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Metro FY 07 Budget Adopted

The LA County Metropolitan Transportation Authority Board of Directors today adopted a \$3.029 billion budget for Fiscal Year 2006-07 that starts July 1, 2006. However, the Board will meet within 30 days to consider at least \$10 million in new budget cuts and also will explore ways of generating additional revenue to offset a \$110 million structural deficit that will be covered mainly by Metro's dwindling reserves.

The spending plan is only \$174 million or 6 percent more than the current Metro budget. The increase is largely due to the scheduling of more bus and rail service.

No fare increase was budgeted, however, to balance the budget Metro will have to nearly exhaust its reserves and defer such capital projects as some bus engine overhauls.

"We're mortgaging our future," Snoble observed. "On the one hand we need to give the public more rideshare options, especially, in the wake of record gas prices, and we are. But we recover only 25 percent of our operating costs from fares and the rest is subsidized by taxpayers. That can't be sustained," the Metro CEO said, noting that such major transit properties as New York City and Washington, D.C. recover over half of their operating costs from the farebox.

Snoble noted that Metro has eliminated 545 full time positions since Fiscal year 2004 and reined in workers' compensation costs. In FY 07, Metro will cut expenditures for such administrative expenses as office supplies, travel and training and professional services by 11 percent. The Board today approved cutting 17 vacant non-contract positions and deferring for one year the purchase of 40 non-revenue vehicles

Beyond further belt tightening on overhead, Metro will lobby for more state and federal monies and seek more riders to boost revenue and also will explore ways to generate more advertising revenue and perhaps lease vacant space in its headquarters building.

More Bus Service Planned Including New Metro Rapid Lines

The FY 07 budget calls for spending \$1,338 million or 44.2 percent of the total budget on bus operating and capital for Metro and the municipal bus operators in Los Angeles County.

Metro will increase bus service by 96,000 operating hours next year for a total of 7.8 million Metro Bus and Metro Orange Line revenue service hours. The transit agency will receive and put into service 94 high-capacity articulated buses that are 60-feet long compared to standard 40-foot buses. These will be deployed on Wilshire Boulevard, Metro Rapid Line 761 (Van Nuys Boulevard/UCLA/Westwood) and other busy bus lines.

Seven new Metro Rapid Lines will debut:

- Long Beach Boulevard and Pacific Avenue
- Reseda Boulevard
- San Fernando Road and Lankershim Boulevard
- Santa Monica Boulevard
- Central Avenue between downtown Los Angeles and the Metro Blue and Green Lines
- Pico Boulevard (operated by Santa Monica's Big Blue Bus)

- Atlantic and Fair Oaks boulevards

This will bring the Metro Rapid total to 22 lines with six more scheduled for operation in FY 08.

Bolstering security, Metro will install security cameras at Metro bus yards and the Gateway Center.

Metro Rail Expands As Ridership Grows

The spending plan earmarks \$720 million or 23.8 percent for countywide rail including Metro Rail operating and capital costs and \$57 million for Metrolink.

Nearly 300,000 riders board Metro Rail trains weekdays. Metro Rail ridership is up more than 10 percent in the past year. To handle demand, in FY 07, Metro will increase rail service by 36,000 hours and receive and deploy 19 new light rail train cars.

A six-mile extension of the Metro Gold Line from downtown Union Station to East Los Angeles is under construction and is expected to open in late 2009. Construction of the Exposition light rail line from downtown Los Angeles to Culver City should begin this summer. That segment will span 8.5 miles and open in 2010. Eventually, a second phase will extend the line to Santa Monica.

New Highway Projects Planned

The budget allocates \$590 million or 19.5 percent for highway and other regional transportation programs such as construction of freeway carpool lanes, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other transportation programs. The budget also includes funding for the Metro Freeway Service Patrol to help stranded motorists.

Some of the major highway projects that will be under construction in FY 07 include:

- Interstate 405/US 101 interchange connector gap closure (northbound 405 to eastbound 101).
- Interstate 405 northbound carpool lane Ventura Boulevard to Burbank Boulevard.
- Interstate 5 Carmenita interchange improvements
- Interstate 5 carpool lane from Route 118 to 170 and from Route 170 to 134.
- Route 14 carpool lanes in both directions from Pearblossom to Avenue P-8.
- Interstate 5 carpool lanes in both directions from Route 14 to Route 118.
- Interstate 405 carpool lanes from Route 90 to Interstate 10.
- Interstate 405 southbound carpool auxiliary lane from Waterford Street to Interstate 10.
- US 101 realign freeway and ramps at Center Street
- Route 60 carpool lanes both directions from Interstate 605 to Brea Canyon Road.

Debt Service Dips Slightly

Metro's debt service next year will be \$306 million – 10.1 percent of the budget. It's down \$4 million from this year's debt service on bonds issued for various transportation projects.

Rounding out the FY07 adopted Metro budget are expenditures for other governmental programs such as transportation planning, legal and other expenses. These total \$76 million or 2.5 percent of the budget.

Metro funding comes from the farebox, local, state and federal governments and other sources such as lease rentals, investment income and advertising revenue.

