

FY08 Proposed Budget

Finance and Budget Committee

June 20, 2007



Metro

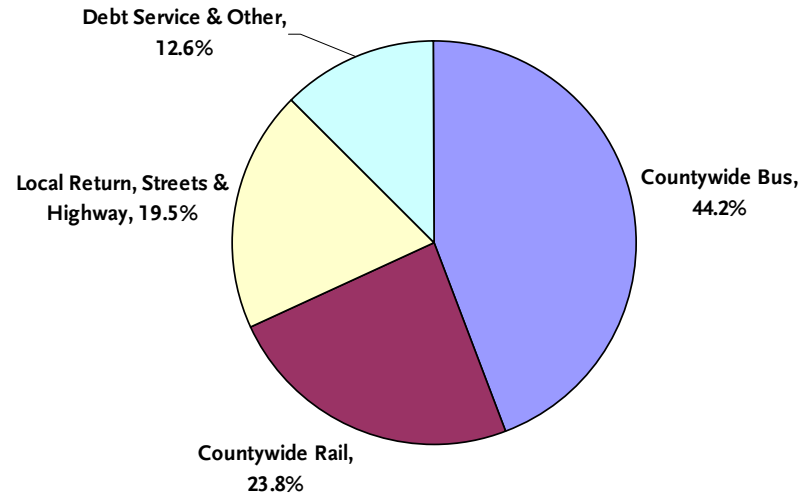
FY08 Proposed Budget Expenditure by Program

(Dollars in Millions)	FY04 Actual		FY05 Actual		FY06 Actual		FY07 Budget		FY08 Proposed	
1 Countywide Bus										
2 Metro Bus Operating & Capital	\$933.0	41.1%	\$1,078.0	41.0%	\$1,018.5	39.7%	\$1,110.0	36.6%	\$1,138.3	36.5%
3 Muni & Paratransit ⁽¹⁾	240.9	10.6%	260.4	9.9%	242.2	9.4%	241.4	8.0%	254.0	8.1%
4 Countywide Bus Subtotal	1,173.9	51.8%	1,338.4	51.0%	1,260.7	49.2%	1,351.5	44.5%	1,392.3	44.6%
5 Countywide Rail										
6 Metro Rail Operating, Capital & Construction	280.4	12.4%	468.1	17.8%	432.2	16.8%	646.5	21.3%	683.6	21.9%
7 Metrolink	39.6	1.7%	42.1	1.6%	45.5	1.8%	57.0	1.9%	58.5	1.9%
8 Countywide Rail Subtotal	320.0	14.1%	510.2	19.4%	477.7	18.6%	703.4	23.2%	742.1	23.8%
9 Local Return, Streets & Highway	396.4	17.5%	419.3	16.0%	479.9	18.7%	591.7	19.5%	592.1	19.0%
10 Debt Service ⁽²⁾ & Other	377.7	16.7%	358.7	13.7%	346.7	13.5%	389.5	12.8%	394.4	12.6%
11 Total Expenditures	\$2,268.0	100.0%	\$2,626.7	100.0%	\$2,565.1	100.0%	\$3,036.1	100.0%	\$3,120.9	100.0%

(1) ASI Paratransit: federal amounts included in prior years have been excluded in FY06, FY07 and FY08 because ASI will receive federal funds directly.

(2) Includes principal liability payments and Benefit Assessment District debt payments, but excludes debt refunding and defeased lease. Proprietary fund includes principal payments of \$16.3 million in FY04, \$12.0 million in FY05, \$12.0 million in FY06, \$12.1 million in FY07 and \$12.3 in FY08.

Note: Totals may not add due to rounding.

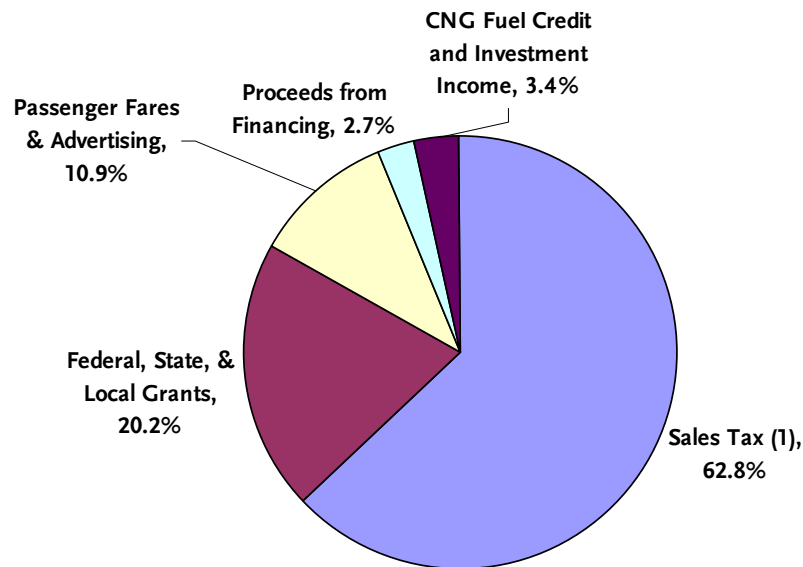


FY08 Proposed Budget Sources

(Dollars in Millions)		FY04 Actual		FY05 Actual		FY06 Actual		FY07 Budget		FY08 Proposed ⁽²⁾	
1	Sales Tax ⁽¹⁾	\$1,514.0	66.8%	\$1,587.5	60.4%	\$1,436.6	56.0%	\$1,881.5	62.0%	\$1,960.4	62.8%
2	Federal, State, & Local Grants	377.2	16.6%	488.5	18.6%	702.8	27.4%	596.4	19.6%	629.8	20.2%
3	Passenger Fares & Advertising	233.4	10.3%	284.2	10.8%	297.8	11.6%	294.8	9.7%	340.4	10.9%
4	Proceeds from Financing	82.4	3.6%	185.6	7.1%	42.6	1.7%	193.3	6.4%	83.9	2.7%
5	CNG Fuel Credit and Investment Income	61.0	2.7%	80.8	3.1%	85.3	3.3%	70.1	2.3%	106.4	3.4%
6	Total Funding Sources	\$2,268.0	100.0%	\$2,626.7	100.0%	\$2,565.1	100.0%	\$3,036.1	100.0%	\$3,120.9	100.0%

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

⁽²⁾ Reflected fare changes adopted on May 24,2007; therefore, does not match the Proposed Budget Book



Motion by Directors Burke and Lowenthal

- **Motion:**
 - Add 22 Bus Mechanics
 - Add 11 Electronic Communication Technicians
 - Fund \$4.5 million within proposed budget
- **Recommendation**
 - Reduce General Fund forecasted balance by \$4.5 million

Options to Use STA Spillover Funds

- **Program additional revenues to FY09 operating costs to reduce deficit**
- **Place additional revenues into an operating reserve as required by the Financial Stability policy**
- **Program funds to a major capital project such as Union Division, Div 6 Replacement or FY09 Bus Buy**

FY08 Proposed FTE Additions

	Items	FTE
1	FY08 Proposed Budget additions	41.00
2	Request for TAP implementation	8.00
4		
5	Corridor Planning studies	
6	Construction	1.50
7	Communications	2.40
8	Planning	1.50
9	Subtotal Corridor Studies	5.40
10		
11	Total additional FTE request	54.40
12		
13	Board recommended FTE additions	
14	Bus Mechanics	22.00
15	Electronic Communication Technicians	11.00
16	Subtotal Board recommendations	33.00
17		
18	Total requested and recommended FTE Additions	87.40

Changes to Bus Eligible Fund Balances

	(Amounts in Millions)	FY08 Estimate
1	Prop C 40 Discretionary	\$162.3
2	Outstanding Muni encumbrances	(21.4)
3	Eastside LRT project enhancement	(20.0)
4	Increase to Immediate Need type program	(5.0)
5	Revised FY08 est. Prop C 40 Discretionary fund balance	115.9
6		
7	CNG fuel credit	35.7
8	Bus deficit reduction	(35.7)
9	Revised FY08 est. CNG fuel credit fund balance	0.0
10		
11	General Fund	49.8
12	TAP implementation	(1.0)
13	Transit Operations Bus Maintenance	(4.5)
14	Revised FY08 est. General Fund fund balance	\$44.3

Discussion