glendale, increased fuel costs, and the annualized cost of the additional San Bernardino Line services, additional funding for operations is proposed from reprogrammed prior year subsidies.

## OPTIONS

The Board may choose not to approve the recommended actions. The Board instead could choose to program all or part of the recommended funding to the following:

1. A reduced contribution to the SCRRA's operating and/or capital needs for Metrolink;
2. Los Angeles County project sponsors for eligible cost increases to existing projects and new eligible capital projects through Countywide Call for Projects processes; and/or,
3. Other regionally significant eligible capital projects identified in the Short and Long Range Transportation Plans for Los Angeles County.

We do not recommend these other options, as the current Metrolink service levels cannot be operated for less than the proposed funding. These service levels are needed to meet ongoing increases in patronage and to reduce congestion. Capital project funding is also needed to maintain the operating infrastructure in safe condition and ensure that facilities are available to meet service needs. Metrolink provides a viable alternative to automobile commuters using highways parallel to Metrolink routes.

## FINANCIAL IMPACT

The LACMTA contribution towards the SCRRA FY 2005-06 Annual Work Program for Metrolink requires \$31,658,000 for operations and \$13,600,000 for rehabilitation and renovation, as described in Tables 3.7 and 4.1-2 of Attachment A, respectively. New capital projects are proposed in the amount of \$1,300,460, as described in Attachment B, for a total FY 2005-06 LACMTA contribution to the Work Program of \$46,558,460.

Of the \$46,558,460 amount, \$283,900 is funded from reprogrammed FY 2002-03 subsidy to the SCRRA, and \$2,474,560 is proposed to be funded from reprogrammed FY 2003-04 subsidy to the SCRRA. Thus, \$43,800,000 is the total new request from the proposed FY 2005-06 LACMTA Budget. Such funding has been identified in the Short Range Transportation Plan and is proposed to be funded using Proposition C 10% funds. Proposition C 10% local sales tax funds may be used only for "Commuter Rail, and the construction of Transit Centers, Park-and-Ride Lots, and Freeway Bus Stops." The \$2,474,560 proposed for reprogramming from FY 2003-04 is also included in the proposed FY 2005-06 LACMTA Budget. However, this amount would not impact the LACMTA's ability to fund other projects or programs, as it is recommended for

reprogramming from Proposition C 10% funds currently programmed to the SCRRA. Attachment C shows the sources of funding for the SCRRA's FY 2005-06 Preliminary Budget.

## **BACKGROUND**

The Metrolink system provides regional passenger service between communities, employment centers and activity venues in Los Angeles County and the four surrounding counties of Ventura, Riverside, San Bernardino and Orange, as well as some service to northern San Diego County. SCRRA staff, in consultation with its Technical Advisory Committee, prepared the FY 2005-06 Preliminary Budget. The SCRRA Board approved the transmittal of the Preliminary Budget to the member agencies on April 22, 2005.

The SCRRA's overall FY 2005-06 Preliminary Budget totals approximately \$370.5 million. This consists of \$119.6 million for operations, \$53.9 million for rehabilitation and renovation, and \$197 million for new capital projects. The LACMTA contribution of \$45.3 million for operations, rehabilitation and renovation is approximately 26% of the SCRRA Budget for these elements. The costs for these programs are partially offset by farebox and other operating revenues, and the costs are shared with the other member agencies by formula.

### **Formula Negotiations**

We continue to negotiate with the other member agencies on updating the method for sharing the base operating costs. Base costs are those costs that do not vary directly with service, such as administration, overhead, and insurance. The LACMTA has been pursuing an update of the base cost allocation formula to reduce our funding share and better reflect the way Metrolink service is distributed within the five member counties. By agreement between the five member agencies, and for purposes of developing the FY 2005-06 Metrolink Budget, half of the base costs have been allocated according to an updated formula, and the other half continues to be allocated according to the frozen base using FY 1996-97 figures. Talks will continue through the SCRRA Strategic Plan to finalize the updated statistics and weights, and establish a timetable to completely phase out the frozen base formula.

### **Summary of Operating Assumptions**

- Train Miles: Approximately 2.2 million revenue service miles will be operated, which represents approximately a 2.7% increase over FY 2004-05 mileage.
- Patronage: Average weekday and total ridership are projected to increase 8.5% from the FY 2004-05 Budget.
- Fare Increase: The SCRRA is proposing a 4.5% fare increase, which is scheduled to go into effect on July 1, 2005. This will initiate a program of 3.5 % annual fare increases over the next ten years to phase in the new mileage-based fare structure.

This also includes an additional proposed 1% increase to offset rising fuel costs. Mid-day fare discounts are proposed to be eliminated.

- Operating Expenses per Passenger Mile: The operating expense per passenger mile is projected at \$0.32, slightly more than the previous year, and significantly less than the \$0.42 cost per mile of a solo automobile driver.
- Revenue Recovery: Farebox recovery is anticipated at 43.5%. Total Revenue Recovery, including dispatch and other operating revenues, is projected to equal 55.3%.
- Demonstration Service: In October 2004, using trains leased from Seattle's Sound Transit, selected trains were lengthened on each Metrolink line to relieve crowding. In addition, two short trips to Covina on the San Bernardino Line were extended to go all the way to San Bernardino and three other round trips were added. The SCRRA cancelled two of the round trips due to low ridership. We are working with the San Bernardino Association of Governments (SANBAG) and the SCRRA to explore other more productive uses for the resources associated with the two cancelled round trips. The SCRRA's FY 2005-06 Preliminary Budget includes funding to operate alternative demonstration services. Average patronage on the remaining trips is 296.4, which exceeds the systemwide average patrons per trip of 271. Based on this performance, all but two of the demonstration trips are considered permanent in FY 2005-06.

#### OCTA Advance Funding for Keller Yard Storage Facility and Los Angeles Union Station Mail Dock/Platform Conversion.

The OCTA has offered to provide the funding for these two capital projects due to the unavailability of State Interregional Transportation Improvement Program (ITIP) funds originally programmed for these projects. These projects provide systemwide benefits to Metrolink services and it is critical that they proceed as planned. The OCTA has requested a commitment from the other member agencies to pay their shares back in the form of funding toward the OCTA share of Metrolink projects over the next five years. No interest is requested. The projects are further described in Attachment B.

#### NEXT STEPS

The SCRRA Board is scheduled to adopt its Final FY 2005-06 Budget on June 24, 2005. We will monitor implementation of the budget and report back to the Board if any issues arise, including possible requests for additional subsidy for fuel and/or insurance cost increases, or for other unforeseen expenses.

#### ATTACHMENTS

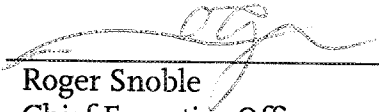
- A. SCRRA FY 2005-06 Preliminary Budget for Metrolink
- B. Proposed Reprogramming of FY 2003-04 Subsidy to SCRRA
- C. Sources of Funding for LACMTA Contribution to SCRRA FY 2005-06 Metrolink Budget

Prepared by: Patricia Chen, Transportation Planning Manager, Local Programming  
Nalini Ahuja, Director, Local Programming  
Frank Flores, Deputy Executive Officer, Programming and Policy Analysis



---

James L. de la Loza  
Chief Planning Officer  
Countywide Planning & Development



---

Roger Snoble  
Chief Executive Officer

# SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

**Fiscal Year 2005-06  
Preliminary Budget**



*Los Angeles County Metropolitan Transportation Authority,  
Orange County Transportation Authority,  
Riverside County Transportation Commission,  
San Bernardino Associated Governments,  
Ventura County Transportation Commission*

May 1, 2005.

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
 FY 2005-06 BUDGET  
 TABLE OF CONTENTS**

	Page #
Executive Summary of the Fiscal Year 2005-06 Budget	i
1.0 INTRODUCTION	1
1.1 SCRRA Services	1
1.2 Organizational Summary	3
1.3 Evolution Of SCRRA	5
1.4 Mission Statement	6
2.0 BUDGET SUMMARY	7
2.1 Budget Policy	9
2.2 Accounting Methodology	11
2.3 Budget Components	11
2.4 Significant Changes In Budgeting Approach	11
2.5 Budget Assumptions	12
2.6 Summary of the FY 2005-06 Budget	16
2.7 Summary Total FY 2005-06 Budget Sources and Uses by Member Agency	16
2.8 Summary of Estimated Outlays – FY 2005-06	16
2.9 Summary of FY 2005-06 Revenues	18
2.10 Summary of Operating and Capital Budgets by Expense Type	20
2.11 Summary of Operating and Capital Budgets by Department	20
2.12 Summary of FY 2005-06 Authorized Positions	23
3.0 OPERATING BUDGET	25
3.1 Performance Data	27
3.2 Summary of FY 2005-06 Statistics by Line	32
3.3 Components Of The Operating Budget	32
3.4 Operating Budget Assumptions	34
3.5 Summary of Revenues and Expenses by Operating Cost Component	36
3.6 Detail of Operating Budget	36
3.7 Summary of Revenue and Expenses by Member Agency	46
3.8 Maintenance-of-Way Budget	48
4.0 CAPITAL BUDGET	59
4.1 Rehabilitation/Renovation	61
Ongoing Rehabilitation/Renovation Projects	64
New Rehabilitation/Renovation Projects	70
4.2 New Capital	77

## TABLE OF CONTENTS (Continued)

	Page #
5.0 GENERAL AND ADMINISTRATIVE BUDGET	83
5.1 General and Administrative Expenses	85
6.0 DEPARTMENT BUDGETS	89
6.1 Organizational Summary	91
6.2 Executive	94
6.3 Support Services and Technology	96
6.4 Operations	98
6.5 Engineering & Construction	100
6.6 Equipment	102
6.7 Communications & Development	104
6.8 Finance	106
7.0 APPENDIX	109
7.1 Formulae for Allocation to Counties	111
7.2 Formulae for Allocation to Lines	114
7.3 Allocation of Revenues	114
7.4 Allocation of Expenses	116
7.5 Potential New Projects for New Capital in FY 2005-06	116
7.6 SCRRA Policy on Debt	116
7.7 Description of GASB34 Condition Assessment Ratings	117
7.8 Statistical Information	118
7.9 Glossary of Budget Terms	121
7.10 Acronyms	122

## LIST OF EXHIBITS/FIGURES/TABLES

Exhibit No.	Page #
1.1 Metrolink System Map	2
1.2 SCRRA Organizational Chart	4
Figure No.	
3.1 Annual Operating Data - FY 1992-93 to FY 2005-06	28
3.2 Annual Operating Data - FY 1992-93 to FY 2005-06	29
3.3 Operating Statistics - FY 1992-93 to FY 2005-06	30
3.4 Operating Statistics - FY 1992-93 to FY 2005-06	31
Table No.	
2.1 FY 2005-06 Budget Sources and Uses by Member Agency	17
2.2 Estimated Actual Outlays – FY 2005-06	16
2.3 Comparison of Revenues	19
2.4 Total Agency Expenditures by Expense Type	21
2.5 Comparison of Expenditures by Department	22
2.6 Comparison of Positions by Department	24



## LIST OF TABLES (Continued)

	Page #	
3.1	FY 2005-06 Projected Statistics by Line	33
3.2	Service Assumptions for FY 2005-06	34
3.3	Revenue Train Miles for FY 2005-06	35
3.4	FY 2005-06 Operating Budget by Component	37
3.4A	FY 2005-06 Operating Budget by Component – Member Allocation	38
3.5	Projection of Ridership and Fare Revenues for FY 2005-06	40
3.6	Dispatching Revenue	41
3.7	Operating Subsidy Allocation by County	47
3.8	Maintenance-of-Way Revenue	50
3.9	FY 2005-06 Maintenance-of-Way Expenditures: Member Agency Shares	51
3.10	Maintenance-of-Way Budget: Maintenance Category Detail	52
4.1	Rehabilitation/Renovation Expenditures	65
4.2	New Capital Expenditures	78
5.1	SCRRA FY 2005-06 Indirect Cost Allocation Plan	86
5.2	General and Administrative Expenses by Type	87
5.3	Modal Overhead Expenses by Summary Expense Type	88
6.1	SCRRA FY 2005-06 Roster of Authorized Positions	92
6.2	Executive Department: Expenditures by Expense Type	95
6.3	Support Services & Technology Depart: Expenditures by Expense Type	97
6.4	Operations Department: Expenditures by Expense Type	99
6.5	Engineering & Construction Department: Expenditures by Expense Type	101
6.6	Equipment Department: Expenditures by Expense Type	103
6.7	Communications & Development Department: Expenditures by Expense Type	105
6.8	Finance Department by Expense Type	107
7.1	Formulae Used to Allocate Expenses by County	112
7.2	Formulae Used to Allocate Expenses by Line	115



---

## EXECUTIVE SUMMARY

### Overview and Administrative Requirements

Under the terms of the Joint Exercise of Powers Agreement (JPA) establishing the Southern California Regional Rail Authority (SCRRA), the Chief Executive Officer submits to the SCRRA Board of Directors by May 1<sup>st</sup> of each year a Preliminary Budget for the following fiscal year including separate components for administrative, operations, and capital costs, as well as the anticipated Member Agency contributions of the funds necessary to carry out the purposes of the Authority.

The Preliminary Budget is subsequently transmitted to each Member Agency for individual consideration and approval. Decisions dealing with operating and capital allocations as well as approval of each member agency's share of the Authority's annual budget must be approved by each Member Agency. The Board must adopt a final budget no later than June 30 of each year.

The Fiscal Year (FY) 2005-06 SCRRA Budget permits the agency to continue to meet the challenges of increased ridership and demand for train services, as well as the need for capital improvements to accommodate rising levels of freight and passenger traffic on member agency-owned routes.

In FY 2005-06, the SCRRA will celebrate its 13<sup>th</sup> year providing Metrolink commuter rail service in Southern California. Opening with three lines and 12 stations in October 1992, the SCRRA today operates service over 514 route miles on seven lines, serving 54 stations in six counties in Southern California: Ventura, Los Angeles, Orange, Riverside, San Bernardino and San Diego. April 2005 saw the most recent addition to the Metrolink system with the opening of the Palmdale Metrolink Station located within the Palmdale Transportation Center.

In FY 1993-94, the SCRRA's first full fiscal year providing commuter rail service, the agency operated 708 thousand revenue train miles and carried 3.3 million individual passengers. For FY 2005-06, the Metrolink commuter rail system is expected to total 2.2 million revenue train miles and generate 10.7 million individual passenger trips through the operation of 142 weekday and 32 weekend trains. Average weekday ridership is projected to total over 40,200 one-way trips in FY 2005-06. Saturday service is provided on the San Bernardino and Antelope Valley Lines, and Sunday service is provided on the San Bernardino Line. Available rolling stock for the fiscal year, including leased vehicles, is expected to total 39 Locomotives and 150 commuter rail cars including 37 Cab Cars and 113 Passenger Coaches.

---

In addition to operating commuter rail service, the SCRRA dispatches and maintains in excess of 60% of the territory over which it operates. On a daily basis, the SCRRA currently dispatches 142 Metrolink trains, up to 36 Amtrak intercity trains between Moorpark and San Diego, 22 NCTD operated Coaster trains, and between 70 and 80 freight trains. The SCRRA is also responsible for the maintenance of right-of-way owned by SCRRA member agencies that extends over 337 track-miles. SCRRA's Capital Program includes ongoing rehabilitation and renovation of this right-of-way, facilities, equipment, and rolling stock, as well as expansion of the system through the acquisition and construction of new, system expanding assets.

### **Budget Development and Assumptions**

The development of all SCRRA budgets is guided by the principle that the SCRRA, as the representative of its Member Agencies, is committed to the following:

*“It is the responsibility of the SCRRA to ensure the promotion and protection of our current service, and to add, wherever feasible, service expansions and infrastructure enhancements that maximize the efficient use of equipment, and, to maintain the integrity of the Member Agency owned rights-of-way for the use of commuter rail and freight operations.”*

The SCRRA budget is made up of two principal components: the Operating Budget, consisting of Train Operations and Maintenance of Way, and the Capital Program made up of New Capital projects and Rehabilitation and Renovation projects. New Capital projects are those that expand agency assets, while the Rehabilitation and Renovation Budget preserves and extends the useful life of those assets.

The SCRRA, as both a governmental agency and an operating railroad, faces a number of unique and challenging issues in developing the FY 2005-06 Budget. Like agencies at all levels of government, the SCRRA is confronted by an environment of constrained resources, combined with a continued and increasing demand for services. In addition, certain selected costs associated with the agency's commuter rail operations are both increasing at extraordinary rates, and are of a nature that limit the discretion and capacity to balance one cost category versus another.

The \$375.9 million FY 2005-06 budget consists of an Operating Budget of \$119.5 million, an increase of 7.5% from the FY 2004-05 Budget, and a Capital Program of \$256.4 million. The Operating Budget includes Train Operations of \$98.7 million and a Maintenance-of-Way (MOW) budget of \$20.8 million. The Capital Budget contains a Rehabilitation and Renovation Budget of \$55.4 million and a New Capital Budget of \$201.0 million in newly proposed and previously approved projects. Approximately 55% of the agency's Capital program, or \$140.9 million, represents resources to procure rolling stock including locomotives and up to 43 passenger cars with a potential option for an additional 18.

---

FY 2005-06 marks the first year for the agency's new contract provider of operating train crews, Engineers and Conductors, Connex Railroad, LLC (Connex), replacing its long-time provider, Amtrak. SCRRA staff and the vendor have been working closely and diligently since contract award and are confident the transition from one to the next will be virtually seamless from the perspective of our riders. The SCRRA expects that the majority of current conductors and engineers will transfer to the new contract and continue uninterrupted, the exceptionally high quality service Metrolink strives to provide.

As it has since its inception, SCRRA continues to serve as a model agency for the practice of contracting out significant portions of its operations. The four largest contractual relationships of the agency within the Operating Budget are Operating Train Crews and Maintenance of Equipment (Rolling Stock) within the Train Operations Budget, and Track & Structure and Signal & Communications maintenance within the Maintenance of Way Budget.

These four items alone constitute approximately 41% of the total Operating Budget Costs for upcoming fiscal year. When combined additionally with the cost of diesel fuel, this figure climbs to over 48% of the operating budget. The agency's contractual agreements for Operating Crews, Maintenance of Equipment, Maintenance of Track & Structures, and Maintenance of Signals & Communications all contain pre-determined cost escalation agreements. These ranges are based on either fixed rate contract escalators, the rates of growth in the Consumer Price Index (CPI-U), or indexes of cost growth as published by the Association of American Railroads (AAR). Changes in these indices have resulted in the application of cost increases ranging from 0.5% to 3.5% outside the addition of the agency's newest service provider, Connex.

The basis of the Capital Budget is to recognize full project authority and the required funding in the initial fiscal year of approval of a particular project. During the development of the annual budget, SCRRA staff estimates each remaining project's approved balance as of June 30<sup>th</sup> of the year immediately preceding start of the budget year in question. These estimates, when combined with the request for the approval of new projects, constitutes the total outstanding project authority granted to the SCRRA from our Member Agencies and other funding partners. However, it should be noted that staff estimates of outstanding balances on previously approved capital projects in no way changes the actual level of authority as granted by the Board, and are presented as the best information available for consideration at the time of budget approval. The policy of the SCRRA is to include only those projects for which funding has been secured.

### **Operating Budget**

The Operating Budget details both operating revenue (such as fare and maintenance-of-way revenues) as well as operating expenses.

As referenced above, the current value of the SCRRA FY 2005-06 Budget's operating component stands at \$119.5 million, an increase of \$8.3 million, or 7.5% from the FY

---

2004-05 Budget. Total operating revenues are expected to equal \$65.6 million, an increase of \$5.2 million or 8.5% over the FY 2004-05 Budget, and Member Agency Operating Contributions for the year are estimated to equal \$54.0 million, an increase of \$3.1 million or 6.2%

The development of the FY 2005-06 Budget was marked by a number of significant issues, and changes in budgeting approach.

Under the terms of the JPA governing the actions of the SCRRA, each Member Agency shall approve its individual Operating and Capital contributions for an upcoming fiscal year. As a result of its structure as a JPA, the SCRRA utilizes a number of formulae for the purposes of allocating costs to both Operating Line Segments as well as its member agencies. During FY 2003-04, an effort was made to revise and update many of the underlying allocation formulas. Given the complicated nature of this effort, and the expected completion of the Long Range Strategic Plan during FY 2005-06, the Member Agencies agreed to an interim solution for three fiscal years covering the periods FY 2004-05 through FY 2006-07. Members agreed to increase their net subsidy contribution in FY 2004-05 by a fixed amount of 2.37% across the board, and for the years FY 2005-06 and FY 2006-07, a revised interim allocation formula, based on a weighted average of a number of service variables, would serve to calculate each agency's contribution for the fiscal year. After completion of the currently ongoing strategic planning effort, a final set of funding mechanisms will be considered within a specified framework. It is expected that the resulting formula(s) will apply beginning FY 2007-08 and beyond.

Of the Operating Budget increase referenced above, \$6.3 million, or 75.3% of the total change is driven by four non-discretionary expenditure categories that collectively make up 17.8% of the total budget (See further discussion below). These include the costs of the SCRRA's risk insurance program, diesel fuel, mobilization associated with the new operating contract, and the annualized costs of equipment leased from Sound Transit. These expenditure items have collectively increased 41.7% from levels included in the FY 2004-05 Budget, and limit the agency's discretion and capacity to absorb the ongoing and anticipated cost growth of the SCRRA's commuter rail operations.

#### Summary of Operating Revenues

The agency's operating revenue is derived from four principal sources: Fares, Dispatching, Maintenance of Way, and Other including advertising, miscellaneous reimbursements, specific grants or use of reserve funds, and the anticipated sponsorship of the annual Holiday Train. In order to minimize the impact to Member Agency contribution requirements, the agency is aggressively pursuing, wherever available, other potential revenue enhancements.

*Fare Revenues* - The FY 2005-06 Preliminary Budget assumes total Fare Revenues will equal \$51.6 million, an increase of \$4.3 million or 9.0% from FY 2004-05. This figure currently assumes a July 1, 2005 implementation of the proposed Fare Policy restructuring that is expected to generate a 4.5% systemwide increase in addition to

---

ridership growth. The agency is currently conducting a Public Hearing process on fare increases ranging from 4.5% up to 9.25%, principally to offset the high cost of fuel, and the results, if different from that assumed, will be incorporated into the final budget.

*Dispatching Revenues* - The SCRRA, as the operating administrator of its member owned Rights-Of-Way, receives revenues from freight railroads, Amtrak Intercity services for the right to operate through and over its territories and for the dispatching NCTD operated Coaster commuter trains. These revenues are volume based and the individual charges are contained within existing agreements that dictate the rate of growth in the level of payment. They are expected to increase to \$2.9 million, an increase of \$0.2 million or 7.6% over FY 2004-05. Also included in this value is \$160 thousand for Amtrak Intercity trains operating between Moorpark and Los Angeles.

*Maintenance of Way Revenues* - Member agency contributions for ordinary maintenance are again partially offset by revenues received from the freight railroads and Amtrak Intercity service. These revenue rates were negotiated based on the historical expenditures on maintenance-of-way by the freight railroads prior to the purchase of these rights-of-way by the Member Agencies. However, due to the requirement of maintaining a higher standard of quality for passenger rail service, these revenues do not offset 100% of the costs. MOW revenues are expected to total \$8.8 million or 2.7% above the FY 2004-05 Budget and include the additional Amtrak Intercity service referenced above as well as a \$240 thousand reduction in the State's funding of ongoing grade crossing maintenance support.

*Other Revenues* - Other revenues have traditionally included the receipt of specific use grant funds, the reimbursement of direct costs for specific functions, or the application of other one-time sources of funding. This revenue category is estimated to total \$2.2 million.

New for FY 2005-06 is the implementation of an advertising revenue capacity through the use of Train Wraps and On-Board advertising. To accommodate the initiation of the program, the FY 2005-06 Budget assumes a six-month implementation program followed annually by full year utilization. It is estimated that the first year's revenues will total \$292 thousand and will increase proportionately in future periods.

#### Summary of Operating Expenses

As referenced above, four areas of the agency's operating budget contribute 75.3% of the increase from FY 2004-05.

The SCRRA's risk insurance program consists of Operating Liability and Property insurance premiums, Self-Insurance-Reserve (SIR) claims and expenses, and Claims Administration. This program is currently anticipated to increase over 43.7%, or \$3.2 million, from the level of the FY 2004-05 budget and represents 38.1% of the total increase for the year.

---

A second principal item of significant growth is in the costs of diesel fuel. Currently budgeted at \$1.225 per gallon, the FY 2005-06 Budget is anticipating an annual average of almost \$1.65 per gallon, an increase of 35%. These costs represent just over \$2.3 million, or 27.6% of the total annual increase in the agency's budget.

The two other areas of increasing non-discretionary costs include the mobilization of the new train crew operating contract and the annualization of the lease of equipment from Sound Transit. The combined increase of these two items account for over \$800 thousand, or 9.7%, of the total growth of the FY06 budget.

In order to accommodate the extraordinary growth in the limited number of items referenced above, the remaining balance of the Operating Budget, \$98.7 million, has increased an aggregate amount of \$2.0 million or 2.1%.

Highlights of the FY 2005-06 Operating Budget include:

- Operating expenses per train mile are expected to be \$54.21, a 6.6% increase from the Fiscal Year 2004-05 Budget.
- Operating expense per passenger mile is expected to equal \$0.32, a \$0.03 increase from FY 2004-05.
- Subsidy per passenger mile is unchanged at \$0.14.
- Operating subsidy per rider declines from \$5.21 to \$5.06.
- Total Revenue recovery is projected to equal 55%.
- Farebox recovery is expected to equal 44%.
- Total Revenue Train Miles will be 0.3% higher in FY 2005-06 than levels adopted in the FY 2004-05 Budget as a combined result of the annualization of service implemented in October of 2004 offset by one less operating weekday.

### **Capital Budget**

The Capital Budget consists of two major components. The agency's Rehabilitation and Renovation and New Capital programs. These budgets amount to \$55.4 million and \$201.0 million, respectively, for a total of \$256.4 million in new and outstanding project authority.

Rehabilitation and Renovation projects are those that replace worn out assets with like or improved assets and thus preserve and extend their useful life. Rehabilitation and Renovation recommendations are based upon tolerating only the most minimal and manageable risk of failure. New Capital projects are those projects that expand the infrastructure and include such items as sidings, double track, upgrade of the signal system, and new rolling stock.

Both the New Capital and Rehabilitation and Renovation budgets include projects authorized in prior years but incomplete as of the end of a fiscal year, as well as new project authority to be approved in FY 2005-06. On projects approved in prior years, the remaining budget represents staff's estimate of project authority outstanding as of June



---

30, 2005. These staff estimates in no way alter the total approved funding or expenditure authority of a project as approved by the Board.

The Capital Budget for FY 2005-06 contains several important New Capital and Rehabilitation projects to more efficiently operate passenger (Metrolink and Amtrak) and freight services on member agency owned routes. These projects include:

- The award of a contract for the procurement of new rolling stock
- The start of construction of double tracking the of last 1.8 mile section of single main track between Fullerton and Laguna Niguel.
- The initial design of a new Eastern Area Maintenance Facility including the acquisition of property.
- The Keller Street storage yard near Los Angeles Union Station (LAUS) to provide additional capacity, particularly in the mid-day, to accommodate the acquisition of new rolling stock.
- The elimination of the Mail Dock at LAUS to provide additional passenger and service capacity.

Additional projects for which SCRRA and its member agencies are still seeking funding are not included in the budget at this time. As funding is secured, these projects will be added to the budget after review and approval by the Board.

### *Other Considerations*

The FY 2005-06 Budget proposes no new positions. The total authorized position count of the agency stands at 200, unchanged from 2004-05. However, in order to accommodate a number of other expense pressures in the development of the FY 2005-06 Budget, four positions have been de-funded, in addition to two similarly recognized in FY 2004-05. The result of these actions is to reduce the effective level of available staffing to 194 potential employees.

The FY 2005-06 Budget further assumes that, depending on the actual cost rate received from CALPERS, staff will contribute up to 10% of the costs of medical insurance premiums, up from a contribution level of 2.5% in FY 2004-05.

Agency and departmental goals continue to focus on building an organizational infrastructure to support the increased long-term operations and administrative functions.

Agency goals also address the following needs:

- The anticipated award of a new rolling stock procurement contract
- The implementation of fare restructuring as adopted by the Board.
- Continued improvements in service quality and safety as well as the expansion of services where possible including additional holiday services

- The completion of a continued strategic planning effort to set a course to meet long-term ridership and service projections.
- The completion and implementation of a number of administrative policies and procedures
- Continued pursuit of federal and state funding
- Stronger alliances with station city stakeholders
- Viability of connecting and complementary transit services

The proposed FY 2005-06 Budget is based upon conservative financial assumptions, which ensure the SCRRA's fiscal ability to deliver upon the service and capital improvements promised to the public. In its 13<sup>th</sup> year of providing exceptional services to the region, SCRRA remains committed to delivering the highest quality commuter rail service, and continuing its place as one of the solutions to increased mobility in Southern California.

# SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

## FY 2005-06 BUDGET

### 1.0 INTRODUCTION

#### 1.1 SCRRA Services

The SCRRA is a joint powers authority created to plan, design, build and operate the Metrolink commuter rail service in the Southern California region. Metrolink provides service on 7 routes to 54 stations over 514 route miles. The system map is provided as Exhibit 1.1. Metrolink expects to operate 142 trains each weekday, 32 weekend trains, and average weekday ridership is projected to total over 40,200 daily one-way trips in Fiscal Year 2005-06. Saturday service is provided on the San Bernardino and Antelope Valley Lines, and Sunday service is provided on the San Bernardino Line. In Fiscal Year 2005-06, total rolling stock available will be 39 locomotives and 150 commuter rail cars including 37 Cab Cars and 113 passenger cars. In addition to operating commuter rail service, SCRRA dispatches and maintains in excess of 60% of the territory over which it operates. On a daily basis, SCRRA currently dispatches 142 Metrolink trains, up to 36 Amtrak intercity trains between Moorpark and San Diego, 22 NCTD operated Coaster trains, and between 70 and 80 freight trains. SCRRA is also responsible for the maintenance of right-of-way owned by SCRRA member agencies that extends over 337 track-miles. SCRRA's Capital Program includes ongoing rehabilitation/renovation of this right-of-way, facilities, equipment, and rolling stock, as well as expansion of the system through the acquisition and construction of new, system expanding assets.



**1.2 Organizational Summary**

The SCRRA Board, as of April 15, 2005, consists of the following eleven voting members:

Agency	Votes	Members	Alternates
Orange County Transportation Authority (OCTA)	2	<b>Art Brown</b> (Chair) Mayor Pro Tem, City of Buena Park <b>Thomas W. Wilson</b> Supervisor, County of Orange	<b>Susan Ritschel*</b> Council Member, City of San Clemente
Riverside County Transportation Commission (RCTC)	2	<b>Ron Roberts</b> (Vice Chair) Mayor Pro Tem, City of Temecula <b>Frank West</b> Council Member, City of Moreno Valley	<b>Daryl Busch*</b> Mayor, City of Perris <b>Ameal Moore*</b> Council Member, City of Riverside
Los Angeles County Metropolitan Transportation Authority (LACMTA)	4	<b>Hal Bernson</b> Appointed by LACMTA <b>Michael Antonovich</b> Supervisor, County of Los Angeles <b>Don Knabe</b> Supervisor, County of Los Angeles <b>Frank Roberts</b> Mayor, City of Lancaster	<b>Francine Oschin</b> Appointed by LACMTA <b>Robert T. Bartlett</b> Appointed by LACMTA <b>Maureen Micheline</b> Appointed by LACMTA <b>Beatrice Proo</b> Appointed by LACMTA
San Bernardino Associated Governments (SANBAG)	2	<b>Judith Valles</b> Mayor, City of San Bernardino <b>Paul Eaton</b> Mayor, City of Montclair	<b>Paul Blaine*</b> Supervisor, County of San Bernardino <b>Kelly Chastain*</b> Council Member, City of Colton
Ventura County Transportation Commission (VCTC)	1	<b>Keith Millhouse</b> Council Member, City of Moorpark	<b>Brian Humphrey</b> VCTC Commission Member

\* Alternates represent either member

**Ex-officio members of the SCRRA**

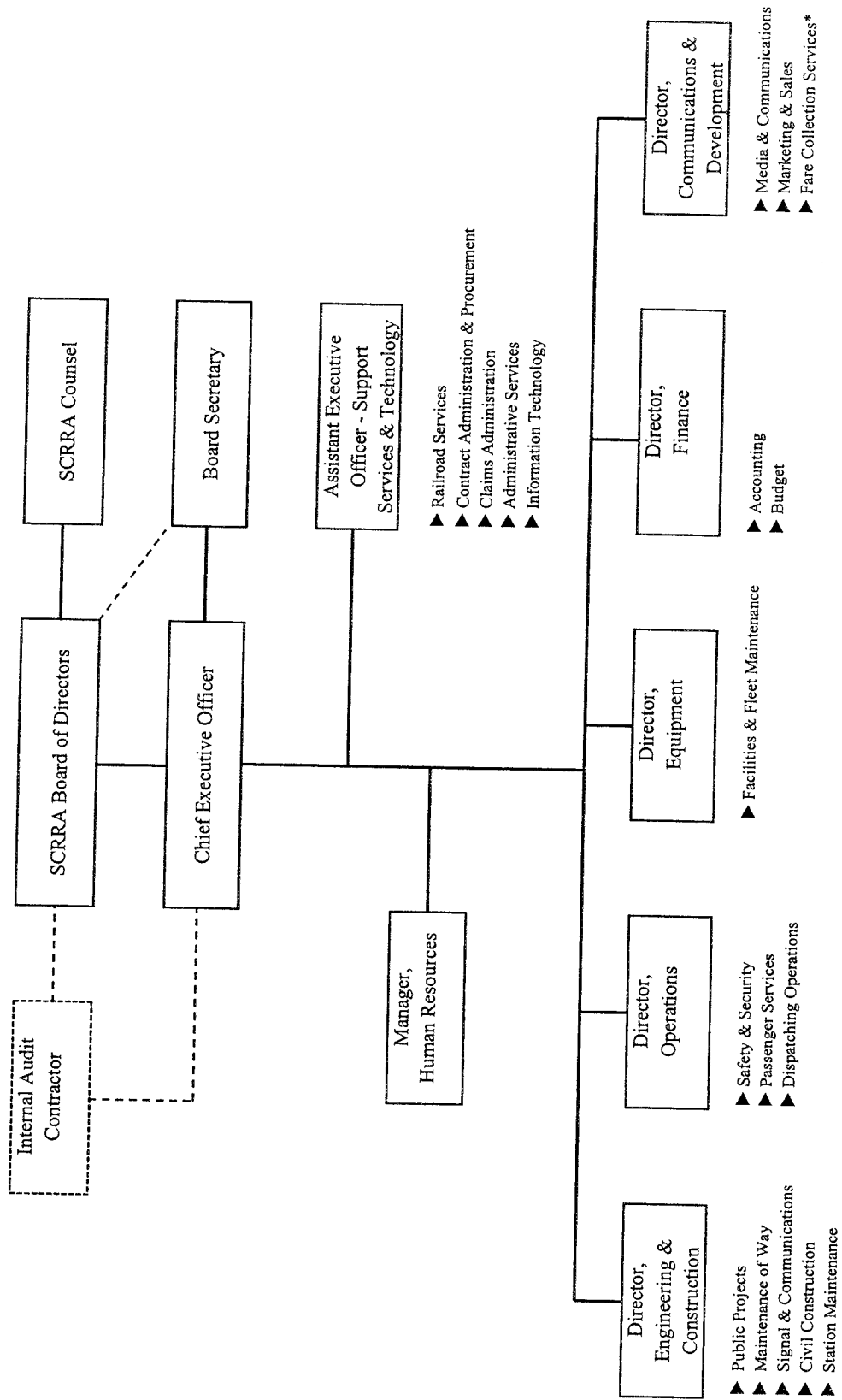
Agency	Members	Alternates
Southern California Association of Governments (SCAG)	<b>Richard Dixon</b> Council Member, City of Lake Forest	
San Diego Association of Governments	<b>Julianne Nygaard</b>	
The State of California Department of Transportation (Caltrans)	<b>Sunne Wright McPeak</b> , Secretary, Business, Transportation and Housing Agency	<b>Doug Failing</b> Director – District 7, Caltrans

Exhibit 1.2 provides the organizational structure of the SCRRA.

# SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

## Organizational Reporting Structure Departments and Divisions

As of June 30, 2005



\* Represents an interim assignment pending the hiring of a permanent Director, Finance

The seven departments of the SCRRA are:

- Executive: David Solow, Chief Executive Officer
- Support Services and Technology: Steve Wylie, Assistant Executive Officer
- Operations: John Kerins, Director
- Engineering & Construction: Michael McGinley, Director
- Equipment: William Lydon Jr., Director
- Communications and Development: Stephen Lantz, Director
- Finance: Patricia Kataura, Director (Interim)

The proposed FY 2005-06 Budget of the SCRRA includes 200 authorized positions, unchanged from FY 2004-05. A complete roster of agency positions is listed in Table 6.1.

### 1.3 Evolution of SCRRA

In June 1990, the California Legislature enacted Senate Bill 1402, Chapter 4 of Division 12 of the Public Utilities Code. This bill required the transportation commissions of the counties of Los Angeles, Orange, Riverside and San Bernardino to jointly develop a plan for regional transit services within the multi-county region.

In August 1991, the Southern California Regional Rail Authority (SCRRA), a regional Joint Powers Agency (JPA), was formed. Voting members with their respective number of votes are: Los Angeles County Metropolitan Transportation Authority (LACMTA), four votes; Orange County Transportation Authority (OCTA), two votes; Riverside County Transportation Commission (RCTC), two votes; San Bernardino Associated Governments (SANBAG), two votes; and Ventura County Transportation Commission (VCTC), one vote.<sup>1</sup> Ex-officio members of the SCRRA included the Southern California Association of Governments (SCAG), the San Diego Association of Governments and the State of California Department of Transportation (Caltrans).

The purpose of the newly formed SCRRA was to plan, design, construct, and administer the operation of regional passenger rail lines serving the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The SCRRA named the regional commuter rail system "Metrolink." The first three lines - San Bernardino, Santa Clarita (now Antelope Valley), and Ventura County- began operation in October 1992. The Riverside Line was added in June 1993, and the Orange County Line (which extends 19 miles into northern San Diego County) was added in April 1994. The sixth line, Inland Empire-Orange County, the nation's first suburb to suburb commuter rail line, was added in October 1995. In May of 2002, the 91 Line was added to provide an alternative to Inland Empire and Western Orange County commuters traveling through Fullerton.

In its thirteenth year of operations, the SCRRA continues building the Metrolink commuter rail system in order to ensure that quality, efficient services are provided to commuters of Southern California.

---

<sup>1</sup> These five county transportation commissions are defined as SCRRA's Member Agencies.

#### 1.4 Mission Statement

MetroLink is a premier regional rail system, including commuter and other passenger services, linking communities to employment and activity centers. MetroLink provides reliable transportation and mobility for the region, leading toward more livable communities.

***MetroLink is committed to and characterized by:***

- *Technically superior and safe operations*
- *Customer focus and accessibility*
- *Dependable, high-quality service*
- *Cost-effective and high-value service*
- *Strategically located network of lines and stations*
- *Integration with other transit modes*
- *Environmental sensitivity*
- *Community involvement and partnerships with both the public and private sectors*



**SECTION 2**

**SOUTHERN CALIFORNIA REGIONAL  
RAIL AUTHORITY**

**BUDGET SUMMARY**



## 2.0 BUDGET SUMMARY

### 2.1 Budget Policy

#### **Budget Authorization**

Under the Joint Exercise of Powers Agreement that founded the SCRRA, the Chief Executive Officer is required to submit to the SCRRA Board of Directors, by May 1<sup>st</sup> of each year, a Preliminary Budget for the following fiscal year. The submitted Budget includes separate components for administrative, operations, and capital costs as well as the Member Agency contributions necessary to carry out the purposes and powers of the Authority. Decisions dealing with operating and capital allocations, as well as approval of each member agency's share of the Authority's annual Budget must be approved by each member agency.

The Board must adopt a final Budget no later than June 30 of each year. If a Budget is not approved by June 30<sup>th</sup>, the Board will approve a continuing Operating Budget resolution on a monthly basis equal to one-twelfth of preceding year's Budget. The Capital Budget approves individual projects that may proceed within the approved funding level.

The Budget shall contain a financial plan that includes:

- Organizational chart.
- Goals and objectives for the new fiscal year.
- The assumptions underlying revenue and expense projections.
- Planned service for the following fiscal year.
- Separately presented Operating and Capital budgets
- Revenue sources by line item
- Expenses by summary line item
- Department budgets
- Authorized positions.

The Operating Budget details both operating revenues (such as fare revenue, maintenance-of-way (MOW) revenue, member agency contributions, etc.) and operating expenses (such as Train Operations, Equipment Maintenance, Fuel, Security, Transfers to Other Operators, Maintenance-of-Way, Salaries and Fringe Benefits, Insurance, etc.)

The Capital Budget includes all new projects proposed for the coming fiscal year as well as previously approved projects for which work has yet to be completed and is expected to continue into the Fiscal Year under consideration. The Board approves individual Rehabilitation and Renovation and New Capital projects, including total project cost and scope. Approved project funds are reserved for the duration of the project unless amended by the Board.

In approving the proposed budget and any Board initiated amendments, the Board authorizes SCRRA to expend funds under the direction of the Chief Executive Officer consistent with:

- Total amount appropriated for Train Operations and Maintenance-of-Way.
- Total amount appropriated for Capital by each Rehabilitation/Renovation and New Capital project.
- Individual member agency funding commitments.
- Total number of authorized positions.

Further, by approving the Budget, the Board authorizes the Chief Executive Officer to take necessary action to adjust the salary structure and associated ranges based on market trends within the scope of available resources.

## **Budgetary Control**

### *General*

Budgetary control refers to SCRRA's procedures for monitoring actual expenses against planned expenditures as adopted in the annual Budget. By adopting an annual Budget, the Board of Directors delegates to the Chief Executive Officer the authority to manage the annual Budget within the following parameters:

### *Transfers*

A Budget Transfer represents changes in projected expenses between line items within or across departments in the Budget. The Budget Office shall review the impact of any requested Budget Transfer and make recommendations to the Chief Executive Officer and/or Board, as required.

### *Amendments*

Certain Budget Transfers may require Board approval and result in Budget Amendments. Budget Amendments will be submitted to the Board as required and include:

- Any Budget Transfer that negatively impacts member agency funding commitments.
- Any Budget Transfer that negatively impacts the total Operating Budget or individual Capital projects.
- Any Budget Transfer that increases the total authorized level of personnel.
- A material change in the scope of a project from that adopted.

The Board, by approving any Budget Amendment, amends the Budget for the fiscal year. Any budget amendment that requires an increase in a member agency's funding commitments additionally requires the approval of that member agency.

## **Budgetary Reporting**

The Adopted, or subsequently amended, Budget is the baseline for all comparisons to actual revenue and expenditures during a fiscal year. On a quarterly basis, budget status reports are presented to the Board of Directors. Additionally, the preparation of the following year's budget request provides staff with a mid-year opportunity for a detailed evaluation of progress compared to the budget plan of the current year. Internal performance reporting, and the preparation of the

Comprehensive Annual Financial Report (CAFR) also provide tools for managing and reporting agency activities to the budget plan.

## **2.2 Accounting Methodology**

SCRRA reports its financial position and activities as a special-purpose governmental entity engaged only in business-type activities and presents only financial statements required for enterprise funds. The accrual basis of accounting is utilized. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

## **2.3 Budget Components**

The Operating Budget is comprised of the following two major components:

- Operations – This portion of the Operating Budget includes expenses required to operate the Metrolink system including train operations, maintenance of equipment, fuel, security, utilities, transfer payments to other transit operators, revenue collection, payments to freight railroads for dispatching, station maintenance, passenger services, general and administrative expenses, professional services, and insurance.
- Maintenance-of-Way – This portion of the Operating Budget includes ordinary maintenance of the rights-of-way owned by SCRRA member agencies. It involves routine inspection and repair of track, signals, and structures.

The Capital Budget is comprised of the following two major components:

- Rehabilitation and Renovation projects – These are projects that extend the useful life of existing capital assets through activities such as the replacement of worn ties and rail, replacement of outdated signal system components, rehabilitation of tunnels and bridges, and the programmed replacement and rehabilitation of the following rolling stock components: Car Door Operators; Wheel Trucks; Heating/Ventilation/Air Conditioning (HVAC); Traction Motors; and Head End Power Engine. The budget includes both ongoing and new projects for FY 2005-06.
- New Capital projects – These are capital projects that expand the system such as sidings, double track, installation of new signal system components, and new rolling stock. The budget includes new and ongoing projects. Projects where final funding agreements have not been received are not included in the budget. At such time that funds to complete a project scope have been identified, and against which the SCRRA has the right to obligate expenditures, projects are amended into the fiscal year budget.

## **2.4 Significant Changes In Budgeting Approach**

Under the terms of the Joint Powers Agreement governing the actions of the SCRRA, each Member Agency shall approve its individual Operating and Capital contributions for an upcoming fiscal year. As a result of its structure as a JPA, the SCRRA utilizes a number of

formulae for the purposes of allocating costs to both Operating Line Segments as well as its member agencies. During the Fiscal Year 2003-04, an effort was made to revise and update many of the underlying allocation formulas.

Given the complicated nature of this effort, and the expected completion of the Long Range Strategic Plan in FY 2005-06, the Member Agencies agreed to an interim solution for three fiscal years covering the periods FY 2004-05 through FY 2006-07. Members agreed to increase their net subsidy contribution in FY 2004-05 by 2.37% across the board, and for the years FY 2005-06 and FY 2006-07, a revised allocation formula, based on a weighted average of a number of service variables, would serve to calculate each agency's contribution for the fiscal year.

After completion of the currently ongoing strategic planning effort, a final set of funding mechanisms will be considered within a specified framework. It is expected that this formula(s) result will apply beginning FY 2007-08 and beyond.

An additional change relates to the treatment of expenditures within the SCRRA's Rehabilitation and Renovation program. The SCRRA, as part of its implementation of Government Accounting Standards Board Pronouncement 34 (GASB34), has elected to use the Modified Approach for the Metrolink Railroad Infrastructure. FY 2005-06 represents the second full year under which the agency is budgeting under the modified approach.

Under the modified approach, infrastructure assets that are part of a network, or subsystem of a network, are not required to be depreciated as long as two requirements are met:

- 1) The government manages the eligible infrastructure assets using a qualified asset management system; and
- 2) The government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government.

The SCRRA Board adopted, in FY 2002-03, a minimum condition rating of 75 points (of a maximum of 100) as the minimum acceptable Railroad Condition Index (RCI) for the entire railroad network, including all subsystems. The actual index value of the condition of the SCRRA's infrastructure network is 88, as of June 30, 2004. For a complete description of the rating values and their meanings, please see Appendix Section 7.

## **2.5 Budget Assumptions**

### **Operating Budget**

The primary objective of the operating budget of the SCRRA is to provide the financial road map that leads to the achievement of the agency's priorities and objectives consistent with its provision of high quality commuter rail service under the Metrolink banner. Within that objective, and to the degree possible, the agency attempts to expand those services in areas that

allow for the greatest possible and efficient delivery of passenger friendly transit services. The second principal operating budget objective is to maintain the integrity of the Member Agency owed rights-of-way (ROW) for commuter rail and freight operations. The agency provides primary responsibility for the maintenance of over 337 track miles in the five county area.

FY 2005-06 marks the first year for the agency's new contract provider of operating train crews, Engineers and Conductors, Connex Railroad, LLC (Connex), replacing its long-time provider, Amtrak. SCRRA staff and the vendor have been working closely and diligently since contract award and are confident the transition from one to the next will be virtually seamless from the perspective of our riders. The SCRRA expects that the majority of current conductors and engineers will transfer to the new contract and continue uninterrupted, the exceptionally high quality service Metrolink strives to provide.

The FY 2005-06 budget currently assumes no new services will be provided beyond the current level of operation. The agency is currently at maximum utilization of available rolling stock. The agency is continuing to pursue additional rolling stock in both the short and long term. The agency is anticipating the approval of a planned procurement of up to 43 additional vehicles. During FY 2004-05, the SCRRA in attempting to address short-term ridership increases, leased 13 pieces of available equipment from another commuter rail operator including 1 Locomotive, 4 Cab Cars, and 8 Passenger Cars.

For FY 2006-06, total systemwide service levels assume 142 weekday trains operating on seven lines, and 32 weekend trains operating on two lines. Total revenue Train Miles are expected to equal 2.195 million miles, an increase of 0.3% from the FY 2004-05 budget.

Included in the FY 2005-06 Budget is the continuation of the highly successful "Rail to Rail" program begun in September 2002. This award winning program in which the SCRRA, Amtrak, and CALTRANS have agreed to work together to allow passengers, on those lines where complementary service exists, holding valid Metrolink monthly passes or Amtrak tickets, to choose the service provider most convenient to their travel needs. Currently, over 1,400 daily riders utilize this service to supplement their travel on the Orange County and Ventura County Lines.

SCRRA's philosophy for maintenance-of-equipment (MOE) and maintenance-of-way (MOW) is to perform ordinary maintenance sufficient to prevent any loss of service quality and to budget for Rehabilitation and Renovation programs at sufficient intervals to prevent the needed repairs or replacements from overwhelming the Operating Budget.

## **Revenues**

Operating revenues include farebox, dispatching and maintenance-of-way revenues, interest, other minor miscellaneous revenues, and are expected to grow in FY 2005-06 to \$65.6 million, an increase of \$5.2 million, or 9% over FY 2004-05. The current budget proposal assumes Metrolink fares are to increase an average of 4.5% in response to the implementation of the

Board approved Fare Policy Restructuring program for the Fiscal Year beginning July 1, 2005. However, the agency is currently conducting a Public Hearing process on fare increases ranging from 4.5% up to 9.25%, principally to offset the high cost of diesel fuel, and the results, if different from that assumed, will be incorporated into the final budget.

In FY 2003-04, the agency developed and approved a Fare Policy restructuring plan, and FY 2005-06 represents the first year of its implementation. The current fare structure is predicated on a zone basis under which a passenger's fare is determined by the number of fare zones traveled. The new policy is to be based on a station-to-station driving distance basis. SCRRA believes that new policy will result in a more equitable fare payment methodology in which all travel, regardless of actual point-to-point destination, will be comparably priced. This policy is to be implemented beginning on July 1, 2005 and will be fully phased in over a ten year period.

Average weekday ridership is projected to total 40,225 an increase of 7.8% over the FY 2004-05 Budget. Total ridership, including all weekend services, is expected to increase 8.5% from the FY 2004-05 Budget. The FY 2005-06 budget assumes 257 weekday operating days versus 258 in FY 2004-05. The basis of fare revenue calculations is the assumed level of ridership and projected revenue per rider. These variables are estimated on the basis of current and prior years, and are projected by line. The resulting Farebox Revenue is projected increase to \$51.6 million or 9% over the FY 2004-05 Budget. The projection of fare revenues includes the annual 25% discount in the December monthly pass price.

Freight railroads and Amtrak Intercity services operating over territory owned by SCRRA member agencies provide dispatching and maintenance-of-way revenues, based upon existing agreements. Dispatching Revenues are estimated to increase from the current budget to \$2.9 million. An additional \$151 thousand is estimated to be secured through the utilization of sponsorship partnerships for SCRRA special trains, primarily the Holiday Toy Express. Further contributions from Amtrak to support Ticket Vending Machine (TVM) functionality are expected to add an additional \$210 thousand. Maintenance of Way revenues are estimated to increase to \$8.8 million or 2.7% above the FY 2004-05 Budget. The increase is the result of both increasing freight traffic and the indexing of cost reimbursement rates under various operating agreements for cost recovery purposes.

## **Expenses**

The major driving factors in projecting operating expenses are service levels, the maintenance of equipment, and the rights-of-way maintenance requirements of the agency. Underlying contract cost escalation increases ranging from 0.5% to 3.5% included in multi-year service contracts are also factored into the overall cost structure of the SCRRA. In the FY 2005-06 proposed budget, higher costs result from significant increases in the cost elements required to conduct ongoing operations.

In particular, four elements of the budget representing 17.8% of the total request, the agency's risk insurance program, costs of diesel fuel, the annualization of the lease of equipment, and the



mobilization costs of the agency's new operating contract represent over 75% of the total increase in the FY 2005-06 Budget.

Given the estimates of increases in available revenues and Member Agency subsidies, great review has been given to all areas of the budget to ensure the SCRRA's ability to meet these ongoing operating requirements. Several areas have been reduced from, or held constant at, levels included in FY 2004-05. In order to achieve a balanced budget, a number of actions were required. All four of the principal operating contracts have been subject to a reduction of some magnitude. Under the Train Crews contract with Connex, managerial savings in excess of \$100,000 have been projected. The Maintenance of Equipment budget has been reduced partially through the extension of ongoing Preventative Maintenance cycles from 92 to 180 days in line with Federal Guidelines. Within the Maintenance of Way program, a position has been eliminated from the contracts under which services are provided and overtime charges have been greatly reduced. An additional cost savings strategy is the potential requirement of increased staff participation in the cost of medical insurance premiums. The budget assumes a potential employee contribution of up to 10%, up from the current 2.5% contribution, towards the cost of medical insurance premiums. Upon final receipt of cost and plan design from the agency's provider, CALPERS, in the Summer of 2005, a plan will be submitted to the Board for approval and would become effective January 1, 2005. Finally, a merit increase pool of 3% is assumed, the same level as in FY 2004-05.

**Capital Budget**

The SCRRA is responsible for the safety and performance of the railroad system and right-of-way and all that travel upon it. Projects are selected based on the principle of minimizing and managing the risk of failure among system components. New Capital projects included in the budget depend upon the availability of local, state and federal funding. Rehabilitation and Renovation projects included in the budget depend primarily upon the availability of funds from the five member agencies. Selected projects have been prioritized to meet projected funding available and chosen from a larger field SCRRA staff believe can be safely and responsibly deferred to future years. Additionally, the proposed projects will ensure that the SCRRA rail infrastructure condition rating will continue to substantially exceed the minimum condition standard as established by the Board.

Capital revenues consist of Federal, State and local agency funds as well as contributions from third parties, namely freight railroads, in the form of direct grants and participation in specific projects. Funding for the Capital Budget is provided by the following:

Federal Funds -	\$ 145.9 million
State Funds -	29.3 million
Member Agency Funds -	74.4 million
Third Party Participation -	0.6 million
Other Local Funds -	<u>6.2 million</u>
Total	\$ 256.4 million

**2.6 Summary of the FY 2005-06 Budget**

The \$375.9 million FY 2005-06 budget consists of an Operating Budget of \$119.5 million, an increase of 7.5% from the FY 2004-05 Budget, and a Capital Program of \$256.4 million. The Operating Budget includes Train Operations of \$98.7 million and a Maintenance-of-Way (MOW) budget of \$20.8 million. The Capital Budget contains a Rehabilitation and Renovation Budget of \$55.4 million and a New Capital Budget of \$201.0 million in newly proposed and previously approved projects. Approximately 55%, of the agency's Capital program, or \$140.9 million, represents resources to procure rolling stock including locomotives and up to 43 passenger cars with a potential option for an additional 18.

The SCRRRA continues to seek local, state or federal funds for additional New Capital projects. However, projects for which funds are not available for commitment are not included in the FY 2005-06 Budget. As funds become available, and after review and approval by the Board, these projects will be amended into the budget.

**2.7 Summary Total FY 2005-06 Budget Sources and Uses by Member Agency**

Table 2.1 provides a summary of the FY 2005-06 Budget revenues and expenditure authority by member agency. Revenues are separated into Local Funds for Operating and Capital representing Member Agency contributions; Other Operating Revenues that include Farebox Revenue, Miscellaneous Operating Revenues (principally Dispatching), and Maintenance-of-Way Revenues; and Other Capital Revenues which include: Interest on Lease Proceeds, Other Agency Local, State, Federal, Amtrak Intercity and freight railroad funds. The expenditures are shown for the four categories of the Budget: Operating Expenditures; Maintenance-of-Way; New Capital; and Rehabilitation/Renovation.

**2.8 Summary of Estimated Outlays – FY 2005-06**

Table 2.2 estimates actual outlays, versus total budget authority, for the fiscal year FY 2005-06.

**Table 2.2  
ESTIMATED ACTUAL OUTLAYS – FY 2005-06**

<b>Program</b>	<b>FY 2005-06 Budget Authority</b>	<b>FY 2005-06 Estimated Actual Outlays</b>
<b>Operating Budget</b>		
Train Operations	\$ 98,684.0	98,684.0
Maintenance of Way	20,855.3	20,855.3
<b>Subtotal – Operating Budget</b>	119,539.3	119,539.3
<b>Capital Budget</b>		
New Capital Projects	201,001.9	45,691.9
Renovation and Rehabilitation Projects	55,380.4	35,171.8
<b>Subtotal – Capital Budget</b>	256,382.3	80,863.7
<b>Grand Total – FY 2005-06</b>	<b>\$ 375,921.6</b>	<b>200,403.0</b>

TABLE 2.1

FY 2005-06 BUDGET SOURCES AND USES BY MEMBER AGENCY  
(\$000s)

Operating Budget	Total FY 2005-06	% of Total	IACMTA	OCTA	RCIC	SANBAG	VCTC	Systemwide
<b>Local Funds For Operating</b>	<b>\$53,973.9</b>	<b>45.2%</b>	<b>\$31,658.0</b>	<b>\$7,798.9</b>	<b>\$4,087.2</b>	<b>\$6,142.8</b>	<b>\$4,286.9</b>	<b>\$0.0</b>
Operations	41,964.4	35.1%	24,898.1	5,842.6	3,520.7	4,229.7	3,473.4	-
Maintenance-of-Way	12,009.4	10.0%	6,759.9	1,956.4	566.5	1,913.2	813.6	-
<b>Other Operating Revenues</b>	<b>\$65,565.4</b>	<b>54.8%</b>	<b>\$35,429.9</b>	<b>\$14,134.1</b>	<b>\$4,278.4</b>	<b>\$8,830.2</b>	<b>\$2,892.8</b>	<b>\$0.0</b>
Farebox Revenue	51,613.2	43.2%	27,228.3	10,845.2	4,057.8	7,551.3	1,930.6	-
Non-Fare Operating Revenue	5,106.4	4.3%	2,676.1	1,324.7	220.6	372.1	513.0	-
MOW Revenues	8,845.8	7.4%	5,525.5	1,964.3	0.0	906.8	449.3	-
<b>Total Funding Sources For Operating</b>	<b>\$119,539.3</b>	<b>100.0%</b>	<b>\$67,087.9</b>	<b>\$21,933.0</b>	<b>\$8,365.7</b>	<b>\$14,973.1</b>	<b>\$7,179.7</b>	<b>\$0.0</b>

<b>Total Operating Expenditures</b>	<b>\$119,539.3</b>	<b>100.0%</b>	<b>\$67,087.9</b>	<b>\$21,933.0</b>	<b>\$8,365.7</b>	<b>\$14,973.1</b>	<b>\$7,179.7</b>	<b>\$0.0</b>
Operating Expenditures (Excludes MOW)	98,684.0	82.6%	54,802.5	18,012.4	7,799.2	12,153.1	5,916.9	-
Maintenance-of-Way	20,855.3	17.4%	12,285.4	3,920.6	566.5	2,820.0	1,262.8	-

Capital Budget	Total FY 2005-06	% of Total	IACMTA	OCTA	RCIC	SANBAG	VCTC	Systemwide
<b>Local Funds For Capital</b>	<b>\$74,408.4</b>	<b>29.0%</b>	<b>\$58,532.7</b>	<b>\$10,509.2</b>	<b>\$545.6</b>	<b>\$4,676.0</b>	<b>\$144.9</b>	<b>\$0.0</b>
New Capital	49,660.6	19.4%	38,006.0	8,510.2	112.0	3,022.3	10.1	-
Rehabilitation/Renovation	24,747.7	9.7%	20,526.8	1,999.0	433.6	1,653.7	134.7	-
<b>Other Capital Revenues</b>	<b>\$181,973.9</b>	<b>71.0%</b>	<b>\$7,555.1</b>	<b>\$67,529.7</b>	<b>\$35,101.8</b>	<b>\$22,147.6</b>	<b>\$3,667.7</b>	<b>\$45,971.9</b>
Interest on Lease Proceeds	530.0	0.2%	-	-	-	-	-	530.0
Other Non-Member (includes insurance recoveries)	5,682.0	2.2%	-	-	-	-	-	5,682.0
State Funds	29,306.0	11.4%	96.7	12,494.3	-	-	359.9	16,355.0
Federal funds	145,853.1	56.9%	7,458.4	55,035.4	35,101.8	22,147.6	3,307.8	22,802.1
Amtrak Funds	123.6	0.0%	-	-	-	-	-	123.6
UPRR Funds	479.2	0.2%	-	-	-	-	-	479.2
<b>Total Funding Sources For Capital</b>	<b>\$256,382.3</b>	<b>100.0%</b>	<b>\$66,087.8</b>	<b>\$78,038.9</b>	<b>\$35,647.4</b>	<b>\$26,823.6</b>	<b>\$3,812.6</b>	<b>\$45,971.9</b>

<b>Total Capital Expenditures</b>	<b>\$256,382.3</b>	<b>100.0%</b>	<b>\$66,087.8</b>	<b>\$78,038.9</b>	<b>\$35,647.4</b>	<b>\$26,823.6</b>	<b>\$3,812.6</b>	<b>\$45,971.9</b>
New Capital	201,001.9	78.4%	45,561.1	69,339.4	32,471.5	19,382.6	398.2	33,849.1
Rehabilitation/Renovation	55,380.4	21.6%	20,526.8	8,699.5	3,175.9	7,441.0	3,414.4	12,122.8

<b>Total Proposed Expenditures</b>	<b>\$375,921.6</b>		<b>\$133,175.7</b>	<b>\$99,971.9</b>	<b>\$44,013.0</b>	<b>\$41,796.6</b>	<b>\$10,992.3</b>	<b>\$45,971.9</b>
------------------------------------	--------------------	--	--------------------	-------------------	-------------------	-------------------	-------------------	-------------------

## 2.9 Summary of FY 2005-06 Revenues

Table 2.3 shows the projected revenues for the FY 2005-06 SCRRA Budget and compares these with budgeted and actual revenues for FY 2003-04 and the FY 2004-05 Budget.

- Actual farebox revenues have increased each year. FY 2005-06 reflects an 9% increase over the FY 2004-05 Budget.
- Dispatching Revenues include fees for dispatching freight, Amtrak intercity, and NCTD Coaster trains, and are estimated to equal \$2.9 million, an increase of 8% from FY 2004-05.
- Other revenues include a contribution from Amtrak for the new TVM program, funds carried forward from a previous period under the agency's Supplemental Security program, assumed sponsorships for the annual Holiday Train, remaining grant balances of Federal Homeland Security funds received in FY 2004-05 and other miscellaneous revenues. These are estimated to equal \$2.2 million.
- At the request of member agencies, Interest Income is traditionally not budgeted. These funds are contingent on cash flow and are used to reduce local operating subsidies as part of the end of the fiscal year member reconciliation.

Member agency contributions for ordinary maintenance are partially offset by revenues received from the freight railroads and Amtrak Intercity service. These revenue's rates were negotiated based on the historical expenditures on maintenance-of-way by the freight railroads prior to the purchase of these rights-of-way by the Member Agencies. However, due to the requirement of maintaining a higher standard of quality for passenger rail service, these revenues do not offset 100% of the costs. MOW revenues total \$8.8 million, an increase of 2.7% above the FY 2004-05 Budget.

Local funds from the five member agencies for the Operating Budget vary from year to year. Actual Local funds in were \$46.0 million in FY 2002-03, \$46.3 million in the FY 2003-04, \$50.8 million FY 2004-05 and are proposed to equal \$50.8 million in FY 2005-06. This figure represents a 6.2% increase over the FY 2004-05 Budget.

Revenues for New Capital and Rehabilitation and Renovation include state and federal grants, interest on lease proceeds, and railroad and local funds. Projects are included in the Budget based upon the availability of these funds. The Capital Budget represents approximately 68% of the total FY 2005-06 requested budget authority.

Dependent upon the availability of state and federal funds (principally for capital), local Member Agency revenues and contributions are estimated to be 34% of total revenues the FY 2005-06 Budget.

TABLE 2.3

COMPARISON OF REVENUES  
(\$000s)

	FY 2003-04 Budget	FY 2003-04 Actual	FY 2004-05 Budget	FY 2005-06 Budget	Change from FY 04 Budget
<b>Operating Revenues</b>					
Farebox	\$43,300.1	\$44,588.3	\$47,345.2	\$51,613.2	9.01%
Dispatching Agreements	2,620.6	2,526.1	2,660.7	2,863.0	7.60%
Other Operating (1)	160.0	5,030.1	1,789.9	2,243.4	N/A
Maintenance-of-Way	8,488.1	8,797.0	8,613.4	8,845.8	2.70%
Local Funds for Operating	48,689.4	40,221.7	49,843.4	53,973.9	8.29%
<b>Subtotal Operating Revenues</b>	<b>\$103,258.2</b>	<b>\$101,163.2</b>	<b>\$110,252.6</b>	<b>\$119,539.3</b>	<b>8.42%</b>
<b>Percent of Total Revenues</b>	<b>37.8%</b>	<b>70.3%</b>	<b>38.8%</b>	<b>31.8%</b>	
<b>Capital Revenues</b>					
State	\$31,537.8	\$14,182.6	\$20,742.2	\$29,306.0	41.29%
Federal	71,222.4	16,462.6	74,158.8	145,853.1	96.68%
Interest on Lease Proceeds	1,798.0	736.6	530.0	530.0	0.00%
Union Pacific Railroad/BNSF	999.4	0.0	387.3	479.2	23.74%
Amtrak	939.0	0.0	0.0	123.6	N/A
Other Non-Member (includes insurance recoveries)	1,344.6	87.5	917.0	5,682.0	N/A
Local Funds for Capital	61,747.4	11,212.3	77,445.5	74,408.4	(3.92%)
<b>Subtotal Capital Revenues</b>	<b>\$169,588.6</b>	<b>\$42,681.7</b>	<b>\$174,180.7</b>	<b>\$256,382.3</b>	<b>47.19%</b>
<b>Percent of Total Revenues</b>	<b>62.2%</b>	<b>29.7%</b>	<b>61.2%</b>	<b>68.2%</b>	
<b>Total Revenues</b>	<b>\$272,846.8</b>	<b>\$143,844.9</b>	<b>\$284,433.3</b>	<b>\$375,921.6</b>	<b>32.17%</b>
<b>Local Revenues as a Percent of Total</b>	<b>40.5%</b>	<b>35.8%</b>	<b>44.8%</b>	<b>34.2%</b>	

(1) Other Revenues include one-time and other non-recurring sources.

## 2.10 Summary of Operating and Capital Budgets by Expense Type

Table 2.4 provides a summary of projected expenditures for FY 2005-06 by summary expense type. As shown in the table, expenditures have been segregated into eight primary expense types.

These are listed and described below:

- Labor - All SCRRA employee salaries, wages and fringe benefits.
- Purchased Transportation - Payments to the contract operators of commuter train operations and maintenance-of-equipment. This category also includes Transfer Payments to other operators, and the use of Emergency Bus Services.
- Services - Expenses for Operating Facilities Maintenance; Other Operating Train Services; Security (Los Angeles County Sheriff and private guard services); Public Safety Program; Ticket Vending Machine (TVM) Maintenance; Revenue Collection; Passenger Relations; Marketing; Media & External Communications; Professional Services; and Non-Labor Services.
- Utilities/Leases - Expenses for telephone and other utilities and leases and rentals for office equipment; automobiles; facilities; rolling stock; maintenance-of-way equipment; and other leases and rentals.
- Maintenance-of-Way - Expenses for maintenance of track, signal & communications; structures, extra-ordinary maintenance; maintenance-of-way equipment maintenance; and other maintenance-of-way expenses.
- Insurance & Liability – Expenses for insurance premiums, claims and claims administration.
- Capital - Expenses for Rehabilitation/Renovation and New Capital projects.
- Other Expenses – Expenses for materials and supplies; taxes; miscellaneous expenses including dues and subscriptions; travel, meetings, and conferences; training and seminars; advertising; legal and meeting notices; postage and messenger; etc.

The majority of SCRRA expenditures are included in the Capital expense type, 67%, followed by Purchased Transportation, 11%. Reflecting further that the SCRRA contracts out the a majority of the services included in the budget, Agency Labor, makes up 4% of the total budget and 11% of the Operating Budget. Within the Operating Budget, Purchased Transportation makes up 35%, Services make up 15%, and Maintenance-of-Way 12%, and Insurance 9% of the total.

## 2.11 Summary of Operating and Capital Budgets by Department

Table 2.5 provides a summary of projected expenditures for FY 2005-06 by Department.

TABLE 2.4

**TOTAL AGENCY  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Operating Budget (Including MOW)</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>% of FY 05-06 Budget</b>
Labor	\$10,530.0	\$11,441.5	\$12,358.5	\$13,255.2	11%
Purchased Transportation	37,599.6	36,056.8	39,976.6	41,542.9	35%
Services	16,687.7	17,249.7	18,591.0	18,005.6	15%
Utilities/Leases	2,479.1	2,836.3	3,340.8	3,657.3	3%
Maintenance-of-Way	13,820.8	12,615.2	15,103.5	14,877.3	12%
Insurance & Liability	5,038.0	5,374.6	6,990.2	9,540.0	8%
Other Expenses	7,761.0	8,602.5	8,407.4	10,920.4	9%
Indirect Agency Transfer to Operating	7,118.0	6,986.6	6,468.7	7,740.6	6%
<b>Subtotal Operating Budget</b>	<b>\$101,034.2</b>	<b>\$101,163.2</b>	<b>\$111,236.7</b>	<b>\$119,539.3</b>	<b>100%</b>

<b>Capital Budget</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>% of FY 05-06 Budget</b>
Labor	\$1,740.8	\$1,770.3	\$1,983.1	\$1,697.4	1%
Services	3,373.8	2,590.0	178.0	373.3	0%
Utilities/Leases	0.0	0.0	0.0	0.0	0%
Capital	44,271.6	33,887.8	172,714.0	253,295.5	99%
Other Expenses	91.8	303.1	79.9	168.3	0%
Indirect Agency Transfer to Capital	1,239.3	783.0	1,044.4	847.7	0%
<b>Subtotal Capital Budget</b>	<b>\$50,717.3</b>	<b>\$39,334.2</b>	<b>\$175,999.4</b>	<b>\$256,382.3</b>	<b>100%</b>

<b>Total SCRRA</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>% of FY 05-06 Budget</b>
Labor	\$12,270.8	\$13,211.7	\$14,341.7	\$14,952.6	4%
Purchased Transportation	37,599.6	36,056.8	39,976.6	41,542.9	11%
Services	20,061.6	19,839.6	18,769.0	18,378.9	5%
Utilities/Leases	2,479.1	2,836.3	3,340.8	3,657.3	1%
Maintenance-of-Way	13,820.8	12,615.2	15,103.5	14,877.3	4%
Insurance & Liability	5,038.0	5,374.6	6,990.2	9,540.0	3%
Capital	44,271.6	33,887.8	172,714.0	253,295.5	67%
Other Expenses	7,852.8	8,905.6	8,487.3	11,088.7	3%
Indirect Agency Support Transfer	8,357.3	7,769.7	7,513.1	8,588.4	2%
<b>Total SCRRA Budget</b>	<b>\$151,751.5</b>	<b>\$140,497.4</b>	<b>\$287,236.1</b>	<b>\$375,921.6</b>	<b>100%</b>

TABLE 2.5

COMPARISON OF EXPENDITURES BY DEPARTMENT  
(\$000s)

Operating Budget (including MOW)	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget	FY05-06 Budget	Change from FY 05 Budget
Executive	\$1,859.8	\$1,700.2	\$2,238.4	\$2,791.3	25%
Support Services & Technology*	15,096.4	15,765.1	16,958.0	20,327.5	20%
Operations	31,316.3	32,291.2	35,714.1	36,457.2	2%
Engineering & Construction	18,624.8	17,001.4	18,559.2	18,869.5	2%
Equipment	25,350.4	24,553.7	27,335.3	31,162.1	14%
Communications & Development	4,159.2	4,934.9	5,193.4	7,863.2	51%
Finance	4,627.3	4,916.5	5,238.3	2,068.6	(61%)
<b>Total Expenses</b>	<b>\$101,034.2</b>	<b>\$101,163.2</b>	<b>\$111,236.7</b>	<b>\$119,539.3</b>	<b>7.5%</b>

Capital Budget	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget	FY05-06 Budget	Change from FY 05 Budget
Executive	\$201.0	\$166.9	\$170.5	\$172.8	1%
Support Services & Technology	983.5	1,355.6	1,849.4	1,199.3	(35%)
Operations	37.9	3.2	170.0	2,915.9	1,615%
Engineering & Construction	42,816.0	25,182.2	76,059.9	101,590.8	34%
Equipment	3,874.0	5,765.9	90,749.8	146,160.8	61%
Communications & Development	75.0	48.7	84.8	4,005.5	4,623%
Finance	2,729.8	6,811.6	6,915.1	337.2	(95%)
<b>Total Expenses</b>	<b>\$50,717.3</b>	<b>\$39,334.2</b>	<b>\$175,999.4</b>	<b>\$256,382.3</b>	<b>46%</b>

SCRRA Budget	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget	FY05-06 Budget	Change from FY 05 Budget
Executive	\$2,060.8	\$1,867.1	\$2,408.9	\$2,964.1	23%
Support Services & Technology	16,079.9	17,120.8	18,807.4	21,526.8	14%
Operations	31,354.1	32,294.4	35,884.1	39,373.0	10%
Engineering & Construction	61,440.9	42,183.7	94,619.1	120,460.3	27%
Equipment	29,224.3	30,319.7	118,085.0	177,322.8	50%
Communications & Development	4,234.3	4,983.6	5,278.2	11,868.7	125%
Finance	7,357.2	11,728.1	12,153.4	2,405.8	(80%)
<b>Total Expenses</b>	<b>\$151,751.5</b>	<b>\$140,497.4</b>	<b>\$287,236.1</b>	<b>\$375,921.6</b>	<b>31%</b>

\* Support Service and Technology includes the expenditure of Insurance Premiums and Claims.



**2.12 Summary of FY 2005-06 Authorized Positions**

Table 2.6 provides a summary of the FY 2005-06 total proposed positions by department and compares this total with the authorized levels of FY 2000-01 through FY 2004-05. During FY 2003-04, the agency decreased its authorized position count as a result of a reorganization of the Passenger Services Division within the Operations Department.

In FY 2005-06, no new positions are proposed and total staffing is expected to equal 200 Board authorized positions.

However, in order to address certain resource constraints associated with the development of the FY 2005-06 budget, 4 positions have been frozen in addition to two from the previous year. The resulting total authorized actual staffing is equal to 194 available positions.

TABLE 2.6

SCRRRA FY 2005-06 BUDGET

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
FY 2005-06 BUDGET

COMPARISON OF POSITIONS BY DEPARTMENT

Department	FY 2000-01	FY 2001-02	FY 2002-03 (1)	Adopted FY 2003-04	Amended FY 2003-04 (2)	FY 2003-04 (2)	FY 2004-05	FY 2005-06 (3)
Executive	6	7	8	8		8	8	9
Support Services and Technology Operations	23	27	31	31		31	31	31
Engineering and Construction Equipment	24	32	58	58	12	70	70	70
Communications and Development Finance	36	36	36	36		36	36	35
	7	7	7	11		11	11	11
	17	18	20	20		20	20	22
	23	24	24	24		24	24	22
<b>Subtotal</b>	<b>137</b>	<b>151</b>	<b>184</b>	<b>188</b>	<b>12</b>	<b>200</b>	<b>200</b>	<b>200</b>
Ambassadors - Full Time	7	3	3	3		0	0	0
Ambassadors - Part Time	25	22	22	22	-3	0	0	0
<b>Total Positions</b>	<b>169</b>	<b>176</b>	<b>209</b>	<b>213</b>	<b>-13</b>	<b>200</b>	<b>200</b>	<b>200</b>

1) In Fiscal Year 2002-03, the increase included the planned addition of 25 Dispatching personnel, plus one Administrative Assistant

2) In Fiscal Year 2003-04, the Passenger Services Division within the Department of Operations underwent a significant reorganization.

3) In Fiscal Year 2004-05, two positions associated with the agency's ticket sales program were transferred on an interim basis pending the hiring of a permanent Director, Finance.

In addition, one position has been transferred from the Engineering and Construction Department to the Executive Office.

**SECTION 3**

**SOUTHERN CALIFORNIA REGIONAL  
RAIL AUTHORITY**

**OPERATING BUDGET**



### 3.0 OPERATING BUDGET

#### 3.1 Performance Data

Figures 3.1 through 3.4 provide a summary of the FY 2005-06 performance data as projected in the Budget and compared with historical data since FY 1992-93. The budget illustrates the continuing growth and efficiency of Metrolink operations. As shown in Figures 3.1 and 3.2, both operating expenses and train-miles have increased at approximately the same long term rates. Fare revenues have increased with ridership, and maintenance-of-way and dispatching revenues continue to remain strong.

Several factors contribute to the increase in total expenditure requirements for FY 2005-06 as compared with the Budget for FY 2004-05:

Factors tending to increase operating expenditures:

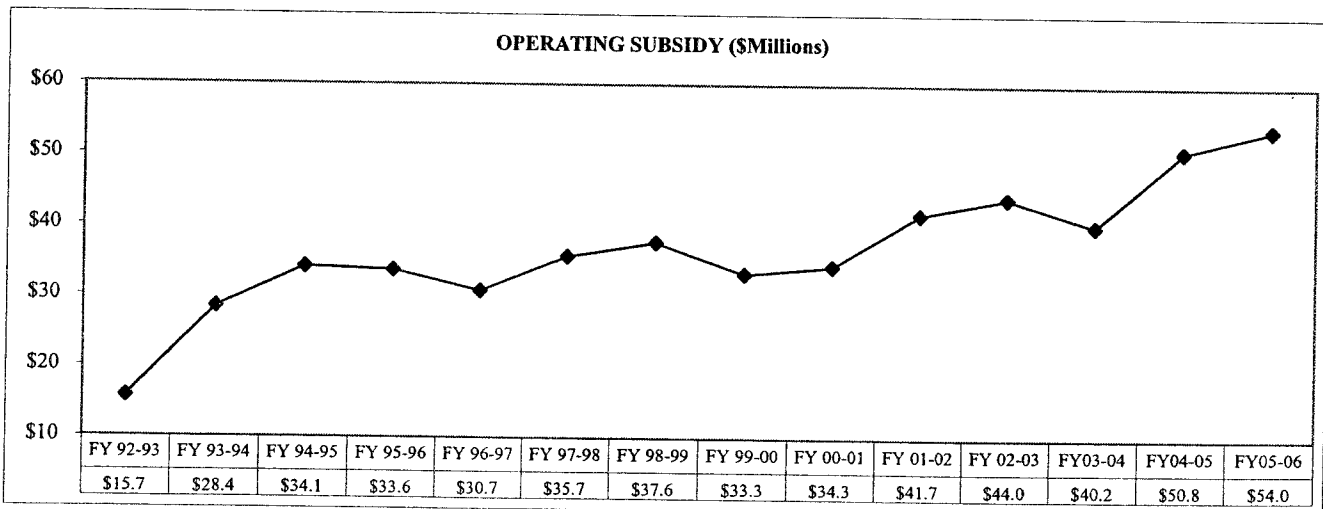
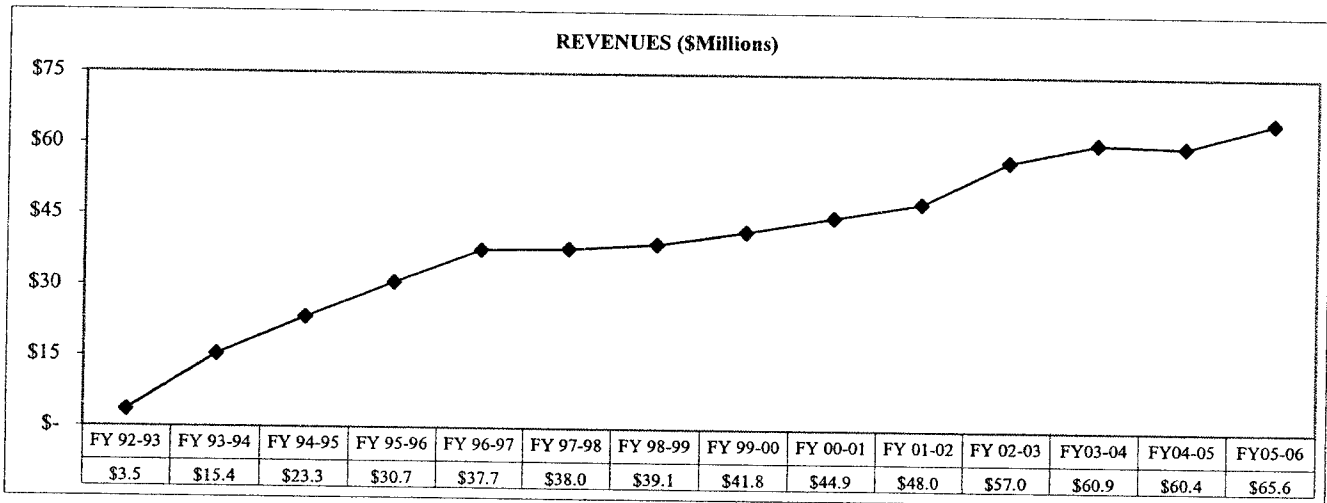
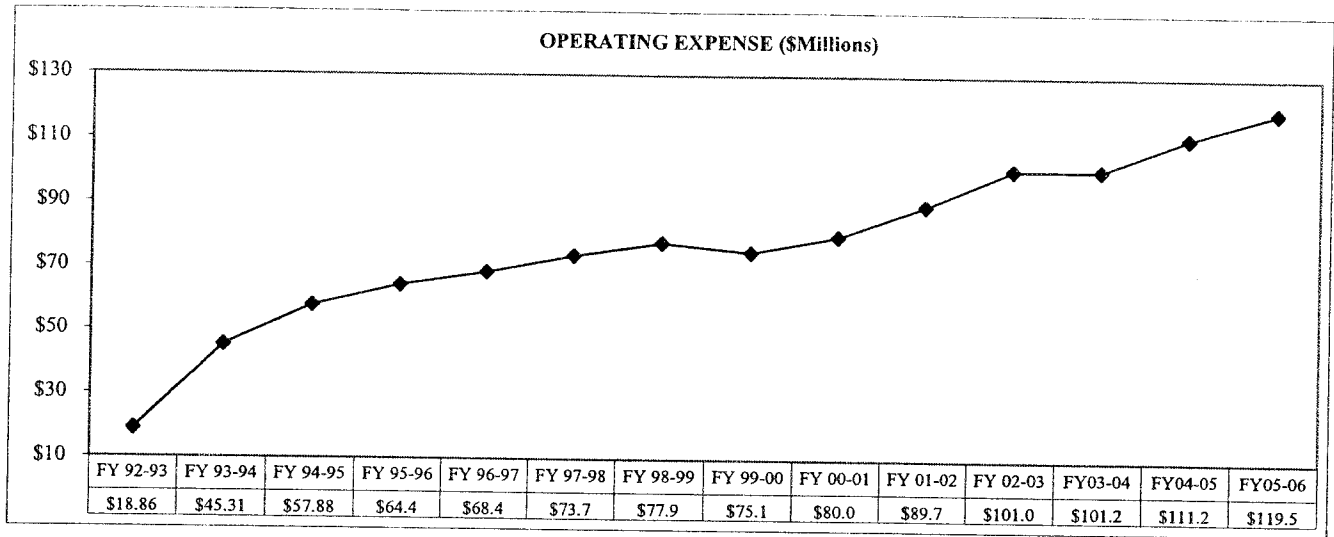
- Costs of diesel fuel for operations increase 33%.
- Costs of the agency's risk insurance programs increase 44%
- Year one costs associated with the mobilization of the new operating contract

Factors tending to moderate operating expenditures:

- Assumed reduction in the costs of projected agency funded medical insurance premiums through alternative funding strategies.
- Savings as a result of the extending the preventative maintenance cycle on rolling stock from 92 to 180 days to accommodate both funding constraints and equipment availability in the wake of the incident of January 2005.
- Labor costs associated with the agency's Maintenance of Way contracts are increased 0.5% as a result of a favorable railroad industry price escalation indices.
- Actual reductions from the FY 2004-05 budget across virtually all discretionary expenditure functions of the agency.

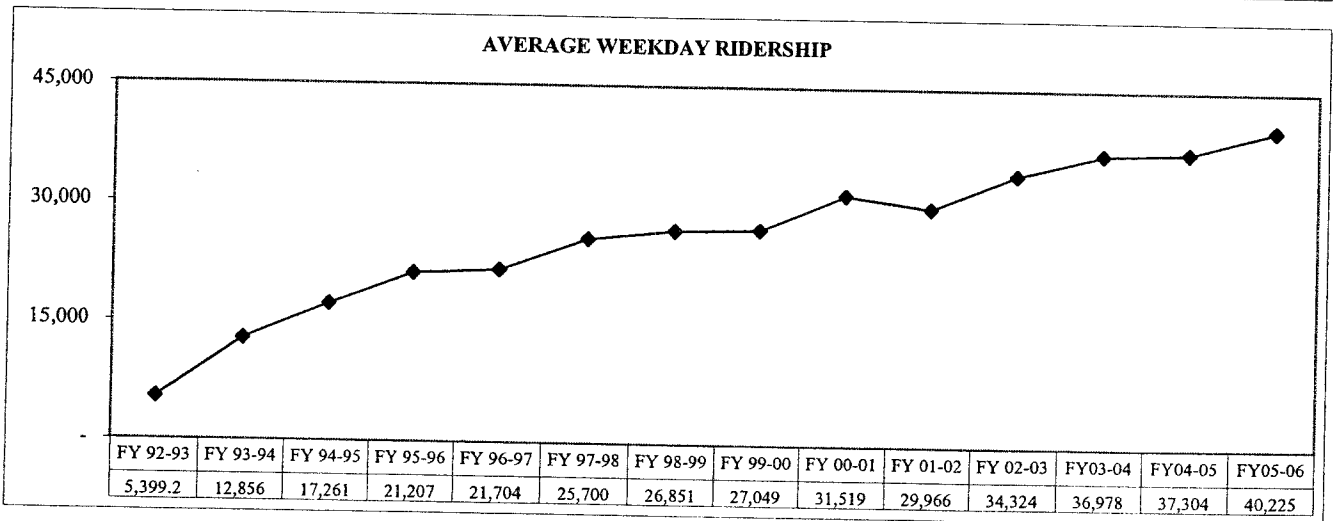
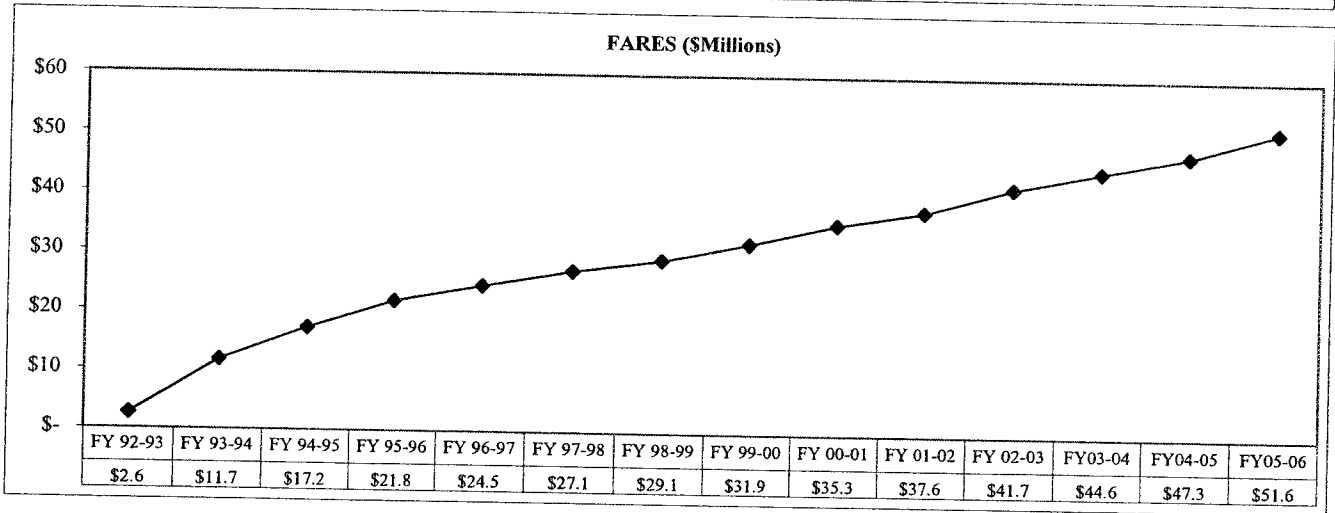
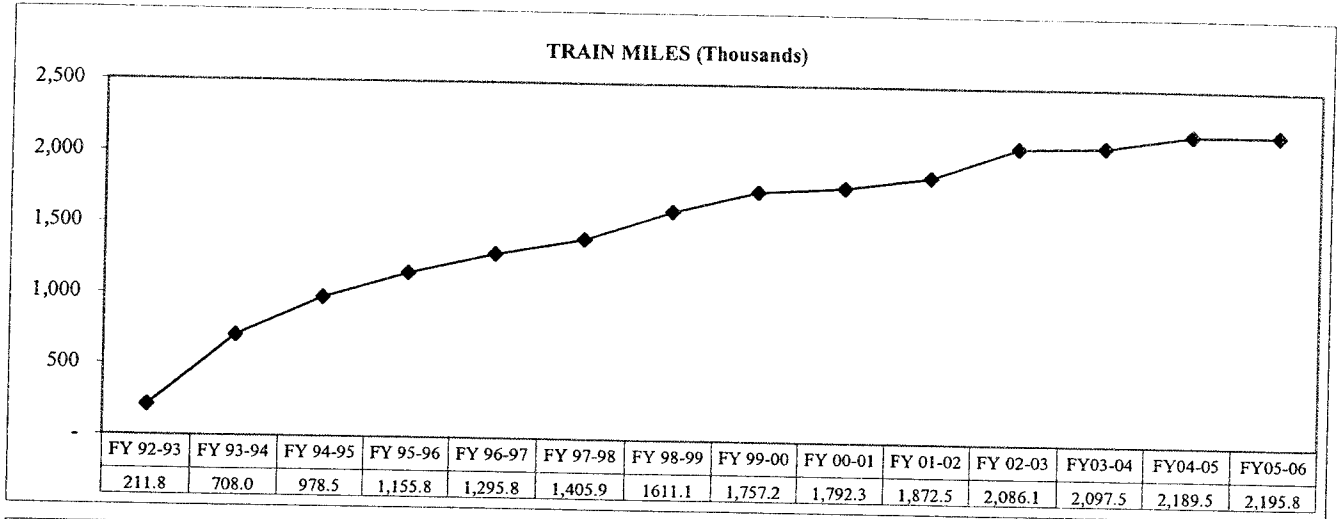
Figures 3.3 and 3.4 provide various operating statistics. Revenue recovery is calculated as the ratio of total operating revenues over total expenses less rolling stock lease and maintenance-of-way extra-ordinary maintenance. Since FY 1996-97 the revenue recovery index has been over 50% and is projected at 55% for FY 2005-06. In past years, final actual revenue recovery ratios have generally been higher than the budget projection due to contingencies included in the annual budgets as well as interest received on fares and other funds received in advance for operations and capital projects.

**FIGURE 3.1**  
**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ANNUAL OPERATING DATA - FY 92-93 TO FY 05-06**



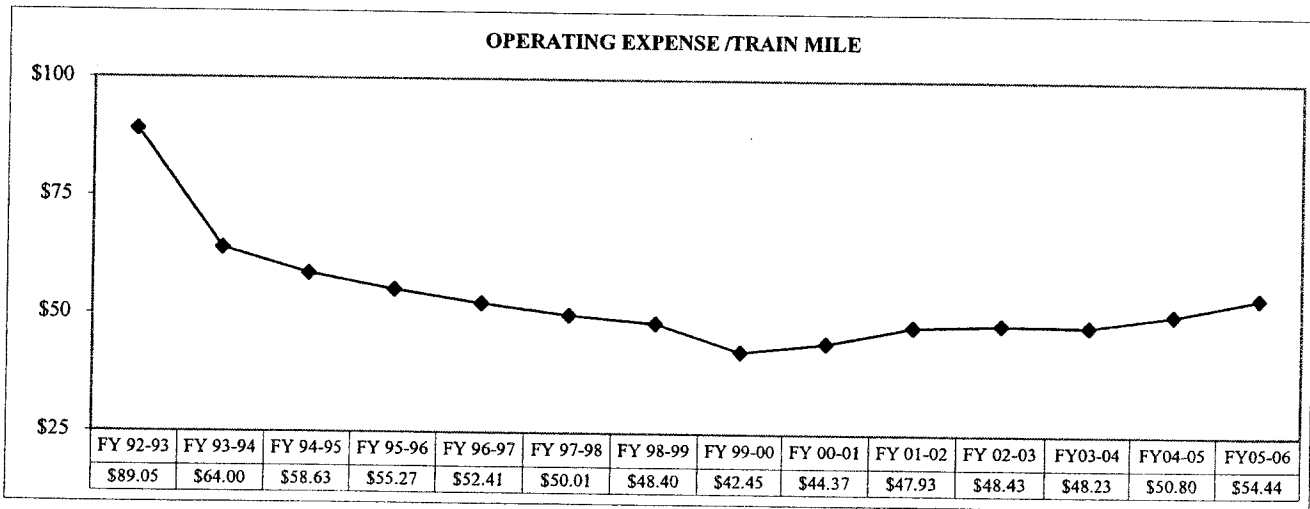
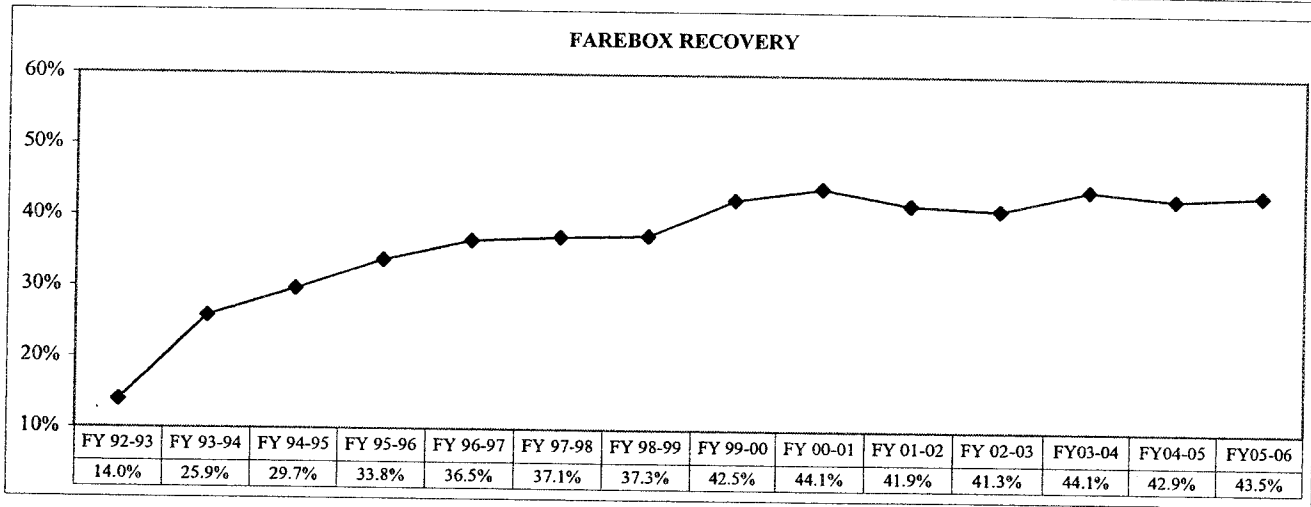
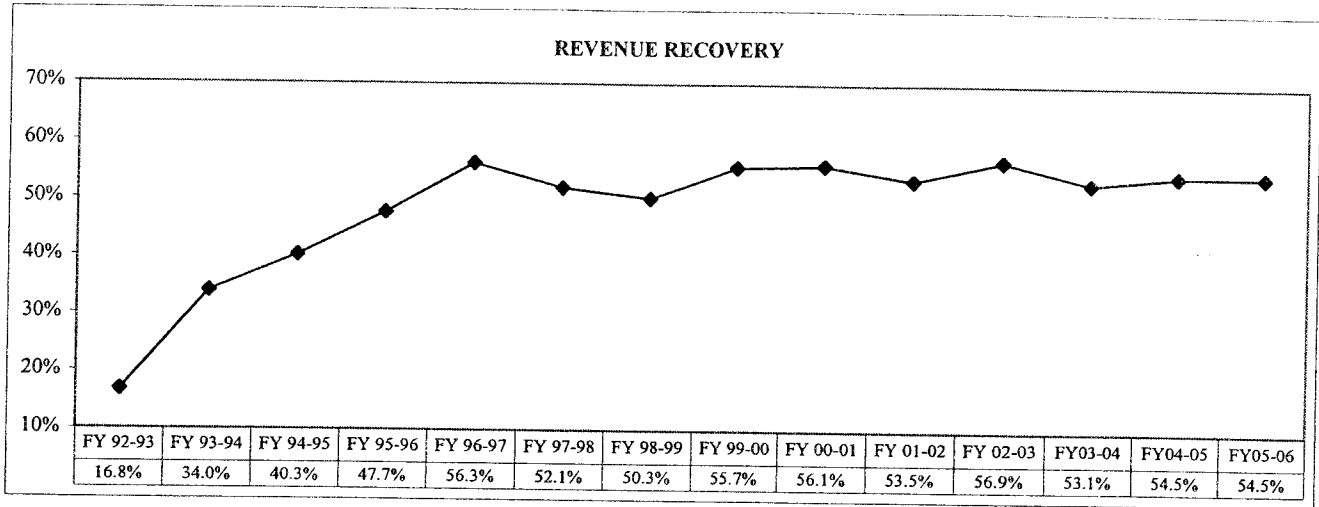
Actuals to FY 03-04, Budget for FY 04-05 and FY 05-06

**FIGURE 3.2**  
**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ANNUAL OPERATING DATA - FY 92-93 TO FY 05-06**



Actuals to FY 03-04, Budget for FY 04-05 and FY 05-06

**FIGURE 3.3**  
**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ANNUAL OPERATING DATA - FY 92-93 TO FY 05-06**



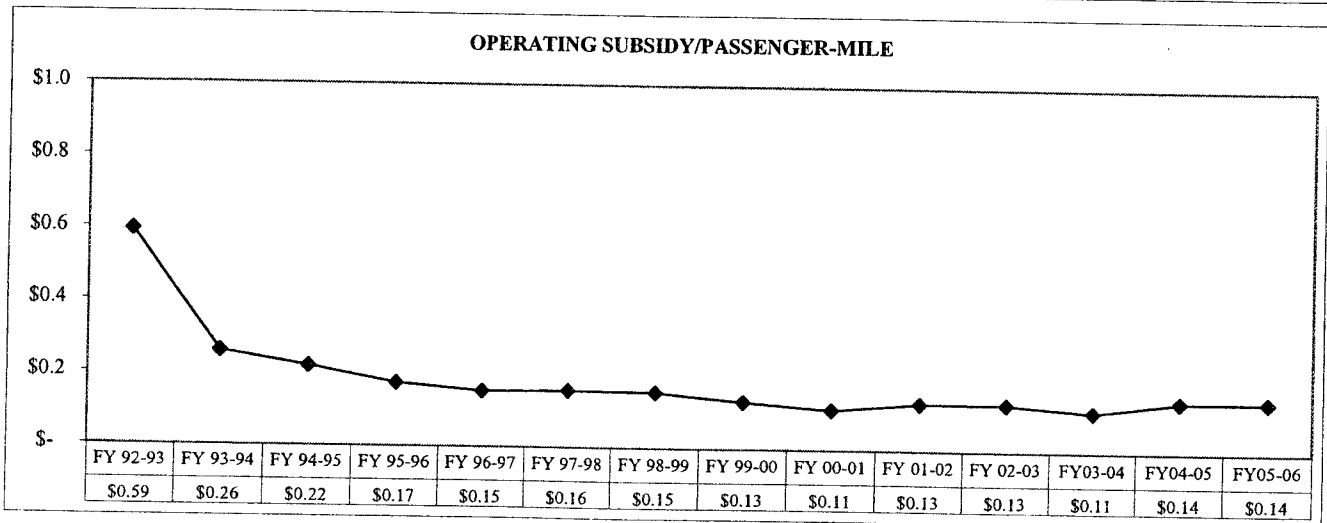
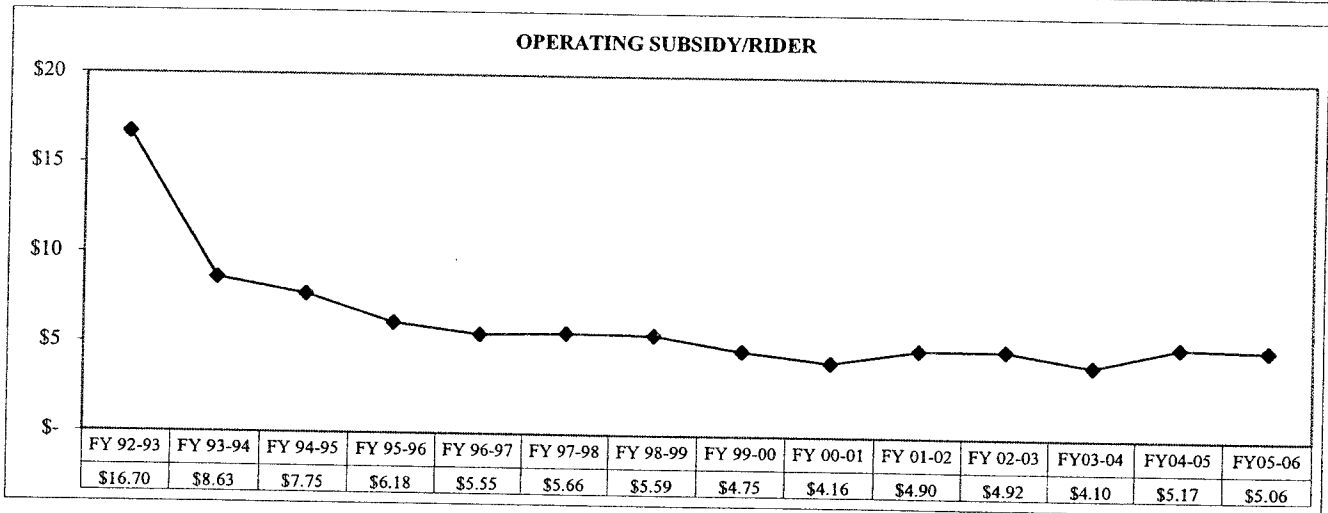
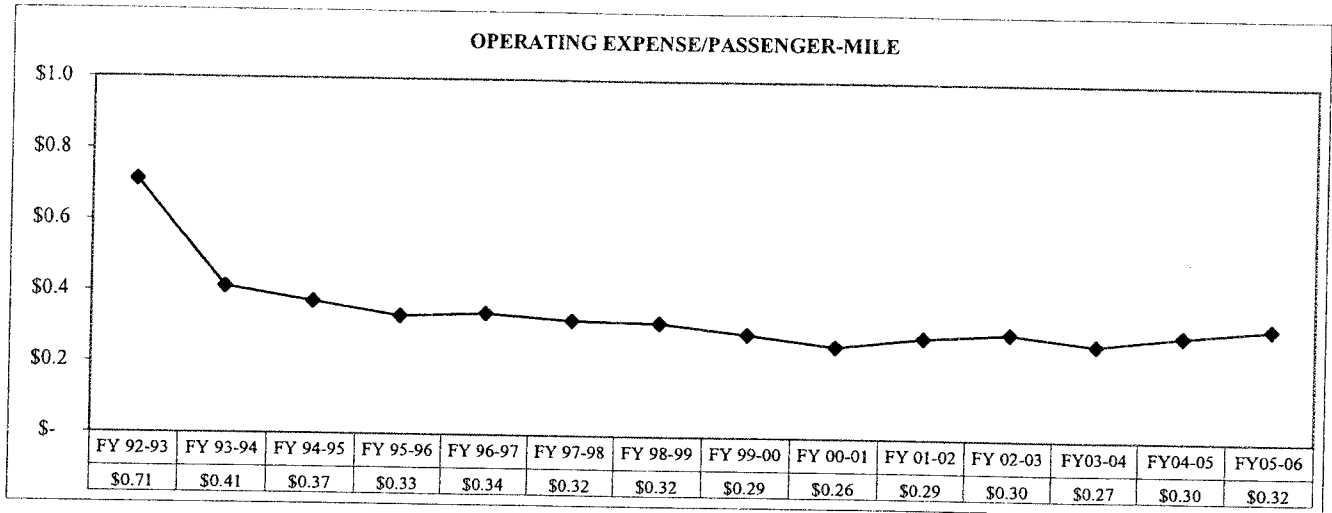
Actuals to FY 03-04, Budget for FY 04-05 and FY 05-06

Revenue Recovery = Operating Revenues/Operating Expenses Net of Rolling Stock Lease Payments

Farebox Recovery = Farebox Revenue/Operating Expenses Net of Rolling Stock Lease Payments



**FIGURE 3.4**  
**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ANNUAL OPERATING DATA - FY 92-93 TO FY 05-06**



Actuals to FY 03-04, Budget for FY 04-05 and FY 05-06

Farebox revenues are estimated to cover 44% of total operating expenses for FY 2005-06. Operating expense per train-mile is calculated net of extra-ordinary maintenance and is projected to be \$54.21 in FY 2005-06 an increase from \$50.83 in the Fiscal Year 2004-05 Budget.

Operating expense per passenger-mile has fluctuated between \$0.30 and \$0.34 since FY 1995-96 and is projected to be \$0.32 in FY 2005-06. Operating subsidy per rider has decreased as the system matured, and the projection for FY 2005-06 is \$5.06. As Metrolink trips are relatively lengthy, a better indication of the efficiency of the system is operating subsidy per passenger-mile. This index is projected to equal \$0.14, unchanged from FY 2004-05 and is very competitive with other transit properties in the region.

### **3.2 Summary of FY 2005-06 Statistics by Line**

Table 3.1 provides the estimated operating statistics by line for FY 2005-06 and the calculation of various performance ratios. Revenues and expenses are allocated to lines using formulae described in detail in Sections 7.1 through 7.4.

Average trip length for FY 2005-06 is projected at 35.0 miles. Dependent on ridership and revenues received for each line, operating statistics vary considerably. The Orange County, San Bernardino Lines have the highest revenue recovery rates, exceeding 60%. The Riverside, IEOC, and 91 Lines all have recovery rates between 52% and 59%, and the Ventura County and Antelope Valley lines have the lowest revenue recovery rates at 43% and 44% respectively.

### **3.3 Components Of The Operating Budget**

The two components of the Operating Budget - Operations and Maintenance-of-Way, have multiple sub-components of both expenses and revenues, which are provided to permit allocation to line and to member agencies.

- Operations – This portion of the Operating Budget includes expenses required to operate the Metrolink system including train operations, maintenance of equipment, fuel, security, utilities, transfer payments to other transit operators, revenue collection, payments to freight railroads for dispatching, station maintenance, passenger services, general and administrative expenses, professional services, and insurance.
- Maintenance-of-Way – This portion of the Operating Budget represents ordinary maintenance of the rights-of-way owned by SCRRA member agencies, and includes routine inspection of track, signals, structures and repairs as needed.

**TABLE 3.1  
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
FISCAL YEAR 2005-06 BUDGET  
OPERATING STATISTICS**

LINE	San Bernardino	Ventura County	Antelope Valley	Barbank	Riverdale	Orange County	Inland Empire Orange Co.	91 Line	Total
<b>OPERATING STATISTICS:</b>									
Weekday Train Trips - FY 05-06 Budget	34	20	24	12	12	19	12	9	142
Weekend Train Trips - FY 05-06 Budget	24	-	8	-	-	-	-	-	32
Passenger Boardings FY 04-05 Budget	2,938,385	1,043,145	1,564,902	-	1,112,717	1,773,812	967,251	434,984	9,835,195
Passenger Boardings FY 05-06 Proposed	3,151,906	1,103,807	1,757,402	-	1,259,965	1,921,828	973,341	504,794	10,673,043
% Change - FY 05 Budget to FY 06 Proposed	7.3%	5.8%	12.3%	-	13.2%	8.3%	0.6%	16.0%	8.5%
Train Miles FY 04-05 Budget	584,910	260,167	465,989	-	197,601	358,534	195,195	127,142	2,189,540
Train Miles FY 05-06 Proposed (2)	576,579	278,588	465,527	-	196,835	357,145	194,438	126,650	2,195,762
% Change - FY 05 Budget to FY 06 Proposed	(1.4%)	7.1%	(0.1%)	-	(0.4%)	(0.4%)	(0.4%)	(0.4%)	0.3%
Passenger Miles FY 04-05 Budget	112,833,972	35,884,185	64,473,954	-	43,618,506	67,404,856	32,596,359	15,267,938	372,079,771
Passenger Miles FY 05-06 Proposed	110,947,090	33,114,218	64,145,184	-	46,492,705	69,954,524	30,952,236	17,819,239	373,425,198
% Change - FY 05 Budget to FY 06 Proposed	(1.7%)	(7.7%)	(0.5%)	-	6.6%	3.8%	(5.0%)	16.7%	0.4%
Average Weekday Ridership	11,338	4,296	6,456	-	4,903	7,478	3,788	1,965	40,225
Average Trip Length (Miles)	35.2	30.0	36.5	-	36.9	36.4	31.8	35.3	35.0
<b>FINANCIAL (\$=000):</b>									
Operating Cost (w/ MOW) FY 04-05 Budget	28,166.5	16,431.8	23,174.4	-	12,313.9	19,870.5	9,047.9	2,231.7	111,236.7
Operating Cost (w/ MOW) FY 05-06 Proposed	29,540.0	17,037.8	24,978.2	-	12,651.9	20,993.6	9,858.7	4,479.1	119,539.3
% Change - FY 05 Budget to FY 06 Proposed	4.9%	3.7%	7.8%	-	2.7%	5.7%	9.0%	100.7%	7.5%
Operating Cost (w/o MOW Extra-Ordinary Mtrn) FY 06 Proposed	29,415.5	16,944.5	24,846.9	-	12,633.5	20,890.3	9,832.5	4,476.1	119,039.3
Operating Cost (w/MOW) FY 04-05 Budget	23,116.9	13,576.1	19,998.6	-	12,179.3	16,382.8	9,077.8	4,352.7	98,684.0
Subsidy (w/MOW) FY 05-06 Proposed	10,493.1	9,666.0	13,767.0	-	5,644.0	7,484.7	3,502.5	270.2	50,827.5
% Change - FY 05 Budget to FY 06 Proposed	4.6%	0.9%	1.7%	-	6,049.3	6,357.1	5,050.9	1,789.2	53,973.9
Farebox Revenue FY 04-05 Budget	14,580.2	4,312.0	6,516.7	-	7.2%	(15.1%)	44.2%	562.2%	6.2%
Farebox Revenue FY 05-06 Proposed	15,493.7	4,803.2	7,440.5	-	6,167.3	8,854.9	5,009.6	1,904.5	47,345.2
% Change - FY 05 Budget to FY 06 Proposed	6.3%	11.4%	14.2%	-	6,135.4	10,278.9	4,900.9	2,560.7	51,613.2
Other Revenues FY 06 Proposed (3)	3,074.8	2,482.5	3,534.0	-	472.1	3,853.2	420.9	114.5	13,952.2
Average Fare Per Passenger FY 06 Proposed	\$4.92	\$4.35	\$4.23	-	\$4.87	\$5.35	\$5.04	\$5.07	\$4.84
<b>COST / SERVICE EFFICIENCY FY 05-06</b>									
Op Cost / Passenger (w/o MOW Extra-Ordinary Maintenance)	\$9.33	\$15.35	\$14.14	-	\$10.03	\$10.87	\$10.10	\$8.87	\$11.15
Op Cost / Passenger Mile (w/o MOW Extra-Ordinary Maint)	\$0.27	\$0.51	\$0.39	-	\$0.27	\$0.30	\$0.32	\$0.25	\$0.32
Subsidy / Passenger	\$3.48	\$8.83	\$7.97	-	\$4.80	\$3.31	\$5.19	\$3.54	\$5.06
Subsidy / Passenger Mile	\$0.10	\$0.29	\$0.22	-	\$0.13	\$0.09	\$0.16	\$0.10	\$0.14
Op Cost / Train Mile (w/o MOW Extra-Ordinary Maintenance)	\$51.02	\$60.82	\$53.37	-	\$64.18	\$58.49	\$50.57	\$35.34	\$54.21
Op Cost / Train Mile (w/o MOW)	\$40.09	\$48.73	\$42.96	-	\$61.88	\$45.87	\$46.69	\$34.37	\$44.94
Subsidy / Train Mile	\$19.03	\$35.01	\$30.08	-	\$30.73	\$17.80	\$25.98	\$14.13	\$24.58
Farebox Recovery (4)	53.3%	28.4%	29.9%	-	48.9%	49.2%	49.8%	57.2%	43.5%
Revenue Recovery (5)	63.9%	43.0%	44.1%	-	52.7%	67.0%	54.1%	59.7%	55.3%

Notes:  
(1) Costs include all expenses for Metrolink and MOW on operating and non-operating lines  
(2) FY 05-06 train miles include 2 Amtrak code share trains on the Ventura County Line.  
(3) Other revenues include dispatching fees and MOW revenues from freight and Amtrak due to individual member agencies.  
(4) Farebox recovery is the ratio of farebox revenue to total expenses net of rolling stock lease payments.  
(5) Revenue recovery is the ratio of operating revenues to operating expenses net of rolling stock lease payments.

**3.4 Operating Budget Assumptions**

**Service** - The FY 2005-06 Budget assumes the operation of 142 weekday trains on seven lines and 32 weekend trains on two lines. Total Revenue Train Miles are expected to increase approximately 0.3% from the FY 2004-05 Budget as a result of the annual operation of new service implemented in October 2004 combined with one less operating weekday. The FY 2005-06 budget assumes no new services will be provided beyond the current schedule.

Continued in FY 2005-06 is the “Rail to Rail” program in which the SCRRA, Amtrak and CALTRANS work together to allow passengers, on those lines where complementary service exists, holding valid Metrolink monthly passes or Amtrak tickets, to choose the service provider most convenient to their travel needs. A graduated reimbursement scale has been negotiated based on passenger counts. The service is estimated to add over 1,400 weekday riders on the overlapping service.

Tables 3.2 and 3.3 reflect service assumptions and revenue miles projected for FY 2005-06.

**TABLE 3.2  
SERVICE ASSUMPTIONS FOR FY 2005-06**

<b>Line</b>	<b>Weekday Trains</b>	<b>Saturday Trains</b>	<b>Sunday Trains</b>
San Bernardino	34 San Bern-LA	7 San Bern-LA 9 Riverside-LA	2 San Bern LA 6 Riverside-LA
Ventura County*	4 Chatsworth-LA 10 Moorpark-LA 6 Montalvo -LA		
Antelope Valley	2 Santa Clarita-LA 4 Via Princessa-LA 18 Lancaster-LA	8 Lancaster-LA	
Riverside	12 Riverside-LA (UP)		
91	9 Riverside-LA (Via Fullerton)		
Orange County	6 Irvine-LA 2 Laguna Nigel - LA 1 San Juan Cap-LA 10 Oceanside-LA		
Inland Empire to Orange County	4 San Bern-Irvine 1 San Bern-Laguna Nigel 1 San Bern-San Juan Cap 2 San Bern-Oceanside 2 Riverside-Irvine 2 Riverside - Laguna Nigel		
Burbank Turns	9 Burbank Airport-LA 3 Burbank-LA		

\* Includes 2 Metrolink/Amtrak Code Share trains.

**Maintenance of Equipment (MOE)** – The current fleet of rolling stock consists of 39 Locomotives and 150 commuter rail cars including 37 Cab Cars and 113 Passenger Coaches. In FY 2004-05 the agency took delivery of 13 leased pieces of operating equipment including 1 Locomotive, 4 Cab Cars and 8 passenger coaches and these vehicles are assumed to be available for the entirety of the fiscal year.

**Table 3.3**  
**REVENUE TRAIN MILES FOR FY 2005-06**

Line	FY 2004-05 Budget	FY 2005-06 Proposed	Increase/ (Decrease)	% Change
San Bernardino Line	584,910	576,579	(8,331)	(1.4)%
Ventura County Line	260,167	278,588	18,421	7.1%
Antelope Valley Line	465,989	465,527	(462)	(0.1)%
Riverside Line (via UP)	197,601	196,835	(766)	(0.4)%
91 Line	127,142	126,650	(492)	(0.4)%
Orange County Line	358,534	357,145	(1,389)	(0.4)%
Inland Empire/Orange County Line	195,195	194,438	(757)	(0.4)%
<b>Total Revenue Miles</b>	<b>2,189,538</b>	<b>2,195,762</b>	<b>6,224</b>	<b>0.3%</b>

Note: FY 2005-06 represents 257 weekday operating days versus 258 in FY 2004-05. The reduction on the San Bernardino Line is the result of the elimination of 4 lightly used trains between San Bernardino and Montclair. The increase on the Ventura County Line includes 2 Metrolink/Amtrak code share trains.

**Maintenance of Way (MOW)** – The SCRRA is primarily responsible for the maintenance and integrity of approximately 337 track miles within the five county region. For further detail regarding the assumptions of the MOW program, please see Section 3.8.

**Revenues** - Farebox revenues are projected from estimates of ridership developed in coordination with member agency staff. FY 2005-06 includes the assumption of a systemwide 4.5% increase as a result of the implementation of the agency's approved fare policy restructuring effective July 1, 2005. As of May 1, 2005, the agency has scheduled a Public Hearing to explore various options with respect to the change in fares. To the degree the results differ from current budget assumptions, the actual change will be reflected in the final budget. Also included in the assumption is approximately \$411 thousand due to the proposed elimination of weekday off-peak discounted fare media.

The projected total annual ridership increase is estimated at 8.5%, and assumes no lasting revenue or ridership impacts of the recent rise in gasoline prices. Average Weekday ridership is estimated to increase 7.8%. Revenue per rider is based on average trip length and mix of fare type. The revenue per rider experienced on each line is used to estimate farebox revenues for each line and is based on specific projections of ridership.

Dispatching revenues are estimated based on agreements between the SCRRA and the freight railroads, Amtrak Intercity, and NCTD Coaster services. Dispatching revenues from the Burlington Northern Santa Fe Railroad are increased by the AAR Railroad Cost Index and Amtrak Intercity revenues are based on a formula that includes the movements of trains and certain performance incentives. In FY 2004-05, additional Amtrak service between San Luis Obispo and San Diego was added to the agreement resulting in additional revenues of \$160 thousand.

Other miscellaneous revenues include potential sponsorship reimbursements of the annual special Holiday Trains, and participation by Amtrak in the agency's Ticket Vending Machine (TVM) program based on a negotiated rate that assumes usage of SCRRA TVM equipment to

sell Amtrak tickets, the carry-forward of previous receipts under the agency's Supplemental Security program and other minor reimbursements to the agency.

**Expenses** - In projecting expenses, cost of living or labor agreement-related increases built into existing contracts are assumed. These increases range from a low of 0.5% to a high of 3.5%. The average cost of diesel fuel is estimated to be \$1.65 per gallon in the FY 2005-06 Budget, from \$1.225 per gallon, an increase of 35% over the FY 2004-05 budget.

For a detailed discussion of individual Operating Cost components, see Section 3.6 below.

### **3.5 Summary of Revenues and Expenses by Operating Cost Component**

Table 3.4 shows revenues and expenses by operating cost component of the Operating Budget for FY 2005-06 with comparisons to FY 2003-04 Actual Expenses, and the FY 2004-05 Budget. Table 3.4A lists FY 2005-06 revenues and expenses as they are allocated to Member Agencies.

Operating revenues include farebox revenues, dispatching and other revenues as well as maintenance-of-way revenues.

Operations expenses include expenses required to operate the Metrolink system including train operations, maintenance of equipment, fuel, security, utilities, transfer payments to other transit operators, revenue collection, payments to freight railroads for dispatching, station maintenance, passenger services, general and administrative expenses, professional services, and insurance.

Operations expenses are distributed to the lines (and subsequently to member agencies) based on several formulae. Items such as direct Train Operations expenses and fuel are distributed based on train-miles. Payments to freight railroads are charged directly to lines. These allocation formulae are described in Sections 7.1 and 7.2.

Maintenance-of-way expenses are developed by SCRRA to ensure the level of ordinary maintenance is sufficient to prevent any loss of service quality. Levels of maintenance required on individual lines depend upon several factors including the condition of the infrastructure; levels of train traffic; levels of freight traffic; the number of road crossings; the number of curves; and exposure to storm damage.

### **3.6 Detail of Operating Budget**

The FY 2005-06 Operating Budget is \$8.3 million or 7.5% greater than the FY 2004-05 Budget. The major factors contributing to this increase are:

- The single largest dollar increase in the FY 2005-05 Budget, as compared to FY 2004-05, is the increase resulting from the higher costs associated with the agency's risk insurance program, \$3.2 million or 38% of the total increase.
- The second principal area of cost escalation, as referenced above, is in the costs of Diesel Fuel. Budgeted at \$1.225 per gallon in FY 2004-05, FY 2005-06 is anticipating an average cost \$1.65 per gallon. The total increase of \$2.3 million represents 27.6% of the total increase in Operating Budget expenses.

TABLE 3.4

## ANNUAL DISTRIBUTION BY COST COMPONENTS

	FY 03-04	FY 04-05	FY 05-06	FY 05-06 Compared to	
	Actual	Budget	Budget	FY 03-04 Actual	FY 04-05 Budget
<b>EXPENSES</b>	<b>101,163.2</b>	<b>111,236.7</b>	<b>119,539.3</b>	<b>18.2%</b>	<b>7.5%</b>
<b>REVENUES</b>	<b>60,941.5</b>	<b>60,409.2</b>	<b>65,565.4</b>	<b>7.6%</b>	<b>8.5%</b>
<b>NET LOCAL SUBSIDY</b>	<b>40,221.7</b>	<b>50,827.5</b>	<b>53,973.9</b>	<b>34.2%</b>	<b>6.2%</b>
<b>Revenues</b>					
Farebox Revenue	\$44,588.3	\$47,345.2	51,613.2	15.8%	9.0%
Dispatching	2,526.1	2,660.7	2,863.0	13.3%	7.6%
Other Revenues	5,030.1	1,789.9	2,243.4		
MOW Revenues	8,797.0	8,613.4	8,845.8	0.6%	2.7%
Member Agency Revenues	40,221.7	50,827.5	53,973.9	34.2%	6.2%
<b>Total Revenues</b>	<b>\$101,163.2</b>	<b>\$111,236.7</b>	<b>\$119,539.3</b>	<b>18.2%</b>	<b>7.5%</b>
<b>Operations &amp; Services</b>					
Train Operations	20,090.5	22,103.9	22,836.6	13.7%	3.3%
Equipment Maintenance	15,142.3	16,520.2	17,351.8	14.6%	5.0%
Contingency (Train Ops)	-	150.0	150.0	0%	0.0%
Fuel	6,763.2	6,917.2	9,208.8	36.2%	33.1%
Non-Scheduled Rolling Stock Repairs	28.9	350.0	300.0	936.4%	-14.3%
Operating Facilities Maintenance	596.1	877.4	651.0	9.2%	-25.8%
Other Operating Train Services	156.5	172.1	141.9	-9.4%	-17.6%
Rolling Stock Lease	-	855.9	978.2	0.0%	14.3%
Security - Sheriff	2,901.9	3,054.7	3,061.7	5.5%	0.2%
Security - Guards	862.9	826.9	851.7	-1.3%	3.0%
Supplemental Additional Security	112.1	882.1	374.0	234%	-57.6%
Public Safety Program	403.1	460.5	268.5	-33.4%	-41.7%
Safety/Security Federal Grants	-	402.4	641.1	0.0%	59.3%
Passenger Relations	1,459.2	1,233.2	1,196.8	-18.0%	-3.0%
Holiday Trains	153.9	82.6	151.3	-1.6%	83.2%
TVM Maintenance/Revenue Collection	2,317.7	2,945.2	2,917.1	25.9%	-1.0%
Marketing	900.5	884.0	882.0	-2.1%	-0.2%
Media & External Communications	620.1	577.7	614.9	-0.8%	6.4%
Utilities/Leases	1,785.2	1,813.9	1,834.4	2.8%	1.1%
Transfers to Other Operators	3,036.8	3,897.1	3,851.0	26.8%	-1.2%
Amtrak Transfers	490.0	585.0	800.0	63.3%	36.8%
Station Maintenance	547.7	616.9	707.3	29.1%	14.7%
Rail Agreements	2,575.2	3,016.6	2,962.3	15.0%	-1.8%
<b>Subtotal Operations &amp; Services</b>	<b>60,944.0</b>	<b>69,491.3</b>	<b>72,732.3</b>	<b>19.3%</b>	<b>4.7%</b>
<b>Maintenance-of-Way</b>					
MoW - Line Segments	17,773.2	19,637.6	20,355.3	14.5%	3.7%
MoW - Extra-Ordinary Maintenance	713.3	500.0	500.0	-29.9%	0.0%
<b>Subtotal Maintenance-of-Way</b>	<b>18,486.5</b>	<b>20,137.6</b>	<b>20,855.3</b>	<b>12.8%</b>	<b>3.6%</b>
<b>Administration &amp; Services</b>					
Salaries & Fringe Benefits	6,442.1	6,870.9	7,295.3	13.2%	6.2%
Non-Labor Expenses	853.9	688.5	714.3	-16.4%	3.7%
Indirect Administrative Expenses	5,758.1	6,023.1	6,332.0	10.0%	5.1%
Professional Services	1,352.3	561.0	570.1	-57.8%	1.6%
<b>Subtotal Administration &amp; Services</b>	<b>14,406.5</b>	<b>13,877.7</b>	<b>14,911.7</b>	<b>3.5%</b>	<b>7.5%</b>
<b>Contingency (Non-Train Ops)</b>	<b>535.3</b>	<b>500.0</b>	<b>650.0</b>	<b>21.4%</b>	<b>30.0%</b>
<b>Insurance</b>					
Liability/Property/Auto	3,900.1	4,420.2	6,590.0	69.0%	49.1%
Claims	2,244.2	2,100.0	2,500.0	11.4%	19.0%
Claims Administration	646.6	710.0	1,300.0	101.0%	83.1%
<b>Subtotal Insurance</b>	<b>6,791.0</b>	<b>7,230.2</b>	<b>10,390.0</b>	<b>53.0%</b>	<b>43.7%</b>
<b>Total Expenses Including MoW</b>	<b>\$101,163.2</b>	<b>\$111,236.7</b>	<b>\$119,539.3</b>	<b>18.2%</b>	<b>7.5%</b>

TABLE 3.4A

ANNUAL DISTRIBUTION BY COST COMPONENTS

	FY 05-06 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC	Total
<b>EXPENSES</b>	<b>119,539.3</b>	<b>67,087.9</b>	<b>21,933.0</b>	<b>8,365.7</b>	<b>14,973.1</b>	<b>7,179.7</b>	<b>119,539.3</b>
<b>REVENUES</b>	<b>65,565.4</b>	<b>35,429.9</b>	<b>14,134.1</b>	<b>4,278.4</b>	<b>8,830.2</b>	<b>2,892.8</b>	<b>65,565.4</b>
<b>NET LOCAL SUBSIDY</b>	<b>53,973.9</b>	<b>31,658.0</b>	<b>7,798.9</b>	<b>4,087.2</b>	<b>6,142.8</b>	<b>4,286.9</b>	<b>53,973.9</b>
<b>Revenues</b>							
Farebox Revenue	51,613.2	27,228.3	10,845.2	4,057.8	7,551.3	1,930.6	51,613.2
Dispatching	2,863.0	1,458.3	915.3	27.8	79.6	382.0	2,863.0
Other Revenues	2,243.4	1,217.8	409.3	192.8	292.5	131.0	2,243.4
MOW Revenues	8,845.8	5,525.5	1,964.3	-	906.8	449.3	8,845.8
Member Agency Revenues	53,973.9	31,658.0	7,798.9	4,087.2	6,142.8	4,286.9	53,973.9
<b>Total Revenues</b>	<b>\$119,539.3</b>	<b>\$67,087.9</b>	<b>\$21,933.0</b>	<b>\$8,365.7</b>	<b>\$14,973.1</b>	<b>\$7,179.7</b>	<b>\$119,539.3</b>
<b>Operations &amp; Services</b>							
Train Operations	22,836.6	13,268.4	4,251.8	1,467.2	2,777.1	1,072.1	22,836.6
Equipment Maintenance	17,351.8	9,813.0	3,043.2	1,332.8	2,238.0	924.8	17,351.8
Contingency (Train Ops)	150.0	84.9	27.5	11.5	18.7	7.4	150.0
Fuel	9,208.8	5,211.1	1,699.1	687.5	1,201.9	409.2	9,208.8
Non-Scheduled Rolling Stock Repairs	300.0	170.3	53.0	23.0	37.6	16.0	300.0
Operating Facilities Maintenance	651.0	369.4	115.1	50.0	81.7	34.8	651.0
Other Operating Train Services	141.9	80.5	25.1	10.9	17.8	7.6	141.9
Rolling Stock Lease	978.2	504.0	130.5	73.2	223.1	47.5	978.2
Security - Sheriff	3,061.7	1,737.5	541.4	235.2	384.1	163.6	3,061.7
Security - Guards	851.7	483.3	150.6	65.4	106.8	45.5	851.7
Supplemental Additional Security	374.0	197.2	78.6	29.4	54.8	14.0	374.0
Public Safety Program	268.5	152.4	47.5	20.6	33.7	14.3	268.5
Safety/Security Federal Grants	641.1	363.8	113.4	49.2	80.4	34.3	641.1
Passenger Relations	1,196.8	679.2	211.6	91.9	150.1	63.9	1,196.8
Holiday Trains	151.3	85.9	26.8	11.6	19.0	8.1	151.3
TVM Maintenance/Revenue Collection	2,917.1	1,655.5	515.8	224.1	365.9	155.8	2,917.1
Marketing	882.0	500.5	156.0	67.7	110.6	47.1	882.0
Media & External Communications	614.9	348.9	108.7	47.2	77.1	32.8	614.9
Utilities/Leases	1,834.4	1,041.0	324.4	140.9	230.1	98.0	1,834.4
Transfers to Other Operators	3,851.0	2,232.0	688.0	224.7	552.2	154.0	3,851.0
Amtrak Transfers	800.0	299.9	429.0	-	-	71.1	800.0
Station Maintenance	707.3	401.4	125.1	54.3	88.7	37.8	707.3
Rail Agreements	2,962.3	1,244.6	634.3	573.1	250.6	259.7	2,962.3
<b>Subtotal Operations &amp; Services</b>	<b>72,732.3</b>	<b>40,924.8</b>	<b>13,496.4</b>	<b>5,491.6</b>	<b>9,100.0</b>	<b>3,719.5</b>	<b>72,732.3</b>
<b>Maintenance-of-Way</b>							
MoW - Line Segments	20,355.3	12,007.7	3,803.7	551.1	2,762.8	1,230.0	20,355.3
MoW - Extra-Ordinary Maintenance	500.0	277.7	116.9	15.4	57.2	32.9	500.0
<b>Subtotal Maintenance-of-Way</b>	<b>20,855.3</b>	<b>12,285.4</b>	<b>3,920.6</b>	<b>566.5</b>	<b>2,820.0</b>	<b>1,262.8</b>	<b>20,855.3</b>
<b>Administration &amp; Services</b>							
Salaries & Fringe Benefits	7,295.3	3,896.3	1,271.2	652.8	857.5	617.4	7,295.3
Non-Labor Expenses	714.3	381.5	124.5	63.9	84.0	60.4	714.3
Indirect Administrative Expenses	6,332.0	3,381.8	1,103.4	566.6	744.3	535.9	6,332.0
Professional Services	570.1	304.5	99.3	51.0	67.0	48.3	570.1
<b>Subtotal Administration &amp; Services</b>	<b>14,911.7</b>	<b>7,964.0</b>	<b>2,598.4</b>	<b>1,334.4</b>	<b>1,752.8</b>	<b>1,262.0</b>	<b>14,911.7</b>
<b>Contingency (Non-Train Ops)</b>	<b>650.0</b>	<b>367.7</b>	<b>112.7</b>	<b>45.3</b>	<b>63.1</b>	<b>61.2</b>	<b>650.0</b>
<b>Insurance</b>							
Liability/Property/Auto	6,590.0	3,516.4	1,142.7	587.8	790.5	552.5	6,590.0
Claims	2,500.0	1,335.2	435.6	223.7	293.9	211.6	2,500.0
Claims Administration	1,300.0	694.3	226.5	116.3	152.8	110.0	1,300.0
<b>Subtotal Insurance</b>	<b>10,390.0</b>	<b>5,545.9</b>	<b>1,804.9</b>	<b>927.9</b>	<b>1,237.2</b>	<b>874.1</b>	<b>10,390.0</b>
<b>Total Expenses Including MoW</b>	<b>\$119,539.3</b>	<b>\$67,087.9</b>	<b>\$21,933.0</b>	<b>\$8,365.7</b>	<b>\$14,973.1</b>	<b>\$7,179.7</b>	<b>\$119,539.3</b>



- Increases as a result of the annualization of the costs of leased equipment and the mobilization requirements of the new operating contract increase \$0.8 million or 9.7% of the total increase.
- The balance of the Operating budget, \$98.7 million increases \$2.0 million or 2.1%.

The following section describes each element of the Operating Budget.

**Revenues** - Farebox revenues are projected from estimates of ridership developed in coordination with member agency staff. The current FY 2005-06 budget proposal includes the assumed implementation of the approved fare policy restructuring, effective July 1, 2005, resulting in a systemwide average fare increase of approximately 4.5%. However, the agency is currently conducting a Public Hearing process on fare increases ranging from 4.5% up to 9.25%, principally to offset the high cost of diesel fuel, and the results, if different from that assumed, will be incorporated into the final budget. The projected total average weekday ridership increase is estimated at 7.8% due to the full year impact of additional services, and assumes no lasting revenue or ridership impacts of the recent rise in gasoline prices. Revenue per rider is based on average trip length and mix of fare type. The revenue per rider experienced on each line is used to estimate farebox revenues for each line and is based on specific projections of ridership. See Table 3.5 for a listing of estimated Fare Revenues, by line, for the fiscal year.

Dispatching revenues are estimated based on agreements between the SCRRA and the freight railroads, Amtrak Intercity, and NCTD Coaster services. Dispatching revenues from the Burlington Northern Santa Fe Railroad are increased by the AAR Railroad Cost Index and Amtrak Intercity revenues are based on a formula that includes the movements of trains and certain performance incentives. This agreement has reached its current incentive cap and only increases to the base affect a change in the total. Revenues from Union Pacific Railroad are based on an agreed upon flat rate fee. Table 3.6 shows the Dispatching Revenues from FY 2003-04 through FY 2005-06.

Other miscellaneous revenues include potential sponsorship reimbursements of the annual special Holiday Trains, and participation by Amtrak in the agency's Ticket Vending Machine (TVM) program based on a negotiated rate that assumes usage of SCRRA TVM equipment to sell Amtrak tickets, the carry-forward of previous Supplemental Security funds, and other minor reimbursements to the agency.

Maintenance-of-way revenues are described in Section 3.8.

**Expenses** - The following section details expenses shown in Tables 3.4 and 3.4A

**Train Operations - Operating Crews.** FY 2005-06 represents the first year of a new multi-year agreement with Connex Rail Services to provide operating train crews including Engineers and Conductors. Absent the contractually required vendor mobilization costs, this line shows an otherwise 0.5% reduction from the FY 2004-05 Budget. Mobilization, per the terms of the contract, is to be paid in thirty-six (36) equal monthly installments commencing in July 2005 in an amount not to exceed actual costs or the contract bid rate.

TABLE 3.5

FY2005-06 Ridership/Fare Revenue Forecast

Operating Line	Average Daily Ridership				Revenue/Rider		Fare Revenues				
	FY 04-05 Budget	YTD Avg (Nov-04)	FY 04-05 Fcst	FY 05-06 Fcst	FY 04-05 Budget	YTD Avg (Oct-04)	FY 04-05 Budget	FY 04-05 Fcst	FY 05-06 Budget	% Incr from FY05 Fcst	% Incr from FY05 Bud
San Bernardino											
Weekday	10,859	10,833	10,964	11,338	4.86	4.72	13,611,381	13,330,080	14,462,745	8.5%	6.3%
Saturday	2,893	2,844	2,904	2,956	4.04	3.92	586,045	571,281	618,495	8.3%	5.5%
Sunday	1,671	1,569	1,629	1,689	4.50	4.57	382,745	377,445	412,493	9.3%	7.8%
Ventura County	4,045	4,105	4,179	4,296	4.13	4.15	4,312,042	4,480,331	4,803,152	7.2%	11.4%
Antelope Valley											
Weekday	5,768	6,478	6,322	6,456	4.19	4.00	6,232,810	6,521,046	7,098,045	8.8%	13.9%
Saturday	1,538	1,826	1,826	1,887	3.69	3.38	283,876	308,305	342,414	11.1%	20.6%
Riverside	4,315	4,716	4,775	4,903	5.54	4.67	6,167,331	5,745,116	6,135,411	6.8%	-0.5%
Orange County no Amtrak	5,690	5,914	5,938	6,172	4.99	5.09	8,854,868	9,402,057	10,278,927	9.3%	16.1%
Orange County w/ Amtrak	6,879	7,071	7,135	7,478	5.18	4.87	5,009,587	4,569,801	4,900,859	7.2%	-2.2%
I/EOC	3,752	3,549	3,641	3,788	4.38	4.82	1,904,534	2,343,697	2,560,660	9.3%	34.5%
91	1,686	1,862	1,885	1,965							
Totals w/ Amtrak											
Weekday	37,304	38,615	38,901	40,225			46,092,553	46,392,129	50,239,799	8.3%	9.0%
Saturday	4,431	4,670	4,730	4,844			869,922	879,585	960,909	9.2%	10.5%
Sunday	1,671	1,569	1,629	1,689			382,745	377,445	412,493	9.3%	7.8%
Total							47,345,219	47,649,159	51,613,202	8.3%	9.0%

TABLE 3.6

**FY2005-06 NON-FARE OPERATING REVENUES**

**DISPATCHING AGREEMENTS**

Agreement/Territory	FY03-04 Actuals	FY04-05 Budget	FY05-06 Budget	Change from FY05 Budget
Amtrak Intercity	1,502,872	1,658,317	1,844,609	11.2%
Coast & Saugus Shared Use (UPRR/SPTC)	256,464	256,920	256,920	0.0%
East Bank Joint Facility (UPRR/SPTC)	87,213	93,612	94,080	0.5%
Mission Tower (UPRR/SPTC)	226,152	208,510	209,553	0.5%
San Diego & Olive Subdivision Shared Use (BNSF)	40,843	48,325	48,566	0.5%
Pasadena Subdivision Shared Use (BNSF)	50,105	46,618	46,851	0.5%
North County Transit District (NCTD)	362,461	348,425	362,461	4.0%
<b>Total</b>	<b>2,526,111</b>	<b>2,660,728</b>	<b>2,863,041</b>	<b>7.6%</b>

**OTHER REVENUES \***

Revenue Source	FY03-04 Actuals	FY04-05 Budget	FY05-06 Budget	Change from FY05 Budget
Marketing Revenues	45,000	35,000	292,400	N/A
Federal Funds	4,788	402,411	641,111	N/A
LSD Fuel AQMD	131,185	-	-	N/A
Amtrak TVM Revenues	-	283,155	210,244	N/A
Prior Years Supplemental Security Surplus	-	527,120	319,758	N/A
Lease Proceeds (Sounder Lease for overcrowding)	-	542,219	598,503	N/A
Insurance Recoveries	4,727,421	-	-	N/A
Allocable Interest	-	-	-	N/A
Miscellaneous Revenues	121,695	-	181,339	N/A
Audit Findings	-	-	-	N/A
<b>Total</b>	<b>5,030,089</b>	<b>1,789,905</b>	<b>2,243,356</b>	<b>N/A</b>

<b>Total Non-Fare Operating Revenues</b>	<b>7,556,200</b>	<b>4,450,633</b>	<b>5,106,397</b>	<b>N/A</b>
--	------------------	------------------	------------------	------------

\* Other Revenues include one-time and other non-recurring sources.

The contingency for Train Operations is set at \$75,000, the same level as the FY 2004-05 Budget.

**Train Operations - SCRRA Dispatching.** This represents the costs of SCRRA provided Dispatching Services over the Rights-Of-Way territories owned by the SCRRA's Member Agencies. This item increases \$145 thousand, or 4.2% due primarily to Labor and Fringe escalation and the full year effect of additional staff added in FY 2004-05.

**Equipment Maintenance.** The budget for FY 2005-06 is \$17.4 million, an increase of 5.0% from the adopted FY 2004-05 level. However, due to funding constraints during the development of the FY 2005-06 Budget, and an operating constraint due to reduced levels of equipment as a result of the January incident in Glendale, the Preventative Maintenance Cycle for equipment has been extended, in conformance with Federal guidelines, from 92 to 180 days.

The contingency for Equipment Maintenance in FY 2005-06 is set at \$75,000, the same level as the FY 2004-05 Budget.

**Fuel.** As discussed above, the agency is currently experiencing all-time record highs in its cost of diesel fuel. Usage of approximately 5.6 million gallons is based on the projected consumption levels assumed in the proposed schedule. In FY 2005-06, fuel prices are assumed to stabilize over the course of the year to an average cost \$1.65 per gallon compared to an average of \$1.225 per gallon budgeted in FY 2004-05. The resulting projection of \$8.8 million for the year is a 33.1% increase or \$2.3 million.

**Non-Scheduled Rolling Stock Repairs.** This item is for repairs to accommodate medium scaled unforeseen damage to rolling stock. The amount requested for FY 2005-06 is \$300,000, a reduction of \$50 thousand or 14.3% from the FY 2004-05 amount.

**Operating Facilities Maintenance.** This function is responsible for the cleaning, maintenance, and hazardous materials compliance at the Central Maintenance Facility and other outlying SCRRA facilities. The budget of \$651 thousand represents a 25.8% decrease from the FY 2004-05 Budget.

**Other Operating Train Services.** This budget includes a number of miscellaneous items directly related to operating the rail system. Weather data forecast and earthquake reporting services, publications, uniforms, and emergency bus services are items considered in this category. Total expenditures are \$141.9 thousand, a decrease of 17.6% from the FY 2004-05 Budget.

**Rolling Stock Lease.** These costs represent the full year costs of 13 additional pieces of equipment leased from Sound Transit in Washington State. Included in this pool is 1 Locomotive, 4 Cab Cars, and 8 Passenger Coaches. The FY 2004-05 Budget was amended during the year to incorporate this lease and the costs included in the FY 2005-06 Preliminary Budget include the full year costs of the lease, an increase of 14.3%.

**Security - Sheriff.** This line item shows an increase of 0.2% from the FY 2004-05 Budget. As a result of funding constraints during the development of the FY 2005-06 Budget, 2 Law Enforcement Technicians, from a total of 6, have been eliminated from the contractually authorized levels thereby recognizing a savings, from an otherwise requested level, of \$138 thousand.

**Security - Guards.** The amount proposed for FY 2005-06 represents a 3% increase from the FY 2004-05 level due to contractual escalators.

**Supplemental Additional Security.** This program is funded through an increment on fare revenues implemented in FY 2002-03, current approximately  $\frac{3}{4}$ 's of 1% (0.75%). These funds provide for identified operational security needs, special one time upgrades to agency facilities, and prevention of and response to external threat incidents. Also included in this line item are costs associated with the one time utilization of previous periods available balances.

**Public Safety Program.** The program declines by 41.7% from FY 2004-05 in order to address the constraints imposed on the development of the FY 2005-06 Budget. Because of this reduction, the agency will not be able to support public outreach community events in the five counties, will reduce the safety presentations to only those specific areas of concern, and will reduce the delivery of Operation Lifesaver materials to schools and community organizations. Finally the SCRRA will not be able to fund the safety billboard campaign in FY 2005-06.

**Safety/Security Federal Grants.** These funds represent the balance of a grant received in FY 2004-05 and includes funds for the purpose of assessing the vulnerability of rail cars; terrorism training for law enforcement, fire, and other civilian authorities; Los Angeles Union Station planning and organization work; materials and other administrative costs; and a number of other specific individual activities.

**Passenger Relations.** A 3.0% decrease is projected for the FY 2005-06 Budget for passenger relations and telephone information services from levels adopted in FY 2004-05. Funds are allocated to provide for the continuation of the Station Call Box project, the continuation of contracted Telephone Information Services, the Customer Promise program in which the SCRRA will guarantee to passengers the ability to reach their final destination, and other minor customer service related expenses.

**Holiday Trains.** The amount projected for the holiday trains in FY 2005-06 is an increase of \$68 thousand from the FY 2004-05 Budget due to an overly optimistic and aggressive lowering of the budget in FY 2004-05. The budget includes labor charges by Bombardier for support at the CMF during the decoration of the train, the costs of actual train operations, security, and a significantly reduced level of community outreach, support and marketing costs.

There is also the expectation that opportunities will be sought to provide sponsored offsetting revenue and without such sponsorships, the train will not be operated in FY 2005-06.

**Ticket Vending Machine (TVM) Maintenance/Revenue Collection.** This item includes TVM and validator maintenance, revenue collection, ticket stock, replacement of destination and ticket type strips in the TVMs, fare/zone change programming, and merchant fees for credit and debit card usage. This line item declines \$28.1 thousand, or 1% from the FY 2004-05 Budget. Included in this item is the capacity to incorporate within SCRRA equipment to vend Amtrak fare media as well. This incremental increase, \$210 thousand, is offset by a corresponding revenue contribution from Amtrak.

**Marketing/Market Research.** There is a decrease of 0.2% compared with the FY 2004-05 Budget. This line item includes market research & analysis, advertising, promotions, special events, sales, merchandising, and channel marketing.

**Media/External Relations.** There is an increase of 6.4% compared with the FY 2004-05 Budget. This line item includes media and public relations, community relations, web site maintenance and programming, and the production of the agency's printed schedules and Ride Guides. Also included are outreach activities with Station Cities including special events and the increased development of partnerships with Strategic Stakeholders.

**Utilities/Leases.** Utility and lease costs are estimated at current monthly average costs and are expected to increase 1.1% from the FY 2004-05 Budget. Growth has been moderated as a result of an expected and substantial decline in the costs of long distance telephone expenses to the agency through the implementation of a new service contract. The agency otherwise expects current, non-fuel, energy related trends to continue with minor moderation.

**Transfers to Other Operators.** These transfers represent agreements between the SCRRA and other transit operators to allow Metrolink passengers a convenience of transfer to connecting transit. Revenue transfers to other transit operators show a 1.2% decline over the budget for FY 2004-05. Included in the FY 2004-05 program were the costs of integration into the LACMTA sponsored "Easy Pass" program throughout Los Angeles County. Absent this underlying cost, transfers increase 5.6% in line with our estimates of ridership changes.

**Amtrak Transfers.** The Rail 2 Rail Program – an agreement between Amtrak, Caltrans and SCRRA - allows all Amtrak ticketholders to ride any Amtrak or Metrolink train within the limits of their ticket and Metrolink monthly passholders to ride any Amtrak or Metrolink train within the limits of their ticket. In FY 04-05 Amtrak pays Metrolink \$2 for every Amtrak ticket holder carried on Metrolink trains and Metrolink pays Amtrak \$2 for every Amtrak ticket or pass holder carried on Amtrak trains. In FY 05-06 this reimbursement will increase to \$2.10 and there is a cap of \$750,000 on the net amount Metrolink will pay to Amtrak

On November 17, 2004 Amtrak, Metrolink and Caltrans started operation of two shared service trains operating as Amtrak 768 and 799 and Metrolink 108 and 103. These trains stop at all Metrolink stations between Los Angeles and Oxnard and accept all Metrolink fare media. In FY 05-06 Metrolink will reimburse Amtrak at the rate of \$3.50 per one-way, round trip and 10-trip Metrolink ticket holder carried on these two trains up to a cap of \$50,000.

**Station Maintenance.** This item is increased by 14.7% from the FY 2004-05 Budget. The increase is principally the result of increased costs of Insurance and Maintenance for the common areas at Los Angeles Union Station. This item also includes non-LAUS maintenance of station equipment, signs, display cases, and public address/changeable message signs (PA/CMS), and platform maintenance.

**Rail Agreements.** This line item represents payments to freight railroads, the Union Pacific and the Burlington Northern Santa Fe, for dispatching and other operating related services over property owned by these railroads. The amount budgeted is down slightly from FY 2004-05 due to a change in the escalator used in FY 2004-05.

**Maintenance of Way -Line Segments.** This line item is discussed in Section 3.8.

**Maintenance of Way - Extra-ordinary Maintenance.** This item is discussed in Section 3.8.

**Salaries and Fringe Benefits.** Salaries and fringe benefits are forecast based on the actual salary rate of each position charging directly to the Train Operations Budget, and assumes a fringe benefit additive of 55%, and a 3% merit pool.

However, due to the constraints surrounding the development of the FY 2005-06 Budget, the agency is exploring potential cost saving measures in the area of agency funded Medical Insurance premiums by asking employees to fund up to 10% of the cost of these benefits. Additional increases result from the reallocation of labor resources among the various SCRRA modes of output. The agency has attempted to significantly improve its time and record keeping practices over the past two fiscal years. The estimates in the budget currently reflect this improved information.

**Direct Non-Labor Costs.** Costs included in this line include Direct Non-allocated MIS expenses including programming and maintenance of the agency's dispatching system, Travel and Lodging expenses of operating departments, non-revenue vehicle fuel, and additional minor miscellaneous expenses. These costs are expected to increase 9.8%, primarily due to the cost of fuel for non-revenue agency vehicles, up 66%, from the FY 2004-05 budget. Travel and training have been reduced and will be restricted to essential costs only, and each Director and Manager has been instructed to, whenever possible, substitute lower costs alternatives for ordinary administrative functions.

**Indirect Administrative Expenses.** Costs allocated to Train Operations represent this budget's share of the agency's General and Administrative costs. FY 2005-06 is expected to increase by 5.1% due the change in the composition of the labor distribution of agency against a G&A pool growth rate of 2.2%

**Professional Services.** Professional Services includes contracted services for the performance audit of operators; equipment engineering assistance; signage design; and other items. This item

is estimated to increase 1.6% from FY 2004-05.

**Contingency.** This line item is traditionally budgeted at \$650,000 and is included to be utilized under authority of the Chief Executive Officer to deflect any unanticipated increase in expenses so as to avoid unnecessary increases to member agency subsidies in the event short term negative expense impacts are realized.

**Insurance.** Overall, this item is projected to increase 43.7% compared with the FY 2004-05 Budget as discussed above. Premiums for Operating Liability and Property Damages are projected to increase by 49.1%, Claims Administration is assumed to increase 83.1% as a result of activities associated with the Glendale incident of January 2005, and costs associated with the agency's Self Insurance Reserve (SIR) requirements are expected to increase 19.0%.

### **3.7 Summary of Revenue and Expenses by Member Agency**

Table 3.7 provides the FY 2005-06 Metrolink Operating Budget by Member Agency shares. Total local subsidies increase 6.19% over the FY 2004-05 Budget and are expected to equal \$54.0 million.



TABLE 3.7

**OPERATING SUBSIDY ALLOCATION BY COUNTY**  
(\$000s)

	Total FY 05-06	LACMTA Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
<b>Expenses</b>						
Train Operations & Services	\$72,732.3	\$40,924.8	\$13,496.4	\$5,491.6	\$9,100.0	\$3,719.5
Maintenance-of-Way	20,855.3	12,285.4	3,920.6	566.5	2,820.0	1,262.8
Administration & Services	15,561.7	8,331.8	2,711.1	1,379.7	1,815.9	1,323.2
Insurance	10,390.0	5,545.9	1,804.9	927.9	1,237.2	874.1
<b>Total Expenses Incl. MOW</b>	<b>\$119,539.3</b>	<b>\$67,087.9</b>	<b>\$21,933.0</b>	<b>\$8,365.7</b>	<b>\$14,973.1</b>	<b>\$7,179.7</b>
<b>Revenues</b>						
Gross Farebox	51,613.2	27,228.3	10,845.2	4,057.8	7,551.3	1,930.6
Dispatching	2,863.0	1,458.3	915.3	27.8	79.6	382.0
Other Operating	1,923.6	1,036.3	352.8	168.2	252.4	113.9
Maintenance-of-Way	8,845.8	5,525.5	1,964.3	-	906.8	449.3
<b>Total Operating Revenues</b>	<b>\$65,245.7</b>	<b>\$35,248.4</b>	<b>\$14,077.6</b>	<b>\$4,253.9</b>	<b>\$8,790.1</b>	<b>\$2,875.7</b>
<b>Other Revenues</b>						
Prior Year Supplemental Security	319.8	181.5	56.5	24.6	40.1	17.1
<b>Total Revenues</b>	<b>\$65,565.4</b>	<b>\$35,429.9</b>	<b>\$14,134.1</b>	<b>\$4,278.4</b>	<b>\$8,830.2</b>	<b>\$2,892.8</b>
<b>Total County Allocation</b>	<b>\$53,973.9</b>	<b>\$31,658.0</b>	<b>\$7,798.9</b>	<b>\$4,087.2</b>	<b>\$6,142.8</b>	<b>\$4,286.9</b>
<b>FY 2004-05 Budget</b>	50,827.5	29,902.6	8,599.8	3,188.9	5,404.6	3,731.6
<b>Increase/(Decrease)</b>	3,146.4	1,755.4	(800.9)	898.3	738.3	555.4
<b>Percentage Change</b>	<b>6.19%</b>	<b>5.87%</b>	<b>(9.31%)</b>	<b>28.17%</b>	<b>13.66%</b>	<b>14.88%</b>

### 3.8 Maintenance-of-Way Budget

#### Assumptions

This section provides the assumptions used to project revenues and expenses for the Maintenance-of-Way (MOW) portion of the Operating Budget. Maintenance of Way expenses are those expenditures to provide ordinary maintenance of Member Agency owned rights of way.

Over long periods, expenses under a capital renovation program and ordinary maintenance budgets are somewhat interchangeable. Because the most economical methods of replacement of railroad elements (rail, ties, crossings, etc.) are through large specialized operations, railroad owners usually arrange for periodic replacement of elements using capital budgets.

Under one extreme maintenance philosophy, a railroad owner may elect to continually replace worn elements using ordinary maintenance forces. In this scenario, the property is kept in excellent condition and there is no need for a Rehabilitation/Renovation capital program. However, total operating expenses are very high. The other extreme is to limit ordinary maintenance to little more than legally required inspections and to repair what breaks, counting on future expenditures in Rehabilitation and Renovation programs to refresh the condition of the property. This scenario results in reduction of speed and quality of operations as the maintenance level declines; however, ordinary maintenance expenditures are minimized.

The recommended MOW philosophy of SCRRA is to perform ordinary maintenance sufficient to prevent any loss of service quality and to budget for Rehabilitation/Renovation at sufficient intervals to prevent the needed repairs/replacements from overwhelming the ordinary MOW budget. This philosophy is practiced by all of the successful freight railroads on their main routes.

#### Conditions and Trends in the MOW Budget

Current MOW programs are developed annually to maintain the tracks in their original condition. The factors listed below increase the MOW budget as compared to the budgets of the prior owners, the freight railroads:

- Higher standards for maintenance
- Signal problem response time
- Right-of-way and crossing response to community
- No tolerance for speed reductions
- No interference with train movements
- More frequent trains/shortened windows/overtime for many tasks
- Unforeseen expenses related to signals and storm damage
- Some capital work not completed
- Tunnel rehabilitation
- Some old rail

- Some old interlockings.
- Right-of-way security issues:
- Graffiti
  - Trash dumping
  - Vandalism to track and signals

Actions that work to reduce current MOW expenses include:

- Completion of Rehabilitation/Renovation projects
- Improvements to right-of-way security
- Fencing
- Law enforcement (SCRRA and community)
- Signage
- Acquisition of maintenance site(s) to avoid rents and reduce travel time

### **MOW Revenues and Expenses**

Table 3.8 provides maintenance-of-way revenues received from the freight railroads and Amtrak Intercity service and includes revenues for operating and non-operating lines. Maintenance-of-Way revenues are expected to increase to \$8.8 million, an increase of \$0.2 million or 2.7%, over the FY 2004-05 Budget. Included in this figure is the anticipated 75% reduction of State funds related to ongoing grade crossing maintenance.

Maintenance-of-way revenues are estimated from prior agreements, are based on estimates of current usage, and represent revenues from the freight railroads and Amtrak. The rate of selected elements are increased by the AAR Railroad Cost Index, 0.5 % and charged based on traffic on the lines. Amtrak Intercity revenues, per agreement, are increased by the CPI (3%) and an additional increase as a result of added service between Moorpark and Oceanside. Revenues on the East Bank Joint Facility (East Bank of the Los Angeles River) are related to SCRRA's expenditures in this segment and vary from year to year depending upon both maintenance and capital work. Since FY 1997-98, the SCRRA has had an arrangement to exchange MOW revenues for an equal amount of Orange County Gas Tax Funds. These funds are budgeted outside the ordinary MOW budget.

Table 3.9 provides the projection of Maintenance-of-Way Revenues, Subsidy and Expenditure by territory and by county for FY 2005-06.

Table 3.10 provides a summary of the projection of Maintenance-of-Way Expense Detail for FY 2005-06 by Line Segment/Territory and compares these projections to FY 2003-04 Budget.

The maintenance category detail provided in Table 3.10 includes the following line items:

- Track - payments to the maintenance-of-way contractor for projection of labor on inspections/repair of track.
- Signal & Communications - payments to the signal and communications contractor for projection of labor on inspections/repair of signal and communication systems.
- Structures- payments to the maintenance-of-way contractor for projection of labor on inspections/repair of bridges, tunnels and other structures.

TABLE 3.8

## FY 2005-06 MAINTENANCE-OF-WAY REVENUE

Agreement/Territory	FY03-04 Actual	FY04-05 Budget	FY05-06 Budget	Change from FY05 Budget
Amtrak Intercity	965,709	1,065,594	1,185,301	11.2%
LAUS Rail Yard Operations & Maintenance (Amtrak)	138,099	185,880	141,857	-23.7%
Azusa Branch Shared Use (UPRR/SPTC)	87,961	82,360	82,772	0.5%
Baldwin Park Branch Shared Use (UPRR/SPTC)	198,517	189,054	190,000	0.5%
Coast & Saugus Shared Use (UPRR/SPTC)	3,255,805	2,871,902	3,291,116	14.6%
East Bank Joint Facility (UPRR/SPTC)	942,545	828,381	832,523	0.5%
Mission Tower (UPRR/SPTC)	83,282	126,142	85,549	-32.2%
San Diego & Olive Subdivision Shared Use (BNSF)	1,126,722	1,186,443	1,192,375	0.5%
Pasadena Subdivision Shared Use (BNSF)	1,663,731	1,751,915	1,760,674	0.5%
State Grade Crossing (CPUC)	334,627	325,714	83,657	-74.3%
<b>Total</b>	<b>8,796,999</b>	<b>8,613,386</b>	<b>8,845,823</b>	<b>2.7%</b>

TABLE 3.9

PROPOSED FY 2005-06 MAINTENANCE-OF-WAY EXPENDITURES

Revenue Forecast Allocation

Line Segment/Territory	FY 05-06 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC
<b>Operating Lines</b>	<b>7,830,962</b>	<b>4,579,875</b>	<b>1,964,263</b>	-	<b>837,559</b>	<b>449,265</b>
LA - San Bernardino	1,057,957	220,398	-	-	837,559	-
LA - Ventura (Burbank Jct to Moorpark)	1,319,815	870,550	-	-	-	449,265
LA - Lancaster	2,419,208	2,419,208	-	-	-	-
Fullerton - San Diego County Line	1,856,077	-	1,856,077	-	-	-
Olive Subdivision	108,186	-	108,186	-	-	-
Riverside Layover Facility	-	-	-	-	-	-
River Corridor	1,069,719	1,069,719	-	-	-	-
Extra-Ordinary Maintenance (Derailments, Storm Damage)	-	-	-	-	-	-
<b>Non-Operating Lines</b>	<b>1,014,861</b>	<b>945,606</b>	-	-	<b>69,255</b>	-
Sierra Madre - Claremont (Pasadena Sub)	945,606	945,606	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	69,255	-	-	-	69,255	-
<b>Total</b>	<b>8,845,823</b>	<b>5,525,481</b>	<b>1,964,263</b>	-	<b>906,814</b>	<b>449,265</b>

Net Subsidy Allocation

Line Segment/Territory	FY 05-06 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC
<b>Operating Lines</b>	<b>11,689,955</b>	<b>6,647,772</b>	<b>1,956,353</b>	<b>566,458</b>	<b>1,705,799</b>	<b>813,574</b>
LA - San Bernardino (1)	3,240,486	1,938,556	-	-	1,301,930	-
LA - Ventura (Burbank Jct to Moorpark) (2)	1,590,360	951,140	-	-	-	639,220
LA - Lancaster	1,946,598	1,946,598	-	-	-	-
Fullerton - San Diego County Line	2,139,938	568,081	1,303,184	227,362	41,311	-
Olive Subdivision	238,807	-	134,878	87,949	15,980	-
Riverside Layover Facility (3)	68,540	32,199	12,292	17,630	6,418	-
River Corridor (4)	1,965,227	933,483	389,115	218,140	282,993	141,496
Extra-Ordinary Maintenance (5) (Derailments, Storm Damage)	500,000	277,714	116,884	15,378	57,167	32,858
<b>Non-Operating Lines</b>	<b>319,489</b>	<b>112,134</b>	-	-	<b>207,355</b>	-
Sierra Madre - Claremont (Pasadena Sub)	112,134	112,134	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	207,355	-	-	-	207,355	-
<b>Total</b>	<b>12,009,444</b>	<b>6,759,905</b>	<b>1,956,453</b>	<b>566,458</b>	<b>1,913,154</b>	<b>813,574</b>

Total Expenditure Forecast

Line Segment/Territory	FY 05-06 Budget	LACMTA	OCTA	RCTC	SANBAG	VCTC
<b>Operating Lines</b>	<b>19,520,917</b>	<b>11,227,646</b>	<b>3,920,616</b>	<b>566,458</b>	<b>2,543,358</b>	<b>1,262,839</b>
LA - San Bernardino	4,298,443	2,158,954	-	-	2,139,489	-
LA - Ventura (Burbank Jct to Moorpark)	2,910,175	1,821,690	-	-	-	1,088,485
LA - Lancaster	4,365,806	4,365,806	-	-	-	-
Fullerton - San Diego County Line	3,996,015	568,081	3,159,261	227,362	41,311	-
Olive Subdivision	346,993	-	243,064	87,949	15,980	-
Riverside Layover Facility	68,540	32,199	12,292	17,630	6,418	-
River Corridor	3,034,946	2,003,202	389,115	218,140	282,993	141,496
Extra-Ordinary Maintenance (Derailments, Storm Damage)	500,000	277,714	116,884	15,378	57,167	32,858
<b>Non-Operating Lines</b>	<b>1,334,350</b>	<b>1,057,740</b>	-	-	<b>276,610</b>	-
Sierra Madre - Claremont (Pasadena Sub)	1,057,740	1,057,740	-	-	-	-
Baldwin Park Branch (San Bernardino Co.)	276,610	-	-	-	276,610	-
<b>Total</b>	<b>20,855,267</b>	<b>12,285,387</b>	<b>3,920,616</b>	<b>566,458</b>	<b>2,819,968</b>	<b>1,262,839</b>

- (1) MoW net subsidy split by route miles (59.82% LACMTA and 40.18% SANBAG).
- (2) MoW net subsidy split by train miles (59.81% LACMTA and 40.19% VCTC).
- (3) Net subsidy split by train miles of trains using the Riverside Layover, excluding San Diego County (46.98% LACMTA, 17.93% OCTA, 25.72% RCTC, and 9.36% SANBAG).
- (4) Split is assumed All Share (47.5% LACMTA, 19.8% OCTA, 14.4% SANBAG, 7.2% VCTC, and 11.1% RCTC) of cost in excess of revenues.
- (5) Split is assumed All Share for derailments (\$100,000) and percent of route miles owned (57.55% LACMTA, 24.27% OCTA, 1.07% RCTC, 10.69% SANBAG, 10.69% SANBAG, and 6.41% VCTC) for storm damage, gate knockdowns, and vandalism.

TABLE 3.10

MAINTENANCE-OF-WAY EXPENSE DETAIL BY LINE SEGMENT/TERRITORY

Line Segment/Territory	FY 04-05 Expenditure Budget	FY 04-05 Expenditure Forecast	FY 05-06 Proposed Budget	Variance FY 05-06 vs FY 04-05 Budget Over/(Under)	Variance FY 05-06 vs FY 04-05 Forecast Over/(Under)
<b>Operating Lines</b>	<b>18,944,270</b>	<b>18,048,913</b>	<b>19,520,917</b>	<b>576,647</b>	<b>1,565,449</b>
<b>LA - San Bernardino</b>	<b>4,085,479</b>	<b>3,643,333</b>	<b>4,298,443</b>	<b>212,964</b>	<b>655,110</b>
Track	920,841	737,310	895,204	(25,638)	157,894
Signal & Communications	1,404,115	1,303,045	1,466,717	62,602	163,672
Structures	195,184	173,788	187,760	(7,425)	13,972
Procurement	231,102	182,656	220,460	(10,643)	37,804
Other	487,486	518,345	568,882	81,397	50,537
Agency Costs	846,750	728,188	959,420	112,670	231,232
<b>LA - Ventura (Burbank Jet to Moorpark)</b>	<b>2,904,192</b>	<b>2,979,639</b>	<b>2,910,175</b>	<b>5,982</b>	<b>(69,464)</b>
Track	863,097	836,350	792,739	(70,358)	(43,611)
Signal & Communications	831,721	788,810	776,303	(55,417)	(12,506)
Structures	135,174	176,150	130,033	(5,142)	(46,117)
Procurement	160,049	219,666	152,679	(7,371)	(66,987)
Other	337,607	395,617	393,978	56,371	(1,639)
Agency Costs	576,544	563,046	664,443	87,900	101,397
<b>LA - Lancaster</b>	<b>4,434,700</b>	<b>4,412,068</b>	<b>4,365,806</b>	<b>(68,894)</b>	<b>(46,262)</b>
Track	1,190,352	1,119,932	1,133,115	(57,237)	13,183
Signal & Communications	1,219,182	1,235,227	986,888	(232,294)	(248,339)
Structures	226,357	198,674	217,747	(8,610)	19,073
Procurement	268,012	241,888	255,669	(12,343)	13,781
Other	565,342	669,319	659,738	94,396	(9,581)
Agency Costs	965,455	947,027	1,112,648	147,194	165,621
<b>Fullerton - San Diego County Line</b>	<b>3,850,181</b>	<b>3,347,154</b>	<b>3,996,015</b>	<b>145,833</b>	<b>648,860</b>
Track	1,041,396	703,746	987,930	(53,467)	284,184
Signal & Communications	1,077,312	888,497	1,103,518	26,206	215,021
Structures	191,964	182,018	184,662	(7,302)	2,644
Procurement	227,289	186,908	216,822	(10,467)	29,913
Other	479,442	581,315	559,495	80,053	(21,819)
Agency Costs	832,778	804,670	943,588	110,810	138,918
<b>Ornge Subdivision</b>	<b>338,927</b>	<b>410,951</b>	<b>346,993</b>	<b>8,066</b>	<b>(63,959)</b>
Track	98,749	147,788	91,701	(7,048)	(56,087)
Signal & Communications	107,913	128,373	109,804	1,891	(18,569)
Structures	14,664	11,150	14,106	(558)	2,956
Procurement	17,362	14,083	16,563	(800)	2,480
Other	36,624	44,406	42,739	6,115	(1,667)
Agency Costs	63,615	65,152	72,080	8,465	6,928
<b>Riverside Layover Facility</b>	<b>70,017</b>	<b>50,072</b>	<b>68,540</b>	<b>(1,477)</b>	<b>18,468</b>
Track	21,751	13,600	18,964	(2,787)	5,364
Signal & Communications	9,687	4,268	6,115	(3,572)	1,847
Structures	4,381	-	4,214	(167)	4,214
Procurement	5,187	2,643	4,948	(239)	2,305
Other	10,941	12,111	12,767	1,827	656
Agency Costs	18,071	17,450	21,532	3,461	4,082
<b>River Corridor</b>	<b>2,760,774</b>	<b>2,658,974</b>	<b>3,034,946</b>	<b>274,172</b>	<b>375,973</b>
Track	623,485	679,084	626,394	2,909	(52,690)
Signal & Communications	1,500,400	1,243,131	1,702,275	201,876	459,145
Structures	71,187	34,832	68,479	(2,708)	33,647
Procurement	84,286	150,261	80,405	(3,882)	(69,857)
Other	177,793	215,570	207,479	29,686	(8,091)
Agency Costs	303,624	336,095	349,914	46,291	13,819
<b>Extra-Ordinary Maintenance (Derailments, Storm Damage, Gate Knockdowns, Vandalism)</b>	<b>500,000</b>	<b>546,722</b>	<b>500,000</b>	<b>-</b>	<b>46,722</b>

TABLE 3.10

MAINTENANCE-OF-WAY EXPENSE DETAIL BY LINE SEGMENT/TERRITORY

Line Segment/Territory	FY 04-05 Expenditure Budget	FY 04-05 Expenditure Forecast	FY 05-06 Proposed Budget	Variance FY 05-06 vs FY 04-05 Budget Over/(Under)	Variance FY 05-06 vs FY 04-05 Forecast Over/(Under)
<b>Non-Operating Lines</b>	<b>1,193,297</b>	<b>965,615</b>	<b>1,334,350</b>	<b>(797,052)</b>	<b>368,735</b>
<b>Sierra Madre - Claremont (Pasa. Sub.)</b>	<b>1,042,809</b>	<b>873,935</b>	<b>1,057,740</b>	<b>(800,445)</b>	<b>183,805</b>
Track	215,223	118,880	197,722	(845,087)	78,842
Signal & Communications	350,515	301,065	330,972	115,749	29,907
Structures	53,323	19,400	51,295	(299,220)	31,895
Procurement	63,136	41,020	60,228	6,905	19,208
Other	133,178	161,476	155,415	92,280	(6,061)
Agency Costs	227,433	232,094	262,108	128,930	30,014
<b>Baldwin Park Branch (San Bernardino Co.)</b>	<b>150,488</b>	<b>21,680</b>	<b>276,610</b>	<b>3,393</b>	<b>184,930</b>
Track	32,189	24,410	27,980	(122,508)	3,570
Signal & Communications	60,584	27,434	60,144	27,955	32,710
Structures	6,399	-	6,155	(54,428)	6,155
Procurement	7,576	3,348	7,227	829	3,879
Other	15,981	15,340	143,650	136,074	128,310
Agency Costs	27,759	21,148	31,453	15,472	10,305
<b>Total Maintenance-of-Way</b>	<b>20,137,567</b>	<b>19,014,528</b>	<b>20,855,267</b>	<b>(15,557,839)</b>	<b>1,840,739</b>
Track	5,007,083	4,381,100	4,771,749	(15,365,818)	390,649
Signal & Communications	6,561,429	5,919,850	6,542,737	1,535,654	622,887
Structures	898,633	796,012	864,450	(5,696,979)	68,438
Procurement	1,064,000	1,042,474	1,015,000	116,367	(27,474)
Other	2,244,394	2,613,499	2,744,145	1,680,145	130,646
Extra-Ordinary Maintenance	500,000	546,722	500,000	(1,744,394)	(46,722)
Agency Costs	3,862,028	3,714,871	4,417,186	3,917,186	702,315

- Procurement – payments for items needed in repair of track, signals, communications, or structures which are allocated to segments and counties on the basis of track-miles.
- Other - payments for vegetation control, vehicle /equipment expense, rail flaw detection, and engineering which are allocated to segments and counties on the basis of track-miles.
- Agency Costs - SCRRA labor, overhead and non-labor costs allocated to the Maintenance-of-Way Budget that are allocated to segments and counties on the basis of track-miles.

Included in the agency's pool of general engineering are funds for the purpose of conceptual engineering and capital planning to better identify scope and construction concerns prior to the submission of grant applications.

### **MOW Projections by Line**

The FY 2005-06 MOW Budget is \$20.8 million, a 4% increase from the FY 2004-05 Budget. The increase has been moderated by a number of factors. The first is the lower than expected increase in the index value published by the Association of American Railroads (AAR) against which the contracted labor costs of the agency's primary maintenance is primarily due to increased material requirements in the area of track maintenance, and an indexed increase in the costs of contract labor tied to the Railroad Cost Index.

In response to the constraints surrounding the development of the FY 2005-06 Budget, the agency has taken aggressive actions in an effort to reduce overtime costs charged to the MOW program compared to FY 2004-05 as well as reducing one position off the Signal & Communications contract

The average MOW cost per track-mile is calculated excluding Extra-Ordinary Maintenance and Agency Costs. For FY 2005-06, the average MOW cost is projected to be \$47,294 per track-mile compared with \$46,811 per track-mile budgeted in FY 2004-05. Inflationary cost increases have been absorbed by economies associated with the improved maintenance condition of the property as a result of the agency's Renovation and Rehabilitation program. The features that make some lines higher or lower in cost than the SCRRA averages, or are changes from last year are summarized in the following list. The figures (+) and (-) show factors that drive the maintenance budget higher or lower.

Los Angeles - San Bernardino Line. (5.2% increase from the FY 2004-05 Budget due to an increase in both Track and Signal Maintenance inspection requirements due to track mile increases associated with the recent completion of double tracking projects on the line). The budget represents the basic maintenance force plus a surfacing cycle. Factors that affect MOW costs are:

- + Very high density of passenger train traffic
- + High density of road crossings
- + Some unresolved drainage issues
- Capital rehabilitation still to be completed (I-10 Corridor work)
- Light freight traffic



Los Angeles - Ventura County Line. (0.2% increase from the FY 2004-05 Budget.) The signal system on this line was renewed between 1991 and 1995, and the crossing, rail, and tie deficiencies of earlier years have been largely corrected by recent Rehabilitation/Renovation work. Factors that affect MOW costs are:

- + High density of passenger train traffic (including weekends)
- + Deteriorated track/ties at selected locations
- + High density of road crossings
- + Moderately heavy freight traffic (affects curve rail)
- + Tunnels and embankments
- + Poor ballast condition, embankment retains moisture
- Signal system is new
- Light to moderate curves and grades
- Extensive Rehabilitation work in Los Angeles County portion of the line.

Los Angeles – Antelope Valley Line. (1.6% decrease from the FY 2004-05 Budget.) A considerable portion of this line has been recently improved, and one less maintainer position is expected to charge this line than in the previous year. The major remaining capital improvement issue is the deteriorated subgrade in the Newhall Tunnel (Tunnel 25), old rail from Sylmar to Saugus, and old ties from Sylmar to Tunnel 25. In addition, the areas rehabilitated in 1994 for “earthquake” service are nearing tie replacement cycle time. It is a mountain freight railroad, which means that great care is required to inspect and control track geometry, curve rail wear, embankment stability (landslides and washouts), and safety detectors. The capital budgets for 97/98 and 98/99 included replacement of the worst of the old rail and ties, and the old signal system. This has reduced the signal costs on this line. Factors affecting MOW costs are:

- + High curve and grade territory
- + Tunnel 25 subgrade is very poor
- + Frequent trains (below Via Princessa)
- + Some heavy freight traffic (affects curve rail)
- + Exposed to flood damage (requires extra inspections)
- + Poor ballast condition, embankment retains moisture
- Most of line has good rail, ties, and crossings

Fullerton - San Diego County Line. (3.8% increase from the FY 2004-05 Budget.) This line is in good to excellent condition. The budget has historically been the lowest per mile. However, due to heavy service levels, a significant portion of the work on this line must be done on an overtime/night basis. Factors that affect MOW costs are:

- + Frequent trains
- + Exposed to flood and ocean damage
- Very little significant curvature
- New track and signal system

Olive Subdivision. (2.4% increase from the FY 2004-05 Budget). This line has received a significant cycle replacement of ties and surfacing, along with renewed road crossings and a modernized signal system. However, most of the rail is old and requires spot repairs to control defects. Factors that affect MOW costs are:

- + Narrow embankment
- No significant curvature or grade

Riverside Layover Facility. (2.1% decrease from the FY 2004-05 Budget.) This segment has good track. However, this facility is requiring a four man track gang to inspect the facility once per month. Additionally, the Operations Department has requested increased minor repairs at the facility associated with bumper repair, derail installation and additional signage. Factors that affect MOW costs are:

- + Small segment requires specific maintenance assignments
- Good Condition

River Corridor. (9.9% increase from the FY 2004-05 Budget.) This segment includes all of the tracks on both sides of the Los Angeles River from Redondo Junction on the south to CP Taylor on the north. It carries heavy freight and passenger traffic, including all SCRRA non-revenue movements in and out of the Central Maintenance Facility (CMF). Past capital programs have upgraded most of the track and signals. Even with these improvements, the track and bridges need continual maintenance. Factors that affect MOW costs are:

- + Heavy freight tonnage
- + Frequent trains
- + Many turnouts
- + Some locations of severe curvature
- Few road crossings

Sierra Madre - Claremont (Pasadena Subdivision) (1.4% increase from the FY 2004-05 Budget.) SCRRA is maintaining this property for the Pasadena Blue Line Construction Authority under their agreement with the LACMTA. The line has jointed rail and wooden crossties in an adequate condition to carry the small amount of freight traffic now on the line. Some road crossings are being improved within the maintenance budget with the cooperation of community street departments. Some of the crossing warning systems are also being upgraded to reduce trouble calls while in freight operation. Factors that affect MOW costs are:

- + Jointed Rail
- + Poor tie and ballast conditions
- + Some poor road crossings
- + Many road crossings
- + Obsolete open-wire signal system
- Low freight traffic levels and no passenger services.
- Light curvature and grade

Rialto to Bench (Baldwin Park Branch) (83.8% increase from the FY 2003-04 Budget).

This line is a very lightly used freight line with small rail and old wooden ties. The figure included in the budget includes \$125 thousand to perform engineering studies associated with potential future uses of the line segment. The balance of the forecast is an estimate of the time to inspect and make nominal repairs only. Factors that affect MOW costs are:

- + Poor track and crossing conditions
- + Small segment requires specific maintenance assignments
- Very few freight trains and no passenger service

**Extra-ordinary Maintenance** This category covers damages due to vandalism, crossing gate knockdowns, accidents, derailments, fires, storm damage and other expenses related to promptly restoring the railroad to operation following accidents or disasters followed by making permanent repairs.

In all cases reimbursement is sought if a liable party (e.g. derailment caused by freight railroad or insurance for a motorist), SCRRA insurance coverage (limited to specific structures and with large deductibles), or an emergency funding source (e.g. FEMA, which has strict eligibility conditions) is identified and proper procedures are followed. Repairs to damages are made to comply with current engineering standards (e.g. a wooden bridge would be replaced with a steel/concrete bridge) so that these funds are not used to rebuild obsolete infrastructure. (These repairs may be in two stages; the quickest way to repair track may be with wood ties and jointed rail, this would be replaced with welded rail and if the surrounding track has concrete ties, then the repair would not be complete until replacement concrete ties were installed.) . Repairs to signal and communication's equipment are made to comply with current engineering and safety standards (e.g. steel antenna structure would replace an antenna mounted on a wooden pole), thus eliminating personnel safety concerns and hazardous materials issues while enhancing the operational flexibility to obtain a consistent system operation. Additionally, needed repairs to signal and communications equipment and systems are made with consideration to current technologies. The rapid pace of changing technologies and regulatory requirements, and the lack of vendor support for obsolete equipment as these technologies change, require that we make repairs with current (not obsolete) products and technology.

In years without unusual rainfall or train accidents, \$500,000 has remained a reasonable estimate and is continued into FY 2005-06. In other years, such as has been experienced in FY 2004-05 with the recent storms, the total can easily exceed \$3,500,000. These types of extreme conditions may be covered by insurance or by un-programmed agency funding (local or FEMA).

It should be noted that neither Extra-ordinary Maintenance nor Agency Costs are included in the calculation of MOW expense per track mile.



**SECTION 4**  
**SOUTHERN CALIFORNIA REGIONAL**  
**RAIL AUTHORITY**  
  
**CAPITAL BUDGET**



## 4.0 CAPITAL BUDGET

The Capital Budget consists of two major components. These are Rehabilitation and Renovation and New Capital. These budgets amount to \$55.4 million and \$201.0 million, respectively, for a total of \$256.4 million in new and outstanding project authority. Details of the Capital Budget are described in the following sections. It should also be noted that each year additional funds continue to be sought for the Agency's capital program from Federal, State and Local authorities. If and when funds are secured, these projects will be brought to the SCRRRA Board for amendment into the budget.

### 4.1 Rehabilitation/Renovation

The SCRRRA, as part of its implementation of Government Accounting Standards Board Pronouncement 34 (GASB34), has elected to use the Modified Approach for the Metrolink Railroad Infrastructure.

Under the modified approach, infrastructure assets that are part of a network, or subsystem of a network, are not required to be depreciated as long as two requirements are met:

- 1) The government manages the eligible infrastructure assets using a qualified asset management system; and
- 2) The government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government.

The SCRRRA Board adopted, in FY 2002-03, a minimum condition rating of 75 points (of a maximum of 100) as the minimum acceptable Railroad Condition Index (RCI) for the entire railroad network, including all subsystems. The actual index value for the condition of the SCRRRA's infrastructure network is 88, as of June 30, 2004. For a complete description of the rating values and their meanings, please see Appendix Section 7.

Rehabilitation and Renovation projects are those projects that replace worn out assets with like or improved assets and thus preserve and extend the useful life of these capital assets. Rehabilitation and Renovation recommendations are based upon tolerating only the most minimal and manageable risk of failure.

### RAILROAD REHABILITATION CYCLES

Railroad infrastructure deteriorates due to time, weather, and wear. At the minimum, a Rehabilitation and Renovation program is required to overcome this deterioration and maintain a steady state of serviceability. The performance of the infrastructure is expected to improve to match developing needs of the using parties in the areas of speed and weight capacity. A Rehabilitation and Renovation program typically incorporates state of the art components to

match these higher levels of service and replace older designs, resulting in reduced maintenance expense and improved operations.

Rehabilitation and Renovation is performed when the infrastructure has worn or deteriorated to a level that does not yet impair serviceability, yet the assets are close to being consumed. In order to extract exactly 100% of the service life of assets, their replacement would be performed on the day of failure, which would require very close inspection procedures, many disruptions to train service, and very labor intensive replacements of small amounts of assets. In lieu of this approach, the railroad industry has adopted a "cycle" of rehabilitation whereby large groups of assets are replaced when they are close to failure using economically large workforces and machines to achieve low unit costs of performing the work and to minimize disruption of train service.

## RENOVATION AND REHABILITATION ELEMENTS

### **A. Rail**

Rails are subject to abrasive wear on curved track and to fatigue wear throughout their length. Rehabilitation and Renovation of rail consists of periodic grinding to restore the original contour and replacement of the rail when limits of wear or fatigue are reached.

### **B. Crossties**

The rail is supported on crossties of either wood or concrete. Wood ties have steel tie plates beneath the rail to spread the weight of the rail. Concrete ties have elastomeric pads to separate the steel rail from the ties. Both ties have fasteners to hold the track together, either cut or screw spikes on the wood ties, and some form of proprietary spring steel clip on concrete ties. There are 3250 wood ties per mile, spaced at 19-1/2 inches, and concrete ties are spaced at 24 inches, for 2640 per mile.

#### **1. Wood Ties**

Creosote treated wood ties have a service life of about 30-35 years. Wood ties deteriorate by organic decay and by mechanical abrasion and crushing from the spikes and the tie plates supporting the rail. Wood ties also deteriorate faster in curves because the centrifugal force of turning trains pushes the rail and spikes. Weak ties in curves are a serious safety consideration. They are usually maintained in a cycle method where by 25-35% (800-1000 per mile) of the wood ties are replaced every seven to ten years, depending upon specific local conditions

#### **2. Concrete Ties**

Concrete crossties are more resistant to wear and decay; however they can be affected by fouled ballast. Severely fouled ballast creates an abrasive paste of rock particles, which grind away the concrete surface, which exposes the reinforcing strands and can cause the tie to break. Though concrete ties last longer than wood ties, the elastic clips and the bearing pads require changing



when rail is replaced on about 10-12 year intervals. Concrete ties are expected to last at least 50 years.

### **C. Ballast**

The crushed rock ballast that supports the track deteriorates through weathering and abrasion. The fine particles eroded from the stone, plus fine soil particles that are blown or washed into the track, or migrate upward from underlying soil, cause the ballast to retain water, which has two adverse effects. The moisture degrades the ties and softens the subgrade, leading to settlement of the whole track structure.

### **D. Special Trackwork**

Two areas of the track structure, turnouts and road crossings, have higher levels of stress and require additional investment.

#### **1. Turnouts**

Turnouts (“switches”) are the special trackwork which divert trains from one track to another. They consist of a set of movable “point” rails to divert the wheels, a “frog” to cross the rails, and special braces, supports, tie plates, guard rails, gauge plates, and long timber ties to support these components. Due to the impacts of wheels being steered to diverging routes by the points and of crossing the open flangeway at the frog, these components require special attention. Even with careful maintenance they wear out in about one fourth the time of the general track structure.

#### **2. Road Crossings**

Road Crossings have precast concrete or rubber blocks set on top of the cross-ties to permit roadway vehicles to cross the rails. Due to the deflection of the rails under passing trains and large trucks, there is movement in the crossing structure. This motion can cause the adjoining roadway surface to become broken, or can cause the track profile to become irregular and require repair. Rehabilitation of road crossings is difficult due to the need to establish detour routes for highway traffic and to halt train traffic while the crossing is under repair. Rehabilitation includes a periodic removal of the crossing surface to raise and tamp the track (at about 6-year intervals) and a complete renewal of the crossing, track, and subgrade (at about 20-year intervals).

### **E. Bridges**

Railroad bridges have steel, concrete, and timber elements, all of which have differing, and generally very long life cycles. The critical elements are the timber parts: the decks and stringers. Timber elements in railroad bridges typically last 50-60 years. Since the 1980s, they have generally been replaced with concrete or steel elements.

### **F. Signal System**

Railroad signal systems generally experience wear of moving parts in equipment such as switch machines and grade crossing gate mechanisms, and have electronic and power supply components with specific lifespans. These systems also become obsolete due to changes in the Federal regulations or in the state of the art of the industry. Rehabilitation of the signal system consists of unit exchange replacement of components at some point short of their maximum life

in order to avoid service disruptions or regulatory infractions. Most are returned to factories for rebuilding, and reused on a cyclical basis of maintenance.

### **G. Embankment**

The embankment supporting the railroad erodes under the action of rain. In cut sections this deposits mud and silt near or in the track structure, causing water to be blocked from draining away from the track. This results in saturation of the track bed, deterioration of the ties (both wood and concrete ties are adversely affected by muddy track), and settlement of the track into a rough profile.

### CONSEQUENCES OF DEFERRED REHABILITATION

There are five consequences of deferred maintenance: reduced train speed, reduced reliability of operations, higher cost of ordinary maintenance, regulatory fines and sanctions, and ultimately accidents and loss of mission capability.

Absent a Rehabilitation and Renovation program, the safety of train operations is assured by the actions of the inspectors who perform ordinary maintenance. If they recognize deterioration beyond safe limits they have the authority (codified in Federal Regulations) to halt train operations or to reduce the speed of trains in some circumstances.

The track structure has considerable amount of redundancy, and weakness in specific elements can be carried by the stronger elements. Thus a few decayed or split wood ties, if scattered throughout the length of the track, do not cause any of these problems. If there are many weak ties at one location, then the track as a whole is weak and the above consequences become inevitable.

The proposed Rehabilitation/Renovation Expenditures have been selected to meet projected funding available and are chosen from a larger field that SCRRA staff believes can be deferred until future years, but will have to be addressed eventually. Rehabilitation/Renovation projects of \$ 55.4 million are summarized in Table 4.1. However, a number of the projects will not be completed in FY 2004-05 as outlined below. They amount to \$26.1 million. The new projects seeking initial authority in FY 2005-06 amount to \$29.3 million and are also discussed below.

### **Ongoing Rehabilitation/Renovation Projects**

The following projects are ongoing projects authorized in FY 2004-05 or earlier and are not estimated to be completed prior to June 30, 2005. The following figures represent staff's estimate of the outstanding authorized balance on each project as of the adoption of the fiscal year budget. These estimations in no way alter the authority approved by the Board of Directors.

TABLE 4.1 - 1

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
FY 2005-06 BUDGET

REHABILITATION/RENOVATION PROJECTS: ONGOING PROJECTS

No Line	Project	Total Budget	Remaining Budget	Member Provided Funds (1)						SCRRRA Direct Funds								
				LACMTA	LACMTA Reptymnt (2)	OCTA	RCTC	RCTC Reptymnt (2)	SANBAG	SANBAG Reptymnt (2)	VCTC	UPRR	Lease	State	Federal			
1a	Ventura Co (Ven) Track Program	563,420	514,854	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	Ventura Co (Ven) Bridge Program	1,288,755	888,049	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2a	Ventura Co (LA) Track Program	1,321,014	1,317,407	1,317,407	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2b	Ventura Co (LA) Signal Program	592,447	407,307	407,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2c	Ventura Co Tunnel 26	9,500,000	9,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,500,000
3a	Valley Track Program	60,000	49,985	49,985	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3b	Valley Signal Program	1,092,619	837,675	837,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3c	Valley Lancaster Layover Facility	151,600	151,600	151,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4a	San Gabriel Track Program	1,542,165	922,043	469,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4b	San Gabriel Signal Program	1,325,302	482,595	289,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4c	San Gabriel East Ontario Platform Extension	1,330,000	1,330,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5a	Olive Track Program	187,798	186,432	-	-	186,432	-	-	-	-	-	-	-	-	-	-	-	-
5b	Olive Bridge Program	424,000	424,000	-	-	424,000	-	-	-	-	-	-	-	-	-	-	-	-
5c	Olive Signal Program	242,815	161,877	-	-	161,877	-	-	-	-	-	-	-	-	-	-	-	-
6a	Orange Co Track Program	562,147	110,429	-	-	110,429	-	-	-	-	-	-	-	-	-	-	-	-
6b	Orange Co Bridge Program	3,591,028	1,914,514	-	-	1,914,514	-	-	-	-	-	-	-	-	-	-	-	-
6c	Orange Co Signal Program	1,718,616	654,683	-	-	654,683	-	-	-	-	-	-	-	-	-	-	-	-
6d	Orange Co Drainage Study/Mitigation	484,825	193,930	-	-	193,930	-	-	-	-	-	-	-	-	-	-	-	-
7a	River Track Program	163,979	160,141	16,268	-	7,603	4,271	5,530	-	-	-	-	-	-	-	-	-	-
7b	River Signal Program	98,204	98,204	46,679	-	19,426	10,910	14,130	-	-	-	-	-	-	-	-	-	-
8a	System Rail Grinding Program	576,319	144,080	68,485	-	28,500	16,006	20,730	-	-	-	-	-	-	-	-	-	-
8b	System Signal Program	2,615,164	1,573,928	748,136	-	311,339	174,848	226,457	-	-	-	-	-	-	-	-	-	-
8c	System LAUS Platforms 2 & 3 / Signage Program	336,800	311,800	148,208	-	61,877	34,638	44,862	-	-	-	-	-	-	-	-	-	-
8d	System GIS Mapping	457,600	457,404	262,559	-	18,855	10,589	158,548	-	-	-	-	-	-	-	-	-	-
8e	System On-Rail Equipment	1,825,000	1,551,250	737,356	-	306,853	172,328	223,194	-	-	-	-	-	-	-	-	-	-
8f	System Homeland Security Rehab/Renov Projects	820,000	205,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8g	System Rolling Stock Rehab/Renovation	5,000,000	1,528,000	726,304	-	302,254	169,746	219,849	-	-	-	-	-	-	-	-	-	205,000
<b>Total</b>		<b>37,821,618</b>	<b>26,077,188</b>	<b>6,278,752</b>	<b>4,702,372</b>	<b>593,334</b>	<b>2,889,155</b>	<b>1,786,869</b>	<b>121,706</b>	<b>9,500,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>

(1) LACMTA funds are 100% Local; OCTA, SANBAG, and RCTC Repayment funds are 20% Local, 80% Federal; RCTC & VCTC funds are 100% Federal.  
 (2) LACMTA and SANBAG have agreed to fund \$648,000 and \$775,000, respectively, of OCTA's Rehab/Renov obligations as partial repayment of advance funding on Keller St. & LAUS Mail Dock projects.  
 RCTC has agreed to fund full repayment of OCTA advance at \$1,384,000.

TABLE 4.1 - 2

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
FY 2005-08 BUDGET

REHABILITATION/RENOVATION PROJECTS: NEW PROJECTS

No	Line	Project	Total Budget	Remaining Budget	Member Provided Funds (1)						SCRRA Direct Funds					
					LACMTA	LACMTA Repymnt (2)	OCTA	RCTC	RCTC Repymnt (2)	SANBAG	SANBAG Repymnt (2)	VCTC	UPRR	Lease	State	Federal
1a	Ventura Co (Ven)	Track Program	625,222	625,222	-	-	-	-	-	-	-	-	625,222	-	-	-
1b	Ventura Co (Ven)	Bridge Program	54,067	54,067	-	-	-	-	-	-	-	-	54,067	-	-	-
1c	Ventura Co (Ven)	Signal Program	139,347	139,347	-	-	-	-	-	-	-	-	139,347	-	-	-
2a	Ventura Co (LA)	Track Program	1,622,042	1,622,042	-	-	-	-	-	-	-	-	-	-	-	-
2b	Ventura Co (LA)	Signal Program	249,617	249,617	-	-	-	-	-	-	-	-	-	-	-	-
3a	Valley	Track Program	4,609,999	4,609,999	-	-	-	-	-	-	-	-	-	-	-	-
3b	Valley	Bridge Program	129,348	129,348	-	-	-	-	-	-	-	-	-	-	-	-
3c	Valley	Signal Program	448,145	448,145	-	-	-	-	-	-	-	-	-	-	-	-
4a	San Gabriel	Track Program	866,041	866,041	-	-	-	-	-	-	-	-	-	-	-	-
4b	San Gabriel	Bridge/Drainage Program	350,000	350,000	-	-	-	-	-	-	-	-	-	-	-	-
4c	San Gabriel	Signal Program	711,862	711,862	-	-	-	-	-	-	-	-	-	-	-	-
4d	Pasadena	Signal Program	229,750	229,750	-	-	-	-	-	-	-	-	-	-	-	-
4e	Rialto	Signal Program	183,818	183,818	-	-	-	-	-	-	-	-	-	-	-	-
4f	San Gabriel	Station Rehab - San Bernardino Co	927,733	927,733	-	-	-	-	-	-	-	-	-	-	-	-
5a	Olive	Track Program	862,747	862,747	-	-	-	-	-	-	-	-	-	-	-	-
5b	Olive	Signal Program	45,683	45,683	-	-	-	-	-	-	-	-	-	-	-	-
6a	Orange	Track Program	587,903	587,903	-	-	-	-	-	-	-	-	-	-	-	-
6b	Orange	Bridge Program (3)	1,370,366	1,370,366	-	-	-	-	-	-	-	-	-	-	-	-
6c	Orange	Signal Program	1,454,462	1,454,462	-	-	-	-	-	-	-	-	-	-	-	-
7a	River	Track Program	1,617,568	1,617,568	-	-	-	-	-	-	-	-	-	-	-	-
7b	River	Signal Program	24,623	24,623	-	-	-	-	-	-	-	-	-	-	-	-
8a	System	Rail Grinding Program	412,906	412,906	-	-	-	-	-	-	-	-	-	-	-	-
8b	System	Bridge Program	385,200	385,200	-	-	-	-	-	-	-	-	-	-	-	-
8c	System	Signal & Communication Prog.	3,070,097	3,070,097	-	-	-	-	-	-	-	-	-	-	-	-
8d	System	Passenger Signage Changes	55,000	55,000	-	-	-	-	-	-	-	-	-	-	-	-
8e	System	Electronic Passenger Information System (EPIS) (4)	2,964,000	2,964,000	-	-	-	-	-	-	-	-	-	-	-	-
8f	System	Augment On-Rail Equipment	800,000	800,000	-	-	-	-	-	-	-	-	-	-	-	-
8g	System	Base Mapping	585,600	585,600	-	-	-	-	-	-	-	-	-	-	-	-
8h	System	Vehicles	500,000	500,000	-	-	-	-	-	-	-	-	-	-	-	-
8i	System	Rolling Stock Rehab/Renovation	3,275,000	3,275,000	-	-	-	-	-	-	-	-	-	-	-	-
8j	System	Customer Relationship Management (replace UCCDB)	125,000	125,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total New Rehab/Renov</b>			<b>29,303,166</b>	<b>29,303,166</b>	<b>648,000</b>	<b>3,997,109</b>	<b>1,199,550</b>	<b>1,384,000</b>	<b>1,384,000</b>	<b>3,776,844</b>	<b>775,000</b>	<b>1,627,556</b>	<b>357,520</b>	<b>530,000</b>	<b>-</b>	<b>1,408,589</b>
<b>Total Ongoing and New Rehab/Renov</b>			<b>66,924,793</b>	<b>55,380,354</b>	<b>648,000</b>	<b>8,699,478</b>	<b>1,791,685</b>	<b>1,384,000</b>	<b>1,384,000</b>	<b>6,665,989</b>	<b>775,000</b>	<b>3,414,424</b>	<b>479,227</b>	<b>9,500,000</b>	<b>-</b>	<b>1,613,589</b>

(1) LACMTA funds are 100% Local; OCTA, SANBAG, and RCTC Repayment funds are 20% Local, 80% Federal; RCTC & VCTC funds are 100% Federal.  
 (2) LACMTA and SANBAG have agreed to fund \$648,000 and \$775,000, respectively, of OCTA's Rehab/Renov obligations as partial repayment of advance funding on Keller St. & LAUS Mail Dock projects.  
 (3) \$609,900 of the Orange County Line Bridge Program is 100% local funding, the remainder is funded 20% Local / 80% Federal.  
 (4) EPIS Member funds are 100% local.

**Ongoing Rehabilitation/Renovation Projects**

**1. VENTURA COUNTY LINE PROGRAM (Ventura Co) \$ 1,402,903**

Funding: 100% VCTC

**a. Track Program \$ 514,854**

The tie program will replace approximately 25% of the wood ties on the main track from MP 436.7 to MP 440.0.

**b. Bridge Program \$ 888,049**

This bridge program will rehabilitate the bridge at MP 429.26. This is a seven span structure on concrete piers. Two of the spans were replaced by the former owner (SPTC). SCRRA is working with local agencies to continue the replacement of the remaining spans.

**2. VENTURA COUNTY LINE PROGRAM (LA Co) \$ 11,224,714**

Funding: 100% LACMTA

**a. Track Program \$ 1,317,407**

The tie program will replace approximately 25% of the wood ties on the main track from MP 453.7 to MP 462.2. The turnout program will rehabilitate the Turnout at MP 458.1.

**b. Signal Program \$ 407,307**

The signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 18 locations.

**c. Tunnel 26 Phase 3 \$ 9,500,000**

This last phase of the tunnel improvement will produce the emergency egress walkways and place additional rock bolting.

**3. ANTELOPE VALLEY LINE IMPROVEMENTS PROGRAMS \$ 1,039,260**

Funding: 100% LACMTA

**a. Track Program \$ 49,985**

These road enhancement funds are being used as Agency participation along with City funding for crossing safety enhancements. The enhancements will install raised medians, improve sidewalks, upgrade the crossing approach surfaces, add signage, and/or implement traffic controls or incentives to close crossings.

**b. Signal Program \$ 837,675**

This signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 39 locations. Also, the multi-year programs for erosion, security fencing and LED power improvement projects will be completed.

c. Lancaster Bio-Waist Dumping System \$ 151,600  
 This project will provide for the design and installation of a system to dump bio-waist from passenger equipment at Lancaster.

**4. SAN GABRIEL LINE IMPROVEMENTS PROGRAMS** \$ 2,734,638  
 Funding: 60% LACMTA / 40% SANBAG (unless otherwise noted)

a. Track Program \$ 922,043  
 This will complete the replacement of about 25% of the wood ties on the main line between MP 39.4 and MP 44.5 (5.1 miles). The turnout program will rehabilitate the Turnout at MP 47.65 at CP Beach. The road enhancement funds (funded by and to be applied in San Bernardino County) are to be used as Agency participation along with City funding for crossing safety enhancements. The enhancements will install raised medians, improve sidewalks, upgrade the crossing approach surfaces, add signage, and/or implement traffic controls or incentives to close crossings.

b. Signal Program \$ 482,595  
 The signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 20 locations.

c. East Ontario Platform \$ 1,330,000  
 This SANBAG funded FY 2003-04 program will extend the East Ontario Station platform to serve Metrolink trains with more than five car sets.

**5. OLIVE LINE SEGMENT IMPROVEMENTS PROGRAMS** \$ 772,309  
 Funding: 100% OCTA

a. Track Program \$ 186,432  
 The turnout program will rehabilitate the turnout at MP 4.65. The turnout will be upgraded from 115-lb rail to 136-lb rail consistent with the rail in this territory.

b. Bridge Program \$ 424,000  
 The bridge program will rehabilitate Bridge 3.7 near Meats Ave.

c. Signal Program \$ 161,877  
 The signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 11 locations. The 5 locations for the LED power improvement projects will also be completed.

**6. ORANGE LINE SEG. IMPROVEMENTS PROGRAMS** \$ 2,873,556  
 Funding: 100% OCTA

a. Track Program \$ 110,429

The turnout program will rehabilitate two turnouts at MP 197.3 & MP 197.8 (San Juan Capistrano Runaround). The turnouts will be upgraded from 115-lb to 136-lb, consistent with the rail in this territory.

b. Bridge Program \$ 1,914,514

The first bridge project is replacing the ballast deck bridge at MP 188.5 (Aliso Creek) near CP Bake (El Toro). The second project is replacing the structure of the 191 ft. bridge at MP 195.8 (Trabuco Creek). The third project is replacing the vegetation-protected embankment approximately 300 ft. west of Alicia Parkway at MP 189.30 with concrete protection.

c. Signal Program \$ 654,683

The signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 36 locations. The 20 locations for the LED power improvement projects will also be completed.

d. Drainage Study / Mitigation Program \$ 193,930

These funds will be combined with FY2004-05 funds to complete engineering and installation of structures to resolve drainage problems in the Santa Ana station area (MP 175.4).

**7. RIVER LINE SEGMENT IMPROVEMENTS PROGRAMS** **\$ 258,345**

Funding: All Member Agencies using the revised All-Share formula.

a. Track Program \$ 160,141

The turnout program will rehabilitate the UP Harbor turnout at 9th St. (within Zone 3 of the UPRR Agreement). Under the Agreement, UPRR will pay an estimated 76% of the cost.

b Signal Program \$ 98,204

The signal program will continue installation of event/analyzer monitoring equipment at each "at-grade" crossing. This will be done at 3 locations. The project will also enhance walkways around signal equipment by repairing erosion problems.

**8. SYSTEM IMPROVEMENTS PROGRAMS** **\$ 5,771,462**

Funding: All Member Agencies using the revised All-Share formula. (unless otherwise noted)

a. The Rail Grinding Program \$ 144,080

*These funds will be combined with FY2005-06 funds to continue surveying and grinding of the rail, restoring the original profile and removing surface defects.*

b. Signal System Program \$ 1,573,928

These continuing projects are for the procurement of major components and installation fiber CTC Control Equipment at the MOC. This will replace the antiquated non-operational and non-expandable CTC control equipment with state of the art expandable equipment. This will allow for CTC control of the signal system from SCRRA owed fiber and will eliminate problems with

TELCO service and radio interference.

c. LAUS Platforms 2 & 3 and Signage Program \$ 311,800

These projects, combined with FY2005-06 funds, will complete the renewal of the Tactile Tile surface of the LAUS Platforms and complete this phase of the LAUS signage work. These are scheduled to be completed early in the fiscal year.

d. GIS Mapping Program \$ 457,404

This funding, combined with FY2005-06 funds, will initiate the aerial mapping phase and data conversion into GIS maps of scheduled line segments. The funds are allocated based on which Agency owns the property.

e. On-Rail Equipment Program \$ 1,551,250

This funding, combined with FY2005-06 funding, augments the procurement of On-Rail and Structure maintenance repair equipment with the procurement of:

- One 6700 Production / Switch Tamper (used to surface turnouts, the most difficult part of the track to maintain)
- One Ballast Regulator (used to accurately place the crushed rock ballast in conjunction with the above tamper)
- One Dynamic Track Stabilizer (used to quickly consolidate the ballast; results in fewer temporary speed restrictions following maintenance work)
- One Hi-Rail Brandt Truck (used to distribute material and to move rail cars; it saves the cost of operating some work trains and renting "car movers" to move rip-rap)

f. Homeland Security Program \$ 205,000

This is the Rehabilitation/Renovation portion of a \$1.9 million grant from the Office of Homeland Security. Projects funded here include intrusion alarms in signal houses, a relock signal system with enhanced padlocks, and instillation of barrier devices at the Central Maintenance Facility.

g. Rolling Stock Rehab/Renovation \$ 1,528,000

These funds are remaining from the FY2003-04 and FY2004-05 seat foam replacement project. These remaining funds will be used to procure and install 70 event recorders, 23 emergency windows, and several car batteries.

**NEW PROJECTS FOR REHABILITATION/RENOVATION IN FY 2005-06**

The following new projects are proposed for Rehabilitation and Renovation in FY 2005-06

**1. VENTURA COUNTY LINE PROGRAM (Ventura Co) \$ 818,635**

Funding: 100% VCTC



a. Track Program \$ 625,222

The rail project will replace approximately 2,640 lineal feet of main track rail on curve #216 from MP 438.4 to MP 438.9 and 1,999 lineal feet of main track MP 428.0 to MP 428.19. The special track work units (Frog & Guard Rail) on the turnout at MP 432.9 will be replaced.

b. Bridge Program \$ 54,067

This project will fund the design of a one span bridge (MP 440.2) that will be renewed in a subsequent fiscal year.

c. Signal Program \$ 139,347

This program will replace signal ladders installed by previous owners to SCRRA standard. The SCRRA standard ladder increases the safety of personnel working on wayside signals.

**2. VENTURA COUNTY LINE PROGRAM (Los Angeles Co) \$ 1,871,659**

Funding: 100% LACMTA

a. Track Program \$ 1,622,042

The tie project will replace 8,600 (approximately 30%) of the wood ties on the main track from MP 444.5 to MP 453.1. The special track work units (Frog & Guard Rail) on the turnouts at MP 446.8 and MP 453.1 will be replaced.

b. Signal Program \$ 249,617

This program has three objectives. One: Replace signal ladders installed by previous owners to SCRRA standard. The SCRRA standard ladder increases the safety of personnel working on wayside signals. Two: Replace the duct bank that was removed from property no longer owned by the SCRRA. It will re-install the duct bank and replace the temporary cable to the correct location. Three: The multi-year program of erosions, security fencing and Signal upgrades to bring them into SCRRA standard.

**3. ANTELOPE VALLEY IMPROVEMENTS PROGRAMS \$ 5,187,492**

Funding: 100% LACMTA

a. Track Program \$ 4,609,999

This program has four objectives. One: Replace and reposition 18,083 lineal feet of main track rail on eleven curves. Two: Replace 22,176 lineal feet of passing track rail with secondhand rail at Lang and Sylmar. Three: Renew special track work units (Frog & Guard Rail) on the turnout at MP 12.77 and replace the turnout at MP 43.9. Four: Replace the rail and fastenings on 14,995 lineal feet of main track rail in Tunnel No.25. The tunnel rail work will be the first phase of a multi-year program of tunnel enhancements.

b. Bridge Program \$ 129,348

The bridge program will Gunitite the tunnel entrance portals on tunnel No.18 and No.19.

c. Signal Program \$ 448,145

This program has four objectives. One: Replace signal ladders installed by previous owners to SCRRA standard. The SCRRA standard ladder increases the safety of personnel working on wayside signals. Two: Rehabilitate the 2nd half of the slide fence detector at MP 47.3. Three: Multi-year program to rehabilitate power switch machines to eliminate failures attributed to wear which cause delays to Metrolink trains. Four: Multi-year project to upgrade the signal controls to Digital Logic Controls (HVLC).

**4. SAN GABRIEL LINE IMPROVEMENTS PROGRAMS** **\$ 3,289,204**

Funding: 60% LACMTA / 40% SANBAG (unless otherwise noted)

a. Track Program \$ 886,041

The first program will renew 3,411 lineal feet of No.2 main track rail in the Kaiser area. The recovered rail will be used to replace the adjacent siding rail. Correspondingly, we will replace a percentage of the ties under the same area that the rail is renewed. A portion of these funds (from SANBAG) will also be used as Agency participation with City funding for crossing safety enhancements to install raised medians, improve sidewalks, upgrade the crossing approach surfaces, add signage, and/or implement traffic controls or incentives to close crossings.

b. Bridge/Drainage Program \$ 350,000

This project will make drainage improvements around Cedar, Cactus and Beech road crossings (funded by SANBAG).

c. Signal Program on the San Gabriel Subdivision \$ 711,862

This program has three objectives. One: The initial phase of a three-year program to renovate old batteries. Batteries are a component of a power backup system designed to keep vital systems operational during power outage periods. Two: Phase 2 of an ongoing program to renovate switch headblock ties and rods that have been in service more than 10 years. Three: Phase 2 of a multi-year program to install retaining walls, replace fill material, and dress the area around instrument houses and signals with ¾ inch rock to protect against erosion.

d. Signal Program on the Pasadena Subdivision (LACMTA funded) \$ 229,750

This is Phase 3 of a multi-year program to remove the remaining pole line on the Pasadena Subdivision before it becomes a liability by failing in windstorms or other situations.

e. Signal Program on the Rialto Subdivision (SANBAG funded) \$ 183,818

This is a continuing program to remove the remaining pole line on the Rialto Subdivision before it becomes a liability by failing in windstorms or other situations.

f. Station Rehabilitation – San Bernardino County \$927,733

This project is to provide for routine rehabilitation of the four original stations in San Bernardino County, Upland, Rialto, San Bernardino, and Fontana. Various work elements including parking lot asphalt resealing, sidewalk rehabilitation and other station specific rehabilitation as identified and required.

**5. OLIVE LINE IMPROVEMENTS PROGRAMS** **\$ 908,430**

Funding: 100% OCTA

a. Track Program \$ 862,747

The tie program will replace 2,800 wood ties on the main track at various locations that were skipped in previous programs. This will make the tie condition over the line segment uniform. The turnout program will replace the turnouts at MP 3.4 and 5.5.

b. Signal Program \$ 45,683

The program will relocate the close clearance crossing gates for PUC compliance at 2 Locations.

**6. ORANGE LINE SEG. IMPROVEMENTS PROGRAMS** **\$ 4,321,182**

Funding: 100% OCTA

a. Track Program \$ 587,903

The rail program will replace the light weight rail in the San Juan Capistrano siding with 2,442 lineal feet of used 115 lb. main track rail. The tie program will replace approximately 25% of the tie under the siding were the rail work is taking place.

b. Bridge Program \$ 1,370,386

This program will complete engineering and construction to alleviate drainage problems in the Santa Anna Fourth St. area. Funds in this program have also been allocated to cover additional cost associated with the renewals of the Aliso Creek and Trabuco Creek bridges due to the delay in construction while issues involving a utility (MCI) cable are resolved.

c. Signal Program \$ 1,454,462

This program has five objectives. One: The initial phase of a three-year program to renovate old batteries. Batteries are a component of a power backup system designed to keep vital systems operational during power outage periods. Two: The continuation of a program to replace deteriorated signal equipment due to high oxidation at Beach Road, Senda De La Playa, San Clemente Pier, and Calafia on the Orange Subdivision between MP 198.8 and MP 206.0. Three: Relocate highway-rail grade crossing gates to meet CPUC compliance. This is Phase two of a five year program. Four: Multi-year program of erosions, security fencing. Five: Phase Two of an ongoing program to renovate switch headblock ties and rods that have been in service more than 10 years.

**7. RIVER LINE SEGMENT IMPROVEMENTS PROGRAMS** **\$ 1,642,191**

Funding: All Member Agencies using the revised All-Share formula.

a. Track Program \$ 1,617,568

This program has three objectives. One: Replace and reposition 12,355 lineal feet of main track rail on six curves. Two: Purchase special track work materials that are for the exclusive use on Union Station tracks. The track arrangement in the entrance of Union Station requires exclusive

special track components that are not used on any other portions of the Metrolink system. These units are costly (\$100,000+) and require long manufacturing lead times. Since most of the units are nearing 10 years plus of service life, we will need to start renewing complete units. This will be done with each unit when scheduling allows. Three: Rehabilitation of the Main St. crossing at MP 481.5. This crossing is in the Union Pacific's East Bank Agreement (Zone 1) and they will fund 95% of the cost.

b. Signal Program \$ 24,623  
 This program will replace worn M23A switch machine circuit controllers at four locations to continue to meet FRA compliance and prevent delays to Metrolink trains.

**8. SYSTEM IMPROVEMENTS PROGRAMS** **\$ 12,172,803**  
 Funding: All Member Agencies using the revised All-Share formula. (unless otherwise noted)

a. Rail Grinding Program \$ 412,906  
 These funds will be combined with FY2004-05 funds to continue surveying and grinding of the rail to restore the original profile and remove surface defects.

b. Bridge Program \$ 385,200  
 This is the first phase of a multi-year program to have the steel bridge load ratings evaluated on the System. The freight traffic axle loading that operates on Metrolink-owned track varies from medium to high. To operate these loads in a safe manner, we must have accurate data on the bridge structures' capability. We received some of this data at the time of the purchases. We did not, however, receive all of it. There are 40 structures identified at this time that need further evaluation with an estimated cost of \$1,082,000. The first phase will address the most critically needed structure data.

c. Signal Program \$ 3,070,097  
 The first program will replace and refurbish Station Comm. Shelters. Many of the shelters are 10 years old and in need of rehabilitation of various components (doors, seals, air conditioning, etc.) The second program is a joint program that will:

- be a the multi-year program to install SCRRA owned fiber optic cable on our right-of-way. This will allow for CTC control of the signal system from SCRRA owed fiber, therefore eliminating problems with TELCO service and radio interference.
- begin to rehabilitate the train control and dispatcher radios to accommodate growth in the number of trains and control points that have placed demands on the system to potential capacity.

The determination of which part of the joint program will be predominately pursued is dependent upon the completion of a current systems study.

d. Station Signage \$ 55,000  
 Some of the Union Station signage is reaching a ten year plus life span and needs to be improved to current standards. This program will be part of this rehabilitation.

e. Electronic Passenger Information System (EPIS) \$ 2,964,000

The Public Address / Changeable Message Sign (PA/CMS) system provides on-time train status information to Metrolink riders waiting for trains at stations. The current system dates to the start up of Metrolink; it is obsolete and in need of replacement. The EPIS replaces the current audio and video equipment at stations with new equipment that utilizes current technology. This item also provides for development and implementation of a centralized integrated information server. The information server will accept train location inputs from a number of sources including the current agency owned GeoFocus system and staff inputs. The server will distribute outputs to the above mentioned new audio and video equipment.

f. Augment on Rail and Non-Highway Equipment \$ 800,000

The program will augment FY2004-05 purchases of On-Rail maintenance equipment and the procurement of a Hi-Tracker-Trencher.

g. Base Mapping \$ 585,600

This is the second year of a multi-year program to establish a Geographic Information System (GIS) base for mapping of Member Agency owned properties. This work will result in a computerized common base of reference for aerial mapping, utility maps, property maps, leases, and related property documentation needed to efficiently manage the right of way and railroad facilities, and to interface with agencies and utilities along the right of way. The second year program will cover the Orange and Olive line segments and 44 miles of the Valley line segment. The funds are allocated based on which Agency owns the property.

h. Vehicles \$ 500,000

This program is the fourth year of a multi year vehicle replacement cycle during which the most critical needs will be addressed immediately, and the balance of the fleet will be scheduled for replacement on the basis of mileage and repair costs. Similar funding amounts will be requested in future years so as to avoid one-time spikes in the funding requirements of members, and so as to allow for an orderly and efficient cycle of procurement.

i. Rolling Stock Rehab/Renovation \$ 3,275,000

This item is composed of rehabilitation and renovation programs on SCRRA rolling stock, partially funded by interest on proceeds from the U.S. Leveraged Lease Transaction on SCRRA rolling stock and member agency funds. The remaining funding is split among the member agencies using the revised All-Share formula. The elements of the ongoing programs are described below:

Car Door Operators

Proper operation of doors on rail cars is critical to providing a safe, efficient commuter rail service. The doors are in constant use and suffer a fair amount of abuse. The schedule calls for a four-year cycle for teardown and rebuild of these units.

Truck Overhaul

The truck assembly serves as the suspension system for cars, along with supporting wheels

and braking systems. The trucks should operate approximately 400,000 to 500,000 miles if no extra-ordinary wear occurs.

Heating/Ventilation/Air Conditioning (HVAC) Overhaul

The HVAC system is the most important customer comfort appliance on the cars and operates under heavy demand in our service for most of the year. This system requires periodic overhaul about every four years to ensure steady, reliable performance.

Traction Motors

Each locomotive has four traction motors. These are located underneath the unit and provide driving effort to the wheels. The motors should run about 400,000 miles without needing major work. As with the Truck Overhaul program above, this program is started in advance of the maintenance cycle time.

Replacement of Carpet and LLEPM

This program consists of the replacement of worn carpet in the rail cars. This same program incorporates the installation of Low Level Exit Path Markings to meet new standards.

Emergency Window Install

Each rail car contains 16 windows which can be removed in the event of an emergency. The existing emergency window gaskets are aging and losing elasticity. The new window design will allow for easier removal and eliminate the need for the current gasket.

Car Battery Installation

The existing rail cars contain 8 batteries that supply emergency power when the 480V HEP system is inoperative. The existing batteries are reaching the end of their useful life and must be replaced. Emergency lighting is a federal requirement.

Locomotive Engine Overhaul

The existing locomotive fleet is up to 15 years old and averages close to 850,000 miles per locomotive. The current mileage necessitates an overhaul of the main engine and associated appliances. One locomotive will be overhauled this fiscal year, and the work will be used to determine time and cost required for overhauling the remaining locomotive fleet.

j. Customer Relationship Management \$ 125,000

This funding will be used to create Metrolink's Customer Relationship Management, a unified database and business practice to replace the Universal Customer Care Database, which is obsolete and unstable, that will:

- Be a stable relational customer database that is easy to use, maintain, query, sort, and cross-tab.
- Create a data warehouse to receive, store, extract and distribute data from the GeoFocus and Electronic Passenger Information systems in the customers' preferred method.
- Meet customer expectations consistent with on-line services and CRM programs encountered by customers and potential riders every day in the private/commercial sectors.
- Create integrated passenger service interactions.
- Create more robust response tracking, fulfillment, data management and follow-up for direct mail marketing campaigns.
- Create a secure environment for customer data including Metrolink Privacy Policy.

## 4.2 New Capital

New Capital projects are those capital projects that expand the system such as sidings, double track, upgrade of the signal system, and new rolling stock. Further, the Board approves the total funding and scope of the projects in the year in which they are approved. The figures listed below represent the estimated outstanding project balances as of June 30, 2005. These staff estimates in no way alter the approved funding or authority of a project as approved by the Board. For the FY 2005-06 Budget, as shown in Table 4.2, the agency's New Capital program of new projects and outstanding project balances amount to \$201.0 million. Projects for which funding is currently being pursued are not listed in the budget. If and when the agency has been awarded funds and is authorized for expenditure, these projects will be amended into the FY 2005-06 budget.

### **1. CROSSING IMPROVEMENTS – MOORPARK TO SIMI VALLEY** **\$ 359,918**

This project will improve eight crossings in the City of Simi Valley. They are Katherine Avenue, Los Angeles Avenue, Tapo Street, Tapo Canyon Road, Sequoia Avenue, Sycamore Drive, Erringer Road, and First Street. The work will include median islands, LED signal lights, fences, signs etc. The costs include design, construction, and construction management.

### **2. ANTELOPE VALLEY LINE CHANGES AT SANTA CLARITA** **\$ 2,612,611**

The line changes at Santa Clarita consist of constructing a replacement track embankment and either constructing replacement track or shifting the existing track in order to broaden the radius of curvature, thereby permitting higher speeds of operation. At Santa Clarita, mileposts 34.3 to 34.7, there are two 10-degree curves, which will be reduced to less than 6 degrees, resulting in a speed increase from 30 MPH to at least 50 MPH. In addition to the increase in operating speed, this curve reduction reduces maintenance expenses due to rail wear, fuel, and braking.

### **3. HAND-THROW CROSSOVER AT LANCASTER STATION** **\$ 248,531**

This project will create a short passing siding by installing a crossover to connect the main track at Lancaster to the storage track. This will permit trains in both directions to meet at Lancaster, which is a prerequisite for reverse direction trains in the peak period. Additional funding for this project is currently being sought and will be amended into the Budget when committed and available.

### **4. POMONA STATION IMPROVEMENTS** **\$3,909,794**

This project consists of construction improvements to Pomona station, including a pedestrian undercrossing and parking lot modifications.

### **5. GPS AT STATIONS** **\$ 305,000**

These funds will provide additional integration of GPS and the agency's PACMS at stations in San Bernardino County. It is expected that these funds represent the first contribution of a Member Agency to this extension and integration. Additional funding is expected to be programmed in upcoming years and will be amended into the Budget when committed and available.

TABLE 4.2

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
FY 2004-05 BUDGET

NEW CAPITAL PROJECTS

Prior Years Project Authorization

No	Project	Line	Total Budget	Remaining Budget	Member Provided Funds (1)			SCRRRA Direct Funds				
					LACMTA	OCTA	RCTC	SANBAG	VCTC	Federal	SCRRRA State	Other
1	Crossing Improvements - Moorpark to Simi Valley	Ventura Co	700,000	359,918	-	-	-	-	359,918	-	-	-
2	Antelope Valley Line Changes at Santa Clarita	Antelope V	2,693,000	2,612,611	2,612,611	-	-	-	-	-	-	-
3	Hand-Throw Crossover at Lancaster Station	Antelope V	250,000	248,531	248,531	-	-	-	-	-	-	-
4	Pomona Station Improvements	San Bern	4,287,793	3,909,794	1,647,427	-	-	-	-	-	2,262,367	-
5	GPS at Stations	San Bern	305,000	305,000	-	-	-	305,000	-	-	-	-
6	5 New TVMs	San Bern	500,000	500,000	-	-	100,000	400,000	-	-	-	-
7	Lincoln Ave Double Track	Orange Co	17,718,885	12,563,738	-	12,563,738	-	-	-	-	-	-
8	San Juan Passenger Information System	Orange Co	85,000	85,000	-	85,000	-	-	-	-	-	-
9	Eastern Area Maintenance Facility Phase I	System	19,907,000	19,479,417	7,458,417	3,287,000	1,843,000	6,891,000	-	-	-	-
10	Grade Crossing Safety Program	System	925,255	841,617	214,521	26,280	12,020	20,664	10,137	-	225,995	-
11	5th Lead Track at LAUS	System	7,139,000	6,855,000	-	-	-	-	-	-	6,855,000	-
12	Upgrade Ticket Vending Machines	System	12,140,000	2,802,959	40,000	-	-	-	-	-	2,762,959	-
13	Purchase and Rebuild Used Locos	System	15,400,000	13,276,873	6,876,873	6,400,000	-	-	-	-	-	-
14	Rolling Stock Procurement (2)	System	134,757,000	127,584,193	26,180,000	38,900,000	30,473,000	11,394,000	-	-	15,287,193	5,350,000
15	Homeland Security (New Capital Projects)	System	650,000	650,000	-	-	-	-	-	-	650,000	-
<b>Total Prior Years</b>			<b>217,457,933</b>	<b>192,074,652</b>	<b>45,278,381</b>	<b>81,262,018</b>	<b>32,428,020</b>	<b>19,010,664</b>	<b>370,055</b>	<b>21,188,514</b>	<b>6,855,000</b>	<b>5,682,000</b>

FY2005-06 Project Authorization

No	Project	Line	Total Budget	Remaining Budget	Member Provided Funds (1)			SCRRRA Direct Funds				
					LACMTA	OCTA	RCTC	SANBAG	VCTC	Federal	SCRRRA State	Other
16	GPS Passenger Train Information	System	132,000	96,693	96,693	-	-	-	-	-	-	-
17	50 Validators	System	514,960	514,960	186,018	77,413	43,481	56,318	28,140	-	-	123,590
18	Keller Street (3)	System	5,000,000	5,000,000	-	5,000,000	-	-	-	-	-	-
19	Eliminate Mail Dock at Union Station (3)	System	3,000,000	3,000,000	-	3,000,000	-	-	-	-	-	-
<b>Total FY2005-06</b>			<b>8,646,960</b>	<b>8,811,653</b>	<b>282,711</b>	<b>8,077,413</b>	<b>43,481</b>	<b>56,318</b>	<b>28,140</b>	<b>-</b>	<b>-</b>	<b>123,590</b>

<b>Total Project Authority (Prior + Current)</b>			<b>226,104,893</b>	<b>200,886,305</b>	<b>45,561,092</b>	<b>89,339,431</b>	<b>32,471,501</b>	<b>19,066,982</b>	<b>398,195</b>	<b>21,188,514</b>	<b>6,855,000</b>	<b>5,805,590</b>
Annual Contribution - Reserves for Rolling Stock			315,597	315,597	-	-	-	315,597	-	-	-	-
<b>Total New Capital Budget</b>			<b>226,420,490</b>	<b>201,001,902</b>	<b>45,561,092</b>	<b>89,339,431</b>	<b>32,471,501</b>	<b>19,382,579</b>	<b>398,195</b>	<b>21,188,514</b>	<b>6,855,000</b>	<b>5,805,590</b>

(1) Member Provided Funds are a mix of Local, State, and Federal Funds.  
(2) \$10.8 million of LACMTA's \$26.2 million in local funds not actually available until FY2006-07.  
(3) OCTA is funding the Keller Street and Mail Dock projects 100% with the understanding that other Members' shares will be funded through other Capital projects over 5 years. \$5 million does not include unappraised ROW.



**6. 5 NEW TVMs**

**\$ 500,000**

This project will procure and install four new Ticket Vending Machines (TVMs) at stations in San Bernardino County and 1 new TVM at the Downtown Riverside Station.

**7. LINCOLN AVENUE DOUBLE TRACK**

**\$ 12,563,738**

This is a multi-year project to install a second main line on the last segment of single main track between Fullerton and Laguna Niguel, a 1.8 mile segment between Santa Ana and Orange. This project is funded with prior year State Intercity Rail funds, Orange County's SB-45 Regional Choice Program, commitments of additional OCTA local funds, and additional allocation from the State. Environmental assessment and design work have been completed as well as a number of preparatory projects such as associated bridge and support infrastructure.

**8. SAN JUAN PASSENGER INFORMATION SYSTEM**

**\$ 85,000**

San Juan Capistrano station does not currently have a Public Address Speakers and Changeable Message Signs (PA/CMS) system. This project is funded 100% by OCTA and will install two changeable message signs and two public address speakers to serve the newer platform and part of the historic platform. In addition, one CMS and one speaker will be installed at the north end of the access ramp.

**9. EASTERN AREA MAINTENANCE FACILITY (EAMF)**

**\$ 19,479,417**

This project consists of the completion of design and engineering, as well as the construction of an additional facility to provide maintenance on SCRRA equipment. Current capacity constraints call for trains to move to the agency's Central Maintenance Facility near downtown Los Angeles. This often, in order to resume commuter operations, requires long equipment moves. With the completion of the Inland Empire Maintenance Facility (IEMF), additional, but not sufficient, capacity has been added. The EAMF will further add to the ability of the agency to more efficiently maintain equipment so as to provide minimal disruption to daily commuter operations.

**10. GRADE CROSSING SAFETY PROGRAM**

**\$ 841,617**

This project involves improvement of a grade crossing in the Sylmar area, located Northwest of the city of Los Angeles, and includes both traditional and non-traditional hazard elimination measures. The grade crossing at Van Nuys Boulevard handles 40,000 vehicles and 35 trains per day. It is funded through Federal and Local funds as a demonstration project to increase and demonstrate the effectiveness of various measures.

**11. 5<sup>TH</sup> LEAD TRACK AT L.A. UNION STATION (LAUS)**

**\$ 6,855,000**

The design phase of the project is complete and consisted of concept designs, property research and documentation, utility documentation, track and signal system design, and cost estimating for the fifth lead track. The construction phase will involve adding track and changing the track configuration in the vicinity of LAUS. A fifth track will be constructed to the west of the existing four. Additionally, the existing tracks will be reconfigured to add capacity northward out of the station. Crossovers will be constructed between existing tracks to permit more parallel

and/or opposing movements in the terminal. Construction will also include extensive signal installation and programming.

**12. UPGRADE TICKET VENDING MACHINES** **\$ 2,802,959**

This project is nearing completion and will provide for the final installation of new and/or upgraded passenger rail Ticket Vending Machines (TVMs) at Metrolink and Amtrak stations. Funding includes State and Federal funds. These new machines will be able to vend either Metrolink or Amtrak tickets. The equipment is expected to make the buying experience of the traveler simpler, allow for a greater range of destination potentials, and provide the authority with invaluable and detailed information regarding the point-to-point travel patterns of its users.

**13. PURCHASE & REBUILD USED LOCOMOTIVES** **\$ 13,276,873**

These funds are to provide for the complete overhaul and necessary expenditures to remanufacture locomotives with higher horsepower engines, current operating sub-systems, painting, and other actions necessary to allow introduction into the fleet, and allow the Authority to potentially operate longer trains on selected lines.

**14. ROLLING STOCK PROCUREMENT** **\$ 127,584,193**

This project includes funds committed through the SCRRA's Member Agencies for the current procurement of up to 43 additional rolling stock vehicles with an option for potentially 18 more. Additional funds are continuing to be sought for this project so as to ensure the most productive ordering capacity as is available. As additional funds are received, and upon approval by the Board, they will be amended into the project's budget.

Included in the total funding is \$10.8 million in LACMTA local funds allocated for FY2006-07.

**15. HOMELAND SECURITY (NEW CAPITAL)** **\$ 650,000**

This is the New Capital portion of a \$1.9 million grant from the Office of Homeland Security. Projects funded here include wireless communications for deputies/LETs, wireless video surveillance system, motion detectors at critical infrastructures, cameras at Union Station, and fencing at outlying lay-over facilities.

**16. GPS PASSENGER TRAIN INFORMATION** **\$ 96,693**

The purpose of this project is to improve the existing Public Address System and provide automatic and real-time arrival status to passenger train patrons. Using GPS technology, the project covers all Metrolink trains and stations. It includes a software upgrade to allow paging, internet, and interactive voice response to provide real time information to users of the Metrolink system, as well as automated operational records for SCRRA's reporting needs.

**17. 50 VALIDATORS** **\$ 514,960**

This project will purchase and install 50 additional validators. These validators will be needed for new Metrolink stations, Amtrak stations that will require the capability to validate new Amtrak 10-trip tickets sold at SCRRA's TVMs, for new platforms or new access points at

existing stations, and for spares. This project is funded using Amtrak funds and a portion of the under-run on the rolling stock seat foam program.

**18. KELLER STREET STORAGE FACILITY**

**\$ 5,000,000**

This project includes design and construction of the Keller Street Storage Facility needed for Metrolink rolling stock. This facility will be located adjacent to Metrolink's Orange County Line at Keller Street about 0.6 miles south of Los Angeles Union Station. This yard will be used to store trains that have been serviced at outlying points and do not need to go to the Central Maintenance Facility (CMF); or for trains that have already been maintained in the midday period. This new Los Angeles storage facility will allow us to accommodate the ongoing growth of the Metrolink system. OCTA will provide the \$5 million needed for design and construction of this project. The property is owned by LACMTA and an independent appraisal will determine the value. In return for OCTA advancement of project funding, SCRRA's other members have agreed to pay OCTA's share of other Metrolink capital projects over the next five years equivalent to their share of the Keller Yard Project.

**19. ELIMINATE MAIL DOCK AT LAUS**

**\$ 3,000,000**

This project will restore an unused track for passenger services by demolishing a mail dock, reconfiguring the skylight, and constructing a new passenger platform and connecting ramps. The project includes platform amenities (canopy, lights, ticket validating machines, message signs) and an ADA compliant platform/ramp system. The new platform and additional track will increase capacity at LAUS by allowing up to two more trains to enter the station. OCTA will provide the \$3 million needed for construction of this project. In return for OCTA advancement of project funding, SCRRA's other members have agreed to pay OCTA's share of other Metrolink capital projects over the next five years equivalent to their share of this project.

**20. ROLLING STOCK CAPITAL REPLACEMENT RESERVE**

**\$ 315,597**

Beginning in FY 2003-04, the SCRRA initiated an ongoing reserve fund for the purpose of securing local funding for the future procurement of rolling stock. SCRRA will accumulate local funds for the replacement of the current fleet of revenue vehicles through the annual contribution to this reserve. The reserves are assumed to return 4% annually and are to be accumulated over the life of the vehicles, currently estimated at 35 years for Cab Cars and Passenger Cars, and 40 years for Locomotives. The current contribution reflects the participation by one member - SANBAG. RCTC and OCTA are providing for their funds within the structure of their respective agencies. LACMTA and VCTC are not participating in FY2005-06.



**SECTION 5**

**SOUTHERN CALIFORNIA REGIONAL  
RAIL AUTHORITY**

**GENERAL AND ADMINISTRATIVE BUDGET**



## 5.1 General and Administrative Expenses

The SCRRA accounts for those costs that serve to benefit the agency as a whole, cannot be directly attributed to any specific agency program, or benefits at least three of the agency's business modes within the General and Administrative (G&A) Budget.

As part of the Indirect Cost Allocation Plan (ICAP), developed in partnership with the agency's cognizant grant approving agency CALTRANS, the SCRRA further divides costs within the General and Administrative pool into three distinct cost collector pools. The first consists of those costs, as identified in Office of Management and Budget Circular A-87 (OMB A-87), which are authorized for allocation to Federal grant funding sources. Items included in the G&A budget include the lease costs of the agency's administrative headquarters, general administrative items such as office supplies, postage and the lease of office equipment, the labor costs of non-project, non-operational staff such as the Budget and Accounting Divisions within the Department of Finance, certain financial services and the Internal Audit function, and the costs of the operating and maintaining the agency's Information Technology infrastructure.

The second pool of expenses is made up of those that, while benefiting three or more of the agency's business modes, are specifically excluded from allocation by federal regulation and therefore funded locally. Costs recognized within this pool include the costs of the Chief Executive Officer, Legislative advocacy, and other General Government expenses.

The third pool of expenses represent Administrative Capital costs, treated as depreciable assets according GAAP guidelines. Costs in this pool are primarily related to the procurement of Information Technologies equipment and other administrative equipment purchases.

The allocation of eligible G&A expenses to SCRRA programs is a two step process (Tier 1, Tier 2). As part of the Tier 1 allocation, G&A costs are allocated to modal overhead collector pools based on the ratio of labor costs within each of the agency's principal business modes relative to the pool of labor as a whole, excluding G&A labor. The second step is the allocation of all indirect costs, allocated G&A and modal overhead, to direct projects for cost accounting and revenue recovery purposes.

The allocation of G&A expenses ineligible for federal reimbursement is to the operating budget modes based on the modal labor distribution. Table 5.1 provides the distribution of G&A expenses to each of the agency's business modes.

For FY 2005-06, the proposed SCRRA G&A budget, using the alternative compilation of costs as described above, is \$9.0 million compared to the FY 2004-05 budget of \$8.8 million, an increase of 2.2%. As noted in Table 5.2 listing the elements of the agency's G&A pool of expenses, certain costs have been recognized in the pool which had been previously recognized solely in the Train Operations portion of the agency's Operating Budget, the largest being general Legal Expenses, Legislative Advocacy, and certain Board support costs. Table 5.2 lists the elements of this budget by Expense Type, and compares and contrasts the elements included in this budget with its composition in FY 2004-05. Table 5.3 lists a summary of the elements that make up the agency modal overhead pools

**TABLE 5.1**  
**FY 2005-06 Indirect Cost Allocation Plan (ICAP) Calculation**  
 (\$000s)

**Tier 1 Completion and Distribution of SCRRR G&A Expenses**

<b>General &amp; Administrative Expenses</b>	<b>FY 2005-06</b>
Less: Locally Funded G&A	8,990.2
Administrative Capital	914.7
<b>Total Federally Eligible G&amp;A Expenses</b>	<b>305.0</b>
	<b>7,770.4</b>

Tier 1 Cost Distribution	Operating			Capital			Grand Total
	Train Operations	Subtotal Operating	New Capital	Equipment Procurement	Rehabilitation & Renovation	Subtotal Capital	
	MOW	%	%	%	%	%	
SCRRR Labor Distribution (%)	68.65%	83.92%	3.94%	0.63%	6.35%	10.91%	100.00%
Tier 1 Allocation of G&A	5,334.2	1,186.7	305.9	48.7	493.1	847.7	7,770.4
							401.8
							5.17%

**Tier 2 Allocation and Calculation of Direct Rates**

Indirect Expenses	4,746.8	1,199.2	295.4	-	396.2	691.6	207.6	6,845.3
Salaries & Wages	2,558.0	655.3	162.4	-	217.7	380.1	113.5	3,706.8
Fringe Benefits	3,385.1	2,567.6	193.5	117.0	206.3	516.8	57.9	6,527.4
Other Expenses	10,689.9	4,422.0	651.3	117.0	820.2	1,588.5	379.0	17,079.5
Subtotal - Indirect Expenses	997.7	222.0	305.9	48.7	493.1	847.7	401.8	1,219.7
Locally Funded/Administrative Capital Allocated G&A (from Tier 1)	17,021.9	5,830.7	957.3	165.7	1,313.3	2,436.2	780.8	7,770.4
Total Indirect and Allocable Expenses								
Direct Expenses	2,231.7	346.6	103.1	63.4	246.2	412.6	315.7	3,306.7
Salaries & Wages	1,329.4	188.2	48.8	34.6	129.7	213.1	154.9	1,885.6
Fringe Benefits	78,101.0	14,489.8	54,898.2	144,730.9	53,691.2	253,320.3	2,121.3	348,032.4
Other Expenses	81,662.2	15,024.6	55,050.1	144,828.9	54,067.0	253,946.0	2,592.0	353,224.7
Total Direct Expenses								
<b>Grand Total</b>	<b>98,684.0</b>	<b>20,855.3</b>	<b>56,007.3</b>	<b>144,994.6</b>	<b>55,380.4</b>	<b>256,382.3</b>	<b>3,373.8</b>	<b>379,294.3</b>

<b>Total Indirect and Allocable Expenses as % of Direct Labor</b>	<b>763%</b>	<b>1682%</b>	<b>929%</b>	<b>261%</b>	<b>533%</b>		<b>247%</b>	
---	-------------	--------------	-------------	-------------	-------------	--	-------------	--



Table 5.2

GENERAL AND ADMINISTRATIVE EXPENSES BY TYPE

Expenditure Description	FY 04-05 Budget	Fiscal Year 2005-06			Total FY 05-06 Budget	FY 05-06 Compared to FY 04-05
		Federally Eligible	Local Funding	Admin Capital		
<b>Agency Costs</b>						
Consultants	-	70,000			70,000	70,000
Recruitment Services	30,000	30,000			30,000	-
MIS & Data Processing	-	36,000			36,000	36,000
Office Equip Maint & Repair	9,485	9,575			9,575	90
Outside Temporary Help	75,000	30,000			30,000	(45,000)
Document Management & Storage	13,860	16,000			16,000	2,140
In-House Training Services	150,000	125,000			125,000	(25,000)
Bank Service Charges	130,000	125,000			125,000	(5,000)
Graphics Design	2,000				-	(2,000)
Office Supplies	107,000	62,000			62,000	(45,000)
Office Equipment	9,160	3,000			3,000	(6,160)
Printing & Reproduction	56,500	22,000			22,000	(34,500)
Misc Materials & Supplies	3,750	5,500			5,500	1,750
License & Registration Fees	-		700		700	700
Other Taxes	2,500	2,500			2,500	-
Professional Memberships	36,000	3,505	40,000		43,505	7,505
Subscriptions & Reference Materials	5,000	14,000	1,000		15,000	10,000
Registration Fees	6,100	5,500	2,000		7,500	1,400
Transportation	7,000	8,500	10,000		18,500	11,500
Meals & Entertainment	2,750	5,320	5,000		10,320	7,570
Board Per Diem	53,000		53,000		53,000	-
Lodging	6,350	3,700	4,000		7,700	1,350
Mileage/Parking	1,450	7,810	1,000		8,810	7,360
Misc Expenses	1,700	700			700	(1,000)
Legal & Meeting Notices	24,000	30,000			30,000	6,000
Postage & Messenger	96,000	93,600			93,600	(2,400)
Other Misc Expense	40,600	18,980	19,000		37,980	(2,620)
Office Equipment Rental	83,660	80,500			80,500	(3,160)
Office Space Rental	771,360	802,100			802,100	30,740
<b>Total Agency Costs</b>	<b>1,724,225</b>	<b>1,610,790</b>	<b>135,700</b>	<b>-</b>	<b>1,746,490</b>	<b>22,265</b>
<b>Staff Labor</b>						
SCRRA Wages & Salaries	2,938,776	2,824,681	287,554		3,112,236	173,460
Wages Interns	70,000	70,000			70,000	-
O/T Pay Premium	15,375	11,780			11,780	(3,595)
Allocated Fringe Benefits	1,618,598	1,552,595	158,055		1,710,650	92,052
<b>Total Staff Labor</b>	<b>4,642,749</b>	<b>4,459,057</b>	<b>445,610</b>	<b>-</b>	<b>4,904,666</b>	<b>261,917</b>
<b>Professional Services</b>						
Legal Services	500,000	500,000			500,000	-
Auditing & Accounting	420,000	429,750			429,750	9,750
Consultants	328,000	165,000			165,000	(163,000)
MIS & Data Processing	-	72,000			72,000	72,000
Lobby Services	333,400		333,402		333,402	2
<b>Total Professional Services</b>	<b>1,581,400</b>	<b>1,166,750</b>	<b>333,402</b>	<b>-</b>	<b>1,500,152</b>	<b>(81,248)</b>
<b>MIS</b>						
MIS & Data Processing	40,000	5,000			5,000	(35,000)
Office Equip Maint & Repair	-	10,000			10,000	10,000
Office Equipment	375,000	190,000		100,000	290,000	(85,000)
Computer S/W	325,000	270,000		205,000	475,000	150,000
<b>Total MIS</b>	<b>740,000</b>	<b>475,000</b>	<b>-</b>	<b>305,000</b>	<b>780,000</b>	<b>40,000</b>
<b>Employee Recognition</b>						
Misc Expenses	20,000	20,000			20,000	-
<b>Total Employee Recognition</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>
<b>Utilities/Leases</b>						
Telephone General	85,312	38,848			38,848	(46,464)
<b>Total Utilities/Leases</b>	<b>85,312</b>	<b>38,848</b>	<b>-</b>	<b>-</b>	<b>38,848</b>	<b>(46,464)</b>
	<b>8,793,686</b>	<b>7,770,445</b>	<b>914,712</b>	<b>305,000</b>	<b>8,990,156</b>	<b>196,470</b>

TABLE 5.3

**MODAL OVERHEAD EXPENSES BY SUMMARY EXPENSE CATEGORY**  
 (\$000's)

	<b>Overhead Amount</b>
<b>Train Operations</b>	
Labor	7,304.8
Purchased Transportation	51.3
Services	2,368.6
Utilities/Leases	3.3
Other	961.8
<b>Subtotal Train Operations</b>	<b>10,689.9</b>
<b>Maintenance-of-Way</b>	
Labor	1,854.5
Services	826.3
Utilities/Leases	841.3
Maintenance-of-Way	391.0
Other	509.0
<b>Subtotal Maintenance-of-Way</b>	<b>4,422.0</b>
<b>New Capital</b>	
Labor	457.8
Services	198.0
Other	112.5
<b>Subtotal New Capital</b>	<b>768.3</b>
<b>Rehabilitation/Renovation</b>	
Labor	613.9
Services	175.3
Other	31.0
<b>Subtotal Rehabilitation/Renovation</b>	<b>820.2</b>
<b>Recollectable</b>	
Labor	321.1
Services	57.9
<b>Subtotal Recollectable</b>	<b>379.0</b>
<b>Total Overhead</b>	<b>17,079.5</b>

**SECTION 6**  
**SOUTHERN CALIFORNIA REGIONAL**  
**RAIL AUTHORITY**  
**DEPARTMENT BUDGETS**



## 6.0 DEPARTMENT BUDGETS

The seven departments of the SCRRA include:

- Executive
- Support Services and Technology
- Operations
- Engineering & Construction
- Equipment
- Communications and Development
- Finance

### 6.1 Organizational Summary

Table 6.1 provides a roster of approved positions by department and division for FY 2005-06.

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ROSTER OF AUTHORIZED POSITIONS**  
**FISCAL YEAR 2005-06**

Department	Division	Position
Executive Office	Chief Executive Officer	Chief Executive Officer Executive Assistant Board Secretary
	Human Resources	Manager, Human Resources Human Resources Representative (3) Rules & Training Coordinator Administrative Assistant
Support Services & Technology	Assistant Executive Officer	Assistant Executive Officer Materials Manager
	Administrative Services	Records Management Specialist Administrative Services Coordinator Administrative Services Supervisor Receptionist Office Assistant
	Contract Administration and Procurement	Manager, Cont. Admin and Procurement Senior Contract Administrator (3) Contract Administrator (2) Buyer Contract Document Processor Contracts and Procurement Assistant
	Information Technology	Manager, IT Technology Planning Manager Network Engineer Network Administrator Database Administrator Application Administrator
	Railroad Services	Manager, Railroad Services Railroad Services Assistant Railroad Program Cost Analyst Operations Administrative Manager Operations Analyst MOW Contract Administrator Operations Contract Administrator Signal and Comm Contract Admin
	Claims Administration	Manager, Claims Administration
Finance	Director of Finance	Director of Finance Executive Assistant
	Accounting	Manager, Accounting Supervisor, General Accounting Supervisor, Accounting Operations Senior Accountant (2) Accountant (2) Accounting Specialist (3) Revenue Analyst Finance Contract Specialist Accounting Assistant (3) Administrative Assistant
	Budget	Manager, Budgets Senior Budget Analyst Budget Analyst Assistant Budget Analyst
	Director of Operation	Director of Operations Manager, Operations
Operations	Safety and Security	Manager, Safety and Security Safety Education Coordinator Rail Safety Education Specialist (2) System Safety Officer Operations & Safety Assistant
	Passenger Services	Manager, Passenger Services Administrative Assistant Customer Relations Manager Passenger Connections Admin Passenger Services Administrator Field Service Supervisor - Northern District Field Service Supervisor - Southern District Lead Cust Service Rep (4) Customer Service Representative (9) Field Services Representative (14)

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**ROSTER OF AUTHORIZED POSITIONS**  
**FISCAL YEAR 2005-06**

Department	Division	Position
	Dispatching	Manager, Dispatching Operations Dispatching Operations Supervisor (6) Train Dispatcher (20) Administrative Assistant
Equipment	Director of Equipment	Director of Equipment Manager of Equipment Equipment Engineer Mechanical Compliance Officer Equipment & Vehicle Assistant
	Facilities and Fleet Maintenance	Facilities & Fleet Maint Manager Fleet Maintenance Supervisor Maintenance Technician (4)
Communications and Development	Director of Communications and Development	Dir of Comm & Devel Executive Assistant Governmental Affairs Manager Strat Planning & Grants Devel Manager Strategic Planner Market Research Manager GIS Analyst
	Marketing and Sales	Manager, Marketing and Sales Marketing and Sales Assistant Corporate Relations Administrator Marketing Development Administrator Event Marketing Specialist Administrative Assistant
	Media and Communication	Manager, Media and External Communications Community Relations Administrator Media Relations Advisor Publications Administrator Communications Assistant Special Event Administrator Public Information Specialist
	Fare Collection Services*	Fare Collection Services Manager Fare Collection Services Assistant
Engineering & Construction	Director of Engineering & Construction	Dir of Engineering & Construction Asst Dir of Engineering & Construction Executive Assistant Manager, Engineering Utility CADD Operator
	Public Projects	Manager, Public Projects Administrative Assistant Right of Way Engineer Public Projects Engineer Assistant Engineer (2)
	Maintenance of Way	Manager, Maintenance of Way Administrative Assistant District Maintenance Manager (2) Structures Manager Eng Rehab Project Manager Bridge Inspector Right of Way Coordinator Employee In Charge (EIC) (6)
	Signal & Communications	Manager, Signal & Communications Signal and Training Assistant District Signal Manager (2) Senior Signal Engineer Signal Designer Signal CADD Operator
	Construction (Civil)	Manager, Construction (Civil) Resident Engineer
	Station Facilities	Station Facilities Manager

## 6.2 Executive

The Executive Department is responsible for setting the strategic direction for the Agency based on policy principles established by the Board of Directors. The Chief Executive Officer and the Assistant Executive Officer ensure that business initiatives are accomplished by providing leadership to the management team and staff and by maximizing our human resource potential.

**Human Resources** provides services to SCRRA including recruitment and selection, employee relations, benefits administration, employee development and training, performance and salary management, and compliance with equal employment opportunity/affirmative action regulations.

### Executive Goals

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.2 provides the budgeted expenses for this department



TABLE 6.2

**CHIEF EXECUTIVE OFFICER  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$81.1	\$49.0	\$105.3	\$222.9	112%
Purchased Transportation		-	-	-	-
Services	660.9	469.8	1,000.0	656.0	(34%)
Utilities/Leases	0.0	0.0	-	-	-
Maintenance-of-Way		-	-	-	-
Insurance & Liability		-	-	-	-
Other Expenses	107.1	72.2	77.0	21.7	(72%)
<b>Subtotal Direct Operating Expenses</b>	<b>849.1</b>	<b>591.0</b>	<b>1,182.3</b>	<b>900.7</b>	<b>(24%)</b>
Indirect Transfer to Operating	1,010.7	1,109.3	1,056.1	1,890.6	79%
<b>Subtotal Operating Budget</b>	<b>\$1,859.8</b>	<b>\$1,700.2</b>	<b>\$2,238.4</b>	<b>\$2,791.3</b>	<b>25%</b>
<b>Capital Budget</b>					
Labor	\$8.2	\$6.6			-
Services	16.8	22.7			-
Utilities/Leases					-
Capital					-
Other Expenses					-
<b>Subtotal Direct Capital Expenses</b>	<b>25.0</b>	<b>29.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
Indirect Transfer to Capital	176.0	137.5	170.5	172.8	1%
<b>Subtotal Capital Budget</b>	<b>\$201.0</b>	<b>\$166.9</b>	<b>\$170.5</b>	<b>\$172.8</b>	<b>1%</b>
<b>Indirect Agency Support</b>					
Labor	\$783.8	\$837.6	\$854.2	\$1,014.7	19%
Services	375.9	402.5	380.0	981.0	158%
Utilities/Leases	0.0	0.2			-
Maintenance-of-Way		-			-
Insurance & Liability		-			-
Other Expenses	72.4	50.1	68.0	149.7	120%
<b>Subtotal Indirect Agency Support</b>	<b>1,232.0</b>	<b>1,290.4</b>	<b>1,302.2</b>	<b>2,145.3</b>	<b>65%</b>
Indirect Transfer to Operating	(1,010.7)	(1,109.3)	(1,056.1)	(1,890.6)	79%
Indirect Transfer to Capital	(176.0)	(137.5)	(170.5)	(172.8)	1%
Indirect Transfer to Recollectable	(45.3)	(59.3)	(75.6)	(81.9)	8%
<b>Total Expenses</b>	<b>\$2,060.8</b>	<b>\$1,867.1</b>	<b>\$2,408.9</b>	<b>\$2,964.1</b>	<b>4%</b>

**6.3 Support Services and Technology**

The department of the Support Services and Technology encompasses the departmental divisions outlined below.

**Railroad Services** provides operating service contract administration, operating analysis, management of railroad joint facility/shared use agreements, and program control of maintenance-of-way and capital expenditures.

**Claims Administration** is responsible for procuring insurance and managing third party claims.

**Contract Administration & Procurement** provides centralized procurement and contract administration services.

**Information Technology** supports hardware and software resources to maximize workflow efficiency, identifies and implements technological enhancements to existing resources and assists employees in the transition to new technologies.

**Administrative Services** handles records management, reprographic requirements, office supplies, office equipment and furniture, mail services, travel services & telecommunications.

**Support Services and Technology Department Goals**

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.3 provides the budgeted expenses for this department.

TABLE 6.3

**SUPPORT SERVICES & TECHNOLOGY  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$1,003.1	\$977.0	\$1,055.0	\$1,097.8	4%
Purchased Transportation					-
Services	4,168.3	3,796.1	3,700.6	4,201.6	14%
Utilities/Leases	1,877.7	2,005.6	2,145.4	2,195.5	2%
Maintenance-of-Way	0.8				-
Insurance & Liability	4,660.0	5,345.6	6,640.2	9,240.0	39%
Other Expenses	332.5	429.9	292.0	345.8	18%
Subtotal Direct Operating Expenses	12,042.4	12,554.3	13,833.3	17,080.7	23%
Indirect Transfer to Operating	3,054.0	3,210.9	3,124.7	3,246.8	4%
<b>Subtotal Operating Budget</b>	<b>\$15,096.4</b>	<b>\$15,765.1</b>	<b>\$16,958.0</b>	<b>\$20,327.5</b>	<b>20%</b>
<b>Capital Budget</b>					
Labor	\$255.3	\$405.7	\$474.3	\$386.5	(19%)
Services	154.2	388.1	150.0	289.3	93%
Utilities/Leases					-
Capital	42.0	58.9	720.6		(100%)
Other Expenses	0.3	150.2		143.5	-
Subtotal Direct Capital Expenses	451.8	1,003.0	1,344.9	819.3	(39%)
Indirect Transfer to Capital	531.7	352.7	504.5	380.0	(25%)
<b>Subtotal Capital Budget</b>	<b>\$983.5</b>	<b>\$1,355.6</b>	<b>\$1,849.4</b>	<b>\$1,199.3</b>	<b>(35%)</b>
<b>Indirect Agency</b>					
Labor	1,336.1	1,450.0	1,617.7	1,717.5	6%
Services	374.8	643.5	178.3	130.6	(27%)
Utilities/Leases	1,085.5	914.8	940.3	921.4	(2%)
Maintenance-of-Way	-				-
Insurance & Liability	-				-
Other Expenses	926.4	726.8	1,116.7	1,037.4	(7%)
Subtotal Indirect Agency Support	3,722.7	3,735.2	3,853.0	3,806.9	(1%)
Indirect Transfer to Operating	(3,054.0)	(3,210.9)	(3,124.7)	(3,246.8)	4%
Indirect Transfer to Capital	(531.7)	(352.7)	(504.5)	(380.0)	(25%)
Indirect Transfer to Recollectable	(137.0)	(171.7)	(223.8)	(180.1)	(20%)
<b>Total Expenses</b>	<b>\$16,079.9</b>	<b>\$17,120.8</b>	<b>\$18,807.4</b>	<b>\$21,526.8</b>	<b>11%</b>

**6.4 Operations**

The Operating Department consists of the following four divisions as outlined below.

**Operations** manages train operations through contracts with Amtrak and through access agreements with freight railroads.

**Safety & Security** manages all aspects of safety for the agency including health, public safety, passenger and property security, fare enforcement, environmental regulatory compliance, and regulatory reporting. Safety and education training programs are conducted system wide for passengers and the general public.

**Passenger Services** manages the call center, handles all customer inquiries and dissemination of information, and provides station personnel, Ambassadors and Field Service Personnel for passenger assistance. The division, in conjunction with Strategic Development and Communications, develops train schedules.

**Dispatching** is responsible for managing and controlling all train traffic over member agency, and San Diego County rights-of-way.

**Operating Department Goals**

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.4 provides the budgeted expenses for this department

TABLE 6.4

**OPERATIONS DEPARTMENT  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$5,086.9	\$5,724.8	\$5,009.8	\$6,612.2	32%
Purchased Transportation	20,370.7	20,308.1	23,534.9	23,295.0	(1%)
Services	5,369.9	5,793.9	6,815.2	6,215.7	(9%)
Utilities/Leases	3.4	2.6	2.5	2.5	0%
Maintenance-of-Way	0.1	-	-	-	-
Insurance & Liability	6.7	-	-	-	-
Other Expenses	465.1	437.7	351.6	325.7	(7%)
Subtotal Direct Operating Expenses	31,302.9	32,267.1	35,714.1	36,451.1	2%
Indirect Transfer to Operating	13.4	24.1	-	6.1	-
<b>Subtotal Operating Budget</b>	<b>\$31,316.3</b>	<b>\$32,291.2</b>	<b>\$35,714.1</b>	<b>\$36,457.2</b>	<b>2%</b>
<b>Capital Budget</b>					
Labor	\$0.0	\$0.6	\$0.0	\$0.0	-
Services	14.4	-	-	-	-
Utilities/Leases	-	-	-	-	-
Capital	0.9	-	170.0	2,915.1	1,615%
Other Expenses	20.2	-	-	-	-
Subtotal Direct Capital Expenses	35.6	0.6	170.0	2,915.1	1,615%
Indirect Transfer to Capital	2.3	2.7	-	0.8	-
<b>Subtotal Capital Budget</b>	<b>\$37.9</b>	<b>\$3.2</b>	<b>\$170.0</b>	<b>\$2,915.9</b>	<b>1,615%</b>
<b>Indirect Agency</b>					
Labor	\$16.1	\$27.9	\$0.0	\$7.2	-
Services	-	-	-	-	-
Utilities/Leases	-	-	-	-	-
Maintenance-of-Way	-	-	-	-	-
Insurance & Liability	-	-	-	-	-
Other Expenses	0.2	0.2	-	-	-
Subtotal Indirect Agency Support	16.3	28.1	-	7.2	-
Indirect Transfer to Operating	(13.4)	(24.1)	-	(6.1)	-
Indirect Transfer to Capital	(2.3)	(2.7)	-	(0.8)	-
Indirect Transfer to Recollectable	(0.6)	(1.3)	-	(0.4)	-
<b>Total Expenses</b>	<b>\$31,354.1</b>	<b>\$32,294.4</b>	<b>\$35,884.1</b>	<b>\$39,373.0</b>	<b>7%</b>

**6.5 Engineering & Construction**

The department of Engineering and Construction encompasses the following divisions as outlined below.

**Maintenance-of-Way** administers the contracts which provide for maintenance of track and structures.

**Signals & Communications** administers contracts which install, test and maintain signals and related communications devices that control train movements and provide warnings at road crossings.

**Capital Construction and Design** oversees project design, development of engineering standards, development of construction bid packages, and management of the construction process.

**Public Projects** manages the design of third party projects and controls the entry/use of right of way by others (i.e., road crossing, public utility construction, etc.)

**Station Facilities** is responsible for oversight of local station maintenance functions and their compliance with federal requirements, coordinating implementation/maintenance of SCRRA public facilities including station and public address/changeable message signage.

**Rules and Training** is responsible for administration of federally mandated operating rules and practices that govern the performance of maintenance and construction on the railroad right of way.

**Engineering & Construction Department Goals**

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.5 provides the budgeted expenses for this department

TABLE 6.5

**ENGINEERING & CONSTRUCTION  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$1,928.0	\$2,020.3	\$1,940.6	\$2,181.7	12%
Purchased Transportation	-	-	-	-	-
Services	1,954.8	1,377.8	1,043.5	1,141.8	9%
Utilities/Leases	542.4	825.0	335.0	477.8	43%
Maintenance-of-Way	13,819.9	12,615.2	15,103.5	14,877.3	(1%)
Insurance & Liability	-	-	-	-	-
Other Expenses	357.2	113.9	131.6	112.0	(15%)
Subtotal Direct Operating Expenses	18,602.3	16,952.3	18,554.2	18,790.6	1%
Indirect Transfer to Operating	22.6	49.2	5.0	78.9	1,471%
<b>Subtotal Operating Budget</b>	<b>\$18,624.8</b>	<b>\$17,001.4</b>	<b>\$18,559.2</b>	<b>\$18,869.5</b>	<b>7%</b>
<b>Capital Budget</b>					
Labor	\$1,406.5	\$1,253.2	\$1,403.6	\$1,235.5	(12%)
Services	2,938.0	1,863.7	-	-	-
Utilities/Leases	-	-	-	-	-
Capital	38,399.7	21,996.6	74,650.4	100,341.9	34%
Other Expenses	67.9	63.3	5.1	3.1	(40%)
Subtotal Direct Capital Expenses	42,812.1	25,176.8	76,059.1	101,580.5	34%
Indirect Transfer to Capital	3.9	5.4	0.8	10.3	1,165%
<b>Subtotal Capital Budget</b>	<b>\$42,816.0</b>	<b>\$25,182.2</b>	<b>\$76,059.9</b>	<b>\$101,590.8</b>	<b>34%</b>
<b>Indirect Agency</b>					
Labor	\$20.6	\$56.0	\$6.2	\$94.0	1,418%
Services	0.1	0.1	-	-	-
Utilities/Leases	-	-	-	-	-
Maintenance-of-Way	-	-	-	-	-
Insurance & Liability	-	-	-	-	-
Other Expenses	6.8	1.2	-	-	-
Subtotal Indirect Agency Support	27.5	57.2	6.2	94.0	1,418%
Indirect Transfer to Operating	(22.6)	(49.2)	(5.0)	(78.9)	1,471%
Indirect Transfer to Capital	(3.9)	(5.4)	(0.8)	(10.3)	1,165%
Indirect Transfer to Recollectable	(1.0)	(2.6)	(0.4)	(4.9)	1,252%
<b>Total Expenses</b>	<b>\$61,440.9</b>	<b>\$42,183.7</b>	<b>\$94,619.1</b>	<b>\$120,460.3</b>	<b>7%</b>

## 6.6 Equipment

The department of Equipment encompasses the two divisions outlined below.

The division of **Equipment** ensures availability of passenger cars and locomotives, and oversees the contract with Bombardier to ensure proper maintenance of rolling stock.

The division of **Facilities Maintenance** maintains the Central Maintenance Facility (CMF) in Los Angeles, the Metrolink Operations Center (MOC) in Pomona, outlying layover locations, and the maintenance of non revenue, over the road fleet.

### Equipment Department Goals

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.6 provides the budgeted expenses for this department



TABLE 6.6

**EQUIPMENT DEPARTMENT  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$890.8	\$1,031.9	\$1,081.1	\$1,157.2	7%
Purchased Transportation	16,828.2	15,255.7	16,441.6	17,447.8	6%
Services	1,171.3	1,143.4	1,456.9	1,589.7	9%
Utilities/Leases	54.3	2.6	855.9	978.2	14%
Maintenance-of-Way		-	-	-	-
Insurance & Liability	364.5	28.9	350.0	300.0	(14%)
Other Expenses	6,035.2	7,083.1	7,149.8	9,689.1	36%
Subtotal Direct Operating Expenses	25,344.2	24,545.6	27,335.3	31,162.1	14%
Indirect Transfer to Operating	6.1	8.1	-	-	-
<b>Subtotal Operating Budget</b>	<b>\$25,350.4</b>	<b>\$24,553.7</b>	<b>\$27,335.3</b>	<b>\$31,162.1</b>	<b>14%</b>
<b>Capital Budget</b>					
Labor	\$54.4	\$91.7	\$49.5	\$14.4	(71%)
Services	250.4	128.6	28.0	-	(100%)
Utilities/Leases		-	-	-	-
Capital	3,564.8	5,455.1	90,597.4	146,124.7	61%
Other Expenses	3.3	89.6	74.9	21.7	(71%)
Subtotal Direct Capital Expenses	3,872.9	5,765.0	90,749.8	146,160.8	61%
Indirect Transfer to Capital	1.1	0.9	-	-	-
<b>Subtotal Capital Budget</b>	<b>\$3,874.0</b>	<b>\$5,765.9</b>	<b>\$90,749.8</b>	<b>\$146,160.8</b>	<b>61%</b>
<b>Indirect Agency</b>					
Labor	\$2.7	\$8.5	\$0.0	\$0.0	-
Services		-	-	-	-
Utilities/Leases		-	-	-	-
Maintenance-of-Way		-	-	-	-
Insurance & Liability		-	-	-	-
Other Expenses	4.7	1.0	-	-	-
Subtotal Indirect Agency Support	7.5	9.4	-	-	-
Indirect Transfer to Operating	(6.1)	(8.1)	-	-	-
Indirect Transfer to Capital	(1.1)	(0.9)	-	-	-
Indirect Transfer to Recollectable	(0.3)	(0.4)	-	-	-
<b>Total Expenses</b>	<b>\$29,224.3</b>	<b>\$30,319.7</b>	<b>\$118,085.0</b>	<b>\$177,322.8</b>	<b>4%</b>

## **6.7 Communications and Development**

The department of Communications and Development encompasses the divisions outlined below.

**Governmental Relations** develops state and federal legislative initiatives, designs and implements related advocacy programs, and assists in the identification of governmental funding sources.

**Grants Development & Programming** coordinates the identification of and application for local, state and federal funding; oversees grant reporting; assists in strategic, capital, and special project planning.

**External Communications** coordinates stakeholder relations efforts, internal and external publications, agency website and station city initiatives.

**Media Relations** coordinates general media inquiry response, crisis communications and editorial outreach.

**Marketing & Sales** promotes Metrolink commuter and other services through advertising, promotions, special events, sales, and merchandising.

**Research** provides market research, ridership forecasting and analysis, and marketing program evaluations.

### **Communications and Development's Goals**

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRA.**

Table 6.7 provides the budgeted expenses for this department

TABLE 6.7

**COMMUNICATIONS & DEVELOPMENT  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)**

<b>Expense Type</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>	<b>FY05-06 Budget</b>	<b>Change from FY 05 Budget</b>
<b>Operating Budget</b>					
Labor	\$1,282.7	\$1,403.7	\$2,913.9	\$1,903.2	(35%)
Purchased Transportation	400.7	492.9		800.0	-
Services	1,623.2	2,256.1	1,670.6	4,105.8	146%
Utilities/Leases	1.1	0.4	2.0	3.3	65%
Maintenance-of-Way		-	-	-	-
Insurance & Liability		-	-	-	-
Other Expenses	420.6	403.2	350.7	424.6	21%
Subtotal Direct Operating Expenses	3,728.3	4,556.4	4,937.1	7,236.9	47%
Indirect Transfer to Operating	430.9	378.5	256.3	626.3	144%
<b>Subtotal Operating Budget</b>	<b>\$4,159.2</b>	<b>\$4,934.9</b>	<b>\$5,193.4</b>	<b>\$7,863.2</b>	<b>51%</b>
<b>Capital Budget</b>					
Labor	\$0.0	\$7.1	\$43.4	\$53.6	23%
Services	-	-	-	-	-
Utilities/Leases	-	-	-	-	-
Capital	-	-	-	3,913.9	-
Other Expenses	-	-	-	-	-
Subtotal Direct Capital Expenses	-	7.1	43.4	3,967.5	9,035%
Indirect Transfer to Capital	75.0	41.6	41.4	38.1	(8%)
<b>Subtotal Capital Budget</b>	<b>\$75.0</b>	<b>\$48.7</b>	<b>\$84.8</b>	<b>\$4,005.5</b>	<b>4,623%</b>
<b>Indirect Agency</b>					
Labor	\$519.5	\$437.3	\$316.0	\$274.0	(13%)
Services		-	-	408.4	-
Utilities/Leases	0.2	0.4	-	-	-
Maintenance-of-Way		-	-	-	-
Insurance & Liability		-	-	-	-
Other Expenses	5.5	2.6	-	-	-
Subtotal Indirect Agency Support	525.3	440.3	316.0	682.4	116%
Indirect Transfer to Operating	(430.9)	(378.5)	(256.3)	(626.3)	144%
Indirect Transfer to Capital	(75.0)	(41.6)	(41.4)	(38.1)	(8%)
Indirect Transfer to Recollectable	(19.3)	(20.2)	(18.4)	(18.0)	(2%)
<b>Total Expenses</b>	<b>\$4,234.3</b>	<b>\$4,983.6</b>	<b>\$5,278.2</b>	<b>\$11,868.7</b>	<b>16%</b>

**6.8 Finance**

The department of Finance encompasses the divisions outlined below. In addition, the department is responsible for managing investments and pursuing financing to benefit capital and operating objectives.

**Budget** develops, monitors and manages the annual budget and related financial plans.

**Accounting** manages the financial activities of projects and services including revenue collection, payment disbursement, and payroll. The division maintains the financial records and reports of the agency, and manages the financial information system.

**Fare Services** oversees fare policy implementation and ticket vending machines located at all Metrolink stations.

**Treasury** manages the investments of the agency ensuring protection of principle and sufficient liquidity to meet ongoing agency obligations.

**Finance Goals**

**NOTE: ALL DEPARTMENTAL GOALS ARE UNDER EXECUTIVE MANAGEMENT REVIEW FOR CONSISTENCY AND APPLICABILITY TO THE LARGER GOALS OF THE SCRRRA.**

Table 6.8 provides the budgeted expenses for this department..

TABLE 6.8

FINANCE  
EXPENDITURES BY EXPENSE TYPE  
(\$000s)

Expense Type	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget	FY05-06 Budget	Change from FY 05 Budget
<b>Operating Budget</b>					
Labor	\$257.5	\$234.8	\$252.8	\$80.1	(68%)
Purchased Transportation		-	-	-	-
Services	1,739.4	2,412.8	2,904.2	95.0	(97%)
Utilities/Leases	0.1	-	-	-	-
Maintenance-of-Way		-	-	-	-
Insurance & Liability	6.8	-	-	-	-
Other Expenses	43.3	62.4	54.8	1.5	(97%)
Subtotal Direct Operating Expenses	2,047.1	2,709.9	3,211.8	176.6	(95%)
Indirect Transfer to Operating	2,580.3	2,206.6	2,026.5	1,892.0	(7%)
<b>Subtotal Operating Budget</b>	<b>\$4,627.3</b>	<b>\$4,916.5</b>	<b>\$5,238.3</b>	<b>\$2,068.6</b>	<b>(61%)</b>
<b>Capital Budget</b>					
Labor	\$16.4	\$5.2	\$12.3	\$7.3	(40%)
Services	-	186.9	-	84.0	-
Utilities/Leases	-	-	-	-	-
Capital	2,264.2	6,377.2	6,575.7	-	(100%)
Other Expenses	-	-	-	-	-
Subtotal Direct Capital Expenses	2,280.6	6,569.3	6,587.9	91.3	(99%)
Indirect Transfer to Capital	449.3	242.4	327.2	245.9	(25%)
<b>Subtotal Capital Budget</b>	<b>\$2,729.8</b>	<b>\$6,811.6</b>	<b>\$6,915.1</b>	<b>\$337.2</b>	<b>(95%)</b>
<b>Indirect Agency</b>					
Labor	\$2,206.3	\$1,730.8	\$1,848.6	\$1,797.3	(3%)
Services	733.6	737.5	637.0	436.8	(31%)
Utilities/Leases		-	-	-	-
Maintenance-of-Way		-	-	-	-
Insurance & Liability		53.3	-	-	-
Other Expenses	205.5	45.4	13.2	20.3	54%
Subtotal Indirect Agency Support	3,145.3	2,566.9	2,498.8	2,254.4	(10%)
Indirect Transfer to Operating	(2,580.3)	(2,206.6)	(2,026.5)	(1,892.0)	(7%)
Indirect Transfer to Capital	(449.3)	(242.4)	(327.2)	(245.9)	(25%)
Indirect Transfer to Recollectable	(115.8)	(118.0)	(145.1)	(116.5)	(20%)
<b>Total Expenses</b>	<b>\$7,357.2</b>	<b>\$11,728.1</b>	<b>\$12,153.4</b>	<b>\$2,405.8</b>	<b>(7%)</b>



**SECTION 7**  
**SOUTHERN CALIFORNIA REGIONAL**  
**RAIL AUTHORITY**  
**APPENDIX**





## 7.0 APPENDIX

### 7.1 Formulae for Allocation to Counties

Table 7.1 provides a summary of all the formulae that have been used to allocate expenses and revenues to the member agencies (counties). The table shows the eight different formulae that have been used. These eight formulae are described below:

#### Allshare

The original All-Share formula was developed to calculate county shares of systemwide projects such as the maintenance facility and used data developed in the Southern California Commuter Rail: 1991 Regional System Plan as required by SB-1402. The formula was calculated as 1/3 unduplicated route miles of the proposed system at buildout; 1/3 proposed stations (unduplicated) and 1/3 projected boardings and alightings after a year of service. This formula was also used to justify the number of positions each county had on the SCRRA Board. In 1993, the formula was adjusted to add the Riverside (UP) Line, and in 1998, the formula has been adjusted again to allow for the extensions to Lancaster and Oxnard. This revised formula is now used for systemwide projects such as those in the River Corridor.

#### Point-in-Time

While the All-Share formula was used in the Maintenance-of-Way Budget and in sharing costs of capital projects, the Point-in-Time formula was developed to provide each county's share of operating expenses in each fiscal year. Rather than representing the system at build out, the data used was the projection for the particular fiscal year. The formula was modified from the All Share to include train-miles as this data more accurately represents service provided. Through FY 1996-97, the formula was calculated as 1/6 unduplicated route miles; 1/6 proposed stations (unduplicated); 1/6 projected boardings and alightings and 1/2 projected source train-miles. Source trains were defined as peak trains starting out of layover facilities. Boardings and alightings were removed from the formula in FY 1998-99 as stations provided similar weighting and the formula was calculated as 1/4 unduplicated route miles; 1/4 stations (unduplicated) and 1/2 projected source train-miles.

#### Base Service

In the FY 1999-00 Budget a new formula was developed for the Operating Budget, which took all services that do not change with the number of trains operated ("base" services) and analyzed how they had been allocated as a group over the prior years. These items had been allocated by a combination of the Point-in-Time formula, even split, and direct allocation to lines. The resulting formula represents an average of the allocation of these "base" services over the prior two years.

#### Subsidy Allocation FY 2005-06

During the fiscal year FY 2003-04, SCRRA and Member Agency staff initiated a process to review, and potentially revise, the methodology under which the agency attributes costs to

**TABLE 7.1**

**FORMULAE USED TO ALLOCATE EXPENSES BY COUNTY**

Allocation	MTA	OCTA	RCTC	SANBAG	VCTC
Allshare (Revised for UP)	40.3%	26.2%	13.4%	15.9%	4.2%
Allshare 1998 Data (Lancaster/Oxnard)	47.5%	19.8%	11.1%	14.4%	7.2%
Point-in-Time FY 97-98	51.9%	19.2%	8.9%	12.4%	7.7%
Base Service Formula (FY 98-99 on) (1)	56.4%	16.6%	7.6%	13.0%	6.4%
Subsidy Allocation FY 04-05	58.9%	17.0%	6.3%	10.3%	7.4%
Train Miles FY 03-04 Budget	57.3%	19.1%	7.6%	12.1%	3.9%
Train Miles FY 04-05 Budget	57.1%	19.1%	7.6%	12.1%	4.1%
Train Miles FY 05-06 Budget	56.9%	18.6%	7.5%	12.4%	4.6%
Train Miles FY 03-04 Actual	57.1%	18.8%	7.8%	12.1%	4.3%
Route Miles Dispatched	66.5%	18.5%	0.4%	8.8%	5.8%
Route Miles Owned	57.6%	24.3%	1.1%	10.7%	6.4%
Track Miles Owned	58.5%	25.8%	0.5%	9.6%	5.6%
Unduplicated Route Miles (Excluding San Diego Co. Miles)	50.4%	18.3%	10.3%	10.5%	10.5%
50% Base Service Formula / 50% FY 03-04 Actual Train Miles	56.8%	17.7%	7.7%	12.5%	5.3%
50% Base Service Formula / 50% Unduplicated Route Miles (excl. SD. Co miles)	53.4%	17.4%	8.9%	11.8%	8.5%

(1) This formula was used to allocate all expenses that were not train-mile related or direct charge costs in FY 98/99  
 It is an average of what was previously split by Point-in-Time and even split.

operating line segments and Member Agencies for the purpose of calculating the distribution of their annual operating budget contribution.

Under the terms of the JPA governing the actions of the SCRRA, each Member Agency shall approve its individual Operating and Capital contributions for an upcoming fiscal year. As a result of its structure as a JPA, the SCRRA utilizes a number of formulae for the purposes of allocating costs to both Operating Line Segments as well as its member agencies. During FY 2003-04, an effort was made to revise and update many of the underlying allocation formulas. Given the complicated nature of this effort, and the expected completion of the Long Range Strategic Plan during FY 2005-06, the Member Agencies agreed to an interim solution for three fiscal years covering the periods FY 2004-05 through FY 2006-07. Members agreed to increase their net subsidy contribution in FY 2004-05 by a fixed amount of 2.37% across the board, and for the years FY 2005-06 and FY 2006-07, a revised interim allocation formula, based on a weighted average of a number of service variables, would serve to calculate each agency's contribution for the fiscal year. After completion of the currently ongoing strategic planning effort, a final set of funding mechanisms will be considered within a specified framework. It is expected that the resulting formula(s) will apply beginning FY 2007-08 and beyond.

#### Train-Miles

Those costs that change with the number of trains operated such as Amtrak crews and fuel are allocated on the basis of train-miles. This formula changes each year with the service assumptions adopted for that year.

#### Route-Miles Dispatched

Dispatching expenses are allocated based on route miles owned and dispatched by SCRRA.

#### Route-Miles Owned

The Maintenance-of-Way Budget allocates the net subsidies for Extra-ordinary Maintenance for storm damage, gate knockdowns and vandalism using the formula representing route-miles owned by county.

#### Track-Miles Owned

The Maintenance-of-Way Budget allocates the net subsidies for maintenance-of-way on lines owned by more than one county by the formula representing track-miles owned by county.

#### Direct Allocation

Other costs that change with the number of trains operated on particular line segments such as payments for rail agreements for dispatching and maintenance-of-way are not allocated by formula but directly allocated to those line segments.

**7.2 Formulae for Allocation to Lines**

Table 7.2 provides those formulae in Table 7.1 that are used to allocate operating expenses and revenues by line. This allocation is used to provide operating expenses, revenues, subsidies and statistics by line.

**7.3 Allocation of Revenues**

Farebox revenues are received by each operating line and allocated to member agencies (counties) on the basis of train-miles for each line or county. Dispatching/Other revenues are allocated directly to those line segments that are subject to agreements with freight railroads and Amtrak. These revenues are allocated to the counties that own the particular segments, and to the lines that are made up of these segments. At the end of each fiscal year, the interest on fares and other funds received in advance for operations and capital projects is assigned to counties based upon a calculation of funds on account throughout the year which were provided by each member agency.

TABLE 7.2

FORMULAE USED TO ALLOCATE EXPENSES BY LINE

Allocation	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91 Line	Non-Operating
Allshare (Revised for UP)	21.0%	13.1%	6.6%	15.0%	21.6%	16.5%	6.1%	
Allshare 1998 Data	21.9%	15.1%	15.9%	13.8%	16.9%	13.4%	2.9%	
Point-in-Time FY 97-98	20.6%	16.2%	17.8%	13.9%	18.9%	12.6%	0.0%	
Base Service Formula (1)	24.0%	15.6%	19.6%	14.2%	16.7%	9.9%		
Train Miles FY 03-04 Budget	24.6%	11.8%	22.0%	9.4%	17.1%	9.2%	6.0%	
Train Miles FY 04-05 Budget	25.3%	12.1%	21.7%	9.2%	16.7%	9.1%	5.9%	
Train Miles FY 05-06 Budget	25.2%	11.3%	22.2%	9.1%	16.6%	9.7%	5.9%	
Train Miles FY 03-04 Actual	25.0%	11.9%	21.9%	9.3%	16.8%	9.2%	6.0%	
Route Miles Dispatched	21.9%	18.0%	39.8%	1.8%	16.4%	2.1%		
Route Miles Owned	25.3%	19.6%	29.0%	1.2%	21.7%	3.2%		
Track Miles Owned	21.9%	16.5%	27.9%	0.5%	23.9%	1.9%		7.4%
Unduplicated Route Miles (Excluding San Diego Co. Miles)	15.2%	17.6%	19.1%	15.9%	12.7%	10.5%	9.0%	
50% Base Service Formula / 50% FY 03-04 Actual Train Miles	24.5%	13.8%	20.7%	11.7%	16.8%	9.5%	3.0%	
50% Base Service Formula / 50% Undup Route Miles (excl SD)	19.6%	16.6%	19.4%	15.0%	14.7%	10.2%	4.5%	

(1) This formula was used to allocate all expenses that were not train-mile related or direct charge costs in FY 98/99  
It is an average of what was previously split by Point-in-Time and even split.

#### **7.4 Allocation of Expenses**

Fuel and that portion of Amtrak services related to operation of trains are allocated to operating lines and counties on the basis of train-miles for each line or county. That part of Amtrak services related to dispatching is allocated directly to operating lines and counties on the basis of the ownership of line segments over which the agency has dispatching authority. Also allocated directly to line segments are Transfers to Other Operators, Rail Agreements, Maintenance-of-Way expenses and Ambassadors. All other expenses in the Operating Budget are allocated on the "base service" formula.

Maintenance-of-Way expenses on lines shared by more than one county are split to the counties on the basis of track-miles in each county. The expenditures related to the Riverside Layover Facility are allocated to the counties through which the Riverside Line runs on the basis of route miles. The River Corridor is shared by all lines, thus the expenditures in excess of revenues on this segment are split to lines and counties on the basis of the "Allshare" formula. Extra-ordinary Maintenance expenses for derailments (\$100,000) are split on the Allshare formula, and for storm damage, gate knockdowns and vandalism (\$400,000) using the formula representing route-miles owned by county.

#### **7.5 Potential New Projects For New Capital In FY 2005-06**

Each year as the development of the agency's budget progresses, there are a number of projects for which funding is being sought but, has not been sufficiently secured to include in the Preliminary Budget brought forward for consideration by the Committee and Board of Directors.

As funding for projects is approved, they will be incorporated into the Budget through amendment after review by the Board.

#### **7.6 SCRRRA Policy on Debt**

The purpose of issuing debt is to finance essential capital facilities and equipment. The issuance of debt spreads the cost of the facilities and equipment over their useful life. Historically, SCRRRA has not issued debt for the development of facilities or the purchase of equipment. Rather, the capital has been funded by a combination of federal, state, member agency, and other local sources. In the absence of the need to issue debt, SCRRRA has not adopted a formal debt policy.

State law defines the process under which a joint powers authority may issue debt. The Marks-Roos Local Bond Pooling Act (Government Code, sec. 6584) provided flexibility to a JPA in permitting the identification of future revenues for the maintenance of debt. Under this statute, a JPA is given powers to issue bonds to pay for the cost of capital, including facilities and equipment. The statute requires the establishment of a new joint powers authority for the exclusive purpose of financing capital projects or acquisitions for its members. If future capital

funding requirements ever require the issuance of debt, the member agencies may be asked adopt a debt policy incorporating the established of a joint powers authority as permitted in the Marks-Roos Local Bond Pooling Act.

Although the SCRRA has never issued debt for the construction of facilities or acquisition of equipment, three U.S. leveraged lease transactions have been completed. The deferred benefit of the three lease transactions was approximately \$31.4 million.

In Fiscal Year 1995-96, the SCRRA Board entered into an agreement to lease 94 coach and cab cars (cars) and 31 locomotives and simultaneously entered into a sublease agreement with the lessee to lease them back. The SCRRA received proceeds of approximately \$193.9 million of which it used approximately \$152.3 million to prepay future lease payments and defease part of its obligation. In addition, the Board invested approximately \$21.2 million in U.S. Zero Coupon Treasury strips. The Treasury strips will mature at values sufficient to cover all remaining lease payments due under the lease agreement as well as amounts necessary to exercise the repurchase options. As a result, all obligations under this lease/leaseback transaction are considered to be defeased in substance.

In fiscal year 1999, SCRRA entered into another agreement to lease 25 bi-level commuter rail cars and 2 diesel locomotives and simultaneously entered into sublease agreement with the lessee to lease them back. The SCRRA received proceeds of approximately \$63.5 million of which it used \$24.7 million and \$7.7 million for debt and equity defeasance, respectively. This amount is sufficient to cover all lease payments due under the agreements and to exercise the repurchase options. As a result, all obligations under this lease/leaseback transaction are considered to be defeased in substance.

In fiscal year 2003, SCRRA entered into another agreement to lease 27 bi-level commuter rail cars and 4 diesel locomotives and simultaneously entered into sublease agreement with the lessee to lease them back. The SCRRA received proceeds of approximately \$93.8 million of which it used \$75.3 million and \$11.2 million for debt and equity defeasance, respectively. This amount is sufficient to cover all lease payments due under the agreements and to exercise the repurchase options. As a result, all obligations under this lease/leaseback transaction are considered to be defeased in substance.

## **7.7 Description of GASB34 Condition Assessment Ratings**

The SCRRA, as part of its implementation of Government Accounting Standards Board Pronouncement 34 (GASB34), has elected to use the Modified Approach for the Metrolink Railroad Infrastructure.

Under the modified approach, infrastructure assets that are part of a network, or subsystem of a network, are not required to be depreciated as long as two requirements are met:

- 1) The government manages the eligible infrastructure assets using a qualified asset management system; and
- 2) The government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government.

The SCRRA Board adopted, in FY 2002-03, a minimum condition rating of 75 points (of a maximum of 100) as the minimum acceptable Railroad Condition Index (RCI) for the entire railroad network, including all subsystems. The actual index value of the condition of the SCRRA's infrastructure network is 88, as of June 30, 2003.

The following ratings values are utilized to describe the asset condition of various railroad infrastructure components:

- Excellent (90+) – An asset that exhibits no conditions of wear or degradation and is suitable for continued use for 5 plus years with only routine inspection and repair; essentially a “like new” condition.
- Good (80 to 89) – An asset rated as good has some components that will require repair or replacement within the next 5 years, but is expected to be fully serviceable for the next 5 years.
- Fair (70 to 79) – An asset rated as fair will be in serviceable condition at the time of the rating, but will require rehabilitation of two or more components within 5 years.
- Poor (60 to 69) – An asset that is operating at less than full capacity (e.g. a speed restriction is imposed) due to maintenance conditions and will require rehabilitation of at least one component before becoming full operational.
- Critical (59 or below) – An asset that is operating at less than full capacity and must have repairs or rehabilitation within the year in order to continue operating.

## 7.8 Statistical Information

<b>Date of Formation</b>	August 1991
<b>Form of Government</b>	Joint Powers Authority
<b>Purpose</b>	To plan, design, construct and administer the operation of regional passenger rail lines.
<b>Member Agencies</b>	Los Angeles County Metropolitan Transportation Authority Orange County Transportation Authority Riverside County Transportation Commission San Bernardino Associated Governments Ventura County Transportation Commission



<b>Counties Served</b>	Los Angeles County	
	Orange County	
	Riverside County	
	San Bernardino County	
	San Diego County	
	Ventura County	
<b>Population (2000 Census)</b>	Los Angeles County	9,519,338
	Orange County	2,846,289
	Riverside County	1,545,387
	San Bernardino County	1,709,434
	San Diego County	2,813,833
	Ventura County	<u>753,197</u>
	<b>Total Population:</b>	<b>19,187,478</b>
<b>Route Miles in System (Duplicated)</b>	Los Angeles County	222
	Orange County	117
	Riverside County	59
	San Bernardino County	39
	San Diego County	38
	Ventura County	<u>39</u>
	<b>Total Miles:</b>	<b>514</b>
<b>Route Miles (Unduplicated)</b>	Los Angeles County	187
	Orange County	67
	Riverside County	38
	San Bernardino County	39
	San Diego County	19
	Ventura County	<u>39</u>
	<b>Total Miles:</b>	<b>389</b>
<b>Train Equipment</b>	Locomotives	38
	Cab Cars	35
	Coaches	108
<b>Stations</b>	Los Angeles County	25
	Orange County	10
	Riverside County	5
	San Bernardino	7
	San Diego County	1
	Ventura County	<u>5</u>
<b>Total Stations:</b>	<b>53</b>	

<b>Ticket Vending Machines</b>	TVMs Installed	109	
	Validators Installed	135	
	Ticket Office Machines	3	
<b>Highway-Rail Grade Crossings</b>	Total Network Grade Crossings	399	
	Public Crossings	338	
	Private Crossings	<u>61</u>	
	SCRRA Maintained Crossings	238	
<b>Average Daily Riders (May 2004)</b>	Ventura County Line	3,970	
	Antelope Valley Line	6,180	
	San Bernardino Line	11,213	
	Riverside Line	4,745	
	Orange County Line	5,966	
	Inland Empire to Orange County	3,696	
	Burbank Turns	645	
	91 Line	<u>1,783</u>	
	SYSTEM	38,198	
<b>Number of Auto Trips Removed per Weekday</b>		16,202	trips
<b>Percent of Freeway Traffic Removed on Parallel Freeways Each Peak Hour</b>		8.5	percent
<b>Average Commute Trip Length (Proposed FY05)</b>		37.8	miles
<b>Percent of Riders Formerly Driving Alone</b>		70	percent
<b>Percent of Riders with Downtown Los Angeles Destination</b>		70	percent
<b>Percent of Ethnic Riders by Line Corridor (Latino, Asian, African-American)</b>			
San Bernardino Line		56	percent
Riverside Line		52	percent
Antelope Valley Line		46	percent
Ventura County Line		32	percent
Orange County Line		38	percent

Source: State of California Department of Finance Demographic Research Unit, SCRRA's May 2004 Operating Report, SCRRA Staff, and 2000 SCRRA Customer Satisfaction Survey

## 7.9 Glossary of Budget Terms

APPROVED BUDGET: The official budget as approved by the five member agencies and then by the SCRRA Board.

AMENDED BUDGET: The approved budget as amended by the SCRRA Board through the course of a fiscal year.

APPROPRIATION: Legal authorization to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time it may be expended.

BUDGET: A plan of financial operations comprised of estimated expenditures for a given period (one fiscal year) and the proposed means of financing the expenditures (revenues).

REHABILITATION/RENOVATION EXPENDITURE: Those expenditures that replace worn out assets with like or improved assets and thus extend the useful life of these capital assets.

CONTRACTED SERVICES: Services rendered in support of SCRRA operations and other activities by external parties. These are generally based upon formal contracts or purchase orders.

DEPARTMENT: An organizational subgroup of SCRRA.

ENCUMBRANCE: The commitment of appropriated funds to purchase goods or services.

EXPENDITURE: Decreases in net financial resources.

EXPENSES: Decreases in net total assets. Expenses include the total costs of operations and capital during a period.

EXTRA-ORDINARY MAINTENANCE: Includes damages due to vandalism, crossing gate knockdowns, accidents, derailments, fires, storm damage and other expenses as required.

FAREBOX REVENUE: Fares received from passengers for travel on Metrolink trains.

FAREBOX RECOVERY: Ratio of farebox revenue to total expenses net of maintenance-of-way revenues, rolling stock lease and extra-ordinary maintenance.

FISCAL YEAR: A 12-month period to which the annual budget applies and at the end of which SCRRA determines its financial position, the results of its operations and capital program, and adopts a budget for the coming fiscal year. The SCRRA's fiscal year is from July 1 through June 30.

FULL TIME EQUIVALENT (FTE): The conversion of full-time and part-time employee hours to an equivalent of a full-time position. For example, one person working half-time would count as 0.5 FTE and a person hired for 6 months would also count as 0.5 FTE.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards of, and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements on an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment

within the fiscal year.

**OBJECT CODE:** The classification of expenditures in terms of what is bought and paid for grouped into major object codes by subject.

**OPERATING BUDGET:** A budget that focuses on everyday operating activities and programs. For SCRRA, the Operating Budget includes train operations and maintenance-of-way.

**PROPOSED BUDGET:** A budget in its preliminary preparation stage prior to adoption by the SCRRA Board.

**REVENUE:** Monies that SCRRA receives as income such as farebox revenue, payments from other railroads, local funds for operating or capital, grants, and interest.

**REVENUE RECOVERY:** The ratio of operating revenues to operating expenses net of rolling stock lease payments and extra-ordinary maintenance.

**RIDERSHIP:** The number of one-way trips carried on Metrolink trains.

**SALARY AND FRINGE BENEFIT EXPENSES:** Compensation paid to or on behalf of SCRRA employees for salaries, wages, overtime, and benefits.

## 7.10 Acronyms

ADA:	Americans with Disabilities Act
Amtrak:	National Railroad Passenger Corporation (intercity rail service)
APTA:	American Public Transportation Association
AQMD:	Air Quality Management District
BNSF:	Burlington Northern Santa Fe Railroad
CAFR:	Comprehensive Annual Financial Report
Caltrans:	California Department of Transportation
CEQA:	California Environmental Quality Act
CMAQ:	Congestion Mitigation Air Quality
CTC:	California Transportation Commission
DOL:	Federal Department of Labor
DOT:	Federal Department of Transportation
EIR:	Environmental Impact Report
EIS:	Environmental Impact Study
EPA:	Federal Environmental Protection Agency
FCR:	Flexible Congestion Relief
FHWA:	Federal Highway Administration
FRA:	Federal Railroad Administration
FTA:	Federal Transit Administration
IEOC:	Inland Empire to Orange County Line
ISTEA:	Intermodal Surface Transportation Efficiency Act
ITS:	Intelligent Transportation System
JPA:	Joint Powers Authority
LACMTA:	Los Angeles County Metropolitan Transportation Authority
MOC:	Metrolink Operations Center
MOW:	Maintenance-of-Way
LNG:	Liquified Natural Gas
MOU:	Memorandum of Understanding

---

MTA:	Los Angeles County Metropolitan Transportation Authority
OCTA:	Orange County Transportation Authority
PA/CMS:	Public Address/Changeable Message Sign
PERS:	Public Employees Retirement System
PENGUIN:	Public Employees Network/Governmental Users Integrated Network
PRESS:	Passenger Rail Equipment Safety Standards
RCTC:	Riverside County Transportation Commission
ROW:	Right-of-Way
RTIP:	Regional Transportation Improvement Program
RTPA:	Regional Transportation Planning Agency
SANBAG:	San Bernardino Associated Governments
SCAG:	Southern California Associated Governments
SCAQMD:	South Coast Air Quality Management District
SCRRA:	Southern California Regional Rail Authority
SHA:	State Highway Account
SPRR:	Southern Pacific Railroad
STA:	State Transit Assistance
STIP:	State Transportation Improvement Plan
STP:	Surface Transportation Program
TAC:	Technical Advisory Committee
TCI:	Transit Capital Improvement (funds/program)
TDA:	Transportation Development Act
TEA-21:	Transportation Equity Act for the 21 <sup>st</sup> Century
TIP:	Transportation Improvement program
TSM:	Transportation Systems Management
TVM:	Ticket Vending Machine
UP:	Union Pacific Railroad
VCTC:	Ventura County Transportation Commission

**PROPOSED REPROGRAMMING OF FY 2003-04 SUBSIDY TO SCRRA**

The following projects are proposed for reprogramming from the FY 2003-04 subsidy to the SCRRA:

- FY 2005-06 Operations: Funding of \$1,174,100 is recommended to supplement available funding for FY 2005-06 operations.
- Keller Storage Facility and Union Station New Platform: Funding of \$647,800 is recommended. The OCTA has committed to advance the funding for two projects to enhance and support capacity at Union Station. The Keller Yard Storage Facility will be used to park trains in order to relieve congestion at Union Station. The Union Station New Platform will restore an unused track for passenger service by demolishing a mail dock and constructing a new passenger platform and connecting pedestrian ramps. The total project cost is estimated at \$9 million. The LACMTA proposes to repay its \$3,239,000 share to SCRRA over five years, beginning with this payment of \$647,800 in FY 2005-06.
- Metrolink EZ Pass TVM Software Upgrade: Funding of \$72,160 is recommended to upgrade Metrolink ticket vending machine (TVM) software that would allow Metrolink Fare Media to be used on EZ Pass express bus operations.
- Souder Lease FY 2006-07, Additional Insurance Premium Costs and/or Match to Grant Funds for Critical Safety or Security Projects: Funding of \$580,500 is recommended.

The total of the four projects listed above is \$2,474,560. This is the amount of FY 2003-04 subsidy to the SCRRA that is available for reprogramming, as the SCRRA has reported in its year-end reconciliation statement. As part of the reconciliation statement, SCRRA reports on multi-year capital projects that are closed out within the fiscal year. During FY 2003-04, a Call for Projects-funded SCRRA project (Sidings on the I-10 and L.A. River Corridors) was closed out. The project savings of \$1,299,822 is included in the \$2,474,560 total.

Upon reviewing the SCRRA's reconciliation statement and Comprehensive Annual Financial Report (CAFR), we will apply the available subsidy funds to the list above in priority order.

ATTACHMENT C

SOURCES OF FUNDING FOR LACMTA CONTRIBUTION TO  
SCRRA FY 2005-06 METROLINK BUDGET

Operations: SRTP Allocation	\$30,200,000
Operations: Reprogrammed FY 2002-03 Subsidy (1)	\$283,900
Operations: Reprogrammed FY 2003-04 Subsidy (2)	\$1,174,100
Subtotal Operations	\$31,658,000
Capital: Rehabilitation and Renovation	\$13,600,000
Capital: Reprogrammed FY 2003-04 Subsidy for New Capital Projects (2)	\$1,300,460
Subtotal Capital	\$14,900,460
TOTAL (3)	\$46,558,460

Notes:

1. \$283,900 in reprogrammed FY 2002-03 subsidy was approved by the Board in 2004 and included in the FY 2004-05 LACMTA Budget. To avoid double-counting, these funds will be *accrued* into the FY 2005-06 LACMTA Budget, rather than *included*.
2. A total of \$2,474,560 (\$1,174,100 for operations and \$1,300,460 for New Capital Projects) is proposed for reprogramming from FY 2003-04 subsidy to the SCRRA. This amount will be included in the FY 2005-06 LACMTA Budget, but would not impact the LACMTA's ability to fund other projects or programs, as it is recommended for reprogramming from prior year subsidy to the SCRRA.
3. Of the total \$46,558,460 proposed for the FY 2005-06 Metrolink Work Program, \$46,274,560 or all but \$283,900 (highlighted in Note 1, above), is included in the FY 2005-06 LACMTA Proposed Budget.