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## Draft FY 2005 Budget Includes Pay Hike, 224 Fewer Positions

- Public hearing, possible Board adoption in May
- RIF affects all major departments
- Metro service to increase, but capital projects are cut

By BILL HEARD, Editor

(April 22, 2004) MTA's FY 2005 budget is poised to go to a public hearing May 20, and to the Board for adoption May 27, but some elements of the proposed \$2.88 billion spending plan – including the final number of employee layoffs – probably won't be decided until the new fiscal year already is under way.

There's both good news and bad news in the budget laid out for Board approval. It includes a 2.5 percent "pay for performance" increase for non-contract employees and dollars for pay and benefits increases included in union contracts.

But, the draft budget targets at least 233 mostly non-contract positions for elimination by June 30. Total savings from the job cuts are tagged at \$13 million, but the FY 2005 budget may have to be revised after July 1 to reflect further position closeouts and other spending reductions.

Budget cuts will mean "we'll do about the same amount of work with less people," says Chief of Staff Maria Guerra. "We also told the Board that there would be some things that either will take longer...or that we may not be able to do at all, based on the number of people we have."

About 175 of the 233 positions to be eliminated in the FY 2005 budget are currently filled, says Guerra, and 49 are vacant. Among the 233 are some TCU and AFSCME jobs. Layoffs of union employees will comply with current contract language.

## RIF affects all departments

The reduction in force (RIF) affects all major departments. Construction Project Management will cut 29 positions, Countywide Planning will cut 18 positions, Board of Directors staff will cut 8 positions, Communications will cut 29 positions, Chief of Staff will cut 20 positions and Transit Operations will cut 81 positions.

The RIF also calls for a reduction of 49 positions in Support Services, which includes Procurement, Management Audit, Finance, Risk Management and Information Technology Services. Management is reviewing this area to determine if further cuts are needed.

On the upside, the agency plans to hire more front-line operations employees in FY 2005 to support an increase of 290,000 Metro Bus service hours in the new fiscal year. Although not specifically in the proposed budget, the Board is expected to approve funding for the additional hours to comply with the Consent Decree.

The Metro Orange Line transitway project in the San Fernando Valley will move forward, more Metro Rapid lines will be added and construction of the Eastside Light Rail Extension will remain on schedule.

### **Bus, rail car spending down**

On the downside, bus procurements will drop by \$46.8 million from \$178.4 million in FY 2004 to \$131.6 million in FY 2005, an indication to some degree that the bus fleet is reaching optimum size. The agency plans to spend \$31.8 million for new rail cars, \$16.5 million less than the \$48.2 million budgeted for FY 2004.

The draft capital budget calls for spending \$13.3 million less on IT communications projects, rail facilities and vehicle maintenance, and other projects. The budget includes \$3.1 million for the Exposition Light Rail project in FY 2005, down \$5.5 million from FY 2004, and only \$905,764 for Universal City station enhancements, down \$2.2 million from FY 2004. Spending for other corridor projects will drop by \$39.7 million.

Reductions in such capital projects as rail facilities maintenance and less spending for the Exposition Light Rail project and other corridor projects influenced the closeout of 29 jobs in Construction Project Management. The 81 jobs lost by Transit Operations are mostly from administrative ranks.

"We're losing a lot of good people," says Guerra. "This is a budget-driven exercise, due to lack of funds. We know this is not a good time, but we're going to try to make this as comfortable for everyone as we can."