

Los Angeles County Metropolitan Transportation Authority

ADOPTED BUDGET

FY2003 – FY2004

LACMTA
*
.A64
2003-2004
adopted



Los Angeles County Metropolitan Transportation Authority
Office of Management and Budget
One Gateway Plaza
Los Angeles, CA 90012-2952

LACMTA

*

.A64

2003-200

adopted

--- 34959

OCT 12 2007



Table of Contents

I. DESCRIPTION OF MTA AND STRATEGIC PLAN

Message from the Chief Executive Officer	I-1
MTA Profile	I-3
MTA Organization Chart	I-4
MTA Board of Directors	I-5
Strategic Planning Process.....	I-10
Strategic Plan FY03 – FY07.....	I-11
How the Strategic Plan Impacts MTA Employees	I-12
How the Strategic Plan Impacts MTA Customers.....	I-13

II. BUDGET HIGHLIGHTS

FY04 Budget Highlights and Major Budget Assumptions	II-1
Summary of Expenditures by Program	II-3
Combined Statement of Changes in Fund Equity – All Funds.....	II-4
FY03 Agency-Wide Accomplishments	II-6
Metro Bus and Rail	II-6
Transit Systems Construction	II-7
Regional Transportation Planning	II-7
Transportation Funding and Administration.....	II-8

III. CUSTOMER SERVICES

MTA Bus and Rail Service	III-1
New Technology	III-1
Metro Bus	III-1
Service Sectors.....	III-1
Sector Goals and Objectives.....	III-2
Metro Rapid	III-6
Metro Rail	III-6
Transportation Services.....	III-8
Metro Freeway Service Patrol.....	III-8
Service Authority for Freeway Emergencies.....	III-8
Paratransit Services.....	III-8
High Occupancy Vehicle Lanes	III-8
Rideshare Program.....	III-8
1-800-COMMUTE	III-9
Reduced Fares Program.....	III-9
mta.net.....	III-9

IV. FINANCIAL DETAILS BY FUND

Enterprise Fund	IV-1
Service Levels	IV-2

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Cost Per Unit of Service.....	IV-2
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	IV-4
Internal Service Fund.....	IV-6
Statement of Revenues, Expenses and Changes in Retained Earnings ...	IV-7
Special Revenue Fund	IV-8
Sales Tax Revenue.....	IV-9
Sales Tax Revenue Shares	IV-9
Combined Statement of Revenues, Expenditures and Changes in Fund Balances.....	IV-10
Regional Programs	IV-12
FY04 Revenue Summary - Regional Programs Budget	IV-12
Regional Subsidy Program Budget Detail	IV-13
Regional Programs Descriptions.....	IV-14
Municipal Operator Programs	IV-14
ADA/Accessibility Funding Programs	IV-14
CFP Projects and Other Transportation Improvement Programs	IV-14
Other Local Programs.....	IV-15
Regional Rail Program.....	IV-15
Capital Fund	IV-16
Combined Statement of Revenues, Expenditures and Changes in Fund Balances.....	IV-18
General Fund.....	IV-20
Statement of Revenues, Expenditures and Changes in Fund Balances..	IV-21
Debt Fund	IV-22
Statement of Revenues, Expenditures and Changes in Fund Balances..	IV-24
Debt Service Schedule	IV-26

V. CAPITAL PROGRAM

Introduction	V-1
Major Construction Projects	V-3
Infrastructure Improvement and Acquisition Capital Projects	V-5
Capital Program Project List	V-7

VI. STRATEGIC BUSINESS UNITS

MTA Summary Description	VI-1
Summary of FY04 Budgeted FTEs By Department.....	VI-2
MTA Summary Expenditures Budget.....	VI-4
Metro Operations	VI-5
Countywide Planning & Development.....	VI-15
Construction Project Management.....	VI-19
Communications.....	VI-24
Support Services	VI-29
Support Services - Finance.....	VI-30
Support Services – Information Technology Services	VI-33
Support Services – Management Audit Services.....	VI-36
Support Services - Office of Procurement & Material Management.....	VI-39
Support Services – Risk Management	VI-43
Chief of Staff.....	VI-46
Board of Directors.....	VI-53

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

VII. APPENDIX

Appendix 1: MTA Budget Process	VII-1
Appendix 2: Financial Standards Policy	VII-5
Appendix 3: MTA FY03-04 Financial Standards	VII-7
Appendix 4: Revenue Detail - FY04 Budget.....	VII-13
Appendix 5: General Fund Expenditures & Funding	VII-20
Appendix 6: Summary of Revenues and Carryover by Source.....	VII-22
Appendix 7: Activity Based Bus Cost Model.....	VII-24
Appendix 8: Activity Based Light Rail Cost Model.....	VII-26
Appendix 9: Activity Based Heavy Rail Cost Model.....	VII-28
Appendix 10: Modal Operating Statistics	VII-30
Appendix 11: Public Transportation Services Corporation	VII-32
Appendix 12: Benefit Assessment District.....	VII-34
Appendix 13: PTSC/MTA Risk Management Authority	VII-36
Appendix 14: Service Authority for Freeway Emergencies.....	VII-38
Appendix 15: Consent Decree	VII-40
Appendix 16: GFOA Award.....	VII-42

VIII. GLOSSARY

Terms	VIII-1
-------------	--------



ADOPTED BUDGET
FY2003 – FY2004

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Live within our means.

That's the essence of MTA's \$2.8 billion FY04 adopted budget. It is an extremely difficult challenge because on the one hand, there is enormous pressure on MTA to push forward with major transportation improvements for Los Angeles County while, on the other hand, MTA is being buffeted by the worst State fiscal crisis in history.

Beyond that, MTA got into the habit of using one-time revenues to plug structural budget imbalances. This has been going on for more than a decade. No more.

First, those one-time revenues are drying up. Second, the federal Consent Decree to improve Metro Bus service has overburdened the budget to the point where we need every discretionary dollar and then some for buses. In FY04, MTA will spend \$130 million just to comply with the Consent Decree.

Against that backdrop, the FY04 budget is austere. We will cut 104 positions and impose a wage freeze for all employees except for union members who are scheduled for pay increases under their current contracts. Moreover, MTA is banking on \$7 million in savings for workers' compensation costs over last year. MTA is one of the few public agencies in the state that has driven costs down through an aggressive Safety's 1st campaign.

A modest fare restructuring is necessary – the first in more than eight years. Cash fares will drop a dime and fares charged to seniors, students and disabled persons will remain the same. The cost of a \$42 monthly

pass will go up \$10 when the new fares go into effect Jan. 1, 2004. However, it should be noted that the monthly price has not changed since 1989 despite a 51 percent rise in local inflation during this period.

There is no free ride. The fact is Metro bus and rail riders today pay only 31 percent of what it costs to provide their service. The rest is subsidized by taxpayers.

If MTA continued operating as we have been, we would face a projected \$1.4 billion deficit over the next decade and maybe more depending on what transpires with the State budget deficit. Sacramento already has pared more than \$1 billion in capital funding for L.A. County transportation projects.

The reality is we cannot give everyone what they want when they want it. This budget draws the line. We will live within our means. That message is being delivered to our employees, to the general managers of the new Metro community-based service sectors, to officials representing the 88 cities and county government and Caltrans who depend on MTA for funding for street, highway and other transit projects, and to our riders.

That's the bad news. The good news is that MTA will accomplish much in FY04.

Metro Rail will expand with the long-awaited opening this summer of the 13.7 mile Los Angeles to Pasadena Metro Gold Line. Construction of the six mile Eastside extension of the Metro Gold Line is expected to begin in FY04, pending approval of a full funding grant agreement with the federal government.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Three new Metro Rapid lines will debut this year. These include Vernon/La Cienega, Soto, and Crenshaw/Rossmore.

MTA will take delivery this year of 30 new 45-foot buses that can seat 16 percent more passengers than a standard 40-foot coach. Another 70 of these bigger buses are on order along with 200 high-capacity 60-foot long buses and 50 new light rail cars.

Many new street and highway projects, bicycle and pedestrian improvements and ride-share programs will go forward though MTA's Call for Projects program will be curtailed unless new revenue sources are tapped. The Governor and state Legislature are considering hiking the sales tax, including earmarking some revenues for transit projects, but this budget can't bank on that.

Buses will remain the highest priority for MTA in FY04. MTA will spend half its budget -- \$1.4 billion -- for bus operating and capital expense for MTA and the county's municipal bus operators and paratransit service for the disabled who can't use the regular fixed route transit system. Bus expenditures are up \$116 million more than last year, largely because of additional Consent Decree costs. However, there will be a slight decline of just under 3 percent for total bus service hours as MTA shifts service from low productivity bus lines to those experiencing high ridership.

Local communities will gain even greater control over bus operations and improvements now that bus operations have been reorganized into five community-based service sectors.

While buses remain the backbone of public transportation in Los Angeles County, Metro Rail is becoming an option for more county

residents as Metro Rail expands. That helps ease pressure on MTA's operating budget because it is more cost effective to transport passengers by rail than bus because it's a less labor intensive operation.

The simple fact is that we need both bus and rail improvements because only about 10 percent of county residents today have access to viable public transit options. However, I am disturbed that as more money goes into Metro Bus and Metro Rail operations, fewer dollars are available to grow public transit or build more capacity for our streets and highways. If this trend continues, it will lead to worsening traffic and air quality. The reality is that MTA must operate more efficiently and that's not going to happen if we continue to plug shortfalls in the operating budget by transferring resources from other transportation programs.

This is not a fun budget. Living within your means is not easy to do, but it is necessary for MTA to hold the line on this budget if we are to deliver more and better transit options for a region that has the worst traffic and air quality in the nation. I believe MTA is up to that challenge.

Sincerely,



Roger Snoble
Chief Executive Officer

MTA PROFILE

Formed in 1993, the Los Angeles County Metropolitan Transportation Authority (MTA) serves as transportation planner and coordinator, designer, builder, and operator of the public transportation system for the region. Almost ten million people, nearly one-third of California's residents, live within MTA's 1,400+ square-mile service area.

Included among MTA's primary responsibilities to Los Angeles are the following:

- Operation of the second largest bus system in the United States, providing over 88 million vehicle service miles annually to an average of 1.1 million passengers daily.
- Operation of three light rail lines and one heavy rail line carrying over 200,000 passengers daily.
- Administration of funds for all Los Angeles County transit providers.
- Development and construction of Rapid Bus lines and fixed guideways for buses and multi-passenger vehicles.
- Rail construction.
- Highway construction funding and traffic flow management.
- Research and development of alternative energy sources for transit vehicles.
- Air quality, environmental impact, land use, and economic development decisions.
- Promotion of the use of public transit services and rideshare programs.

MTA headquarters and the Gateway Transit Center are located adjacent to historic Union Station. The Center links Los Angeles

County with neighboring counties by providing easy connections for commuters to Metro Bus and Rail, Metrolink and Amtrak.

A Board of Directors governs the MTA. With 13 voting members and one non-voting member, the Board of Directors is appointed as follows:

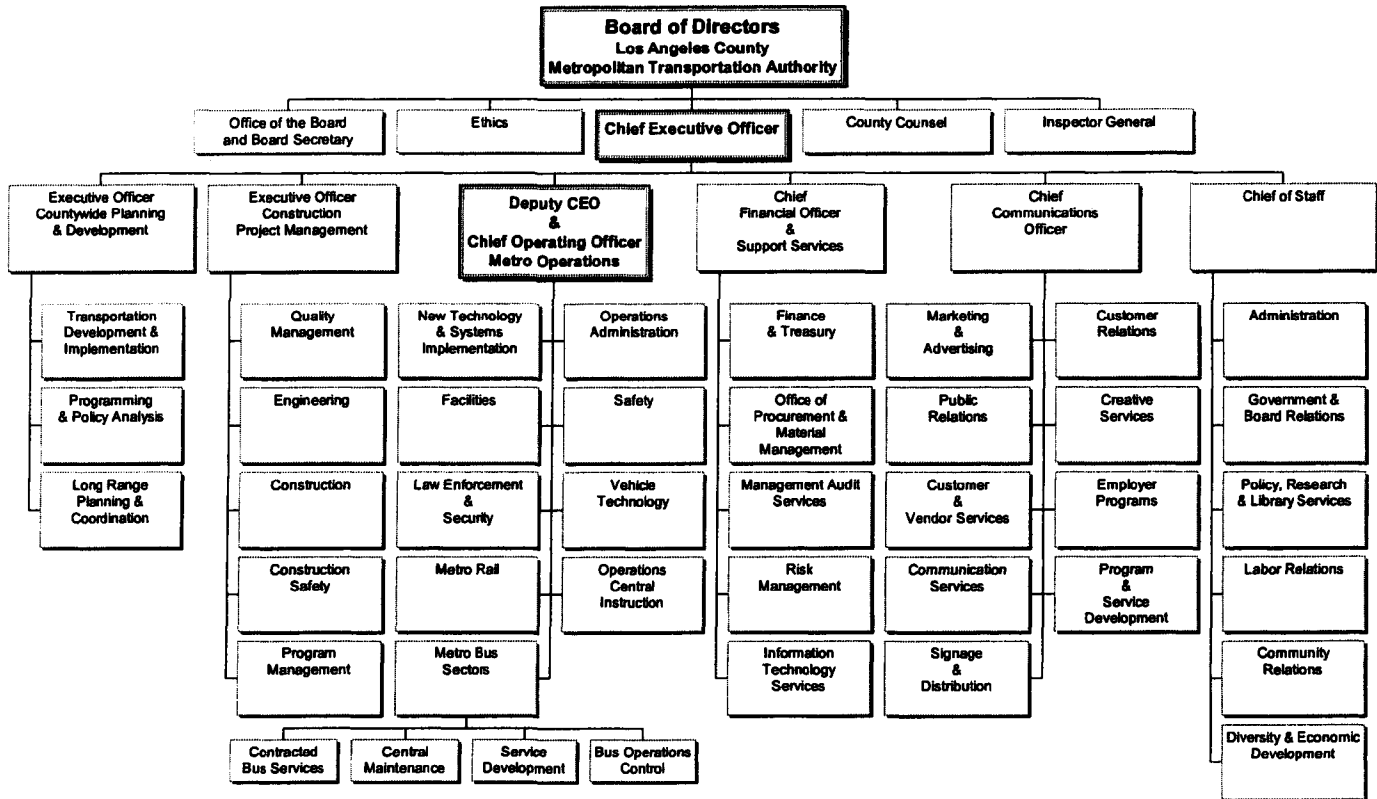
- Five members of the Los Angeles County Board of Supervisors.
- The Mayor of the City of Los Angeles and 3 appointees, which includes two public members and one member of the Los Angeles City Council.
- Four members appointed by the Los Angeles County City Selection Committee.
- One non-voting member appointed by the Governor.

Though legally separate entities, the MTA's "blended component" units are, in substance, part of MTA's operations and are included as part of MTA's financial reporting. Accordingly, the activities of the Public Transportation Services Corporation (PTSC), the PTSC-MTA Risk Management Authority (PRMA), Service Authority for Freeway Emergencies (SAFE), and two Benefit Assessment Districts (BAD) are also included in the annual budget presentation that follows.

The annual budget and additional information about the organization, programs, and services at MTA can be found on MTA's website at mta.net.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

MTA ORGANIZATION CHART



MTA BOARD OF DIRECTORS



Hal Bernson
MTA Board Chairman
City of Los Angeles
Council Member

Councilman Hal Bernson is the longest-serving member of the Los Angeles City Council, representing the northwest San Fernando Valley. Currently he serves on a number of Council committees, including chairmanship of its Transportation Committee. He is also the president of the Southern California Association of Governments Regional Council. In addition to his current post as MTA Chair, Councilman Bernson is the chairman of the Southern California Regional Rail Authority as well as a board member of the Air Quality Management District. As a member of the California State Seismic Safety Commission, Councilman Bernson has been responsible for authoring landmark legislation to rehabilitate 8,000 of the city's seismically unsafe buildings. For a number of years, Councilman Bernson represented the city on the Local Agency Formation Commission.



Zev Yaroslavsky
MTA Board First Vice Chair
Los Angeles County Board of
Supervisors, 3rd District

Mr. Yaroslavsky is a member of the Los Angeles County Board of Supervisors representing the Third Supervisorial District, having been elected to this office in November 1994. Mr. Yaroslavsky served as a member of the Los Angeles City Council between 1975 and 1994. Prior to his election to the Los Angeles County Board of Supervisors, Mr. Yaroslavsky served on the 13-member MTA Board of Directors as the alternate to former Los Angeles Mayor Richard Riordan. The Los Angeles native earned his bachelor's degree in history and economics from UCLA in 1971 and a master's degree in history in 1972.



Frank C. Roberts
MTA Board
Second Vice Chair
City of Lancaster Mayor

Mr. Roberts is the Mayor of the City of Lancaster, having been elected as the city's first elected mayor in 1996 and reelected in 1998, 2000, and 2002. Prior to his election as Mayor, Mr. Roberts served as a member of the City Council since 1992. Mr. Roberts retired from teaching at Antelope Valley College in 1996 after 38 years, the last 16 of which were as Division Chairman and Dean of Applied Academics and Technologies. In addition to his current position on the MTA Board, Mr. Roberts also serves on the Board of the Antelope Valley Air Quality Management District and is director of the Los Angeles County Private Industry Council. Mr. Roberts holds a Bachelor of Science degree in Engineering from Cal State University at Los Angeles, a Master of Science degree in Vocational Education from UCLA, and a Masters in Public Administration from Cal State University at Northridge.



Michael D. Antonovich
Los Angeles County Board
of Supervisors, 5th District

Mr. Antonovich is a member of the Los Angeles County Board of Supervisors and represents the Fifth Supervisorial District, having been reelected to his sixth four-year term in 2000. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1968 to 1973. Mr. Antonovich has held teaching positions with the Los Angeles School District and Pepperdine University. He holds a Bachelor of Arts degree and Master's degree from California State University, Los Angeles.



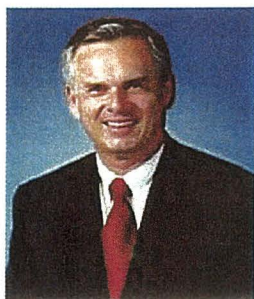
Yvonne Brathwaite Burke
Los Angeles County Board
of Supervisors, 2nd District

Mrs. Burke is the Los Angeles County Supervisor for the Second Supervisorial District, having been elected in 1992 and reelected in 1996 and 2000. Mrs. Burke served as a member of Congress from 1972 to 1978, and as a State Assemblywoman from 1966 to 1972. She has served on numerous boards, including the University of California Board of Regents, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), and Chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Mrs. Burke received a B.A. degree in political science from the University of California, Los Angeles, and a J.D. from the University of Southern California School of Law.



John Fasana
City of Duarte
Council Member

Mr. Fasana, the immediate past chairman of the MTA Board, was elected to the Duarte City Council in November 1987 and reelected in 1991, 1995, and 1999, and served as Mayor in 1990 and 1997. He has promoted Duarte's interests in transportation, community services, and environmental protection. As Chair of the San Gabriel Valley Council of Governments Transportation Committee, Mr. Fasana has provided policy direction that has led to the creation of the Alameda Corridor East Gateway to America and the Pasadena Metro Blue Line Construction Authority. Mr. Fasana currently represents seven cities on the Foothill Transit Executive Board. He is also a member of the Transportation Committees of the Southern California Association of Governments (SCAG) and the League of California Cities, Los Angeles County Division. Mr. Fasana worked 21 years with Southern California Edison and is a graduate of Whittier College.



James K. Hahn
City of Los Angeles
Mayor

Mr. Hahn was elected Mayor of the City of Los Angeles in June 2001. He served Los Angeles for 16 years as its elected City Attorney (1985-2001) and four years as its elected City Controller (1981-1985). He received a Bachelor of Arts degree in English and a law degree from Pepperdine University.



Paul Hudson
Banker

Mr. Hudson is President and Chief Executive Officer of Broadway Federal Bank, a savings bank serving the South Central Los Angeles market. Prior to joining Broadway Federal in 1980, Mr. Hudson practiced law with the Washington D.C. firm of Wilmer, Cutler and Pickering. Mr. Hudson is a past President of the Los Angeles NAACP, and has previously served as a member of the Board of Los Angeles Fire and Police Pension Commissioners and the Los Angeles County Hospital Commission. Mr. Hudson received a Bachelor's degree in political science from the University of California, Berkeley. In 1970, he received a Juris Doctorate degree from Boalt Hall School of Law.



Don Knabe
Los Angeles County Board
of Supervisors, 4th District

Mr. Knabe is the Los Angeles County Supervisor representing the Fourth Supervisorial District and serves as the Chairman Pro-Tem of the Board of Supervisors. Mr. Knabe was first elected to the Board in 1996 and reelected in 2000. He was recently appointed by the White House to the State and Local Elected Officials Senior Advisory Committee to the President's Homeland Security Advisory Council. Mr. Knabe is a former Mayor and Councilman of the City of Cerritos and former Chief of Staff to County Supervisor Deane Dana. Mr. Knabe holds a bachelor's degree in business administration from Graceland College in Lamoni, Iowa.



Gloria Molina
Los Angeles County
Board of Supervisors,
1st District

Ms. Molina represents the First District on the Los Angeles County Board of Supervisors, having been first elected to this office in March 1991 and re-elected in 1994, 1998, and 2002. Prior to her election to the Board of Supervisors, Ms. Molina served as State Assemblywoman for the 56th District from 1982 to 1987. In 1987, she was elected to the Los Angeles City Council, on which she represented the First District until 1991. Before her election to public office, Ms. Molina served in the Carter White House and subsequently in the San Francisco Department of Health and Human Services. Ms. Molina continues to remain active in community issues through her memberships with numerous civil rights organizations. Ms. Molina attended East L.A. College and Rio Hondo College.



Pam O'Connor
City of Santa Monica
Council Member

Ms. O'Connor has served on the Santa Monica City Council since 1994 and twice has served as that city's mayor (in 1997 and 1999). She has served as a member of the Southern California Association of Governments' Regional Council and the League of California Cities' Transportation and Public Works Committee. Ms. O'Connor also works as a private consultant, specializing in historic preservation. Ms. O'Connor earned a Bachelor of Science degree in journalism from Southern Illinois University and holds masters' degrees in historic preservation planning and in technology management from Eastern Michigan University.



Beatrice Proo
City of Pico Rivera
Council Member

Ms. Proo has served on the Pico Rivera City Council since 1992 and is currently serving her third term as Mayor. Ms. Proo is a 22-year founding chairman of Pacific Western National Bank. Ms. Proo has served as past president of the League of California Cities' Los Angeles Division and past chair of the Regional Transportation Agencies Coalition. She is a board member of the Los Angeles County Local Agency Formation Commission, the Southern California Regional Rail Authority, and the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency. She is the Chair of the Gateway Cities Council of Governments Transportation Committee. Ms. Proo is also a member of the executive board of the California Joint Powers Insurance Authority and of the Regional Council of the Southern California Association of Governments. Ms. Proo holds a Bachelor of Arts degree in education from Mount St. Mary's College.



Allison Yoh
Urban Planner

Ms. Yoh is a doctoral student at the UCLA School of Public Policy and Social Research, and a researcher in the Institute of Transportation Studies. She has held several administrative, teaching assistant, and research positions at the University of Florida and the University of California, Los Angeles. Ms. Yoh earned a bachelor's degree in anthropology in 1994 from the University of California, Berkeley, and an M.A. degree from UCLA in urban planning with a focus on transportation policy and planning. She is currently a Chancellor's Fellow at UCLA.



Douglas R. Failing
Ex-officio Member
Appointed by Governor

As a District Director of the California Department of Transportation, Mr. Failing is responsible for the day-to-day operation of the nearly 3,000 Caltrans employees serving District 7, which includes Los Angeles and Ventura Counties. Prior to his appointment in June 2002, he served as District 7's Chief Deputy District Director. Mr. Failing has also represented Caltrans on the Alameda Corridor Transportation Authority Governing Board. Mr. Failing is a Registered Civil Engineer in the State of California and was an Executive Board member of the Institute for the Advancement of Engineering (IAE) and past president of the IAE – College of Fellows. Mr. Failing earned his Bachelor of Science degree in civil engineering from Michigan Technological University.

STRATEGIC PLANNING PROCESS

MTA Vision

MTA – leading the nation in mobility, safety, and customer satisfaction.

MTA Mission

MTA is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.

Overview

In January 2002, the CEO began the strategic planning process with a cross-section of 70 MTA Team Leaders to develop an agency-wide five-year strategic plan. This group of MTA leaders met on six different occasions over the course of one year to discuss the agency's various programs, services, and strategic approaches. The group also determined how the agency would measure its success. This open collaborative process afforded the MTA Team Leaders an opportunity to break down departmental silos and establish a climate for inclusiveness, permitting the team members to develop new ways of thinking.

The Team Leaders reaffirmed their responsibility to the continuous improvement of an efficient and effective transportation system for Los Angeles County through the identification of the strategic goals. Each

strategic goal has one or more objectives, defined by one or more implementation strategies which are aligned to a series of recommended action steps for improving overall operational performance.

In addition, the strategic goals have desired outcomes, key performance indicators, and performance measures aligned to key management owners and team support partners for improved management accountability, productivity, and organizational performance.

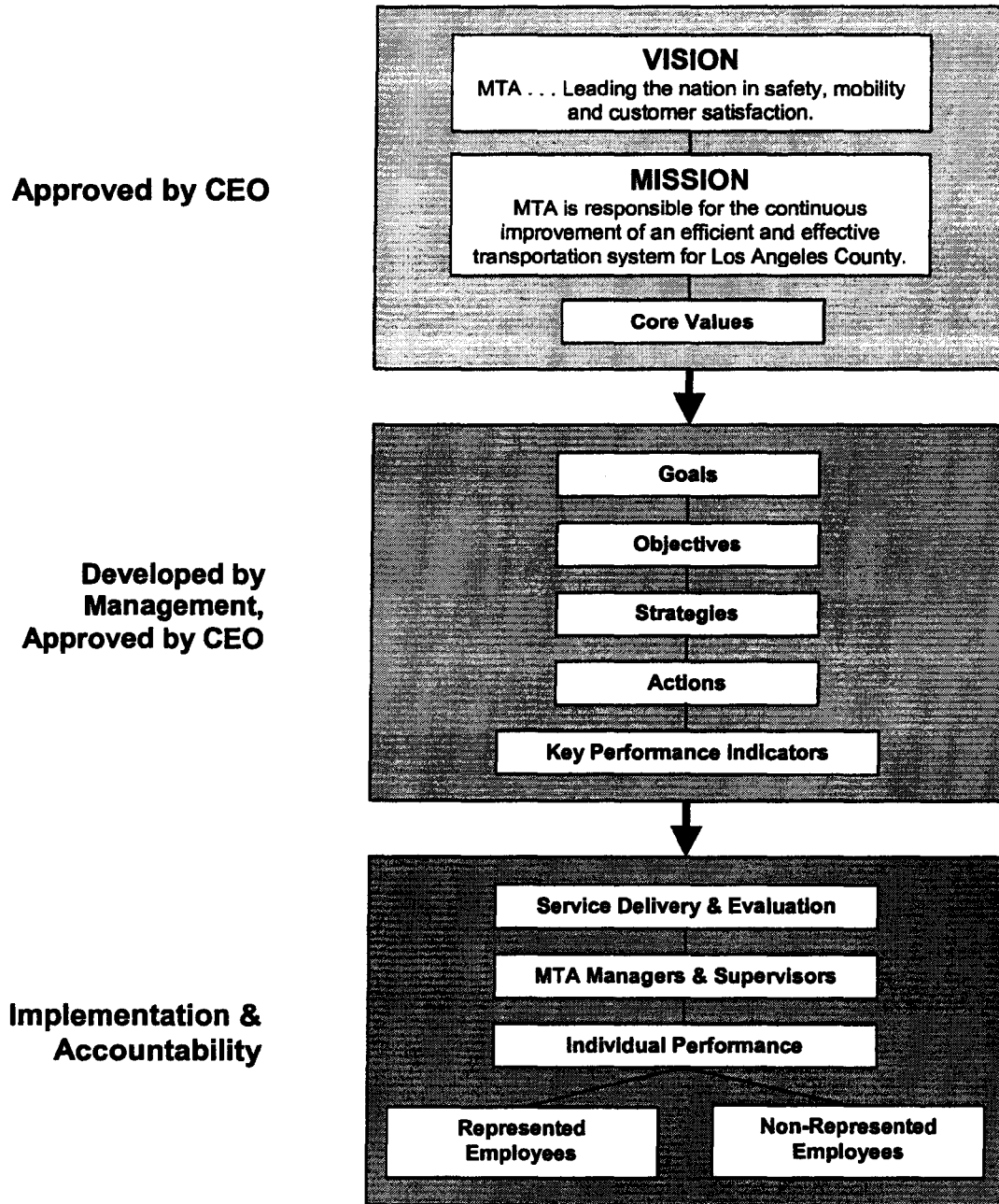
The strategic plan is designed to be an “evolving process,” not a rigid or fixed document. For this reason, a quarterly review process has been established to track and measure the achieved key performance indicators, giving management the opportunity to realign the strategic goals, objectives, and strategies.

The strategic plan serves as the basis for agency-wide direction, decisions, and activities. As part of its ten-year financial forecast, the MTA will annually reassess its performance, goals, and objectives based upon budgetary constraints and projections. Programs and resources listed in the agency-wide strategic plan may change in priority due to this annual reassessment.

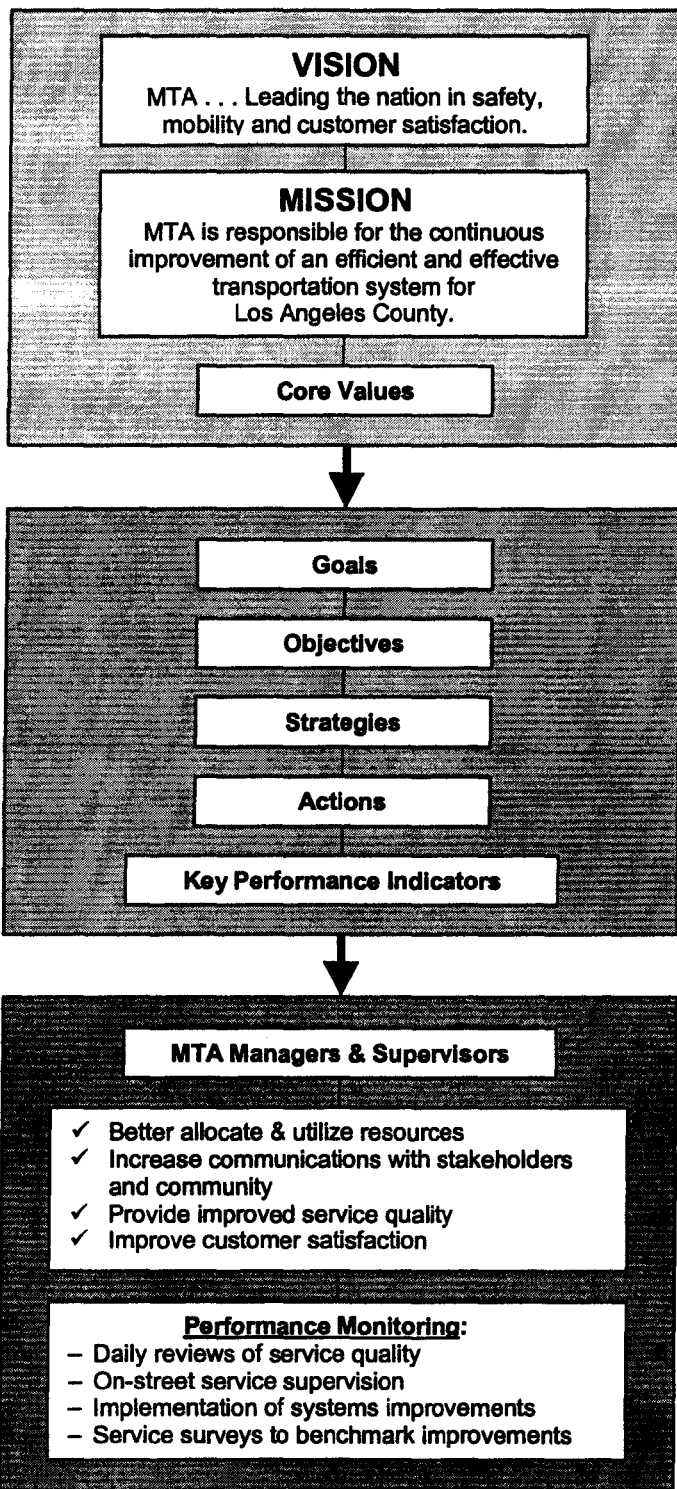
Strategic Plan FY03 – FY07

Vision	MTA....leading the nation in safety, mobility and customer satisfaction!	
Mission	MTA is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.	
Core Values	<u>Safety</u>	Safety's 1st for our customers, employees and business partners. Accidents and injuries are preventable.
	<u>Employees</u>	Employees are our most valuable resource and are to be treated with mutual respect and provided opportunities for professional development.
	<u>Fiscal Responsibility</u>	Individually and as a team, we are accountable for safeguarding and wisely spending taxpayer dollars entrusted to the MTA.
	<u>Integrity</u>	We rely on the professional ethics and honesty of every MTA employee.
	<u>Innovation</u>	Creativity and innovative thinking are valued and new ideas are welcomed.
	<u>Customer Satisfaction</u>	We strive to exceed the expectations of our customers.
	<u>Teamwork</u>	We actively seek to blend our individual talents in order to be the best in the nation.
Goals	<u>Goal #1:</u>	Create a safety conscious culture throughout the MTA and its customers and business partners
	<u>Goal #2:</u>	Improve transit systems
	<u>Goal #3:</u>	Attract, develop & retain employees
	<u>Goal #4:</u>	Create a positive image of the MTA
	<u>Goal #5:</u>	Deliver quality capital projects on time and within budget
	<u>Goal #6:</u>	Provide leadership for the region's mobility agenda through responsive planning and resource allocation
	<u>Goal #7:</u>	Improve the efficiency and effectiveness of the agency

How the Strategic Plan Impacts MTA Employees



How the Strategic Plan Impacts MTA Customers



Approved by CEO

Developed by Management,
Approved by CEO

Goal Attainment

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

ADOPTED BUDGET

FY2003 – FY2004

FY04 BUDGET HIGHLIGHTS AND MAJOR BUDGET ASSUMPTIONS

Metro Bus and Rail

FY04 Target Service Levels

MODE		VEHICLE REVENUE HOURS (000)	CHANGE FROM FY03
Metro Bus	MTA Operated	6,858	-0.3%
	Contracted Service	469	-27.1%
	Total Metro Bus	7,327	-2.6%
Metro Rail	Blue Line	212	-1.4%
	Green Line	88	-
	Gold Line	106	N/A
	Red Line	270	0.2%
	Total Metro Rail	676	18.1%
Total		8,003	-1.1%

- Begin revenue operation of the 13.7-mile Gold Line light rail system from Union Station in downtown Los Angeles to Sierra Madre Villa in Pasadena on July 1, 2003.
- Increase Metro Bus service on the highest ridership lines through optimizing the systemwide bus schedules and reducing service on low productivity lines.
- Implement three new Rapid Bus lines: Vernon/La Cienega, Soto, and Crenshaw/Rossmore.
- Implement a fare restructuring program in January 2004 to provide an estimated \$16.6 million in additional revenues in FY04.
- Improve the bus and rail vehicle preventive maintenance programs through scheduled mid-life overhaul programs.
- Improve safety of passengers and pedestrians by continuing the S-1 Gards retrofitting project.

Capital Program

- Capital projects are funded in agency-wide priority using criteria developed by Executive Management: safety, customer improvements, previously committed, and mandated.
- Although all capital projects receive an annual appropriation, capital projects are controlled by the life-of-project budget which must be approved by the Board.
- Revenues in the capital program are a combination of grant and local matching funds.
- Complete final design and engineering and begin construction of the 14-mile San Fernando Valley Metro Rapidway and accompanying bikeway.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

- Execute a full-funding grant agreement with the Federal Transit Administration for the Eastside Light Rail Transit line; award the design-build contract for final design and construction of the line.
- Continue to move forward MTA technology projects such as UFS, ATMS, M3, Division Network Cabling, SCADA upgrades and others.
- Purchase 200 new CNG-powered, high-capacity, articulated buses.

Other Budget Highlights and Assumptions

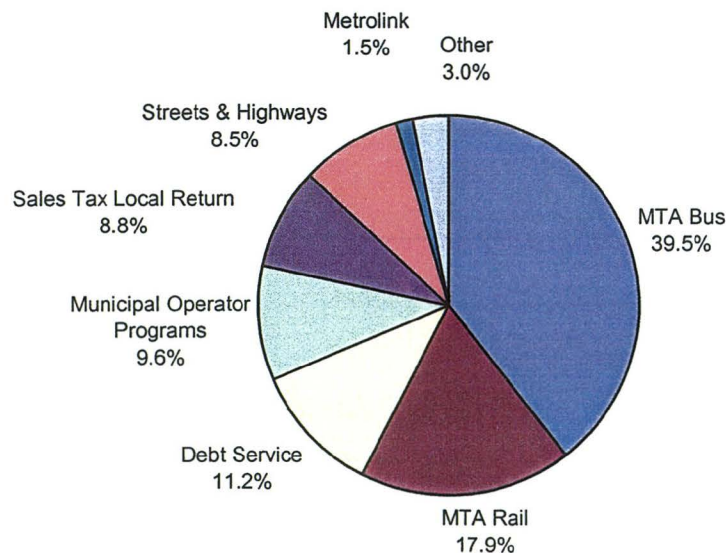
- Sales tax revenue increase of 4.9% over the FY03 budget.
- No salary and wage increases for represented and non-represented employees over FY03, except for union members scheduled for pay increases under their current contracts.
- Reduce Workers' Compensation expenses by \$5.9 million, or 9.7% (after DuPont's fee), by reducing lost workdays.
- Increase employee pension expenses by \$4.9 million, or 10.5%, due to asset losses and liability increases over the prior period.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

SUMMARY OF EXPENDITURES BY PROGRAM

(Amounts in millions)	FY00 Actuals		FY01 Actuals		FY02 Actuals		FY03 Budget		FY04 Adopted	
1 Countywide Bus										
2 MTA Bus										
3 Capital	\$ 166.8	7.7%	\$ 180.9	8.5%	\$ 181.3	8.2%	\$ 156.8	5.9%	\$ 225.3	8.1%
4 Operating	683.4	31.4%	635.6	29.7%	733.9	33.4%	764.6	28.9%	745.3	26.7%
5 BRT-SFV/Mid-City	-	0.0%	1.6	0.1%	11.6	0.5%	70.5	2.7%	130.3	4.7%
6 MTA Bus Subtotal	850.2	39.1%	818.1	38.3%	926.8	42.1%	991.9	37.5%	1,100.9	39.5%
7										
8 Municipal Operator and										
9 Paratransit Programs	163.3	7.5%	227.0	10.6%	211.1	9.6%	260.2	9.8%	267.6	9.6%
10 Countywide Bus Subtotal	1,013.5	46.6%	1,045.1	48.9%	1,137.9	51.7%	1,252.1	47.3%	1,368.5	49.1%
11										
12 Countywide Rail										
13 MTA Rail										
14 Rail Construction	234.9	10.8%	127.5	6.0%	122.1	5.5%	153.5	5.8%	125.6	4.5%
15 Capital	22.4	1.0%	30.2	1.4%	16.4	0.7%	51.3	1.9%	42.8	1.5%
16 Operating	105.1	4.9%	121.5	5.7%	143.5	6.6%	157.1	5.9%	191.1	6.9%
17 LRT-Eastside/Expo	-	0.0%	4.4	0.2%	24.6	1.1%	65.7	2.5%	137.8	5.0%
18 MTA Rail Subtotal	362.4	16.7%	283.6	13.3%	306.6	13.9%	427.6	16.1%	497.3	17.9%
19										
20 Metrolink	30.6	1.4%	31.7	1.5%	44.9	2.0%	37.6	1.4%	41.3	1.5%
21 Countywide Rail Subtotal	393.0	18.1%	315.3	14.8%	351.5	15.9%	465.3	17.5%	538.6	19.4%
22										
23 Sales tax return to local										
24 jurisdictions	227.6	10.5%	229.4	10.7%	228.2	10.4%	234.3	8.9%	244.7	8.8%
25										
26 Streets and Highways	192.2	8.8%	177.7	8.3%	125.0	5.7%	276.6	10.5%	237.8	8.5%
27										
28 Debt Service *	300.7	13.8%	292.5	13.7%	302.0	13.7%	314.8	11.9%	311.8	11.2%
29										
30 Other Governmental	48.2	2.2%	77.7	3.6%	57.0	2.6%	102.2	3.9%	82.5	3.0%
31										
32 Total Expenditures	\$ 2,175.2	100.0%	\$ 2,137.7	100.0%	\$ 2,201.6	100.0%	\$ 2,645.3	100.0%	\$ 2,783.9	100.0%

* Includes Principal liability payments, Benefit Assessment debt payments, and excludes debt refunding. Proprietary fund includes principal reduction of \$17.7 million in FY00, \$18.2 million in FY01, \$19.3 million in FY02, \$19.8 million in FY03 and \$16.3 million in FY04.



**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

	Proprietary Funds						Governmental Funds		
	Enterprise Fund			Internal Service Fund			Special Revenue Fund		
	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:									
2 Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380.4	\$ 1,380.9	\$ 1,448.4
3 Intergovernmental grants	-	-	-	-	-	-	54.0	81.4	91.7
4 Investment income	-	-	-	-	-	-	24.4	18.9	21.4
5 Lease and rental	-	-	-	-	-	-	-	-	-
6 Proceeds from sales and leaseback	-	-	-	-	-	-	-	-	-
7 Licenses and fines	-	-	-	-	-	-	7.5	6.1	6.1
8 Other	-	-	-	-	-	-	3.0	-	-
9 Sub-total	-	-	-	-	-	-	1,469.2	1,487.3	1,567.5
10									
11 Operating revenues:									
12 Passenger fares	241.1	249.8	273.1	-	-	-	-	-	-
13 Route subsidies	0.4	0.4	0.4	-	-	-	-	-	-
14 Metrolink interagency agreement	-	2.4	2.4	-	-	-	-	-	-
15 Advertising	13.9	13.6	13.3	-	-	-	-	-	-
16 Total revenues	255.5	266.1	289.1	-	-	-	1,469.2	1,487.3	1,567.5
17									
18 Operating expenses/expenditures:									
19 Transportation	538.2	573.3	582.9	-	-	-	-	-	-
20 Maintenance	290.9	294.2	299.2	-	-	-	-	-	-
21 Capital outlay	-	-	-	-	-	-	-	-	-
22 Subsidies	-	-	-	-	-	-	557.0	722.0	710.3
23 Services	-	-	-	-	-	-	51.9	82.8	75.4
24 Debt and interest expenditures	-	-	-	-	-	-	-	-	-
25 General and administrative	46.0	54.3	54.4	-	-	-	5.7	6.7	5.6
26 Total operating expenses/expenditures	875.1	921.7	936.4	-	-	-	614.5	811.5	791.3
27									
28 Excess (deficiency) of revenues over expenditures/									
29 Operating income (loss)	(619.6)	(655.6)	(647.3)	-	-	-	854.7	675.9	776.2
30 Non-operating revenues/(expenses):									
31 Local grants	0.6	0.5	0.5	-	-	-	-	-	-
32 Federal grants	110.1	94.3	110.0	-	-	-	-	-	-
33 Charges for services	-	-	-	(358.3)	(405.1)	(185.4)	-	-	-
34 Interest revenue	10.4	7.0	8.0	-	-	-	-	-	-
35 Debt and interest expense	(9.0)	(7.0)	(6.0)	-	-	-	-	-	-
36 Gain (loss) on disposition of fixed assets	(2.0)	-	1.2	-	-	-	-	-	-
37 Other	2.9	1.8	2.3	358.3	405.1	185.4	-	-	-
38 Total non-operating revenues	112.9	96.5	115.9	-	-	-	-	-	-
39									
40 Excess (deficiency) of revenues over expenditures/									
41 Operating income (loss) before other sources	(506.7)	(559.1)	(531.3)	-	-	-	854.7	675.9	776.2
42									
43 Other financing sources (uses):									
44 Operating transfers in	507.1	559.1	531.3	-	-	-	8.0	62.7	5.1
45 Operating transfers out	-	-	-	-	-	-	(898.2)	(970.1)	(901.9)
46 Proceeds from financing	-	-	-	-	-	-	-	-	-
47 Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-
48 Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
49 Total other financing and sources (uses)	507.1	559.1	531.3	-	-	-	(890.2)	(907.4)	(896.8)
50									
51 Excess (deficiency) of revenues and other financing									
52 sources over expenditures and other financing uses	0.4	-	-	-	-	-	(35.5)	(231.5)	(120.6)
53									
54 Fund balances - (Deficit) beginning of year	(63.3)	(62.9)	(62.9)	-	-	-	722.7	687.3	631.4
55									
56 Fund balances - (Deficit) end of year	\$ (62.9)	\$ (62.9)	\$ (62.9)	\$ -	\$ -	\$ -	\$ 687.3	\$ 455.8	\$ 510.9

Note - The Benefit Assessment District, an Agency Fund, has been excluded from the Combined Statement; see Appendix 12 for financial data.

Note - FY04 Beginning fund balances primarily include projected FY03 favorable revenue and expenditure variances for the Special Revenue and General Funds.

Note - FY04 Budget includes Board approved budget amendments in the Enterprise Fund and Special Revenue Funds.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	Governmental Funds									Totals		
	Capital Funds			General Fund			Debt Service Fund			(Memorandum Only)		
	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted
1												
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380.4	\$ 1,380.9	\$ 1,448.4
3	264.6	362.3	381.0	6.5	14.4	4.7	3.3	2.7	4.3	328.4	460.8	481.7
4	4.4	-	-	6.5	1.2	3.8	16.8	9.0	15.0	52.1	29.1	40.1
5	-	-	-	13.4	10.2	10.1	-	-	-	13.4	10.2	10.1
6	-	-	-	27.5	5.0	-	59.3	-	-	86.8	5.0	-
7	-	-	-	-	-	-	-	-	-	7.5	6.1	6.1
8	6.1	-	-	4.0	2.8	3.4	3.6	-	-	16.8	2.8	3.4
9	275.1	362.3	381.0	57.9	33.6	22.1	83.1	11.7	19.3	1,885.3	1,894.8	1,989.9
10												
11												
12	-	-	-	-	-	-	-	-	-	241.1	249.8	273.1
13	-	-	-	-	-	-	-	-	-	0.4	0.4	0.4
14	-	-	-	-	-	-	-	-	-	-	2.4	2.4
15	-	-	-	-	-	-	-	-	-	13.9	13.6	13.3
16	275.1	362.3	381.0	57.9	33.6	22.1	83.1	11.7	19.3	2,140.8	2,161.0	2,279.0
17												
18												
19	-	-	-	-	-	-	-	-	-	536.2	573.3	582.9
20	-	-	-	-	-	-	-	-	-	290.9	294.2	299.2
21	361.8	510.5	682.6	-	-	-	-	-	-	361.8	510.5	682.6
22	-	-	-	2.9	2.1	1.4	-	-	-	559.9	724.0	711.7
23	-	-	-	31.4	67.7	51.6	10.2	6.1	4.8	93.5	156.6	131.9
24	-	-	-	-	-	-	551.8	267.0	269.5	551.8	267.0	269.5
25	-	-	-	16.5	13.7	8.0	-	-	-	68.2	74.7	68.0
26	361.8	510.5	682.6	50.9	83.4	61.1	562.0	273.2	274.3	2,464.3	2,600.3	2,745.8
27												
28												
29	(86.7)	(148.2)	(301.6)	7.1	(49.8)	(39.0)	(478.9)	(261.5)	(255.0)	(323.4)	(439.3)	(466.8)
30												
31	-	-	-	-	-	-	-	-	-	0.6	0.5	0.5
32	-	-	-	-	-	-	-	-	-	110.1	94.3	110.0
33	-	-	-	-	-	-	-	-	-	(358.3)	(405.1)	(185.4)
34	-	-	-	-	-	-	-	-	-	10.4	7.0	8.0
35	-	-	-	-	-	-	-	-	-	(9.0)	(7.0)	(6.0)
36	-	-	-	-	-	-	-	-	-	(2.0)	-	1.2
37	-	-	-	-	-	-	-	-	-	361.2	406.9	187.7
38	-	-	-	-	-	-	-	-	-	112.9	96.5	115.9
39												
40												
41	(86.7)	(148.2)	(301.6)	7.1	(49.8)	(39.0)	(478.9)	(261.5)	(255.0)	(210.5)	(342.8)	(350.8)
42												
43												
44	74.3	90.2	144.2	39.9	44.3	42.8	317.0	260.6	255.3	946.3	1,017.0	983.2
45	(40.5)	(13.7)	(68.2)	(1.7)	(33.2)	(13.1)	(0.8)	-	-	(946.3)	(1,017.0)	(983.2)
46	92.7	59.9	141.8	-	-	-	339.0	(290.9)	-	431.7	(231.0)	141.8
47	-	-	-	-	-	-	(21.7)	-	-	(21.7)	-	-
48	-	-	-	-	-	-	20.8	290.9	-	20.8	290.9	-
49	126.5	136.5	217.8	38.5	11.1	29.6	654.3	260.6	255.3	430.9	59.8	141.8
50												
51												
52	39.8	(11.7)	(83.8)	45.6	(38.8)	(9.3)	175.5	(0.9)	0.3	225.8	(283.0)	(209.1)
53												
54	81.0	120.9	109.1	107.9	153.5	146.3	260.5	436.0	435.2	1,108.8	1,334.8	1,259.0
55												
56	\$ 120.9	\$ 109.1	\$ 25.3	\$ 153.5	\$ 114.7	\$ 137.0	\$ 436.0	\$ 435.2	\$ 435.5	\$ 1,340.2	\$ 1,051.8	\$ 1,050.0

FY03 AGENCY-WIDE ACCOMPLISHMENTS

Metro Bus and Rail

- Created five bus operating service sectors to improve service quality and bring decision-making closer to customers.
 - ♦ Initiated outreach to customer base, elected officials, key city and county representatives, chambers of commerce, and other community leaders, and began establishing networks.
 - ♦ Held first sector governance council meetings, elected officers, and set meeting dates. Town hall meetings, community outreach, and public hearings were held to receive community input on changes in service within the sectors.
 - ♦ Focused attention on high accident lines and worked to reduce accidents through a variety of measures, including operator retraining and identifying and moving problematic bus stops.
- Accelerated the Metro Rapid Bus Program and initiated four new lines.
- Established bus cleanliness standards to improve appearance of fleet.
- Complied with Consent Decree by providing added bus trips during periods of overcrowding, typically during peak hours of operation, within existing revenue service hours; accomplished in part by moving hours from less productive segments of lines to high capacity lines.
- Approved purchase of a “multi-media mobile theater” for rail safety education.
- Delivered rail cars for pre-revenue testing on Metro Gold Line, scheduled to start operations early in FY04.
- Completed operator training for Metro Gold Line.
- Reduced the number of lost workdays due to on-the-job injuries by 3% in the first six months of FY03 compared to the same period in FY02, attributed in part to the implementation of the MTA Safety’s 1st Program.
- Completed the largest customer satisfaction survey in MTA’s history, interviewing 50,000 people.
- Met goals set for attendance in Safety’s 1st training course for all managers and sector employees.
- Approved the restructuring of various lines and the removal of redundant service in anticipation of the start-up of Metro Gold Line service.
- Augmented capacity on the Metro Blue Line and Metro Red Line by increasing the number of cars per train.
- Expanded Metro Rail bicycle hours on all lines.
- Completed conversion of the Metro Green Line radio system.
- Completed the Rail Fleet Management Plan.
- Simplified rail car specifications to improve rail car interchangeability among light rail lines.
- Completed contractor selection for 200 high-capacity CNG articulated buses.
- Completed contractor selection for 50 light rail vehicles.
- Completed delivery of 350 NABI buses.

- Exercised purchase option for 70 45-foot NABI "Compo-buses."
- Updated operational key performance measures and implemented new performance indicators for monitoring high cost items.
- Initiated installation of S1-Gards, improving safety for pedestrians and alighting passengers.
- Installed CNG fueling facilities at two additional divisions using public/private partnerships.
- Adopted enhanced security policies.
- Awarded a three-year law enforcement contract to the Los Angeles County Sheriffs' Department (LASD).
- Developed an AMBER Alert policy.
- Improved the Mental Evaluation Team program to provide broader training of transit security and police and to merge the program into the LASD transit policing program for improved oversight and coordination.
- Awarded the Maintenance and Materiel Management (M3) system contract in January.
- Awarded the Division Network Construction Project (DNCP) Phase II contract in March.
- Constructed the first safety-designed warehouse facility in the transit industry for storing chemicals and hazardous materials.
- Completed final design and engineering for tunnel and station excavations and for a freeway bridge on the Eastside Light Rail Transit Project.
- Implemented E-Bid Board to improve cycle time for construction solicitations.

Regional Transportation Planning

Transit Systems Construction

- Launched "EZ Transit Pass," the county's first regional transit pass program, with sales currently at about 10,000 per month.
- Opened a 27-mile stretch of carpool lanes on State Route 14.
- Held the MOBILITY 21 Transportation Summit with 450 attendees to address regional issues in transportation.
- Brought the SCAG rideshare program in-house and met or exceeded most goals for Rideshare/Employer programs.
- Worked with Access Services, Inc., (ASI) to develop a five-year business plan for service complying with ADA.
- Approved the FY03 Call for Projects application package, in which local jurisdictions submitted over 350 projects for funding consideration.
- Completed a countywide transportation demand modeling analysis.
- Initiated Board action on the Congestion Management Program (CMP); 88 local jurisdictions were found in conformance with the CMP, ensuring continued state gas tax funding to cities.
- Completed the Final Environmental Impact Report for the Wilshire Bus
- Started construction of the \$329.5 million San Fernando Valley Metro Rapidway, an east-west busway that will connect the North Hollywood Metro Red Line station with Warner Center.
- Completed backlog of 693 audits involving \$987 million of contract billings representing over ten years of MTA and pre-MTA history.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

- Rapid Transit Project and secured Board approval.
 - Completed the High Occupancy Vehicle (HOV) Performance Program Evaluation Report; Board adopted the HOV Guiding Principles.
 - Completed the Crenshaw Corridor Major Investment Study.
 - Completed the SFV North-South Major Investment Study.
- Transportation Funding and Administration**
- Completed an agency-wide Strategic Plan for FY03 – FY07.
 - Preserved \$332 million in funding for four major transit projects through an innovative financing arrangement with the California Transportation Commission.
 - Improved the payment of vendor invoices within 30 days of the invoice date to 77% and to 92% for payment within 30 days of the invoice receipt date, compared to 60% and 86%, respectively, for the third quarter of FY03 versus the like period in FY02.
 - Received a \$20 million cash benefit as a result of completing three defeased lease transactions for operating facilities, buses, and rail vehicles.
 - Reduced scheduled debt service payments by \$47 million (\$34 million on a present value basis) by refinancing bonded indebtedness at lower interest rates.
 - Began the procurement Streamlining Initiative to simplify the procurement process and improve acquisition lead times; implemented a work process improvement which reduced procurement solicitation packages from 300+ pages to about 60.
 - Received approval from the U.S. Department of Transportation for the Regional Transportation Improvement Program, including approximately 1,200 projects totaling \$12 billion.
 - Secured more than \$300 million in federal grants and \$250 million in state grants for various bus and rail projects.
 - Secured more than \$15 million in federal pass-through grants for cities and agencies in Los Angeles County.
 - Increased advertising in newspapers and on radio to raise awareness about MTA projects and accomplishments.
 - Designed, wrote, and published new publications, including Metro Quarterly and four Metro Motion cable television shows.

ADOPTED BUDGET

FY2003 – FY2004

CUSTOMER SERVICES

MTA provides a wide range of customer services to increase mobility and quality of life throughout Los Angeles County. These services include transit operations, freeway services, highway construction, and transportation information.

MTA BUS AND RAIL SERVICE

MTA directly operates three modes of transit service: bus (direct and contracted), light rail, and heavy rail, carrying over 1.3 million boardings per weekday. Transit services and supporting capital expenditures make up over two-thirds of the FY04 Budget.

New Technology

Work continues on the Universal Fare System (UFS) and the Advanced Transportation Management System (ATMS). Each will provide a broad array of improvements in service. UFS will allow customers greater flexibility in their transportation options and facilitate better and more expeditious accounting of fares and ridership.

The new regional pass, introduced in FY03, will eventually integrate with UFS to provide seamless connections between the Metro Bus system and participating municipal operations. The ATMS project will replace obsolete radio communication systems and provide automatic vehicle location, computer-aided dispatch, and automatic passenger counters with a UFS interface.

The new Maintenance and Materiel Management System (M3), replacing the existing Vehicle Maintenance System and Materiel Management System, will support

asset management, inventory, and warehouse management as well as bus, rail, and facilities maintenance. It will be integrated with MTA's purchasing and financial systems to create an integrated environment and eliminate duplication of data. The system will reside on, and utilize, today's more powerful and reliable computer hardware accessible at all MTA locations.

Metro Bus

MTA is the second largest bus operator in the United States. MTA bus service carries over 1.1 million boardings which travel 250,000 miles on 185 bus routes with 18,500 bus stops each weekday.

The FY04 Budget includes funds for the acquisition of 30 new high capacity buses. MTA will provide 33 buses to contractors operating MTA service and will add new vehicles for the Metro Green Line shuttle.

MTA is the largest operator of alternative fueled buses. Currently 1,940 buses, or 83%, of the 2,350 buses in MTA's fleet are powered by engines using clean-burning compressed natural gas (CNG).

Service Sectors

The most significant change in bus operations during FY03 was the creation of five bus-operating service sectors. This reorganization and decentralization of the management of bus service was undertaken to improve service quality and to bring decision-making closer to customers.

The sectors foster partnerships with other bus service providers around a shared vision for responsive community-based transportation services. Service Sector Governance Councils provide

recommendations to sector general managers on service changes and improvements within the Sector.

Each sector manager oversees the operation of a fleet of approximately 400 to 600 buses. In addition to operations and maintenance personnel, each sector includes its own service planning, scheduling, community relations, and financial and analytic staff.

Sector Goals and Objectives

Managers and supervisors have been charged with the following tasks: managing their departments towards more efficient allocation and utilization of resources, increasing communications with stakeholders and the community, enhancing

quality of service, and improving customer satisfaction.

Accomplishments have been driven by the core values and goals established in the FY03 – FY07 Strategic Plan; those values and goals, in turn, have been translated into the following objectives:

- To foster a safety-conscious environment
- To continuously improve customer-focused service
- To use resources efficiently
- To value employees
- To enhance MTA's image

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

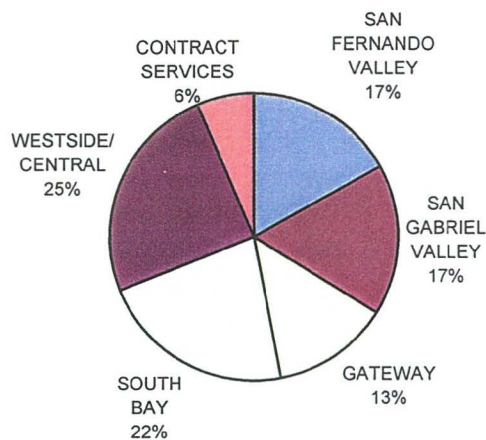
**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

FY04 Bus Operating Statistics by Service Sector

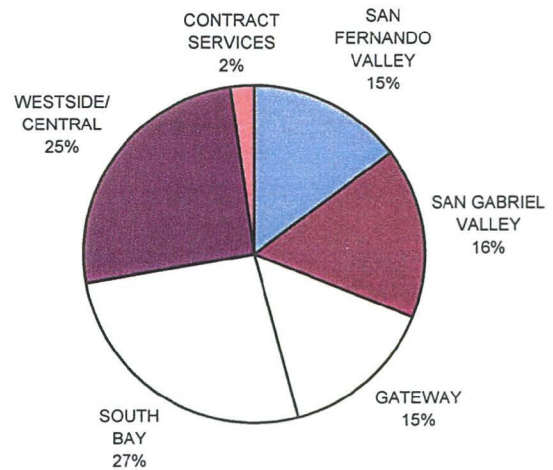
	SAN FERNANDO VALLEY	SAN GABRIEL VALLEY	GATEWAY CITIES	SOUTH BAY
BOARDINGS (000)	52,695	58,200	52,698	94,135
VEHICLE SERVICE HOURS (000)	1,236	1,237	976	1,601
VEHICLE SERVICE MILES (000)	15,034	14,942	11,910	19,361
HUB MILES (000)	19,742	18,238	12,967	23,686
BOARDINGS PER REVENUE SERVICE HOUR	42.6	47.0	54.0	58.8
PASSENGER MILES	207,128	228,767	207,142	370,018
VEHICLES OPERATED	336	328	295	406
COST PER REVENUE SERVICE HOUR	\$88.22	\$89.94	\$108.73	\$82.59
COST PER PASSENGER MILE	\$0.53	\$0.49	\$0.51	\$0.36
COST PER BOARDING	\$2.07	\$1.91	\$2.01	\$1.40
SUBSIDY PER BOARDING	\$1.28	\$1.19	\$1.36	\$0.80
SUBSIDY PER PASSENGER MILE	\$0.33	\$0.30	\$0.35	\$0.20
FARE RECOVERY RATIO	38%	38%	32%	43%
FARE REVENUE PER BOARDING	\$0.74	\$0.68	\$0.61	\$0.57

¹ Systemwide statistics include bus operating expenses from support activities not assigned directly to sector management, including, but not limited to, Central Maintenance, Central Control & Instruction, Facilities and Operations Security.

Revenue Service Hours (000)

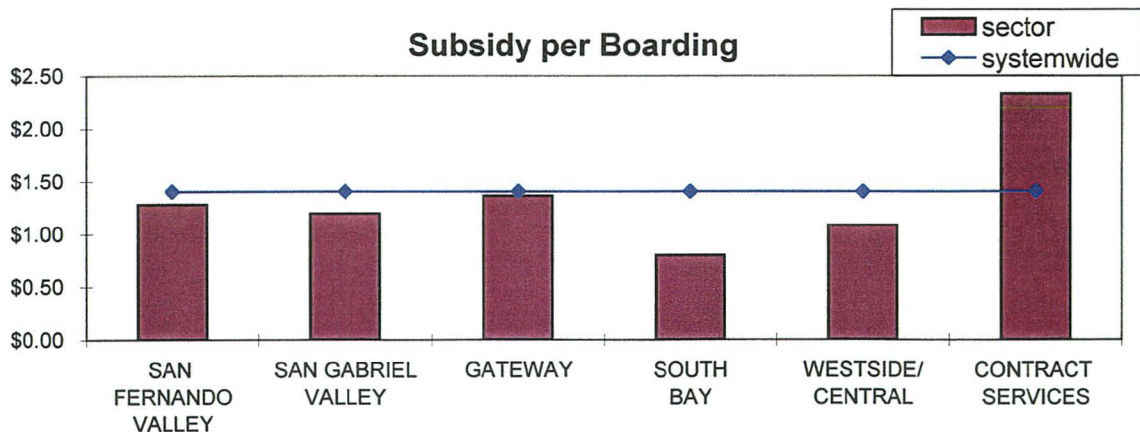
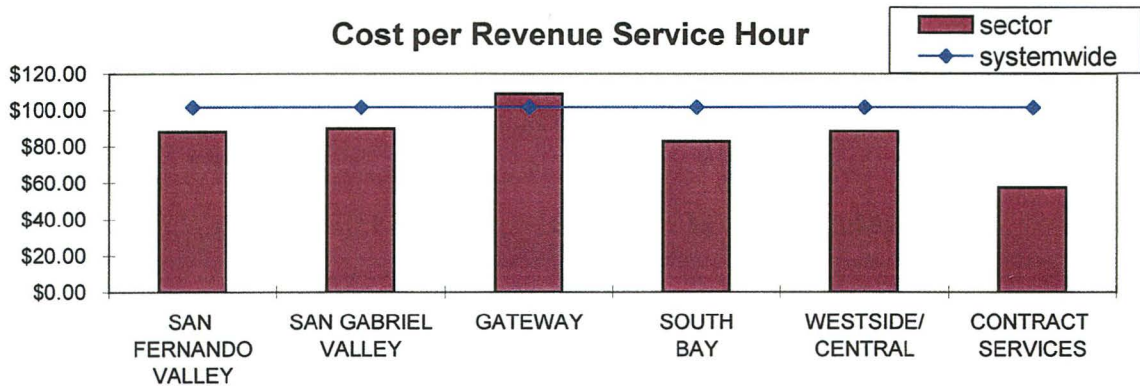


Boardings by Sectors (000)



**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	WESTSIDE/ CENTRAL	CONTRACT SERVICES	SYSTEMWIDE ¹
BOARDINGS (000)	90,337	8,264	356,329
VEHICLE SERVICE HOURS (000)	1,807	469	7,327
VEHICLE SERVICE MILES (000)	21,677	5,705	88,629
HUB MILES (000)	24,956	-	99,588
BOARDINGS PER REVENUE SERVICE HOUR	50.0	17.6	48.6
PASSENGER MILES	355,089	32,483	1,400,628
VEHICLES OPERATED	487	148	2,000
COST PER REVENUE SERVICE HOUR	\$88.36	\$57.33	\$101.31
COST PER PASSENGER MILE	\$0.45	\$0.83	\$0.53
COST PER BOARDING	\$1.77	\$3.25	\$2.08
SUBSIDY PER BOARDING	\$1.08	\$2.33	\$1.40
SUBSIDY PER PASSENGER MILE	\$0.27	\$0.59	\$0.36
FARE RECOVERY RATIO	39%	29%	33%
FARE REVENUE PER BOARDING	\$0.64	\$0.81	\$0.64



**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Bus Performance Indicators	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Customer Indicators				
In-Service On-Time Performance	63.71%	64.90%	69.08%	80.00%
Financial Indicators				
Bus cost per service hour ¹	\$98.39	\$98.44	\$101.53	\$101.31
Farebox Recovery	31.57%	31.41%	29.53%	32.95%
Subsidy per Boarding	\$1.28	\$1.29	\$1.47	\$1.42
Internal Process Indicators				
Mean miles between mechanical failures	4,808	5,470	7,055	7,500
Learning/Innovation Indicators				
Vehicle accidents per 100k miles	3.98	3.50	3.81	3.00

¹ Reclassified to reflect the Board-adopted change to FY03 Enterprise Fund Budget.

Metro Rapid

Metro Rapid provides faster regional travel. The key features of Metro Rapid that make it faster and easier to use include simple route layout, frequent service, greater distance between stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stops, and traffic signal priority at intersections.

Launched in 2000, the Metro Rapid Demonstration Program consisted of two lines - one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier Transit Corridor. Metro Rapid reduced travel time by about 25% while increasing ridership nearly 35%, with one-third of those riders using Metro Rapid representing new riders to the system.

During FY03, the MTA Board of Directors approved the accelerated implementation plan of the Metro Rapid Expansion Program. This included operation of four new lines in FY03 and development of three

additional Metro Rapid Bus Lines to begin service during FY04.

In approving the Metro Rapid Expansion Program, additional corridors were identified and prioritized into five implementation phases.

Metro Rail

Metro Rail operates over 200 light and heavy rail vehicles; maintains 65 rail stations, about 146 miles of track, overhead catenaries, and heavy rail traction power systems; and oversees all facets of rail operations including transportation, wayside systems maintenance, vehicle maintenance, and rail operations control.

Metro Rail continues managing with a customer-focused approach by establishing a rail car cleanliness program, striving to remove graffiti expeditiously, working with Los Angeles County Sheriff's Department to identify and prosecute graffiti vandals, and achieving a higher system dependability and

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

reliability by revising the rail car vehicle maintenance programs to increase mean miles between vehicle failures.

The FY04 Budget includes additional resources to support an 18% increase in rail vehicle service hours consistent with the opening of the Pasadena Gold Line.

Metro Rail Operations will continue to test and accept the LA Rail Car light rail vehicles. Ensuring that these cars are available for revenue operations is essential for providing increased service and for the startup of operations on the Gold Line.

Rail Performance Indicators	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Customer Indicators				
Light Rail On-Time Performance	98.52%	98.92%	97.70%	99.00%
Heavy Rail On-Time Performance	99.13%	99.60%	99.15%	99.80%
Complaints per 100,000 boardings				
Light Rail	0.88	1.04	1.30	0.88
Heavy Rail	0.73	0.78	1.19	0.80
Financial Indicators				
Light Rail cost per RVSH ¹	\$369.06	\$332.52	\$296.05	\$304.41
Heavy Rail cost per RVSH ¹	\$223.38	\$234.57	\$250.28	\$249.71
Farebox Recovery				
Light Rail	19.13%	23.31%	24.67%	24.10%
Heavy Rail	19.66%	20.75%	27.42%	27.73%
Subsidy per Boarding				
Light Rail	\$2.14	\$1.94	\$2.09	\$2.13
Heavy Rail	\$1.99	\$1.40	\$1.55	\$1.36
Internal Process Indicators				
Mean Miles Between Mechanical Failures	6,093	6,075	6,852	7,000
Learning/Innovation Indicators				
Rail accidents per 100,000 revenue train miles				
Light Rail (MGL, MBL)	0.93	0.30	0.42	0.40
Heavy Rail (MRL)	0.08	0.22	0.10	0.09

¹ Reclassified to reflect the Board-adopted change to Prop A & C Admin.

TRANSPORTATION SERVICES

Metro Freeway Service Patrol

MTA, in partnership with the California Department of Transportation (CALTRANS) and the California Highway Patrol (CHP), manages the largest fleet of tow and service trucks in the country. This service is known as the Los Angeles County Metro Freeway Service Patrol (FSP). Private tow companies operating a fleet of almost 150 tow vehicles are contracted to patrol over 400 miles of freeways during morning and afternoon commute hours, and during midday and weekends on heavily congested freeways. The goal is to quickly repair or remove disabled vehicles to relieve freeway congestion. The program is funded through local Proposition C 25% sales tax and state highway funds.

Over 70% of motorists wait less than five minutes for assistance. Tow truck operators change flat tires, fill radiators, tape leaky hoses, provide jump-starts, provide gasoline, or, when necessary, tow the vehicle to a safe location off the freeway.

Service Authority for Freeway Emergencies

Service Authority for Freeway Emergencies (SAFE) is a separate agency from the MTA that is responsible primarily for the maintenance and operation of the County's system of approximately 4,500 call boxes. These call boxes provide call-answering services for people with vehicle problems on busy roads. The process of privatizing the call-answering function currently being provided by the CHP will be completed during FY04. Once fully implemented, this action could reduce the cost of SAFE by as much as 50%.

Paratransit Services

Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. The purpose of ASI is to improve the quality and effectiveness of transportation services to the elderly and to persons with disabilities through coordination of public transportation with social service agencies and other charitable organizations, and to provide services to persons with disabilities in accordance with the ADA.

Over the past several years, paratransit ridership has increased dramatically, with an annual growth rate of over 20%.

High Occupancy Vehicle Lanes

There are 414 miles of High Occupancy Vehicle (HOV) lanes in operation in Los Angeles County. Built with the purpose of reducing congestion by using the capacity of the freeway system more efficiently, it is estimated that 529,000 persons use HOV lanes daily in Los Angeles County.

Rideshare Program

Over the past years, the five county transportation commissions, which fund regional and local rideshare services, have been reviewing service delivery options to optimize rideshare program performance. The MTA Board also directed staff to conduct a rideshare evaluation study during FY02 to review rideshare service delivery. As a result of these efforts, the county transportation commissions are coordinating with SCAG on the transition of rideshare responsibilities to service delivery approaches that maintain regional coordination but enhance employer outreach locally.

As the first step in this transition, MTA moved the Employer Outreach/Account Executive function in-house during July 2002 to refocus its efforts on marketing a complete line of programs to employers, from the promotion of transit pass programs to the promotion of ridesharing and carpool lane use. During FY03, SCAG continued to provide other rideshare activities, including the regional ride-match database.

Additionally, the MTA worked with SCAG and the other county transportation commissions in developing a plan for the transition of remaining rideshare activities. By the end of FY04, the rideshare program will be fully transferred from SCAG to MTA.

1-800-COMMUTE

1-800-COMMUTE provides personal transit assistance via telephone seven days a week. Callers are given route, schedule, and fare information for all transportation providers in the County, using the County's database of transit information.

Reduced Fares Program

The Reduced Fares Program provides personalized identification cards to eligible students (grades K-12 and full time college/vocational), seniors and disabled individuals. This enables them to ride MTA trains and buses at a significantly reduced cost. Student ID Cards are valid for an academic term, while persons 62 years old and above qualify for a senior ID Card. Disabled ID Cards are issued for various time periods based on an individual's disability.

mta.net

mta.net is the address of MTA's internet site. The site offers an interactive trip planner accessible via the web 24 hours a day from anywhere in the world, offering complete transit information for Los Angeles County. The site also features detailed information on MTA's other transportation services and projects.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank

ADOPTED BUDGET

FY2003 – FY2004

Financial Details by Fund

ENTERPRISE FUND

Fund Narrative

The Enterprise Fund accounts for transit services in a manner similar to the private sector. The transit services included within the Enterprise Fund are Metro Bus, contracted bus service, Metro Rail, and Regional Activities.

Revenues

Bus and rail operating revenues recover approximately 31% of the cost to provide transit services. The remaining 69% is funded through a combination of non-operating revenues (primarily federal grants) and transfers (Prop A & C, TDA and STA tax-based revenues).

Expenses

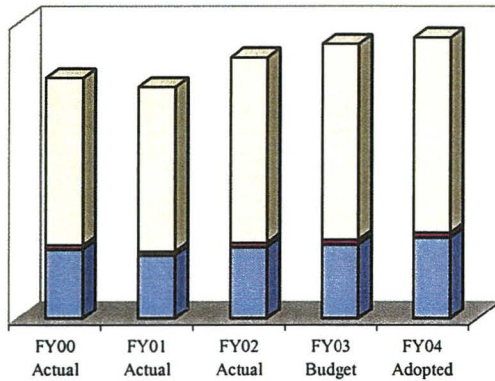
The Enterprise Fund FY04 budgeted expenses are as follows:

	Amount in Millions	%
Bus	\$748.7	79.4
Light Rail	123.6	13.1
Heavy Rail	67.5	7.2
Regional	2.6	0.3
Total	\$942.4	100.0

Enterprise Fund expenses of \$942.4 million are composed of \$936.4 million operating expenses and \$6.0 million of non-operating interest expenses.

Approximately 69% of the Enterprise Fund expenses are for labor and fringe benefits. Fuel and materials represents another 12% of expenses, with the remainder being comprised of purchased transportation (3%), security (6%), casualty and liability (4%), and debt and other expenses (6%),

Enterprise Fund Revenue



Subsidy
 Other Operating Revenue
 Fare Revenue

(Amounts in Thousands)		FY00 Actual	FY01 Actual	FY02 Actual	FY03 Budget	FY04 Adopted
1	Fare Revenue	\$233,436	\$213,989	\$241,144	\$249,781	\$273,099
2	Other Operating Revenue	13,864	12,227	14,334	16,363	16,050
3	Subsidy*	565,518	547,814	619,622	655,573	647,270
4	Total Revenue	\$812,818	\$774,030	\$875,100	\$921,717	\$936,419

* Subsidy is defined as total operating expense minus fare revenue and other operating revenue.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Service Levels

Mode		Vehicle Revenue Hours	Vehicle Revenue Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	6,857,593	82,924,010	348,065,120	1,368,144,355
	Contracted Svc	469,095	5,704,757	8,264,020	32,483,497
	Subtotal Bus	7,326,688	88,628,767	356,329,140	1,400,627,852
Rail	Blue Line	211,941	4,756,824	23,612,912	122,787,142
	Green Line	87,965	2,707,815	10,342,500	53,781,000
	Gold Line	106,076	2,071,103	10,121,170	52,630,084
	Red Line	270,299	6,603,768	35,908,175	165,177,605
	Subtotal Rail	676,281	16,139,510	79,984,757	394,375,831
Totals		8,002,969	104,768,277	436,313,897	1,795,003,683

Cost Per Unit of Service

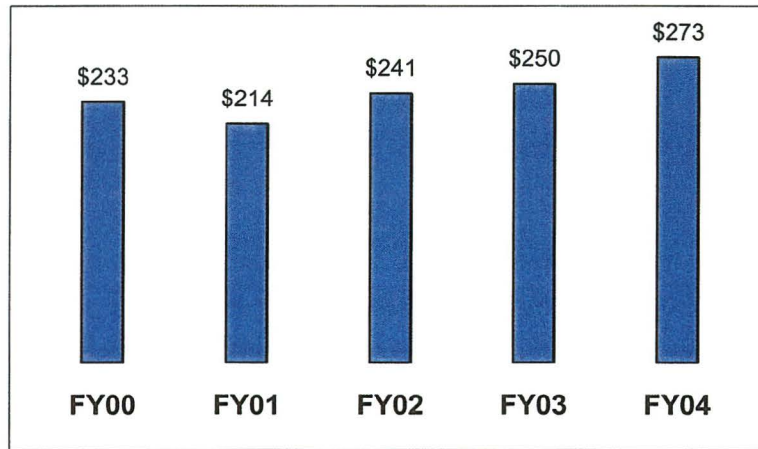
Mode		Vehicle Revenue Hours	Vehicle Revenue Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	\$104.31	\$8.63	\$2.06	\$0.52
	Contracted Svc	\$57.33	\$4.71	\$3.25	\$0.83
	Blended Bus	\$101.31	\$8.37	\$2.08	\$0.53
Rail	Blue Line	\$248.41	\$11.07	\$2.23	\$0.43
	Green Line	\$366.17	\$11.90	\$3.11	\$0.60
	Gold Line	\$365.66	\$18.73	\$3.83	\$0.74
	Red Line	\$249.71	\$10.22	\$1.88	\$0.41
	Blended Rail	\$282.64	\$11.84	\$2.39	\$0.48

Fare Revenue

The chart below illustrates passenger fare revenue received in FY00 through FY04. From FY00 through FY03, average annual fare revenue growth was below 2.5% despite service level increases for the bus and rail

modes. A 9.3% year-over-year increase in fare revenue is expected in FY04 resulting from a combination of the opening of the Pasadena Gold Line light rail line and a fare restructuring planned for January 2004.

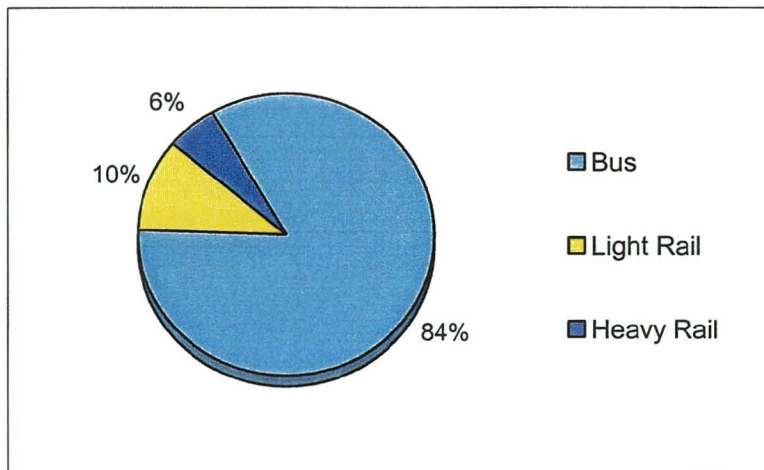
(\$'s in millions)



Fare Revenue by Mode

The chart below illustrates the estimated FY04 fare revenue shares by mode. As

shown, most of the MTA fare revenue is attributed to bus operations.



**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

Enterprise Fund by Mode	Bus			Light Rail		
	FY02 Actual	FY03 * Budget	FY04 Adopted	FY02 Actual	FY03* Budget	FY04 Adopted
1 Revenue:						
2 Operating revenues						
3 Passenger fares	\$ 210.6	\$ 212.6	\$ 229.4	\$ 18.3	\$ 21.2	\$ 28.4
4 Route subsidies	0.4	0.4	0.4	-	-	-
5 Metrolink interagency agreement	-	0.4	0.4	-	-	-
6 Advertising	13.9	12.2	11.8	(0.0)	1.0	1.0
7 Total revenues	225.0	225.5	241.9	18.3	22.1	29.4
8						
9 Operating expenses:						
10 Transportation	458.5	485.7	484.3	46.6	50.7	65.3
11 Maintenance	234.6	239.2	223.6	31.1	30.7	46.8
12 General and administrative	28.4	39.7	34.8	8.7	8.2	11.5
13 Total operating expenses	721.5	764.6	742.7	86.4	89.6	123.6
14						
15 Operating income (loss)	(496.5)	(539.1)	(500.8)	(68.1)	(67.5)	(94.2)
16						
17 Non-operating revenues/(expenses):						
18 Local operating grants	0.6	0.5	0.5	-	-	-
19 Federal operating grants	104.8	94.3	82.3	3.5	-	27.7
20 Interest revenue	10.4	5.9	6.7	-	0.6	0.7
21 Debt and interest expense	(9.0)	(7.0)	(6.0)	-	-	-
22 Gain (loss) on disposition of fixed assets	(2.0)	-	1.2	-	-	-
23 Other	2.9	1.0	1.0	-	0.2	0.4
24 Total Non-operating revenues	107.7	94.7	85.7	3.5	0.8	28.8
25						
26 Other financing sources (uses):						
27 Operating transfers in						
28 Prop A	131.4	132.2	132.3	21.6	26.3	12.8
29 Prop C	98.2	106.3	103.1	21.0	37.1	49.4
30 TDA	163.8	179.9	168.8	0.8	-	-
31 STA	-	2.1	10.9	18.1	3.3	3.1
32 Sales/Leaseback	-	23.9	-	-	-	-
33 Total other financing and sources (uses)	393.4	444.4	415.1	61.6	66.7	65.4
34						
35 Increase (decrease) in retained earnings	4.5	-	-	(3.1)	-	-
36						
37 Deficit - beginning of year	(57.4)	(52.9)	(52.9)	(5.9)	(9.0)	(9.0)
38						
39 Deficit - end of year	\$ (52.9)	\$ (52.9)	\$ (52.9)	\$ (9.0)	\$ (9.0)	\$ (9.0)

* FY03 Budget includes \$25.6M increases in CNG & diesel fuel , Workers' Compensation, Transit Security, and Consent Decree per Board-approved budget amendment (April 2003), and a reduction to light rail passenger fares of \$2.3M to reflect the decrease in revenue projections.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	Heavy Rail			Non-Modal Regional Cost			Total		
	FY02 Actual	FY03* Budget	FY04 Adopted	FY02 Actual	FY03 Budget	FY04 Adopted	FY02 Actual	FY03* Budget	FY04 Adopted
1									
2									
3	\$ 12.2	\$ 16.0	\$ 15.2	\$ -	\$ -	\$ -	\$ 241.1	\$ 249.8	\$ 273.1
4	-	-	-	-	-	-	0.4	0.4	0.4
5	-	2.0	2.0	-	-	-	-	2.4	2.4
6	0.0	0.5	0.5	-	-	-	13.9	13.6	13.3
7	12.2	18.5	17.8	-	-	-	255.5	266.1	289.1
8									
9									
10	33.1	36.9	33.2	-	-	-	538.2	573.3	582.9
11	25.2	24.3	28.8	-	-	-	290.9	294.2	299.2
12	8.9	6.3	5.5	-	-	2.6	46.0	54.3	54.4
13	67.2	67.5	67.5	-	-	2.6	875.1	921.7	936.4
14									
15	(55.0)	(49.0)	(49.7)	-	-	(2.6)	(619.6)	(655.6)	(647.3)
16									
17									
18	-	-	-	-	-	-	0.6	0.5	0.5
19	1.8	-	-	-	-	-	110.1	94.3	110.0
20	-	0.5	0.6	-	-	-	10.4	7.0	8.0
21	-	-	-	-	-	-	(9.0)	(7.0)	(6.0)
22	-	-	-	-	-	-	(2.0)	-	1.2
23	-	0.6	1.0	-	-	-	2.9	1.8	2.3
24	1.8	1.0	1.5	-	-	-	112.9	96.5	115.9
25									
26									
27									
28	16.8	19.4	7.4	-	-	-	169.8	177.9	152.6
29	25.9	26.2	38.3	-	-	2.6	145.0	169.6	193.4
30	0.4	-	-	-	-	-	165.1	179.9	168.8
31	9.1	2.5	2.5	-	-	-	27.2	7.8	16.6
32	-	-	-	-	-	-	-	23.9	-
33	52.1	48.0	48.2	-	-	2.6	507.1	559.1	531.3
34									
35	(1.1)	-	-	-	-	-	0.4	-	-
36									
37	-	(1.1)	(1.1)	-	-	-	(63.3)	(62.9)	(62.9)
38									
39	\$ (1.1)	\$ (1.1)	\$ (1.1)	\$ -	\$ -	\$ -	\$ (62.9)	\$ (62.9)	\$ (62.9)

INTERNAL SERVICE FUND

Fund Narrative

The Internal Service Fund (ISF) accounts for the receipt and expenses of goods and services provided to projects and funds on a cost reimbursement basis. These expenses are allocated to the functional units of Metro Operations, Countywide Planning and Development, and Construction Project Management, as well as the blended component units, Public Transportation Services Corporation (PTSC) and PTSC/MTA Risk Management Authority (PRMA).

Revenues

Charges for financial and administrative service functions are allocated to MTA's programs and projects. As part of the allocation methodology, the program reimburses the MTA's overhead projects in the Internal Service Fund.

Expenses

Internal Service Fund expenses are in support of the MTA's core business units. Significant expenses in FY04 include:

- Salaries and fringes for financial, administrative and human resource functions.
- Workers' Compensation expenses and administration.
- Professional and contractual services for the maintenance of MTA non-transit operations facilities and waste disposal at all divisions and rail facilities.
- Original equipment vendor repair and maintenance of specialized ITS machinery and systems.
- Medical testing and support services for personnel recruitment activities and employment standard compliances.
- Accounting and auditing expenses.
- Utility and telecommunication expenditures for all MTA facilities and Gateway.
- General liability insurance expenses.

In a change from past budgeting and accounting practice, fringe benefits formerly included in the Internal Service Fund are now charged directly to the appropriate fund and are no longer included in the ISF.

Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget

Statement of Revenues, Expenses and Changes in Retained Earnings
For the Years Ending June 30, 2002, 2003 and 2004

(Amounts in millions)

Internal Service Fund	FY02 Actual	FY03 Budget	FY04 Adopted
1 Operating expenses:			
2 Services	\$ -	\$ -	\$ -
3 Total operating expenses	-	-	-
4			
5 Operating income (loss)	-	-	-
6			
7 Non-operating revenues/(expenses):			
8 Charges for services	(358.3)	(405.1)	(185.4)
9 Interest revenue	-	-	-
10 Other	358.3	405.1	185.4
11 Total non-operating revenues	-	-	-
12			
13 Increase (decrease) in retained earnings	-	-	-
14			
15 Retained Earnings(deficit)-beg. of year	-	-	-
16			
17 Retained Earnings(deficit)-end of year	\$ -	\$ -	\$ -

SPECIAL REVENUE FUND

Fund Narrative

The Special Revenue Fund accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are earmarked for specified purposes. The Special Revenue Fund reflects MTA's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County.

Revenue

The primary source of revenue is sales tax receipts: Proposition A sales tax, Proposition C sales tax, Transportation Development Act (TDA) sales tax, and State Transit Assistance (STA) sales tax on gasoline. Other sources include Service Authority for Freeway Emergencies (SAFE), Congestion Mitigation and Air Quality (CMAQ), and other funds used to account for programs with dedicated revenue.

Expenditures

Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 89% of Special Revenue expenditures, while the remaining 11% go for SAFE, FSP, other contracts, and overhead and labor.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

The chart below illustrates sales tax revenues received from Proposition A, Proposition C, and Transportation Development Act sales taxes (excluding STA, which is allocated on a discretionary basis). Between FY00 and FY03, sales tax

revenues increased at an average annual rate of 2.6%. The FY04 Budget assumes relatively vigorous growth in year-over-year taxable sales of 4.9% versus the FY03 Budget.

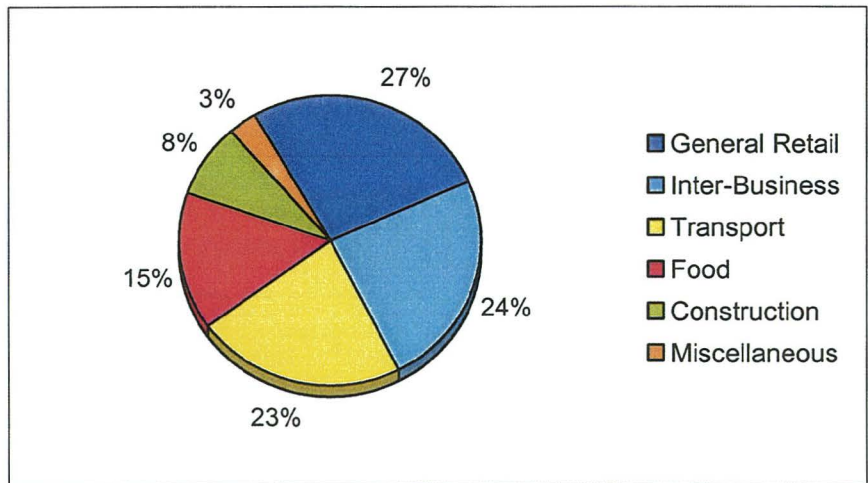
Sales Tax Revenue
(Amounts in billions)



The chart below depicts Los Angeles County sales tax revenue projections for FY04 by major spending categories and is based on the share of sales tax receipts in

prior periods. General Retail, Transport, and Inter-Business sales have consistently held the largest shares of Los Angeles County's sales taxes.

Sales Tax Revenue Shares
(Projections by source for FY04)



**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

	Proposition A			Proposition C			Transportation Develop. Act		
	FY02 Actual	FY03 Budget*	FY04 Adopted	FY02 Actual	FY03 Budget*	FY04 Adopted	FY02 Actual	FY03 Budget*	FY04 Adopted
Special Revenue Funds									
1 Revenue:									
2 Sales tax	\$ 526.0	\$ 539.2	\$ 565.8	\$ 525.9	\$ 539.2	\$ 565.7	\$ 268.1	\$ 274.3	\$ 288.1
3 Intergovernmental grants	-	-	-	47.7	54.8	75.1	0.1	-	-
4 Investment income	3.1	4.0	3.5	11.6	10.0	12.0	7.2	3.5	4.0
5 Licenses and fines	-	-	-	-	-	-	-	-	-
6 Other	0.2	-	-	2.8	-	-	-	-	-
7 Total revenues	529.3	543.2	569.3	588.0	604.0	652.8	275.4	277.8	292.1
8									
9 Expenditures:									
10 Subsidies	199.6	204.2	216.2	283.5	396.9	380.7	69.4	98.5	95.4
11 Services	-	-	-	42.4	68.4	59.6	-	-	-
12 General and administrative	-	-	-	5.3	5.9	5.0	-	-	-
13 Total expenditures	199.6	204.2	216.2	331.1	471.2	445.3	69.4	98.5	95.4
14									
15 Excess (deficiency) of revenues									
16 over expenditures	329.7	339.0	353.0	256.8	132.8	207.5	206.0	179.3	196.7
17									
18 Other financing sources (uses):									
19 Operating transfers in									
20 Prop C	-	-	-	5.3	52.2	5.1	-	-	-
21 TDA	-	-	-	-	-	-	1.9	1.0	-
22 STA	-	-	-	-	-	-	-	-	-
23 Other	0.6	-	-	-	7.6	-	-	-	-
24 Operating transfers out									
25 Prop A	-	-	-	-	-	-	-	-	-
26 Prop C	-	-	-	(0.2)	(52.5)	(0.9)	-	-	-
27 TDA	-	-	-	-	-	-	-	(1.0)	-
28 General Fund	(26.4)	(26.9)	(28.3)	(7.8)	(10.7)	(8.5)	(5.3)	(6.7)	(6.0)
29 Debt Service Fund	(143.5)	(153.6)	(152.3)	(173.5)	(107.0)	(103.0)	-	-	-
30 Capital Fund	(9.9)	(29.3)	(8.9)	(0.2)	(5.0)	(10.8)	(9.5)	(29.4)	(36.7)
31 Enterprise Fund	(169.8)	(177.9)	(152.6)	(145.0)	(169.6)	(193.4)	(165.1)	(179.9)	(168.8)
32 Proceeds from financing	-	-	-	-	-	-	-	-	-
33 Others	-	-	-	(4.2)	-	-	-	-	-
34 Total other financing sources (uses)	(349.0)	(387.7)	(342.0)	(325.6)	(285.0)	(311.5)	(177.9)	(216.0)	(211.5)
35									
36 Excess (deficiency) of revenue and other financing									
37 sources over expenditures/other financing uses	(19.3)	(48.7)	11.0	(68.8)	(152.2)	(104.0)	28.1	(36.7)	(14.8)
38									
39 Fund balance - beginning of year**	121.3	102.0	81.2	414.5	345.7	338.4	139.7	167.8	141.1
40									
41 Fund balance - end of year	\$ 102.0	\$ 53.3	\$ 92.1	\$ 345.7	\$ 193.6	\$ 234.4	\$ 167.8	\$ 131.1	\$ 126.3

* FY03 Budget increased by \$18.8 million total for Call-for-Projects (\$13.8 mil.) and ASI (\$5.0 mil.) per Board-approved budget amendments.

** FY04 beginning of year fund balances primarily include projected FY03 favorable revenue and expenditure variances.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	State Transit Assistance-STA			SAFE			Other			Total		
	FY02 Actual	FY03 Budget*	FY04 Adopted	FY02 Actual	FY03 Budget*	FY04 Adopted	FY02 Actual	FY03 Budget*	FY04 Adopted	FY02 Actual	FY03 Budget*	FY04 Adopted
1												
2	\$ 60.4	\$ 28.2	\$ 28.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380.4	\$ 1,380.9	\$ 1,448.4
3	-	-	-	-	2.5	-	6.2	24.1	16.5	54.0	81.4	\$ 91.7
4	1.1	0.4	0.9	1.2	1.0	1.0	0.1	-	-	24.4	18.9	21.4
5	-	-	-	7.0	6.1	6.1	0.5	-	-	7.5	6.1	6.1
6	-	-	-	-	-	-	-	-	-	3.0	-	-
7	61.5	28.6	29.7	8.2	9.6	7.1	6.8	24.1	16.5	1,469.2	1,487.3	1,567.5
8												
9												
10	3.2	3.7	4.4	0.5	-	-	0.8	18.7	13.7	557.0	722.0	710.3
11	-	-	-	4.7	12.5	10.8	4.8	1.9	5.0	51.9	82.8	75.4
12	-	-	-	0.1	0.9	0.3	0.2	-	0.3	5.7	6.7	5.6
13	3.2	3.7	4.4	5.4	13.4	11.1	5.8	20.6	18.9	614.5	811.5	791.3
14												
15												
16	58.3	24.9	25.3	2.8	(3.7)	(4.0)	1.0	3.5	(2.4)	854.7	675.9	776.2
17												
18												
19												
20	-	-	-	-	-	-	-	-	0.9	5.3	52.2	6.0
21	-	-	-	-	-	-	-	-	-	1.9	1.0	-
22	-	-	-	-	-	-	-	-	1.5	-	-	1.5
23	-	-	-	-	-	-	0.1	1.9	-	0.7	9.5	-
24												
25	-	-	-	-	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	(0.8)	-	-	(1.0)	(52.5)	(0.9)
27	-	-	-	-	-	-	-	-	-	-	(1.0)	-
28	-	-	-	-	-	-	(0.4)	-	-	(39.9)	(44.3)	(42.8)
29	-	-	-	-	-	-	-	-	-	(317.1)	(260.6)	(255.3)
30	(10.9)	(12.8)	(13.6)	-	-	-	-	-	-	(30.5)	(76.5)	(70.1)
31	(27.2)	(7.8)	(16.6)	-	-	-	-	-	-	(507.1)	(535.2)	(531.3)
32	-	-	-	-	-	-	-	-	-	-	-	-
33	-	-	(1.5)	-	-	-	1.5	-	-	(2.6)	-	(1.5)
34	(38.1)	(20.6)	(31.6)	-	-	-	0.5	1.9	2.4	(890.2)	(907.4)	(894.4)
35												
36												
37	20.2	4.3	(6.4)	2.8	(3.7)	(4.0)	1.6	5.4	-	(35.5)	(231.5)	(118.2)
38												
39	19.7	39.8	43.2	24.5	27.4	27.4	3.0	4.5	-	722.7	687.3	631.4
40												
41	\$ 39.8	\$ 44.2	\$ 36.9	\$ 27.4	\$ 23.7	\$ 23.4	\$ 4.5	\$ 9.9	\$ -	\$ 687.3	\$ 455.8	\$ 513.2

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

REGIONAL PROGRAMS

The MTA provides funding directly to projects through grants of local funds or indirectly through allocated federal or state grants. Local funds consist mainly of Proposition A and Proposition C funds which are disbursed by the MTA to agencies based on an approved spending plan. Federal and state grant funds are programmed or allocated by the MTA and disbursed directly by the granting agency or disbursed by MTA to the grantee or

recipient. The recipient agency is responsible for administering and managing the federal or state grant.

The FY04 Budget for local funding commitments to the Call for Projects (CFP) reflects current year cash flow. Funding for all other local programs, including Municipal Operator programs, ASI, Proposition A Incentive, Local Return, and Metrolink, reflects the FY04 programmed amounts.

FY04 Revenue Summary - Regional Programs Budget

(Amounts in thousands)	Municipal Operator Programs	ADA Funding Program	CFP Projects & Programs	Other Local Programs	Commuter Rail & Intercity Rail	Total Subsidy Budget
1 Prop A - Local Return 25%	\$ -	\$ -	\$ 133,743	\$ -	\$ -	\$ 133,743
2 Prop A - Discretionary 95% of 40%	69,914	-	-	-	-	69,914
3 Prop A - Incentive 5% of 40%	-	10,547	-	-	-	10,547
4 Prop C - Local Return 20%	-	-	110,908	-	-	110,908
5 Prop C - Security 5%	4,335	-	-	-	-	4,335
6 Prop C - Commuter Rail 10%	-	-	25,911	-	41,299	67,210
7 Prop C - Streets & Hwys 25%	-	-	69,305	-	-	69,305
8 Prop C - Discretionary 40%	31,211	7,800	1,834	6,050	-	46,895
9 Other	-	47,000	19,624	12,155	-	78,779
10 TDA	73,780	-	21,978	-	-	95,758
11 STA Formula	4,222	-	-	1,500	-	5,722
12 Interest (Prop A, Prop C, TDA, STA)	10,215	7,000	-	-	-	17,215
13 Total	\$ 193,677	\$ 72,347	\$ 383,303	\$ 19,705	\$ 41,299	\$ 710,331

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Regional Subsidy Program Budget Detail

(Amounts in thousands)

Regional Fund Description		FY02 Actual	FY03 Budget*	FY04 Adopted
1	Municipal Operator Programs			
2	Operating funding program	\$ 132,371	\$ 156,258	\$ 161,915
3	Transit Security	4,156	4,246	4,335
4	Bus Service Improvement Program & MOSIP Programs	8,003	18,071	18,634
5	Transit Service Expansion	5,123	5,658	5,747
6	Base bus restructuring	2,706	2,962	3,046
7	Municipal Operator Programs Total	152,359	187,194	193,677
8				
9	ADA/Accessibility Funding Programs			
10	ASI - Access Services, Inc.	51,404	63,601	61,800
11	Proposition A Incentive programs	6,212	9,365	10,547
12	ADA Accessibility Funding Programs Total	57,616	72,966	72,347
13				
14	CFP Projects and Programs			
15	Proposition A and C Local Return	228,240	234,294	244,651
16	Call for Projects	51,127	143,876	118,085
17	TDA Bikeways/Transit/Streets & Hwys Pgms	18,447	21,822	20,567
18	CFP Projects and Programs Total	297,814	399,992	383,303
19				
20	Other Local Programs			
21	Immediate Needs	5,516	5,000	5,000
22	SHORE/General Relief Tokens	794	700	1,050
23	Regional Grantee-FTA	268	18,453	13,655
24	Other Local Programs Total	6,578	24,153	19,705
25				
26	Commuter Rail & Inter-City Rail Programs			
27	Metrolink	42,074	37,619	41,274
28	Intercity Rail	25	25	25
29	Commuter Rail & Intercity Rail Programs	42,099	37,644	41,299
30				
31	Total MTA Funded Programs	\$ 556,466	\$ 721,949	\$ 710,331

* Amended/increased FY03 Budget by \$18.8M total for Call-for-Projects (\$13.8M) and ASI (\$5M). Budget amendments were Board-approved.

REGIONAL PROGRAMS DESCRIPTIONS

Municipal Operator Programs

Municipal Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 40% Discretionary, and Propositions A and C Interest Revenues to sixteen transit service providers in Los Angeles County. These funds are allocated based on formulas prescribed by state law and by the MTA Board of Directors.

In addition, operators receive Proposition C 40% Discretionary funds under five programs approved by the Board of Directors: Foothill Mitigation Program, Transit Service Expansion, Discretionary Bus Restructuring, Bus Service Improvement Plan (BSIP) including Overcrowding Relief, and the Municipal Operator Service Improvement Program (MOSIP).

ADA/Accessibility Funding Programs

MTA contracts with Access Services, Inc., (ASI) to provide complementary paratransit services for persons with disabilities who cannot use fixed route buses and trains, enabling the County's fixed route operators to be fully compliant with ADA requirements. ASI is also the Consolidated Transportation Services Agency (CTSA) for Los Angeles County, responsible for improving mobility options and coordination of specialized transportation.

Paratransit Programs

The Proposition A Discretionary Incentive program provides support to many local jurisdictions within Los Angeles County for the provision of public and private paratransit service.

Call for Projects and Other Transportation Improvement Programs

Propositions A and C Local Return

The Proposition A and Proposition C ordinances require that each of the 88 cities and Los Angeles County receives a direct share, based on population, of the total Proposition A and Proposition C sales tax revenues. Known as "local return", these funds must be used to support transit needs or other transportation related projects including paratransit and fixed route service, street and road maintenance (Prop C only) on streets heavily used by transit, and other transit-related improvements.

Transportation Improvement Program CFP

The Transportation Improvement Program (TIP) CFP is a biennial process for allocating selected local, state, and federal transportation funds to cities in Los Angeles County, Los Angeles County, municipal transit operators, joint power authorities, and other public agencies. After MTA establishes funding estimates, eligible organizations submit project applications for review.

MTA staff, based on a scoring system adopted by the Board of Directors, evaluates the merits of each submittal and develops a priority ranking. The Board of Directors reviews the staff recommendations and adopts a multi-year funding program. After adoption by the Board of Directors, the MTA programs funding based on project cash flow plans and secures written agreements with successful project sponsors.

TDA Article 3 and Article 8

TDA Article 3 funds are allocated to all cities and the unincorporated areas of Los Angeles County based on population. TDA Article 3 funds may be used for pedestrian and bicycle facilities, including retrofitting facilities, to comply with the Americans with Disabilities Act (ADA). TDA Article 8 funds may be used for transit and paratransit.

If the MTA finds that all transit needs in the jurisdiction have been met, funds may be used for the development, construction, and maintenance of local streets and roads. Eligible claimants for TDA Article 8 funds include the cities of Avalon, Lancaster, Palmdale, and Santa Clarita, and the unincorporated areas of Los Angeles County.

Other Local Programs

The MTA provides \$6.1 million in funding for two programs: Immediate Needs and Support for Homeless Re-Entry (SHORE) and General Relief (GR). Immediate needs funds vouchers to Los Angeles residents for transportation purposes. SHORE and the GR Token Program provide tokens for transportation for homeless/indigent persons.

Regional Grantee

The MTA is acting as the grantee for federal funds on a pass-through basis. In FY04, the budgeted amount for pass-through grants is \$13.7 million.

In FY04, participants include Baldwin Park, Bell, Boyle Heights, Burbank, Compton, Covina, Cudahy, El Monte, El Segundo, Glendale, Maywood, Monrovia, Monterey Park, Palmdale, Pasadena, Playa Vista, Redondo Beach, Santa Fe Springs, Sierra Madre, South Pasadena, and West Covina, and the Pasadena Metro Blue Line Construction Authority.

Regional Rail Program

Metrolink is a regional passenger rail system which links downtown Los Angeles to the four surrounding counties and the Antelope Valley. Average passenger trip length is 37 miles. Construction, operation, and maintenance of the Metrolink fleet, right-of-way, and facilities are performed by the Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA). The MTA and the four county members of the JPA provide funding, in combination with passenger fares, state and federal grants, and other operating revenue.

CAPITAL FUND

Fund Narrative

The Capital Fund accounts for projects to improve infrastructure, acquire equipment, and construct new bus and rail transportation facilities. The capital budget is developed concurrently and approved with the operating budget. The Capital Program is discussed in greater detail in Section V.

Revenues

Revenues for the Capital Fund are primarily from intergovernmental grants for infrastructure improvements and equipment acquisition projects (capital projects) and a combination of intergovernmental grants and long-term debt for the major bus and rail projects.

The Capital Fund reflects cost estimates and implementation plans for projects based on agency priorities as established by the Capital Review Committee. Funding is allocated based on plans and schedules to provide resources for project implementation.

Expenditures

The total FY04 Capital Program (CP) is \$682.6 million, of which \$393.8 million has been included for major bus and rail construction and \$288.8 million for other capital projects.

Capital Program expenditures are comprised of direct project costs for the acquisition, expansion, rehabilitation of infrastructure, and capital assets as well as staff necessary for successful design, construction, acquisition, and implementation.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

	Light Rail*			Heavy Rail		
	FY02** Actual	FY03 Budget	FY04 Adopted	FY02** Actual	FY03 Budget	FY04 Adopted
Capital Project Funds						
1 Revenue:						
2 Intergovernmental grants	\$ 31.3	\$ 94.4	147.9	\$ 43.4	\$ 58.1	\$ 18.4
3 Investment income	0.3	-	-	4.0	-	-
4 Other	6.2	-	-	-	-	-
5 Total revenues	37.7	94.4	147.9	47.4	58.1	18.4
6						
7 Expenditures:						
8 Capital program						
9 Bus acquisitions	-	-	-	-	-	-
10 Bus and facilities maintenance	-	-	-	-	-	-
11 Rail vehicle and facilities maintenance	11.5	21.5	22.1	2.6	9.2	9.0
12 Wayside systems	-	9.1	10.7	4.6	-	0.6
13 Transit corridors	26.5	65.7	137.8	-	-	-
14 Major construction	31.3	74.7	69.9	85.3	75.9	51.1
15 Non-revenue vehicles	-	-	4.1	-	-	0.8
16 IT/Communications	-	-	3.0	-	-	1.5
17 Warehouse/Other	-	-	-	-	-	-
18 Total expenditures	69.3	171.0	247.6	92.5	85.1	63.0
19						
20 Excess (deficiency) of revenues over expenditures	(31.6)	(76.6)	(99.7)	(45.1)	(27.0)	(44.6)
21						
22 Other financing sources (uses):						
23 Operating transfers in						
24 Prop A	9.9	29.3	8.2	-	-	0.7
25 Prop C	-	-	-	-	1.9	1.9
26 TDA	-	0.2	2.5	3.9	0.3	0.5
27 STA	1.6	2.8	3.1	0.8	-	0.9
28 Modal Intrafund Transfer	17.8	2.5	40.2	9.4	1.4	-
29 Operating transfers out						
30 Capital Project Fund	(6.0)	(0.9)	-	(34.5)	(12.8)	(68.2)
31 Proceeds from financing	4.9	33.5	61.7	87.8	26.4	34.4
32 Total other financing sources (uses)	28.2	67.4	115.7	67.4	17.3	(29.9)
33						
34 Excess (deficiency) of revenues and other financing						
35 sources over expenditures and other financing uses	(3.3)	(9.2)	16.0	22.3	(9.7)	(74.6)
36						
37 Fund balance - (deficit) beginning of year	(1.5)	(4.8)	(14.0)	81.4	103.7	93.9
38						
39 Fund balance - (deficit) end of year	\$ (4.8)	\$ (14.0)	\$ 2.0	\$ 103.7	\$ 93.9	\$ 19.4

* Note - FY02 CAFR combined BRT in Light Rail category. For FY04 budget presentation, Light Rail & BRT are reported individually.

** Note - Prior periods have been re-classed to current presentations.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	Bus Rapid Transitways			Bus Capital and Other			Total		
	FY02** Actual	FY03 Budget	FY04 Adopted	FY02** Actual	FY03 Budget	FY04 Adopted	FY02** Actual	FY03 Budget	FY04 Adopted
1									
2	\$ 11.1	\$ 70.5	\$ 57.6	\$ 178.8	\$ 139.3	\$ 157.1	\$ 264.6	\$ 362.3	\$ 381.0
3	-	-	-	0.2	-	-	4.40	-	-
4	-	-	-	(0.1)	-	-	6.09	-	-
5	11.1	70.5	57.6	178.8	139.3	157.1	275.1	362.3	381.0
6									
7									
8									
9	-	-	-	132.2	73.7	178.4	132.2	73.7	178.4
10	-	-	-	16.9	43.5	38.2	16.9	43.5	38.2
11	-	-	-	-	-	-	14.1	30.7	31.1
12	-	-	-	-	-	-	4.6	9.1	11.3
13	11.6	70.5	131.3	-	-	-	38.1	136.2	269.1
14	-	-	-	-	25.6	3.7	116.5	176.2	124.7
15	-	-	-	5.4	16.8	3.1	5.4	16.8	8.0
16	-	-	-	11.7	8.0	10.6	11.7	8.0	15.1
17	-	-	-	22.2	15.7	6.6	22.2	15.7	6.6
18	11.6	70.5	131.3	188.4	183.9	240.7	361.8	510.5	682.6
19									
20	(0.5)	-	(73.7)	(9.5)	(44.6)	(83.6)	(86.7)	(148.2)	(301.6)
21									
22									
23									
24	-	-	-	-	-	-	9.9	29.3	8.9
25	-	-	-	0.2	3.1	5.2	0.2	5.0	7.1
26	-	-	-	5.6	28.8	36.0	9.5	29.4	39.0
27	-	-	-	8.5	9.9	9.4	10.9	12.7	13.4
28	-	-	28.0	16.5	9.9	7.6	43.8	13.8	75.8
29									
30	-	-	-	-	-	-	(40.5)	(13.7)	(68.2)
31	-	-	45.7	-	-	-	92.7	59.9	141.8
32	-	-	73.7	30.9	51.8	58.2	126.5	136.5	217.8
33									
34									
35	(0.5)	-	-	21.4	7.2	(25.4)	39.8	(11.7)	(83.8)
36									
37	-	(0.5)	(0.5)	1.0	22.4	29.6	81.0	120.9	109.1
38									
39	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ 22.4	\$ 29.6	\$ 4.2	\$ 120.9	\$ 109.1	\$ 25.3

GENERAL FUND

Fund Narrative

The General Fund includes activities associated with government that are not legally or otherwise required to be accounted for in another fund.

The General Fund provides key compliance and oversight functions, legal services, planning and development programs, and MTA communication activities with constituents and customers.

Revenues

The primary sources of revenue to the General Fund are Proposition A and Proposition C sales tax administration funds, Proposition C Discretionary funds, TDA sales tax administration funds, and Federal, State, and Local grants. MTA also collects rental and lease revenue on owned property and generates revenue from property

management functions provided by the Real Estate Department. Revenues collected from non-recurring sources also are included in the General Fund.

Expenditures

Labor expenditures in the General Fund are for Board support functions, management oversight, and regional activity functions. Professional services budgeted in FY04 include legal services, auditing, lobbyist contracts, transportation studies, and consulting services for transportation planning models. Expenditures associated with property management activities that are not directly attributable to transit operations or construction efforts are also included in the General Fund, as is the Regional Pass Subsidy.

Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004
(Amounts in millions)

General Fund	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Intergovernmental grants	\$ 6.5	\$ 14.4	\$ 4.7
3 Investment income	6.5	1.2	3.8
4 Lease and rental	13.4	10.2	10.1
5 Proceeds from sales and leaseback	27.5	5.0	0.5
6 Other	4.0	2.8	2.9
7 Total revenues	57.9	33.6	22.1
8			
9 Expenditures:			
10 Subsidies	2.9	2.1	1.4
11 Services	31.4	67.7	51.6
12 General and administrative	16.5	13.7	8.0
13 Total expenditures	50.9	83.4	61.0
14			
15 Excess (deficiency) of revenues over expenditures	7.1	(49.8)	(38.9)
16			
17 Other financing sources (uses):			
18 Operating transfers in			
19 Prop A	26.8	26.9	28.3
20 Prop C	7.8	10.7	8.5
21 TDA	5.3	6.7	6.0
22 Other	-	-	-
24 Operating transfers out			
25 Special Revenue Fund	-	(7.6)	(5.1)
27 Capital Project Fund	-	-	(8.1)
28 Enterprise Fund	-	(23.9)	-
29 Other	(1.7)	(1.8)	-
32 Total other financing sources (uses)	38.5	11.1	29.6
33			
34 Excess (deficiency) of revenues and other financing			
35 sources over expenditures and other financing uses	45.6	(38.8)	(9.3)
36			
37 Fund balance - beginning of year *	107.9	153.5	146.3
38			
39 Fund balance - end of year	\$ 153.5	\$ 114.7	\$ 137.0

* FY04 beginning of year fund balances primarily include projected FY03 favorable revenue and expenditure variances.

DEBT FUND

Fund Narrative

The Debt Service Fund accounts for the accumulation and disbursement of resources related to the payment of general long-term debt principal and interest. Debt service related to the Enterprise and BAD funds is budgeted in those funds.

The Debt Policy, adopted by the Board of Directors, sets forth guidelines for the issuance and management of the MTA's debt, sets limitations on the amount of debt that may be incurred from each funding source, and specifies other factors to be considered and documented when issuing debt. Proceeds from this year's commercial paper issuance and any proceeds from long-term bond issuance will be used to fund the required local contribution to major capital projects including bus, rail and highway capital equipment and facilities.

About \$3.9 billion of debt outstanding is accounted for in the MTA Debt Fund as of June 30, 2003. Total MTA debt was \$4.1 billion. The MTA has refunded more than \$2.9 billion of its long-term debt to achieve debt service savings. Those savings exceed \$160 million on a present value basis and \$310 million on a cash basis.

Revenues

Annual revenue budgeted for the payment of debt service consists primarily of local sales tax proceeds from Proposition A and Proposition C. Additional revenue sources include federal grants and other miscellaneous revenue receipts.

Expenditures

Commercial paper will be issued to provide interim funding for capital expenditures prior to the issuance of long-term bonds. If deemed appropriate during the fiscal year, long-term bonds may be issued. Otherwise, long-term bonds are anticipated to be issued in subsequent fiscal periods to retire the commercial paper and provide permanent, long-term financing.

MTA's total FY04 debt service requirement is \$297.1 million; \$274.3 million is included in the Debt Service Fund. The remaining \$22.8 million is budgeted in the Enterprise and the Benefit Assessment Districts funds. Please see the FY04 Debt Service Schedule for further detail.

Debt Limitations/Use Restrictions

MTA issues additional debt consistent with the Board-adopted multi-year Capital Program. Revenues are allocated in accordance with the applicable ordinances, legislation, and planning processes.

Although MTA's bonds are not subject to California constitutional debt limitations, the MTA has contractual covenants as part of its bond indentures that limit the issuance of additional debt. The additional bond covenants restrict the percentage amount of specific revenue sources that may be used to service debt. These covenants provide protection to bondholders by limiting the amount of additional bonds that may be issued.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

MTA has been assigned favorable credit ratings on its bonds as a result of having sound security provisions in the bond indentures, properly managing its finances, and pledging sales tax revenues to repay the bonds. MTA's senior lien sales tax revenue

bonds have been assigned credit ratings of Aa3, AA-, and A+ by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004

(Amounts in millions)

Debt Service Funds	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Intergovernmental grants	\$ 3.3	\$ 2.7	\$ 4.3
3 Investment income	16.8	9.0	15.0
5 Net appreciation (decline) in fair value of investments	3.8	-	-
6 Proceeds on lease/leaseback to service	59.3	-	-
7 Total revenues	83.1	11.7	19.3
8			
9 Expenditures:			
11 Services	10.2	6.1	4.8
14 Debt and interest expenditures	551.8	267.0	269.5
17 Total expenditures	562.0	273.2	274.3
18			
19 Excess (deficiency) of revenues over expenditures	(478.9)	(261.5)	(255.0)
20			
21 Other financing sources (uses):			
22 Operating transfers in			
23 Prop A	143.5	153.6	152.3
24 Prop C	173.5	107.0	103.0
25 Operating transfers out	(0.8)	-	-
26 Proceeds from financing	339.0	-	-
27 Proceeds of refunding bonds	20.8	-	-
28 Payment to refunding bond escrow agent	(21.7)	-	-
29 Total other financing sources (uses)	654.3	260.6	255.3
30			
31 Excess (deficiency) of revenues and other financing			
32 sources over expenditures and other financing uses	175.5	(0.9)	0.3
33			
34 Fund balance - beginning of year	260.5	436.0	435.2
35			
36 Fund balance - end of year	\$ 436.0	\$ 435.2	\$ 435.5

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

MTA FY04 Debt Service Schedule

Budgeted Debt

Transaction Name	Initial PAR Value	Principal Balance As of 6/30/03 (1)	Interim Commercial Paper Financing	Principal Adjustments			Principal Pmt FY04	Principal Bal. as of 6/30/04
				New Money	New Money Financing Cost	Com. Paper Refunding		
1 1991-B Refunding	281,425,000	65,510,000	-	-	-	-	65,510,000	
2 1992-A Refunding	98,700,000	98,700,000	-	-	-	-	98,700,000	
3 1992-B Refunding	107,665,000	15,305,000	-	-	-	15,305,000	-	
4 1993-A Refunding	560,570,000	258,450,000	-	-	-	-	258,450,000	
5 1996-A New Money	110,580,000	12,405,000	-	-	-	2,235,000	10,170,000	
6 1997-A Refunding	256,870,000	231,720,000	-	-	-	3,815,000	227,905,000	
7 1999-A Forward Refunding	160,205,000	160,205,000	-	-	-	5,650,000	154,555,000	
8 1999-B New Money	150,340,000	118,480,000	-	-	-	3,225,000	115,255,000	
9 1999-C Refunding	170,485,000	169,265,000	-	-	-	445,000	168,820,000	
10 2001-A New Money	55,885,000	53,780,000	-	-	-	1,010,000	52,770,000	
11 2001-B Refunding	191,215,000	190,840,000	-	-	-	5,290,000	185,550,000	
12 2003-A Forward Refunding	273,505,000	273,505,000	-	-	-	11,550,000	261,955,000	
13 1990-A Lease Rev. Bnd (CBL)	26,400,000	8,954,000	-	-	-	2,046,000	6,908,000	
14 1990-A Yen Obligation (CBL)	6,600,000	4,506,169	-	-	-	651,539	3,854,630	
15 1993-A CRA Housing	9,454,406	9,276,620	-	-	-	194,542	9,082,078	
16 2002-A CRA Redevelopment Refunding	20,920,000	20,825,000	-	-	-	380,833	20,444,167	
17 1996 Refunding	104,715,000	18,315,000	-	-	-	2,080,000	16,235,000	
18 Tax-Exempt Commercial Paper	350,000,000	187,805,000	107,069,282	-	-	-	294,874,282	
19 Prop A Debt Sub-Total	2,935,344,406	1,897,848,789	107,069,282	-	-	53,877,913	1,951,038,158	
20								
21 1992-A New Money	516,855,000	49,175,000	-	-	-	11,195,000	37,980,000	
22 1993-A Refunding (Swap)	204,095,000	198,845,000	-	-	-	1,010,000	197,835,000	
23 1993-B New Money	312,350,000	168,355,000	-	-	-	-	168,355,000	
24 1995-A New Money	250,000,000	230,410,000	-	-	-	5,585,000	224,825,000	
25 1998-A Refunding	219,710,000	219,710,000	-	-	-	-	219,710,000	
26 1999-A New Money	124,805,000	116,615,000	-	-	-	2,445,000	114,070,000	
27 2000-A New Money	161,995,000	154,200,000	-	-	-	2,830,000	151,370,000	
28 2003-A Refunding	94,840,000	94,840,000	-	-	-	8,570,000	86,270,000	
29 Taxable Commercial Paper	150,000,000	77,609,000	34,384,618	-	-	-	111,993,618	
30 Local Allocation - City of Los Angeles	21,700,000	13,020,000	-	-	-	2,170,000	10,850,000	
31 Prop C Debt Sub-Total	2,056,350,000	1,322,679,000	34,384,618	-	-	33,805,000	1,323,258,618	
32								
33 2000 Breda Lease (Norwest)	71,120,005	57,389,145	-	-	-	2,376,656	55,012,489	
34 2000 Breda Lease (CIBC)	15,240,004	12,197,503	-	-	-	516,310	11,681,193	
35 2000 Breda Lease (Comerica)	96,520,000	77,324,797	-	-	-	3,177,809	74,146,988	
36 2001 Agilent Lease	192,478,570	157,718,417	-	-	-	-	157,718,417	
37 2001 Comerica Lease	83,473,018	83,418,625	-	-	-	3,263,595	80,155,030	
38 2002 Textron Lease	192,481,121	92,714,190	-	-	-	-	92,714,190	
39 Debt Overhead Costs	-	-	-	-	-	-	-	
40 1991-G CSDA COP	19,340,000	875,000	-	-	-	875,000	-	
41 1992-C CTFC COP - Torrance	3,380,000	290,000	-	-	-	290,000	-	
42 Other Debt Sub-Total	674,042,718	481,927,678	-	-	-	10,499,370	471,428,308	
43								
44 1992-A Worker Comp COP	(see below)	(see below)	-	-	-	-	(see below)	
45 2002-A CTFC COP Refunding - RTD	(see below)	(see below)	-	-	-	-	(see below)	
46 Enterprise Fund Sub-Total	-	-	-	-	-	-	-	
47								
48 1992-A Bnft Assmt. Dist. A1	(see below)	(see below)	-	-	-	-	(see below)	
49 1992-A Bnft Assmt. Dist. A2	(see below)	(see below)	-	-	-	-	(see below)	
50 2001-A Bnft Assmt. Dist. A1 Refunding	(see below)	(see below)	-	-	-	-	(see below)	
51 2001-A Bnft Assmt. Dist. A2 Refunding	(see below)	(see below)	-	-	-	-	(see below)	
52 Special Rev. Fund Sub-Total	-	-	-	-	-	-	-	
53								
54 1996-A Refunding (USG)	185,735,000	185,735,000	-	-	-	-	185,735,000	
55 Internal Fund Sub-Total	185,735,000	185,735,000	-	-	-	-	185,735,000	
56								
57 Budgeted Total	5,851,472,124	3,888,188,467	141,453,900	-	-	98,182,283	3,931,460,083	
58								
59 Not Included in Budget Expenditure								
60 1992-A Bnft Assmt. Dist. A1	154,055,000	77,645,000	-	-	-	8,540,000	69,105,000	
61 1992-A Bnft Assmt. Dist. A2	154,055,000	-	-	-	-	-	-	
62 2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	42,230,000	-	-	-	160,000	42,070,000	
63 2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	6,590,000	-	-	-	555,000	6,035,000	
64 1992-A Worker Comp COP	160,000,000	88,900,000	-	-	-	10,500,000	78,400,000	
65 2002-A CTFC COP Refunding - RTD	5,765,000	5,765,000	-	-	-	5,765,000	-	
66 Liability Reduction Total	523,045,000	221,130,000	-	-	-	25,520,000	195,610,000	
67								
68 Total	6,374,517,124	4,109,318,467	141,453,900	-	-	123,702,283	4,127,070,083	

Footnotes

- 1 - Accrual basis. Reflects 7/1/03 principal payment.
- 2 - Capital needs of \$38.2 million for Prop A and \$34.5 million for Prop C will be financed with tax-exempt commercial paper in FY04. An additional \$68.8 million of Prop C capital needs will be financed with taxable commercial paper. The Prop C \$34.5 million will be retired with State funding. No long-term bonds are budgeted for issuance in FY04.
- 3 - A portion of Prop A 40% Discretionary Sales Tax Revenue is pledged to fund debt service for these bonds. The debt service is to be reimbursed from net revenues of the project.
- 4 - Interest expense is calculated using a weighted average of the beginning balance of \$187.8 million plus increases of \$107.1 million during the year using a 4% interest rate.
- 5 - Interest expense is calculated using a weighted average of the beginning balance of \$77.6 million plus increases of \$34.4 million during the year using a 6% interest rate.
- 6 - The MTA previously issued COP's to finance the acquisition of buses and/or facilities that are subleased to other municipal operators. The sublease payments received are equal to the COP payments.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	Principal	Interest	Total D/S P&I	Misc. Fees	Total D/S Expense	Debt Service Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Foot- notes
1	-	4,258,150	4,258,150	15,000	4,273,150	4,273,150	-	-	-	-
2	-	5,783,820	5,783,820	404,177	6,187,997	6,187,997	-	-	-	-
3	15,305,000	918,300	16,223,300	10,000	16,233,300	16,233,300	-	-	-	-
4	-	12,922,500	12,922,500	11,000	12,933,500	12,933,500	-	-	-	-
5	2,235,000	658,740	2,893,740	10,000	2,903,740	2,903,740	-	-	-	-
6	3,815,000	12,631,988	16,446,988	9,500	16,456,488	16,456,488	-	-	-	-
7	5,850,000	8,136,413	13,786,413	9,500	13,795,913	13,795,913	-	-	-	-
8	3,225,000	5,762,699	8,987,699	9,500	8,997,199	8,997,199	-	-	-	-
9	445,000	8,351,198	8,796,198	8,500	8,804,698	8,804,698	-	-	-	-
10	1,010,000	2,546,584	3,556,584	9,500	3,566,084	3,566,084	-	-	-	-
11	5,290,000	9,852,975	15,142,975	9,500	15,152,475	15,152,475	-	-	-	-
12	11,550,000	11,833,531	23,383,531	8,000	23,391,531	23,391,531	-	-	-	-
13	2,046,000	621,456	2,667,456	9,500	2,676,956	2,676,956	-	-	-	-
14	651,539	-	651,539	9,500	661,039	661,039	-	-	-	-
15	194,542	533,589	728,131	5,000	733,131	733,131	-	-	-	3
16	380,833	1,023,233	1,404,066	-	1,404,066	1,404,066	-	-	-	3
17	2,080,000	1,012,306	3,092,306	9,500	3,101,806	3,101,806	-	-	-	-
18	-	9,653,586	9,653,586	1,802,114	11,455,700	11,455,700	-	-	-	2, 4
19	53,877,913	96,501,066	150,378,979	2,349,791	152,728,770	152,728,770	-	-	-	-
20	-	-	-	-	-	-	-	-	-	-
21	11,195,000	3,128,370	14,323,370	10,000	14,333,370	14,333,370	-	-	-	-
22	1,010,000	10,250,480	11,260,480	803,181	12,063,641	12,063,641	-	-	-	-
23	-	8,470,213	8,470,213	8,500	8,478,713	8,478,713	-	-	-	-
24	5,585,000	12,240,540	17,825,540	10,000	17,835,540	17,835,540	-	-	-	-
25	-	11,234,875	11,234,875	8,500	11,243,375	11,243,375	-	-	-	-
26	2,445,000	5,800,438	8,045,438	10,000	8,055,438	8,055,438	-	-	-	-
27	2,830,000	7,891,975	10,721,975	10,000	10,731,975	10,731,975	-	-	-	-
28	8,570,000	4,430,388	13,000,388	5,180	13,005,568	13,005,568	-	-	-	-
29	-	5,688,079	5,688,079	816,948	6,505,027	6,505,027	-	-	-	2.5
30	2,170,000	452,988	2,622,988	-	2,622,988	2,622,988	-	-	-	-
31	33,805,000	69,386,323	103,191,323	1,682,309	104,873,632	104,873,632	-	-	-	-
32	-	-	-	-	-	-	-	-	-	-
33	2,376,656	-	2,376,656	-	2,376,656	2,376,656	-	-	-	-
34	516,310	-	516,310	-	516,310	516,310	-	-	-	-
35	3,177,809	-	3,177,809	-	3,177,809	3,177,809	-	-	-	-
36	-	4,357,572	4,357,572	-	4,357,572	4,357,572	-	-	-	-
37	3,263,595	-	3,263,595	-	3,263,595	3,263,595	-	-	-	-
38	-	1,011,244	1,011,244	-	1,011,244	1,011,244	-	-	-	-
39	-	-	-	748,500	748,500	748,500	-	-	-	-
40	875,000	58,875	931,875	10,000	941,875	941,875	-	-	-	6
41	290,000	17,400	307,400	10,000	317,400	317,400	-	-	-	6
42	10,499,370	5,443,091	15,942,461	768,500	16,710,961	16,710,961	-	-	-	-
43	-	-	-	-	-	-	-	-	-	-
44	-	5,666,500	5,666,500	105,100	5,771,600	-	5,771,600	-	-	7
45	-	230,600	230,600	19,000	249,600	-	249,600	-	-	6, 7
46	-	5,897,100	5,897,100	124,100	6,021,200	-	6,021,200	-	-	-
47	-	-	-	-	-	-	-	-	-	-
48	-	4,082,632	4,082,632	9,000	4,091,632	-	-	-	4,091,632	7,8
49	-	-	-	9,000	9,000	-	-	-	9,000	7,8
50	-	1,629,508	1,629,508	9,500	1,639,008	-	-	-	1,639,008	7,8
51	-	223,755	223,755	6,000	229,755	-	-	-	229,755	7,8
52	-	5,935,895	5,935,895	33,500	5,969,395	-	-	-	5,969,395	-
53	-	-	-	-	-	-	-	-	-	-
54	-	10,739,734	10,739,734	9,500	10,749,234	-	9,500	10,739,734	-	9
55	-	10,739,734	10,739,734	9,500	10,749,234	-	9,500	10,739,734	-	-
56	-	-	-	-	-	-	-	-	-	-
57	98,182,283	183,903,209	282,085,492	4,967,700	287,053,192	274,313,364	6,030,700	10,739,734	5,969,395	-
58	-	-	-	-	-	-	-	-	-	-
59	-	-	-	-	-	-	-	-	-	-
60	8,540,000	-	8,540,000	-	8,540,000	-	-	-	8,540,000	10
61	-	-	-	-	-	-	-	-	-	10
62	160,000	-	160,000	-	160,000	-	-	-	160,000	10
63	555,000	-	555,000	-	555,000	-	-	-	555,000	10
64	10,500,000	-	10,500,000	-	10,500,000	-	10,500,000	-	-	10
65	5,765,000	-	5,765,000	-	5,765,000	-	5,765,000	-	-	10
66	25,520,000	-	25,520,000	-	25,520,000	-	16,265,000	-	9,255,000	10
67	-	-	-	-	-	-	-	-	-	-
68	123,702,283	183,903,209	317,605,492	4,967,700	322,573,192	274,313,364	22,295,700	10,739,734	15,224,365	-

7 - For debt and lease obligations accounted for in the Proprietary Funds, principal payments are treated as reductions to the liability. See the "Not Included in Budget Expenditure" section of this schedule for the principal amounts.
8 - The Benefit Assessment District debt service is solely an obligation of the respective Districts and is paid from assessments levied within each district.
9 - Debt service for the 1996 Union Station Gateway bonds is treated as rent and is reimbursed to the Enterprise Fund through the overhead allocation process.
10 - Only the interest expense is debt. The principal expense has been reprogrammed to be a reduction of liability, which is not a debt expense. The principal expense is found in the section entitled "Not Included in Budget Expenditure".

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank

ADOPTED BUDGET

FY2003 – FY2004

INTRODUCTION

The Capital Program (CP) is a financial plan of proposed capital projects, their costs, and schedules. The CP is designed to meet MTA infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of the MTA and is updated annually. The current year of the Capital Program is authorized with approval of the operating budget; however, life-of-project costs are presented to the Board of Directors to acknowledge that approval of the fiscal year's expenditures provides for multi-year project approval.

The CP provides for the acquisition, construction, reconstruction, initial fixtures and equipment, renovation, rehabilitation, and replacement of facilities with a life expectancy of at least one year and any related costs for land acquisitions, land improvements, design, feasibility studies, engineering studies and engineering. It includes projects which are, or will become, the property of MTA.

Capital projects are planned and executed in phases. The project development phase identifies project requirements and defines the project work scope. This includes preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, and assessment of alternatives.

The design phase includes professional consultant activities, legal and technical documentation, constructibility review, data collection, advertising, assessment of alternatives related to project design, construction management services, and bid reviews.

The property acquisition phase includes the purchase of land, easements, and rights-of-way. This also includes negotiating the purchase price, surveys, appraisals, environmental audits, permitting, legal costs, maps, charts, and other costs.

The construction phase includes project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspection, testing, and permitting.

The MTA's 157 capital projects are grouped in one of the following eleven elements: Bus Acquisition, Bus Facilities Maintenance, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Maintenance, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse Projects, Other Capital Projects, and Major (Bus and Rail) Construction.

Capital Project Impact on Operating Budget

The current and future operating impact of capital projects is analyzed and taken into consideration during the capital review and prioritization process. As capital projects are completed, the operating costs and/or savings associated with the projects, along with any revenue impacts, are factored into operating budget development assumptions and forecasts of future operating expenditures.

The Major Construction projects involve the construction of new transit systems to expand and/or improve MTA's bus and rail services. The impact on operating costs is based on planned service characteristics

including operating environment, ridership demand estimates, and planned service levels.

Infrastructure Improvement and Acquisition projects can be categorized as either scheduled replacement/refurbishment or purchase of new equipment or facilities. Scheduled replacement usually results in savings in materials and labor through the avoidance of excessive maintenance for equipment or facilities that have exceeded their economic life.

However, due to technological enhancements, new environmental, safety, and/or energy efficiency features, or a variety of other factors, new equipment or facilities may result in higher operating costs than the item being replaced. New equipment and facilities are evaluated using industry standards and comparable assets already in service to identify the material and labor cost impacts over the life of the asset.

Based on the criteria noted above, the impact of each capital project on the operating budget was estimated and categorized as one of the following types:

Favorable – The project will either generate revenues to offset expenses or will actually reduce operating costs.

Negligible – The impact will be very small, generating less than \$10,000 per year in increased operating expenses.

Slight – The impact on operating expenses will be between \$10,001 and \$50,000.

Moderate – The impact on operating expenses will be between \$50,001 and \$100,000.

High – The impact on operating expenses will be in excess of \$100,000.

The impact on the operating budget of each capital project is given on the Capital Program Project List which follows later in this section.

Funding

The CP is funded primarily with federal, state and local grants. Additionally, the MTA finances a portion of the capital projects with debt and short term financing.

MAJOR CONSTRUCTION PROJECTS

The \$393.8 million budget for the Major Bus and Rail Construction projects in FY04 focuses on the Eastside Light Rail Transit (LRT) and engineering and construction of the San Fernando Valley Metro Rapidway. The FY04 budget also reflects costs necessary for closeout of claims and litigation related to the Metro Red Line, Blue Line, and Green Line.

Metro Red Line Segment 2

The FY04 budget includes costs necessary for contract closeout, closure of water quality monitoring wells at Barnsdall Park, and settlement of outstanding claims and litigation issues.

Metro Red Line Segment 3

The FY04 Budget includes costs for environmental and final design of the Campo de Cahuenga resource preservation, completion of required documentation for full funding grant agreement close out, claim analysis support, auditing and legal service, and support for remaining contracts close out.

Eastside Light Rail Transit

This extension will connect East Los Angeles with downtown Los Angeles. The corridor will extend from Union Station to the intersection of Beverly and Atlantic Boulevards. The light rail line will operate at-grade for 5.3 miles and through tunnels in Boyle Heights for 1.7 miles.

The FY04 budget includes tunnel and station excavation, installation of station trackwork and systems, utility relocation, real estate acquisition, final design work, award of

tunneling and underground station excavation, and real estate acquisition. It is anticipated that the Federal Transit Administration will award a full funding grant agreement for this project in FY04. Revenue operation is projected to begin in FY09.

San Fernando Valley Metro Rapidway

The Metro Rapidway is an exclusive 14-mile, at-grade busway from the Metro Red Line North Hollywood station to Warner Center via the Burbank/Chandler right-of-way. The full busway project will consist of a 26-foot wide busway, a bikeway, and a landscaped median. It will parallel several major streets and will have thirteen stations spaced approximately one mile apart.

Total travel time for the full length of the corridor will be approximately 30 minutes. Park and Ride facilities at five stations will provide approximately 3,250 parking spaces; there is existing parking at the North Hollywood Metro Red Line Station.

The FY04 budget includes design/build activities, which include submittal reviews, Integrated Project Management Office (IPMO) mobilization, and final design activities.

San Fernando Valley Bikeway

In conjunction with the construction of the San Fernando Valley Metro Rapidway project, a bikeway will be built along the right-of-way. During FY04 the MTA will begin early stages of design/build activities, which will include submittal reviews and final design activities.

Mid-City/Wilshire Bus Rapid Transit

Preliminary engineering will continue during FY04. The Wilshire Boulevard bus corridor improvements are scheduled for implementation beginning in FY05. This project builds on the success of the Metro Rapid Bus Whittier-Wilshire line to provide dedicated lanes for transit vehicles. The project includes larger capacity buses, multiple door boarding and alighting, and pre-payment of fares in station areas.

Mid-City/Exposition Light Rail Transit Project

Preliminary Engineering activities will conclude during FY04. These activities include completing the Final EIR/EIS for FTA review and approval, completing the preliminary engineering effort for the final EIR/EIS process, completing all additional studies and reports to perform the preliminary engineering effort, and initiating closeout of the Korve and DMJM-Harris Contracts.

INFRASTRUCTURE IMPROVEMENT AND ACQUISITION CAPITAL PROJECTS

The infrastructure improvement and acquisition projects are sorted by the following elements: Bus Acquisition, Bus Facilities Maintenance, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Maintenance, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse Projects, and Other Capital Projects.

Bus Acquisitions

The FY04 Bus Acquisition budget is \$178.4 million. The accelerated bus procurement plan is on schedule to be completed in FY04. For FY04, MTA will receive a portion of the 30 high-capacity bus order. Other FY04 expenditures in this element are primarily for bus system improvements such as the Universal Fare System (UFS), the Advanced Transportation Management System (ATMS), and progress payments for the procurement of 70 high-capacity buses and 200 articulated buses.

Bus Facilities Maintenance

The FY04 Bus Facilities Maintenance budget is \$29.4 million. Bus Facilities Maintenance projects include construction work at bus divisions to replace and refurbish equipment and facilities, continuing CNG fueling facility lease payments, expansion of buildings and facilities, and storage tank replacement and soil remediation.

Bus Maintenance

The Bus Maintenance projects budget is \$8.9 million. Projects in this category

include refurbishing and performing mid-life rebuilds of buses.

Rail Facilities Maintenance

The FY04 Rail Facilities Maintenance budget is \$24.7 million. This covers facility expansion projects, safety improvements, radio system upgrades, and support equipment.

Rail Vehicle Maintenance

The FY04 Rail Vehicle Maintenance budget is \$6.5 million. The Rail Vehicle Maintenance projects include ADA-approved between-car barriers for Red Line cars, the mid-life overhaul program for light rail vehicles, and retrofit of brake components on Breda rail cars.

Wayside Systems

The FY04 Wayside Systems budget is \$11.3 million. This includes funds for upgrading of stations and operating facilities, station and tunnel water mitigation, and maintenance and refurbishment of traction power, signals, facilities and track.

IT/Communications

The FY04 IT/Communications budget is \$16.0 million. IT/Communications projects support development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include upgrade of human resources and payroll systems, division network construction, and implementation of the Maintenance and Material Management System (M3).

Non-Revenue Vehicles

The FY04 budget for Non-Revenue Vehicles is \$8.0 million. This element includes purchase of replacement and expansion vehicles to support bus and rail operations and general MTA functions.

Warehouse Projects

The FY04 budget for Warehouse Projects is \$2.0 million. This includes upgrading materials handling systems, installation of security cameras at bus divisions, and

acquiring equipment for PGL Midway Warehouse.

Other Capital Projects

The FY04 budget for Other Projects is \$3.6 million. Other capital projects include upgraded equipment for the Gateway building and equipment for the Metro Rapid Bus program.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

CAPITAL PROGRAM PROJECT LIST

(Amounts in thousands)		Operating Budget Impact	Inception to FY02	FY03 Forecast	FY04 Adopted	FY05 and Beyond	Life of -Project	New
Project Title	CP#							
1 Bus Acquisition								
2	Universal Fare Collection System	2100014	Favorable	\$ 5,693	\$ 15,443	\$ 65,884	\$ 15,889	\$ 102,909
3	Advanced Transportation Management System (ATMS)	2100015	High	4,896	40,150	59,106	4,484	108,636
4	Contract Services - Bus Lease Program	2101021	Negligible	8,864	7,324	8,449	28,908	53,545
5	370 Bus Buy	2101024	Favorable	123,204	757	372	-	124,333
6	Option 1, 70 QTY 45' NABI Compo 45 Seat Buses	2101027	Negligible	-	-	12,172	20,271	32,443
7	200 CNG Articulated Bus Purchase Base Order OP33200646	2102001	Favorable	-	-	14,219	127,800	142,019
8	FY 03 30 Qty 45' NABI Compo 45 Seat Buses	2102003	Favorable	106	246	15,455	-	15,807
9	Lease-Purchase of Shuttle Buses	2105007	Negligible	-	2,125	228	685	3,038
10	ATV Bus Purchase (Hybrid Vehicles)	2105008	Negligible	-	-	2,548	4,020	6,568
11 Bus Acquisition Total				142,763	66,045	178,433	202,057	589,298
12								
13 Bus Facilities Maintenance								
14	Replace Regional Rebuild Center Shop Equipment	2200044	Negligible	647	60	300	997	N/A
15	Div. 1 CNG Fueling Facility Lease	2300069	Moderate	1,400	1,212	1,216	3,429	7,257
16	Bus Division Maintenance Equip.	2303006	Negligible	3,167	242	-	3,311	N/A
17	Replace Bus Div. Emerg. Generators	2303008	Negligible	80	118	20	232	N/A
18	Vacuum System Upgrade and Replacement Program	2303010	Negligible	334	337	-	1,069	N/A
19	RRC General Building Modifications	2303043	Negligible	-	205	79	-	284
20	Div. 5 CNG Fueling Facility Lease	2303113	Moderate	3,086	1,093	868	1,811	6,858
21	Div. 7 CNG Fueling Facility Lease	2303114	Moderate	2,412	1,115	931	2,230	6,688
22	Div. 2 CNG Fueling Facility Lease/Purchase	2303115	Moderate	240	455	493	3,901	5,089
23	Div. 9 CNG Fueling Facility Lease/Purchase	2303121	Moderate	152	525	454	3,343	4,474
24	Div. 15 CNG Fueling Facility Lease/Purchase	2303123	Moderate	64	437	477	3,746	4,724
25	In-Ground Bus Hoist Replacement	2304004	Negligible	176	70	2,142	3,903	6,291
26	Div. 3 CNG Fueling Facility Expansion Lease/Purchase	2304007	Moderate	1	454	430	3,639	4,524
27	Div. 8 CNG Fueling Facility Expansion Lease/Purchase	2304008	Moderate	-	454	717	6,219	7,390
28	Upgrade Underground Storage Tanks and Remediate Soil	2304022	Negligible	3,771	586	7,391	-	11,748

Bus Facilities Maintenance Continued Next Page

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Capital Program Project List, cont'd

(Amounts in thousands)		Operating Budget Impact	Inception		FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#		to FY02	FY03 Forecast				
29 Bus Facilities Maintenance Continued								
30	Permanent Restroom Facilities at Selected Locations.	2305008	Slight	\$ -	\$ 42	\$ 200	\$ 884	\$ 1,126
31	Bus Facilities Projects	2305017	Slight	-	471	10,079	14,586	N/A
32	Div. 9 Shop Renovation & Expansion	2305018	Negligible	-	65	999	5,735	6,799
33	Repave LAX & Other Terminals	2305019	Negligible	-	16	921	-	937
34	Temple & Beaudry Layover Facility	2305020	Negligible	-	-	-	1,735	1,735
35	Div. 7 Facility Improvements	2305021	Negligible	-	46	301	3,230	3,577
36	Div. 2 Maintenance Building Modernization	2305022	Negligible	-	16	198	1,364	1,578
37	Division 6 Soundwall	2305023	Negligible	-	104	700	-	804
38	LAX Terminal Improvements	2305024	Negligible	-	6	-	354	360
39	El Monte Transit Station Enhancements	2305025	Slight	-	2	-	112	114
40	HVAC Replacement Program All Divisions	2305043	Slight	-	-	-	960	N/A *
41	Articulated Bus Facility Modifications	2305068	Slight	-	-	-	2,485	2,485 *
42	Division 1 Expansion	2305072	Moderate	-	-	471	7,029	7,500
43	Div. 10 CNG Fueling Facility Lease	2305080	Moderate	-	-	-	10,795	10,795 *
44	Div. 18 CNG Fueling Facility Lease	2305081	Moderate	-	-	-	10,795	10,795 *
45 Bus Facilities Maintenance Total				15,530	8,131	29,387	97,894	113,932
46								
47 Bus Maintenance								
48	Bus Rebuild and Refurbishment Project	2203000	Negligible	769	519	205	-	1,493
49	Bus Midlife Program	2205018	Favorable	-	-	8,645	37,929	N/A *
50 Bus Maintenance Total				769	519	8,850	37,929	1,493
51								
52 Rail Facilities Maintenance								
53	Wheel Boring Machine	2303094	Negligible	-	66	21	-	87
54	Install 14 Elevators at 7 MRL Stations	2305041	High	-	-	-	6,933	6,933 *
55	Division 20 Expansion	3106006	Moderate	-	-	742	-	742 *
56	Metro Red Line Car Barriers	3205000	Favorable	65	20	7	-	92
57	Upgrade Facilities and Appurtenances to ADA Compliance	3205001	Slight	127	13	91	-	231

Rail Facilities Maintenance Continued Next Page

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

(Amounts in thousands)		Operating Budget Impact	Inception		FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#		to FY02	FY03 Forecast				
58 Rail Facilities Maintenance Continued								
59	Fiber Optic Rail Communication System	3205004	Negligible	\$ 117	\$ 333	\$ 782	\$ 1,636	\$ 2,868
60	Light Rail Radio System and Consoles	3205005	Negligible	280	819	960	-	2,059
61	Grout MRL Station & Tunnel Water Leaks	3205007	Negligible	633	714	390	815	N/A
62	ROC Reconfiguration	3205023	Negligible	323	225	-	4,805	5,353
63	MGL Elevator and Escalator Sumps and Clarifiers	3205036	Slight	466	19	236	-	721
64	SCADA Equipment Replacement	3205045	Slight	1,090	2,115	3,636	3,672	10,513
65	MRL Segment 1 Drainage Improvements	3205068	Slight	166	57	-	833	1,056
66	MRL Station Canopies	3205075	Slight	9	85	-	3,929	4,023
67	Enhanced MRL Station Signage	3205131	Slight	51	104	92	-	247
68	Install Outside Paving at Division 20 Red Line Maintenance Warehouse	3205136	Negligible	-	15	101	-	116
69	Division 22 Expansion Program	3205145	Moderate	83	20	1,545	-	1,648
70	Division 11 Expansion Program	3205146	Moderate	93	270	2,127	2,849	5,339
71	Division 11 Catwalk	3206004	Negligible	58	28	153	-	239
72	MRL Uninterruptable Power Supply Replacement Project	3206020	Slight	633	3,853	157	-	4,643
73	Homeland Security Improvements	3207014	Negligible	-	-	2,436	4,036	6,472
74	Rail Communications Systems Upgrade	3207016	Negligible	-	74	1,155	1,106	2,335
75	Rail Station Flooring Replacement	3207034	Negligible	-	-	107	-	107
76	MBL Long Beach Transit Mall Station Redesign	3207036	Slight	-	8	-	1,525	1,533
77	Rail Facilities Maintenance Projects	3207043	Slight	-	2,382	6,814	20,453	N/A
78	Signage, Wayfinding, and Transit Service Information	3207047	Favorable	-	-	-	560	560 *
79	MRL Emergency Under-Platform and Exhaust Fans Sound Attn. Mod.	3207054	Slight	-	-	-	413	413 *
80	Rail Systemwide Safety Improvements	3207057	Favorable	-	-	251	1,211	1,462 *
81	Seg.-1 Remote Terminal Unit (RTU) Upgrade	3308009	Slight	-	127	1,708	852	2,687
82	Metro Blue & Green Lines Custodial Operations Facility	3308010	Moderate	-	447	697	26	1,170
83	Completion of Metro Blue Line Art Program	3907262	Slight	75	139	160	582	956
84	Completion of Metro Red Line Art Program	3908025	Slight	-	456	269	-	725
85	Completion of Metro Green Line Art Program	3908027	Slight	-	133	37	-	170
86 Rail Facilities Maintenance Total				4,269	12,522	24,674	56,236	65,500

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Capital Program Project List, cont'd

(Amounts in thousands)		Operating Budget Impact	Inception to FY02	FY03 Forecast	FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#							
87 Rail Vehicle Maintenance								
88	Mid-Life Overhaul Program for Rail Vehicles	3106001	Favorable	\$ -	\$ 2,574	\$ 2,174	\$ 11,602	N/A
89	ADA Between Car Barrier - Metro Red Line	3106003	Slight	-	880	2,077	-	2,957
90	Metro Green Line Vehicle Midlife Overhaul	3106007	Favorable	-	-	-	8,198	N/A *
91	Metro Red Line Vehicle Midlife Overhaul	3106008	Favorable	-	-	-	12,066	N/A *
92	Breda Rail Car Brake Retrofit	3106009	Favorable	-	-	2,200	2,112	4,312 *
93 Rail Vehicle Maintenance Total				-	3,454	6,451	33,978	7,269
94								
95 Wayside Systems								
96	MBL Grade Crossing Improvements	3300001	Slight	1,053	837	749	1,238	3,877
97	Wayside Systems Tools and Equipment	3300002	Negligible	181	57	462	2,035	N/A
98	OCS - Overhead Catenary Upgrade/Refurbishment	3300004	Slight	1,273	579	930	1,246	N/A
99	Wayside Systems Battery Replacement/Refurbishment	3300006	Slight	1,361	276	662	1,220	N/A
100	Crossing Gate Equipment Replacement	3300009	Moderate	117	280	154	-	551
101	Construct Division 22 Blow-Down Pit and Building Enclosure	3306008	Slight	363	-	689	694	1,746
102	MBL Expanded Photo Enforcement Program in Los	3306014	Favorable	556	212	246	110	1,124
103	MBL Long Beach Photo Enforcement Program	3306015	Favorable	-	9	96	466	571
104	MBL Four Quadrant Gate Program Expansion	3306017	Favorable	229	1,763	2,002	1,655	5,649
105	MBL Fiber Optic "TRAIN" Sign Program in Long Beach	3306018	Slight	510	270	795	-	1,575
106	LR Train Tracking Improvements	3308001	Negligible	-	80	626	-	706
107	Mobile Rail Safety Educational Program	3308003	Favorable	-	523	501	500	1,524
108	Core Capacity Enhancements to the Metro Blue Line	3308005	Slight	-	244	741	5,073	6,058
109	Wayside Systems Projects	3308012	Slight	-	296	2,646	11,068	N/A
110	Rail Security Enhancements	3308014	Moderate	-	-	-	555	555
111 Wayside Systems Total				5,643	5,426	11,299	25,860	23,936

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

(Amounts in thousands)		Operating Budget Impact	Inception to FY02	FY03 Forecast	FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#							
112 IT/Communications								
113	HR/Payroll System Upgrades	3900061	Negligible	\$ 1,106	\$ 266	\$ 136	\$ -	\$ 1,508
114	Application Enhancement / Replacement	3900095	Negligible	1,769	281	397	581	N/A
115	Maintenance and Material Management System Replacement	3907054	Favorable	2,215	9,785	11,873	133	24,006
116	Central Instruction Independent Learning System	3907078	Negligible	86	3	500	-	589
117	Workstation and Network Technology Refresh Program	3907082	Negligible	3,508	320	-	2,397	N/A
118	Division Network Construction Project (DNCP)	3907244	Slight	5,871	6,200	2,170	-	14,241
119	MTA Financial Systems and Procurement Systems Upgrade	7000014	Negligible	-	-	-	421	421 *
120	Upgrade of the Customer Information System (CIS)	7000016	Negligible	-	-	956	-	956 *
121	Telecommunications Infrastructure Project (TIP)	7000021	Slight	-	-	-	13,804	13,804 *
122 IT/Communications Total				14,555	16,855	16,032	17,336	55,525
123								
124 Non-Revenue Vehicles								
125	Pasadena Gold Line - Wayside Systems Vehicles	3308011	Moderate	-	283	3,127	-	3,410
126	Replace Non-Rev -- Veh Pickup Trucks	3907254	Favorable	1,495	192	374	-	2,061
127	Replace Non-Rev Veh--Tow Trucks	3907258	Favorable	74	111	29	-	214
128	Replace Non-Rev Veh--Large Utility Veh	3907260	Favorable	308	-	29	-	337
129	Bus System Support Replacement Non-Revenue Vehicles	3908038	Favorable	-	4,273	2,560	10,360	N/A
130	Bus System Expansion Non Revenue Vehicles	5000005	Moderate	-	-	-	610	N/A *
131	Rail Support Replacement Non Revenue Vehicles	5000006	Favorable	-	-	534	11,877	N/A *
132	Rail Support Expansion Non Revenue Vehicles	5000007	High	-	-	1,356	885	N/A *
133 Non-Revenue Vehicles Total				1,877	4,859	8,009	23,732	6,022
134								
135 Warehouse								
136	Replace ASRS Automatic Guideway Vehicles	2303072	Negligible	10	23	26	-	59
137	Upgrade Miniloam System	2304011	Negligible	7	6	416	-	429
138	PGL Midway Warehouse - Equipment and Storage	3105000	Favorable	-	249	773	-	1,022
139	New Storage Building for Division 20	3105001	Moderate	-	1	97	-	98

Warehouse Continued Next Page

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Capital Program Project List, cont'd

(Amounts in thousands)		Operating Budget Impact	Inception to FY02	FY03 Forecast	FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#							
140 Warehouse Continued								
141	New Storage Building for Division 22 Warehouse	3105002	Moderate	\$ -	\$ -	\$ -	\$ 494	\$ 494
142	Storage Building - Division 11	3205009	Slight	40	260	75	-	375
143	Covered Awning for Division 11	3205015	Negligible	-	5	106	-	111
144	Covered Awning for Division 22	3205085	Negligible	-	-	98	48	146
145	Automate Bulk Storage Area	3907062	Negligible	-	-	-	569	569
146	Security Cameras for Divisions 11, 20, 22, 61	3907201	Favorable	31	33	309	-	373
147	Increase Pallet Racking for Division 22 Green Line	3907215	Slight	-	-	37	-	37
148	Dock Leveler for RRC	3908034	Negligible	4	-	94	-	98
149	Vertical Carousel Additional - Division 11	3908046	Negligible	-	83	9	-	92
150	Purchase EZ Tilter.	3909063	Slight	-	-	-	152	152 *
151	Purchase Awning for Division 9	3909064	Slight	-	-	-	85	85 *
152	New Pallet Racking Replacement for Bus Divisions	3909078	Slight	-	-	-	100	100 *
153	Verticle Carousel Midway Yard	3909083	Slight	-	-	-	209	209 *
154	New Restroom at Regional Rebuild Center	6000002	Slight	-	-	-	197	197 *
155 Warehouse Total				92	660	2,040	1,854	4,646
156								
157 Other Capital Projects								
158	New Cash Room Facility	2303060	Negligible	187	147	-	4,246	4,580
159	Metro Rapid Program	2304015	Favorable	2,803	4,591	469	440	8,303
160	Gateway Headquarters Improvement Projects	3908044	Slight	1,615	46	1,262	-	2,923
161	Rapid Bus Art Program	3909052	Negligible	-	304	311	-	615
162	Capital Administration Support	3909053	Negligible	417	589	282	1,385	N/A
163	BIAS Replacement System	3909059	Negligible	-	-	-	1,257	1,257 *
164	Replace Two Color Printing Press	3909060	Favorable	-	-	-	732	732 *
165	Building Services Pool Project	3909092	Slight	-	-	-	333	N/A *
166	Gibson Environmental Clean-up	3909103	Negligible	-	-	517	2,213	2,730 *
167	Transit Plaza East Portal Improvements	3909106	Negligible	-	-	800	-	800 *
168 Other Capital Projects Total				5,022	5,677	3,641	10,606	21,940
169								
170 Subtotal for Capital Program				190,520	124,148	288,816	507,482	889,561

N/A: Not applicable, as projects are of a recurring nature.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

(Amounts in thousands)		Operating Budget Impact	Inception to FY02	FY03 Forecast	FY04 Adopted	FY05 and Beyond	Life of Project	New
Project Title	CP#							
171 Major Construction								
172	Red Line Segment 3 North Hollywood (800082)	4002010	High	\$ 1,284,804	\$ 8,178	\$ 20,109	\$ 758	\$ 1,313,849
173	Green Line (800023)	4002012	High	693,595	3,171	9,672	5,864	712,302
174	L.A. Rail Car (800150)	4002013	High	180,195	25,000	8,230	1,870	215,295
175	Blue Line LA/LB (800001)	4002015	High	863,557	100	369	-	864,026
176	Pasadena Line (800005)	4002016	High	239,770	10,002	1,723	-	251,495
177	Imperial Grade Separation (800020)	4002017	Moderate	3,820	162	19	-	4,001
178	Red Line Segment 1 (800080)	4002019	High	1,438,592	776	461	410	1,440,239
179	Red Line Segment 2 (800081)*	4002020	High	1,755,674	14,493	24,113	1,513	1,795,793
180	Mid- City Extension - Deferred (800083)	4002021	High	14,284	146	190	128	14,748
181	Eastside Extension Project - Deferred (800084)	4002022	Favorable	134,657	1,899	2,757	-	139,313
182	Light Rail Vehicle Fleet Enhancement (800151)**	4005002	High	210	800	39,978	111,708	152,696
183	San Fernando Corridor N/S	4005004	High	-	-	-	20,000	20,000
184	Mid-City/Wilshire Transit Corridor (800111)	4005005	High	3,907	2,098	17,223	140,272	163,500
185	Eastside LRT (800088)	4005006	High	29,013	42,156	129,256	679,975	880,400
186	SFV Metro Rapidway (800112)	4005007	High	9,350	39,400	113,104	167,646	329,500
187	Mid-City/Exposition Transit Corridor (800113)	4005008	High	2	2,212	8,561	225	11,000
188	PGL Startup (800007)	4005009	High	85	5,123	11,777	-	16,985
189	SFV East-West Bikeway Project (800114)	4005013	Moderate	-	500	3,712	3,888	8,100 *
190	Universal City Station Site Enhancement (800115)	4005014	Slight	-	1,000	2,523	-	3,523 *
191	Major Construction Total			6,651,515	157,216	393,777	1,134,257	8,336,765
192								
193	Capital Program Grand Total			6,842,035	281,364	682,593	1,641,739	9,226,326

* CP 4002020: The approved life of project budget for this project is \$1,738,771,000. The current project forecast is \$57,022,000 over the approved project budget due to ongoing litigation. The final project cost will be presented to the Board of Directors prior to project close-out.

** CP 4005002: The approved life of project budget for purchase of P2550 rail cars is \$191,000,000. \$38,303,897 of this cost is reflected in the Eastside Extension project.

N/A: Not applicable, as projects are of a recurring nature.

Operating Budget Impact:

Favorable - The project will either generate some revenues to offset expenses or will actually reduce operating costs.

Negligible - The impact will be very small, generating less than \$10,000 per year in increased operating expenses.

Slight - The impact on operating expenses will be between \$10,001 and \$50,000.

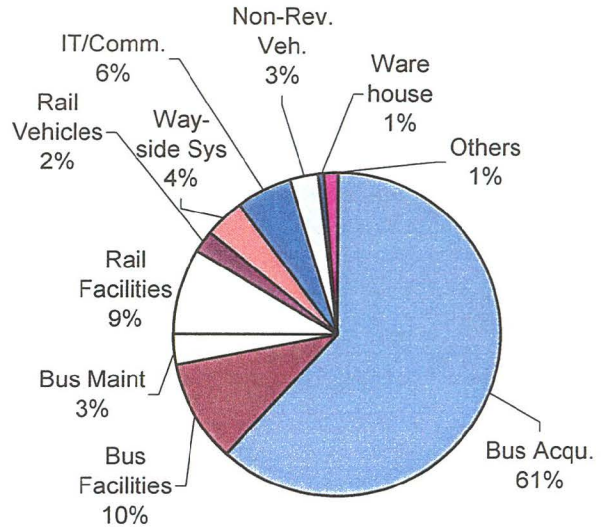
Moderate - The impact on operating expenses will be between \$50,001 and \$100,000.

High - The impact on operating expenses will be in excess of \$100,000.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

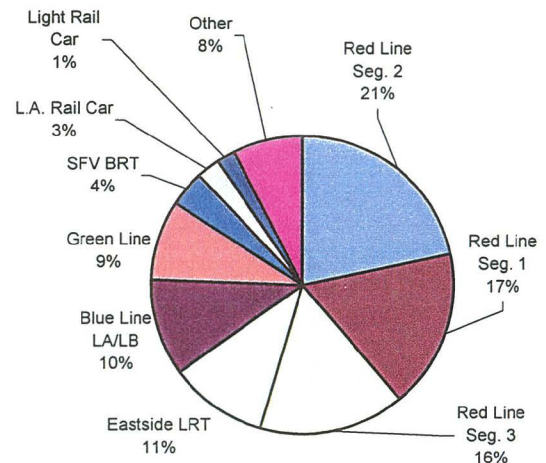
Capital Programs - Excluding Major Construction

	Element (Amounts in Thousands)	FY 04 Adopted Budget
1	Bus Acquisition	\$178,433
2	Bus Facilities Maintenance	29,387
3	Bus Maintenance	8,850
4	Rail Facilities Maintenance	24,674
5	Rail Vehicle Maintenance	6,451
6	Wayside Systems	11,299
7	IT/Communications	16,032
8	Non-Revenue Vehicles	8,009
9	Warehouse	2,040
10	Other Capital Projects	3,641
11	Capital Program Total	\$288,816



Major Construction

	Project (Amounts in Thousands)	Total Life of Project Budget
12	Red Line Seg. 2	\$1,795,793
13	Red Line Seg. 1	1,440,239
14	Red Line Seg. 3	1,313,849
15	Eastside LRT	880,400
16	Blue Line LA/LB	864,026
17	Green Line	712,302
18	SFV BRT	329,500
19	L.A. Rail Car	215,295
20	Light Rail Cars	152,696
21	Others	632,665
22	Major Construction Total	\$8,336,765



ADOPTED BUDGET

FY2003 – FY2004

OFFICE OF THE CLERK

MTA SUMMARY DESCRIPTION

The MTA is the principal planner, builder, and operator of public transportation services and infrastructure improvements in Los Angeles County. The MTA is organized along seven Strategic Business Units (SBU): Metro Operations, Countywide Planning & Development, Construction Project Management, Communications, Support Services, Chief of Staff, and Board of Directors.

Metro Operations manages all aspects of MTA Metro Bus and Rail service. Countywide Planning & Development is responsible for programming and administering Federal, state and local transportation funds, preparing the Transportation Improvement Plan (TIP), and planning and coordinating regional transportation services and infrastructure improvements throughout Los Angeles County. Construction Project Management is responsible for providing the engineering

and construction oversight for major construction projects and MTA facilities improvements. Communications is responsible for the strategic evaluation, development, and implementation of agency-wide marketing and communications programs. Support Services provides essential financial and administrative support to the entire organization. The Chief of Staff coordinates and oversees key programs and provides support to the CEO. The Board of Directors establishes MTA policies and approves appropriations. The Board also manages or supervises Board Meetings and Board Committee Meetings, ethics and lobby registration programs, and legal counsel.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Summary of FY04 Budgeted FTEs By Department

	FY02 Adopted FTEs	FY03 Adopted FTEs	FY04 Adopted FTEs	Change from FY03 Adopted
1 Metro Operations				
2 Metro Rail	746	1,056	1,108	52
3 San Fernando Valley Service Sector	1,017	1,002	1,026	24
4 San Gabriel Valley Service Sector	941	983	960	(23)
5 Gateway Cities Service Sector	821	819	844	25
6 South Bay Service Sector	1,226	1,258	1,251	(7)
7 West Side/Central Service Sector	1,255	1,304	1,377	73
8 Contracted Bus Services	4	3	6	3
9 Bus Operations Control	104	81	73	(8)
10 Central Maintenance	475	422	369	(53)
11 Vehicle Technology	51	38	38	-
12 New Technology & Systems Implementation	24	6	16	10
13 Service Development	109	138	105	(33)
14 Operations Central Instruction	97	109	110	1
15 Facilities	327	232	158	(74)
16 Law Enforcement & Security	104	101	99	(2)
17 Safety	30	21	15	(6)
18 Freeway Services	11	8	9	1
19 Executive Office, Metro Operations	2	10	8	(2)
20 Metro Operations Total	7,344	7,591	7,572	(19)
21				
22 Countywide Planning & Development				
23 Transportation Dev & Implementation	66	65	62	(3)
24 Programming & Policy Analysis	32	35	35	-
25 Long Range Planning & Coordination	42	30	29	(1)
26 Executive Office, Reg Transp Plan & Dev	4	4	4	-
27 Countywide Planning & Development Total	144	134	130	(4)
28				
29 Construction Project Management				
30 Construction	22	22	34	12
31 Program Management	34	35	38	3
32 Engineering	76	76	28	(48)
33 Quality Management	16	14	14	-
34 Construction Safety	-	4	7	3
35 Executive Office, Construction Project Mgmt	5	5	14	9
36 Construction Project Management Total	153	156	135	(21)
37				
38 Communications				
39 Customer Relations	129	121	118	(3)
40 Customer & Vendor Services	38	43	43	-
41 Creative Services	14	20	18	(2)
42 Employer Programs	-	15	13	(2)
43 Marketing & Advertising	13	7	8	1
44 Public Relations	7	7	8	1
45 Communication Services	-	6	7	1
46 Program & Service Development	-	-	4	4
47 Signage & Distribution	-	-	2	2
48 Executive Office, Communications	-	8	6	(2)
49 Communications Total	201	227	227	-

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

	FY02 Adopted FTEs	FY03 Adopted FTEs	FY04 Adopted FTEs	Change from FY03 Adopted
50 Support Services - Finance				
51 Accounting	82	84	83	(1)
52 Treasury	61	65	62	(3)
53 Office of Management & Budget	25	24	22	(2)
54 Executive Office, Finance	3	3	3	-
55 Office of the CFO	2	2	2	-
56 Support Services - Finance Total	173	178	172	(6)
57				
58 Support Services - ITS				
59 Information Technology Services	166	164	153	(11)
60 Support Services - ITS Total	166	164	153	(11)
61				
62 Support Services - Management Audit Services				
63 Management Audit Services	72	68	55	(13)
64 Support Services - Management Audit Services Total	72	68	55	(13)
65				
66 Support Services - Procurement & Material Mgmt				
67 Materiel	203	163	151	(12)
68 Contracts-Construction	53	53	45	(8)
69 Contracts-Professional Services	30	30	33	3
70 Contract Support & Client Services	21	18	18	-
71 Executive Office, Procurement & Material Mgmt	7	7	11	4
72 Support Services - Procurement & Material Mgmt Total	314	271	258	(13)
73				
74 Support Services - Risk Management				
75 Risk Management	20	58	41	(17)
76 Support Services - Risk Management Total	20	58	41	(17)
77				
78 Chief of Staff				
79 Administration	201	183	183	-
80 Diversity & Economic Opportunity	24	25	25	-
81 Community Relations	8	25	24	(1)
82 Labor/Employee Relations	19	21	22	1
83 Government & Board Relations	13	15	14	(1)
84 Policy, Research & Library Services	-	6	6	-
85 Executive Office, Chief of Staff	11	11	12	1
86 Chief of Staff Total	276	286	286	-
87				
88 Board of Directors				
89 Inspector General	42	32	32	-
90 Office of Board Secretary	9	9	9	-
91 Ethics Office	6	6	6	-
92 County Counsel	4	5	5	-
93 Chief Executive Office	1	1	1	-
94 Board of Directors Total	62	53	53	-
95				
96 Authority Total	8,925	9,186	9,082	(104)

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

MTA Summary Expenditure Budget

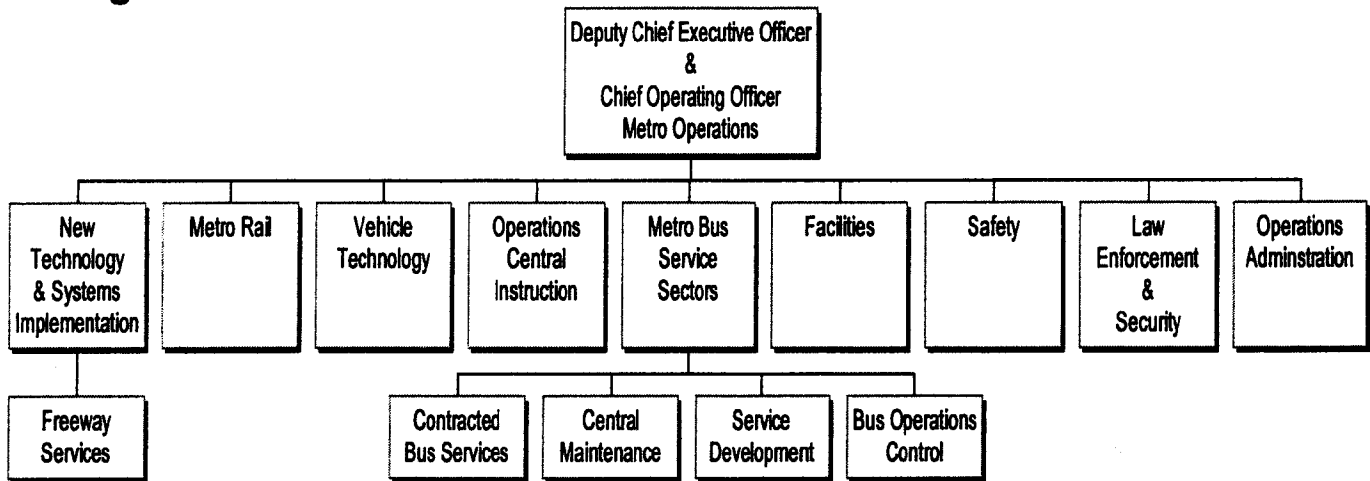
FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Metro Operations	7,344	7,591	7,572
2 Countywide Planning & Development	144	134	130
3 Construction Project Management	153	156	135
4 Communications	201	227	227
5 Support Services - Finance	173	178	172
6 Support Services - ITS	166	164	153
7 Support Services - Management Audit Services	72	68	55
8 Support Services - Office of Procurement & Material Management	314	271	258
9 Support Services - Risk Management	20	58	41
10 Chief of Staff	276	286	286
12 Board of Directors	62	53	53
13 Authority Total	8,925	9,186	9,082

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
14 Metro Operations	\$ 937,191	\$ 1,009,945	\$ 1,091,644
15 Countywide Planning & Development	619,224	797,952	757,570
16 Construction Project Management	102,774	235,679	374,551
17 Communications	14,008	33,663	31,427
18 Support Services - Finance	844,019	327,148	324,254
19 Support Services - ITS	34,841	33,231	34,263
20 Support Services - Management Audit Services	11,609	11,046	8,019
21 Support Services - Office of Procurement & Material Management	30,053	31,760	26,597
22 Support Services - Risk Management	41,681	43,617	43,162
23 Chief of Staff	39,914	53,555	48,958
24 Board of Directors	36,106	39,623	17,957
25 Authority Total	\$ 2,711,420	\$ 2,617,219	\$ 2,758,402

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
26 Wages & Benefits	\$ 898,570	\$ 729,331	\$ 722,947
27 Services	226,295	324,503	272,051
28 Purchased Transportation	25,552	37,369	25,426
29 Fuel, Lubricants & Propulsion Power	38,418	49,161	45,801
31 Materials & Supplies	78,826	78,263	78,714
32 Casualty & Liability	34,533	38,659	43,884
33 Other Support	47,297	52,518	53,053
34 Acquisitions	205,202	305,194	524,874
35 Subsidies	566,585	723,999	711,731
36 Debt	590,141	278,222	279,922
37 Authority Total	\$ 2,711,420	\$ 2,617,219	\$ 2,758,402

METRO OPERATIONS

Organization Chart



Strategic Business Unit

Metro Operations is responsible for providing more than 8 million hours of bus and rail transit service to nearly 440 million passengers annually. Metro Operations also administers Paratransit Service, the Metro Freeway Service Patrol, and the Service Authority for Freeway Emergencies.

Metro Operations is organized into 6 service sectors (5 bus and 1 rail) and 7 major support units which are committed to provide safe, courteous, professional, dependable, clean, and efficient transit services to customers.

Metro Bus Service Sectors

The five Metro Bus Service Sectors include the San Fernando Valley, San Gabriel Valley, Gateway Cities, South Bay, and Westside/Central. Each service sector is responsible for all facets of bus operations: transportation, maintenance, service planning and scheduling, and communications.

South Bay Service Sector

The South Bay Service Sector is responsible for providing transit service to the following geographic areas: Whittier (East), LAX (West), Altadena (North), South Long Beach (South) and Whittwood Center (East), Marina Del Rey/LAX (West), Hollywood (North), and Gardena (South). Extra service lines include Hollywood Bowl and Hollywood Park Race Track. The sector consists of three main functional sections:

- South Bay Service Sector Office – Works in conjunction with the Governance Council to deliver quality transportation to the community and provide support to the operating divisions.
- Arthur Winston Division – Operates 250 CNG and diesel buses, providing over 745,000 revenue service hours.
- Carson Division – Operates 284 CNG and diesel vehicles, providing over 840,000 revenue service hours.

Westside/Central Service Sector

Operating boundaries for the sector extend to the west as far as Malibu and to the east past downtown Los Angeles. The sector is unique because it provides service to some of the most heavily traveled lines and traverses some of the most congested streets in the Los Angeles area.

The sector includes 3 operating divisions: Division 6 is located in Venice, Division 7 is located in West Hollywood, and Division 10 is located in Los Angeles. These three divisions operate 600 buses and provide management oversight for over 1,300 employees and 25 operating revenue service lines. The sector, which accounts for nearly 90 million annual passenger boardings, is scheduled to deliver in excess of 1.8 million revenue service hours during FY04.

San Fernando Valley Service Sector

The San Fernando Valley (SFV) Service Sector provides transportation services to the cities of Agoura Hills, Calabasas, Hidden Hills, La Canada/Flintridge, Burbank, Glendale, and San Fernando, and to numerous San Fernando Valley communities within the City of Los Angeles.

The sector office, located in Chatsworth, provides administrative support for its two operating divisions to ensure the delivery of quality transportation to the community. The operating divisions are located in Sun Valley in the East San Fernando Valley and Chatsworth in the West San Fernando Valley.

Both divisions are responsible for a fleet of about 400 buses and provide service on 23 bus lines, operating 1.2 million revenue service hours and 15 million revenue service

miles annually. In FY04, the San Fernando Valley sector expects about 53 million boardings on these lines.

San Gabriel Valley Service Sector

The San Gabriel Valley (SGV) Service Sector is the primary provider of bus transit service to the western San Gabriel Valley, East Los Angeles, and North Los Angeles areas. Additionally, SGV provides regional service to the east San Gabriel Valley. Cities served within the west San Gabriel Valley include Alhambra, Arcadia, El Monte, Monrovia, Montebello, Monterey Park, Pasadena, Rosemead, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, and Temple City.

For FY04 SGV will operate 1.2 million hours of bus service on 30 bus lines with 410 buses traveling about 18 million miles. The lines are expected to carry an estimated 58 million passengers traveling approximately 250 million miles.

SGV operates two divisions from facilities located in El Monte and Cypress Park. The SGV sector offices are located in El Monte adjacent to the operating facility.

The SGV Sector also manages the Central bus and non-revenue equipment maintenance services.

Gateway Cities Service Sector

The Gateway Cities service area is comprised of 26 cities and unincorporated areas of Southeast Los Angeles County.

Cities included in the Gateway Cities sector area are Artesia, Avalon, Bell, Bellflower, Bell Gardens, Cerritos, Commerce, Compton, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Habra Heights, Lakewood, La Mirada, Long Beach, Lynwood, Maywood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier.

The Gateway Cities sector has two operating divisions, both located in downtown Los Angeles. The two divisions have a total of over 1,000 employees and operate 17 bus lines with 372 buses carrying approximately 53 million boarding passengers a year.

Supporting sector operations is an administrative staff consisting of scheduling, community relations, budgeting, safety, and other departments. The sector office is located in Downey.

The following four departments functionally support all five of the bus sectors mentioned above, although organizationally each department reports to only one sector.

Contracted Bus Services

Contracted Bus Services ensures that the MTA and its business partners provide safe, efficient, and effective bus and paratransit operations compliant with the Americans with Disabilities Act (ADA). The Department administers monitoring programs for MTA bus and ADA paratransit services, consistent with court orders, Federal Transit Administration (FTA) directives, or MTA Board policies.

Central Maintenance

Central Maintenance provides maintenance support to operating divisions.

Departmental functions include the Regional Rebuild Center, Fleet Management and Support Services, and Quality Assurance, which includes direct involvement with the California Highway Patrol and Title 13 of the California Code of Regulations. Quality Assurance is also directly responsible for the management of goods and services contracts, Fare Collection Maintenance, and Non-Revenue Vehicle/Equipment.

Programs cover all facets of bus and equipment maintenance: repairing and rebuilding major components and sub-systems; controlling and assigning the bus fleet; managing environmental compliance programs and closely interacting with regulatory agencies to ensure that MTA is in full compliance with the many regulations that govern waste generation; maintaining bus stops and terminal locations; and overseeing the procurement of non-revenue vehicles and equipment.

Bus Operations Control

Bus Operations Control communicates via two-way radio and telephone with Bus Operators, Field Supervisors, Field Technicians, the operating Divisions, and emergency response personnel. They monitor and control special bus movements, modify bus activity when conditions require outside interaction due to accidents, and provide failure management as needed to help meet operating goals in the areas of Safety, Customer Relations, and On-time Performance (OTP).

Service Development

Service Development works out the operating framework for the MTA bus and rail system. It also provides timely and accurate information to operating division and sector staffs that assist in developing

efficient, effective, and community-responsive service.

Metro Rail

Metro Rail provides cost effective and efficient rail service. The department operates over 200 light and heavy rail vehicles; maintains 65 rail stations, 146 miles of track, overhead catenaries, and heavy rail traction power systems; and oversees all facets of rail operations including transportation, wayside systems maintenance, vehicle maintenance, and rail operations control.

Operations Central Instruction

Operations Central Instruction (OCI) is responsible for implementing a defensive driving curriculum for new and veteran bus and rail operators, mechanics, and service attendants for all operating divisions. OCI provides progressive training with a cost effective approach to strengthen employee skills and meet the MTA's goals in the areas of Safety, Customer Relations, and On-time Performance.

Facilities

Facilities provides safe and adequate facilities to enable transit customers and MTA employees to experience a world-class transit system. The department's primary function includes the development, implementation, and management of capital programs for MTA facilities. Facilities Engineering, including Project Management, has recently been moved organizationally under Facilities-Ops to ensure that capital projects are completed on time and on budget. The department is also responsible for developing and implementing energy efficiency programs that reduce utility costs and improve employee safety.

Vehicle Technology

Vehicle Technology identifies, reviews, tests, and procures high capacity, alternatively fueled, advanced technology buses. It provides operational support and training on operations and maintenance of new vehicles, manages all bus acquisitions, and is responsible for other vehicle technology projects to increase operating efficiency and improve services provided to MTA transit passengers and employees.

Safety

The Safety Department manages the Safety's 1st program. The objective of the program is to provide leadership, guidance, technical direction, and resources to protect people, prevent mishaps, achieve regulatory compliance, and control hazards, hazardous occupational exposures, and costs.

Law Enforcement & Security

Law Enforcement and Security provides security and law enforcement services and programs for the protection of the MTA's passengers, employees, properties, revenues, and assets.

New Technology & Systems Implementation

New Technology and Systems Implementation provides project management oversight and is responsible for the acquisition and implementation of new automated systems for Metro Operations. Systems currently under development include the Advanced Transportation Management System (ATMS), Universal Fare System (UFS), and the operating component of the Maintenance and Materiel Management System (M3). The department also is responsible for installing S-1 Gards and upgrading operator seats.

Freeway Services

Freeway Services, which organizationally reports to New Technology and Systems Implementation, provides various motorist aid activities throughout Los Angeles County. Its programs encompass functions that result in decreased congestion along Los Angeles County freeways and highways and improved safety to motorists. The department oversees two programs: the Freeway Service Patrol and the Service Authority for Freeway Emergencies (SAFE).

Significant Changes in FY04

- Implement Transitsafe™ for automated reporting of accidents and injuries by all staff
- Seek implementation of new health and wellness initiatives and reward and recognition programs for good safety performance
- Complete Pasadena Gold Line pre-revenue operations and initiate service
- Expand Rapid Bus
 - ◆ Arthur Winston Division – Existing Vermont Line and Florence Line on 6/03
 - ◆ Carson Division – Crenshaw Line on 12/03
- Install Transit Database System

- Complete testing of Advanced Transportation Management System equipment and components
- Complete telecommunications infrastructure to support rail
- Finish the transition of call box answering function from CHP to contracted private call answer center
- Award 19 lapsing FSP tow contracts and one AQMD-funded new FSP demonstration beat
- Optimize train schedules to reduce scheduled overtime
- Negotiate and implement union contracts
- Institute station clean up campaigns on MRL
- Implement M3 system
- Implement internal facilities program control function to manage the schedule and cash flow of approved capital projects
- Begin implementation of agency-wide facility modification plan to accommodate articulated buses
- Implement the new Transit Community Policing initiatives in the Service Sectors and within Rail Operations
- Implement "civilian" LASD security assistants to complement law enforcement and to perform fare inspection functions on the Red and Gold lines

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Metro Operations Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Metro Rail	746	1,056	1,108
2 San Fernando Valley Service Sector	1,017	1,002	1,026
3 San Gabriel Valley Service Sector	941	983	960
4 Gateway Cities Service Sector	821	819	844
5 South Bay Service Sector	1,226	1,258	1,251
6 West Side/Central Service Sector	1,255	1,304	1,377
7 Contracted Bus Services	4	3	6
8 Bus Operations Control	104	81	73
9 Central Maintenance	475	422	369
10 Vehicle Technology	51	38	38
11 New Technology & Systems Implementation	24	6	16
12 Service Development	109	138	105
13 Operations Central Instruction	97	109	110
14 Facilities	327	232	158
15 Law Enforcement & Security	104	101	99
16 Safety	30	21	15
17 Freeway Services	11	8	9
18 Executive Office, Metro Operations	2	10	8
19 Metro Operations Total FTEs	7,344	7,591	7,572

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
20 Metro Rail	\$ 91,200	\$ 138,907	\$ 153,439
21 San Fernando Valley Service Sector	84,093	87,611	88,760
22 San Gabriel Valley Service Sector	84,651	83,714	87,836
23 Gateway Cities Service Sector	74,945	70,616	82,823
24 South Bay Service Sector	103,262	107,949	106,792
25 West Side/Central Service Sector	109,950	115,180	129,070
26 Contracted Bus Services	28,932	40,702	34,650
27 Bus Operations Control	7,621	7,814	6,919
28 Central Maintenance	65,025	74,658	60,307
29 Vehicle Technology	131,133	49,036	47,063
30 New Technology & Systems Implementation	5,760	15,173	124,750
31 Service Development	10,148	13,678	11,335
32 Operations Central Instruction	4,621	5,835	6,494
33 Facilities	40,762	69,512	50,297
34 Law Enforcement & Security	59,028	58,343	57,301
35 Safety	3,408	3,828	2,871
36 Freeway Services	18,506	32,197	31,958
37 Executive Office, Metro Operations	14,146	35,192	8,979
38 Metro Operations Total	\$ 937,191	\$ 1,009,945	\$ 1,091,644

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
39 Wages & Benefits	\$ 561,874	\$ 598,108	\$ 600,225
40 Services	84,754	120,415	117,933
41 Purchased Transportation	21,909	30,099	25,426
42 Fuel, Lubricants & Propulsion Power	38,417	49,136	45,772
43 Materials & Supplies	65,362	63,881	70,122
44 Casualty & Liability	50	100	125
45 Other Support	24,658	20,604	21,108
46 Acquisitions	139,040	128,850	212,451
47 Subsidies	1,194	1,000	-
48 Debt & Transfers	(67)	(2,248)	(1,518)
49 Metro Operations Total	\$ 937,191	\$ 1,009,945	\$ 1,091,644

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Metro Operations: Key Performance Indicators

	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Goal: Improve Transit Systems				
Objective: Improve service quality of the bus system				
In-service on-time performance				
Bus Systemwide	63.71%	64.90%	69.08%	80.00%
San Fernando Sector	n.a.	63.95%	67.79%	80.00%
San Gabriel Sector	n.a.	67.44%	69.89%	80.00%
Gateway Cities Sector	n.a.	71.17%	74.44%	80.00%
South Bay Sector	n.a.	61.54%	63.19%	80.00%
Westside/Central Sector	n.a.	65.66%	67.38%	80.00%
Complaints per 100,000 boardings				
Bus Systemwide	3.79	3.54	5.38	3.50
San Fernando Sector	n.a.	3.43	6.42	3.50
San Gabriel Sector	n.a.	3.13	3.62	3.25
Gateway Cities Sector	n.a.	2.07	2.63	2.50
South Bay Sector	n.a.	3.42	4.13	3.50
Westside/Central Sector	n.a.	3.33	4.62	3.75
Scheduled revenue service hours delivered	98.84%	98.85%	98.90%	98.90%
Farebox Recovery	31.57%	31.41%	29.53%	32.95%
Subsidy per Boarding	\$ 1.28	\$ 1.29	\$ 1.47	\$ 1.42
Fare per Boarding	\$ 0.55	\$ 0.55	\$ 0.58	\$ 0.64
Mean miles between mechanical failures				
Bus Systemwide	4,808	5,470	7,055	7,500
San Fernando Sector	n.a.	4,646	8,566	8,000
San Gabriel Sector	n.a.	6,708	7,886	8,000
Gateway Cities Sector	n.a.	6,726	7,692	8,000
South Bay Sector	n.a.	5,665	7,170	7,500
Westside/Central Sector	n.a.	6,099	6,011	7,500
Vehicle accidents per 100,000 miles				
Bus Systemwide	3.98	3.50	3.81	3.00
San Fernando Sector	n.a.	3.09	2.89	2.70
San Gabriel Sector	n.a.	3.23	3.41	3.10
Gateway Cities Sector	n.a.	4.49	4.02	3.30
South Bay Sector	n.a.	4.03	4.05	2.70
Westside/Central Sector	n.a.	4.69	4.57	3.75
Bus cost per RSH				
Bus Systemwide	\$ 98.39	\$ 98.44	\$ 101.53	\$101.31
San Fernando Sector	n.a.	n.a.	\$ 85.65	\$ 88.81
San Gabriel Sector	n.a.	n.a.	\$ 83.03	\$ 91.28
Gateway Cities Sector	n.a.	n.a.	\$ 94.98	\$110.11
South Bay Sector	n.a.	n.a.	\$ 79.28	\$ 83.92
Westside/Central Sector	n.a.	n.a.	\$ 85.38	\$ 89.62

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Goal: Create A Safety Conscious Culture Throughout The MTA And Its Customers And Business Partners	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Reduce bus, rail, employee and customer accidents and injuries				
Passenger accidents per 100,000 boardings for bus	n.a.	0.17	0.21	0.15
New lost work time indemnity claims reported/filed for bus	n.a.	99.8	124.8	122.2
New W.C. indemnity claims per 200,000 exposure hours				
Bus Systemwide	n.a.	30.8	22.5	20.6
San Fernando Sector	24.0	22.8	16.9	16.5
San Gabriel Sector	29.1	27.8	23.9	18.0
Gateway Cities Sector	29.1	43.2	27.7	26.6
South Bay Sector	25.2	30.5	16.6	15.7
Westside/Central Sector	27.6	27.5	28.6	23.2
Passenger accidents per 100,000 boardings for rail				
Heavy Rail	n.a.	0.00	0.02	0.02
Light Rail	n.a.	0.10	0.05	0.05
Rail accidents per 100,000 revenue train miles				
Heavy Rail	0.08	0.22	0.10	0.09
Light Rail	0.93	0.30	0.42	0.40
New lost work time indemnity claims reported/filed for rail	72	54	74	41
New w.c. claims per 200,000 exposure hours for rail				
Indemnity	14.30	14.27	10.25	9.36
Medical	n.a.	8.72	6.37	6.04

Goal: Create A Positive Image Of The MTA	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Increase awareness and improve public perception				
FSP - Average monthly assists	28,492	28,664	28,901	28,000
SAFE - Average monthly calls answered	16,326	11,627	10,579	12,000

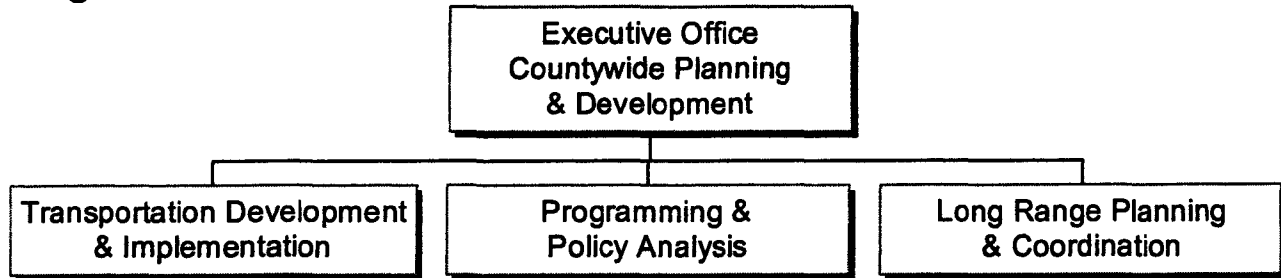
**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Metro Operations: Key Performance Indicators, cont'd

Goal: Improve Transit Systems	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Maximize rail car availability to meet service expansion				
In-service on-time performance				
Heavy Rail	99.13%	99.60%	99.15%	99.80%
Light Rail	98.52%	98.92%	97.70%	99.00%
Scheduled revenue vehicle service hours delivered				
Heavy Rail	99.61%	99.65%	98.68%	99.67%
Light Rail	99.42%	99.45%	96.71%	99.50%
Objective: Improve service quality of the rail system				
Complaints per 100,000 boardings				
Heavy Rail	0.73	0.78	1.19	0.80
Light Rail	0.88	1.04	1.30	0.88
Mean Miles between failures	6,093	6,075	6,852	7,000
Cost per RVSH				
Heavy Rail	\$ 223.38	\$234.57	\$ 250.28	\$249.71
Light Rail	\$ 369.06	\$332.52	\$ 296.05	\$304.41
Farebox Recovery				
Heavy Rail	19.66%	20.75%	27.42%	27.73%
Light Rail	19.13%	23.31%	24.67%	24.10%
Subsidy per Boarding				
Heavy Rail	\$ 1.99	\$ 1.40	\$ 1.55	\$ 1.36
Light Rail	\$ 2.14	\$ 1.94	\$ 2.09	\$ 2.13
Fare per Boarding				
Heavy Rail	\$ 0.41	\$ 0.37	\$ 0.51	\$ 0.42
Light Rail	\$ 0.51	\$ 0.59	\$ 0.66	\$ 0.65

COUNTYWIDE PLANNING & DEVELOPMENT

Organization Chart



Strategic Business Unit

Countywide Planning & Development (CP&D) is responsible for programming and administering federal, state, and local transportation funds, preparing a financially constrained TIP, and planning and coordinating regional transportation services and infrastructure improvements in and for Los Angeles County, the 88 cities and the 16 municipal bus operators within Los Angeles County, and CALTRANS.

Executive Office

The Executive Office directs the overall programs of MTA's planning and programming services, develops strategies, defines major priorities, and resolves critical transportation issues in Los Angeles County.

Long Range Planning & Coordination

The Long Range Planning & Coordination Department is responsible for the planning, development, implementation, and coordination of transit plans and programs, both countywide and regionally. The department also performs technical analyses and transportation modeling in support of those functions. Among the programs administered are the Short and Long Range Transportation Plans (SRTP and LRTP), the Congestion Management Program, and the Call for Projects (CFP) process. Other responsibilities include freight data

collection and analysis and geographic information system analysis.

Transportation Development & Implementation

The department is responsible for project development, management, and/or implementation of multiple modes of transportation within Los Angeles County including Highway/Freeway, Arterials, TDM, Rail and Busway, Signal Synchronization, Intelligent Transportation Systems, Bicycle, Pedestrian, and others. In addition, this department approves and monitors the utilization of CFP funds by the cities and county and conducts joint development activities. This department also serves as the project planning lead in the LRTP and CFP. The department is organized into geographic teams. The area teams are Central, South Bay, Gateway Cities/Southeast, Westside, San Gabriel Valley, and the San Fernando Valley/North County. Each team is responsible for project management and implementation for multiple modes of transportation within its geographic area.

Programming & Policy Analysis

Programming & Policy Analysis (PPA) is responsible for strategic capital planning, regional and local programming, and regional grants management and administration for all fund sources that

support the MTA's mission of improving mobility and promoting innovative and comprehensive transportation systems throughout Los Angeles County. PPA also programs the Call for Projects (CFP); analyzes state, federal, and local programming proposals and policies; serves as the funding lead in the LRTP and CFP; allocates local and municipal operator funding; provides policy development and guidance for regional programs; is the MTA liaison with state and federal grantor agencies; and is the MTA liaison to the cities on Proposition A and Proposition C Local Return and Discretionary funds, and TDA Articles 3 and 8.

Significant Changes in FY04

- Begin studies for the Route 57/60 interchange, the Route 2 terminus project, and the I-710 gap closure tunnel option.
- Provide data for Federal TEA-21 Reauthorization.
- Strategize with the State of California to maximize funding opportunities for transportation during the state budget deficit.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Countywide Planning & Development Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Transportation Dev & Implementation	66	65	62
2 Programming & Policy Analysis	32	35	35
3 Long Range Planning & Coordination	42	30	29
4 Executive Office, Reg Transp Plan & Dev	4	4	4
5 Countywide Planning & Development Total FTEs	144	134	130

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
6 Transportation Dev & Implementation	\$ 47,306	\$ 48,754	\$ 31,864
7 Programming & Policy Analysis	559,106	723,883	718,325
8 Long Range Planning & Coordination	12,473	24,758	6,682
9 Executive Office, Reg Transp Plan & Dev	339	558	700
10 Countywide Planning & Development Total	\$ 619,224	\$ 797,952	\$ 757,570

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
11 Wages & Benefits	\$ 12,824	\$ 13,911	\$ 13,309
12 Services	45,446	48,835	30,358
13 Purchased Transportation	3,643	7,270	-
14 Materials & Supplies	64	2,021	939
15 Other Support	294	695	520
16 Acquisitions	548	2,271	712
17 Subsidies	556,405	722,949	711,732
18 Countywide Planning & Development Total	\$ 619,224	\$ 797,952	\$ 757,570

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Countywide Planning & Development: Key Performance Indicators

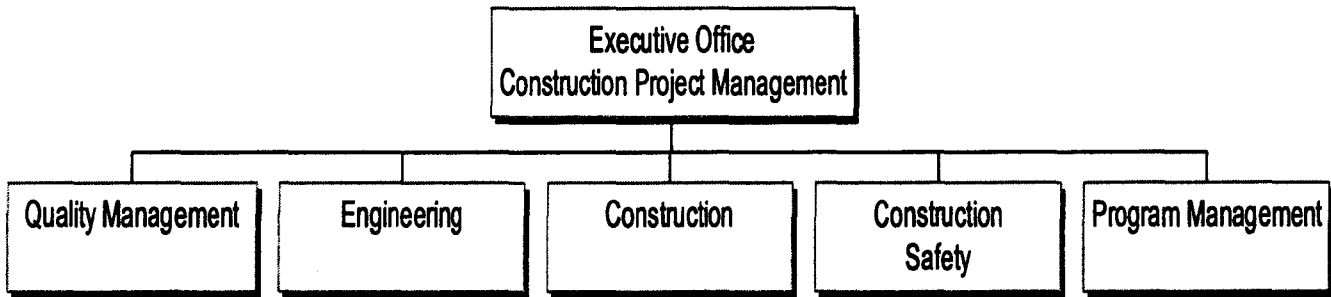
Goal: Create A Safety Conscious Culture Throughout The MTA And Its Customers And Business Partners	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Reduce employee accidents and injuries by 51%				
Employees trained in Safety's 1st program	n.a.	10.00%	100.00%	100.00%

Goal: Attract, Develop & Retain Employees	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Invest in employee development				
Employees in Transportation Planning Institute	n.a.	n.a.	60.00%	100.00%

Goal: Provide Leadership For The Region's Mobility Agenda Through Responsive Planning And Resource Allocation	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Provide quality planning, technical analysis, and programming.				
L RTP forecasting models completed	n.a.	2	3	2
Subregional COG, COG working group, and community meetings attended	n.a.	70%	90%	90%
Metro Rapid BOCC consoles installed	n.a.	n.a.	1	2
Implement Metro Rapid corridors	n.a.	n.a.	2	4
BAD assessments collected (in million \$'s)	\$ 14.5	\$ 14.2	\$ 14.3	\$ 21.2
Trip destination choice model completed	n.a.	n.a.	n.a.	100%
Regional multimodal freight/truck movement model completed	n.a.	n.a.	n.a.	100%
Plans and projects on schedule	n.a.	90%	70%	85%
Projects on budget	n.a.	90%	80%	90%
Eastside LRT linkages studies completed	n.a.	n.a.	40%	80%
Route 710 MIS completed	n.a.	n.a.	70%	100%
Route 57/60 MIS completed	n.a.	n.a.	n.a.	25%
Route 101 MIS completed	n.a.	n.a.	70%	100%
Expo PE & final environmental completed	n.a.	10%	40%	70%
North/South enhancements/environmental analysis phase completed	n.a.	10%	20%	75%
I-710 Gap Closure Tunnel Feasibility study completed	n.a.	n.a.	n.a.	20%
No. Cty. Combined Hwy. Study completed	n.a.	n.a.	65%	100%
Local return forms completed within 30 days	100%	100%	100%	100%
MOU's and LOA's processed on time	100%	100%	100%	100%
FAP funding allocated on schedule	100%	100%	100%	100%
STIP allocations processed	100%	100%	100%	100%
STIP time extensions completed	100%	100%	100%	100%

CONSTRUCTION PROJECT MANAGEMENT

Organization Chart



Strategic Business Unit

Construction Project Management is responsible for providing engineering services and construction oversight for rail projects, transit corridors, capital projects and engineering service requests. The primary foci during FY04 are the final design and the start of tunnel and stations construction for the Metro Gold Line Eastern Extension, start busway and station construction on the San Fernando Valley Metro Rapidway, complete construction of the North Hollywood site improvements, award betterments package for the Pasadena Gold Line, and continue closeout and claim settlements on all open contracts.

Executive Office

The Executive Office for Construction Project Management is responsible for managing division and cost center activities in support of the MTA Capital Program in addition to providing technical and administrative guidance and assistance.

Quality Management

Quality Management is responsible for the implementation of administrative and control measures during design, procurement, construction, installation, testing, start-up and turnover that assure the

transit system meets the expectations of our customers.

Engineering

Engineering is responsible for the cost-effective provision of design and other engineering professional services from preliminary engineering through final design and construction of bus and rail projects. These projects range from minor updates of rail facilities to design of major rail projects.

Engineering includes Systems Integration Engineering, Major Capital Project Engineering, and Systems Engineering.

Systems Integration Engineering (SIE) ensures that vehicle and wayside construction projects associated with all rail programs are effectively integrated. These activities include but are not limited to train control, vehicle procurements, and system integration and start-up. SIE will also provide engineering support to Rail Operations for various FY04 approved Capital Projects.

Major Capital Project Engineering's main responsibilities are to provide design reviews of major capital projects such as the San Fernando Valley East-West Metro Rapid Transitway, the Metro Gold Line Eastern Extension, and the Mid-City/Exposition Light Rail Transit.

System Engineering is responsible for the effective execution of the systems design and engineering for all major rail, Metro Rapid Transit and Rail Improvement projects.

Construction

Construction is comprised of the Construction Management, Environmental Compliance/Services, and Third Party Administration cost centers.

Construction Management is responsible for the construction management and oversight of all rail construction-related activities and construction related Capital Projects.

Environmental Compliance/Services provides environmental clearance for the MTA projects and ensures compliance with the provisions of federal, state and local laws, regulations and guidelines related to impacts of the projects on the environmental and cultural resources.

It is responsible for providing the appropriate plan to mitigate contamination impacts, maintain compliance with all environmental regulations pertaining to hazardous wastes and materials, monitor environmental contractors working on projects, and provide regulatory interface to resolve MTA concerns.

Third Party Administration interfaces with Third Party agencies and utilities to design and construct any improvements to existing systems and new projects.

Construction Safety

Construction Safety is responsible to ensure the highest level of safety in the workplace on all construction projects, including the San Fernando Valley Metro Rapidway, the Metro Gold Line Eastern Extension, and Capital Projects. The staff oversees all

safety and work related activities for the Construction Project Management Division.

Program Management

Program Management is responsible for planning, scheduling, budgeting, tracking, reporting, analyzing, and forecasting the impact of engineering, construction, and Capital Projects on the labor and financial resources of the MTA.

Program Management applies cost management tools to various Capital Projects by developing cost and schedule baselines in order to ensure projects are completed on time and within budget.

This cost center also provides timely and accurate configuration management of contract changes and all documentation in support of every business unit project.

Significant Changes in FY04

- Engineering Construction Management's FY04 budget increased as a result of new and significant construction activities on the Metro Gold Line Extension, the San Fernando Valley Metro Rapidway, and the new Light Rail Vehicle Fleet Enhancement project.
- Metro Red Line, Segment 3 North Hollywood: The FY04 budget totals \$20.1 million, a reduction of \$31.9 million from FY03, and includes the costs for environmental and final design of the Campo de Cahuenga Resource Preservation, construction claims settlements, project closeout process, continued claims analysis support, and litigation/legal services.
- San Fernando Valley Metro Rapidway: The FY04 budget totals \$113.1 million, an increase of \$57.6 million from FY03 and includes final design activities, real

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

- estate acquisition, and construction of busway and stations.
- **Metro Gold Line Eastern Extension:** The FY04 budget totals \$129.3 million, an increase of \$79.8 million from FY03 and includes final design activities, real estate acquisition, and construction of tunnel and stations.
 - **Los Angeles Light Rail Car:** The FY04 budget totals \$8.2 million, a decrease of \$21.1 million from FY03, and includes costs to fund the last remaining milestone payments for the Siemens vehicles.
 - **Light Rail Vehicle (LRV) Fleet Enhancement Project:** The FY04 budget totals \$40.0 million, an increase of \$28.2 million from FY03, and includes cost to fund the first milestone payments to the car manufacturer AnsaldoBreda S.P.A.
 - **Metro Green Line:** The FY04 budget totals \$9.7 million, an increase of \$4.0 million from FY03, and includes the completion of the Automatic Train Control System, and costs relating to consultant and legal services.
 - **Capital Projects:** The FY04 budget includes engineering design and construction activities for the wheel boring machine, in-ground hoist replacement, SCADA equipment replacement, Universal Fare Collection System, Division Network Cabling Project, and various bus and rail facility upgrades.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Construction Project Management Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Construction	22	22	34
2 Program Management	34	35	38
3 Engineering	76	76	28
4 Quality Management	16	14	14
5 Construction Safety	-	4	7
6 Executive Office, Construction Project Mgmt	5	5	14
7 Construction Project Management Total FTEs	153	156	135

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
8 Construction Contracts	\$ 88,210	\$ 218,648	\$ 358,987
9 Construction	2,304	2,067	3,765
10 Program Management	3,326	4,019	4,314
11 Engineering	7,099	8,104	3,236
12 Quality Management	1,243	1,514	1,521
13 Construction Safety	-	387	710
14 Executive Office, Construction Project Mgmt	591	940	2,018
15 Construction Project Management Total	\$ 102,774	\$ 235,679	\$ 374,551

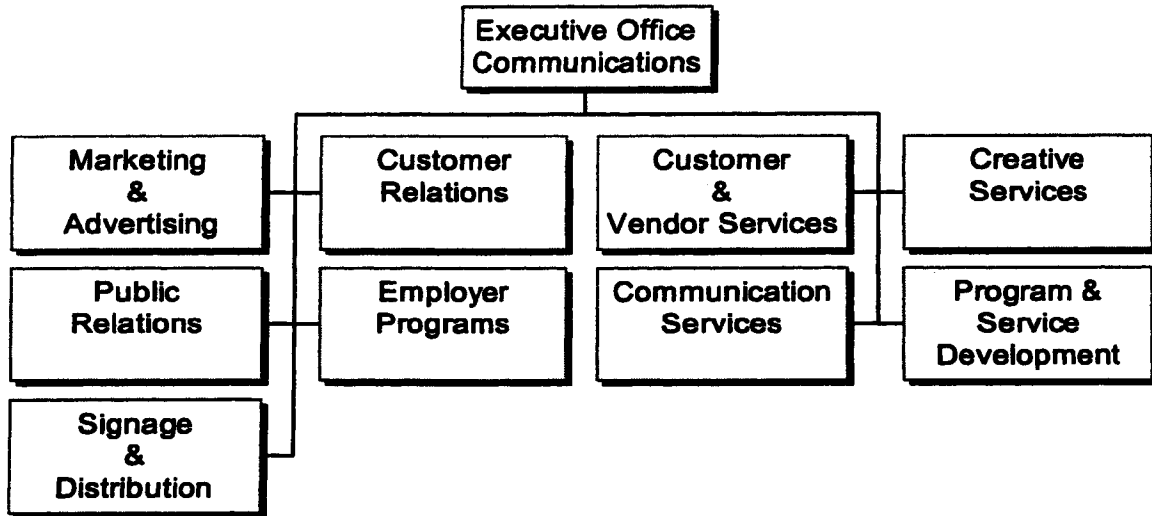
Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
16 Wages & Benefits	\$ 13,836	\$ 15,970	\$ 14,519
17 Services	26,977	56,841	56,334
18 Materials & Supplies	469	2,215	434
19 Casualty & Liability	(250)	-	5,300
20 Other Support	149	304	398
21 Acquisitions	61,162	160,349	297,566
22 Subsidies	431	-	-
23 Construction Project Management Total	\$ 102,774	\$ 235,679	\$ 374,551

Construction Project Management: Key Performance Indicators

Goal: Deliver quality capital projects on time and within budget	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Design/create and implement a project management delivery system				
Eastside LRT: Award tunnel and station excavation contracts	n.a.	n.a.	n.a.	31-Dec-03
Eastside LRT: Award design/build station contracts	n.a.	n.a.	n.a.	31-Dec-03
Eastside LRT: Start construction of 101 Fwy. overcrossing	n.a.	n.a.	n.a.	14-Feb-04
SFV MRT: Complete L.A. River bridge construction	n.a.	n.a.	n.a.	31-Dec-03
SFV MRT: Acquire real estate parcels	n.a.	n.a.	n.a.	1-Jul-03
Exposition LRT: Complete preliminary engineering	n.a.	n.a.	n.a.	3-Jun-04
Mid-City/Westside MRT: Complete preliminary engineering	n.a.	n.a.	n.a.	31-Dec-03
Pasadena Gold Line: Award betterments package	n.a.	n.a.	n.a.	1-Apr-04
Pasadena Gold Line: Start construction	n.a.	n.a.	n.a.	1-May-04
All Major Projects: Maintain budget within plus or minus 10% of approved	n.a.	n.a.	n.a.	31-Dec-03

COMMUNICATIONS

Organization Chart



Strategic Business Unit

Communications is responsible for the strategic evaluation, development, and implementation of agency-wide marketing and communications programs.

Executive Office, Communications

The Communications Executive Office oversees and directs the activities of the organization to increase awareness and improve public perception of MTA and its services, to create a positive image of the MTA, to attract discretionary riders, and to position MTA as the recognized transportation leader both regionally and nationally.

Marketing & Advertising

Marketing promotes the use of MTA services through marketing, advertising, promotions, and communications.

Customer Relations

Customer Relations provides customers information through 1-800-COMMUTE, offering route and schedule information, and processing customer input and complaints.

Customer & Vendor Services

Customer & Vendor Services manages the Retail Vendor Network, Customer Center Operations, Reduced Fare Program, Metro Mail/E-Commerce, Lost and Found, and Fare Media Distribution and Control. In addition, the department is responsible for the distribution of the Regional Pass and UFS Smart Card implementation, as it relates to the vendor network and reduced fare media programs.

Creative Services

Creative Services provides a range of services that seek to improve the public's perception of the agency. These services include Design & Production services (graphic design, website design, corporate identity, signage/wayfinding/environmental graphics, print production, quality control, photography), Environmental Design services (environmental, industrial, architectural, and signage guidelines), and implementation of the MTA's public art policy (Metro Art), which includes community involvement and artist participation in the development of a memorable identity for MTA's transit system.

Public Relations

Public Relations manages Media Relations, Publications, and Employee Communications and produces a series of cable television shows. It informs the public and MTA employees about the MTA's activities via press releases, magazines, brochures, videos, MTA's internal and external websites, media features, press events, and community speakers.

Employer Programs

Employer Programs markets a complete line of Alternative Transportation, Pass, and Rideshare programs to area employers, businesses, government organizations, and educational institutions. This includes Rideshare Matching, Vanpool Formation, Car & Buspool, and other TDM programs.

Communication Services

Communication Services manages all Special Events, Joint Promotions, Community Fair and Festival Participation, the Agency's Promotional Products Program, Employee Activities, and the MOBILITY-21 transportation summit. Additionally, the department oversees all

filming and assists with the Speakers Bureau.

Program & Service Development

The Program and Service Development group is responsible for designing and implementing new programs and services that focus on improving transportation system efficiency by providing LA County residents with enhanced transportation options. These activities particularly focus on improving and expanding commute service options and existing rideshare programs.

Signage and Distribution

The newly-formed Communications Signage and Distribution's purpose is to provide the timely procurement and implementation of appropriate wayfinding and promotional signage throughout the Metro Bus and Metro Rail systems and to assure that publications and related customer information and promotional materials reach their targeted audiences in a timely and cost-effective manner.

Significant Changes in FY04

- Perform rideshare and rideshare-database support services for Los Angeles County, which were previously contracted to the Southern California Association of Governments (SCAG).
- Contract the services of the Riverside County Transportation Commission (RCTC) to maintain the carpool match database on behalf of the MTA.
- Produce Ride-match lists, Rideshare Week promotion, Rideshare telephone information, vanpool rebate program implementation, and

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

- outreach assistance for MTA
rideshare incentive programs.
- Although the responsibilities of the SCAG FTE's are being absorbed, defer hiring additional FTE's until FY05, unless it becomes necessary to seek additional FTE's later in FY04.
- Manage the implementation of the new Fare Restructuring Program.
- Implement a strong corporate branding program to communicate a common identity of the agency.
- Improve distribution effectiveness of promotional/informational materials.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Communications Report

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Customer Relations	129	121	118
2 Customer & Vendor Services	38	43	43
3 Creative Services	14	20	18
4 Employer Programs	-	15	13
5 Marketing & Advertising	13	7	8
6 Public Relations	7	7	8
7 Communication Services	-	6	7
8 Program & Service Development	-	-	4
9 Signage & Distribution	-	-	2
10 Executive Office, Communications	-	8	6
11 Communications Total FTEs	201	227	227

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
12 Customer Relations	\$ 7,005	\$ 6,988	\$ 7,014
13 Customer & Vendor Services	2,914	3,787	3,922
14 Creative Services	1,347	5,383	3,803
15 Employer Programs	-	5,788	3,256
16 Marketing & Advertising	2,027	7,513	6,223
17 Public Relations	715	1,484	1,338
18 Communication Services	-	1,890	1,824
19 Program & Service Development	-	-	2,701
20 Signage & Distribution	-	-	570
21 Executive Office, Communications	0	830	775
22 Communications Total	\$ 14,008	\$ 33,663	\$ 31,427

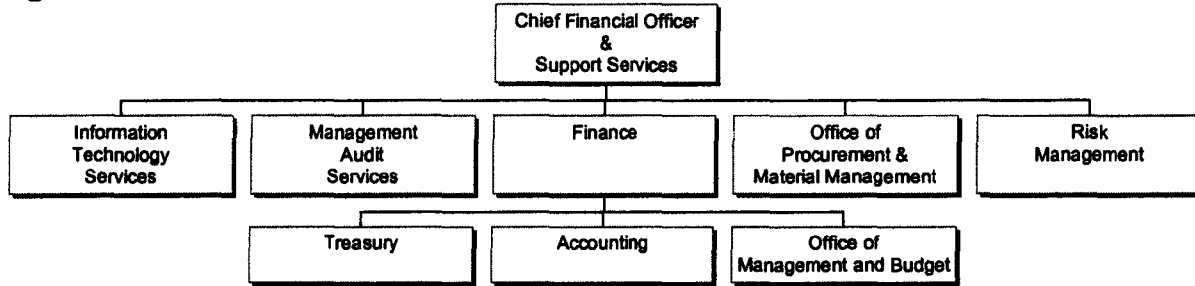
Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
23 Wages & Benefits	\$ 11,404	\$ 14,802	\$ 15,904
24 Services	1,820	11,510	8,939
25 Fuel, Lubricants & Propulsion Power	-	2	5
26 Materials & Supplies	196	1,059	559
27 Other Support	550	5,707	5,350
28 Acquisitions	38	583	670
29 Communications Total	\$ 14,008	\$ 33,663	\$ 31,427

Communications: Key Performance Indicators

Goal: Create A Positive Image Of The MTA	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Increase awareness and improve public perception				
Average wait time on 1-800-COMMUTE (in minutes and seconds)	3:35	2:02	2:01	2:00
Passes sold through employer accounts	n.a.	6,692	7,700	8,500
Active employer accounts	n.a.	648	725	800
Customer rating of ease of purchasing fare media	n.a.	82.5%	85.0%	87.0%
Value of positive news coverage	n.a.	n.a.	\$ 2,000,000	\$ 2,200,000
MTA People reports published per year	27	28	36	38
Total revenue generated from film leasing	\$ 467,228	\$ 348,765	\$ 500,000	\$ 550,000
Total radio reach / frequency	n.a.	n.a.	40% / 4.5	40% / 4.5
Total newspaper ad distribution per quarter	n.a.	n.a.	42,000	44,000

SUPPORT SERVICES

Organization Chart



Strategic Business Unit

Support Services, headed by the Chief Financial Officer, provides cross-functional administrative and financial services to support the MTA's core business units.

Support Services is comprised of departments and resources that serve all operating units.

Support Services - Finance

Department Narrative

The Executive Office, Finance, oversees Accounting, Office of Management & Budget, and Treasury departments. The Executive Office, Finance, also provides support for the MTA's operating and capital plans.

Accounting

Accounting records MTA's financial transactions; maintains capital asset system accounting; generates financial reports; processes payroll and related matters, accounts payable, and accounts receivable; and reports and bills the MTA's capital and operating grants. The department is also responsible for the completion of various financial and compliance audit requirements of the MTA.

Office of Management & Budget

The Office of Management & Budget (OMB) develops the annual operating, capital, and subsidy budgets; prepares revenue and expense projections; manages operating and capital expenditure and revenue plans; and conducts special studies that analyze key business activities.

Treasury

Treasury forecasts, monitors, and manages cash requirements; oversees and directs the investment of available funds and debt proceeds; and administers the debt program. The Pension and Benefits unit administers all facets of group health and welfare plans, pension plans, 401(k) and 457 deferred compensation, and unemployment insurance, and provides retirement and financial counseling programs. The Revenue Administration unit collects, counts, and deposits fare revenue; inspects and monitors fare collection facilities,

equipment, and procedures; participates with law enforcement to counteract counterfeit fare media; and maintains and repairs Ticket Vending Machines (TVM) fare collection equipment.

Significant Changes in FY04

- Assess the system of internal controls over the Payroll process, then develop and implement control procedures in lieu of the procurement of a new HR/Payroll system.
- Implement workflow in the PA and GL modules to maximize the capabilities of the Financial Information System (FIS).
- Coordinate bill paying activities agency-wide to improve the efficiency and effectiveness of paying the MTA's bills.
- Develop a 10-year Forecast Model.
- Enhance the Budget Information and Analysis System.
- Implement "life of project" reporting for capital projects.
- Pursue additional debt refunding opportunities utilizing interest rate swaps or other financial tools.
- Refine the online benefits enrollment process.
- Coordinate and implement the collection and count of fare revenue from approximately 50 additional TVMs at 13 new Metro Gold Line stations and maintain the TVMs when the line opens.
- Perform the First Article Inspection Test (FAIT) of the Universal Fare System (UFS) project.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Finance Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Accounting	82	84	83
2 Treasury	61	65	62
3 Office of Management & Budget	25	24	22
4 Executive Office, Finance	3	3	3
5 Office of the CFO	2	2	2
6 Support Services - Finance Total FTEs	173	178	172

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
7 Accounting	\$ 219,347	\$ 16,776	\$ 16,593
8 Treasury	621,544	306,271	304,195
9 Office of Management & Budget	2,341	3,000	2,493
10 Executive Office, Finance	422	695	621
11 Office of the CFO	365	407	353
12 Support Services - Finance Total	\$ 844,019	\$ 327,148	\$ 324,254

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
15 Wages & Benefits	\$ 222,546	\$ 13,514	\$ 13,636
16 Services	11,775	19,684	16,209
17 Materials & Supplies	365	401	336
18 Casualty & Liability	(1)	-	-
19 Other Support	11,547	12,782	12,634
20 Acquisitions	(1,005)	298	-
21 Subsidies	8,584	-	-
22 Debt & Transfers	590,208	280,469	281,439
23 Support Services - Finance Total	\$ 844,019	\$ 327,148	\$ 324,254

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Finance: Key Performance Indicators

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Streamline top 5 Internal processes and reduce process cycle time to achieve agency goals.				
Days to pay invoices from invoice date	30	30	30	30
Days to pay properly approved Expense Reports from submittal date	15	10	7	7
Reduction in number of unprocessed/unmatched invoices over 90 days	30%	21%	79%	50%
Fare media sales reports posted to vendor accounts by month end	n.a.	75%	80%	90%
Days from month end to submit grant billings	10	9	8	8
Working days to complete month-end financial closing	10	10	10	9
Working days to complete quarter-end financial closing	60	60	45	45
Operating Fund portfolios total return divided by composite index	1.0	1.0	1.0	=>1.0
Positive pay exceptions resolved within four hour deadline	100%	100%	100%	100%
Unemployment Insurance claim cases won (protestable claims)	94%	96%	90%	90%
Time ticket vending machines (TVM's) are in service	n.a.	n.a.	88%	90%

Goal: Create A Safety Conscious Culture Throughout The MTA And Its Customers And Business Partners	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Reduce bus, rail, employee, and customer accidents and injuries by 51%.				
Percent of employees completing safety training	n.a.	25%	95%	100%

Support Services – Information Technology Services

Department Narrative

Information Technology Services (ITS) is responsible for the development, implementation, operation, maintenance, and technical support of MTA's computer systems and integrated communications network.

Significant Changes in FY04

ITS technical support for two projects, Transit Radio System (TRS) and Advanced Transportation Management System (ATMS), were transferred to Transit Operations. This change in responsibility included the transfer of nine positions. Two major projects, Division Network Construction Project (DNCP) and Maintenance and Materiel Management System (M3), will be nearing completion in FY04.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Information Technology Services Report

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Information Technology Services	166	164	153
2 Support Services - ITS Total FTEs	166	164	153

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
3 Information Technology Services	\$ 34,841	\$ 33,231	\$ 34,263
4 Support Services - ITS Total	\$ 34,841	\$ 33,231	\$ 34,263

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
5 Wages & Benefits	\$ 14,946	\$ 15,195	\$ 14,038
6 Services	8,593	12,431	9,823
7 Materials & Supplies	6,028	2,602	1,011
8 Other Support	2,488	2,571	3,428
9 Acquisitions	2,786	432	5,963
10 Support Services - ITS Total	\$ 34,841	\$ 33,231	\$ 34,263

Information Technology Services: Key Performance Indicators

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Complete all ITS Work Order tickets promptly, professionally, and courteously.				
Customer rating (on a 1 to 5 scale)	n.a.	n.a.	3.75	4.00
Objective: Provide continuous access to mission critical applications				
Network availability	99.0%	99.5%	99.7%	99.8%
Objective: Deliver projects on schedule.				
Capital project schedule adherence	n.a.	35.0%	85.0%	95.0%

Support Services – Management Audit Services

Department Narrative

Management Audit Services' role is to strengthen internal controls and to promote the economy, efficiency and effectiveness of MTA operations. The department accomplishes this mission by completing independent and objective audits and reviews. Management Audit Services assists management by ensuring that: a) MTA operates in accordance with MTA procedures and applicable laws and regulations, b) adequate and effective systems of internal control are in place, c) financial and management data are accurate and reliable, d) MTA contract and contract change order audits are conducted in a timely manner, e) MTA assets and resources are adequately safeguarded, and f) MTA operations are managed economically, efficiently, and effectively. The department also administers the MTA's pre-qualification program, performs management control self-assessments (CSA), and coordinates MTA's tracking of outside audit recommendations.

Significant Changes in FY04

- Reduced workforce by 40% in 18 months and overall budget by more than 23% in FY03.
- Continue to improve the quantity, quality, and pervasiveness of internal audits.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Management Audit Services Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Management Audit Services	72	68	55
2 Support Services - Management Audit Services Total FTEs	72	68	55

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
3 Management Audit Services	\$ 11,609	\$ 11,046	\$ 8,019
4 Support Services - Management Audit Services Total	\$ 11,609	\$ 11,046	\$ 8,019

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
5 Wages & Benefits	\$ 6,288	\$ 6,457	\$ 5,093
6 Services	5,056	4,345	2,682
7 Materials & Supplies	51	62	59
8 Other Support	214	182	185
9 Support Services - Management Audit Services Total	\$ 11,609	\$ 11,046	\$ 8,019

Management Audit Services: Key Performance Indicators

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Streamline top 5 internal processes and reduce process cycle time to achieve agency goals.				
Annual audit plan completed	53%	59%	86%	85%
Contracted Audit Reports completed	n.a.	342	203	190
Contract Audit percentage of questioned costs vs. total dollars audited.	n.a.	5%	15%	12%
Days to complete vendor pre-qualification	n.a.	20	15	15

Support Services - Office of Procurement & Material Management

Department Narrative

Procurement & Material Management's mission is to deliver efficient and cost effective services that are responsive and add value to our client's mission resulting in improved services to MTA customers.

Executive Office, Procurement & Material Management

The Executive Office of Procurement & Material Management provides oversight for the acquisition and management of all goods and services for the MTA. The Executive Office oversees four basic functions: Process Management, Material Management, Contract Administration, and Client/Vendor Services. It provides for the development and implementation of strategic Procurement Initiatives designed to improve service and lower costs.

Material Management

Material Management provides planning, acquisition and control of inventory assets to achieve client service level expectations in a cost effective manner. This includes forecasting material requirements for scheduled maintenance and component rebuild programs, acquiring goods and services, supply chain management, inventory storage, security and timely distribution of materials.

Contract Administration – Planning/Construction, CP/Environmental/Estimating

This department performs contract administration for large complex planning and construction type procurements for the agency. The department is also responsible for responding to protests, developing independent estimates, and negotiating change orders and amendments.

Contract Administration – Professional Services

Contract Administration – Professional Services is aligned in Client Teams to support the specific needs of the assigned business units of the Agency. Each Team provides pre-award and post-award contract administration by supporting professional services and goods and equipment contracts as well as the Client's yearly blanket purchase agreements. The Department is also responsible for the administration of the Purchase Card Program and contracts for the purchase of the agency's rolling stock, comprised of all revenue and non-revenue vehicles.

Client/Vendor Services

Client/Vendor Services manages the administrative processes and business information systems in support of Procurement and Material Management and their clients.

Significant Changes in FY04

- FY04 labor budget decreases by 13 FTEs, mainly from reductions in Capital and Operations budget allocations, as well as department reorganization. In FY04 the Procurement & Material Management Department is restructured to make various processes simpler, easier to understand, and more responsive to client needs.
- A Streamlining group now resides within the Executive Office to review current practices, identify core requirements, and benchmark and introduce best practices into the MTA procurement process. The projects identified for FY04 will focus on improving three areas: Process, Technology, and Human Resources. Technology improvements will automate processes and thereby reduce the cost of procuring goods and services.
- Business workflow will be integrated with the M3 technology.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Office of Procurement & Material Management Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Materiel	203	163	151
2 Contracts-Construction	53	53	45
3 Contracts-Professional Services	30	30	33
4 Contract Support & Client Services	21	18	18
5 Executive Office, Procurement & Material Mgmt	7	7	11
6 Support Services - Office of Procurement & Material Management T	314	271	258

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
7 Materiel	\$ 14,465	\$ 18,108	\$ 13,824
8 Contracts-Construction	5,298	5,200	4,481
9 Contracts-Professional Services	2,696	2,837	3,090
10 Non Departmental-Procurement & Material Mgmt	4,334	2,626	2,426
11 Contract Support & Client Services	1,756	1,528	1,323
12 Executive Office, Procurement & Material Mgmt	1,504	1,460	1,452
13 Support Services - Office of Procurement & Material Management T	\$ 30,053	\$ 31,760	\$ 26,597

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
14 Wages & Benefits	\$ 23,909	\$ 21,971	\$ 21,329
15 Services	916	859	593
16 Fuel, Lubricants & Propulsion Power	1	2	-
17 Materials & Supplies	4,498	2,932	2,715
18 Other Support	257	421	92
19 Acquisitions	472	5,575	1,868
20 Support Services - Office of Procurement & Material Management T	\$ 30,053	\$ 31,760	\$ 26,597

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Office of Procurement & Material Management: Key Performance Indicators

Goal: Improve Transit Systemes	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Improve service quality for bus and rail systems Service level availability for cleaning materials, window guards, and passenger seat inserts to support equipment cleanliness and zero tolerance programs	98%	98%	99%	98%

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Streamline top 5 internal processes & reduce process cycle time to achieve agency goals Contract lead time (in days) for: Construction (Major Corridor Projects) Professional Services (Construction) Capital Projects/Environmental Professional Services (Planning) Procurement cycle time for small purchases Invoices paid within 30 days	202 n.a. n.a. 156 n.a. n.a.	148 n.a. n.a. 160 13.0 68%	180 141 166 180 12.3 84%	170 130 130 150 10.4 90%

Support Services – Risk Management

Department Narrative

Risk Management is responsible for protecting the MTA's assets through the identification, management, and control of insurable risks. Responsibilities include management and oversight of the following: workers' compensation claims administration (including special investigations); Public Liability/Property Damage (PL/PD) claims administration; the identification, purchase, and administration of appropriate insurance programs; the Owner-Controlled Insurance Program (OCIP) for construction activities; the self-insured liability reserves through risk financing techniques; and the recovery of insurance proceeds for damage to MTA property.

Significant Changes in FY04

- Transfer of the workers' compensation Special Investigations Unit from the Safety Department to the Risk Management Department to achieve a more focused and better-managed anti-fraud campaign.
- Development of a plan to transition self-insured pre-September 1998 workers' compensation claims from a third party administrator to self-administration to reduce the cost of administering these claims.
- Transfer of the insurance budget for transit corridor projects to Construction Project Management.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Risk Management Report

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Risk Management	20	58	41
2 Support Services - Risk Management Total FTEs	20	58	41

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
3 Risk Management	\$ 41,681	\$ 43,617	\$ 43,162
4 Support Services - Risk Management Total	\$ 41,681	\$ 43,617	\$ 43,162

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
5 Wages & Benefits	\$ 3,169	\$ (109)	\$ (3,093) *
6 Services	3,573	4,865	6,975
7 Materials & Supplies	44	46	542
8 Casualty & Liability	34,734	38,559	38,459
9 Other Support	161	256	279
11 Support Services - Risk Management Total	\$ 41,681	\$ 43,617	\$ 43,162

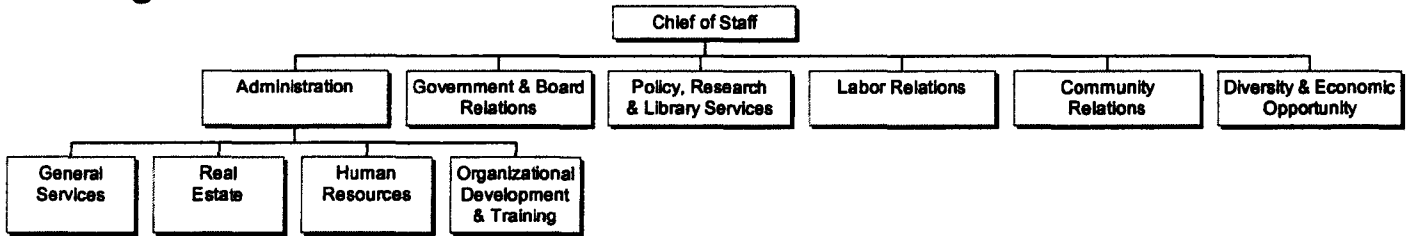
* Includes Workers' Comp chargeback credit for PRMA

Risk Management: Key Performance Indicators

Goal: Create A Safety Conscious Culture Throughout The MTA And Its Customers And Business Partners	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Reduce bus, rail, employee and customer accidents and injuries by 51%.				
Number of new Workers' Compensation claims per 100 employees.	30.5	30.3	22.2	20.0
Total Workers' Compensation payments per 100 employees.	\$580,521	\$580,234	\$586,886	\$528,198
Number of new bus traffic accident claims per 100K hub miles.	3.25	2.87	2.76	2.49
Average Public Liability/Property Damage (PL/PD) incurred loss per claim.	\$4,833	\$5,440	\$8,156	\$7,340
PL/PD Subrogation Recoveries.	\$698,397	\$543,779	\$660,091	\$675,000
Objective: Develop and implement a Return-to-Work Program for MTA employees.				
Indemnity to total Workers' Compensation claims %	63.9%	74.3%	76.6%	69.0%
Number of lost work days per 100 employees	1,194	1,200	1,221	1,099

CHIEF OF STAFF

Organization Chart



Strategic Business Unit

The Chief of Staff includes Administration, Diversity & Economic Opportunity, Community Relations, Labor/Employee Relations, Government & Board Relations, and Policy, Research, & Library Services.

Executive Office, Chief of Staff

The Executive Office of the Chief of Staff oversees key programs and coordinates all areas of the MTA, including the implementation of the Chief Executive Officer's initiatives, with the emphasis of customer focus and a commitment to safety. The Chief of Staff provides the Chief Executive Officer with the resources to manage the MTA in a professional manner. The Executive Office also provides sound, prudent policy recommendations, advice, and counsel in the development of strategies and the resolution of sensitive and complex political, business, and governmental issues. Additionally, the Executive Office directs and executes the strategic mission, vision, and values of the MTA, and provides direction toward the achievement of its annual performance goals and objectives.

Administration

Administration is responsible for four essential support services functions: General Services, Human Resources, Real Estate, and Organizational Development and

Training (OD&T). These critical functions support agency-wide activities and projects.

Executive Office, Administration

The Executive Office provides leadership and management oversight of support services functions that include the provision of administrative services such as building management and real estate services, human resources, and organizational development and training activities, as well as development of agency-wide administrative policies.

General Services

General Services provides Gateway building management, records management, copy and mail services, printing services, travel coordination, and rubbish oversight.

Human Resources

Human Resources furnishes administration and guidance on all aspects of personnel management for the MTA including recruiting and staffing, compensation, job classification, leave programs, and drug and alcohol compliance programs.

Real Estate

Real Estate provides real estate services in the areas of appraisal, environmental investigations, property acquisitions,

relocation, property management, and property dispositions.

Organizational Development & Training

OD&T functions as an agency-wide consultant whose purpose is to facilitate and integrate organizational best practices, increase individual and team performance, improve/reduce cycle time and increase financial/operational effectiveness, and facilitate agency-wide strategic planning outcomes.

OD&T designs/develops employee, management, and leadership training programs to enhance knowledge, skills, and abilities to prepare employees for the changing demands of the workplace.

Diversity & Economic Opportunity

Diversity & Economic Opportunity, formerly Small Business Diversity & Labor Compliance, provides customer service, achieves workforce diversity, and promotes economic opportunity by implementing internal and external programs that benefit customers, staff, and trade workers on MTA construction projects and the small business community.

Community Relations

Community Relations is responsible for public liaison throughout Los Angeles County to ensure that the transportation plans and objectives of the MTA are effectively and expeditiously communicated and implemented in the communities served by the Agency. The department's staff develops and manages innovative outreach programs in support of MTA's multifaceted roles in the community – not only as a service operator, but also as property owner and planning and funding agency. Key community relations program support components include construction impact mitigation, bus and rail safety education

outreach, facilitation of community and interjurisdictional issues resolution, and overall support of the bus service sector structure.

Labor/Employee Relations

Labor/Employee Relations negotiates and administers the MTA's collective bargaining agreements, manages grievances arising out of interpretation and administration of the labor agreements, serves as advocates for MTA management during arbitrations related to labor agreements, provides contract interpretation and due process advice to MTA management, and manages grievances of non-represented employees.

Government & Board Relations

Government Relations is the principal liaison to all federal, state and local elected officials, government agencies, commissions, and their staff. The department develops the MTA's legislative goals and objectives, obtains legislative support, and monitors the legislative process for the MTA. Board Relations serves as a liaison between the MTA's Board of Directors and executive management and provides research information and analyses on significant issues to enhance the decision-making process.

Policy, Research & Library Services

Policy, Research & Library Services (PR&LS) develops, catalogues, publishes, and monitors policy, regulations, and procedures promulgated by MTA Board of Directors and the Chief Executive Officer. It provides oversight of Board-related matters including the preparation of committee and board reports. Additionally, the department is responsible for agency research, analysis, and process improvements at the direction of the CEO. PR&LS operates the MTA's Research

Center, Dorothy Peyton Gray Library, and Archives.

Significant Changes in FY04

- Centralize personnel activities of Metro Operations Service Sectors in Human Resources.
- Upgrade the technology and content in the Rail Safety Education Outreach program for Metro Light Rail.
- Initiate mitigation programs for ELA Light Rail in conjunction with utility relocation, property acquisition, and other pre-construction activities.
- Expand Community outreach throughout the County to educate and involve communities in the roles, responsibilities, and mission of the MTA.
- Assume the function of Injured Worker Advocate from Corporate Safety.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Chief of Staff Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Administration	201	183	183
2 Diversity & Economic Opportunity	24	25	25
3 Community Relations	8	25	24
4 Labor/Employee Relations	19	21	22
5 Government & Board Relations	13	15	14
6 Policy, Research & Library Services	-	6	6
7 Executive Office, Chief of Staff	11	11	12
8 Chief of Staff Total FTEs	276	286	286

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
9 Administration	\$ 32,061	\$ 38,612	\$ 35,854
10 Diversity & Economic Opportunity	2,194	2,251	2,179
11 Community Relations	886	3,966	3,538
12 Labor/Employee Relations	1,471	2,225	2,091
13 Government & Board Relations	1,853	2,160	2,208
14 Policy, Research & Library Services	-	1,393	754
15 Executive Office, Chief of Staff	1,449	2,949	2,334
16 Chief of Staff Total	\$ 39,914	\$ 53,555	\$ 48,958

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
17 Wages & Benefits	\$ 23,201	\$ 24,692	\$ 23,672
18 Services	6,029	10,404	8,982
19 Fuel, Lubricants & Propulsion Power	-	21	25
20 Materials & Supplies	1,696	2,971	1,943
21 Other Support	6,881	8,652	8,742
22 Acquisitions	2,138	6,765	5,594
23 Subsidies	(31)	50	-
24 Chief of Staff Total	\$ 39,914	\$ 53,555	\$ 48,958

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Chief of Staff: Key Performance Indicators

Goal: Create A Safety Conscious Culture Throughout The MTA And Its Customers And Business Partners	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Develop and implement a Return-To-Work Program for MTA employees.				
Lost work days due to non-industrial leaves of absence	n.a.	n.a.	250	213
Percent of safety work orders responded to and completed within 30 minutes of notification	n.a.	100%	100%	100%

Goal: Attract, Develop & Retain Employees	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Invest in employee development.				
Number of employees trained in-house	3,850	4,399	5,500	5,500
Cost per training hour	\$62.34	\$54.17	\$49.40	\$49.40
Client satisfaction rating for in-house training (1 to 5 scale)	3.37	3.71	4.12	4.12

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Streamline top 5 internal processes and reduce process cycle time to achieve agency goals.				
Client satisfaction with organizational development interventions (1 to 5 scale)	n.a.	n.a.	3.50	3.50
Days to process an employment requisition for selected AFSCME and non-represented recruitments	8	8	7	4
Days to fill non-represented and AFSCME positions	n.a.	45	40	35
Weeks to place Bus Operator candidate	n.a.	8	7	5
Days to process ADA/FEHA reasonable accommodation requests	n.a.	60	30	28
Printing services jobs delivered on time	98%	99%	97%	99%
Copy center jobs delivered on time	94%	99%	81%	99%

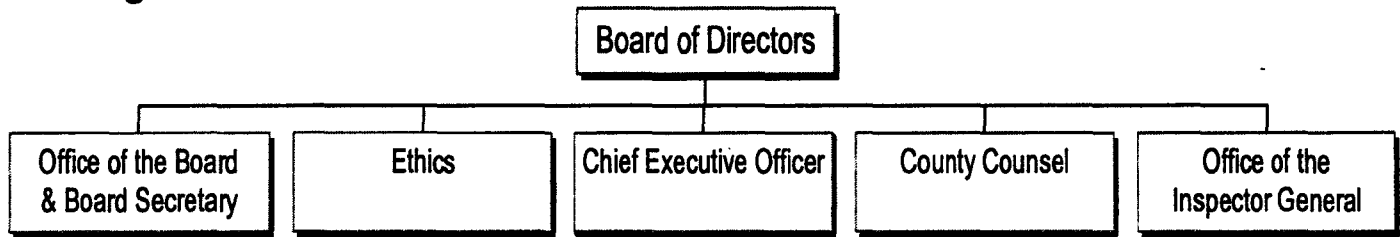
Chief of Staff: Key Performance Indicators, cont'd

Goal: Create A Positive Image Of The MTA	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Increase awareness and improve the perception of the MTA's internal and external customers				
Number of Board briefings achieved	18	22	24	24
Procurements (over \$25,000 for construction and over \$40,000 for professional services) with DBE/SBE/VALP goals	70%	89%	90%	90%
Relationships established with city, state, and federal offices of elected officials, public agencies, departments, and institutions related to MTA's transportation agenda	n.a.	225	237	250
Students and community members reached in the vicinity of the Metro Blue and Gold lines through safety presentations and the 3-D mobile theatre	n.a.	75,000	75,000	250,000
Students reached through the Division Advisory Committee School Program	n.a.	n.a.	n.a.	78,000

Goal: Improve The Efficiency And Effectiveness Of The Agency	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Streamline internal processes and reduce process cycle time to achieve agency goals				
Days to process internal discrimination complaints	60	50	60	60
Subcontractors Paid Reports (Form 103) received and monitored on all active contracts with DBE/SBE goals	n.a.	n.a.	87%	100%
Certified payroll reports on MTA public works projects reviewed and audited	n.a.	n.a.	100%	100%
Small business certification applications completed within 90 days	n.a.	n.a.	60%	100%

BOARD OF DIRECTORS

Organization Chart



Strategic Business Unit

The Board of Directors establishes policies and authorizes appropriations of the MTA. Reporting directly to the Board of Directors is the Chief Executive Office, Board Office/Office of the Board Secretary, County Counsel, Ethics Office, and the Office of Inspector General.

Chief Executive Office

The Chief Executive Office manages the MTA, which is the third largest transportation agency in the United States. The Chief Executive Office directs the operations of a multi-modal transit system, construction improvements, and regional transportation planning and programming functions.

The Chief Executive Office works with staff, elected officials, and the community to bring consensus on key projects while at the same time improving the mobility and livability of Los Angeles County. The Chief Executive Officer heads this department. Those reporting to the Chief Executive Officer include the Planning Executive Officer; Executive Officer Construction Project Management; Deputy CEO/Chief Operations Officer; Chief Financial Officer, Chief of Staff; and the Chief Communications Officer. These officers' units support the enterprise-wide objectives and provide linkages to our

stakeholders including our business partners, the unions, and the community.

Office of the Board & Board Secretary

The Office of the Board & Board Secretary is responsible for the Board meeting process including agendas, minutes, resolutions, and scheduling. It includes the Legal Services function, which is responsible for accepting and processing all legal documents served on the MTA and its employees.

County Counsel

As general counsel to the MTA, County Counsel provides legal representation and advice.

County Counsel attorneys attend Board and committee meetings and provide advice on issues of governmental law such as the Brown Act, procurement law, eminent domain, Public Records Act, conflict of interest laws, and Federal and State laws relating to transportation.

Additionally, County Counsel provides advice and representation on construction matters and employee relations and personnel matters. County Counsel also drafts and reviews contracts, represents the MTA in litigation and arbitration, and oversees legal services provided by outside law firms.

Ethics Office

The Ethics Office advises the Board of Directors, executive management, and staff on ethical, financial disclosure, and conflict of interest issues. It also administers the MTA's Statement of Economic Interest Disclosure and Lobby Registration reporting programs, and conducts ethics training. The Ethics Office also researches state laws and regulations governing campaign contributions, fund raising activities, conflicts of interest, and lobby regulations, and serves as the Agency's Disadvantaged Business Enterprise Reconsideration Officer.

Office of the Inspector General

The Office of Inspector General (OIG), which was created under legislation that also created the MTA, reports directly to the Board. Examples of functions of the OIG are as follows:

The OIG provides objective reports to the Board of Directors and MTA management.

The OIG conducts analyses, evaluations, and appraisals of performance effectiveness as well as of the accuracy of information systems.

The OIG works jointly with MTA management on the economic and efficient utilization of resources and the adequacy of internal controls. The office is also charged with the responsibility to detect, investigate, deter, and prevent fraud, waste, and abuse in MTA programs, operations, and resources.

The OIG also maintains liaison with law enforcement officials, district attorneys, and the U.S. attorney for appropriate referral, coordination, and cooperation in civil or criminal matters.

Significant Changes in FY04

- Facilitate Service Sector Governance Council Meetings.
- Upgrade the MTA's 5-channel wireless communication system in the Board Room to allow for the simultaneous translation of meetings in several languages while also providing service for the hearing impaired.
- Support the five sector governance councils (approximately 40 new council members) concerning conflicts of interest and related matters for monthly sector council meetings.
- Launch a new on-line lobbyist registration software program.
- Update the MTA Codes of Conduct.
- Market the OIG role and support effort to the MTA programs and mission.
- Present a Public Relations/Outreach Program to MTA Sectors and Divisions.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Board of Directors Reports

Department FTEs	FY02 Adopted	FY03 Adopted	FY04 Adopted
1 Inspector General	42	32	32
2 Office of Board Secretary	9	9	9
3 Ethics Office	6	6	6
4 County Counsel	4	5	5
5 Chief Executive Office	1	1	1
6 Board of Directors Total FTEs	62	53	53

Expenditures (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
7 Inspector General	\$ 3,179	\$ 3,552	\$ 3,739
8 Office of Board Secretary	578	608	637
9 Ethics Office	532	565	611
10 County Counsel	31,398	34,292	12,369
11 Board Office	121	174	189
12 Chief Executive Office	298	432	411
13 Board of Directors Total	\$ 36,106	\$ 39,623	\$ 17,957

Expenditure Types (Amounts in thousands)	FY02 Actual	FY03 Budget	FY04 Adopted
14 Wages & Benefits	\$ 4,574	\$ 4,821	\$ 4,314
15 Services	31,353	34,314	13,222
16 Materials & Supplies	54	72	56
17 Other Support	99	344	316
18 Acquisitions	26	72	49
19 Board of Directors Total	\$ 36,106	\$ 39,623	\$ 17,957

Note: County Council's FY04 budget request reduced significantly due to the conclusion of Red Line-construction related litigation in FY03 and the removal of reimbursable expenditures from budget request.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Board of Directors: Key Performance Indicators

Goal: Create a Positive Image of the MTA	FY01 Actual	FY02 Actual	FY03 Estimated	FY04 Target
Objective: Increase awareness and improve public perception.				
Employees receiving Ethics Training	1,900	2,000	2,140	2,200

ADOPTED BUDGET
FY2003 – FY2004

APPENDIX 1: MTA BUDGET PROCESS

Budget Overview

The annual budget, as adopted by the Board of Directors, is the legal authority to obligate and spend funds. It includes all operating, capital and debt service requirements of the MTA for the fiscal year, July 1st to June 30th. The annual budget is comprised of operating and capital budgets.

The operating budget provides a summary of the planned revenues and expenditures for the fiscal year for MTA services and programs including the following:

- All revenue and expense assumptions and projections.
- Revenue Service Hours and miles of bus and rail service.

The operating budget includes Metro Bus and Metro Rail operations, Freeway Service Patrol (FSP), planning activities and projects, property management activities, debt service, agency administration, and contingencies. The operating budget is comprised of the Enterprise, General, Special Revenue, Internal Service and Debt Funds.

The capital budget process has been integrated into the annual budget process. The capital budget includes all capital projects including transit corridor and rail construction projects and the Capital Program (CP). The CP consists of all activities associated with bus acquisition, bus and rail capital improvements, facility construction and other capital improvements such as information technology enhancements. When the Board of Directors approves a capital project, it authorizes the schedule and total expenditures over the life of the project.

The annual budget authorizes the anticipated expenditures of the total project budget and the scope of work to be completed within the current fiscal year. Capital projects funding requirements extend over multiple budgetary periods. The approach to providing flexible funding over the life of the project requires the re-appropriation of unexpended carryover revenues and expenses from the prior fiscal year.

The MTA also budgets for regional programs to provide funds directly through grants of local funds or indirectly through allocating Federal and State grants to local agencies and transit operators throughout Los Angeles County. Funds are allocated to other governmental agencies in accordance with legislative requirements, Board of Directors policy, or through a competitive awards process known as the Call for Projects (CFP). The Board of Directors approves the projects recommended for funding through the annual budget and the competitive process.

Regional programs funded in the Special Revenue Fund include capital and operating allocations to municipal bus operators, direct disbursements to Los Angeles County municipalities for transportation programs, and services for the disabled persons provided by Access Services, Inc (ASI).

MTA's financial records reflect only those funds that are actually received and directly disbursed by the MTA.

Budget Workflow

In accordance with the Financial Standards, the annual budget is adopted before July 1st to define the legal level of fiscal year expenditures. Budgeting for the fiscal year

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

is divided into three phases: (1) budget formulation and preparation; (2) budget presentation and reviews; and (3) budget implementation.

Budget Formulation and Preparation

- Initial planning, development of assumptions, preparation of instructions and training materials began in January after a mid-year review of the FY03 budget.
- FY04 Budget Kickoff meetings were held with departments in mid-February 2003.
- Budget system training classes were held in February 2003.
- Preparation of the FY04 budget began in February 2003 with departments developing expense and labor requests that were submitted to their Executive Officers for approval before submittal to the Office of Management and Budget (OMB) in mid-March.
- Capital Project (CP) expense and labor requests were submitted by departments to the assigned Project Manager for approval prior to being included in the department's budget request to their Executive Officer.

Budget Reviews

- The Capital Plan was developed concurrently with the annual operating budget. Recommendations for the update to the Capital Plan were reviewed with the Capital Review Committee in late February and early March 2003.
- Project and department level reviews of budget requests were completed in March 2003.

Adoption Phase

- The summary of the proposed budget was released to the Board of Directors and public on May 1, 2003.

- MTA staff briefed the Board of Directors staff on May 7, 2003.
- A workshop was held for the Board of Directors on May 12, 2003.
- The public hearing was held May 15, 2003, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Plan updates were adopted on May 22, 2003, at the regularly scheduled Board of Directors meeting.

Budget Implementation

- The FY04 Budget will be implemented on July 1, 2003.
- Periodic financial reports are prepared to enable management to monitor and control the budget.
- Quarterly financial reports are prepared by Finance and presented by the Chief Financial Officer to the Board of Directors. These reports monitor financial performance and ensure compliance with approved budget.

Budget Basis

The MTA is a single, integral entity for budgeting and accounting purposes. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental and proprietary funds, except that depreciation and amortization are not budgeted. The Governmental Accounting Standards Board (GASB) defines a fund as a "*fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.*"

Funds are classified into three categories: governmental, proprietary, and fiduciary.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Budgets are adopted for each fund within the groups: the proprietary category includes Enterprise and Internal Service; governmental includes General, Special Revenue, Capital Projects, and Debt Service Funds. Fiduciary funds are not included in the annual budget. The fund category includes pension and agency trust funds. All governmental funds, except the Special Revenue fund, are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. Special Revenue fund proceeds are budgeted as the "flow of funds" basis, essentially, cash basis. The proprietary funds, Enterprise and Internal Service, use the accrual basis of accounting in which revenue is recognized when it is earned or received.

MTA uses Special Revenue funds to account for those funds that are restricted by purpose and use. The Special Revenue fund reflects MTA's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County. Special revenue funds are shown in the budget summaries on a cash-flow basis.

In addition, MTA is responsible for acting as a trustee for certain funds which are held by the MTA as an agent for individuals, private organizations or other funds. MTA uses fiduciary funds to account for these assets and includes pension trust funds and restricted agency funds. Benefit Assessment District (BAD) funds are an example of trustee funds that MTA collects and serves as the trustee for debt payment. The outstanding debt is an obligation of the Benefit Assessment District; MTA administers the program through the collection of taxes from property owners and payments to bondholders.

Service Authority for Freeway Emergencies (SAFE) administers the Los Angeles County Call Box program, which coordinates emergency services to motorists on freeways. SAFE is an independent financial entity component unit. SAFE funding is derived from the \$1 fee collected on California annual vehicle registrations.

Budget Policies and Procedures

The annual budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special programs and previously approved capital projects. The agency uses the "zero-based budgeting" methodology to determine resources for new programs and capital projects as well as general and administrative expenses. The MTA's Chart of Accounts is reviewed and supplemented on an annual basis.

In accordance with the Financial Standards, the Finance unit monitors revenues and budget expenditures throughout the fiscal year.

For all MTA accounting funds except the Enterprise Fund, budgetary oversight and control is attained through checking available funds for non-labor transactions. Available funds are identified as unspent and unencumbered. Available funds are verified for a department and project by monitoring combined budget totals for non-labor account categories or for individual acquisition-related accounts. Project expenditures in the Enterprise Fund are controlled and monitored based on a cost-per-hour performance target within the budgetary constraints of the appropriation level approved by the Board of Directors.

Budget Amendments

Budget detail is a management plan for financial activity and is prepared at the fund, project, department and expense level. The legal level of control is at the fund level.

Total expenditures cannot exceed the final appropriation adopted by the Board. During the fiscal year, changes in law, economic conditions and emergencies can have an impact on budget authority. Spending authority may be increased or decreased throughout the fiscal year as unanticipated situations arise. Management may make revisions within operational and project budgets only when there is no net dollar impact to the total appropriations at the fund level. As such, the Chief Executive Officer can approve administrative revisions to the financial plan if changes are consistent with the appropriation by fund.

MTA's source of authority to make changes is rooted in disclosure on financial policy as stated in MTA's Comprehensive Annual Financial Report (CAFR) where reference to the legal level of authority is at the fund level so that staff has the ability to make changes within that legal authority.

Capital Program Budget

The Capital Program (CP) budget process was completed as part of the FY04 budget process. Project managers are responsible for analyzing the status of their funded projects (re-forecasting of schedules, costs, etc.) throughout the fiscal year. Their estimates for the work to be completed in the current fiscal year impacts the department budget established for the next fiscal year. Project managers submitted new projects for consideration through the CP budget process in the second quarter of the current fiscal year.

The CP budget process:

- authorizes capital projects and associated funding plans,
- defines project costs in terms of labor and non-labor costs,
- quantifies the operating impact of the capital investment (including cost increases),
- identifies new requirements or projects since the adoption of the prior CP, including changes to the life-of-project budget, and
- determines which prior year projects will not be completed as scheduled in the current fiscal year.

The CP is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gathered project information (current and new projects) and submitted the information to OMB in the second quarter. OMB compiled the information and disseminated the information to Element Sponsors (department executive officers, directors, etc.). Element Sponsors reviewed and ranked projects, then compiled a list of proposed projects for the next fiscal year.

OMB assembled the proposed project lists and submitted the list to the Capital Review Committee (Deputy Chief Executive Officer, Chief Financial Officer and Executive Officer of Construction Project Management). The Capital Review Committee reviewed a list of recommended capital projects, further prioritized the projects to match available revenues, and submitted the list to the Chief Executive Officer for approval. The Capital Review Committee finalized the approved CP for the coming fiscal year. OMB submitted the approved CP to the MTA Board of Directors for review and adoption in the fourth quarter as part of the FY04 budget.

APPENDIX 2: FINANCIAL STANDARDS POLICY

Policy Statement

The Board shall review and approve a set of Financial Standards each year as part of the annual budget and financial planning process.

Purpose

The Financial Standards shall be divided into three sections:

1. **General Financial Standards** - The purpose of the general standards is to ensure that MTA prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.
2. **Debt Financial Standards** - The purpose of the Debt Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in financial planning are based on financial parameters similar to or more conservative than those that would be placed on MTA by the financial marketplace. These standards will be consistent with the Board-approved Debt Policy.
3. **Business Planning Parameters** - The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year's budget and other MTA financial plans and establishes future business targets for management to achieve.

Application

This policy applies to all MTA financial plans.

1.0 Procedures

- 1.1 The Management Team will review each of the Financial Standards areas annually.
- 1.2 The MTA's performance against the Financial Standards shall be measured and reported to the CEO throughout the year on a regular cycle.
- 1.3 At least annually, a mid-term report of the MTA's financial and programmatic performance will be presented to the Board.
- 1.4 The Financial Standards may be amended or waived by the Board on a case-by-case basis.

2.0 Definition of Terms

- 2.1 **Financial Plan** – Any plan, denominated in financial terms, that represents the MTA's official intentions to external parties, including other levels of government and their agencies, stakeholders, business partners and customers of the transportation system in Los Angeles County.
- 2.2 **CEO** – The MTA's chief executive officer or designee.
- 2.3 **Management Team** – Appointed by the CEO.
- 2.4 **Budget** – The financial plan that summarizes the MTA's intentions during a fiscal year.
- 2.5 **Capital Program** – The financial plan that details the MTA's investment in its own assets over a five-year

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

period. The Capital Program is updated and included in each year's budget. The current year's expenditures are appropriated within the budget.

3.0 Responsibilities

3.1 OMB shall be responsible for conducting the periodic performance reviews required under this policy.

3.2 Based on inputs from all units of the MTA, OMB shall be responsible for presenting the updated financial standards to the Board for review and approval.

4.0 Flowchart

Not applicable.

5.0 Reference

5.1 MTA Debt Policy

5.2 MTA Investment Policy

6.0 Attachments

None.

7.0 Procedure History

7.1 Initial Action – February 2002

Adoption of this policy supersedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:

Fin 1 Fiscal Policies (General)

Fin 2 Budget Preparation and Approval

Fin 3 Budgetary Controls

Fin 4 Budget Amendments and Adjustments

Fin 5 Fiscal Monitoring & Reporting

Fin 6 Funds Programmed to Other Agencies

Fin 7 Contingency Fund

Fin 8 Chart of Accounts

Fin 9 Revenue Policies

APPENDIX 3: MTA FY03-04 FINANCIAL STANDARDS

The Financial Standards are divided into three sections: General, Debt, and Business Planning Parameters. The purpose of the General standards is to ensure that MTA prudently manages its financial affairs and establishes appropriate cash reserves. The purpose of the Debt standards is to limit the level of debt that may be incurred and to ensure that debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on MTA by the financial marketplace. Actual debt covenants may differ from these standards. In accordance with the MTA's Debt Policy, where this occurs, the actual covenants will be disclosed in the Board report supporting the debt issuance. The Business Planning Parameters provide management with a framework for developing the following year's budget and other longer range financial plans and establishing future business targets for management to achieve.

Financial Standards – General

- G1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. MTA's fiscal year-end for financial reporting purposes shall be June 30.
- G2. An independent accounting firm shall perform an examination of MTA's consolidated financial statements (including Single Audit requirements) and MTA's retirement plan financial statements on an annual basis. The MTA's goal is to receive an unqualified opinion on the

financial statements and an opinion that MTA is in compliance with Federal Single Audit requirements in all material respects and to receive the Government Finance Officers Association (GFOA) award for excellence in financial reporting.

- G3. Funds of the MTA shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable State law, California Government Code Section 53600 et seq.

In accordance with the Investment Policy, the Board shall approve the Financial Institutions Resolution that designates the MTA Officials empowered to open, close, or authorize changes to accounts and authorizes MTA Officials to designate individuals as Official Signatories for the MTA's financial accounts.

- G4. An annual actuarial analysis shall be performed on all MTA self-administered retirement plans. The MTA shall make annual contributions that, when combined with employee contributions, fund actuarially computed costs as they accrue.
- G5. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, the MTA shall record the liabilities, including losses incurred but not reported, at 100% of the net present value.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

It is the MTA's goal that restricted cash balances are maintained in amounts equal to the estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities will be made annually.

- G6. Since sales taxes are received on a monthly basis, the allocations among the various ordinance categories shall also be recorded monthly.

Expenditures against appropriations are limited to cash actually on hand during the fiscal year.

- G7. Sales tax collections received during a fiscal year that are in excess of the sales tax budget for that year shall be reported as unreserved, designated fund balances in the Special Revenue Fund. Excess Local Return monies are disbursed when received. Any other excess balances may only be expended pursuant to Board authorization. Such funds are generally available for appropriation in the subsequent budget cycle in accordance with their ordinance designations.

- G8. The fiscal year of MTA shall end on June 30 of each year. By January of each fiscal year, the Board should review and approve a set of Financial Standards that can be used by management as a framework for developing the following year's Budget. The Board shall approve the Budget by June 30 of each fiscal year.

- G9. The annual budget establishes the legal level of appropriation for a year. The budget shall include operating, capital, regional funding and other components necessary to implement the policy directions contained in previously Board adopted longer-term plans, i.e., LRTP, SRTP. The budget shall be prepared in a fashion to clearly describe the projects and programs contained therein and to receive the GFOA award for excellence in budgetary presentation.

- G10. The MTA shall adopt a long-range (covering at least 20 years) transportation plan for Los Angeles County at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects and programs. The plan update report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules.

- G11. Annually, the MTA shall adopt a five-year (short-range) transportation plan (SRTP) for Los Angeles County. The plan will include service levels and ridership by mode for each of the years. The five-year plan will also identify the capital investment needs to support the existing regional system and regional service expansion. The plan will also identify key performance indicators by which to measure the MTA's accomplishment of the plan's goals.

G12. The MTA shall maintain a cost effective system of internal control to adequately safeguard the MTA's assets. In assessing the internal control system, management must weigh the cost of control against the expected benefit to be derived from its implementation

Recommendations for improvements to the MTA's system of internal controls are requirements of the various regularly scheduled and specifically directed audits that are performed in accordance with generally accepted governmental auditing standards. These recommendations, management's action plans and progress toward implementation will be reported to the Board's Executive Management and Audit Committee on a regular basis.

Financial Standards - Business Planning Parameters

B1. Sales tax revenue forecasts shall be based on a sales tax model developed specifically for the Los Angeles County by an independent economist, except for the initial two years, which may be based on management's best estimate. The real growth projections in the model shall be reduced by 20% for the balance of the forecast period. The sales tax forecast for development of the FY04 budget will be \$565.8 million for Prop A and \$565.7 million for Prop C, consistent with the 10 Year Forecast dated August 2002.

B2. Passenger revenue forecasts shall be derived from ridership and average fare forecasts based on the MTA's approved fare policy and fare structure.

The Board will review and update the fare policy on a regular cycle, at least each 5th year since prior review and approval. From time to time, management may propose fare modifications to achieve transit ridership improvements and subsidy per passenger targets (see B4) and to maintain MTA's financial viability.

B3. The Board desires to steadily improve service efficiency over time. It is the MTA's long-term strategy to achieve this by reducing the subsidy per passenger ratio (operating expenses, excluding depreciation, minus operating revenues divided by passenger boardings). Subsidy per passenger for the MTA's bus and rail system may not be higher in FY04 than \$1.38 plus the additional subsidy required for load factor mitigation.

B4. For MTA operated bus and rail service, cost per revenue vehicle service hour (measured separately for bus and rail) may not increase by more than the projected rate of inflation for the Los Angeles area, less efficiencies of 1.5%; plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board. The projected incremental cost impact on cost per revenue vehicle service hour of new services, programs, and/or facilities shall be presented to the Board for approval

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

as part of the annual update of the SRTP each year.

inflation rate of 4% shall be used for expansion capital projects.

B5. For FY04 MTA's staffing, measured in FTE's, will be held to the FY03 level adjusted for service expansion or other new scope that has been approved by the Board.

B8. MTA applies for and receives discretionary Federal and State funding. Discretionary funding shall be requested for major system expansion projects or extraordinary transit capital needs. (e.g., BRT, LRT or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on appropriate State and Federal criteria and the likelihood of obtaining approvals.

B6. Regional programs such as local return, formula allocation procedure and Call for Projects shall be funded according to the terms of the laws, regulations and/or discretionary procedures approved by the MTA Board.

The Board shall approve all discretionary State and Federal funding requests by project or program each year.

B7. The capital plan covers MTA's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities and is included in each annual budget. The capital plan shall include funding for asset replacement and expansion projects. Capital projects in excess of \$1 million shall be listed separately for approval by the Board.

B9. Prop A and C administrative funds (Admin) are appropriated through the MTA's annual budget from the Special Revenue Fund to the General Fund to pay for activities not required to be accounted for in other funds. The following statements provide guidance for appropriation and use of Prop A and C administrative funds.

Timely replacement of assets shall be the highest priority to ensure a safe system. Accordingly, the capital plan shall include replacement reserves by major asset category to ensure adequate future funding. The reserve levels shall be based on management's assessment of the asset category's condition.

Appropriation

Based on past practice, up to 5% of Prop A may be appropriated for administrative purposes.

Expansion projects not previously approved in the short-range plan shall be prioritized based on the project's cost, impact on ridership, return on investment, available funds, and other relevant factors. An

The Prop C ordinance allows up to 1.5% to be appropriated for administrative purposes.

Admin funds are transferred from the Special Revenue Fund to the General Fund as received, limited to the lesser of appropriations or actual sales taxes received.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Admin funds must be expended or encumbered within one year after the end of the year of appropriation. Lapsing is accounted for on the first-in, first-out basis. Lapsed Admin funds, if any, are returned to the Special Revenue Fund at the end of each year for re-appropriation through the next budget process.

Eligible Uses

Administrative activities include the planning, management, including planning, of the execution, use and conduct of the projects and programs funded by Prop A and C funds.

Admin funds may not be used for operating or building the transit system or regional programs that are operations-related.

Examples, not an all-inclusive listing, of eligible uses of administrative funds:

- Indirect costs that are not allowable under federal guidelines, OMB Circular A-87, i.e., lobbying, interest expense, bad debt expense, cost of general governance.
- Indirect costs that MTA elects not to allocate through its annual FTA approved cost allocation plan (CAP) because to do so might burden projects or programs in an inequitable manner.
- Development of planning and programming documents required by federal and state regulations and MTA Board policy.
- Activities that benefit MTA projects and programs indirectly such as internships, career development, training programs, etc.
- Transportation planning activities including bus, rail, highway and other surface transportation modes.

- Consent decree oversight.

The proposed expenditure programs for these activities will be shown in detail in the annual budget. Actual expenditures will be shown in the annual comprehensive financial report.

Financial Standards - Debt

- D1. MTA may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of applicable state and federal laws and the MTA's Debt Policy.
- D2. Long-term debt may be included in the budget or longer range plans; however, no such debt shall be incurred without the specific approval of the MTA Board.
- D3. Reserved
- D4. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D5. Reserve funds that may be required by the financial markets for each debt issuance shall be maintained. Cash and securities, insurance or surety bonds may fund these reserves. For financial planning purposes, reserve requirements shall be included in the par amount of debt issued.
- D6. MTA shall maintain a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure rating of "A" or better on sales tax backed securities and secure A1 or P1 rating on other

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

short-term debt, and, if necessary, to secure credit enhancement from financial institution with a rating of "AA" or better.

D7. Debt service coverage ratio minimums by sales tax ordinance categories are shown in the MTA's Debt Policy. For financial planning purposes, those ratios shall not be exceeded in the development of longer-term financial plans.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

APPENDIX 4: REVENUE DETAIL - FY04 BUDGET

Fund Type	Revenues	Assumptions	Application/Uses
<i>Sales Tax Revenues</i>			
Proposition A	\$633.3 million in revenues include \$67.5 million in carryover funds and \$565.8 million in new sales tax.	The FY04 sales tax forecast was based on the FY03 Budget escalated by 4.94%.	All areas of budget-operations, debt service, general fund, planning projects, rail construction, and subsidies.
Proposition C	\$911.5 million in revenues include \$345.8 million in carryover funds and \$565.7 million in new tax revenues.	The FY04 sales tax forecast was based on the FY03 Budget escalated by 4.94%.	All areas of budget-operations, debt service, general fund, planning projects, bus procurement, and subsidies.
Transportation Development Act (TDA)	\$415.7 million in revenues include \$127.6 million in carryover funds and \$288.1 million in new tax revenues.	The FY04 sales tax forecast was based on the FY03 Budget escalated by 4.94%.	MTA bus operations, local match to COP and capital projects, subsidies to municipal bus operators.
State Transit Assistance (STA)	\$70.9 million in revenues include \$42.1 million carryover funds and \$28.8 million in new revenues.	Projection is based on State Controller's Report of allocated funds to L.A. County.	MTA agency-wide capital and rail operations, subsidies to municipal bus operators.
<i>Intergovernmental Revenues</i>			
<i>Local Revenues</i>			
Access Service Inc – ASI (RSTP Federal Funds)	\$47.0 million in new revenues.	Based on Board-approved funding plan.	ADA Compliance program.
City of Los Angeles	\$3.0 million in new revenues.	Projection based on MTA Treasury Department debt service schedule and capital funding.	Debt related to bus leases.
Department of Water & Power (LADWP)	\$3.5 million in new revenues.	Based on estimate of work to be completed.	Reimbursement for activities on SFV Metro Rapidway.
Joint Development – Grand Central Market	\$425,000 in new revenues.	Based on new schedule of anticipated cash flows as projected by developer.	Debt repayment for CRA Housing and Redevelopment.
CSDA/CTFC Sub-lease agreement	\$1.3 million in new revenues.	Consistent with MTA's FY04 Treasury Department Debt Plan.	Financing reimbursements for COP sub-lease debt service.
Local Other	\$425,000 in new revenues from Gateway cities.	Based on estimate by Countywide Planning staff of anticipated grant funds.	MIS Studies.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Appendix 4: Revenue Detail - FY04 Budget, cont'd

Fund Type	Revenues	Assumptions	Application/Uses
State Revenues			
State STP/Traffic Congestion Relief Program – TCRP	\$49.8 million in new revenues.	Based on major funding plan for transportation in California intended to ease traffic congestion in key regions. Funds reimbursed to MTA as expenditures are incurred.	Mid-City/Wilshire, San Fernando Valley East-West, Eastside LRT, Mid-City/Exposition Transit Corridors.
State Highway Account – SHA	\$2.0 million in new revenues.	Based MTA's Grant Management Dept estimate of anticipated grant funds from the State. Funds reimbursed to MTA as expenditures are incurred.	System safety and security programs.
SB45 Administration	\$2.6 million in new revenues.	Estimated by Capital Planning staff, consistent with SB45 funding plan. Funds reimbursed to MTA as expenditures are incurred.	Administration and oversight of planning projects.
Budget Change Proposal (BCP)	\$6.1 million in new revenues.	Based on State Highway Operations Dept. estimate of anticipated grant funds from Caltrans for Freeway Service Patrol project.	Freeway Service Patrol Program (FSP).
State Other	\$2.6 million in revenue includes \$1.9 million from SCAG Rideshare, \$0.6million from Caltrans, and \$0.2 million from SCAQMD.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	Access to Job program, SCAG Employer Rideshare Service Project, and the I-710 MIS study.
Federal Revenues			
Section 5309 [3] Capital – New Starts	\$55.0 million in available revenues.	Assumed to average \$65 million annually through FY 2013. Funds reimbursed to MTA as expenditures are incurred.	Metro Red Line Segment 3-North Hollywood project and Eastside LRT.
Section 5309 [3] Fixed Guideways	\$67.2 million in available revenues.	Assumed guaranteed level of TEA-21 and projected added eligible miles that become seven years old during the plan period. Funds reimbursed to MTA as expenditures are incurred.	Rail asset acquisition and rail maintenance capital projects.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Fund Type	Revenues	Assumptions	Application/Uses
Section 5307 [9] Capital	\$88.3 million in available revenues.	Assumed at the guaranteed level of TEA-21 as determined by the federal formula and SCAG implementing formulas. Section 5307 funds reimbursed to MTA as expenditures are incurred.	Bus capital leases, bus facility improvements, bus preventive maintenance, and information technology improvements.
Congestion Mitigation and Air Quality (CMAQ)	\$71.1 million in available revenues.	Based on State Implementation Plan that has been approved pursuant to the Clean Air Act. Funds reimbursed to MTA as expenditures are incurred.	Universal fare collection system, advanced transportation management system, and alternate fuel high capacity buses.
Federal TEA	\$3.3 million in available revenues.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	SFV East/West Bikeway project.
Regional Surface Transportation Funds (RSTP)	\$20.1 million in available revenues.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	FTA Grantee pass thru subsidies program, system safety and security project, and light rail vehicle enhancements project.
Federal STP	\$28.7 million in available revenues.	Assumed guaranteed level of TEA-21 and projected added eligible miles that become seven years old during the plan period. Funds reimbursed to MTA as expenditures are incurred.	Universal Fare System, System Safety & Security, and Light Rail Vehicle (LRV) Fleet Enhancement.
Federal Other	\$16.7 million in available revenues includes \$0.6 million from FTA job access program, \$2.2 million from FHWA pass-thru Caltrans, \$1.6 million RSTP-CMAQ regional, and \$12.3 million from MTA-sponsored CFP project.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	Job Access program, LA/Ventura advanced traveler information, MTA Sponsored CFP Project, and FEMA.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Appendix 4: Revenue Detail - FY04 Budget, cont'd

Fund Type	Revenues	Assumptions	Application/Uses
Investment Income Revenues			
Prop A Interest	\$17.1 million in available revenues include \$13.6 million in carryover funds and \$3.5 million in new revenues.	New revenue estimate is based on average portfolio investment amount with an annual yield rate of 1.9%.	MTA bus operations and Municipal Bus operators.
Prop C Interest	\$55.2 million in revenues includes \$43.2 million in carryover funds and \$12.0 million in new revenues.	New revenue estimate is based on average portfolio investment amount with an annual yield rate of 1.9%.	MTA bus operations and Municipal Bus operators.
TDA Interest	\$17.5 million in revenues includes \$13.5 million in carryover funds and \$4.0 million in new revenues.	New revenue estimate is limited to portion of funds that is allocated through FAP.	MTA bus operations and Municipal Bus operators.
STA Interest	\$2.0 million in revenues includes \$1.1 million in carryover balance and \$850K in new revenues.	New revenue estimate is limited to portion of funds that is allocated through FAP.	MTA bus operations and Municipal Bus operators.
General Fund-Interest Revenue	\$840,000 in new revenues.	New revenue estimates are based on average earning in FY03.	General administrative expenditures.
Sales Leaseback interest	\$1.8 million in new revenues.	New revenue estimates are based on average earnings in FY03.	Capital Projects.
Right of way lease revenues interest	\$1.9 million in new revenues.	New revenue estimates are based on average earning in FY03.	Right of way administration.
SAFE – interest revenue	\$1.0 million in new revenues.	New revenue estimates are based on FY02 earnings.	Call boxes.
Interest earned on Debt Service Funds	\$15.0 million in new revenues.	Based on the average over last three years.	Reduce principal and interest in the Debt Service Funds.
Lease And Rental			
Lease and Rental	\$73.9 million in revenues including \$63.8 million in carryover funds and \$10.1 million in new revenues.	Based on MTA's Property Management Dept. estimate and actual lease agreements.	Property management Metro Bus & Rail Operations Joint Development.
License And Fines			
Service Authority for Freeway Emergencies (SAFE)	\$33.5 million in revenues including \$27.4 million in carryover balance and \$6.1 million in new revenues.	Based on number of registered vehicles in L.A. County at \$1 per car and actual FY03 revenues.	Call box program.
HOV Lanes Fines	\$1.4 million in revenues including \$903K in carryover balance and \$500K in new revenues.	Based on State Highway Operations Dept. estimate of anticipated funds.	Freeway Service Patrol program (FSP).

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Fund Type	Revenues	Assumptions	Application/Uses
General Fund Revenues			
Parking Fees	\$850,000 in new revenues.	Projected revenues are based on analysis of actual monthly receipts from Catellus Corporation, and are estimated at an average of \$70,833 a month.	General administrative expenditures, capital improvements of parking facility.
Sales Leaseback	\$35.6 million in carryover funds.	Based on analysis of fund balance.	Bus and rail capital and other uses to be determined.
SCRRA Administrative Support	\$60,000 in new revenues.	Based on current contract agreements between SCRRA and MTA's ITS Department for leasing RS/6000 server, IBM hardware maintenance support, and Oracle FIS license fees.	General administrative expenditures.
Employee Activities	\$954,000 in revenues including \$237,000 in carryover balance and \$717,000 in new revenues.	Based on projected revenues by Human Resources Department including \$480,000 for Employee Center ticket, logo merchandise and Sees candy sales.	Employee activities related projects.
Miscellaneous Other	\$900,000 in new revenues.	Projection is based on analysis of miscellaneous cash receipts.	General administrative expenditures.
Pasadena Blue Line (Admin. Cost Reimbursement)	\$100,000 in new revenues.	Based on estimate from MTA's Property Management Dept. on projected reimbursements from Pasadena Authority.	Property Management program related to Pasadena Blue Line.
General Fund Estimated Carryover Balance	\$30.3 million in carryover funds.	Based on analysis of accounting records. Balance includes unspent FY02 and projected FY03 budgeted expenditures.	Board Contingency Programs, Office of County Counsel, Legal Services, Countywide Planning & Development Projects, and Office of Inspector General.
Other Revenues			
FAU Cash	\$14.5 million in available funds including \$14.2 million in carryover funds and \$300K in interest income funds	Carryover based on actual Accounting records.	Countywide Planning and Development projects, all eligible Prop A Local Return projects.
Ridesharing Funds	\$1.3 million in carryover funds	Based on actual accounting records.	SCAG employer rideshare program, all eligible Prop A Local Return projects.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Appendix 4: Revenue Detail - FY04 Budget, cont'd

Fund Type	Revenues	Assumptions	Application/Uses
Benefit Assessment District (BAD)	\$6.5 million in new revenues.	Financing reimbursements to equal annual debt service expenditures. The assessments are collected from commercial property owners within half a mile of certain Metro Red Line stations.	Financing reimbursements for Benefit Assessment (BAD) debt service.
Operating Revenues			
Fare Box Revenues- Passenger fares	\$273.1 million in new revenues.	Assumes increased fares due to fare restructuring and additional boardings for Pasadena Gold Line service.	Bus and rail operations.
Route Subsidies – Hollywood Shuttle	\$400,000 in new revenues.	Based on prior year actual and estimated contract value between MTA and L.A. County and L.A. Philharmonic.	Bus operations.
Metrolink Interagency Agreement	\$2.4 million in new revenues.	Revenues are based on annual estimate of \$2.8 million passengers transferring from Metrolink to Metro Red Line and MTA's buses at \$.80 each. Growth rate consistent with last year's level assumption.	Bus and rail operations.
Advertising	\$13.3 million in new revenues.	Based on number of buses running during peak hours per contract with Transportation Display Incorporated.	Bus operations.
Non-Operating Revenues (not generated by operating activities)			
FTA Grant – 5307 Preventive Maintenance	\$82.3 million in new revenues.	Assumed at the guaranteed level of TEA-21 as determined by the federal formula and SCAG implementing formulas. Section 5307 funds reimbursed to MTA as expenditures are incurred.	Bus and Rail Preventive Maintenance.
FTA Grant – CMAQ Pasadena Gold Line	\$27.7 million in new revenues.	Based on State Implementation Plan that has been approved pursuant to the Clean Air Act.	Operations of Metro Gold Line.
Interest Revenues	\$8.0 million in new revenues.	Based on FY02 actual earnings.	Bus and rail operations.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Fund Type	Revenues	Assumptions	Application/Uses
Net Appreciation in Fair Value of Investments	\$1.2 million in new revenues.	Earnings based on last FY01 and FY02 actuals.	Bus and rail operations.
Bus Parts/Scrap Sales	\$400,000 in new revenues.	Based on MTA's Procurement Department estimate of revenues from the sale of salvaged bus parts and non-revenue vehicles.	Bus operations.
Filming Fees	\$550,000 in new revenues.	Based on MTA's Marketing Department projection and filming activity trends in Southern California.	Bus and rail operations.
County Buydown	\$450,000 in new revenues.	FY03 amount based on Customer Service Department revised cash flow assumption.	Bus operations.
Fare Violations/Fines	\$750,000 in new revenues.	Revenue is based on MTA's Transit Security Department projected number of citations that will be issued in FY04.	Bus and rail operations.
Miscellaneous	\$600,000 in new revenues.	Based on average FY02 and FY03 cash receipts.	Bus and rail operations.
<i>Other Financing Sources</i>			
Proposition A Rail Bonds	\$72.6 million in new revenues.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Rail capital asset expenditure close out, Eastside LRT, and Metro Red Line Segments 2 and 3 - North Hollywood.
Proposition C - Streets & Hwys Bonds	\$49.2 million in carryover revenue.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Suspended Pasadena project outstanding claims, Pasadena Gold Line start up costs, Green Line costs, and SFV Transitway.
Proposition C - Discretionary Bonds	\$123.4 million includes \$54.5 million in carryover revenue and \$68.9 million in new revenue.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Universal Fare System.
General Revenue Bonds	\$2.1 million in carryover revenue.	Interest earned on unspent funds.	Gateway Headquarters Improvements.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Appendix 5: GENERAL FUND EXPENDITURES AND FUNDING

Project	Task Name	FY04 Adopted Budget	Prop A Administration	Prop C Administration	TDA Administration	Other	Total Allocation
1	100002-Governmental/Oversight						
2	General oversight	\$ 19,893,674	\$ 16,460,878	-	-	\$ 3,432,796	\$ 19,893,674
3	Funds Administration	24,269	24,269	-	-	-	24,269
4	Legal expenses	2,065,000	2,065,000	-	-	-	2,065,000
5	Investment/Debt Management	88,360	88,360	-	-	-	88,360
6	Investment/Cash Management	90,926	90,926	-	-	-	90,926
7	Debt Management	100,357	100,357	-	-	-	100,357
8	Total Project 100002	22,262,587	18,829,790	-	-	3,432,796	22,262,587
9							
10	100010-Unrestricted General Fund						
11	Cross Border Lease	463,151	-	-	-	463,151	463,151
12	Total Project 100010	463,151	-	-	-	463,151	463,151
13							
14	100011-Employee Activities						
15	Employee Activities Program	901,688	-	-	-	901,688	901,688
16	Total Project 100011	901,688	-	-	-	901,688	901,688
17							
18	100012-Prop A & C Audit						
19	Prop A Audit	14,000	14,000	-	-	-	14,000
20	Prop C Audit	14,000	-	14,000	-	-	14,000
21	Total Project 100012	28,000	14,000	14,000	-	-	28,000
22							
23	330500-Industry Assistance						
24	Filming Marketing	107,353	-	-	-	107,353	107,353
25	Total Project 330500	107,353	-	-	-	107,353	107,353
26							
27	400018-Union Station Enhancement						
28	CA-03-0504 Catellus	49,062	-	-	-	49,062	49,062
29	CA-03-0504 Courtyard	50,611	-	-	-	50,611	50,611
30	CA-03-0504 Pedestrian Tunnel	294,947	-	-	-	294,947	294,947
31	CA-03-0504 ADA Rests	264,000	-	-	-	264,000	264,000
32	Total Project 400018	658,620	-	-	-	658,620	658,620
33							
34	405510-Other Planning and Programming						
35	Call/MOU Tech Support	335,783	167,892	167,892	-	-	335,783
36	Consolidated Audit Services	590,674	196,891	196,891	196,891	-	590,674
37	Triennial Audit Management	1,035,780	345,260	345,260	345,260	-	1,035,780
38	General Bikeways	32,535	32,535	-	-	-	32,535
39	Prop A/C Administration	412,801	206,401	206,401	-	-	412,801
40	Grants Administration	680,616	340,308	340,308	-	-	680,616
41	Grants Funds Administration	55,464	55,464	-	-	-	55,464
42	TDA Article 3 & 8	119,306	-	-	119,306	-	119,306
43	TIP Administration	826,733	-	-	826,733	-	826,733
44	Govt. Coordination/Outreach	906,088	453,044	453,044	-	-	906,088
45	Bus System Improvements Plan	83,060	-	83,060	-	-	83,060
46	Other P & P- ROW Property Management	6,664	6,664	-	-	-	6,664
47	Station Planning/Joint Develop	1,100,137	366,712	366,712	366,712	-	1,100,137
48	H/V Joint Development Negotiations	58,996	58,996	-	-	-	58,996
49	New "Call" Program	190,765	164,529	26,235	-	-	190,765
50	Regional Bike Mktg. Program	80,390	80,390	-	-	-	80,390
51	Transit Capital/TCI	14,749	14,749	-	-	-	14,749
52	Art Program	166,270	166,270	-	-	-	166,270
53	Public Outreach	336,074	168,037	168,037	-	-	336,074
54	General Planning	1,608,810	536,270	536,270	536,270	-	1,608,810
55	Transit User Program	25,752	25,752	-	-	-	25,752
56	General Commuter Program	14,467	14,467	-	-	-	14,467
57	Measurement- increase customer awareness	2,726,175	1,133,722	1,133,722	458,732	-	2,726,175
58	Total Project 405510	\$ 11,408,087.46	\$ 4,534,351.62	\$ 4,023,831.83	\$ 2,849,904.02	\$ -	\$ 11,408,087.46

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

Project	Task Name	FY04 Adopted Budget	Prop A Administration	Prop C Administration	TDA Administration	Other	Totals
62	405511-Transit Planning						
63	Chinatown Plaza	\$ 22,044.18	\$ 7,348.06	\$ 7,348.06	\$ 7,348.06	\$ -	\$ 22,044.18
64	Long Range Plan Update	1,785,872	595,291	595,291	595,291	-	1,785,872
65	Municipal Funding & Coordination.	314,090	104,697	104,697	104,697	-	314,090
66	Sylmar Child Care	2,432	811	811	811	-	2,432
67	Admin. NTD Report	33,052	11,017	11,017	11,017	-	33,052
68	S RTP Service Development	192,891	64,297	64,297	64,297	-	192,891
69	Bus System Improvements	5,689,241	1,896,414	1,896,414	1,896,414	-	5,689,241
70	Green Line Bus/Rail Interface	100,000	33,333	33,333	33,333	-	100,000
71	Metro Rapid Bus	1,296,930	432,310	432,310	432,310	-	1,296,930
72	Transit Planning	1,012,814	508,235	500,000	4,579	-	1,012,814
73	08-265 Professional Services	30,000	30,000	-	-	-	30,000
74	CA-37-X019 Contracts - Welfare to Work	1,200,000	-	600,000	-	600,000	1,200,000
75	BRT Research	20,000	10,000	10,000	-	-	20,000
76	Eastside Ext. Pedestrian Crossing	60,000	30,000	30,000	-	-	60,000
77	ADA Compliance	389,040	226,879	162,161	-	-	389,040
78	Social Service Transit	60,504	60,504	-	-	-	60,504
79	Research & Development	400,836	400,836	-	-	-	400,836
80	Total Project 405511	12,609,746	4,411,971	4,447,678	3,150,096	600,000	12,609,746
81							
82	405515-Regional EZ Pass Program						
83	Regional Pass Program	2,100,000	-	-	-	2,100,000	2,100,000
84	Total Project 405515	2,100,000	-	-	-	2,100,000	2,100,000
85							
86	405547-SCAG Employer Rideshare						
87	Core Rideshare Services	1,073,370	-	-	-	1,073,370	1,073,370
88	Employer Rideshare Services	2,415,845	-	-	-	2,415,845	2,415,845
89	Total Project 405547	3,489,215	-	-	-	3,489,215	3,489,215
90							
91	405595-Other Planning Projects						
92	Bicycle Programs	362,980	362,980	-	-	-	362,980
93	RSTP-System Preservation Study	40,000	40,000	-	-	-	40,000
94	Total Project 405595	402,980	402,980	-	-	-	402,980
95							
96	609911-Transit Academy/TOPS						
97	TOP	94,600	94,600	-	-	-	94,600
98	Total Project 609911	94,600	94,600	-	-	-	94,600
99							
100	610041-Property Management						
101	General ROW Overhead	3,586,105	-	-	-	3,586,105	3,586,105
102	West Santa Ana	18,095	-	-	-	18,095	18,095
103	Exposition	10,000	-	-	-	10,000	10,000
104	SANBAG	229,047	-	-	-	229,047	229,047
105	Total Project 610041	3,843,248	-	-	-	3,843,248	3,843,248
106							
107	610051-Pasadena Property Management						
108	Pasadena Blue Line	31,654	-	-	-	31,654	31,654
109	Total Project 610051	31,654	-	-	-	31,654	31,654
110							
111	610081-Owned Property						
112	Property Acquisition	77,500	-	-	-	77,500	77,500
113	Administration	2,611,653	-	-	-	2,611,653	2,611,653
114	Total Project 610081	2,689,153	-	-	-	2,689,153	2,689,153
115							
116	Total Expenditures/Allocations	\$ 61,090,083	\$ 28,287,693	\$ 8,485,510	\$ 6,000,000	\$ 18,316,879	\$ 61,090,083

**Los Angeles County Metropolitan Transportation Authority
FY 04 Adopted Budget**

APPENDIX 6: SUMMARY OF REVENUES AND CARRYOVER BY SOURCE

(Amounts in thousands) Revenue Source	Fiscal Year 2002			Fiscal Year 2003			Fiscal Year 2004		
	Carryover	Actual	Total	Carryover	Budget	Total	Carryover	Adopted	Total
1 Sales Tax Revenues									
2 Proposition A									
3 Administration	\$ -	\$ 26,296	\$ 26,296	\$ (40)	\$ 26,962	\$ 26,922	\$ -	\$ 28,288	\$ 28,288
4 Local Return (25%)	4,725	124,921	129,646	4,725	128,068	132,793	4,861	134,367	139,027
5 Rail - Set Aside (35%)	49,151	174,889	224,040	47,361	179,295	226,657	5,676	188,113	193,789
6 Discretionary (95% of 40%)	28,793	189,880	218,673	29,050	194,684	223,714	30,451	204,237	234,688
7 Incentive (5% of 40%)	17,836	9,994	27,830	21,280	10,245	31,525	26,752	10,749	37,501
8 Total proposition A	100,505	525,980	626,485	102,376	539,234	641,610	67,540	585,754	633,293
9									
10 Proposition C									
11 Administration	396	7,891	8,287	(8)	8,088	8,080	-	8,486	8,486
12 Local Return (20%)	18,769	103,598	122,367	18,769	106,226	124,995	10,068	111,443	121,511
13 Security (5%)	2,329	25,899	28,228	2,176	28,557	28,732	(228)	27,861	27,632
14 Commuter Rail (10%)	62,789	51,798	114,587	58,593	53,113	111,706	51,653	55,722	107,375
15 Streets & Highways (25%)	191,267	129,496	320,763	187,862	132,783	320,645	182,000	139,304	321,304
16 Discretionary (40%)	94,945	207,194	302,138	102,188	212,453	314,641	51,688	222,866	274,574
17 Total proposition C	370,495	525,876	896,371	369,580	539,220	908,800	295,181	585,701	860,862
18									
19 Transportation Development Act - TDA									
20 Administration - (Fixed)	678	6,000	6,678	678	6,000	6,678	-	6,000	6,000
21 Article 3 - (2%)	11,631	5,241	16,873	14,402	5,365	19,767	13,075	5,643	18,718
22 Article 4 - (92.68%)	117,564	242,832	360,395	136,390	248,726	385,116	114,156	261,589	375,745
23 Article 8 - (5.32%)	943	13,984	14,937	7,937	14,164	22,101	375	14,896	15,271
24 Total TDA	130,816	268,067	398,883	159,407	274,255	433,662	127,606	288,128	415,734
25									
26 State Transit Assistance - STA									
27 Revenue Share - PUC 99314	13,613	34,247	47,859	25,203	14,233	39,436	35,046	14,823	49,868
28 Population Share - PUC 99313	6,043	26,195	32,238	2,881	13,956	16,837	7,063	13,989	21,053
29 Total STA	19,655	60,442	80,097	28,084	28,189	56,273	42,109	28,812	70,921
30 Total Sales Tax	621,472	1,380,364	2,001,836	659,447	1,380,898	2,040,345	532,436	1,448,394	1,980,830
31									
32 Intergovernmental									
33 Local Funds									
34 Access Service Inc - ASI (RSTP Federal Funds)	-	36,802	36,802	-	45,809	45,809	-	47,000	47,000
35 City of LA	-	-	-	-	2,710	2,710	-	3,049	3,049
36 SCAQMD	-	1,155	1,155	-	-	-	-	-	-
37 Department of Water and Power - DWP	-	-	-	-	-	-	-	3,504	3,504
38 Joint Development - Grand Central Market	-	-	-	-	425	425	-	425	425
39 Financing Reimbursements	-	-	-	-	-	-	-	-	-
40 CSDA/CTFC Sub-lease agreement	-	-	-	-	2,245	2,245	-	1,259	1,259
41 SCRRA Reimbursement	-	4,868	4,868	-	-	-	-	-	-
42 Local Other	-	530	530	-	395	395	-	425	425
43 Total local funds	-	43,155	43,155	-	51,584	51,584	-	55,662	55,662
44 State Funds									
45 State STP/Traffic Congestion Relief Funds	-	30,452	30,452	-	123,329	123,329	-	49,817	49,817
46 State Highway Account	-	-	-	-	312	312	-	1,997	1,997
47 SB45 Administration	-	5,283	5,283	-	3,763	3,763	-	2,600	2,600
48 Budget Change Proposal - BCP	-	5,723	5,723	-	5,655	5,655	-	6,057	6,057
49 State Other	-	6,572	6,572	-	10,336	10,336	-	2,640	2,640
50 Total state funds	-	48,030	48,030	-	143,396	143,396	-	63,111	63,111
51 Federal Funds									
52 Federal Section 5309 [3] Capital - New Starts	-	38,364	38,364	-	55,118	55,118	-	63,000	63,000
53 Federal Section 5309 [3] Fixed Guideways	-	23,763	23,763	-	35,367	35,367	-	58,422	58,422
54 Federal Section 5309 [3] Bus Facilities	-	283	283	-	13,704	13,704	-	10,741	10,741
55 Federal Section 5307 [9] Capital	-	74,215	74,215	-	77,328	77,328	-	90,836	90,836
56 Congestion Mitigation & Air Quality - CMAQ	-	94,845	94,845	-	59,348	59,348	-	71,054	71,054
57 Federal TEA	-	-	-	-	2,500	2,500	-	3,286	3,286
58 Regional Surface Transp. Funds (RSTP)	-	-	-	-	17,725	17,725	-	20,133	20,133
59 Federal STP	-	-	-	-	-	-	-	28,744	28,744
59 Federal Other	-	648	648	-	4,701	4,701	-	16,705	16,705
60 Total federal funds	-	232,118	232,118	-	265,792	265,792	-	362,921	362,921
61 Total Intergovernmental	-	323,303	323,303	-	480,772	480,772	-	481,693	481,693
62 Balance to following page	\$ 621,472	\$ 1,703,667	\$ 2,325,139	\$ 659,447	\$ 1,841,671	\$ 2,501,117	\$ 532,436	\$ 1,930,088	\$ 2,482,524

**Los Angeles County Metropolitan Transportation Authority
FY 04 Adopted Budget**

(Amounts in thousands) Revenue Source	Fiscal Year 2002			Fiscal Year 2003			Fiscal Year 2004		
	Carryover	Actual	Total	Carryover	Budget	Total	Carryover	Adopted	Total
63 Balance from previous page	\$ 621,472	\$ 1,703,667	\$ 2,325,139	\$ 659,447	\$ 1,841,671	\$ 2,501,117	\$ 532,436	\$ 1,930,088	\$ 2,462,524
64 Investment Income									
65 Prop A Interest	20,746	4,280	25,066	16,535	4,000	20,535	13,620	3,500	17,120
66 Prop C Interest	44,042	18,294	62,336	42,418	10,000	52,418	43,241	12,000	55,241
67 TDA Interest	8,878	7,226	16,104	14,317	3,500	17,817	13,522	4,000	17,522
68 STA Interest	-	1,105	1,105	1,561	400	1,961	1,105	850	1,955
69 General Fund - Interest Revenue	-	2,051	2,051	-	900	900	-	840	840
70 Sales Leaseback	-	1,767	1,767	-	-	-	-	1,068	1,068
71 Right of way lease revenues	-	1,708	1,708	-	-	-	-	1,871	1,871
72 SAFE - Interest Revenue	-	1,219	1,219	-	1,047	1,047	-	1,000	1,000
73 Interest Earned on Debt Service Funds	-	20,569	20,569	-	9,000	9,000	-	15,000	15,000
74 Interest Earned on Capital Projects Fund/ISF	-	5,777	5,777	-	-	-	-	-	-
75 Total investment income	73,666	63,976	137,642	74,831	28,847	103,678	71,488	40,128	111,616
76 Lease and Rental	52,353	12,929	65,282	55,958	10,150	66,108	63,839	10,125	73,964
77 License and Fines									
78 SAFE	24,546	7,046	31,592	23,953	6,100	30,053	27,445	6,100	33,545
79 HOV Lanes Fines	185	525	711	540	450	990	903	500	1,403
80 Total license and fines	24,731	7,572	32,303	24,493	6,550	31,043	28,349	6,600	34,949
81 Other									
82 General fund revenues									
83 Parking Fees	-	627	627	-	850	850	-	850	850
84 Sales Leaseback	21,403	27,488	48,890	43,118	5,000	48,118	23,900	-	23,900
85 SCRRRA Administrative Support	-	126	126	-	53	53	-	60	60
86 Employee Activities	493	646	1,139	486	775	1,261	237	717	954
87 HR Development Training	-	155	155	-	-	-	-	-	-
88 Miscellaneous other	-	943	943	-	600	600	-	900	900
89 Pasadena B.L. (Admin costs reimbursement)	-	213	213	-	100	100	-	100	100
90 General fund estimated carryover balance*	28,005	-	28,005	29,848	-	29,848	30,256	-	30,256
91 Total general fund revenues	49,900	30,397	80,298	73,452	7,378	80,830	54,393	2,627	57,020
92 FAU Cash	13,126	658	13,783	12,028	300	12,328	14,226	300	14,526
93 Ridesharing	1,215	61	1,276	1,295	-	1,295	1,276	-	1,276
94 Benefit Assessment District	-	15,549	15,549	-	6,837	6,837	-	6,513	6,513
95 Legal Settlement	-	6,254	6,254	-	-	-	-	-	-
96 Proceeds on lease/leaseback to service - DSF	-	59,278	59,278	-	-	-	-	-	-
97 Total other	64,241	112,197	176,437	86,773	14,515	101,288	69,895	9,440	79,334
98 Operating revenues:									
99 Fare Box Revenues - Passenger fares	-	238,844	238,844	-	252,081	252,081	-	273,099	273,099
100 Route subsidies - Hollywood shuttle	-	397	397	-	400	400	-	400	400
101 Metrolink Interagency Agreement	-	2,300	2,300	-	2,363	2,363	-	2,400	2,400
102 Advertising	-	13,973	13,973	-	13,800	13,800	-	13,250	13,250
103 Total operating revenues	-	255,514	255,514	-	268,444	268,444	-	288,149	289,149
104 Non-operating revenues									
105 Local operating grants	-	149	149	-	-	-	-	-	-
106 FTA Grant - 5307 Preventive Maintenance	-	82,432	82,432	-	81,783	81,783	-	82,309	82,309
107 FTA Grant - 5309 Fixed Guideways	-	5,344	5,344	-	-	-	-	-	-
108 FTA Grant - CMAQ Rapid Bus/Pasadena Gold Line	-	22,300	22,300	-	12,500	12,500	-	27,700	27,700
109 Interest revenues	-	10,378	10,378	-	7,000	7,000	-	8,000	8,000
110 Net Appreciation in fair value of investments	-	1,277	1,277	-	-	-	-	1,200	1,200
111 Other:									
112 Bus Parts/Scrap Sales	-	562	562	-	450	450	-	400	400
113 Automated Public Toilets	-	75	75	-	-	-	-	-	-
114 Filming Fees	-	349	349	-	350	350	-	550	550
115 County Buy down	-	448	448	-	450	450	-	450	450
116 Fare Violations/Fines	-	-	-	-	400	400	-	750	750
117 Miscellaneous	-	628	628	-	571	571	-	600	600
118 Total other	-	2,062	2,062	-	2,221	2,221	-	2,750	2,750
119 Total non-operating revenue	-	123,941	123,941	-	103,504	103,504	-	121,959	121,959
120 Total Revenues	836,463	2,279,796	3,116,259	901,502	2,273,680	3,175,183	766,007	2,407,489	3,173,496
121 Other financing Sources									
122 Proceeds from financing									
123 Proposition A Rail Bonds	-	4,871	4,871	-	21,482	21,482	-	72,565	72,565
124 Proposition C St & Hwys Bonds	-	339,797	339,797	87	33,497	33,584	49,188	68,889	118,077
125 Proposition C Discr Bonds	-	87,817	87,817	-	4,959	4,959	54,512	-	54,512
126 Refunded Eastside Bonds	44,096	-	44,096	43,592	-	43,592	-	-	-
127 General revenue bonds	2,159	-	2,159	1,904	-	1,904	2,146	-	2,146
128 Capital Lease	-	-	-	9,932	-	9,932	14,703	-	14,703
129 Total proceeds from financing	46,255	432,485	478,740	55,515	59,937	115,452	120,549	141,454	262,003
130 Proceeds from refunding bonds	-	20,825	20,825	-	-	-	-	-	-
131 Total other financing sources	46,255	453,310	499,565	55,515	59,937	115,452	120,549	141,454	262,003
132 Total revenues and carryovers	\$ 882,718	\$ 2,733,106	\$ 3,615,824	957,017	2,333,618	3,290,636	\$ 886,556	\$ 2,548,943	\$ 3,435,498

NOTES: Intergovernmental funds are on reimbursement basis therefore, no carryover balances are assumed.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

APPENDIX 7: ACTIVITY BASED BUS COST MODEL

ACTIVITIES	FY03 Budget		FY04 Adopted		FY03 TO FY04	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	267,734,639	\$ 38.92	267,336,429	\$ 38.98	(398,210)	\$ 0.07
3 OTHER	525,562	0.08	390,276	0.06	(135,286)	(0.02)
4 TRAINING	5,180,098	0.75	5,993,726	0.87	813,628	0.12
5 CONTROL CENTER	7,346,892	1.07	6,554,101	0.96	(792,791)	(0.11)
6 SCHEDULING AND PLANNING	4,165,463	0.61	1,874,508	0.27	(2,290,955)	(0.33)
7 SUB-TOTAL	284,952,654	41.42	\$ 282,149,041	41.14	\$ (2,803,613)	(0.27)
8						
9						
10 DIVISION MAINTENANCE						
11 WAGES & BENEFITS	99,883,187	14.52	99,288,048	14.48	(595,139)	(0.04)
12 FUEL	30,116,834	4.38	26,633,404	3.88	(3,483,430)	(0.49)
13 MATERIALS & SUPPLIES	30,459,117	4.43	36,931,225	5.39	6,472,108	0.96
14 OTHER	419,420	0.06	(615,193)	-	(1,034,613)	(0.06)
15 SUB-TOTAL	160,878,558	23.38	162,237,483	23.66	1,358,925	0.27
16						
17 RRC REGULAR MAINTENANCE						
18 WAGES & BENEFITS	8,208,931	1.19	6,227,396	0.91	(1,981,535)	(0.29)
19 MATERIALS & SUPPLIES	3,539,698	0.51	1,841,723	0.27	(1,697,975)	(0.25)
20 OTHER	9,166	0.00	438,252	0.06	429,086	0.06
21 SUB-TOTAL	11,757,795	1.71	8,507,371	1.24	(3,250,424)	(0.47)
22						
23 RRC PREVENTATIVE MAINTENANCE						
24 POWER PLANT ASSEMBLY	13,334,409	1.94	9,344,429	1.36	(3,989,981)	(0.58)
25 ACCIDENT REPAIR	843,915	0.12	784,716	0.11	(59,200)	(0.01)
26 WHEELCHAIR LIFTS	50,069	0.01	-	-	(50,069)	-
27 PAINTING	2,690,328	0.39	2,809,360	0.41	119,032	0.02
28 WINDOWS	375,653	0.05	15,111	0.00	(360,542)	(0.05)
29 RRC MGT & ADMIN	785,801	0.11	447,955	0.07	(337,846)	(0.05)
30 SUB-TOTAL	18,080,176	2.63	13,401,571	1.95	(4,678,605)	(0.67)
31						
32 OTHER MAINTENANCE						
33 MAINTENANCE SUPPORT	12,173,561	1.77	13,660,543	1.99	1,486,982	0.22
34 NON-REVENUE VEHICLES	3,660,368	0.53	3,993,583	0.58	333,215	0.05
35 FACILITIES MAINTENANCE	20,358,013	2.96	22,422,184	3.27	2,064,171	0.31
36 TRAINING	474,158	0.07	1,473,676	0.21	999,518	0.15
37 SUB-TOTAL	36,666,100	5.33	41,549,986	6.06	4,883,886	0.73
38						
39 SUB-TOTAL MAINTENANCE	227,382,629	\$ 33.05	225,696,411	\$ 32.91	(1,686,218)	\$ (0.14)
40						

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

ACTIVITIES	FY03 Budget		FY04 Adopted		FY03 TO FY04	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
41 OTHER OPERATING COSTS						
42 TRANSIT SECURITY	25,582,488	\$ 3.72	16,667,189	\$ 2.43	(8,915,299)	\$ (1.29)
43 GENERAL MANAGERS	13,124,316	1.91	16,496,679	2.41	3,372,363	0.50
44 REVENUE	14,091,481	2.05	10,991,853	1.60	(3,099,628)	(0.45)
45 SERVICE DEVELOPMENT	3,323,581	0.48	1,168,453	0.17	(2,155,128)	(0.31)
46 SAFETY	1,589,946	0.23	1,488,596	0.22	(101,350)	(0.01)
47 CASUALTY & LIABILITY	32,136,579	4.67	32,796,481	4.78	659,902	0.11
48 WORKERS' COMP	53,661,988	7.80	50,157,093	7.31	(3,504,895)	(0.49)
49 TRANSITIONAL DUTY PROGRAM	3,093,387	0.45	2,081,851	0.30	(1,011,536)	(0.15)
50 OTHER METRO OPERATIONS	15,529,703	2.26	14,928,697	2.18	(601,006)	(0.08)
51 BUILDING COSTS	8,862,994	1.29	8,757,430	1.28	(105,564)	(0.01)
52 EMPLOYEE SUBSIDY & FRINGE	324,785	0.05	134,213	0.02	(190,571)	(0.03)
53 COPY SERVICES	1,161,044	0.17	1,129,630	0.16	(31,414)	(0.00)
54 SUB-TOTAL	172,482,290	25.07	156,798,165	22.86	(15,684,126)	(2.21)
55						
56 SUPPORT DEPARTMENT COSTS	45,646,420	6.63	50,704,068	7.39	5,057,648	0.76
57						
58 TOTAL MTA OPERATED	730,463,993	106.17	715,347,684	104.31	(15,116,309)	(1.86)
59 REVENUE SERVICE HOURS	6,879,874		6,857,592		(22,282)	
60						
61 PURCHASED TRANSPORTATION						
62 CONTRACTED SERVICE	30,098,714	46.79	25,426,048	54.20	(4,672,666)	7.41
63 SECURITY	2,269,522	3.53	1,140,123	2.43	(1,129,400)	(1.10)
64 ADMINISTRATION	987,854	1.54	327,857	0.70	(659,997)	(0.84)
65 SUB-TOTAL	33,356,091	51.86	26,894,028	57.33	(6,462,063)	5.47
66 REVENUE SERVICE HOURS	643,214		469,095		(174,119)	
67						
68 TOTAL EXCLUDING DEBT	763,820,084	101.53	742,241,712	101.31	(21,578,372)	(0.22)
69 REVENUE SERVICE HOURS	7,523,088		7,326,687		(196,401)	-
70						
71						
72 ENTERPRISE FUND DEBT						
73 INTEREST	7,033,050		6,030,700		(1,002,350)	
74 ADMINISTRATION	730,293		483,069		(247,224)	
75 SUB-TOTAL	7,763,344		6,513,769		(1,249,575)	
76						
77 TOTAL BUS PROJECT	\$ 771,583,428		\$ 748,755,481		\$ (22,827,947)	

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

APPENDIX 8: ACTIVITY BASED LIGHT RAIL COST MODEL

ACTIVITIES	FY03 Budget		FY04 Adopted		FY03 TO FY04	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	9,189,392	\$ 30.34	20,781,713	\$ 51.19	11,592,321	\$ 20.85
3 MATERIALS & SUPPLIES	115,240	0.38	321,124	0.79	205,884	0.41
4 OTHER	28,075	0.09	84,453	0.21	56,378	0.12
5 CONTROL CENTER	4,866,367	16.06	-	-	(4,866,367)	(16.06)
6 SUB-TOTAL	14,199,074	46.87	21,187,290	52.19	6,988,216	5.32
7						
8 MAINTENANCE						
9 VEHICLE MAINTENANCE						
10 WAGES & BENEFITS	10,167,708	33.56	15,925,385	39.23	5,757,677	5.66
11 MATERIALS & SUPPLIES	2,265,884	7.48	2,267,000	5.58	1,116	(1.90)
12 OTHER	630,684	2.08	353,500	0.87	(277,184)	(1.21)
13 PREVENTIVE MAINTENANCE	5,357,742	17.69	4,620,000	11.38	(737,742)	(6.31)
14 SUB-TOTAL	18,422,018	60.81	23,165,885	57.06	4,743,867	(3.75)
15						
16 WAYSIDE MAINTENANCE						
17 ATU	4,686,452	15.47	16,116,562	39.70	11,430,110	24.23
18 MATERIALS & SUPPLIES	403,170	1.33	1,535,708	3.78	1,132,538	2.45
19 PROPULSION POWER	10,300,000	34.00	11,220,000	27.64	920,000	(6.36)
20 OTHER	606,700	2.00	525,792	1.30	(80,908)	(0.71)
21 SUB-TOTAL	15,996,322	52.81	29,398,063	72.41	13,401,741	19.61
22						
23 OTHER MAINTENANCE						
24 MAINTENANCE SUPPORT	-	-	16,278	0.04	16,278	0.04
25 FACILITIES MAINTENANCE	7,498,671	24.75	3,142,326	7.74	(4,356,345)	(17.01)
26 SUB-TOTAL	7,498,671	24.75	3,158,604	7.78	(4,340,067)	(16.97)
27						
28 SUB-TOTAL MAINTENANCE	41,917,011	138.37	55,722,551	137.25	13,805,540	(1.12)
29						
30 OTHER OPERATING COSTS						
31 TRANSIT SECURITY	16,256,731	53.66	22,758,411	56.06	6,501,680	2.39
32 GENERAL MANAGER	1,956,169	6.46	2,632,595	6.48	676,426	0.03
33 REVENUE	1,868,732	6.17	2,170,465	5.35	301,733	(0.82)
34 SERVICE DEVELOPMENT	149,807	0.49	289,242	0.71	139,435	0.22
35 SAFETY	887,315	2.93	1,151,528	2.84	264,213	(0.09)
36 CASUALTY & LIABILITY	1,132,035	3.74	2,018,409	4.97	886,374	1.23
37 WORKERS' COMP	2,427,875	8.01	1,785,656	4.40	(642,219)	(3.62)
38 TRANSITIONAL DUTY PROGRAM	53,737	0.18	-	-	(53,737)	(0.18)
39 OTHER METRO OPERATIONS	1,275,786	4.21	1,849,773	4.56	573,987	0.34
40 BUILDING COSTS	788,301	2.60	1,195,901	2.95	407,601	0.34
41 EMPLOYEE SUBSIDY & FRINGE	29,459	0.10	18,328	0.05	(11,131)	(0.05)
42 COPY SERVICES	98,328	0.32	154,261	0.38	55,933	0.06
43 SUB-TOTAL	26,924,275	88.88	36,024,569	88.73	9,100,294	(0.15)
44						
45 SUPPORT DEPARTMENT COSTS	6,640,965	21.92	10,650,931	26.23	4,009,965	4.31
46						
47 TOTAL LIGHT RAIL PROJECT	89,681,325	\$ 296.05	123,585,340	\$304.41	33,904,015	\$ 8.36
48 TOTAL REVENUE SERVICE HOURS	302,930		405,982		103,052	

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget

APPENDIX 9: ACTIVITY BASED HEAVY RAIL COST MODEL

ACTIVITIES	FY03 Budget		FY04 Adopted		FY03 TO FY04	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	5,063,220	\$ 18.78	7,439,967	\$ 27.52	2,376,747	\$ 8.75
3 MATERIALS & SUPPLIES	51,380	0.19	75,315	0.28	23,935	0.09
4 OTHER	9,500	0.04	19,469	0.07	9,969	0.04
5 CONTROL CENTER	2,259,640	8.38	-	-	(2,259,640)	(8.38)
6 SUB-TOTAL	7,383,740	27.38	7,534,751	27.88	151,010	0.49
7						
8 MAINTENANCE						
9 VEHICLE MAINTENANCE						
10 WAGES & BENEFITS	7,320,010	27.15	8,851,474	32.75	1,531,464	5.60
11 MATERIALS & SUPPLIES	1,796,150	6.66	2,441,000	9.03	644,850	2.37
12 OTHER	213,284	0.79	132,000	0.49	(81,284)	(0.30)
13 PREVENTIVE MAINTENANCE	3,468,730	12.86	3,384,525	12.52	(84,205)	(0.34)
14 SUB-TOTAL	12,798,174	47.46	14,809,000	54.79	2,010,826	7.32
15						
16 WAYSIDE MAINTENANCE						
17 WAGES & BENEFITS	4,505,960	16.71	9,161,227	33.89	4,655,267	17.18
18 MATERIALS & SUPPLIES	294,850	1.09	1,392,814	5.15	1,097,964	4.06
19 PROPULSION POWER	6,670,000	24.74	5,962,000	22.06	(708,000)	(2.68)
20 OTHER	143,100	0.53	299,257	1.11	156,157	0.58
21 SUB-TOTAL	11,613,910	43.07	16,815,298	62.21	5,201,388	19.14
22						
23 OTHER MAINTENANCE						
24 NON-REVENUE VEHICLES	-	-	37,220	0.14	37,220	0.14
25 FACILITIES MAINTENANCE	9,668,334	35.86	2,706,985	10.01	(6,961,349)	(25.84)
26 SUB-TOTAL	9,668,334	35.86	2,744,205	10.15	(6,924,129)	(25.70)
27						
28 SUB-TOTAL MAINTENANCE	34,080,418	126.39	34,368,503	127.15	288,085	0.76
29						
30 OTHER OPERATING COSTS						
31 TRANSIT SECURITY	12,639,209	46.87	12,854,057	47.55	214,848	0.68
32 GENERAL MANAGER	510,978	1.90	275,530	1.02	(235,448)	(0.88)
33 REVENUE	1,237,399	4.59	1,135,864	4.20	(101,535)	(0.39)
34 SERVICE DEVELOPMENT	86,283	0.32	96,414	0.36	10,131	0.04
35 SAFETY	174,771	0.65	173,061	0.64	(1,711)	(0.01)
36 CASUALTY & LIABILITY	2,732,891	10.14	3,387,199	12.53	654,308	2.40
37 WORKERS' COMP	1,765,376	6.55	843,282	3.12	(922,094)	(3.43)
38 TRANSITIONAL DUTY PROGRAM	53,737	0.20	-	-	(53,737)	(0.20)
39 OTHER METRO OPERATIONS	964,197	3.58	926,733	3.43	(37,464)	(0.15)
40 BUILDING COSTS	739,260	2.74	596,088	2.21	(143,172)	(0.54)
41 EMPLOYEE SUBSIDY & BENEFITS	24,658	0.09	9,135	0.03	(15,523)	(0.06)
42 COPY SERVICES	61,730	0.23	76,890	0.28	15,160	0.06
43 SUB-TOTAL	20,990,489	77.85	20,374,253	75.38	(616,236)	(2.47)
44						
45 SUPPORT DEPARTMENT COSTS	5,030,991	18.66	5,217,549	19.30	186,558	0.64
46						
47 TOTAL HEAVY RAIL PROJECT	67,485,639	\$ 250.28	67,495,056	\$249.71	9,417	\$ (0.57)
48 TOTAL REVENUE SERVICE HOURS	269,641		270,299		658	

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

APPENDIX 10: MODAL OPERATING STATISTICS

Bus	Notes	FY02 Actual	FY03 Budget	FY04 Adopted	Inc/(Dec) Budget
1 Fares (\$000)		\$209,320	\$212,605	\$229,438	\$16,833
2 Other Operating Revenue (\$000)		\$14,334	\$12,913	\$15,160	\$2,247
3 Expenses (\$000)	1	\$712,021	\$763,820	\$742,242	(\$21,578)
4 Boardings (000)	4	378,040	365,000	356,329	(8,671)
5 Farebox Recovery Ratio		31.41%	29.53%	32.95%	3.43%
6 Vehicle Service Hours (000)	3	7,203	7,523	7,327	(196)
7 Cost per Hour		\$98.85	\$101.53	\$101.31	(\$0.22)
8 Cost per Passenger Mile		\$0.49	\$0.53	\$0.53	(\$0.00)
9 Vehicle Service Miles (000)	3	88,709	91,782	88,629	(3,153)
10 Passenger Miles (000)	4	1,461,538	1,434,711	1,400,628	(34,083)
11 Fare Revenue per Boarding		\$0.55	\$0.58	\$0.64	\$0.06
12 Subsidy per Boarding	2	\$1.29	\$1.47	\$1.40	(\$0.08)
13 Subsidy per Passenger Mile	2	\$0.33	\$0.38	\$0.36	(\$0.02)
14 Vehicles Operated		2,067	2,086	2,000	(86)

Light Rail	Notes	FY02 Actual	FY03 Budget	FY04 Adopted	Inc/(Dec) Budget
15 Fares (\$000)		\$19,202	\$21,160	\$28,434	\$7,274
16 Other Revenue (\$000)		\$0	\$960	\$1,350	\$390
17 Expenses (\$000)	1	\$82,394	\$89,681	\$123,585	\$33,904
18 Boardings (000)	4	32,606	32,300	44,077	11,777
19 Farebox Recovery Ratio		23.31%	24.67%	24.10%	-0.57%
20 Vehicle Service Hours (000)	3	248	303	406	103
21 Cost per Hour		\$332.52	\$296.05	\$304.41	\$8.36
22 Cost per Passenger Mile		\$0.36	\$0.53	\$0.54	\$0.01
23 Vehicle Service Miles (000)	3	5,782	7,100	9,536	2,436
24 Passenger Miles (000)	4	228,780	167,960	229,198	61,238
25 Fare Revenue per Boarding		\$0.59	\$0.66	\$0.65	(\$0.01)
26 Subsidy per Boarding	2	\$1.94	\$2.09	\$2.13	\$0.04
27 Subsidy per Passenger Mile	2	\$0.28	\$0.40	\$0.41	\$0.01

Heavy Rail	Notes	FY02 Actual	FY03 Budget	FY04 Adopted	Inc/(Dec) Budget
28 Fares (\$000)		\$12,622	\$16,016	\$15,227	(\$789)
29 Other Revenue (\$000)		\$36	\$2,488	\$3,490	\$1,002
30 Expenses (\$000)	1	\$60,993	\$67,486	\$67,495	\$9
31 Boardings (000)	4	34,551	31,700	35,908	4,208
32 Farebox Recovery Ratio		20.75%	27.42%	27.73%	0.31%
33 Vehicle Service Hours (000)	3	260	270	270	1
34 Cost per Hour		\$234.57	\$250.28	\$249.71	(\$0.57)
35 Cost per Passenger Mile		\$0.37	\$0.46	\$0.41	(\$0.05)
36 Vehicle Service Miles (000)	3	5,957	6,255	6,604	349
37 Passenger Miles (000)	4	163,931	145,820	165,178	19,358
38 Fare Revenue per Boarding		\$0.37	\$0.51	\$0.42	(\$0.08)
39 Subsidy per Boarding	2	\$1.40	\$1.55	\$1.36	(\$0.19)
40 Subsidy per Passenger Mile	2	\$0.29	\$0.34	\$0.30	(\$0.04)

Notes:

- (1) Expenses include Transitional Duty Program, but exclude interest & debt administration.
- (2) Subsidy excludes all operating revenue.
- (3) Reflect revenue vehicle hours & miles.
- (4) Boardings and Passenger miles revised to reflect current calculation methodology.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.

APPENDIX 11: PUBLIC TRANSPORTATION SERVICES CORPORATION

In December 1996, MTA created the Public Transportation Services Corporation (PTSC), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, currently performed by the MTA, and the employees related to those functions, to this new corporation. The PTSC conducts essential public transportation activities including but not limited to the following: (a) coordinates multi-modal multi-jurisdictional transportation planning; (b) programs Federal, state and local funds for transportation projects county-wide within

Los Angeles County; (c) oversees construction; (d) provides certain administrative services to the County's Service Authority for Freeway Emergencies (SAFE) and the Southern California Regional Rail Authority (SCRRA); (e) provides security services to the operation of the MTA's Metro Bus and Rail system; and (f) other activities and services as it deems necessary. One advantage of the PTSC is that it allows the employees of the corporation, including those transferred from the MTA, to participate in the California Public Employees Retirement System (PERS).

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

PTSC Only	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Reimbursement for support services	\$ 146.8	\$ 185.8	\$ 198.6
3 Total revenue	<u>146.8</u>	<u>185.8</u>	<u>198.6</u>
4			
5 Operating expenses:			
6 Salaries, wages & fringe	\$ 146.2	\$ 184.5	\$ 197.7
7 Services, leases, taxes & misc	0.6	1.3	0.9
8 Total expenses	<u>146.8</u>	<u>185.8</u>	<u>198.6</u>
9			
10 Increase(decrease) in retained earnings	-	-	-
11			
12 Retained earnings - beginning of year	-	-	-
13			
14 Retained earnings - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

APPENDIX 12: BENEFIT ASSESSMENT DISTRICT

The Benefit Assessment is a fee on properties within half a mile of certain Metro Red Line Stations. This fee is used to pay part or all of the cost of capital improvements enhancing the value of property receiving service from or located near and benefiting from the capital improvements.

The MTA's Special Benefit Assessment District was initially created pursuant to a resolution adopted by the former Southern

California Rapid Transit District's Board of Directors on July 11, 1985.

The purpose of the Benefit Assessment District (BAD) Program is to ensure that assessments are levied at a rate high enough to repay the Segment 1 Assessment District's bonded indebtedness and administrative costs. The bonds do not constitute an indebtedness of the MTA and are payable solely from payments received on assessments against the levied properties.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

Benefit Assessment District Funds	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Intergovernmental	\$ -	\$ -	\$ -
3 Investment income	1.7	-	-
4 Licenses and fines	-	-	-
5 Other	14.6	6.8	6.5
6 Total revenues	16.3	6.8	6.5
7			
8 Expenditures:			
9 Debt and interest expenditures	8.2	6.5	6.0
10 General and administrative	0.4	0.4	0.5
11 Total expenditures	8.6	6.8	6.5
12			
13 Excess (deficiency) of revenues over expenditures	7.7	-	-
14			
15 Other financing sources (uses):			
16 Operating transfers in	-	-	-
17 Operating transfers out	-	-	-
18 Total other financing sources (uses)	-	-	-
19			
20 Excess (deficiency) of revenues and other financing			
21 sources over expenditures and other financing uses	7.7	-	-
22			
23 Fund surplus balance - beginning of year	-	7.7	7.7
24			
25 Fund surplus balance - end of year	\$ 7.7	\$ 7.7	\$ 7.7

APPENDIX 13: PTSC/MTA RISK MANAGEMENT AUTHORITY

PTSC/MTA Risk Management Authority (PRMA) was established in September 1998. It is a public entity, created pursuant to Section 6500, et seq., of the Government Code, between the MTA and PTSC for the purposes of establishing and operating a program of cooperative self-insurance and risk management. Each of the member parties desired to join together with the other for the purpose of pooling certain self-insured claims and losses and transferring risk between the parties, as permitted under Article XVI, Section 6 of the California

Constitution, and as provided in Government Code Section 990.8.

The purposes of PRMA are to secure insurance on behalf of the parties, including excess insurance on a group basis; to accumulate, administer and invest funds for risk management purposes; and to effect cost savings in the administration of such self-insurance, insurance and risk management programs as may be established by PRMA in order to reduce the cost of transportation services to the public.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

PRMA Only	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Reimbursement for support services	\$ 64.3	\$ 60.8	\$ 54.9
3 Total revenue	<u>64.3</u>	<u>60.8</u>	<u>54.9</u>
4			
5 Operating expenses:			
6 Fringe benefits	\$ 63.9	\$ 56.6	\$ 48.4
7 Allocable costs	0.4	4.2	6.6
8 Total expenses	<u>64.3</u>	<u>60.8</u>	<u>54.9</u>
9			
10 Increase(decrease) in retained earnings	-	-	-
11			
12 Retained earnings - beginning of year	-	-	-
13			
14 Retained earnings - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

APPENDIX 14: SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

The Service Authority for Freeway Emergencies (SAFE) was established in Los Angeles County in 1988. SAFE is a separate legal entity created under state law and is responsible for implementing and managing the motorist aid call box system within Los Angeles County.

There are 4,471 call boxes located along the freeway system of Los Angeles County. This is the largest such program in the United States. An average of 500 calls are received everyday.

In FY04, SAFE will continue upgrading the call box system to bring it into compliance with ADA. This three-year, \$7.5 million project (\$3.5 million in FY04) will improve the accessibility of the call box system for all users, particularly those who are mobility impaired. These upgrades include making the call box sites larger and building ramps to make them more accessible. Previous

projects have made the call boxes useable to the hearing and speech impaired.

SAFE will also complete the transition of call box answering operations from the CHP to a private contractor. This transition will keep service levels the same while improving oversight and decreasing cost.

Another item on SAFE's agenda is that it will start investigating new markets and providing new services as warranted, e.g., a service number for motorists using cellular phones.

SAFE receives its funding from a dedicated \$1 surcharge to the annual California vehicle registration fee. SAFE's annual budget is developed and approved separately from MTA's budget by SAFE's Board of Directors.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2002, 2003 and 2004**

(Amounts in millions)

Service Authority for Freeway Emergencies	FY02 Actual	FY03 Budget	FY04 Adopted
1 Revenue:			
2 Intergovernmental	\$ -	\$ 2.5	\$ -
3 Investment income	1.2	1.0	1.0
4 Licenses and fines	7.0	6.1	6.1
5 Other	-	-	-
6 Total revenues	8.2	9.6	7.1
7			
8 Expenditures:			
9 Services	5.4	12.5	10.8
10 General and administrative	-	0.8	0.3
11 Total expenditures	5.4	13.4	11.1
12			
13 Excess (deficiency) of revenues over expenditures	2.9	(3.7)	(4.0)
14			
15 Other financing sources (uses):			
16 Operating transfers out			
17 TDA	-	-	-
18 Other	-	-	-
19 Total other financing sources (uses)	-	-	-
20			
21 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2.9	(3.7)	(4.0)
22			
23			
24 Fund balance - beginning of year *	24.5	27.4	27.4
25			
26 Fund balance - end of year	\$ 27.4	\$ 23.7	\$ 23.4

* FY04 beginning of year fund balances primarily include projected FY03 favorable revenue and expenditure variances.

APPENDIX 15: CONSENT DECREE

On October 28, 1996, a consent decree was agreed to between the MTA and the class action plaintiffs. The consent decree provides for the MTA to:

- Reduce its load factor (i.e. the number of people who stand on a bus) to certain targets.
- Expand bus service improvements by making available a net of 102 additional buses by June 1997.
- Implement a pilot project to facilitate access to county-wide job, education and health care centers.
- Maintain the price of cash fares for two years and pass fares for three years beginning December 1, 1996, after which the MTA may raise fares subject to certain conditions of the Consent Decree. This element of the Consent Decree ends November 1, 2003.
- Introduce a weekly pass and an off-peak discount fare on selected lines.

The MTA is also obligated to create a joint working group with representatives from the plaintiff's class and the MTA to implement the Consent Decree.

Load Factor Standards

The Consent Decree contains specific targets for reducing loading standards by the year 2002. The MTA is required to reduce the target load factor on buses operating

during peak periods from 1.45 (19 standees) to 1.35 (15 standees) by December 31, 1997; to 1.25 (11 standees) by June 30, 2000; and to 1.20 (9 standees) by June 30, 2002.

Pursuant to its remediation plan, the MTA added a total of 130 buses to peak hour service between June 1999 and December 1999. The peak bus fleet was increased by 96 buses between December 1998 and June 1999, with an additional 64 buses added in December 1999.

The addition of these buses enabled the MTA to meet a required peak period load factor target of 1.25 (11 standees) by June 30, 2000.

The final load factor target required by the Consent Decree is a peak period load factor of 1.20 (9 standees) by June 30, 2002. In compliance with the Special Master and court order, the MTA added 91 buses into service in October 2001.

In compliance with a ruling received in January 2003, the MTA has agreed to add extra service to reduce overcrowding on specific lines. This service will be added in June 2003.

Five-Year New Service Plan

The Consent Decree requires the MTA to develop and implement a five-year plan of improvements to the bus system to expand mobility for the transit-dependent community in the greater Los Angeles area. The MTA and the Bus Riders' Union are continuing to develop these plans.

Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget

Fares

The MTA has not increased fares since the beginning of the Consent Decree in 1996. The discount fares called for in the Consent Decree were implemented over the next

year. Sale of the weekly pass began in December 1996. A base off-peak discount fare of \$0.75 was introduced on Line 40 and all lines operating late night/early morning (9pm-5am) service over the next two-year period.

APPENDIX 16: GFOA AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Los Angeles County Metropolitan Transportation Authority, California, for its annual budget for the fiscal year beginning July 1, 2002 (FY03). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a

policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. MTA believes the current budget continues to conform to program requirements, and it will be submitted to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Los Angeles County Metropolitan Transit Authority
California**

For the Fiscal Year Beginning

July 1, 2002

President

Executive Director

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank

ADOPTED BUDGET

FY2003 – FY2004

TERMS

ABC	Activity Based Cost. Methodology that measures the cost and performance of activities, resources, and cost objects. Resources are assigned to activities, then activities are assigned to cost objectives based on their use. ABC recognizes the causal relationships of cost drivers to activities.
ADA	Americans with Disabilities Act. A comprehensive civil rights measure signed into law July 1990 to ensure persons with disabilities receive equal access to transportation and other services.
AFSCME	American Federation of State County and Municipal Employees. The union representing maintenance and transportation supervisors.
APC	Automatic Passenger Counters
ARTICULATED BUS	A double-length, high capacity passenger bus that flexes in the middle.
ASI	Access Services Incorporated. ASI is a private non-profit corporation, which is the Consolidated Transportation Services (CTSA) for Los Angeles County, and as such has the responsibility to improve and coordinate the paratransit services for 187 different social service and public paratransit operators.
ATMS	Advanced Transportation Management System. A state-of-the-art communications package to be installed in the MTA's active bus fleet and bus operations control center in FY04 and FY05.
ATU	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.
ATV	Advanced Technology Vehicle
BAD	Benefit Assessment District. A limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.
BALANCED SCORECARD	A management tool that translates an organization's mission and strategy into a comprehensive set of performance measures that provides a framework for strategic measurement and management. The balanced scorecard has 4 perspectives: financial management, customer, internal processes, and innovation or learning.
BIAS	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and report those requests.
BOARDINGS	Number of passengers entering a vehicle of a public transportation system. Passengers are counted each time they enter a vehicle, no matter how many vehicles are used from trip origin to destination.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

BOND	An interest-bearing promise to pay a specified sum of money due on a specified date.
BOS	Bus Operations Subcommittee
BRT	Bus Rapid Transit – Bus service operated on exclusive rights-of-way (busway) and on short stretches of street lanes designated for bus use.
BSIP	Bus Service Improvement Program - Additional buses on existing lines for overcrowding relief.
BUDGET	A plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
CAFR	Comprehensive Annual Financial Report. MTA's annual financial statements.
CALTRANS	California Department of Transportation
CAPITAL ASSET	The acquisition of property, facility, or equipment whose cost exceeds \$2,500 per unit. Capital project costs include installation, delivery cost, sales and use taxes, and General and Administrative overhead costs.
CAPITAL FUND	Fund used to account for financial resources to be used for the acquisition or construction of major capital assets.
CAPITAL PROJECT	Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase their useful life.
CBD	Central Business District
CFP	Call for Projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
CMAQ	Congestion Mitigation and Air Quality
CNG	Compressed Natural Gas
COMMERCIAL PAPER	Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility. The maturity can range from 1 to 270 days.
CORRIDOR	A defined metropolitan area considered for significant transportation projects such as highway improvements, bus transitways, light rail lines, bikeways, etc.
CP&D	Countywide Planning & Development
CPI	Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

CPUC	California Public Utilities Commission
CTC	California Transportation Commission
CTSA	Consolidated Transportation Services Agency. The LACMTA has been designated as the CTSA for Los Angeles County to coordinate all paratransit services to ensure compliance with the Americans with Disabilities Act (ADA).
CWO	Contract Work Order
DBE	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
DEBT SERVICE FUND	Fund used to account for the accumulation and disbursement of resources related to the payment of general long-term debt principal and interest.
DOT	United States Department of Transportation
EEO/AA	Equal Employment Opportunity/Affirmative Action
EIR	Environmental Impact Report. A detailed statement describing and analyzing the significant environmental effects of a project, and discussing ways to mitigate or avoid those effects.
EIS	Environmental Impact Statement. Same as EIR, except prepared under the (federal) National Environmental Policy Act.
ENCUMBRANCES	Reservations and commitments of fund balances that do not constitute an expenditure or liability until the unperformed portion of a contract for goods or services is completed.
ENTERPRISE FUND	Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting.
FAP	Formula Allocation Program. FAP is the adopted method for allocation of federal, state, and local transit operating subsidies to Los Angeles County bus operators. The current formula allocates funds as follows: 50% based on vehicle service miles and 50% based on "fare units". Allocations are made using audited performance data.
FARE	The price of riding public transportation such as a bus or train.
FAREBOX RECOVERY RATIO	Fare and other operating revenue divided by operating expenses
FAU	Federal Aid Urban. Authorized by the enactment of the Federal Highway Act every five years. Cities and the county are eligible for FAU funds for projects such as street reconstruction and widening, and installation of lights and signals.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

FIS	Financial Information System. The MTA's automated, integrated financial accounting and control system.
FISCAL YEAR	The period at the end of which a governmental agency determines its financial position and results of operations. The MTA's fiscal year begins July 1 and ends June 30 of the following calendar year.
FIXED ASSETS	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
FSP	Metro Freeway Service Patrol - Service financed by the LACMTA, which uses roving tow trucks to remove disabled vehicles and debris from freeways.
FTA	Federal Transit Administration
FTE	Full-Time Equivalent Position. A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to a .5 of a full-time position.
FUNCTION	An activity or a group of related activities for which the Reporting Unit is responsible.
FUND	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and changes in these assets and liabilities.
FY	Fiscal Year
GENERAL FUND	The General Fund is used to account for those financial resources that are not required to be accounted for in another fund.
HEAVY RAIL	High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.
HOV	High Occupancy Vehicle lanes or Carpool lanes on freeways dedicated for use by vehicles with multiple occupants.
IMMEDIATE NEEDS TRANSPORTATION PROGRAM	The LACMTA supports the First African Methodist Episcopal Church (FAME) and the International Institute of Los Angeles to distribute taxi vouchers and bus tokens in South Los Angeles.
INTERNAL SERVICE FUND	Fund is used to account for the goods and services provided to MTA projects and funds on a cost reimbursement basis.
ITS	Information Technology Services
JOINT DEVELOPMENT	Projects that combine public and private resources to build mixed use development around transit station areas.
JPA	Joint Powers Authority

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

KEY PERFORMANCE INDICATOR	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.
L.A. LIGHT RAIL VEHICLE CAR	Los Angeles Light Rail Vehicle Car. The LA Light Rail Vehicle Car is a generic vehicle designed for the MTA that allows for upgrades in technology and automation.
LACMTA	Los Angeles County Metropolitan Transportation Authority. Also referred to as MTA.
LIGHT RAIL	Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line (catenary).
LOCAL RETURN	Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements.
LRT	Light Rail Transit
L RTP	Long Range Transportation Plan – 25 year plan for multi-modal transportation needs of Los Angeles County.
LRV	Light Rail Vehicle
M3	A materiel, equipment, and facilities management system that automates the control, planning, acquisition and distribution of inventory and tracking of maintenance activities.
METRO BLUE LINE	Long-Beach-Los Angeles Light Rail Transit Project. A 22-mile light rail line constructed by the LACMTA. The line opened for service July 14, 1990.
METRO GREEN LINE	Norwalk-El Segundo Light Rail Transit Project. A 20-mile light rail line constructed by the LACMTA on the median of the I-105 freeway. The line opened for service August 12, 1995.
METRO GOLD LINE	Union Station to Pasadena light rail line scheduled to begin service in FY04.
METRO RAPID	Bus service on arterial streets with several attributes to improve service operating speeds including traffic signal priority, level boarding and alighting with low floor buses, fewer stops, and active management of service operation.
METRO RAPIDWAY	MTA's BRT service on a dedicated right-of-way. See San Fernando Valley Metro Rapidway.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

METRO RED LINE - SEGMENT I	Segment I of the Metro Rail project constructed by the LACMTA from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
METRO RED LINE - SEGMENT II	Segment II includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996, and Wilshire/Vermont north to Hollywood/Vine, which opened for service in June 1999.
METRO RED LINE - SEGMENT III	Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000.
METROLINK	The regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992.
MIS	Major Investment Study
MISSION	A brief statement that summarizes an organization's purpose, intent, and commitment.
MODE	A particular form of transportation identified by the vehicle or mode used i.e. bus, light rail, heavy rail, car, bike, or foot.
MOSIP	Municipal Operator Service Improvement Program
MOU	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.
MOW	Maintenance of Way
MTA	Metropolitan Transportation Authority. Also known as LACMTA.
MULTIMODAL	Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.
MUNICIPAL OPERATOR	A city or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district.
NON-REVENUE VEHICLES	Vehicles that do not carry fare-paying passengers.
NTD	National Transit Database, consisting of financial and operational information for over 600 U.S. transit agencies that receive FTA Section 5307 grants.
OBJECTIVE	Time-phased measurable accomplishment required realizing the successful completion of a strategic goal.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

OCIP	Owner Controlled Insurance Program. OCIP self-insurance coverage includes workers' compensation, employer's liability, bodily injury and property damage liability, builder's risk (property), and railroad protective liability.
OVERHEAD	Expenses not directly chargeable to a particular program, which support multiple programs of the LACMTA.
PASSENGER MILES	The cumulative sum of the distances ridden by each passenger.
PERFORMANCE INDICATORS	Specific quantitative and qualitative measure of work performed as an objective of specific departments or programs.
PERFORMANCE MEASURES	Data collected to determine how effective or efficient a department or program is in achieving its objectives.
PRMA	PTSC/MTA Risk Management Authority. Established in September 1998 is a public entity, between the MTA and PTSC for the purposes of establishing and operating a program of cooperative self-insurance and risk management.
PROGRAM	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
PROP A	Proposition A is a sales tax initiative approved by the Los Angeles County voters in 1980. The proposition established a one-half cent sales tax to be used for public transit.
PROP C	Proposition C is a sales tax initiative approved by the Los Angeles County voters in 1990. The proposition established a one half-cent sales tax to be used for public transportation purposes.
PTSC	Public Transportation Services Corporation. Created by the LACMTA in December 1996, the PTSC is a non-profit public benefit corporation organized under the laws of the State of California.
REVENUE SERVICE HOURS (RSH)	Total number of scheduled hours that a bus or train is in service. This total excludes hours spent traveling to and from storage facilities and during other non-service travel.
REVENUE VEHICLE	Vehicles that carry fare-paying passengers.
REVENUE VEHICLE HOURS (RVSH)	Total number of scheduled hours that a vehicle is in service. Excludes hours spent traveling to and from storage facilities and on other non-service travel.
REVENUE VEHICLE MILES	Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

RFP	Request for Proposal. A RFP is a tool used by governments and businesses to purchase equipment and services by promoting competitive proposals among suppliers. Through this competitive process, suppliers offer a wide array of potential solutions and prices and compete with each other to win the business. Buyers evaluate the many different supplier solutions and pick the one that most closely fits their needs and budget.
ROD	Revenue Operations Date
RTAA	Regional Transit Alternatives Analysis
SAFE	Service Authority for Freeway Emergencies, a separate legal entity. Funds generated from one dollar from each vehicle registration within Los Angeles County used to provide expanded and improved emergency call box service along the highways.
SAN FERNANDO VALLEY METRO RAPIDWAY	BRT service to operate between the North Hollywood Metro Rail station and the Warner Center (Woodland Hills) Transit Center on a dedicated right-of-way. Service is scheduled to begin in 2005.
SB-45	Senate Bill 45. This bill revised the procedures for the development and implementation of the State Transportation Improvement Program.
SBE	Small Business Enterprise. Businesses in which at least 51% of the business is owned and operated primarily by socially or economically disadvantaged individuals.
SBU	Strategic Business Unit
SCADA	Supervisory Control and Data Acquisition
SCAG	Southern California Association of Governments functions as the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. As the designated Metropolitan Planning Organization, the Southern California Association of Governments is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management, and air quality.
SCAQMD	South Coast Air Quality Management District. The air pollution control agency for the four-county region including Los Angeles and Orange counties and parts of Riverside and San Bernardino counties.
SCRRA	Southern California Regional Rail Authority. A joint powers agency including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink.
SHORE	Support for Homeless Re-entry Program. The LACMTA provides bus tokens to Los Angeles County shelters and missions.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

SPECIAL REVENUE FUND	Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes.
SRTP	Short Range Transportation Plan. A five-year business plan, completed every three years, which is used for internal planning.
STA	State Transit Assistance Fund. Used to account for the revenue from the sales tax on gasoline used for transit purposes. The STA fund was created as an amendment to the Transportation Development Act of 1976.
STIP	State Transportation Improvement Program. This program was adopted by the California Transportation Commission (CTC) and serves as the primary vehicle for programming funds for highway projects.
TCU	Transportation Communications Union. Union represents clerical workers.
TDA	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to the LACMTA for its transportation planning activities.
TEA-21	Transportation Equity Act for the 21 st Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21 st Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next 6 years.
TEAMSTERS	Union representing security guards
TIP	Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit.
TOTS	Transit Operating and Trend System which collects and reports bus operator salary data
TSM	Transportation Systems Management. A program of user incentives and disincentives to maximize capacity and usage of the existing transportation network.
TVM	Ticket Vending Machines
UFS	Universal Fare System
UNLINKED PASSENGER TRIP	See BOARDING
WELFARE TO WORK	MTA in collaboration with the Los Angeles County Department of Public Social Services (DPSS) provides transportation services for welfare recipients to connect them to their jobs, healthcare, childcare and/or employment related services.

**Los Angeles County Metropolitan Transportation Authority
FY04 Adopted Budget**

This Page Intentionally Left Blank.