



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**FINANCE AND BUDGET COMMITTEE  
NOVEMBER 14, 2007**

**SUBJECT: FY08 BUDGET**

**ACTION: RECEIVE AND FILE RECONCILIATION OF THE FY08 PROPOSED  
BUDGET TO THE ADOPTED BUDGET**

**RECOMMENDATION**

Receive and file the reconciliation of the FY08 proposed budget to the adopted budget.

**ISSUE**

The proposed budget was published and distributed to the Board on May 25, 2007. Subsequently, the Board took several actions, including a fare change, which modified the proposed budget resulting in the adopted budget. This report reconciles the differences between the proposed budget and the adopted budget.

**DISCUSSION**

The Board approved changes included revenue increases of \$71 million to balance the FY08 Enterprise Fund budget. The revenues included \$32 million for increased fares, \$35 million for CNG fuel credits, and \$4 million of advertising revenues. The Board also approved additional revenues to fund the increased expenses discussed below.

The expense increases in the Enterprise Fund totaled \$5.3 million. These increases provided additional maintenance FTE's at each of the bus operating divisions required for increasing maintenance responsibilities, implementation of an incident-based surveillance system installed on each bus, establishment of the Regional Clearinghouse (TAP) function, and reinstatement of Line 442.

Governmental Fund expense increases totaled \$14.2 million for the Immediate Needs (or similar assistance program), to align the Formula Allocation Procedure (FAP) funding marks to reflect the two-year lag, and for various planning studies.

The Board added 45 FTE's to the proposed budget to accomplish the tasks described above. 41 FTE's were added to the Enterprise Fund (mechanics, service attendants, and TAP implementation personnel) and four FTE's were added to provide support and manage the increased planning activities.

One expense reduction of \$14.2 million was made to correct the proposed budget which overstated the Expo Phase I budget cash flow.

These changes and the total impact to the budget are detailed on Attachment A.

### **ALTERNATIVES CONSIDERED**

In December 2004, the Board approved a motion that a final reconciliation of the adopted budget be annually presented to the Board.

### **FINANCIAL IMPACT**

The FY08 budget adopted by the Metro Board totals \$3,126.2 million of revenues and expenses. The Enterprise Fund totals \$2,094.5 million, the Governmental Funds total \$1,009.0 million, and the Agency Fund is \$22.9 million.

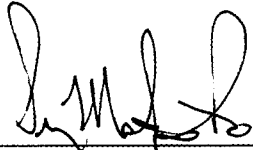
9,082 FTE's were approved in the FY08 budget.

### **NEXT STEPS**

Amendments approved by the Board will be reflected in quarterly status reports on the FY08 budget.

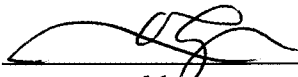
Attachment

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Office of Management and Budget



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Terry Matsumoto  
Chief Financial Services Officer and Treasurer



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Roger Snoble  
Chief Executive Officer

## Summary of FY08 Adopted Budget Changes

	Change Items	Amount (in Millions)	Included FTEs
1	Revenue:		
2	FY 08 Proposed Budget	\$3,050.8	
3	Additional Board Appropriation		
4	Fare Revenue	32.0	
5	CNG Fuel Credit	35.0	
6	Advertising	4.1	
7	Funding for Increased Expenditures	4.3	
8	Subtotal of Additional Appropriation	75.4	
9	FY08 Adopted Revenue Programmed	3,126.2	
10			
11	Expense/Expenditure:		
12	FY08 Proposed Budget	3,120.9	9,037
13	Board Approved Items during Budget Adoption		
14	Enterprise Fund Activities		
15	Bus Maintenance Enhancement	2.9	33
16	Line 442 Reinstatement	0.3	
17	Incidence Based Surveillance System	1.0	
18	Regional Clearinghouse Implementation	1.1	8
19	Subtotal Enterprise Fund Activities	5.2	41
20			
21	Governmental Fund Activities		
22	Immediate Need Type Subsidy	5.0	
23	Additional Planning Studies	6.8	4
24	Adopted Funding Marks Alignment	2.4	
25	Subtotal Governmental Fund Activities	14.3	4
26			
27	Correction to Expo Authority/Project Cashflow	(14.2)	
28			
29	Total Change to Expense/Expenditure	5.3	45
30			
31	FY08 Adopted Budget	\$3,126.2	9,082