
FY05 Proposed Budget



Metro

Los Angeles County Metropolitan Transportation Authority

Office of Management and Budget

One Gateway Plaza

Los Angeles, CA 90012-2952

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CONSTRUCTION PROJECT MANAGEMENT
EXECUTIVE OFFICE



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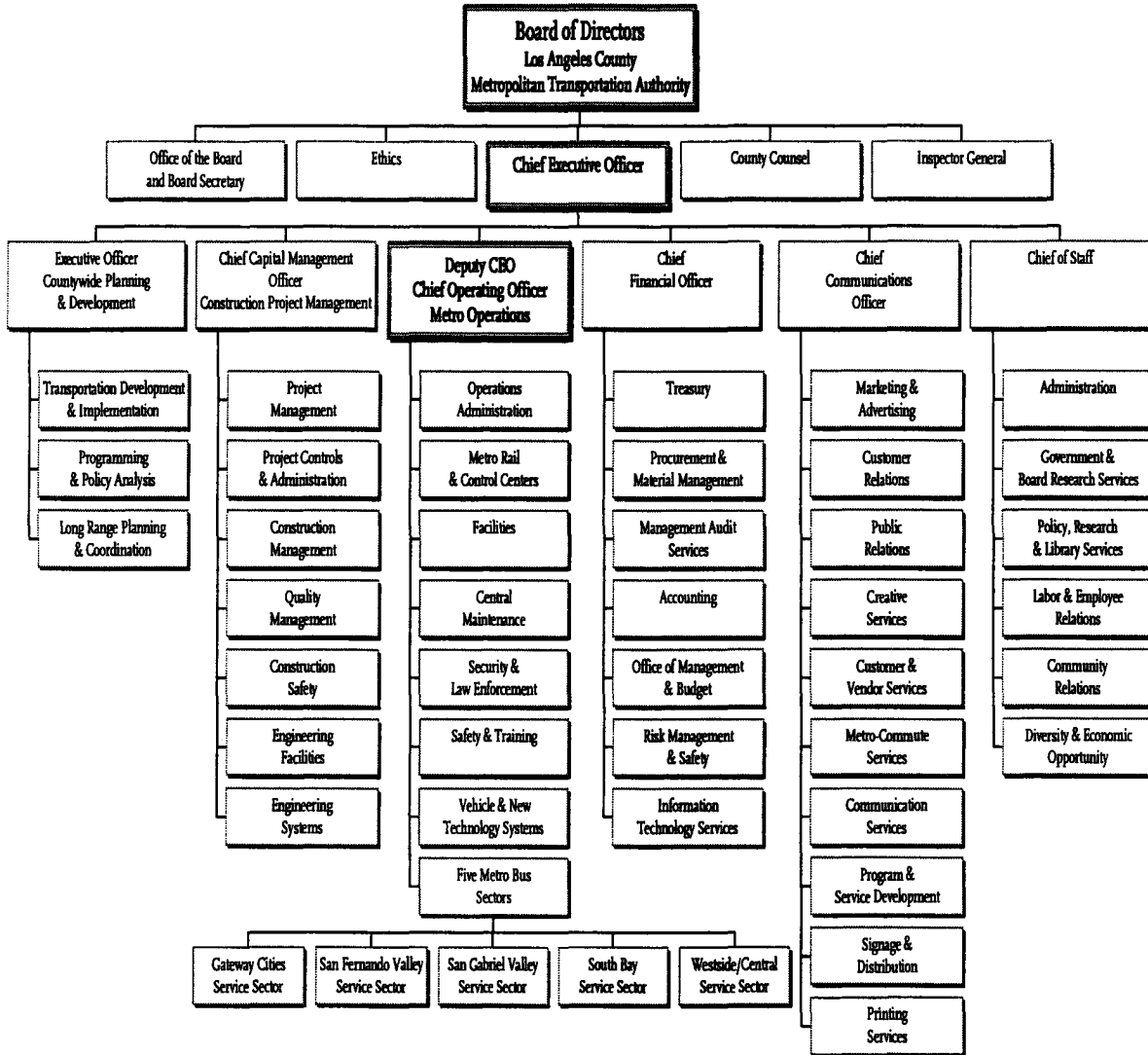
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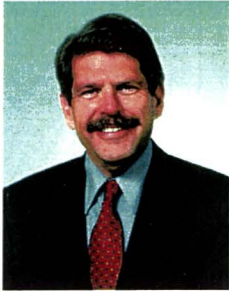
I. Description of MTA and Strategic Plan

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

MTA ORGANIZATION CHART



MTA BOARD OF DIRECTORS



Zev Yaroslavsky
MTA Board Chairman
LA County Supervisor
3rd Supervisorial 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. 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 1st Vice Chair
Mayor
City of Lancaster

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, 2002, and 2004. 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 Boards of Antelope Valley Air Quality Management District and Antelope Valley Transit, 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 master's in public administration from Cal State University at Northridge.



James K. Hahn
MTA Board 2nd Vice Chair
Mayor
City of Los Angeles

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.



Michael D. Antonovich
LA County Supervisor
5th Supervisorial 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 seventh four-year term in 2004. 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
LA County Supervisor
2nd Supervisorial 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.



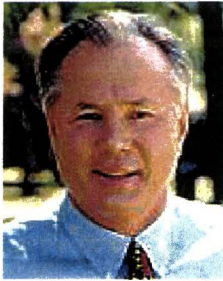
John Fasana
Mayor
City of Duarte

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, 1999, and 2003. He currently serves as Mayor, a position he also held 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, the Pasadena Metro Blue Line Construction Authority, and the Gold Line Foothill Extension to Montclair. 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 24 years with Southern California Edison and is a graduate of Whittier College.



Don Knabe
LA County Supervisor
4th Supervisorial District

Mr. Knabe is the Chairman of the Los Angeles County Board of Supervisors representing the Fourth District. Mr. Knabe was first elected to the Board in 1996 and reelected in 2000 and 2004. 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.



Tom LaBonge
Council Member
City of Los Angeles

Mr. LaBonge was first elected to the L.A. City Council in October 2001 to complete the last 16 months of John Ferraro's four-year term that was vacated upon his death. In March 2003, Mr. LaBonge was reelected to serve a four-year term. Prior to his election to the City Council, Mr. LaBonge served 15 years as the late Council President John Ferraro's Chief Field Deputy. Subsequently, Mr. LaBonge was asked to join the administration of Mayor Richard J. Riordan as his Special Assistant. After seven years with the Mayor's Office, Mr. LaBonge was named Director of Community Relations for the Los Angeles Department of Water and Power.



Martin Ludlow
Council Member
City of Los Angeles

Mr. Ludlow was elected to the L.A. City Council in June 2003, representing the 10th Council District. Mr. Ludlow is Chair of the City Council's newly-formed Conventions, Tourism, Entertainment Industry and Business Enterprise Committee, and Vice Chair of the Housing, Community and Economic Development Committee. He is also a member of the Arts, Parks, Health and Aging Committee, and was appointed to the MTA Board by Mayor Hahn. Mr. Ludlow's first job in politics was as a Washington, D.C., intern with Congressman Julian Dixon. Mr. Ludlow has a B.S. degree in criminal justice from Cal State University, Los Angeles.



Gloria Molina
LA County Supervisor
1st Supervisorial 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.



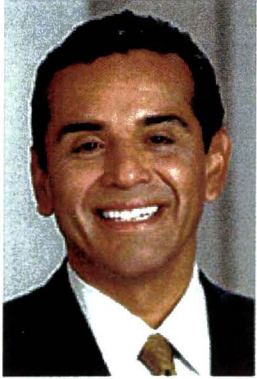
Pam O'Connor
Council Member
City of Santa Monica

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 is a member of the Southern California Association of Governments' Regional Council and is on the Board of Directors of the Local Government Commission. She also serves on committees for the League of California Cities and the National League of Cities. Ms. O'Connor works as a private consultant, specializing in historic preservation. She has worked throughout Southern California on projects, including the rehabilitation of Los Angeles' City Hall and on numerous buildings at UCLA and USC. Ms. O'Connor earned a B.S. 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
Councilwoman
City of Pico Rivera

Ms. Proo is Councilwoman on the Pico Rivera City Council, on which she has served since 1992. 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 B.A. degree in education from Mount St. Mary's College.



Antonio Villaraigosa
Council Member
City of Los Angeles

Mr. Villaraigosa was elected to the Los Angeles City Council in March 2003, representing the 14th Council District. In August 2003, Mayor Jim Hahn appointed Mr. Villaraigosa to the MTA Board of Directors, where he serves as chair of the Finance and Budget Committee and is a member of the Construction Committee. Prior to his election to the L.A. City Council, Mr. Villaraigosa served in the California State Assembly, to which he was elected in 1994. As a freshman representative he was elected Democratic Whip and two years later became Majority Leader. In 1998, he was elected Speaker of the Assembly. Mr. Villaraigosa has sponsored legislation on school funding, park funding, and water conservation, and negotiated a major transportation funding package.



Ronald W. Wong
Ex-officio Member
Appointed by Governor

Mr. Wong is currently Chairman of Imprenta Communications Group, Inc., a marketing and communications firm. From 1994 to 1997, Mr. Wong served as Founding Partner of Lang, Murakawa & Wong, where he advised clients on marketing and public affairs. LMW worked with MTA on various community outreach, transit planning, and public information campaigns. In 1997, President Clinton tapped Mr. Wong to serve as the Director of External Communications for the U.S. Department of Justice, Community Relations Services. From 1998 to 2001, Mr. Wong served as the Chief Deputy Appointments Secretary to California Governor Gray Davis. Mr. Wong received a bachelor of arts degree in political science from the University of California, Los Angeles.

STRATEGIC PLAN FY2003 – FY2007

Vision	METRO . . . leading the nation in safety, mobility and customer satisfaction!
Mission	METRO is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.
Core Business Goals	<p><u>Goal 1: Improve Transit Services</u></p> <ul style="list-style-type: none"> - Efficiently and effectively operate service sectors - Improve service quality and capacity for bus and rail systems - Maximize fleet capacity to meet service expansion - Improve, expand and add operating facilities - Implement innovative technologies - Improve transit security of bus and rail systems <p><u>Goal 2: Deliver quality capital projects on time and within budget</u></p> <ul style="list-style-type: none"> - Design and build quality projects - Develop Integrated Project Tracking System - Streamline Project Delivery System - Work with contractors to provide for a safe work site to minimize lost time accidents <p><u>Goal 3: Exercise fiscal responsibility</u></p> <ul style="list-style-type: none"> - Manage the approved budget - Implement efficient and effective cost allocation plans - Conduct monthly performance monitoring reviews to assess financial performance - Implement an integrated performance measurement information system - Eliminate duplicate roles & responsibilities <p><u>Goal 4: Provide leadership for the region’s mobility agenda</u></p> <ul style="list-style-type: none"> - Provide quality planning, technical analysis and programming - Coordinate implementation of Multi-modal transportation programs with partner agencies <p><u>Goal 5: Develop an effective and efficient workforce</u></p> <ul style="list-style-type: none"> - Enhance a safety conscious culture throughout METRO, its customers and business partners - Recruit and select employees to meet job requirements - Invest in employee development - Deliver consistent communication services to each METRO market segment - Streamline internal processes - Exercise consistent application of the collective bargaining agreement - Strengthen the labor management working relationship

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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</u>	
	<u>Responsibility</u>	Individually and as a team, we are accountable for safeguarding and wisely spending taxpayer dollars entrusted to the METRO.
	<u>Integrity</u>	We rely on the professional ethics and honesty of every METRO employee.
	<u>Innovation</u>	Creativity and innovative thinking are valued and new ideas are welcomed.
	<u>Customer</u>	
	<u>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.

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II. Budget Highlights



FY05 BUDGET HIGHLIGHTS AND MAJOR BUDGET ASSUMPTIONS

Metro Bus and Rail

FY05 Target Service Levels

MODE		VEHICLE REVENUE HOURS (000)	CHANGE FROM FY04
Metro Bus	MTA Operated	6,858	0.0%
	Contracted Service	505	7.6%
	Total Metro Bus	7,362	0.5%
Metro Rail	Blue Line	212	0.0%
	Green Line	88	0.0%
	Gold Line	89	-16.1%
	Red Line	270	0.0%
	Total Metro Rail	659	-2.5%
Total		8,022	0.2%

- Maintain bus and rail service at FY04 levels until additional Consent Decree service is added in FY05.
- Provide for expected higher costs of fuel and propulsion power (up by \$9.6 million), which is a much greater percentage increase than the expected increase in the CPI.
- Implement five new Rapid Bus lines:
 - 1) Hawthorne
 - 2) Hollywood-Fairfax-Pasadena
 - 3) Long Beach
 - 4) Beverly
 - 5) Sepulveda (North)
- Improve the bus and rail vehicle preventive maintenance programs through scheduled mid-life overhaul programs.

- Increase Homeland Security efforts through a capital grant, increased fare checkers, and additional security equipment.

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.

- The Eastside Light Rail Extension will be entering a multi-year major construction phase in the coming year (FY05 budget of \$208 million).
- \$144 million is set aside in FY05 for continuing construction of the Orange Line.
- In FY04 UFS ticket vending machines (TVM's) became operational on the Gold Line; production of in-vehicle equipment and vehicle equipment pilot testing began.
- In FY05 plans for UFS are to complete the installation of in-vehicle equipment, to install back room data collection equipment, and to begin the design and acquisition of a regional clearinghouse service center. This clearinghouse will process all fare transactions and properly distribute the revenues to Metro and our municipal partners.
- The ATMS project has replaced Metro's obsolete radio communication systems with a new integrated communications system that provides computer aided dispatch, automatic vehicle location, automatic passenger counting, automatic bus stop voice annunciations, and an interface with UFS.
- In FY04, all hardware installation, software integration, and testing for the ATMS project were completed, and phase I became operational system-wide. In FY05, all remaining system functionality, including the Automatic Voice Annunciation (AVA) system, will be completed, as will Metro's database of 18,500 bus stops and transfer points.
- 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 Metro'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 Metro locations.

Other Budget Highlights and Assumptions

- Sales tax revenues are forecast to be \$1,522 million, consistent with the Financial Standards.
- Expenditures/expenses will grow \$89 million, or 3.2%. Growth was constrained by across-the-board reductions in labor and non-labor items amounting to \$66 million.
- Salaries will increase according to union contracts (2.5% for all contract employees except AFSCME at 4.5%). The pay-for-performance pool for non-contract employees will increase 2.5%.
- Legislatively-programmed increases to workers' compensation costs will be offset by continued safety program initiatives.

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**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

Summary of Funding by Source

(Dollars in millions)	FY01 Actuals		FY02 Actuals		FY03 Actuals		FY04 Budget		FY05 Proposed	
Sales Tax	\$ 1,260	58.9%	\$ 1,415	64.3%	\$ 1,559	70.2%	\$ 1,572	56.7%	\$ 1,583	55.3%
Federal, State, & Local Grants	483	22.6%	438	19.9%	345	15.5%	568	20.5%	611	21.4%
Passenger Fares & Advertising	227	10.6%	256	11.6%	262	11.8%	289	10.4%	299	10.5%
Net Proceeds from Financing	59	2.8%	33	1.5%	-	0.0%	149	5.4%	262	9.2%
Other (1) (2)	109	5.1%	59	2.7%	57	2.5%	194	7.0%	105	3.7%
Total Funding Sources	\$ 2,138	100.0%	\$ 2,201	100.0%	\$ 2,222	100.0%	\$ 2,771	100.0%	\$ 2,860	100.0%

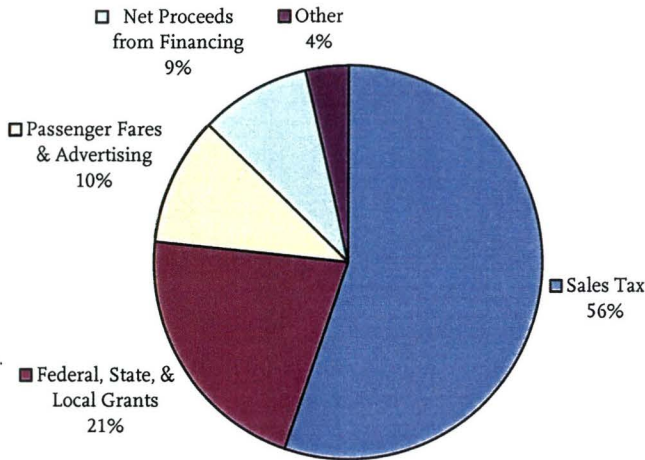
Summary of Expenditures by Program

(Dollars in millions)	FY01 Actuals		FY02 Actuals		FY03 Actuals		FY04 Budget		FY05 Proposed	
Countywide Bus										
MTA Bus										
Capital	\$ 181	8.5%	\$ 181	8.2%	\$ 77	3.5%	\$ 225	8.1%	\$ 194	6.8%
Operating	635	29.7%	734	33.3%	763	34.3%	746	26.9%	759	26.5%
Wilshire BRT/Div 10	1	0.0%	3	0.1%	2	0.1%	17	0.6%	22	0.8%
Orange Line	1	0.0%	8	0.4%	32	1.4%	113	4.1%	144	5.0%
MTA Bus Subtotal	818	38.3%	927	42.1%	874	39.3%	1,101	39.8%	1,119	39.1%
Municipal Operator and Paratransit Programs	227	10.6%	211	9.6%	254	11.4%	268	9.7%	268	9.4%
Countywide Bus Subtotal	1,045	48.9%	1,138	51.7%	1,128	50.7%	1,369	49.4%	1,387	48.5%
Countywide Rail										
MTA Rail										
Rail Construction	128	6.0%	122	5.6%	65	2.9%	125	4.5%	53	1.9%
Capital	30	1.4%	16	0.7%	20	0.9%	43	1.6%	42	1.5%
Operating	122	5.7%	143	6.5%	150	6.8%	192	6.9%	219	7.7%
LRT-Eastside/Expo	4	0.2%	25	1.1%	42	1.9%	138	5.0%	211	7.4%
MTA Rail Subtotal	284	13.3%	306	13.9%	276	12.4%	498	18.0%	525	18.4%
Metrolink	31	1.4%	45	2.0%	39	1.7%	53	1.9%	55	1.9%
Countywide Rail Subtotal	315	14.7%	351	15.9%	315	14.2%	551	19.9%	580	20.3%
Sales tax return to local jurisdictions	229	10.7%	229	10.4%	240	10.8%	245	8.8%	259	9.0%
Streets and Highways	178	8.3%	125	5.7%	147	6.6%	227	8.2%	254	8.9%
Debt Service (2)	293	13.7%	302	13.7%	309	13.9%	297	10.7%	306	10.7%
Other Governmental	78	3.7%	57	2.6%	84	3.8%	82	3.0%	76	2.7%
Total Expenditures	\$ 2,138	100.0%	\$ 2,201	100.0%	\$ 2,222	100.0%	\$ 2,771	100.0%	\$ 2,860	100.0%

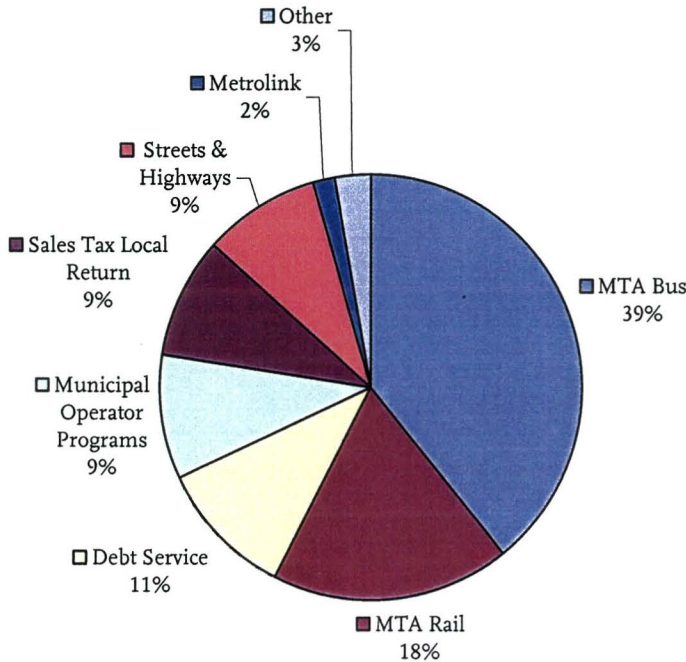
(1) Primarily investment income and/or proceeds on lease/leaseback to service.

(2) Includes principal liability payments and Benefit Assessment District debt payments, but excludes debt refunding and defeased lease. Proprietary fund includes principal reduction of \$18.2 million in FY01, \$19.3 million in FY02, \$19.8 million in FY03, \$16.3 million in FY04, and \$12.0 million in FY05.

FY05 Funding by Source



FY05 Expenditures by Program



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

COMBINED STATEMENT OF CHANGES IN FUND EQUITY - ALL FUNDS

For the Years Ending June 30, 2003, 2004 and 2005

(Amount in millions)

	Proprietary Funds						Governmental Funds		
	Enterprise Fund			Internal Service Fund			Special Revenue Fund		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:									
2 Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403.7	\$ 1,448.4	\$ 1,521.8
3 Intergovernmental grants	-	-	-	-	-	-	62.0	91.6	88.9
4 Investment income	-	-	-	-	-	-	21.3	21.4	13.2
5 Lease and rental	-	-	-	-	-	-	-	-	-
6 Proceeds on lease/leaseback to service	-	-	-	-	-	-	-	-	-
7 Licenses and fines	-	-	-	-	-	-	7.6	7.2	7.0
8 Other	-	-	-	-	-	-	0.2	-	-
9 Sub-total	-	-	-	-	-	-	1,494.8	1,568.5	1,630.9
10									
11 Operating revenues:									
12 Passenger fares	244.9	273.1	282.7	-	-	-	-	-	-
13 Route subsidies	0.5	0.4	0.5	-	-	-	-	-	-
14 Metrolink interagency agreement	2.5	2.4	2.5	-	-	-	-	-	-
15 Advertising	13.6	13.3	13.8	-	-	-	-	-	-
16 Total revenues	261.5	289.1	299.4	-	-	-	1,494.8	1,568.5	1,630.9
17									
18 Operating expenses/expenditures:									
19 Transportation	528.4	582.9	606.4	-	-	-	-	-	-
20 Maintenance	317.2	299.2	314.2	-	-	-	-	-	-
21 Capital outlay	-	-	-	-	-	-	-	-	-
22 Subsidies	-	-	-	-	-	-	618.6	710.3	776.6
23 Services	-	-	-	-	-	-	44.9	56.0	47.3
24 Debt and interest expenditures	-	-	-	-	-	-	-	-	-
25 General and administrative	64.9	54.4	57.3	-	-	-	15.7	25.0	12.2
26 Total operating expenses/expenditures	910.5	936.4	977.9	-	-	-	679.2	791.3	836.1
27									
28 Excess (deficiency) of revenues over expenditures/									
29 Operating income (loss)	(648.9)	(647.3)	(678.5)	-	-	-	815.6	777.3	794.8
30 Non-operating revenues/(expenses):									
31 Local grants	0.7	0.5	0.5	-	-	-	-	-	-
32 Federal grants	93.6	110.0	228.2	-	-	-	-	-	-
33 Charges for services	-	-	-	(255.1)	(236.8)	(225.6)	-	-	-
34 Interest revenue	2.9	8.0	1.5	1.1	-	-	-	-	-
35 Debt and interest expense	(7.7)	(6.0)	(2.8)	-	-	-	-	-	-
36 Gain (loss) on disposition of fixed assets	(2.9)	1.2	-	-	-	-	-	-	-
37 Other	2.5	2.3	2.7	254.1	236.8	225.6	-	-	-
38 Total non-operating revenues	89.1	115.9	230.1	-	-	-	-	-	-
39									
40 Excess (deficiency) of revenues over expenditures/									
41 Operating income (loss) before other sources	(559.9)	(531.3)	(448.4)	-	-	-	815.6	777.3	794.8
42									
43 Other financing sources (uses):									
44 Operating transfers in	560.4	531.3	448.4	-	-	-	28.3	16.5	5.9
45 Operating transfers out	-	-	-	-	-	-	(903.4)	(916.5)	(851.0)
46 Proceeds from financing	-	-	-	-	-	-	-	-	-
47 Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-
48 Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
49 Total other financing and sources (uses)	560.4	531.3	448.4	-	-	-	(875.1)	(900.0)	(845.1)
50									
51 Excess (deficiency) of revenues and other financing									
52 sources over expenditures and other financing uses	0.6	-	-	-	-	-	(59.5)	(122.7)	(50.3)
53									
54 Fund balances - (Deficit) beginning of year	(63.0)	(62.4)	(62.4)	-	-	-	688.5	629.0	477.9
55									
56 Fund balances - (Deficit) end of year	\$ (62.4)	\$ (62.4)	\$ (62.4)	\$ -	\$ -	\$ -	\$ 629.0	\$ 506.2	\$ 427.6

Note - Agency Funds Benefit Assessment District and EZ Pass Program have been excluded from the Combined Statement; see Appendix 12 for financial data.
 Note - FY05 Beginning fund balances primarily include projected FY04 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 Capital Projects Fund for Homeland Security Grant

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

	Governmental Funds									Totals		
	Capital Projects Fund			General Fund			Debt Service Fund			(Memorandum Only)		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403.7	\$ 1,448.4	\$ 1,521.8
2	180.2	381.0	290.0	4.8	4.7	0.7	3.4	4.3	2.3	250.4	481.6	381.8
3	5.5	-	-	5.4	3.8	3.6	20.6	15.0	20.0	52.8	40.2	36.8
4	-	-	-	12.7	10.1	10.5	-	-	-	12.7	10.1	10.5
5	-	-	-	13.5	0.5	-	449.9	-	-	463.4	0.5	-
6	-	-	-	-	-	-	-	-	-	7.6	7.2	7.0
7	0.0	-	-	2.1	2.9	2.6	(4.8)	-	-	(2.5)	2.9	2.6
8	185.8	381.0	290.0	38.5	22.0	17.4	469.0	19.3	22.3	2,188.1	1,990.9	1,960.5
9												
10												
11										244.9	273.1	282.7
12										0.5	0.4	0.5
13										2.5	2.4	2.5
14										13.6	13.3	13.8
15	185.8	381.0	290.0	38.5	22.0	17.4	469.0	19.3	22.3	2,449.7	2,280.0	2,260.0
16												
17												
18										528.4	582.9	606.4
19										317.2	299.2	314.2
20	263.6	683.2	679.0	-	-	-	-	-	-	263.6	683.2	679.0
21				0.8	1.4	0.2	-	-	-	619.4	711.7	776.7
22				19.0	29.7	20.9	3.7	4.8	4.8	67.6	90.6	73.0
23				-	-	-	319.7	269.5	332.6	319.7	269.5	332.6
24				34.1	30.0	32.6	-	-	-	114.7	109.3	102.2
25	263.6	683.2	679.0	53.9	61.1	53.6	323.4	274.3	337.4	2,230.6	2,746.3	2,884.0
26												
27												
28												
29	(77.8)	(302.2)	(389.0)	(15.4)	(39.1)	(36.3)	145.6	(255.0)	(315.1)	219.0	(466.3)	(624.1)
30												
31										0.7	0.5	0.5
32										93.6	110.0	228.2
33										(255.1)	(236.8)	(225.6)
34										4.0	8.0	1.5
35										(7.7)	(6.0)	(2.8)
36										(2.9)	1.2	-
37										256.6	239.1	228.2
38										89.1	115.9	230.1
39												
40												
41	(77.8)	(302.2)	(389.0)	(15.4)	(39.1)	(36.3)	145.6	(255.0)	(315.1)	308.1	(350.4)	(394.0)
42												
43												
44	80.7	144.3	109.7	34.0	42.8	42.6	230.8	261.0	266.1	934.2	995.9	872.8
45	(0.1)	(68.2)	(3.4)	(30.5)	(13.2)	(18.4)	(0.4)	-	-	(934.2)	(995.9)	(872.8)
46		141.8	262.2	-	-	-	-	-	-	-	141.8	262.2
47							(639.1)	-	(165.0)	(639.1)	-	(165.0)
48							650.8	-	165.0	650.8	-	165.0
49	80.6	218.0	368.5	3.5	29.6	24.2	242.1	261.0	266.1	11.7	141.8	262.2
50												
51												
52	2.8	(84.2)	(20.5)	(11.9)	(9.5)	(11.9)	387.7	6.0	(49.0)	319.6	(208.6)	(131.7)
53												
54	120.9	123.7	39.4	153.5	141.6	142.8	436.1	823.8	829.8	1,336.0	1,655.6	1,427.5
55												
56	\$ 123.7	\$ 39.4	\$ 19.0	\$ 141.6	\$ 132.1	\$ 130.7	\$ 823.8	\$ 829.8	\$ 780.8	\$ 1,655.6	\$ 1,447.0	\$ 1,295.8

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III. Customer Services



CUSTOMER SERVICES

Metro provides a wide range of customer services to increase mobility and quality of life throughout Los Angeles County. These services include bus and rail operations, ridesharing services, freeway services, and transit information.

METRO BUS AND RAIL SERVICE

Metro directly operates three modes of transit service: bus (direct and contracted), light rail, and heavy rail, averaging over 1.3 million boardings per weekday. Transit services and supporting capital expenditures make up over two-thirds of the FY05 Budget.

Metro Bus

Metro is the second largest bus operator in the United States. Metro bus service averages over 1.1 million boardings per weekday. Collectively, the buses travel 250,000 miles on 185 bus routes serving 18,500 bus stops each weekday.

The FY05 Budget includes funds for the completion of the high capacity 45 foot "Compo" bus procurement and for thirty new 60 foot high capacity articulated buses. Metro will provide 33 buses to contractors operating Metro service and will add new vehicles for the Metro Green Line shuttle.

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

Service Sectors

Metro Bus is organized into five geographic areas known as Sectors. The Sectors are managed by a General Manager with planning oversight from an independent Governance Council.

The Governance Councils provide guidance and recommendations to sector general managers at the community level on improvements to bus service delivery and quality.

Sector Goals and Objectives

With about two full years of operational experience, Service Sectors have clearly demonstrated effectiveness toward achieving community input into bus service quality and delivery. The following areas of success were achieved by the Service Sectors:

- Locally based Sector Planning & Scheduling has implemented efficiencies and is more responsive to both customers and bus operators.
- The Sector Governance Councils, charged with overseeing the planning and implementation of service within their area, have been effective at improving Metro's connection and accountability to customers and local communities.
- Overall, on-time performance, road calls and accidents are improving, although at a modest pace.
- The Community Relations Programs have a more focused and visible presence in the communities and with local city officials, although Sector

- control and direction have been problematic.
- Coordination between Service Sectors and other transit providers is improving.
- Metro's Board of Directors has expressed continued support of the Service Sector structure.

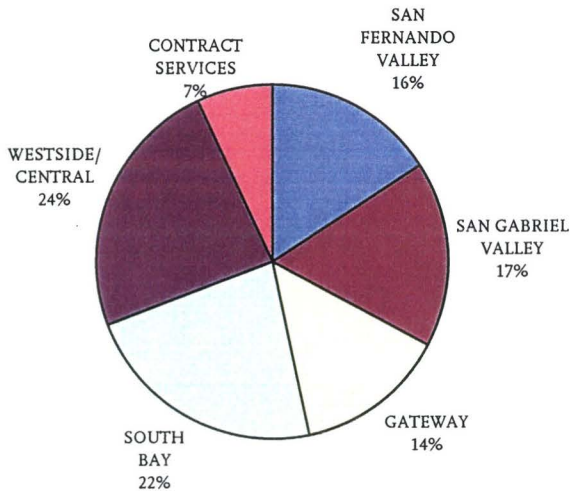
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FY05 Bus Operating Statistics by Service Sector

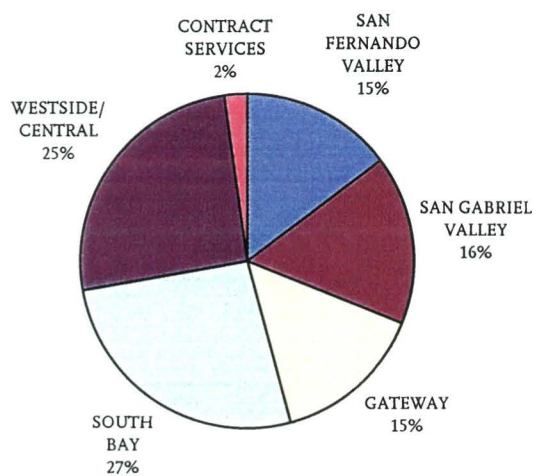
	SAN FERNANDO VALLEY	SAN GABRIEL VALLEY	GATEWAY CITIES	SOUTH BAY
BOARDINGS (000)	53,801	59,422	53,805	96,112
VEHICLE SERVICE HOURS (000)	1,168	1,250	1,025	1,656
VEHICLE SERVICE MILES (000)	16,588	15,835	11,631	20,573
HUB MILES (000)	20,225	18,728	14,519	25,028
BOARDINGS PER REVENUE SERVICE HOUR	46.1	47.5	52.5	58.0
PASSENGER MILES	209,826	231,746	209,839	374,837
VEHICLES OPERATED	352	331	310	456
COST PER REVENUE SERVICE HOUR	\$100.32	\$90.13	\$102.41	\$90.65
COST PER PASSENGER MILE	\$0.56	\$0.49	\$0.50	\$0.40
COST PER BOARDING	\$2.18	\$1.90	\$1.95	\$1.56
SUBSIDY PER BOARDING	\$1.47	\$1.20	\$1.25	\$0.87
SUBSIDY PER PASSENGER MILE	\$0.38	\$0.31	\$0.32	\$0.22
FARE RECOVERY RATIO	32.3%	36.8%	35.9%	44.3%
FARE REVENUE PER BOARDING	\$0.66	\$0.66	\$0.66	\$0.66

* 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)

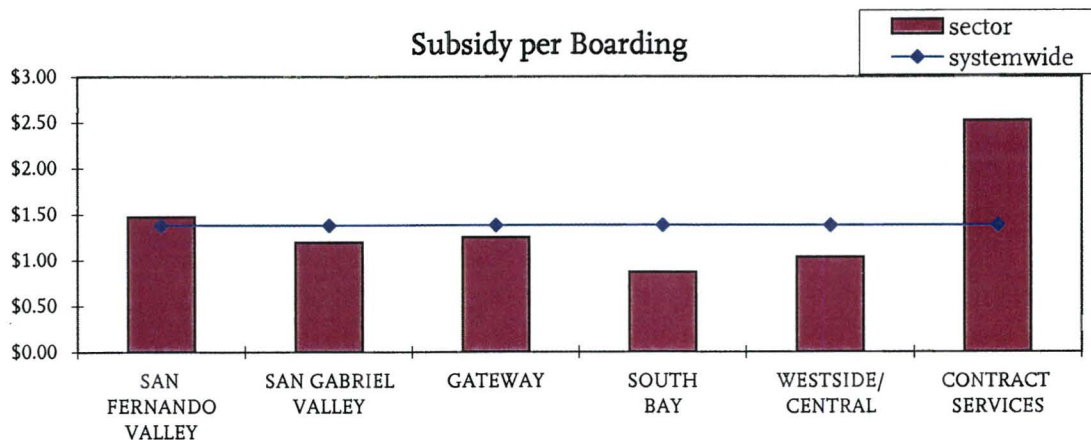
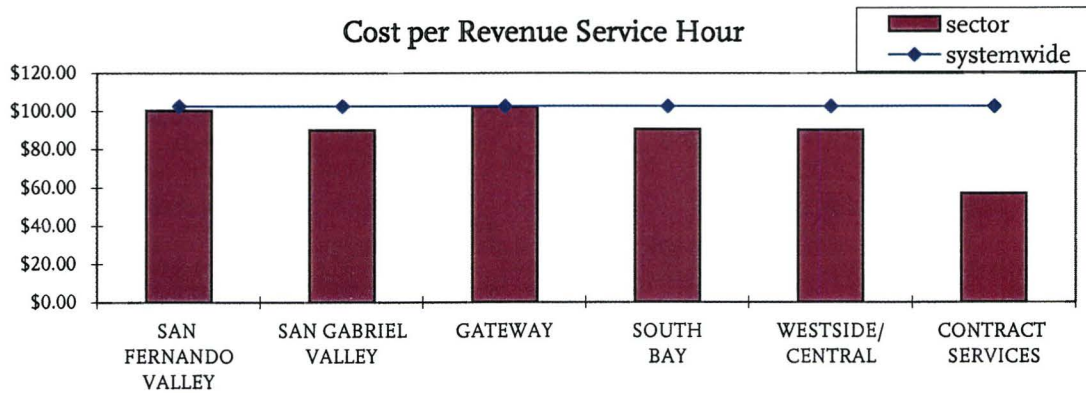


Boardings by Sectors (000)



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

	WESTSIDE/ CENTRAL	CONTRACT SERVICES	SYSTEMWIDE *
BOARDINGS (000)	92,234	8,438	363,812
VEHICLE SERVICE HOURS (000)	1,759	505	7,362
VEHICLE SERVICE MILES (000)	20,999	5,740	91,365
HUB MILES (000)	25,399	6,976	110,874
BOARDINGS PER REVENUE SERVICE HOUR	52.5	16.7	49.4
PASSENGER MILES	359,713	32,907	1,418,867
VEHICLES OPERATED	521	138	2,108
COST PER REVENUE SERVICE HOUR	\$90.39	\$57.01	\$102.67
COST PER PASSENGER MILE	\$0.44	\$0.87	\$0.53
COST PER BOARDING	\$1.72	\$3.41	\$2.08
SUBSIDY PER BOARDING	\$1.03	\$2.52	\$1.38
SUBSIDY PER PASSENGER MILE	\$0.26	\$0.65	\$0.35
FARE RECOVERY RATIO	40.1%	26.1%	33.7%
FARE REVENUE PER BOARDING	\$0.66	\$0.66	\$0.66



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Bus Performance Indicators	FY02 Actual	FY03 Actual	FY04 Estimated	FY05 Target
<i>Customer Indicators</i>				
In-Service On-Time Performance	64.88%	69.23%	63.73%	70.00%
<i>Financial Indicators</i>				
Bus cost per service hour	\$98.44	\$101.33	\$101.31	\$102.67
Farebox Recovery	31.4%	30.0%	32.9%	33.7%
Subsidy per Boarding	\$1.29	\$1.44	\$1.40	\$1.38
<i>Internal Process Indicators</i>				
Mean miles between chargeable mechanical failures	5,796	6,883	6,790	7,500
<i>Safety Indicators</i>				
Vehicle accidents per 100k miles	3.91	3.86	3.74	3.50

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. In approving the Metro Rapid Expansion Program, additional corridors were identified and prioritized into five implementation phases. By the end of FY05 14 Metro Rapid lines will be in service. New Metro Rapid lines to be implemented in FY05 include:

- Hawthorne,
- Hollywood-Fairfax-Pasadena,
- Long Beach,
- Beverly,
- Sepulveda (North).

Metro Rail

Metro Rail operates and maintains four rail lines, including 121 light and 104

heavy rail vehicles and 65 rail stations. Rail operation includes Transportation (operations, supervision, train control, scheduling), Fleet Services (vehicle maintenance, engineering and design), Wayside Systems (track, power, stations, signals, communication maintenance) and Safety.

Vehicle dependability is expected to improve during FY05 as rail car vehicle maintenance programs enter the second year. The effort to maintain and improve rail car and station cleanliness, including the goal to eliminate vandalism, will be supported with law enforcement resources, incorporating new strategies to proactively address these as well as safety related issues systemwide. In addition, Metro Rail will work with the Los Angeles County Sheriff's Department to address Homeland Security issues on trains, stations and along the main lines.

The FY05 Budget includes resources to support the current level of service, with some adjustments to train lengths and/or headways during morning weekend service periods. The light rail vehicle procurement for 50 cars is concluding the design phase and will be closely

monitored during the construction period. The first delivery of these light rail vehicles is scheduled for June 2005. Four new traction power substations will be added to the Pasadena Gold Line. Twelve Blue Line grade crossings will be retrofitted with safety gates in cooperation with the Union Pacific Railroad to enhance protection to motorists and trains. The remaining conversion of the Rail Radio System to 160 MHz and completion of the simulcast system will be accomplished during FY05 as well as full integration and utilization of the M3 system.

The Fare Checker program begun in FY04 on the Red and Gold Lines will be expanded in FY05 to include the Green and Blue Lines. In addition to providing improved fare compliance, the fare checkers provide an additional security presence on the rail system. The MTA will have over 100 fare checkers systemwide during FY05.

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Rail Performance Indicators	FY02 Actual	FY03 Actual	FY04 Estimated	FY05 Target
<i>Customer Indicators</i>				
Light Rail On-Time Performance	98.92%	97.84%	98.90%	99.00%
Heavy Rail On-Time Performance	99.60%	99.15%	99.19%	99.80%
<i>Complaints per 100,000 boardings</i>				
Light Rail	1.04	1.29	1.45	0.66
Heavy Rail	0.73	1.20	1.06	0.60
<i>Financial Indicators</i>				
Light Rail cost per RVSH	\$332.52	\$300.12	\$304.41	\$374.83
Heavy Rail cost per RVSH	\$234.57	\$244.42	\$249.71	\$271.43
<i>Farebox Recovery</i>				
Light Rail	23.3%	21.0%	24.1%	17.1%
Heavy Rail	20.8%	25.8%	27.7%	26.6%
<i>Subsidy per Boarding</i>				
Light Rail	\$1.94	\$2.13	\$2.13	\$2.92
Heavy Rail	\$1.40	\$1.51	\$1.36	\$1.50
<i>Internal Process Indicators</i>				
Mean Miles Between Mechanical Failures	6,253	7,025	13,024	7,000
<i>Safety Indicators</i>				
Rail accidents per 100,000 revenue train miles				
Light Rail (MGL, MBL)	0.51	0.51	0.67	0.40
Heavy Rail (MRL)	0.22	0.07	0.00	0.05

TRANSPORTATION SERVICES

Metro Freeway Service Patrol

Metro, 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 needing assistance 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.

The success of the Metro Freeway Service Patrol has prompted the MTA to investigate using "Big Rig" tow trucks to assist disabled oversized vehicles and trailer trucks on the 710 Freeway. This demonstration will begin in FY05 and continue for two years.

Service Authority for Freeway Emergencies

Service Authority for Freeway Emergencies (SAFE) is a separate agency from Metro 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 from CHP to an outside contractor was completed in FY04 and reduced call-answering costs by over 50%.

In FY05, SAFE proposes to complete the physical accessibility improvements to the call box sites, investigate digital upgrades to the call box system, and explore the implementation of a new cellular based motorist aid service.

Paratransit Services

Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. The purpose of the paratransit service program 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.

Paratransit ridership in Los Angeles County is projected to increase by over 10% for each of the next five years.

High Occupancy Vehicle Lanes

There are 435 miles of High Occupancy Vehicle (HOV) lanes in operation in Los Angeles County. HOV lanes reduce congestion by using the capacity of the freeway system more efficiently. Caltrans

estimates that an average of approximately 702,000 persons use HOV lanes daily in Los Angeles County.

Rideshare Program

Over the past years, the five county transportation commissions (CTC's) which fund regional and local rideshare services in the Los Angeles area have been reviewing service delivery options to optimize rideshare program performance. As part of this review, the CTC's conducted studies which recommended that rideshare services should be transferred from SCAG to the CTC's to enhance program effectiveness. Consequently, SCAG transferred rideshare services to the CTC's at the end of FY03. The transfer brought about the establishment of Metro Commute Services, a one-stop shop for commute transportation services in Los Angeles County. Metro Commute Services provides a host of effective rideshare services and products to employers and their employees, including incentives and rebates, ridematching via telephone and internet, workshops, consultation, and transit pass programs.

1-800-COMMUTE

Through 1-800-COMMUTE, a statewide toll-free number, callers can access Metro information for personal transit assistance seven days a week. Callers are given route, schedule, and fare information for all public transportation providers serving the County. Rideshare assistance is also available.

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 Metro trains and buses at a significantly reduced price. Student ID Cards are valid for an academic term, while persons 62 years old and above qualify for a senior ID Card. ID cards for the disabled are issued for various time periods based on an individual's disability. Applications are available at metro.net.

MetroMail Program

The MetroMail Program provides customers with the convenience of purchasing their monthly passes and stamps and tokens through the mail. Individuals, companies, schools, and public and government agencies which utilize this program submit a MetroMail Form along with the appropriate payment. Fare media is returned by mail in a timely manner. MetroMail forms are available at metro.net.

MTA Customer Centers

The six MTA Customer Centers located throughout Los Angeles County provide various transit services to Los Angeles County residents. They sell EZ Transit Passes (regional passes) and Metro passes and tokens, accept Reduced Fare applications from student and disabled customers, issue senior ID cards, display rail and bus schedules and brochures, distribute special promotional information, and provide vendor pick up services for token purchases. Some locations also sell fare media for Foothill Transit and LADOT and participate in the Cityride Scrip redemption program. Customer Center information is located at metro.net.

Metro Pass and Token Sales Vendor Network

The Metro Pass and Token Sales Vendor Network includes over 850 retail business locations at which patrons can purchase not only MTA passes and tokens, but also EZ Transit Passes which can be used on other transit buses. Vendor locations cover the Los Angeles County area; a complete directory of pass sales outlets is provided at metro.net.

metro.net

metro.net is the Metro's presence on the world wide web. Offering an interactive trip planner and comprehensive transit service information for the entire Southern California region, metro.net is accessible from anywhere in the world 24 hours a day. In 2003, well over ten million successful itineraries were made through the interactive trip planner. The site also features complete information regarding Metro's other transportation services and projects.

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IV. Financial Details by Fund



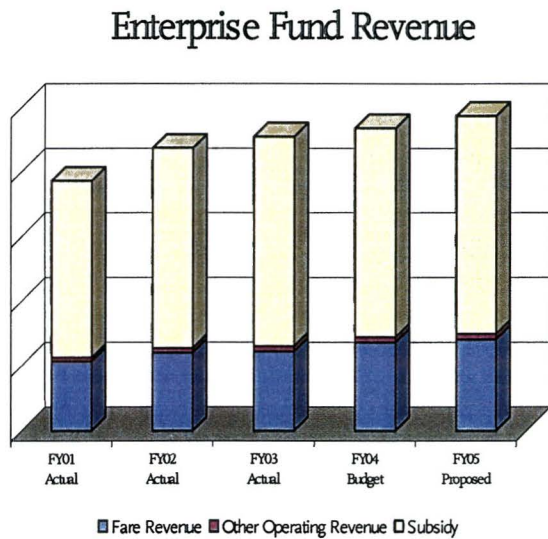
ENTERPRISE FUND

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).



(Amounts in thousands)	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Budget	FY05 Proposed
1 Fare Revenue	\$213,989	\$241,144	\$244,939	\$273,099	\$282,660
2 Other Operating Revenue	12,227	14,334	16,587	16,050	16,750
3 Subsidy*	547,814	619,622	648,936	647,270	678,524
4 Total Revenue	\$774,030	\$875,100	\$910,462	\$936,419	\$977,934

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

Expenses

The Enterprise Fund FY05 budgeted expenses are as follows:

	Amount in Millions	%
Bus	\$759.2	77.4
Light Rail	145.8	14.9
Heavy Rail	73.4	7.5
Regional	2.4	0.2
Total	\$980.7	100.0

Enterprise Fund expenses of \$980.7 million are composed of \$977.9 million operating expenses and \$2.8 million of non-operating interest expenses.

Approximately 68% of the Enterprise Fund expenses are for labor and fringe benefits. Fuel and materials represents another 14% of expenses, with the remainder being comprised of contracted services (3%), security (7%), casualty and liability (4%), and debt and other expenses (4%),

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Service Levels

Mode		Vehicle Service Hours	Vehicle Service Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	6,857,593	85,625,425	355,374,488	1,385,960,502
	Contracted Svc	504,818	5,740,020	8,437,564	32,906,501
	Subtotal Bus	7,362,410	91,365,445	363,812,052	1,418,867,003
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	89,000	1,800,000	7,500,000	39,000,000
	Red Line	270,299	6,603,768	35,908,175	165,177,605
	Subtotal Rail	659,205	15,868,407	77,363,587	380,745,747
Totals		8,021,615	107,233,852	441,175,639	1,799,612,750

Cost Per Unit of Service

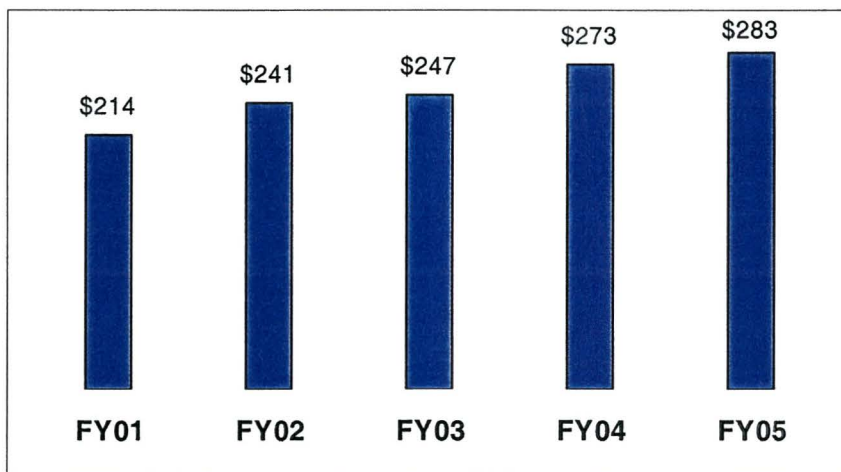
Mode		Vehicle Service Hours	Vehicle Service Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	\$106.03	\$8.49	\$2.05	\$0.52
	Contracted Svc	\$57.01	\$5.01	\$3.41	\$0.87
	Blended Bus	\$102.67	\$8.27	\$2.08	\$0.53
Rail	Blue Line	\$304.09	\$13.55	\$2.73	\$0.52
	Green Line	\$463.33	\$15.05	\$3.94	\$0.76
	Gold Line	\$455.81	\$22.54	\$5.41	\$1.04
	Red Line	\$271.43	\$11.11	\$2.02	\$0.44
	Blended Rail	\$332.43	\$13.81	\$2.83	\$0.58
Combined Bus & Rail		\$121.55	\$9.09	\$2.21	\$0.54

Fare Revenue

The chart below illustrates passenger fare revenue received in FY01 through FY03, plus projected receipts for FY04 and FY05. From FY01 to FY03, average annual fare revenue growth was 7.4% as service levels increased for both bus and rail modes. A

4.0% year-over-year increase in fare revenue is projected in FY05 from a combination of the relatively new Pasadena Gold Line and a fare restructuring that went into effect in January 2004.

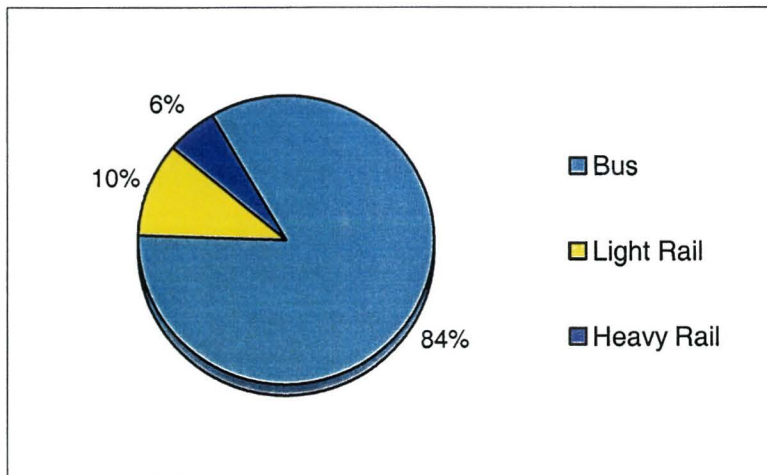
(\$'s in millions)



Fare Revenue by Mode

The chart below illustrates the estimated FY05 fare revenue shares by mode. As

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



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

For the Years Ending June 30, 2003, 2004 and 2005

(Amounts in millions)

Enterprise Fund by Mode	Bus			Light Rail		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:						
2 Operating revenues						
3 Passenger fares	\$ 213.4	\$ 229.4	\$ 240.4	\$ 17.1	\$ 28.4	\$ 24.6
4 Route subsidies	0.5	0.4	0.5	-	-	-
5 Metrolink EZ Pass reimbursement	0.4	0.4	0.4	-	-	0.4
6 Advertising	12.2	11.8	13.8	1.0	1.0	-
7 Total revenues	226.4	241.9	255.0	18.0	29.4	24.9
8						
9 Operating expenses:						
10 Transportation	464.5	484.3	493.2	36.5	65.3	77.0
11 Maintenance	247.1	223.6	227.7	40.0	46.8	55.2
12 General and administrative	43.7	34.8	35.4	9.4	11.5	13.5
13 Total operating expenses	755.3	742.7	756.4	85.9	123.6	145.8
14						
15 Operating income (loss)	(528.9)	(500.8)	(501.4)	(67.9)	(94.2)	(120.8)
16						
17 Non-operating revenues/(expenses):						
18 Local operating grants	0.7	0.5	0.5	-	-	-
19 Federal operating grants	94.3	82.3	145.9	(0.4)	27.7	59.4
20 Interest revenue	2.9	6.7	1.5	-	0.7	-
21 Debt and interest expense	(7.7)	(6.0)	(2.8)	-	-	-
22 Gain (loss) on disposition of fixed assets	(2.9)	1.2	-	-	-	-
23 Other	2.0	1.0	2.7	-	0.4	-
24 Total Non-operating revenues	89.3	85.7	147.8	(0.4)	28.8	59.4
25						
26 Other financing sources (uses):						
27 Operating transfers in						
28 Prop A	132.2	132.3	132.5	26.3	12.8	25.6
29 Prop C	104.3	103.1	74.4	36.6	49.4	30.2
30 TDA	179.9	168.8	135.2	-	-	-
31 STA	2.1	10.9	11.4	3.3	3.1	5.6
32 General Fund	23.9	-	-	-	-	-
33 Total other financing and sources (uses)	442.4	415.1	353.6	66.2	65.4	61.4
34						
35 Increase (decrease) in retained earnings	2.9	-	-	(2.1)	-	-
36						
37 Deficit - beginning of year	(57.1)	(54.3)	(54.3)	(5.9)	(8.0)	(8.0)
38						
39 Deficit - end of year	\$ (54.3)	\$ (54.3)	\$ (54.3)	\$ (8.0)	\$ (8.0)	\$ (8.0)

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

	Heavy Rail			Non-Modal Regional Cost			Total		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1									
2									
3	\$ 14.0	\$ 15.2	\$ 17.7	\$ 0.4	\$ -	\$ -	\$ 244.9	\$ 273.1	\$ 282.7
4		-	-	-	-	-	0.5	0.4	0.5
5	2.1	2.0	1.8	-	-	-	2.5	2.4	2.5
6	0.5	0.5	-	-	-	-	13.6	13.3	13.8
7	16.6	17.8	19.5	0.4	-	-	261.5	289.1	299.4
8									
9									
10	27.4	33.2	36.1	-	-	-	528.4	582.9	606.4
11	30.0	28.8	31.3	-	-	-	317.2	299.2	314.2
12	7.1	5.5	6.0	4.8	2.6	2.4	64.9	54.4	57.3
13	64.5	67.5	73.4	4.8	2.6	2.4	910.5	936.4	977.9
14									
15	(47.9)	(49.7)	(53.9)	(4.3)	(2.6)	(2.4)	(648.9)	(647.3)	(678.5)
16									
17									
18	-	-	-	-	-	-	0.7	0.5	0.5
19	(0.2)	-	22.9	-	-	-	93.6	110.0	228.2
20	-	0.6	-	-	-	-	2.9	8.0	1.5
21	-	-	-	-	-	-	(7.7)	(6.0)	(2.8)
22	-	-	-	-	-	-	(2.9)	1.2	-
23	0.5	1.0	-	-	-	-	2.5	2.3	2.7
24	0.3	1.5	22.9	-	-	-	89.1	115.9	230.1
25									
26									
27									
28	19.4	7.4	17.8	-	-	-	177.9	152.6	175.9
29	25.6	38.3	10.4	3.0	2.6	2.4	169.6	193.4	117.4
30	-	-	-	-	-	-	179.9	168.8	135.2
31	2.5	2.5	2.8	-	-	-	7.8	16.6	19.9
32	-	-	-	1.3	-	-	25.2	-	-
33	47.5	48.2	31.0	4.3	2.6	2.4	560.4	531.3	448.4
34									
35	(0.1)	-	-	-	-	-	0.6	-	-
36									
37	-	(0.1)	(0.1)	-	-	-	(63.0)	(62.4)	(62.4)
38									
39	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ -	\$ -	\$ -	\$ (62.4)	\$ (62.4)	\$ (62.4)

INTERNAL SERVICE FUND

Fund Narrative

The Internal Service Fund (ISF) accounts for the revenues and expenses related to goods and services provided to projects on a cost reimbursement basis. These expenses are allocated to all of the MTA's functional units as well as to the blended component units, Public Transportation Services Corporation (PTSC) and PTSC/MTA Risk Management Authority (PRMA).

The ISF in FY05 will operate differently than in prior years. In the past, the ISF collected (a) agency-wide allocable charges in a single cost pool and (b) dedicated allocable charges in three other cost pools. User departments then received their allocated shares of these costs according to an A-87-compliant allocation plan.

New Administrative Cost Allocation Methodology in FY05

Starting in FY05, administrative departments will charge their users directly wherever possible. Where not possible, they will charge one (or more) of six dedicated cost pools according to the MTA activity being benefited. Thus, the only costs that will still be charged to the original agency-wide cost pool will be items such as rent, utilities, and insurance costs.

The six cost pools are dedicated to the following activities:

- Bus Administration
- Rail Administration
- Subsidy and Call Project Administration
- General Planning Administration
- Capital Program Administration
- Major Construction Program Administration

Each pool will allocate its costs only to related activities. The original agency-wide cost pool will allocate its costs globally, as before.

Impact of New Administrative Cost Methodology

The sources and amounts of the various administrative charges will be clearly evident to the user departments, thus empowering them to control costs. Also, operating results will not be distorted by the migration of administrative costs among the six activities identified above.

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Statement of Revenues, Expenses and Changes in Retained Earnings
For the Years Ending June 30, 2003, 2004 and 2005

(Amounts in millions)

Internal Service Fund	FY03 Actual	FY04 Budget	FY05 Proposed
1 Operating expenses:			
2 Services	\$ -	\$ -	\$ -
3 Total operating expenses	-	-	-
4			
5 Operating income (loss)	-	-	-
6			
7 Non-operating revenues/(expenses):			
8 Charges for services	(255.1)	(236.8)	(225.6)
9 Interest revenue	1.1	-	-
10 Other	254.1	236.8	225.6
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

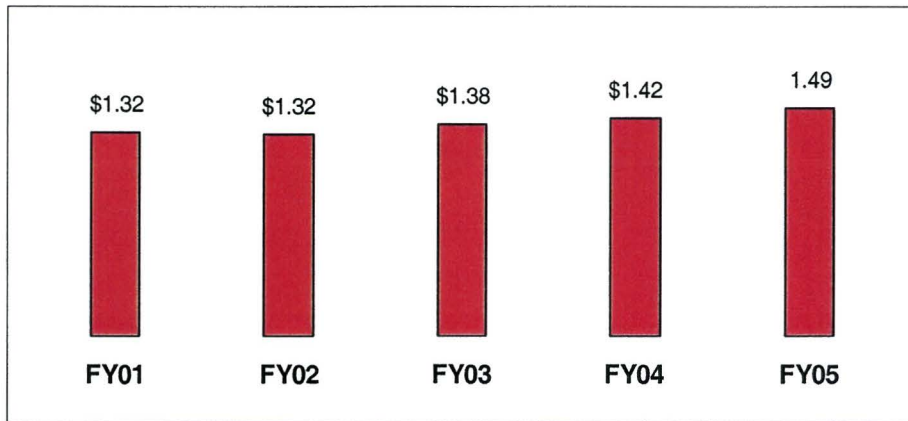
Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 89% of Special Revenue expenditures, while the remaining 11% go for SAFE, FSP, other contracts, and administrative costs and labor.

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 FY01 and FY03, actual sales revenues increased at an average annual rate of 2.3%. The FY04 and FY05 Budget Revenues are projected to grow at an average annual rate of 4.1%.

Sales Tax Revenue

(Amounts in billions)

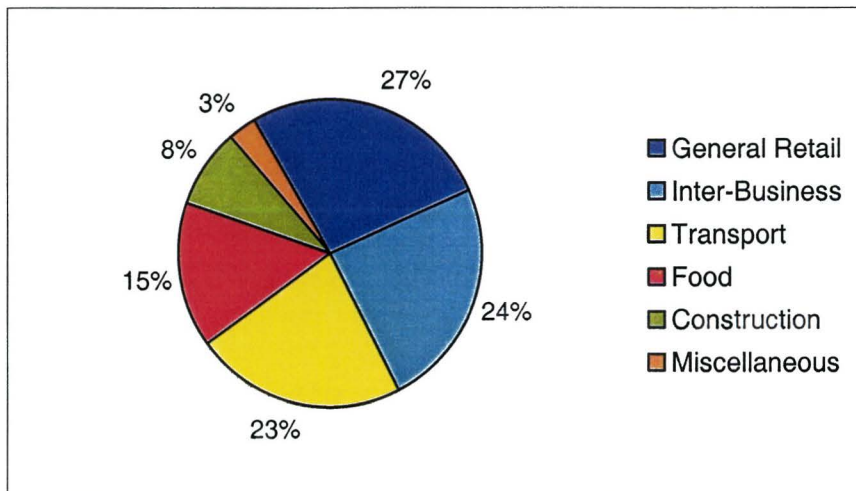


The chart below depicts Los Angeles County sales tax revenue projections for FY05 by major spending categories and is based on the share of sales tax receipts in

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 FY05)



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ending June 30, 2003, 2004 and 2005

(Amounts in millions)

	Proposition A			Proposition C			Transportation Develop. Act		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
Special Revenue Funds									
1 Revenue:									
2 Sales tax	\$ 548.3	\$ 565.8	\$ 595.0	\$ 548.3	\$ 565.7	\$ 594.9	\$ 279.9	\$ 288.1	\$ 302.4
3 Intergovernmental grants	-	-	-	54.9	75.1	75.5	-	-	-
4 Investment income	2.2	3.5	1.6	13.3	12.0	8.0	3.9	4.0	2.2
5 Licenses and fines	-	-	-	0.4	-	-	-	-	-
6 Other	(0.0)	-	-	(0.1)	-	-	-	-	-
7 Total revenues	550.5	569.3	596.6	616.9	652.8	678.4	283.8	292.1	304.6
8 Expenditures:									
9 Subsidies	207.3	216.2	221.6	308.9	380.7	439.1	93.8	95.4	98.9
11 Services	-	-	-	36.9	45.2	39.2	-	-	-
12 General and administrative	-	-	-	14.3	19.4	10.3	-	-	-
13 Total expenditures	207.3	216.2	221.6	360.1	445.3	488.7	93.8	95.4	98.9
14 Excess (deficiency) of revenues									
16 over expenditures	343.1	353.0	375.0	256.8	207.5	189.7	190.0	196.7	205.7
17 Other financing sources (uses):									
19 Operating transfers in									
20 Prop A	0.4	-	-	7.4	9.0	-	0.9	-	-
21 Prop C	-	-	-	-	5.1	-	0.9	-	-
22 TDA	-	-	-	(0.0)	-	0.9	-	-	-
23 General Fund	-	-	-	5.3	-	5.0	-	-	-
24 Other	-	-	-	11.3	-	-	-	-	-
25 Operating transfers out									
26 Prop C	(7.4)	(9.0)	-	-	(0.9)	-	(0.0)	-	(0.9)
27 TDA	(0.9)	-	-	(0.9)	-	-	-	-	-
28 General Fund	(20.0)	(28.3)	(27.7)	(8.6)	(8.5)	(8.9)	(5.3)	(6.0)	(6.0)
29 Debt Service Fund	(141.2)	(158.0)	(153.7)	(89.6)	(103.0)	(112.4)	-	-	-
30 Capital Fund	(26.9)	(8.9)	(3.8)	(22.8)	(10.8)	(17.4)	(25.7)	(36.7)	(60.4)
31 Enterprise Fund	(177.9)	(152.6)	(175.9)	(169.6)	(193.4)	(117.4)	(179.9)	(168.8)	(135.2)
32 Others	-	-	-	(0.4)	-	-	(1.6)	-	-
33 Total other financing sources (uses)	(374.0)	(356.7)	(361.1)	(267.9)	(302.6)	(250.3)	(210.7)	(211.5)	(202.5)
34 Excess (deficiency) of revenue and other financing									
36 sources over expenditures/other financing uses	(30.8)	(3.7)	13.9	(11.2)	(95.1)	(60.6)	(20.8)	(14.8)	3.2
37 Fund balance - beginning of year **	102.0	71.1	62.3	345.7	334.5	203.1	167.7	146.9	146.0
39 Fund balance - end of year	\$ 71.1	\$ 67.4	\$ 76.2	\$ 334.5	\$ 239.5	\$ 142.5	\$ 146.9	\$ 132.1	\$ 149.2

** FY05 beginning of year fund balances include FY04 revenue and expenditure variances.

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

	State Transit Assistance-STA			SAFE			Other			Total		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1												
2	\$ 27.3	\$ 28.8	\$ 29.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403.7	\$ 1,448.4	\$ 1,521.8
3	-	-	-	-	-	-	7.1	16.5	13.4	62.0	91.6	88.9
4	0.9	0.9	0.5	0.9	1.0	0.9	0.1	-	-	21.3	21.4	13.2
5	-	-	-	7.2	7.2	7.0	-	-	-	7.6	7.2	7.0
6	-	-	-	-	-	-	0.3	-	-	0.2	-	-
7	28.2	29.7	30.0	8.1	8.2	7.9	7.4	16.5	13.4	1,494.8	1,568.5	1,630.9
8												
9												
10	6.3	4.4	4.4	-	-	-	2.2	13.7	12.6	618.6	710.3	776.6
11	-	-	-	7.1	9.2	7.5	1.0	1.6	0.6	44.9	56.0	47.3
12	-	-	-	1.2	1.9	1.6	0.2	3.7	0.3	15.7	25.0	12.2
13	6.3	4.4	4.4	8.3	11.1	9.2	3.4	18.9	13.4	679.2	791.3	836.1
14												
15												
16	21.9	25.3	25.6	(0.2)	(2.9)	(1.3)	4.1	(2.4)	-	815.6	777.2	794.8
17												
18												
19												
20	-	-	-	-	-	-	-	-	-	8.8	9.0	-
21	-	-	-	-	-	-	-	0.9	-	0.9	6.0	-
22	-	-	-	-	-	-	-	-	-	(0.0)	-	0.9
23	-	-	-	-	-	-	-	-	-	5.3	-	5.0
24	0.1	-	-	-	-	-	1.9	1.5	-	13.3	1.5	-
25												
26	-	-	-	-	-	-	(8.7)	-	-	(16.2)	(9.9)	(0.9)
27	-	-	-	-	-	-	-	-	-	(1.9)	-	-
28	-	-	-	-	-	-	(0.0)	-	-	(34.0)	(42.8)	(42.6)
29	-	-	-	-	-	-	-	-	-	(230.8)	(261.0)	(266.1)
30	(5.1)	(13.6)	(11.2)	-	-	-	(0.3)	-	-	(80.7)	(70.1)	(92.9)
31	(7.8)	(16.5)	(19.9)	-	-	-	-	-	-	(535.2)	(531.3)	(448.4)
32	-	(1.5)	-	-	-	-	(2.6)	-	-	(4.6)	(1.5)	-
33												
34	(12.8)	(31.6)	(31.1)	-	-	-	(9.7)	2.4	-	(875.1)	(900.0)	(845.1)
35												
36												
37	9.1	(6.3)	(5.5)	(0.2)	(2.9)	(1.3)	(5.6)	-	-	(59.5)	(122.8)	(50.2)
38												
39	39.9	49.0	41.4	27.4	27.2	25.0	5.7	0.1	-	688.5	629.0	477.9
40												
41	\$ 49.0	\$ 42.8	\$ 36.0	\$ 27.2	\$ 24.3	\$ 23.7	\$ 0.1	\$ 0.1	\$ -	\$ 629.0	\$ 506.2	\$ 427.6

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 FY05 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 FY05 programmed amounts.

FY05 Revenue Summary - Regional Programs Budget

(Amounts in thousands)		Municipal Operator Programs	ADA Funding Program	CFP Projects & Programs	Other Local Projects	Commuter Rail & Intercity Rail	Total Subsidy Budget
1	Prop A - Local Return 25%	\$ -	\$ -	\$ 141,300	\$ -	\$ -	141,300
2	Prop A - Discretionary 95% of 40%	68,079	-	-	-	-	68,079
3	Prop A - Incentive 5% of 40%	-	11,303	-	-	-	11,303
4	Prop C - Local Return 20%	-	-	117,200	-	-	117,200
5	Prop C - Security 5%	5,198	-	-	-	-	5,198
6	Prop C - Commuter Rail 10%	-	-	30,297	-	41,537	71,834
7	Prop C - Streets & Hwys 25%	-	-	117,216	-	-	117,216
8	Prop C - Discretionary 40%	31,431	17,474	15	2,550	-	51,470
9	Other	-	47,900	22,500	12,585	-	82,985
10	TDA	76,224	-	24,309	-	-	100,533
11	STA Formula	4,212	-	-	-	-	4,212
12	Interest (Prop A, Prop C, TDA, STA)	5,240	-	-	-	-	5,240
13	Total	\$ 190,384	\$ 76,677	\$ 452,836	\$ 15,135	\$ 41,537	\$ 776,570

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Regional Subsidy Program Budget Detail

(Amounts in thousands)

Regional Fund Description	FY03 Actual	FY04 Budget	FY05 Proposed
1 Municipal Operator Programs			
2 Formula Allocated Funds	\$ 153,461	\$ 162,732	\$ 156,915
3 Transit Security	3,165	4,335	5,198
4 Bus Service Improvement Program & MOSIP Programs	11,443	18,634	19,187
5 Transit Service Expansion	5,502	5,747	5,962
6 Base Bus Restructuring	2,782	3,046	3,122
7 Municipal Operator Programs Total	176,353	194,495	190,384
8			
9 ADA/Accessibility Funding Programs			
10 ASI - Access Services, Inc.	64,405	61,800	65,374
11 Proposition A Incentive programs	11,914	10,547	11,303
12 ADA Accessibility Funding Programs Total	76,318	72,347	76,677
13			
14 CFP Projects and Programs			
15 Proposition A and C Local Return	239,946	244,651	258,500
16 Call for Projects	60,109	117,270	170,027
17 TDA Bikeways/Transit/Streets & Hwys Pgms/Rapid Bus	20,414	20,567	24,309
18 Local Projects and Programs Total	320,469	382,487	452,836
19			
20 Other Local Projects			
21 Immediate Needs	4,639	5,000	-
22 SHORE/General Relief Tokens	1,046	1,050	1,050
23 Regional Grantee-FTA	2,154	13,655	12,585
24 EZ Pass Program	-	-	1,500
25 Other Local Projects Total	7,838	19,705	15,135
26			
27 Commuter Rail & Inter-City Rail Programs			
28 Metrolink	37,593	41,274	41,512
29 Intercity Rail	25	25	25
30 Commuter Rail & Intercity Rail Programs	37,618	41,299	41,537
31			
32 Total MTA Funded Programs (Special Revenue Fund only)	\$ 618,596	\$ 710,331	\$ 776,570

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 for coordinating 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 Call for Projects

The Transportation Improvement Program (TIP) Call for Projects (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 \$1.1 million in funding for Support for Homeless Re-Entry (SHORE) and the General Relief (GR) Token Program to 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 FY05, the budgeted amount for pass-through grants is \$12.6 million.

In FY05, participants include Baldwin Park, Bell, Burbank, Compton, Cudahy, El Segundo, Glendale, Maywood, Monrovia, Monterey Park, Palmdale, Pasadena, Playa Vista, Redondo Beach, Sierra Madre, South Pasadena, and West Covina, as well as Catellus and the Los Angeles Neighborhood Initiative (LANI).

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 PROJECTS FUND

Fund Narrative

The Capital Projects 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 Projects 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 Projects 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 FY05 Capital Program (CP) is \$679.0 million, of which \$430.8 million has been included for major bus and rail construction and \$248.2 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.

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Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ending June 30, 2003, 2004 and 2005

(Amounts in millions)

Capital Project Funds	Light Rail			Heavy Rail		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:						
2 Intergovernmental grants	\$ 33.0	\$ 147.9	126.0	\$ 24.2	\$ 18.4	\$ 3.9
3 Investment income	0.0	-	-	5.0	-	-
4 Other	-	-	-	0.0	-	-
5 Total revenues	33.0	147.9	126.0	29.3	18.4	3.9
6						
7 Expenditures:						
8 Capital program						
9 Bus acquisitions/ATMS/UFS	-	-	9.7	-	-	4.2
10 Bus and facilities maintenance	-	-	-	-	-	-
11 Rail vehicle and facilities maintenance	0.6	22.1	20.9	3.5	9.0	5.8
12 Wayside systems	-	10.7	11.2	-	0.6	1.1
13 Major construction	78.7	207.7	242.1	21.6	51.1	16.1
14 Non-revenue vehicles	-	4.1	1.3	-	0.8	0.6
15 IT/Communications	-	3.0	1.3	-	1.5	0.5
16 Warehouse/Other	1.0	-	0.6	-	-	1.1
17 Total expenditures	80.3	247.6	287.1	25.2	63.0	29.5
18						
19 Excess (deficiency) of revenues over expenditures	(47.3)	(99.7)	(161.1)	4.1	(44.6)	(25.6)
20						
21 Other financing sources (uses):						
22 Operating transfers in						
23 Prop A	26.9	8.2	3.7	-	0.7	0.1
24 Prop C	8.4	-	3.4	9.0	1.9	1.0
25 TDA	0.2	2.5	0.4	0.8	0.5	-
26 STA	1.3	3.1	7.1	0.2	0.9	0.6
27 Other /GF	-	40.2	2.5	-	-	-
28 Capital Project Fund	-	-	-	-	-	-
29 Operating transfers out						
30 Other /GF	-	-	-	-	-	-
31 Capital Project Fund	-	-	-	-	(68.2)	(3.4)
32 Proceeds from financing	-	61.7	120.5	-	34.4	-
33 Total other financing sources (uses)	36.7	115.7	137.7	9.9	(29.9)	(1.6)
34						
35 Excess (deficiency) of revenues and other financing						
36 sources over expenditures and other financing uses	(10.5)	16.0	(23.4)	14.0	(74.6)	(27.2)
37						
38 Fund balance - (deficit) beginning of year	1.2	(9.3)	6.7	105.3	119.3	44.7
39						
40 Fund balance - (deficit) end of year	\$ (9.3)	\$ 6.7	\$ (16.7)	\$ 119.3	\$ 44.7	\$ 17.4

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

	Bus Rapid Transitways			Bus Capital and Other			Total		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1									
2	\$ 25.9	\$ 57.6	\$ 19.5	\$ 97.2	\$ 157.1	\$ 140.7	\$ 180.2	\$ 381.0	\$ 290.0
3	-	-	-	0.5	-	-	5.5	-	-
4	-	-	-	-	-	-	0.0	-	-
5	25.9	57.6	19.5	97.6	157.1	140.7	185.8	381.0	290.0
6									
7									
8									
9	-	-	-	54.1	178.4	117.8	54.1	178.4	131.6
10	-	-	-	14.9	38.2	56.2	14.9	38.2	56.2
11	-	-	-	12.7	-	-	16.8	31.1	26.7
12	-	-	-	2.0	-	-	2.0	11.3	12.4
13	36.7	131.3	166.4	-	3.7	6.2	137.1	393.8	430.8
14	-	-	-	4.8	3.1	4.4	4.8	8.0	6.2
15	-	-	-	23.3	10.6	5.8	23.3	15.1	7.6
16	0.2	-	-	9.5	7.2	5.7	10.7	7.2	7.5
17	36.9	131.3	166.4	121.2	241.3	196.1	263.6	683.2	679.0
18									
19	(11.1)	(73.7)	(146.9)	(23.6)	(84.2)	(55.4)	(77.8)	(302.2)	(389.0)
20									
21									
22									
23	-	-	-	-	-	-	26.9	8.9	3.8
24	-	-	11.3	3.3	5.3	1.7	20.6	7.2	17.4
25	-	-	-	24.0	36.0	60.0	25.0	39.0	60.4
26	-	-	-	-	9.4	3.5	5.0	13.4	11.2
27	3.1	28.0	2.5	3.6	7.6	8.4	3.1	75.8	13.4
28	-	-	-	-	-	3.4	-	-	3.4
29									
30	-	-	-	0.0	-	-	0.0	-	-
31	-	-	-	(0.1)	-	-	(0.1)	(68.2)	(3.4)
32	-	45.7	133.0	-	-	8.6	-	141.8	262.2
33	3.1	73.7	146.9	30.8	58.3	85.5	80.6	218.0	368.5
34									
35									
36	(7.9)	-	-	7.2	(26.0)	30.1	2.8	(84.2)	(20.5)
37									
38	(0.0)	(7.9)	(7.9)	14.4	21.6	(4.3)	120.9	123.7	39.4
39									
40	\$ (7.9)	\$ (7.9)	\$ (7.9)	\$ 21.6	\$ (4.3)	\$ 25.8	\$ 123.7	\$ 39.4	\$ 19.0

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 FY05 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.

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2003, 2004 and 2005
(Amounts in millions)

General Fund	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:			
2 Intergovernmental grants	\$ 4.8	\$ 4.7	\$ 0.7
3 Investment income	5.4	3.8	3.6
4 Lease and rental	12.7	10.1	10.5
5 Proceeds from sales and leaseback	13.5	0.5	-
6 Other	2.1	2.9	2.6
7 Total revenues	38.5	22.0	17.4
8			
9 Expenditures:			
10 Subsidies	0.8	1.4	0.2
11 Services	19.0	29.7	20.9
12 General and administrative	34.1	30.0	32.6
13 Total expenditures	53.9	61.1	53.6
14			
15 Excess (deficiency) of revenues over expenditures	(15.4)	(39.1)	(36.3)
16			
17 Other financing sources (uses):			
18 Operating transfers in			
19 Prop A	20.0	28.3	27.7
20 Prop C	8.6	8.5	8.9
21 TDA	5.3	6.0	6.0
22 Operating transfers out			
23 Special Revenue Fund	(5.3)	(5.1)	(5.0)
24 Capital Project Fund	-	(8.1)	(13.4)
25 Enterprise Fund	(25.2)	-	-
26 Total other financing sources (uses)	3.5	29.6	24.2
27			
28 Excess (deficiency) of revenues and other financing			
29 sources over expenditures and other financing uses	(11.9)	(9.5)	(12.0)
30			
31 Fund balance - beginning of year *	153.5	141.6	142.8
32			
33 Fund balance - end of year	\$ 141.6	\$ 132.1	\$ 130.7

* FY05 beginning of year fund balance includes FY04 revenue and expenditure variances.

DEBT SERVICE 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 Proprietary and Agency 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 \$4.0 billion of debt outstanding is accounted for in the MTA Debt Service Fund as of June 30, 2004. Total MTA debt (including Proprietary Fund debt) is \$4.3 billion. The Agency Fund accounts for another \$117.2 million in Benefit Assessment District debt.

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 sources of debt repayment include federal grants, monies previously set aside pursuant to lease/leaseback transactions, 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.

The total FY05 debt service requirement is \$385.4 million; \$337.4 million is included in the Debt Service Fund. The remaining \$48.0 million is budgeted in the Proprietary and Agency funds. See the FY05 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.

MTA has been assigned high 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
FY05 Proposed Budget

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2003, 2004 and 2005**

(Amounts in millions)

Debt Service Funds	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:			
2 Intergovernmental grants	\$ 3.4	\$ 4.3	\$ 2.3
3 Investment income	20.6	15.0	20.0
4 Net appreciation (decline) in fair value of investments	(4.8)	-	-
5 Proceeds on lease/leaseback to service	449.9	-	-
6 Total revenues	469.0	19.3	22.3
7			
8 Expenditures:			
9 Services	3.7	4.8	4.8
10 Debt and interest expenditures	319.7	269.5	332.6
11 Total expenditures	323.4	274.3	337.4
12			
13 Excess (deficiency) of revenues over expenditures	145.6	(255.0)	(315.1)
14			
15 Other financing sources (uses):			
16 Operating transfers in			
17 Prop A	141.2	158.0	153.7
18 Prop C	89.6	103.0	112.4
19 Operating transfers out	(0.4)	-	-
20 Proceeds of refunding bonds	650.8	-	165.0
21 Payment to refunding bond escrow agent	(639.1)	-	(165.0)
22 Total other financing sources (uses)	242.1	261.0	266.1
23			
24 Excess (deficiency) of revenues and other financing			
25 sources over expenditures and other financing uses	387.7	6.0	(49.0)
26			
27 Fund balance - beginning of year	436.1	823.8	829.8
28			
29 Fund balance - end of year	\$ 823.8	\$ 829.8	\$ 780.8

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Los Angeles County Metropolitan Transportation Authority
Proposed Budget

MTA FY05 Debt Service Schedule

Budgeted Debt

Transaction Name	Initial PAR Value	Principal Balance As of 6/30/04 (1)	Interim Commercial Paper Financing	Principal Adjustments			Principal Prmt FY05	Principal Bal. as of 6/30/05
				New Financing	New Financing Cost	Commer. 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	-	-	-	-	16,200,000	82,500,000
3 1992-B Refunding	107,665,000	-	-	-	-	-	-	-
4 1996-A New Money	110,580,000	10,170,000	-	-	-	-	2,350,000	7,820,000
5 1997-A Refunding	256,870,000	227,905,000	-	-	-	-	4,015,000	223,890,000
6 1999-A Forward Refunding	160,205,000	154,555,000	-	-	-	-	6,965,000	147,590,000
7 1999-B New Money	150,340,000	115,255,000	-	-	-	-	2,565,000	112,690,000
8 1999-C Refunding	170,495,000	168,820,000	-	-	-	-	465,000	168,355,000
9 2001-A New Money	55,685,000	52,770,000	-	-	-	-	1,050,000	51,720,000
10 2001-B Refunding	191,215,000	185,550,000	-	-	-	-	5,505,000	180,045,000
11 2003-A Forward Refunding	273,505,000	261,955,000	-	-	-	-	11,530,000	250,425,000
12 2003-B Refunding	243,795,000	243,795,000	-	-	-	-	-	243,795,000
13 2004-A New Money	108,820,000	-	-	107,121,774	1,698,226	-	3,600,000	105,220,000
14 1990-A Lease Rev. (CBL)	26,400,000	6,908,000	-	-	-	-	2,046,000	4,862,000
15 1990-A Yen Obligation (CBL)	6,600,000	4,502,505	-	-	-	-	833,474	3,669,031
16 1993-A CRA Housing	9,454,406	9,088,252	-	-	-	-	198,952	8,889,300
17 2002-A CRA Redevelopment Refunding	20,920,000	20,660,000	-	-	-	-	535,000	20,125,000
18 1996 Refunding	104,715,000	16,235,000	-	-	-	-	2,195,000	14,040,000
19 Tax-Exempt Commercial Paper	350,000,000	223,753,000	-	-	-	(115,000,000)	-	108,753,000
20 Prop A Debt Sub-Total	2,727,389,406	1,866,131,756	-	107,121,774	1,698,226	(115,000,000)	60,053,426	1,799,898,331
21								
22 1992-A New Money	516,855,000	37,980,000	-	-	-	-	11,890,000	26,090,000
23 1993-A Refunding (Swap)	204,095,000	197,835,000	-	-	-	-	1,060,000	196,775,000
24 1995-A New Money	250,000,000	25,830,000	-	-	-	-	5,915,000	19,915,000
25 1998-A Refunding	219,710,000	219,710,000	-	-	-	-	-	219,710,000
26 1999-A New Money	124,805,000	114,070,000	-	-	-	-	2,620,000	111,450,000
27 2000-A New Money	161,995,000	151,370,000	-	-	-	-	2,960,000	148,410,000
28 2003-A Refunding	94,840,000	86,270,000	-	-	-	-	8,650,000	77,620,000
29 2003-B Refunding	170,775,000	168,775,000	-	-	-	-	350,000	168,425,000
30 2003-C Refunding	221,850,000	218,000,000	-	-	-	-	1,550,000	216,450,000
31 2004-A New Money	190,280,000	-	-	187,447,672	2,832,328	-	6,295,000	183,985,000
32 Taxable Commercial Paper	150,000,000	127,609,000	66,000,000	-	-	(50,000,000)	-	143,609,000
33 Local Allocation - City of Los Angeles	21,700,000	8,680,000	-	-	-	-	2,170,000	6,510,000
34 Prop C Debt Sub-Total	2,326,905,000	1,356,129,000	66,000,000	187,447,672	2,832,328	(50,000,000)	43,460,000	1,518,949,000
35								
36 2000 Breda Lease (Norwest)	64,882,355	55,026,335	-	-	-	-	2,202,292	52,824,043
37 2000 Breda Lease (CIBC)	13,780,433	12,197,503	-	-	-	-	479,331	11,718,171
38 2000 Breda Lease (Comerica)	87,396,529	74,150,666	-	-	-	-	2,957,644	71,193,021
39 2001 Agilent Lease	264,054,348	31,092,373	-	-	-	-	-	31,092,373
40 2001 Comerica Lease	75,742,288	75,742,288	-	-	-	-	-	75,742,288
41 2002 Textron Lease	114,779,263	15,419,123	-	-	-	-	-	15,419,123
42 2002 Philip Morris Lease	384,088,739	384,088,739	-	-	-	-	56,234,538	355,771,940
43 2002 First Hawaiian Lease	65,774,837	65,774,837	-	-	-	-	2,534,812	65,774,837
44 2003 Fleet Lease	89,632,800	88,442,344	-	-	-	-	1,328,816	88,442,344
45 Debt Overhead Costs	-	-	-	-	-	-	-	-
46 Other Debt Sub-Total	1,160,131,593	801,934,210	-	-	-	-	65,737,433	767,978,142
47								
48 Debt Service Fund Total	6,214,425,998	4,024,194,966	66,000,000	294,569,446	4,530,554	(165,000,000)	169,250,859	4,086,825,473
49								
50 2003 Workers Comp	88,485,000	76,085,000	-	-	-	-	11,980,000	64,105,000
51 Enterprise Fund Sub-Total	88,485,000	76,085,000	-	-	-	-	11,980,000	64,105,000
52								
53 1996-A Refunding (USG)	185,735,000	185,735,000	-	-	-	-	-	185,735,000
54 Internal Service Fund Sub-Total	185,735,000	185,735,000	-	-	-	-	-	185,735,000
55								
56 MTA Debt Total	6,488,645,998	4,286,014,966	66,000,000	294,569,446	4,530,554	(165,000,000)	181,230,859	4,336,665,473
57								
58 1992-A Bnft Assmt. Dist. A1	154,055,000	69,105,000	-	-	-	-	15,715,000	53,390,000
59 2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	42,070,000	-	-	-	-	165,000	41,905,000
60 2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	6,035,000	-	-	-	-	920,000	5,115,000
61 Agency Fund Sub-Total	203,225,000	117,210,000	-	-	-	-	16,800,000	100,410,000
62								
63 Total	6,691,870,998	4,403,224,966	66,000,000	294,569,446	4,530,554	(165,000,000)	198,030,859	4,437,075,473

Footnotes:

- 1 - Accrual basis. Reflects 7/1/04 principal payment.
- 2 - Capital needs of \$100 million for Prop A and \$175 million for Prop C will be financed with long-term bonds in FY05. An additional \$66 million of Prop C capital needs will be financed with tax-exempt commercial paper.
- 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 3.5% interest rate.

**Los Angeles County Metropolitan Transportation Authority
Proposed Budget**

MTA FY05 Debt Service Schedule, continued

	Principal		Total D/S		Total D/S		Debt Service Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Foot Notes
		Interest	P&I	Misc. Fees	Expense						
1	-	4,258,150	4,258,150	15,500	4,273,650	4,273,650	-	-	-	-	-
2	16,200,000	5,783,820	21,983,820	405,052	22,388,872	22,388,872	-	-	-	-	-
3	-	-	-	10,000	10,000	10,000	-	-	-	-	-
4	2,350,000	544,755	2,894,755	10,000	2,904,755	2,904,755	-	-	-	-	-
5	4,015,000	12,431,700	16,446,700	9,500	16,456,200	16,456,200	-	-	-	-	-
6	6,965,000	7,853,913	14,818,913	9,500	14,828,413	14,828,413	-	-	-	-	-
7	2,565,000	5,609,511	8,174,511	9,500	8,184,011	8,184,011	-	-	-	-	-
8	465,000	8,332,285	8,797,285	8,500	8,805,785	8,805,785	-	-	-	-	-
9	1,050,000	2,506,184	3,556,184	9,500	3,565,684	3,565,684	-	-	-	-	-
10	5,505,000	9,641,375	15,146,375	9,500	15,155,875	15,155,875	-	-	-	-	-
11	11,530,000	11,487,031	23,017,031	8,000	23,025,031	23,025,031	-	-	-	-	-
12	-	11,308,950	11,308,950	8,000	11,316,950	11,316,950	-	-	-	-	-
13	3,600,000	3,516,667	7,116,667	-	7,116,667	7,116,667	-	-	-	-	-
14	2,046,000	483,516	2,529,516	9,500	2,539,016	2,539,016	-	-	-	-	-
15	833,474	-	833,474	-	833,474	833,474	-	-	-	-	-
16	198,952	523,356	722,308	5,000	727,308	727,308	-	-	-	-	3
17	535,000	1,013,490	1,548,490	5,000	1,553,490	1,553,490	-	-	-	-	3
18	2,195,000	897,908	3,092,908	9,500	3,102,408	3,102,408	-	-	-	-	-
19	-	7,358,856	7,358,856	1,809,100	9,167,956	9,167,956	-	-	-	-	2, 4
20	60,053,426	93,551,467	153,604,892	2,350,652	155,955,544	155,955,544	-	-	-	-	-
21	-	-	-	-	-	-	-	-	-	-	-
22	11,890,000	2,432,280	14,322,280	7,000	14,329,280	14,329,280	-	-	-	-	-
23	1,060,000	10,198,394	11,258,394	791,964	12,050,358	12,050,358	-	-	-	-	-
24	5,915,000	1,523,970	7,438,970	10,000	7,448,970	7,448,970	-	-	-	-	-
25	-	11,234,875	11,234,875	8,500	11,243,375	11,243,375	-	-	-	-	-
26	2,620,000	5,429,288	8,049,288	10,000	8,059,288	8,059,288	-	-	-	-	-
27	2,960,000	7,764,625	10,724,625	10,000	10,734,625	10,734,625	-	-	-	-	-
28	8,650,000	4,258,988	12,908,988	7,000	12,915,988	12,915,988	-	-	-	-	-
29	350,000	6,015,141	6,365,141	15,500	6,380,641	6,380,641	-	-	-	-	-
30	1,550,000	7,634,360	9,184,360	15,500	9,199,860	9,199,860	-	-	-	-	-
31	6,295,000	6,149,124	12,444,124	-	12,444,124	12,444,124	-	-	-	-	-
32	-	3,492,408	3,492,408	758,044	4,250,452	4,250,452	-	-	-	-	2,5
33	2,170,000	364,018	2,534,018	-	2,534,018	2,534,018	-	-	-	-	-
34	43,460,000	66,497,470	109,957,470	1,633,508	111,590,978	111,590,978	-	-	-	-	-
35	-	-	-	-	-	-	-	-	-	-	-
36	2,202,292	-	2,202,292	-	2,202,292	2,202,292	-	-	-	-	-
37	479,331	-	479,331	-	479,331	479,331	-	-	-	-	-
38	2,957,644	-	2,957,644	-	2,957,644	2,957,644	-	-	-	-	-
39	-	-	-	-	-	-	-	-	-	-	-
40	-	3,263,595	3,263,595	-	3,263,595	3,263,595	-	-	-	-	-
41	-	-	-	-	-	-	-	-	-	-	-
42	56,234,538	-	56,234,538	-	56,234,538	56,234,538	-	-	-	-	-
43	2,534,812	-	2,534,812	-	2,534,812	2,534,812	-	-	-	-	-
44	1,328,816	-	1,328,816	-	1,328,816	1,328,816	-	-	-	-	-
45	-	-	-	852,000	852,000	852,000	-	-	-	-	-
46	65,737,433	3,263,595	69,001,028	852,000	69,853,028	69,853,028	-	-	-	-	-
47	-	-	-	-	-	-	-	-	-	-	-
48	169,250,859	163,312,531	332,563,390	4,836,160	337,399,550	337,399,550	-	-	-	-	-
49	-	-	-	-	-	-	-	-	-	-	-
50	11,980,000	2,637,565	14,617,565	140,902	14,758,467	-	14,758,467	-	-	-	6
51	11,980,000	2,637,565	14,617,565	140,902	14,758,467	-	14,758,467	-	-	-	-
52	-	-	-	-	-	-	-	-	-	-	-
53	-	10,739,734	10,739,734	9,500	10,749,234	-	9,500	10,739,734	-	-	8
54	-	10,739,734	10,739,734	9,500	10,749,234	-	9,500	10,739,734	-	-	-
55	-	-	-	-	-	-	-	-	-	-	-
56	181,230,859	176,689,830	357,920,689	4,986,562	362,907,251	337,399,550	14,767,967	10,739,734	-	-	-
57	-	-	-	-	-	-	-	-	-	-	-
58	15,715,000	3,555,048	19,270,048	174,157	19,444,205	-	-	-	19,444,205	-	6,6
59	165,000	1,625,688	1,790,688	79,167	1,869,854	-	-	-	1,869,854	-	6,7
60	920,000	206,260	1,126,260	12,898	1,139,158	-	-	-	1,139,158	-	6,7
61	16,800,000	5,386,995	22,186,995	266,222	22,453,217	-	-	-	22,453,217	-	-
62	-	-	-	-	-	-	-	-	-	-	-
63	198,030,859	182,076,825	380,107,684	5,252,783	385,360,467	337,399,550	14,767,967	10,739,734	22,453,217	-	-

- 5 - Interest expense is calculated using a 4.5% interest rate.
- 6 - For debt and lease obligations accounted for in the Proprietary Funds, principal payments are treated as reductions to the liability.
- 7 - The Benefit Assessment District debt service is solely an obligation of the respective Districts and is paid from assessments levied within each district.
- 8 - 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.
- 9 - Only the interest expense is recognized as debt. The principal expense has been reprogrammed to be a reduction of liability, which is not a debt expense.

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V. Capital Program



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 and changes to previously approved life-of-project costs.

The CP provides for the acquisition, construction, reconstruction, purchase of 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, environmental clearance,

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 174 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.

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 \$430.8 million budget for the Major Bus and Rail Construction projects in FY05 is primarily for engineering and construction of the Metro Gold Line Eastside Extension and the Orange Line. The FY05 budget also reflects costs necessary for closeout of claims and litigation related to the Metro Red Line and Green Line.

Metro Red Line Segment 2

The FY05 budget includes costs necessary for contract closeout and settlement of outstanding claims and litigation issues.

Metro Red Line Segment 3

The FY05 Budget includes costs for claims settlements, claim analysis support, auditing and legal service, and support for remaining contracts close out.

Metro Gold Line Eastside Extension

This project 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 FY05 budget includes tunnel and station excavation, installation of station trackwork and systems, utility relocation, real estate acquisition, and final design work. Revenue operation is projected to begin in FY10.

Orange Line

The Orange Line 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 FY05 budget includes design/build activities to complete the design and approximately 95% of construction for the busway and intersections.

San Fernando Valley Bikeway

In conjunction with the construction of the Orange Line, a bikeway will be built along the right-of-way. During FY05, the MTA will finish the design and complete about 95% of the construction of the bikeway.

Mid-City/Wilshire Bus Rapid Transit (Incl. Div. 10 Expansion)

Engineering will continue during 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. Demonstration Project No.1, a one-mile peak-period bus-lane-only, will finish early in FY05. Division 10 will be expanded to accommodate fleet requirements for this project. In FY05, MTA will acquire real estate for the expansion. Construction will proceed in subsequent fiscal years.

Mid-City/Exposition Light Rail Transit Project

Activities scheduled for FY05 include incorporating FTA's comments on the final EIS/R, preparing a revised final EIS/R for public review, obtaining the MTA Board's certification of the revised final EIS/R, and closing out the Korve and DMJM-Harris Contracts relating to environmental planning and preliminary engineering.

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 FY05 Bus Acquisition budget is \$131.6 million. For FY05, MTA will receive portions of the 30 and 70 45-foot high-capacity bus orders. Other FY05 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 200 articulated buses.

Bus Facilities Maintenance

The FY05 Bus Facilities Maintenance budget is \$37.6 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 \$18.6 million. Projects in this category include refurbishing and performing mid-life rebuilds of buses. The FY05 budget

includes funding to rebuild 190 CNG buses.

Rail Facilities Maintenance

The FY05 Rail Facilities Maintenance budget is \$24.5 million. This covers facility expansion projects, safety improvements, radio system upgrades, and support equipment.

Rail Vehicle Maintenance

The FY05 Rail Vehicle Maintenance budget is \$2.3 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 FY05 Wayside Systems budget is \$12.4 million. This includes funds for upgrading of stations and operating facilities, safety improvements, and maintenance and refurbishment of traction power, signals, facilities and track.

IT/Communications

The FY05 IT/Communications budget is \$7.6 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 and implementation of the Maintenance and Material Management System (M3).

Non-Revenue Vehicles

The FY05 budget for Non-Revenue Vehicles is \$6.2 million. This element includes purchase of replacement and expansion vehicles to support bus and rail operations and general MTA functions.

Warehouse Projects

The FY05 budget for Warehouse Projects is \$1.6 million. This includes upgrading materials handling systems, construction

of storage facilities, and acquiring equipment for PGL Midway Warehouse.

Other Capital Projects

The FY05 budget for Other Projects is \$5.9 million. Other capital projects include upgraded equipment for the Gateway building, Transit Plaza improvements, and the Gibson environmental cleanup project.

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

CAPITAL PROGRAM PROJECT LIST

(Amounts in thousands)		Inception				Life	
Project Title	CP#	to FY03	FY04 Forecast	FY05 Proposed	FY06+	of Project	New
1 Bus Acquisition							
2	Universal Fare Collection System	2100014	\$ 13,362	\$ 40,688	\$ 37,817	\$ 1,740	\$ 93,607
3	Advanced Transportation Management System (ATMS)	2100015	45,235	47,252	14,747	1,780	109,014
4	Contract Services - Bus Lease Program	2101021	16,104	6,453	7,920	21,652	N/A
5	Option 1, 70 QTY 45' NABI Compo 45 Seat Buses	2101027	-	174	30,157	2,100	32,430
6	200 CNG Articulated Bus Purchase Base Order OP33200646	2102001	-	6,553	27,150	93,071	126,774
7	FY 03 30 Qty 45' NABI Compo 45 Seat Buses	2102003	910	8,799	6,091	-	15,800
8	200 CNG Articulated Bus Purchase Option 1 OP33200646	2105001	-	-	-	141,800	141,800 *
9	ATV Bus Purchase (Hybrid Vehicles)	2105008	1	1,696	4,866	-	6,563
10	200 CNG Articulated Bus Purchase Option 2 OP33200646	2105014	-	-	-	158,900	158,900 *
11	FY11-FY15 Zero Emissions Bus Buys	2105024	-	-	-	209,343	209,343 *
12	Regional Service Center and Clearinghouse	2500001	-	-	2,894	6,524	9,417 *
13 Bus Acquisition Total			75,612	111,615	131,642	636,910	903,648
14							
15 Bus Facilities Maintenance							
16	Division 8 Maintenance - Install new flooring in steam rack area	2205013	-	-	-	50	50 *
17	CNG Fueling Facility Lease payments for Divisions 1, 2, 3, 5, 7, 8, 9, 15	2300069	12,812	5,588	4,931	24,300	47,631
18	Bus Division Maintenance Equip.	2303006	5,818	-	1,118	4,000	N/A
19	Replace Bus Div. Emerg. Generators	2303008	221	20	-	3,500	N/A
20	Vacuum System Upgrade and Replacement Program	2303010	1,842	-	-	1,571	N/A
21	RRC General Building Modifications	2303043	124	6	841	303	1,273
22	In-Ground Bus Hoist Replacement	2304004	684	419	3,711	3,467	8,281
23	Upgrade Underground Storage Tanks and Remediate Soil	2304022	6,325	7,203	3,672	10,205	N/A
24	Division Lighting Program for all MTA Divisions	2305007	27	8	3	-	38
25	Permanent Restroom Facilities at Selected Locations.	2305008	107	39	700	280	1,126
26	Cal State and L.A. County USC Busway Station Enhancement	2305010	252	-	97	1,030	1,379
27	Bus Division Armenty Improvement Project	2305013	101	9	417	3,800	N/A
28 Bus Facilities Maintenance Continued Next Page							

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

(Amounts in thousands)		Inception				Life	
Project Title	CP#	to	FY04	FY05	FY06+	of	New
		FY03	Forecast	Proposed		Project	
29 Bus Facilities Maintenance Continued							
30 Bus Facilities Projects	2305017	\$ 952	\$ 6,073	\$ 8,544	\$ 21,100	N/A	
31 New Division 9 Transportation Building and Facilities Improvements	2305018	198	570	4,027	3,211	8,005	
32 Repave LAX & Other Terminals	2305019	342	68	452	75	937	
33 Temple & Beaudry Layover Facility	2305020	-	-	141	1,594	1,735	
34 Division 7 Facility Improvements	2305021	69	284	3,208	-	3,561	
35 Division 2 Maintenance - Maintenance Building Modernization	2305022	5	162	1,484	-	1,650	
36 Division 6 Soundwall	2305023	109	200	19	-	328	
37 LAX Terminal Improvements (BOS Funded)	2305024	7	-	277	76	360	
38 El Monte Transit Station Enhancements	2305025	-	-	71	42	114	
39 Division 18 Employee parking reconfiguration and expansion.	2305036	-	-	-	10,000	10,000	*
40 Division 8 & 15 Paving Program	2305042	-	-	-	2,000	2,000	*
41 HVAC Replacement Program All Divisions	2305043	-	-	-	1,962	N/A	
42 Articulated Bus Facility Modifications	2305068	-	-	2,156	4,484	6,641	
43 Division 1 Expansion (BOS Funded)	2305072	-	6,016	1,485	-	7,501	
44 Division 10 Maintenance - CNG Fueling Facility Lease	2305080	-	-	-	10,795	10,795	
45 Division 18 Maintenance - CNG Fueling Facility Lease	2305081	-	-	-	10,795	10,795	
46 Division 15 Maintenance - Install awnings over maintenance bays	2305082	-	-	-	100	100	*
47 Division 8 Maintenance - Install closed circuit television security at Division	2305091	-	-	-	50	50	*
48 Division 8 Maintenance - Refurbish steam rack area	2305093	-	-	-	50	50	*
49 Division 15 Maintenance - Install closed circuit television security system	2305106	-	-	-	50	50	*
50 Division 15 Maintenance - Install new flooring in steam rack area	2305108	-	-	-	50	50	*
51 Division 15 Maintenance - Refurbish steam rack area	2305109	-	-	-	50	50	*
52 Division 6 Relocation	2305125	-	-	137	12,360	12,497	*
53 Bus Facilities Maintenance Continued Next Page							

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

Capital Program Project List, Continued

(Amounts in thousands)		Inception	FY04	FY05	FY06+	Life	
Project Title	CP#	to FY03	Forecast	Proposed		of Project	New
54 Bus Facilities Maintenance Continued							
55	Division 3 Shop Renovation & Expansion	2305129	\$ -	\$ -	\$ -	1,272	\$ 1,272 *
56	Install portable canopies to shade Div 9 mechanics working in the sun.	2305130	-	-	-	113	113 *
57	Install siding on the bulk storage area at Division 9	2305131	-	-	-	56	56 *
58	El Monte Station Security Improvements	2305133	-	-	-	107	107 *
59	Division 2 Maintenance - Improve Storage Systems for the Parts Room and Shop Floor	2305134	-	-	-	10	10 *
60	Install New Roof on Tool Room in Division 2 Maintenance	2305135	-	-	-	15	15 *
61	Division 2 Maintenance - Install Digital Camera System	2305136	-	-	-	56	56 *
62	Division 2 Maintenance - Replace current ladders with new work platforms	2305137	-	-	-	26	26 *
63	Division 6 - Purchase new maintenance equipment for the new facility	2305141	-	-	-	515	515 *
64	Division 4 Expansion & Pavement Project	2305142	-	-	100	1,545	1,645 *
65	Bus Facilities Maintenance Total		29,995	26,665	37,591	135,065	140,862
66							
67 Bus Maintenance							
68	Replace Regional Rebuild Center Shop Equipment	2200044	1,251	300	250	3,000	N/A
69	Refurbish 4 Diesel Buses for Contract Service	2205001	-	-	320	-	320 *
70	Bus Midlife Program	2205018	3	8,515	18,019	79,200	N/A
71	Bus Maintenance Total		1,254	8,815	18,589	82,200	320
72							
73 IT/Communications							
74	HR/Payroll System Upgrades	3900061	1,469	112	261	1,544	N/A
75	Application Enhancement / Replacement	3900095	2,065	336	426	2,400	N/A
76	Maintenance and Material Management System Replacement	3907054	14,534	10,566	3,702	-	28,801
77	Workstation and Network Technology Refresh Program	3907082	4,346	-	1,109	3,200	N/A
78	BIAS Replacement System	3909059	-	-	-	1,257	1,257
79	IT/Communications Continued Next Page						

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

(Amounts in thousands)		Inception	FY04	FY05	FY06+	Life	
Project Title	CP#	to FY03	Forecast	Proposed		of Project	New
80 IT/Communications Continued							
81 Computer Kiosks and related hardware for Bus Transportation, Maintenance, Rail Transportation, Maintenance and RRC cost centers.	3909119	\$ -	\$ -	\$ 367	\$ 414	\$ 781	*
82 Financial and Administrative Systems	7000014	-	-	421	3,663	4,086	
83 Upgrade of the Customer Information System (CIS)	7000016	111	645	200	-	956	
84 HASTUS Scheduling Software System Upgrade	7000025	-	-	254	306	560	*
85 ITS Telecommunications Transmission Upgrade Project (Microwave and Multiplex)	7000027	-	-	-	7,167	7,167	*
86 ITS Telecommunications PBX Upgrade	7000028	-	-	-	5,699	5,699	*
87 ECMS Update	7000031	-	-	196	-	196	
88 Storage Network for Disaster Recovery	7000038	-	-	564	-	564	*
89 LTO Tape Management	7000039	-	-	94	-	94	*
90 Customer Information Telephone System Replacement	7000040	-	-	-	1,651	1,651	*
91 IT/Communications Total		22,525	11,659	7,594	27,301	51,812	
92							
93 Non-Revenue Vehicles							
94 Bus System Support Replacement	3908038	945	2,181	4,145	15,071	N/A	
95 Bus System Expansion Non Revenue Vehicles	5000005	-	-	228	230	N/A	
96 Rail Support Replacement Non Revenue Vehicles	5000006	-	517	1,841	9,654	N/A	
97 Non-Revenue Vehicles Total		945	2,698	6,214	24,955	-	
98							
99 Other Capital Projects							
100 New Cash Room Facility	2303060	312	-	-	4,304	4,615	
101 Metro Rapid Program	2304015	4,350	3,532	117	305	8,304	
102 Gateway Headquarters Improvement Projects	3908044	178	1,670	1,075	-	2,923	
103 Rapid Bus Art Program	3909052	159	54	402	-	615	
104 Replace Two Color Printing Press	3909060	-	-	732	-	732	
105 Gibson Environmental Clean-up	3909103	-	-	520	2,209	2,730	
106 Transit Plaza East Portal Improvements	3909106	-	200	600	-	800	
107 Remodel Gateway Cafeteria	3909109	-	-	-	231	231	*
108 Replace Gateway Building Carpeting	3909110	-	-	-	3,760	3,760	*
109 Other Capital Projects Continued Next Page							

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Capital Program Project List, Continued

(Amounts in thousands)		Inception	FY04	FY05	FY06+	Life	
Project Title	CP#	to FY03	Forecast	Proposed		of Project	New
110 Other Capital Projects Continued							
111	Installation of Elevator Cameras at	3909111	\$ -	\$ -	\$ -	\$ 81	\$ 81 *
112	Exterior building signage for Gateway Building	3909112	-	-	-	405	405 *
113	High Density Storage Filing System	3909113	-	-	-	41	41 *
114	Replace Gateway Building Interior Signage	3909115	-	-	-	402	402 *
115	Systems Furniture Lifting Device	3909116	-	-	-	4	4 *
116	Dry Carpet Extraction Machine	3909117	-	-	-	10	10 *
117	Cooling Tower Vacuum	3909118	-	-	53	-	53 *
118	Bus Operator Safety Monitoring System	3909120	-	-	256	-	256 *
119	Homeland Security Project	3909122	-	518	2,144	-	2,661
120 Other Capital Projects Total			4,999	5,974	5,899	11,752	28,623
121							
122 Rail Facilities Maintenance							
123	Install 14 Elevators at 7 MRL Stations	2305041	-	-	-	6,965	6,965
124	Division 20 Expansion	3106006	-	685	357	5,234	6,276
125	Fiber Optic Rail Communication System	3205004	363	192	203	2,254	3,011
126	ROC Reconfiguration	3205023	655	191	405	4,136	5,387
127	MGL Elevator and Escalator Sumps	3205036	511	28	173	3	715
128	SCADA Equipment Replacement	3205045	2,211	2,717	3,180	2,455	10,563
129	MRL Station Canopies	3205075	45	-	137	6,404	6,586
130	Install Outside Paving at Division 20	3205136	7	62	39	8	116
131	Division 22 Expansion Program	3205145	110	-	1,728	110	1,948
132	Division 11 Expansion Program	3205146	649	446	4,828	6,670	12,593
133	MRL Uninterruptable Power Supply Replacement Project	3206020	3,592	13	4	1,034	4,643
134	Rail Security Improvements	3207014	-	1,766	1,950	2,753	6,469
135	Rail Communications Systems Upgrade	3207016	32	252	850	1,198	2,332
136	MBL Long Beach Transit Mall Station Redesign	3207036	11	-	443	1,072	1,526
137	Rail Facilities Maintenance Projects	3207043	17	1,742	2,041	23,647	N/A
138	Rail Systemwide Safety Improvements	3207057	-	234	585	1,254	2,073
139	Multi-Modal Control Center	3207059	-	-	19	31,186	31,205 *
140 Rail Facilities Maintenance Continued Next Page							

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

(Amounts in thousands)		Inception	FY04	FY05	FY06+	Life	
Project Title	CP#	to FY03	Forecast	Proposed		of Project	New
141	Rail Facilities Maintenance Continued						
142	Division 11 Expansion - Phase II	3207060	\$ -	\$ -	\$ -	\$ 11,364	\$ 11,364 *
143	Division 21 Expansion	3207061	-	-	-	1,488	1,488 *
144	Vermont/Santa Monica Station Underground Water Mitigation	3207062	-	-	221	1,062	1,283 *
145	PGL Midway Yard Facility Expansion	3207063	-	-	4,500	-	4,500 *
146	Vernon Yard Storage Project	3207064	-	-	630	-	630 *
147	Seg.-1 Remote Terminal Unit (RTU) Upgrade	3308009	125	360	553	1,645	2,683
148	Metro Blue & Green Lines Custodial Operations Facility	3308010	6	66	1,327	-	1,400
149	Completion of Metro Blue Line Art Program	3907262	161	140	281	374	956
150	Rail Facilities Maintenance Total		8,495	8,894	24,454	112,316	126,712
151							
152	Rail Vehicle Maintenance						
153	Metro Blue Line Rail Vehicle Midlife Overhaul	3106001	-	1,573	762	13,289	N/A
154	ADA Between Car Platform Barriers - Metro Red Line	3106003	18	1,053	424	1,461	2,957
155	Metro Green Line Vehicle Midlife Overhaul	3106007	-	-	113	8,096	N/A
156	Metro Red Line Vehicle Midlife Overhaul	3106008	-	-	135	9,082	N/A
157	Breda Rail Car Retrofit	3106009	-	900	833	2,578	4,311
158	P2000 Vehicle Signaling Package Upgrade	3106010	-	-	-	3,364	3,364 *
159	Rail Vehicle Maintenance Total		18	3,526	2,267	37,870	10,632
160							
161	Warehouse						
162	PGL Midway Warehouse - Equipment and Storage	3105000	15	773	479	-	1,267
163	New Storage Building for Red Line	3105001	2	-	460	-	462
164	Covered Awning for Blue Line	3205015	16	24	107	-	147
165	Covered Awning for Green Line	3205085	-	11	166	-	177
166	Automate Bulk Storage Area	3907062	-	-	29	1,000	1,029
167	Dock Leveler for RRC	3908034	4	-	94	-	98
168	Purchase EZ Tilter.	3909063	-	-	15	137	152
169	Warehouse Continued Next Page						

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Capital Program Project List, Continued

(Amounts in thousands)		Inception	FY04	FY05	FY06+	Life	
Project Title	CP#	to FY03	Forecast	Proposed		of Project	New
170	Warehouse Continued						
171	New Pallet Racking for Bus Divisions	3909078	\$ -	\$ -	\$ 18	\$ 82	\$ 100
172	Install Dock Leveler Stationary Storeroom	6000004	-	-	107	-	107 *
173	New Expansion Pallet Racking at Central Warehouse (Not Replace Worn and Damaged Racking)	6000006	-	-	35	-	35 *
174	Equipment Safety Modification for Central Warehouse and Distribution Center.	6000008	-	-	56	-	56 *
175	Install Shipping Awning	6000010	-	-	17	-	17 *
176	Purchase Dock Collars	6000012	-	-	-	43	43 *
177	Purchase storage equipment for the Whittier Warehouse	6000018	-	-	-	788	788 *
178	Rail Warehouse Claremont	6000019	-	-	-	732	732 *
179	Acquisition of Maintenance of Ways (MOW) property.	6000022	-	-	-	2,623	2,623 *
180	Warehouse Total		37	808	1,583	5,405	7,833
181							
182	Wayside Systems						
183	MBL Grade Crossing Improvements	3300001	1,373	677	1,299	773	4,122
184	Wayside Systems Tools and Equipment	3300002	327	218	358	2,075	N/A
185	Wayside Systems Battery Replacement/Refurbishment	3300006	1,959	380	282	-	N/A
186	Crossing Gate Equipment Replacement	3300009	196	117	523	-	836
187	Replace Guarded Rail Crossings	3300010	261	-	49	-	310
188	MBL Long Beach Photo Enforcement Program	3306015	207	50	489	36	782
189	MBL Four Quadrant Gate Program Expansion	3306017	407	559	2,578	2,110	5,655
190	Light Rail Train Tracking Improvements	3308001	22	376	394	-	793
191	Mobile Rail Safety Educational Program	3308003	530	423	624	169	1,747
192	Core Capacity Enhancements to the Light Rail System	3308005	16	635	-	5,407	6,058
193	Wayside Systems Projects 05-09	3308012	-	565	1,277	12,790	N/A
194	Four PGL Traction Power Substations	3308017	-	-	4,121	4,580	8,701 *
195	PGL Signal System Improvements	3308018	-	-	-	3,152	3,152 *
196	Passenger Information System	3308022	-	-	-	4,040	4,040 *
197	MRL Signal System Upgrade	3308027	-	-	381	206	587 *
198	Wayside Systems Total		5,298	4,000	12,375	35,338	36,783
199	Subtotal for Capital Program		149,178	184,654	248,208	1,109,112	1,307,225

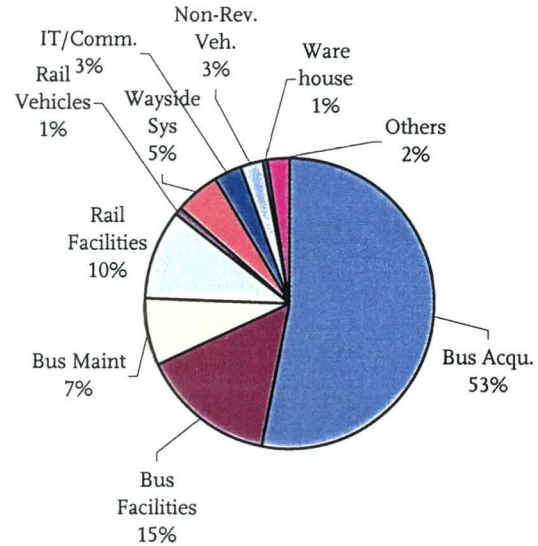
**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

(Amounts in thousands)		Inception				Life	
Project Title	CP#	to FY03	FY04 Forecast	FY05 Proposed	FY06+	of Project	New
200	Major Construction						
201	Red Line Segment 3 North Hollywood (800082)	4002010	\$ 1,285,272	\$ 10,083	\$ 10,046	\$ 8,448	\$ 1,313,849
202	Green Line (800023)	4002012	698,809	5,955	3,923	3,615	712,302
203	L.A. Rail Car (800150)	4002013	204,016	3,902	3,111	4,267	215,295
204	Blue Line LA/LB (800001)	4002015	863,643	218	44	-	863,904
205	Pasadena Line (800005)	4002016	240,825	902	111	-	241,837
206	Imperial Grade Separation (800020)	4002017	3,888	19	67	26	4,001
207	Red Line Segment 1 (800080)	4002019	1,439,819	419	1	-	1,440,239
208	Red Line Segment 2 (800081)	4002020	1,777,089	12,751	5,953	-	1,795,793
209	Mid- City Extension - Deferred (800083)	4002021	14,331	50	127	240	14,748
210	Eastside Extension Project - Deferred (800084)	4002022	136,134	1,664	1,115	400	139,313
211	Light Rail Vehicle Fleet Enhancement (800151)	4005002	471	35,251	22,643	94,555	152,920
212	Mid-City-Wilshire BRT Corridor/Div. 10 Expansion (800111)	4005005	5,835	4,700	22,012	140,198	172,745
213	Metro Gold Line Eastside Extension (800088)	4005006	67,427	26,896	208,571	595,920	898,813
214	Orange Line (800112)	4005007	41,339	97,474	144,341	46,346	329,500
215	Mid-City/Exposition Light Rail Corridor (800113)	4005008	3,064	5,374	2,563	-	11,000
216	SFV East-West Bikeway Project (800114)	4005013	270	1,806	5,257	767	8,100
217	Universal City Station Site Enhancement (800115)	4005014	2,617	2,318	905	-	5,840
218	Major Construction Total		6,784,849	209,782	430,790	894,782	8,320,199
219							
220	Capital Program Grand Total		\$ 6,934,027	\$ 394,436	\$ 678,998	\$ 2,003,894	\$ 9,627,424

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

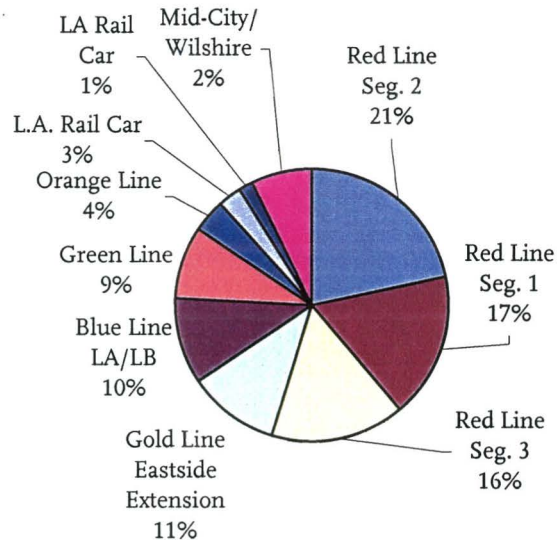
Capital Programs - Excluding Major Construction

Element (in 000 \$'s)	FY05 Adopted Budget
1 Bus Acquisition	\$131,641
2 Bus Facilities Maintenance	37,591
3 Bus Maintenance	18,589
4 Rail Facilities Maintenance	24,455
5 Rail Vehicle Maintenance	2,268
6 Wayside Systems	12,376
7 IT/Communications	7,593
8 Non-Revenue Vehicles	6,214
9 Warehouse	1,582
10 Other Capital Projects	5,898
11 Capital Program Total	\$248,207



Major Construction

Project (in 000 \$'s)	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 Gold Line Eastside Extension	898,813
16 Blue Line LA/LB	863,904
17 Green Line	712,302
18 Orange Line	329,500
19 L.A. Rail Car	215,295
20 P2550 Light Rail Vehicles (40)	152,920
21 Others	597,584
22 Major Construction Total	\$8,320,199



VI. Strategic Business Units



Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Summary of FY05 Budgeted FTEs By Department

	FY03 Adopted FTEs	FY04 Budget FTEs	FY05 Proposed FTEs	Change from FY04 Budget
1 Metro Operations				
2 Metro Rail	1,056	1,104	1,090	(14)
3 San Fernando Valley Service Sector	1,002	987	983	(4)
4 San Gabriel Valley Service Sector	983	951	948	(3)
5 Gateway Cities Service Sector	819	834	833	(1)
6 South Bay Service Sector	1,258	1,291	1,293	2
7 West Side/Central Service Sector	1,304	1,359	1,364	5
8 Contracted Bus Services	3	6	5	(1)
9 Bus Operations Control	81	73	73	(0)
10 Central Maintenance	422	332	319	(13)
11 Vehicle Technology	38	23	20	(3)
12 New Technology & Systems Implementation	6	16	13	(4)
13 Service Development	138	113	104	(10)
14 Operations Central Instruction	109	125	96	(29)
15 Facilities	232	195	192	(3)
16 Law Enforcement & Security	101	99	97	(2)
17 Safety	21	15	14	(1)
18 Freeway Services	8	9	8	(1)
19 Executive Office, Metro Operations	10	8	7	(1)
20 Metro Operations Total	7,591	7,540	7,458	(82)
21				
22 Countywide Planning & Development				
23 Transportation Dev & Implementation	65	62	52	(10)
24 Programming & Policy Analysis	35	35	31	(4)
25 Long Range Planning & Coordination	30	29	25	(4)
26 Executive Office, Reg Transp Plan & Dev	4	4	4	-
27 Countywide Planning & Development Total	134	130	112	(18)
28				
29 Construction Project Management				
30 Construction	22	34	26	(8)
31 Program Management	35	38	34	(4)
32 Engineering	76	28	15	(13)
33 Quality Management	14	14	11	(3)
34 Construction Safety	4	7	5	(2)
35 Executive Office, Construction Project Mgmt	5	14	15	1
36 Construction Project Management Total	156	135	106	(29)
37				
38 Communications				
39 Customer Relations	121	118	103	(15)
40 Customer & Vendor Services	43	43	42	(1)
41 Creative Services	20	18	15	(3)
42 Metro Commute Services	15	13	10	(3)
43 Marketing & Advertising	7	8	7	(1)
44 Printing Services	10	10	10	-
45 Public Relations	7	8	7	(1)
46 Communication Services	6	7	5	(2)
47 Program & Service Development	-	4	3	(1)
48 Signage & Distribution	-	2	2	-
49 Executive Office, Communications	8	6	5	(1)
50 Communications Total	237	237	209	(28)

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

	FY03 Adopted FTEs	FY04 Budget FTEs	FY05 Proposed FTEs	Change from FY04 Budget
51 Support Services - Finance				
52 Accounting	84	83	82	(1)
53 Treasury	65	62	60	(2)
54 Office of Management & Budget	24	22	21	(1)
55 Executive Office, Finance	3	3	3	-
56 Office of the CFO	2	2	2	-
57 Support Services - Finance Total	178	172	168	(4)
58				
59 Support Services - ITS				
60 Information Technology Services	164	154	142	(12)
61 Support Services - ITS Total	164	154	142	(12)
62				
63 Support Services - Management Audit Services				
64 Management Audit Services	68	55	47	(8)
65 Support Services - Management Audit Services Total	68	55	47	(8)
66				
67 Support Services - Procurement & Material Mgmt				
68 Materiel	163	151	143	(8)
69 Contracts-Construction	53	45	42	(3)
70 Contracts-Professional Services	30	33	31	(2)
71 Contract Support & Client Services	18	18	16	(2)
72 Executive Office, Procurement & Material Mgmt	7	11	10	(1)
73 Support Services - Procurement & Material Mgmt Total	271	258	242	(16)
74				
75 Support Services - Risk Management				
76 Risk Management	58	40	39	(1)
77 Support Services - Risk Management Total	58	40	39	(1)
78				
79 Chief of Staff				
80 Administration	173	173	164	(9)
81 Diversity & Economic Opportunity	25	25	25	-
82 Community Relations	25	19	14	(5)
83 Labor/Employee Relations	21	22	21	(1)
84 Board Research Services	15	11	10	(1)
85 Policy, Research & Library Services	6	6	5	(1)
86 Executive Office, Chief of Staff	11	12	10	(2)
87 Chief of Staff Total	276	268	249	(19)
88				
89 Board of Directors				
90 Inspector General	32	32	24	(8)
91 Office of Board Secretary	9	12	12	-
92 Ethics Office	6	6	6	-
93 County Counsel	5	5	5	-
94 Chief Executive Office	1	1	1	-
95 Board of Directors Total	53	56	48	(8)
96				
97 Agency Total	9,186	9,045	8,820	(224)

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

MTA Summary Expenditure Budget

FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Metro Operations	7,591	7,540	7,458
2 Countywide Planning & Development	134	130	112
3 Construction Project Management	156	135	106
4 Communications	237	237	209
5 Support Services - Finance	178	172	168
6 Support Services - ITS	164	154	142
7 Support Services - Management Audit Services	68	55	47
8 Support Services - Procurement & Material Mgmt	271	258	242
9 Support Services - Risk Management	58	40	39
10 Chief of Staff	276	268	249
12 Board of Directors	53	56	48
13 Agency Total	9,186	9,045	8,820

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
14 Metro Operations	\$ 908,797	\$ 1,092,959	\$ 1,137,482
15 Countywide Planning & Development	643,267	757,570	801,241
16 Construction Project Management	124,132	375,101	379,056
17 Communications	29,978	33,286	31,744
18 Support Services - Finance	348,705	335,071	349,999
19 Support Services - ITS	41,586	34,263	26,667
20 Support Services - Management Audit Services	8,730	8,019	5,984
21 Support Services - Office of Procurement & Material Management	23,995	26,597	26,024
22 Support Services - Risk Management	33,779	43,162	44,456
23 Chief of Staff	39,852	47,146	42,122
24 Board of Directors	19,634	17,957	15,457
25 Agency Total	\$ 2,222,454	\$ 2,771,131	\$ 2,860,231 *

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
26 Wages & Benefits	\$ 710,994	\$ 722,946	\$ 733,762
27 Services	254,155	272,503	248,645
28 Purchased Transportation	28,271	25,426	26,007
29 Fuel, Lubricants & Propulsion Power	48,272	45,801	55,695
31 Materials & Supplies	69,880	78,710	85,316
32 Casualty & Liability	29,599	43,884	43,973
33 Other Support	54,252	53,063	49,173
34 Acquisitions	107,695	526,327	540,982
35 Subsidies	620,764	711,731	776,720
36 Debt	298,571	290,738	299,959
37 Agency Total	\$ 2,222,454	\$ 2,771,131	\$ 2,860,231 *

* In FY05, includes principal payments of \$28.8 million, Agency Fund items of \$13.6 million, and Enterprise Fund interest of \$2.8 million; excludes \$69.0 million in defeased lease payments.

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

METRO OPERATIONS

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Metro Rail	1,056	1,104	1,090
2 San Fernando Valley Service Sector	1,002	987	983
3 San Gabriel Valley Service Sector	983	951	948
4 Gateway Cities Service Sector	819	834	833
5 South Bay Service Sector	1,258	1,291	1,293
6 West Side/Central Service Sector	1,304	1,359	1,364
7 Contracted Bus Services	3	6	5
8 Bus Operations Control	81	73	73
9 Central Maintenance	422	332	319
10 Vehicle Technology	38	23	20
11 New Technology & Systems Implementation	6	16	13
12 Service Development	138	113	104
13 Operations Central Instruction	109	125	96
14 Facilities	232	195	192
15 Law Enforcement & Security	101	99	97
16 Safety	21	15	14
17 Freeway Services	8	9	8
18 Executive Office, Metro Operations	10	8	7
19 Metro Operations Total FTEs	7,591	7,540	7,458

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
20 Metro Rail	\$ 114,796	\$ 153,439	\$ 184,128
21 San Fernando Valley Service Sector	88,685	88,760	96,208
22 San Gabriel Valley Service Sector	89,366	87,836	91,124
23 Gateway Cities Service Sector	86,627	82,823	84,221
24 South Bay Service Sector	112,139	106,792	121,634
25 West Side/Central Service Sector	121,499	129,070	127,415
26 Contracted Bus Services	36,263	34,650	35,818
27 Bus Operations Control	6,523	6,920	6,539
28 Central Maintenance	57,458	60,307	57,541
29 Vehicle Technology	43,400	47,063	88,445
30 New Technology & Systems Implementation	8,196	124,750	50,854
31 Service Development	11,468	11,335	15,928
32 Operations Central Instruction	4,363	6,494	5,233
33 Facilities	38,893	50,297	61,744
34 Law Enforcement & Security	59,044	58,616	68,236
35 Safety	2,115	2,871	2,835
36 Freeway Services	25,144	31,958	32,613
37 Executive Office, Metro Operations	2,818	8,979	6,966
38 Metro Operations Total	\$ 908,797	\$ 1,092,959	\$ 1,137,482

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Metro Operations, Continued

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
39 Wages & Benefits	\$ 587,180	\$ 600,225	\$ 618,113
40 Services	134,841	118,345	120,782 *
41 Purchased Transportation	28,271	25,426	26,007
42 Fuel, Lubricants & Propulsion Power	48,271	45,772	55,695
43 Materials & Supplies	62,508	70,122	77,063
44 Casualty & Liability	98	125	115
45 Other Support	19,990	21,108	20,549
46 Acquisitions	26,887	213,354	215,167
47 Subsidies	1,032		4,778
48 Debt & Transfers	(281)	(1,518)	(787)
49 Metro Operations Total	\$ 908,797	\$ 1,092,959	\$ 1,137,482

* Include \$58,673 in Transit Security.

COUNTYWIDE PLANNING & DEVELOPMENT

<u>Department FTEs</u>	<u>FY03</u> <u>Adopted</u>	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Proposed</u>
1 Transportation Dev & Implementation	65	62	52
2 Programming & Policy Analysis	35	35	31
3 Long Range Planning & Coordination	30	29	25
4 Executive Office, Reg Transp Plan & Dev	4	4	4
5 Countywide Planning & Development Total FTEs	134	130	112

<u>Expenditures</u> <u>(Amounts in thousands)</u>	<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Proposed</u>
6 Transportation Dev & Implementation	\$ 25,160	\$ 31,864	\$ 18,392
7 Programming & Policy Analysis	612,759	718,325	777,287
8 Long Range Planning & Coordination	4,912	6,682	5,039
9 Executive Office, Reg Transp Plan & Dev	437	700	522
10 Countywide Planning & Development Total	\$ 643,267	\$ 757,570	\$ 801,241

<u>Expenditure Types</u> <u>(Amounts in thousands)</u>	<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Proposed</u>
11 Wages & Benefits	\$ 11,901	\$ 13,309	\$ 12,356
12 Services	20,829	30,358	15,616
13 Materials & Supplies	477	939	523
14 Other Support	253	520	350
15 Acquisitions	(521)	712	453
16 Subsidies	610,328	711,731	771,942
17 Countywide Planning & Development Total	\$ 643,267	\$ 757,570	\$ 801,241

CONSTRUCTION PROJECT MANAGEMENT

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Construction	22	34	26
2 Program Management	35	38	34
3 Engineering	76	28	15
4 Quality Management	14	14	11
5 Construction Safety	4	7	5
6 Executive Office, Construction Project Mgmt	5	14	15
7 Construction Project Management Total FTEs	156	135	106

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
8 Construction Contracts	\$ 111,785	\$ 359,537	\$ 366,244
9 Construction	2,437	3,765	2,948
10 Program Management	3,571	4,314	3,901
11 Engineering	3,985	3,236	1,871
12 Quality Management	1,299	1,521	1,234
13 Construction Safety	206	710	569
14 Executive Office, Construction Project Mgmt	849	2,018	2,289
15 Construction Project Management Total	\$ 124,132	\$ 375,101	\$ 379,056

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
16 Wages & Benefits	\$ 12,387	\$ 14,519	\$ 12,006
17 Services	27,149	56,334	42,579
18 Materials & Supplies	320	434	429
19 Casualty & Liability	1,359	5,300	4,160
20 Other Support	105	398	684
21 Acquisitions	77,984	298,116	319,198
22 Subsidies	5,025		
23 Debt	(197)		
24 Construction Project Management Total	\$ 124,132	\$ 375,101	\$ 379,056

COMMUNICATIONS

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Customer Relations	121	118	103
2 Customer & Vendor Services	43	43	42
3 Creative Services	20	18	15
4 Metro Commute Services	15	13	10
5 Marketing & Advertising	7	8	7
6 Printing Services	10	10	10
7 Public Relations	7	8	7
8 Communication Services	6	7	5
9 Program & Service Development	-	4	3
10 Signage & Distribution	-	2	2
11 Executive Office, Communications	8	6	5
12 Communications Total FTEs	237	237	209

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
13 Customer Relations	\$ 6,806	\$ 7,014	\$ 6,662
14 Customer & Vendor Services	3,910	3,922	5,800
15 Creative Services	3,938	3,803	3,289
16 Metro Commute Services	1,587	3,256	2,198
17 Marketing & Advertising	5,416	6,223	5,522
18 Printing Services	1,892	1,863	2,994
19 Public Relations	1,291	1,338	1,222
20 Communication Services	1,639	1,824	1,431
21 Program & Service Development	2,702	2,701	1,337
22 Signage & Distribution		570	587
23 Executive Office, Communications	797	771	702
24 Communications Total	\$ 29,978	\$ 33,286	\$ 31,744

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
25 Wages & Benefits	\$ 15,800	\$ 16,656	\$ 16,132
26 Services	7,043	9,378	9,262
27 Fuel, Lubricants & Propulsion Power		5	
28 Materials & Supplies	1,602	1,224	1,138
29 Other Support	5,377	5,352	4,493
30 Acquisitions	157	671	718
31 Communications Total	\$ 29,978	\$ 33,286	\$ 31,744

SUPPORT SERVICES

Support Services - Finance

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Accounting	84	83	82
2 Treasury	65	62	60
3 Office of Management & Budget	24	22	21
4 Executive Office, Finance	3	3	3
5 Office of the CFO	2	2	2
6 Support Services - Finance Total FTEs	178	172	168

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
7 Accounting	\$ 11,707	\$ 16,593	\$ 19,183
8 Treasury	334,105	315,012	327,426
9 Office of Management & Budget	2,196	2,493	2,418
10 Executive Office, Finance	400	621	598
11 Office of the CFO	297	353	373
12 Support Services - Finance Total	\$ 348,705	\$ 335,071	\$ 349,999

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
15 Wages & Benefits	\$ 15,546	\$ 13,635	\$ 13,621
16 Services	12,340	16,209	24,271
17 Materials & Supplies	206	336	283
18 Other Support	17,086	12,634	11,079
19 Acquisitions	66		
20 Subsidies	4,356		
21 Debt & Transfers	299,104	292,255	300,746
22 Support Services - Finance Total	\$ 348,705	\$ 335,071	\$ 349,999

Support Services - Information Technology Services

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Information Technology Services	164	154	142
2 Support Services - ITS Total FTEs	164	154	142

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
3 Information Technology Services	\$ 41,586	\$ 34,263	\$ 26,667
4 Support Services - ITS Total	\$ 41,586	\$ 34,263	\$ 26,667

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
5 Wages & Benefits	\$ 14,881	\$ 14,038	\$ 13,387
6 Services	20,094	9,823	7,714
7 Materials & Supplies	2,096	1,011	1,865
8 Other Support	2,959	3,428	3,276
9 Acquisitions	1,555	5,963	425
10 Support Services - ITS Total	\$ 41,586	\$ 34,263	\$ 26,667

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Support Services - Management Audit Services

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Management Audit Services	68	55	47
2 Support Services - Management Audit Services Total FTEs	68	55	47

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
3 Management Audit Services	\$ 8,730	\$ 8,019	\$ 5,984
4 Support Services - Management Audit Services Total	\$ 8,730	\$ 8,019	\$ 5,984

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
5 Wages & Benefits	\$ 5,103	\$ 5,093	\$ 4,562
6 Services	3,539	2,682	1,328
7 Materials & Supplies	51	59	37
8 Other Support	38	185	57
9 Support Services - Management Audit Services Total	\$ 8,730	\$ 8,019	\$ 5,984

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Support Services - Procurement & Material Management

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Materiel	163	151	143
2 Contracts-Construction	53	45	42
3 Contracts-Professional Services	30	33	31
4 Contract Support & Client Services	18	18	16
5 Executive Office, Procurement & Material Mgmt	7	11	10
6 Support Services - Procurement & Material Mgmt Total FTEs	271	258	242

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
7 Materiel	\$ 13,261	\$ 13,824	\$ 13,166
8 Contracts-Construction	4,820	4,481	4,504
9 Contracts-Professional Services	2,560	3,090	3,147
10 Non Departmental-Procurement & Material Mgmt	930	2,426	2,631
11 Contract Support & Client Services	1,256	1,323	1,220
12 Executive Office, Procurement & Material Mgmt	1,169	1,452	1,356
13 Support Services - Procurement & Material Mgmt Total	\$ 23,995	\$ 26,597	\$ 26,024

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
14 Wages & Benefits	\$ 20,239	\$ 21,329	\$ 21,228
15 Services	1,336	593	770
16 Materials & Supplies	1,000	2,715	2,562
17 Other Support	437	92	72
18 Acquisitions	983	1,868	1,392
19 Support Services - Procurement & Material Mgmt Total	\$ 23,995	\$ 26,597	\$ 26,024

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

Support Services - Risk Management

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Risk Management	58	40	39
2 Support Services - Risk Management Total FTEs	58	40	39

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
3 Risk Management	\$ 33,779	\$ 43,162	\$ 44,456
4 Support Services - Risk Management Total	\$ 33,779	\$ 43,162	\$ 44,456

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
5 Wages & Benefits	\$ 806	\$ (3,093)	\$ (3,650) *
6 Services	4,662	6,975	7,170
7 Materials & Supplies	55	542	278
8 Casualty & Liability	28,088	38,459	39,698
9 Other Support	168	279	959
10 Support Services - Risk Management Total	\$ 33,779	\$ 43,162	\$ 44,456

* Includes Workers' Comp chargeback credit for PRMA

CHIEF OF STAFF

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Administration	173	173	164
2 Diversity & Economic Opportunity	25	25	25
3 Community Relations	25	19	14
4 Labor/Employee Relations	21	22	21
5 Government & Board Relations	15	11	10
6 Policy, Research & Library Services	6	6	5
7 Executive Office, Chief of Staff	11	12	10
8 Chief of Staff Total FTEs	276	268	249

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
9 Administration	\$ 29,464	\$ 33,992	\$ 30,430
10 Diversity & Economic Opportunity	1,940	2,179	2,195
11 Community Relations	2,925	3,588	2,404
12 Labor/Employee Relations	1,578	2,091	2,207
13 Government & Board Relations	1,836	2,208	1,995
14 Policy, Research & Library Services	745	754	698
15 Executive Office, Chief of Staff	1,363	2,334	2,192
16 Chief of Staff Total	\$ 39,852	\$ 47,146	\$ 42,122

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
17 Wages & Benefits	\$ 22,863	\$ 22,921	\$ 21,547
18 Services	7,364	8,583	8,535
19 Fuel, Lubricants & Propulsion Power		25	
20 Materials & Supplies	1,486	1,273	1,081
21 Other Support	7,621	8,750	7,362
22 Acquisitions	495	5,594	3,598
23 Subsidies	23		
24 Chief of Staff Total	\$ 39,852	\$ 47,146	\$ 42,122

BOARD OF DIRECTORS

Department FTEs	FY03 Adopted	FY04 Budget	FY05 Proposed
1 Inspector General	32	32	24
2 Office of Board Secretary	9	12	12
3 Ethics Office	6	6	6
4 County Counsel	5	5	5
5 Chief Executive Office	1	1	1
6 Board of Directors Total FTEs	53	56	48

Expenditures (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
7 Inspector General	\$ 2,633	\$ 3,740	\$ 2,893
8 Office of Board Secretary	625	637	1,010
9 Ethics Office	568	611	653
10 County Counsel	15,136	12,369	10,256
11 Board Office	219	189	164
12 Chief Executive Office	453	410	481
13 Board of Directors Total	\$ 19,634	\$ 17,957	\$ 15,457

Expenditure Types (Amounts in thousands)	FY03 Actual	FY04 Budget	FY05 Proposed
14 Wages & Benefits	\$ 4,290	\$ 4,314	\$ 4,460
15 Services	14,957	13,222	10,617
16 Materials & Supplies	80	56	57
17 Other Support	218	316	292
18 Acquisitions	89	49	30
19 Board of Directors Total	\$ 19,634	\$ 17,957	\$ 15,457

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VII. Appendix



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 expenditure/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, and agency administration. The operating budget is comprised of the Enterprise, General, Special Revenue, Internal Service and Debt Service 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 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 expenditures/expenses for the fiscal year. Budgeting for the fiscal year 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 FY04 budget.
- FY05 Budget Kickoff meetings were held with departments in mid-February 2004.
- Budget system training classes were held in February 2004.
- Preparation of the FY05 budget began in February 2004 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 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 December 2003.

- Project and department level reviews of budget requests were completed in April 2004.

Adoption Phase

- A workshop was held for the Board of Directors on April 12, 2004.
- The summary of the proposed budget was released to the Board of Directors and public on May 5, 2004.
- MTA staff briefed the Board of Directors staff on May 12, 2004.
- The public hearing was held on May 20, 2004, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Plan updates were adopted on June 7, 2004, at a special Board of Directors meeting.

Budget Implementation

- The FY05 Budget will be implemented on July 1, 2004.
- 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. 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. The fiduciary fund category includes agency funds for BAD and the EZ Pass Program. All governmental funds are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. The proprietary and agency funds 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.

In addition, MTA is responsible for acting as a trustee for certain funds, such as pension trust funds and restricted agency 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. Benefit Assessment District (BAD) funds are 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.

The MTA also receives and disburses EZ Pass monies. EZ Pass is a regional fare medium good for passage on participating regional transit providers. All EZ Pass revenues are sent to the MTA, which distributes them to the transit providers.

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, 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.

Budget Amendments

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

Total expenditures cannot exceed the final appropriation adopted by the Board, with the exception of unspent capital funds "carried over" from the preceding year. 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 FY05 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,
- estimates 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 of FY04. 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 Executive Management. Executive Management reviewed the list of recommended capital projects and further prioritized the projects to match available revenues. OMB submitted the approved CP to the MTA Board of Directors for review and adoption in the fourth quarter as part of the FY05 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:

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.

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.

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.

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2.5 Capital Program – The financial plan that details the MTA’s investment in its own assets over a five-year 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 FY04-05 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.
- 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 sales tax forecast for development of the FY05 budget will be \$595.0 million for Prop A and \$594.9 million for Prop C, consistent with

the 10 Year Forecast dated July 2003.

- 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 FY05 than \$1.37 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, 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 as part of the annual update of the SRTP each year.
- B5. Service planning assumptions for bus operations will be based on 2.1% annual ridership growth and 2.5% annual growth in rail passenger demand.
- B6. For FY05 MTA's staffing, measured in FTE's, will be held to the FY04 level adjusted for service expansion or other new scope that has been approved by the Board.
- B7. 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.
- B8. 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.
- 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.
- 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 inflation rate of 4% shall be used for expansion capital projects.
- B9. 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.
- The Board shall approve all discretionary State and Federal funding requests by project or program each year.
- B10. 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.

Appropriation

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

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.

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, 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 and Interest Rate Swap Policies.
- 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

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- 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 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.

APPENDIX 4: REVENUE DETAIL - FY05 BUDGET

Fund Type	Revenues	Assumptions	Application/Uses
<i>Sales Tax Revenues</i>			
Proposition A	\$656.9 million in revenues include \$61.9 million in carryover funds and \$595.0 million in new sales tax.	The FY05 sales tax forecast was based on the average growth for period FY02 through FY04 estimated at 4.1%.	All areas of budget-operations, debt service, general fund, planning projects, rail construction, and subsidies.
Proposition C	\$793.3 million in revenues include \$198.4 million in carryover funds and \$594.9 million in new tax revenues.	The FY05 sales tax forecast was based on the average growth for period FY02 through FY04 estimated at 4.1%.	All areas of budget-operations, debt service, general fund, planning projects, bus procurement, and subsidies.
Transportation Development Act (TDA)	\$447.3 million in revenues include \$144.8 million in carryover funds and \$302.4 million in new tax revenues.	The FY05 sales tax forecast was based on the average growth for period FY02 through FY04 estimated at 4.1%.	MTA bus operations, local match to capital projects, subsidies to municipal bus operators.
State Transit Assistance (STA)	\$70.9 million in revenues include \$41.4 million carryover funds and \$29.5 million in new revenues.	Projection is based on the January 23, 2004 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)	\$47.9 million in new revenues.	Based on Board-approved funding plan.	ADA Compliance program.
Department of Water & Power (LADWP)	\$200,000 in new revenues.	Based on estimate of work to be completed.	Reimbursement for activities on Orange Line.
Joint Development – Grand Central Market	\$2.3 million in new revenues.	Based on new schedule of anticipated cash flows as projected by developer.	Debt repayment for CRA Housing and Redevelopment.
<i>State Revenues</i>			
State Regional Improvement Funds	\$13.3 million in new revenues	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	Universal Fare Collection System
State Highway Account	\$1.7 million in new revenues	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	Universal Fare Collection System

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Fund Type	Revenues	Assumptions	Application/Uses
Freeway Service Patrol State Grant	\$6.5 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	\$209,000 in revenue for Pedestrian/Bikeway enhancements.	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.
<i>Federal Revenues</i>			
Section 5309 [3] Capital – New Starts	\$80.1 million in available revenues.	Assumed to average \$80.1 million annually through FY 2013. Funds reimbursed to MTA as expenditures are incurred.	Metro Gold Line Eastside Extension.
Section 5309 [3] Fixed Guideways	\$44.3 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 facility improvements.
Section 5307 [9] Capital	\$58.2 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, and information technology improvements.
Congestion Mitigation and Air Quality (CMAQ)	\$85.6 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	\$5.3 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)	\$21.1 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.

Appendix 4: Revenue Detail - FY05 Budget, Continued

Fund Type	Revenues	Assumptions	Application/Uses
Federal Homeland Security	\$2.1 million in new revenues.	Based on Department of Homeland Security grant.	Enhancements to Red Line closed circuit television system, security communication system, and acquisition of emergency response vehicles.
Federal Highway Administration (FHWA) – Los Angeles County	\$86,000 in new revenues.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred	Bus operating facilities.
Federal Other	\$13.1 million in available revenues includes \$12.6 million for Regional Grantee FTA and \$460,000 for Job Access Reverse Commute Rideshare Service.	Based on estimate by Countywide Planning staff of anticipated grant funds. Funds reimbursed to MTA as expenditures are incurred.	Regional Grantee FTA Pass-thru and Rideshare Service.
<i>Investment Income Revenues</i>			
Prop A Interest	\$2.0 million in available revenues include \$406,000 in carryover funds and \$1.6 million in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	MTA bus operations and Municipal Bus operators.
Prop C Interest	\$12.7 million in revenues includes \$4.7 million in carryover funds and \$8.0 million in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	MTA bus operations and Municipal Bus operators.
TDA Interest	\$3.4 million in revenues includes \$1.2 million in carryover funds and \$2.2 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	\$500,000 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	\$800,000 in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	General administrative expenditures.
Sales Leaseback	\$1.0 million in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	Capital Projects.

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Fund Type	Revenues	Assumptions	Application/Uses
Right of way lease revenues	\$1.8 million in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	Right of way administration.
Service Authority for Freeway Emergencies (SAFE)- interest revenue	\$900,000 in new revenues.	New revenue estimate is based on FY03 actual revenues adjusted for lower interest yield.	Call boxes.
Interest earned on Debt Service Funds	\$20.0 million in new revenues.	Based on the average over last three years.	Reduce principal and interest in the Debt Service Funds.
<i>Lease And Rental</i>			
Lease and Rental	\$80.6 million in revenues including \$70.1 million in carryover funds and \$10.5 million in new revenues.	Based on MTA's Property Management Dept. estimate and actual lease agreements.	Property management Joint Development.
<i>License And Fines</i>			
Service Authority for Freeway Emergencies (SAFE)	\$32.0 million in revenues including \$25.0 million in carryover balance and \$7.0 million in new revenues.	Based on number of registered vehicles in L.A. County at \$1 per car, FY03 actual revenues, and FY04 projected revenues.	Call box program.
HOV Lanes Fines	\$500,000 in new revenues.	Based on State Highway Operations Dept. estimate of anticipated funds.	Freeway Service Patrol (FSP) program.
<i>General Fund Revenues</i>			
Parking Fees - USG Building	\$900,000 in new revenues.	Projected revenues are based on analysis of actual monthly receipts from Catellus Corporation, and are estimated at an average of \$75,000 a month.	Transit Plaza east portal improvements.
Reserved Parking Permits at Rail Stations	\$60,000 in new revenues.	Based on CD&P's forecasted revenues.	Rail station parking.
Sales Leaseback	\$44.4 million in carryover funds.	Based on analysis of fund balance.	Bus and rail capital and other uses to be determined.
Employee Activities	\$760,000 in new revenues.	Based on projected revenues by Communications' SBU including revenues for Employee Center and Metro logo merchandise.	Employee activities related projects.

Appendix 4: Revenue Detail - FY05 Budget, Continued

Fund Type	Revenues	Assumptions	Application/Uses
Miscellaneous Other	\$51,000 in new revenues.	Projection is based on analysis of miscellaneous cash receipts.	General administrative expenditures.
Pasadena Blue Line (Admin. Cost Reimbursement)	\$75,000 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.
Fund Type	Revenues	Assumptions	Application/Uses
General Fund Estimated Carryover Balance	\$20.1 million in carryover funds.	Based on analysis of General Fund transactions.	Board Contingency Programs.
<i>Other Revenues</i>			
FAU Cash	\$7.0 million in available funds including \$6.8 million in carryover funds and \$263,000 in new 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.
Benefit Assessment District (BAD)	\$6.1 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.
EZ Pass Program	\$7.5 million in new revenues.	EZ Pass program revenue is based on actual FY03 and FY04 monthly sales.	EZ Pass Program.
<i>Operating Revenues</i>			
Fare Box Revenues- Passenger fares	\$282.7 million in new revenues.	Assumes increased fares due to fare restructuring and additional boardings.	Bus and rail operations.
Route Subsidies – Hollywood Shuttle	\$500,000 in new revenues.	Based on prior year actual and estimated contract value between MTA and L.A. County and L.A. Philharmonic.	Bus operations.

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Fund Type	Revenues	Assumptions	Application/Uses
Metrolink Interagency Agreement	\$2.5 million in new revenues.	Revenues are based on annual estimate of 3.1million 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	\$13.8 million in new revenues.	Based on number of buses running during peak hours per contract with Transportation Display Incorporated.	Bus operations.
<i>Non-Operating Revenues</i>			
FTA Grant – 5307 Preventive Maintenance	\$145.9 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 Preventive Maintenance.
FTA Grant – 5309 Fixed Guideways	\$53.2 million in new revenues.	Assumed at the guaranteed level of TEA-21 as determined by the federal formula and SCAG implementing formulas. Section 5309 funds reimbursed to MTA as expenditures are incurred.	Blue Line, Green Line, Pasadena Gold Line, and Red Line preventive maintenance.
FTA Grant – CMAQ Pasadena Gold Line	\$28.0 million in new revenues.	Based on State Implementation Plan that has been approved pursuant to the Clean Air Act.	Operations of Metro Gold Line.
Federal – Homeland Security	\$1.1 million in new revenues.	Based on Department of Homeland Security grant.	Red Line security enhancements, anti-terrorism training and equipment, and multi-agency anti-terrorism drills and exercises.
Interest Revenues	\$1.5 million in new revenues.	Based on FY04 actual earnings.	Bus 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.

Appendix 4: Revenue Detail - FY05 Budget, Continued

Fund Type	Revenues	Assumptions	Application/Uses
County Buydown	\$492,000 in new revenues.	FY04 amount based on Customer Service Department revised cash flow assumption.	Bus operations.
Fare Violations/Fines	\$1.2 million in new revenues.	Revenue is based on MTA's Transit Security Department projected number of citations that will be issued in FY05.	Bus operations.
Miscellaneous	\$500,000 in new revenues.	Based on average FY03 and FY04 cash receipts.	Bus operations.
<i>Other Financing Sources</i>			
Proposition A Rail Bonds	\$110.8 million in new bond financing.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Metro Gold Line Eastside Extension.
Proposition C – Streets & Hwys Bonds	\$148.1 million in new bond financing.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Orange Line, Green Line, PGL facilities enhancements, Mid-City Expo, and traction power substations.
Proposition C – Discretionary Bonds	\$7.8 million in revenues include \$4.5 million in carryover and \$3.2 million in new bond financing.	Based on capital expenditures requirements and MTA Treasury Department debt plan.	Universal Fare System, Eastside LRT, and Eastside extension project.

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APPENDIX 5: GENERAL FUND EXPENDITURES AND FUNDING

Project	Task Name	FY05 Proposed Budget	REVENUE SOURCE				Total Allocation
			Prop A Administration	Prop C Administration	TDA Administration	Other	
1	<u>100002-Governmental/Oversight</u>						
2	General oversight	\$ 15,060,450	\$ 15,060,450	\$ -	\$ -	\$ -	\$ 15,060,450
3	Legal expenses	275,000	275,000	-	-	-	275,000
4	Consent Decree	40,161	40,161	-	-	-	40,161
5	Investment/Debt Management	162,655	162,655	-	-	-	162,655
6	Investment/Cash Management	87,880	87,880	-	-	-	87,880
7	Debt Management	70,747	70,747	-	-	-	70,747
8	Total Project 100002	15,696,892	15,696,892	-	-	-	15,696,892
9							
10	<u>100011-Employee Activities</u>						
11	Employee Activities Program	760,224	-	-	-	760,224	760,224
12	Total Project 100011	760,224	-	-	-	760,224	760,224
13							
14	<u>100012-Prop A & C Audit</u>						
15	Prop A Audit	67,527	67,527	-	-	-	67,527
16	Prop C Audit	67,527	-	67,527	-	-	67,527
17	Total Project 100012	135,054	67,527	67,527	-	-	135,054
18							
19	<u>330500-Industry Assistance</u>						
20	Filming Marketing	222,786	-	-	-	222,786	222,786
21	Total Project 330500	222,786	-	-	-	222,786	222,786
22							
23	<u>400225-System/Pedestrians/Bikeway</u>						
24	Public Outreach	75,000	-	-	-	75,000	75,000
25	Bike Station Plan	75,000	-	-	-	75,000	75,000
26	System Preservation - Pavement Management	162,428	-	-	-	162,428	162,428
27	Total Project 400225	312,428	-	-	-	312,428	312,428
28							
29	<u>405510-Other Planning and Programming</u>						
30	Call/MOU Tech Support	100,172	50,086	50,086	-	-	100,172
31	Consolidated Audit Services	696,988	232,330	232,329	232,329	-	696,988
32	Triennial Audit Management	602,487	200,829	200,829	200,829	-	602,487
33	Prop A/C Administration	579,833	289,916	289,916	-	-	579,833
34	Grants Administration	473,677	236,838	236,838	-	-	473,677
35	Grants Funds Administration	977,072	488,536	488,536	-	-	977,072
36	TDA Article 3 & 8	143,241	-	-	143,241	-	143,241
37	TIP Administration	1,161,677	387,226	387,226	387,226	-	1,161,677
38	STIP PPM - FY05	2,318,026	772,675	772,675	772,675	-	2,318,026
39	Government Coordination / Outreach	603,817	301,908	301,908	-	-	603,817
40	Bus System Improvements Plan	106,091	106,091	-	-	-	106,091
41	Other P & P- ROW Property Management	3,719	3,719	-	-	-	3,719
42	Station Planning/Joint Develop	2,034,602	1,017,301	1,017,301	-	-	2,034,602
43	H/V Joint Development Negotiations	29,094	29,094	-	-	-	29,094
44	Bike Parking Racks & Lockers	20,000	10,000	10,000	-	-	20,000
45	Art Program	151,000	151,000	-	-	-	151,000
46	Public Outreach	71,069	35,534	35,534	-	-	71,069
47	General Planning	1,213,514	242,703	242,703	728,108	-	1,213,514
48	General Commuter Program	3,301	3,301	-	-	-	3,301
49	Increase customer awareness Program	2,290,221	1,478,609	230,100	581,512	-	2,290,221
50	Total Project 405510	\$ 13,579,599	\$ 6,037,697	\$ 4,495,982	\$ 3,045,920	\$ -	\$ 13,579,599

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Project	Task Name	FY05 Proposed Budget	REVENUE SOURCE				Total Allocation
			Prop A Administration	Prop C Administration	TDA Administration	Other	
51	<u>405511-Transit Planning</u>						
52	Long Range Plan Update	\$ 2,656,988	\$ 885,663	\$ 885,663	\$ 885,663	\$ -	\$ 2,656,988
53	Municipal Funding & Coordination.	348,974	116,325	116,325	116,325	-	348,974
54	Admin. NTD Report	179,622	59,874	59,874	59,874	-	179,622
55	S RTP Service Development	116,894	38,965	38,965	38,965	-	116,894
56	Restructuring Study	437,621	145,874	145,874	145,874	-	437,621
57	Bus Service Improvements	6,544,215	3,193,142	2,328,333	1,022,740	-	6,544,215
58	Metro Rapid Bus	1,033,235	344,412	344,412	344,412	-	1,033,235
59	Transit Service Expansion	550	-	550	-	-	550
60	Transit Planning	1,020,685	310,228	340,228	340,228	30,000	1,020,685
61	SB Traffic Signal - Western Ave.	300	-	300	-	-	300
62	BRT Research	10,000	5,000	5,000	-	-	10,000
63	Eastside Ext. Pedestrian Crossing	50,000	25,000	25,000	-	-	50,000
64	ADA Compliance	139,791	69,895	69,895	-	-	139,791
65	Social Service Transit	60,184	60,184	-	-	-	60,184
66	Research & Development	571,086	571,086	-	-	-	571,086
67	<u>Total Project 405511</u>	<u>13,170,146</u>	<u>5,825,647</u>	<u>4,360,418</u>	<u>2,954,080</u>	<u>30,000</u>	<u>13,170,145</u>
68							
69	<u>405547- Rideshare Services</u>						
70	Core Rideshare Services	2,030,709	-	-	-	2,030,709	2,030,709
71	Employer Rideshare Services (& Vanpool incentive)	638,445	-	-	-	638,445	638,445
72	<u>Total Project 405547</u>	<u>2,669,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,669,154</u>	<u>2,669,154</u>
73							
74	<u>609911-Transit Academy/TOPS</u>						
75	TOP	89,950	89,950	-	-	-	89,950
76	<u>Total Project 609911</u>	<u>89,950</u>	<u>89,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,950</u>
77							
78	<u>610041-Property Management</u>						
79	General ROW Overhead & Maintenance	3,780,537	-	-	-	3,780,537	3,780,537
80	SANBAG	141,213	-	-	-	141,213	141,213
81	<u>Total Project 610041</u>	<u>3,921,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,921,750</u>	<u>3,921,750</u>
82							
83	<u>610051-Pasadena Property Management</u>						
84	Pasadena Blue Line	96,118	-	-	-	96,118	96,118
85	<u>Total Project 610051</u>	<u>96,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,118</u>	<u>96,118</u>
86							
87	<u>610061-Owned Property</u>						
88	Property Acquisition	193,890	-	-	-	193,890	193,890
89	Administration	2,785,113	-	-	-	2,785,113	2,785,113
90	Ramirez Flyover Design Review	12,154	-	-	-	12,154	12,154
91	<u>Total Project 610061</u>	<u>2,991,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,991,156</u>	<u>2,991,156</u>
92							
93	<u>Total Expenditures/Allocations</u>	<u>\$ 53,645,259</u>	<u>\$ 27,717,714</u>	<u>\$ 8,923,927</u>	<u>\$ 6,000,000</u>	<u>\$ 11,003,618</u>	<u>\$ 53,645,259</u>

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APPENDIX 6: SUMMARY of REVENUES and CARRYOVER by SOURCE

(Amounts in thousands)									
Revenue Source	Fiscal Year 2003			Fiscal Year 2004			Fiscal Year 2005		
	Carryover	Actual	Total	Carryover	Budget	Total	Carryover	Proposed	Total
1 Sales Tax Revenues									
2 Proposition A									
3 Administration	\$ -	\$ 27,412	\$ 27,412	\$ 479	\$ 28,288	28,767	\$ -	\$ 29,748	\$ 29,748
4 Local Return (25%)	4,661	130,219	134,880	4,661	134,367	139,027	4,660	141,302	145,962
5 Rail - Set Aside (35%)	39,200	182,306	221,506	8,131	188,113	196,244	18,638	197,823	216,461
6 Discretionary (95% of 40%)	30,451	197,933	228,383	32,901	204,237	237,138	20,406	214,779	235,185
7 Incentive (5% of 40%)	20,967	10,418	31,385	19,471	10,749	30,220	18,220	11,304	29,524
8 Total proposition A	95,279	548,287	643,566	65,643	565,754	631,396	61,925	594,955	656,880
9									
10 Proposition C									
11 Administration	410	8,226	8,636	556	8,486	9,042	-	8,924	8,924
12 Local Return (20%)	10,068	108,007	118,076	8,348	111,443	119,792	8,349	117,201	125,550
13 Security (5%)	(298)	27,002	84,897	31	27,861	27,892	542	29,300	29,842
14 Commuter Rail (10%)	57,896	54,004	156,987	57,704	55,722	113,425	57,327	58,600	115,927
15 Streets & Highways (25%)	102,983	135,009	237,992	125,722	139,304	265,026	125,759	146,501	272,260
16 Discretionary (40%)	63,820	216,015	279,835	44,975	222,886	267,861	6,386	234,402	240,788
17 Total proposition C	234,879	548,264	783,143	237,337	565,701	803,037	198,363	594,928	793,291
18									
19 Transportation Development Act - TDA									
20 Administration - (Fixed)	-	6,000	6,000	-	6,000	6,000	-	6,000	6,000
21 Article 3 - (2%)	13,006	5,478	18,484	14,674	5,643	20,317	14,690	5,929	20,619
22 Article 4 - (92.68%)	140,778	252,871	393,649	127,277	261,504	388,781	129,366	274,806	404,171
23 Article 8 - (5.32%)	375	15,545	15,920	1,133	14,981	16,114	778	15,712	16,489
24 Total TDA	154,159	279,893	434,052	143,083	288,128	431,211	144,833	302,446	447,279
25									
26 State Transit Assistance - STA									
27 Revenue Share - PUC 99314	34,489	13,576	48,065	35,322	14,823	50,144	34,557	15,285	49,843
28 Population Share - PUC 99313	5,388	13,730	19,118	13,687	13,989	27,677	6,867	14,200	21,066
29 Total STA	39,877	27,306	67,183	49,009	28,812	77,821	41,424	29,485	70,909
30 Total Sales Tax	524,195	1,403,750	1,927,944	495,072	1,448,394	1,943,466	446,544	1,521,815	1,968,359
31									
32 Intergovernmental									
33 Local Funds									
34 Access Service Inc - ASI (RSTP Federal Funds)	-	45,809	45,809	-	47,000	47,000	-	47,900	47,900
35 City of LA.	-	130	130	-	3,049	3,049	-	-	-
36 Department of Water and Power - DWP	-	-	-	-	3,504	3,504	-	200	200
37 Joint Development - Grand Central Market	-	1,810	1,810	-	425	425	-	2,281	2,281
38 CSDA/CTFC Sub-lease agreement	-	1,584	1,584	-	1,259	1,259	-	-	-
39 Local Other	-	5,699	5,699	-	425	425	-	-	-
40 Total local funds	-	55,032	55,032	-	55,662	55,662	-	50,381	50,381
41 State Funds									
42 State Regional STIP/TCRP	-	58,300	58,300	-	26,761	26,761	-	13,280	13,280
43 State Highway Account	-	-	-	-	1,997	1,997	-	1,721	1,721
44 SB45 Administration	-	2,073	2,073	-	2,600	2,600	-	-	-
45 Freeway Service Patrol - State/Local Grant	-	6,149	6,149	-	6,057	6,057	-	6,500	6,500
46 State Other	-	1,822	1,822	-	2,640	2,640	-	209	209
47 Total state funds	-	68,344	68,344	-	40,055	40,055	-	21,709	21,709
48 Federal Funds									
49 Federal Section 5309 [3] Capital - New Starts	-	26,930	26,930	-	60,000	60,000	-	80,664	80,664
50 Federal Section 5309 [3] Fixed Guideways	-	26,160	26,160	-	58,422	58,422	-	44,260	44,260
51 Federal Section 5309 [3] Bus Facilities	-	29	29	-	10,741	10,741	-	-	-
52 Federal Section 5307 [9] Capital	-	22,216	22,216	-	83,775	83,775	-	58,222	58,222
53 Congestion Mitigation & Air Quality - CMAQ	-	49,006	49,006	-	71,054	71,054	-	85,575	85,575
54 Federal TEA	-	-	-	-	3,286	3,286	-	5,257	5,257
55 Regional Surface Transp. Funds (RSTP)	-	-	-	-	20,133	20,133	-	21,082	21,082
56 Federal STP	-	-	-	-	28,744	28,744	-	-	-
57 Federal Homeland Security	-	-	-	-	-	-	-	2,144	2,144
58 FHWA - LA. County	-	-	-	-	-	-	-	86	86
59 Federal Other	-	2,785	2,785	-	16,705	16,705	-	13,106	13,106
60 Total federal funds	-	127,127	127,127	-	352,859	352,859	-	310,395	310,395
61 Total Intergovernmental	-	250,503	250,503	-	448,576	448,576	-	382,485	382,485
62 Balance to following page	\$ 524,195	\$ 1,654,253	\$ 2,178,447	\$ 495,072	\$ 1,896,970	\$ 2,392,042	\$ 446,544	\$ 1,904,300	\$ 2,350,844

**Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget**

(Amounts in thousands)									
Revenue Source	Fiscal Year 2003			Fiscal Year 2004			Fiscal Year 2005		
	Carryover	Actual	Total	Carryover	Budget	Total	Carryover	Proposed	Total
63 Balance from previous page	\$ 524,195	\$ 1,654,253	\$ 2,178,447	\$ 495,072	\$ 1,896,970	\$ 2,392,042	\$ 446,544	\$ 1,904,300	\$ 2,350,844
64 Investment Income									
65 Prop A Interest	13,620	2,193	15,813	5,499	3,500	8,999	406	1,600	2,006
66 Prop C Interest	43,238	13,299	56,537	29,603	12,000	41,603	4,717	8,000	12,717
67 TDA Interest	13,522	3,898	17,420	3,891	4,000	7,891	1,187	2,200	3,387
68 STA Interest	-	897	897	-	850	850	-	500	500
69 General Fund - Interest Revenue	-	1,193	1,193	-	840	840	-	800	800
70 Sales Leaseback	-	1,637	1,637	-	1,068	1,068	-	1,000	1,000
71 Right of way lease revenues	-	2,065	2,065	-	1,871	1,871	-	1,800	1,800
72 SAFE - Interest Revenue	-	934	934	-	1,000	1,000	-	900	900
73 Interest Earned on Debt Service Funds	-	15,772	15,772	-	15,000	15,000	-	20,000	20,000
74 Interest Earned on Capital Projects Fund/ISF	-	5,466	5,466	-	-	-	-	-	-
75 Total investment income	70,380	47,353	117,734	38,993	40,129	79,122	6,310	36,800	43,110
76 Lease and Rental	58,965	12,172	71,137	66,030	10,125	76,155	70,105	10,500	80,605
77 License and Fines									
78 SAFE	27,445	7,159	34,604	27,215	7,165	34,380	25,000	7,000	32,000
79 HOV Lanes Fines	542	490	1,032	0	500	500	-	500	500
80 Total license and fines	27,987	7,649	35,637	27,216	7,665	34,880	25,000	7,500	32,500
81 Other									
82 General fund revenues									
83 Parking Fees - USG Building	-	731	731	-	850	850	-	900	900
84 Reserved Parking Permits At Rail Stations	-	-	-	-	-	-	-	60	60
85 Sales Leaseback	50,657	13,507	64,165	41,900	-	41,900	44,427	-	44,427
86 SCRRA Administrative Support	-	-	-	-	60	60	-	-	-
87 Employee Activities	282	626	908	219	717	936	-	760	760
88 Miscellaneous other	-	740	740	-	900	900	-	51	51
89 Pasadena B.L. (Admin costs reimbursement)	-	-	-	-	100	100	-	75	75
90 General fund estimated carryover balance	28,005	-	28,005	22,063	-	22,063	20,141	-	20,141
91 Total general fund revenues	78,944	15,605	94,549	64,182	2,627	66,809	64,568	1,846	66,414
92 FAU Cash	13,783	534	14,317	10,077	300	10,377	6,768	263	7,031
93 Ridesharing	1,276	22	1,298	1,298	-	1,298	1,320	-	1,320
94 Benefit Assessment District	8,724	15,095	23,819	8,724	6,513	15,236	-	6,099	6,099
95 EZ Pass Program	-	-	-	-	-	-	-	7,500	7,500
96 Proceeds on lease/leaseback to service - DSF	-	449,864	449,864	-	-	-	-	-	-
97 Total other	102,727	481,119	583,846	84,280	9,440	93,720	72,656	15,708	88,364
98 Operating revenues:									
99 Fare Box Revenues - Passenger fares	-	244,938	244,938	-	273,099	273,099	-	282,660	282,660
100 Route subsidies - Hollywood shuttle	-	500	500	-	400	400	-	500	500
101 Metrolink EZ Pass Reimbursement	-	2,488	2,488	-	2,400	2,400	-	2,500	2,500
102 Advertising	-	13,602	13,602	-	13,250	13,250	-	13,750	13,750
103 Total operating revenues	-	261,527	261,527	-	289,149	289,149	-	299,410	299,410
104 Non-operating revenues									
105 Local operating grants	-	186	186	-	-	-	-	-	-
106 FTA Grant - 5307 Preventive Maintenance	-	81,783	81,783	-	89,371	89,371	-	145,931	145,931
107 FTA Grant - 5309 Fixed Guideways	-	-	-	-	-	-	-	53,176	53,176
108 FTA Grant - CMAQ Rapid Bus/Pasadena Gold Line	-	12,500	12,500	-	27,700	27,700	-	28,000	28,000
109 Federal - Homeland Security	-	-	-	-	-	-	-	1,118	1,118
110 Interest revenues	-	2,943	2,943	-	8,000	8,000	-	1,500	1,500
111 Net Appreciation in fair value of investments	-	-	-	-	1,200	1,200	-	-	-
112 Other:									
113 Bus Parts/Scrap Sales	-	332	332	-	400	400	-	400	400
114 Filming Fees	-	716	716	-	550	550	-	550	550
115 County Buy down	-	548	548	-	450	450	-	492	492
116 Fare Violations/Fines	-	350	350	-	750	750	-	1,200	1,200
117 Miscellaneous	-	1,070	1,070	-	600	600	-	500	500
118 Total other	-	3,017	3,017	-	2,750	2,750	-	3,142	3,142
119 Total non-operating revenue	-	100,429	100,429	-	129,021	129,021	-	232,867	232,867
120 Total Revenues	784,254	2,564,502	3,348,756	711,591	2,382,498	3,094,089	620,615	2,507,085	3,127,700
121 Other financing Sources									
122 Proceeds from financing									
123 Proposition A Rail Bonds	-	-	-	-	62,313	62,313	-	110,799	110,799
124 Proposition C St & Hwys Bonds	50,731	-	50,731	50,731	84,038	134,769	-	148,148	148,148
125 Proposition C Discr Bonds	16,877	-	16,877	16,877	2,421	19,299	4,520	3,241	7,761
126 FTA Refunded Eastside Bonds	43,929	-	43,929	43,929	-	43,929	-	-	-
127 General revenue bonds	2,075	-	2,075	2,075	-	2,075	-	-	-
128 Capital Lease	-	-	-	14,703	-	14,703	69,003	-	69,003
129 Total proceeds from financing	113,612	-	113,612	128,316	148,772	277,088	73,523	262,188	335,711
130 Proceeds from refunding bonds	-	-	-	-	-	-	-	165,000	165,000
131 Total other financing sources	113,612	-	113,612	128,316	148,772	277,088	73,523	427,188	500,711
132 Total revenues and carryovers	\$ 897,867	\$ 2,564,502	\$ 3,462,369	\$ 839,906	\$ 2,531,270	\$ 3,371,178	\$ 694,138	\$ 2,934,273	\$ 3,628,412

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

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

APPENDIX 7: ACTIVITY BASED BUS COST MODEL

ACTIVITIES	FY04 Budget		FY05 Proposed		FY04 TO FY05	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	\$ 267,336,429	\$ 38.98	\$ 281,677,970	\$ 41.08	\$ 14,341,540	\$ 2.09
3 OTHER	390,276	0.06	379,286	0.06	(10,990)	(0.00)
4 TRAINING	5,993,726	0.87	4,693,317	0.68	(1,300,408)	(0.19)
5 CONTROL CENTER	6,554,101	0.96	6,407,248	0.93	(146,854)	(0.02)
6 SCHEDULING AND PLANNING	3,863,680	0.56	3,351,837	0.49	(511,843)	(0.07)
7 SUB-TOTAL	284,138,213	41.43	296,509,658	43.24	12,371,445	1.80
8						
9 DIVISION MAINTENANCE						
10 WAGES & BENEFITS	97,141,955	14.17	97,402,085	14.20	260,131	0.04
11 FUEL	26,633,404	3.88	32,185,193	4.69	5,551,790	0.81
12 MATERIALS & SUPPLIES	36,399,184	5.31	40,104,466	5.85	3,705,283	0.54
13 OTHER	(665,534)	(0.10)	(543,681)	(0.08)	121,853	0.02
14 SUB-TOTAL	159,509,008	23.26	169,148,064	24.67	9,639,056	1.41
15						
16 RRC REGULAR MAINTENANCE						
17 WAGES & BENEFITS	6,227,396	0.91	4,661,961	0.68	(1,565,435)	(0.23)
18 MATERIALS & SUPPLIES	1,841,723	0.27	(2,297,132)	(0.33)	(4,138,855)	(0.60)
19 OTHER	438,252	0.06	190,089	0.03	(248,163)	(0.04)
20 SUB-TOTAL	8,507,371	1.24	2,554,918	0.37	(5,952,453)	(0.87)
21						
22 RRC PREVENTATIVE MAINTENANCE						
23 POWER PLANT ASSEMBLY	9,792,384	1.43	7,045,816	1.03	(2,746,568)	(0.40)
24 ACCIDENT REPAIR	784,716	0.11	1,717,366	0.25	932,651	0.14
25 WHEELCHAIR LIFTS	-		224,452	0.03	224,452	NA
26 PAINTING	2,809,360	0.41	882,474	0.13	(1,926,887)	(0.28)
27 WINDOWS	15,111	0.00	18,010	0.00	2,899	0.00
28 SUB-TOTAL	13,401,571	1.95	9,888,118	1.44	(3,513,453)	(0.51)
29						
30 OTHER MAINTENANCE						
31 MAINTENANCE SUPPORT	13,660,543	1.99	12,827,960	1.87	(832,583)	(0.12)
32 NON-REVENUE VEHICLES	3,993,583	0.58	3,675,076	0.54	(318,507)	(0.05)
33 FACILITIES MAINTENANCE	25,150,658	3.67	25,806,189	3.76	655,531	0.10
34 TRAINING	1,473,676	0.21	1,464,438	0.21	(9,238)	(0.00)
35 SUB-TOTAL	44,278,460	6.46	43,773,663	6.38	(504,798)	(0.07)
36						
37 SUB-TOTAL MAINTENANCE	225,696,410	32.91	225,364,762	32.86	(331,647)	(0.05)
38						

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

ACTIVITIES	FY04 Budget		FY05 Proposed		FY04 TO FY05	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
39 OTHER OPERATING COSTS						
40 TRANSIT SECURITY	16,667,189	2.43	17,431,326	2.54	764,137	0.11
41 GENERAL MANAGERS	12,632,998	1.84	12,676,351	1.85	43,352	0.01
42 REVENUE	10,991,853	1.60	12,882,905	1.88	1,891,053	0.28
43 SERVICE DEVELOPMENT	3,042,961	0.44	3,258,805	0.48	215,844	0.03
44 SAFETY	1,488,596	0.22	1,662,449	0.24	173,854	0.03
45 CASUALTY & LIABILITY	32,796,481	4.78	34,164,371	4.98	1,367,890	0.20
46 WORKERS' COMP	50,157,093	7.31	47,317,572	6.90	(2,839,521)	(0.41)
47 TRANSITIONAL DUTY PROGRAM	2,081,851	0.30	2,001,487	0.29	(80,364)	(0.01)
48 OTHER METRO OPERATIONS	14,928,697	2.18	14,431,508	2.10	(497,190)	(0.07)
49 BUILDING COSTS	8,757,430	1.28	9,435,176	1.38	677,747	0.10
50 EMPLOYEE SUBSIDY & FRINGE	134,213	0.02	493,261	0.07	359,048	0.05
51 COPY SERVICES	1,129,630	0.16	1,529,110	0.22	399,480	0.06
52 SUB-TOTAL	154,808,993	22.57	157,284,322	22.94	2,475,329	0.36
53						
54 SUPPORT DEPARTMENT COSTS	50,704,068	7.39	47,900,648	6.99	(2,803,420)	(0.41)
55						
56 TOTAL MTA OPERATED	715,347,683	104.31	727,059,391	106.02	11,711,707	1.71
57 VEHICLE SERVICE HOURS	6,857,592		6,857,592		-	
58						
59 PURCHASED TRANSPORTATION						
60 CONTRACTED SERVICE	25,426,048	54.20	26,006,709	51.52	580,661	(2.69)
61 SECURITY	1,140,123	2.43	1,283,198	2.54	143,075	0.11
62 ADMINISTRATION	327,857	0.70	1,571,719	3.11	1,243,862	2.41
63 SUB-TOTAL	26,894,028	57.33	28,861,626	57.17	1,967,599	(0.16)
64 VEHICLE SERVICE HOURS	469,095	1.00	504,818	1.00	35,723	-
65						
66 TOTAL EXCLUDING DEBT	742,241,711	101.31	755,921,017	102.67	13,679,306	1.37
67 VEHICLE SERVICE HOURS	7,326,687		7,362,410		35,723	-
68						
69 ENTERPRISE FUND DEBT						
70 INTEREST	6,030,700		2,787,967		(3,242,733)	
71 ADMINISTRATION	483,069		465,525		(17,544)	
72 SUB-TOTAL	6,513,769		3,253,491		(3,260,278)	
73						
74 TOTAL BUS PROJECT	\$ 748,755,480		\$ 759,174,508		\$ 10,419,028	
75						

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

APPENDIX 8: ACTIVITY BASED LIGHT RAIL COST MODEL

ACTIVITIES	FY04 Budget		FY05 Proposed		FY04 TO FY05	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	\$ 20,781,713	\$ 51.19	\$ 21,863,349	\$ 56.22	\$ 1,081,636	\$ 5.03
3 MATERIALS & SUPPLIES	321,124	0.79	224,186	0.58	(96,938)	(0.21)
4 OTHER	84,453	0.21	44,662	0.11	(39,791)	(0.09)
5 SUB-TOTAL	21,187,290	52.19	22,132,196	56.91	944,907	4.72
6						
7 MAINTENANCE						
8 VEHICLE MAINTENANCE						
9 WAGES & BENEFITS	15,403,117	37.94	18,808,683	48.36	3,405,566	10.42
10 MATERIALS & SUPPLIES	2,476,947	6.10	5,827,500	14.98	3,350,553	8.88
11 OTHER	334,473	0.82	5,100	0.01	(329,373)	(0.81)
12 SERVICES	4,000,000	9.85	600,000	1.54	(3,400,000)	(8.31)
13 SUB-TOTAL	22,214,537	54.72	25,241,283	64.90	3,026,746	10.19
14						
15 WAYSIDE MAINTENANCE						
16 ATU	16,116,562	39.70	20,083,817	51.64	3,967,255	11.94
17 MATERIALS & SUPPLIES	1,535,708	3.78	2,313,847	5.95	778,139	2.17
18 PROPULSION POWER	11,220,000	27.64	13,220,000	33.99	2,000,000	6.36
19 OTHER	525,792	1.30	698,392	1.80	172,600	0.50
20 SUB-TOTAL	29,398,063	72.41	36,316,056	93.38	6,917,994	20.97
21						
22 OTHER MAINTENANCE						
23 MAINTENANCE SUPPORT	16,278	0.04	14,000	0.04	(2,278)	(0.00)
24 NON-REVENUE VEHICLES	951,348	2.34	1,079,574	2.78	128,226	0.43
25 FACILITIES MAINTENANCE	3,142,326	7.74	3,183,782	8.19	41,456	0.45
26 SUB-TOTAL	4,109,952	10.12	4,277,355	11.00	167,404	0.87
27					0	0.00
28 SUB-TOTAL MAINTENANCE	55,722,551	137.25	65,834,694	169.28	10,112,143	32.03
29						
30 OTHER OPERATING COSTS						
31 TRANSIT SECURITY	22,758,411	56.06	26,913,672	69.20	4,155,260	13.15
32 GENERAL MANAGER	2,632,595	6.48	1,296,855	3.33	(1,335,739)	(3.15)
33 REVENUE	2,170,465	5.35	4,032,072	10.37	1,861,606	5.02
34 SERVICE DEVELOPMENT	289,242	0.71	279,027	0.72	(10,214)	0.01
35 SAFETY	1,151,528	2.84	1,346,782	3.46	195,254	0.63
36 CASUALTY & LIABILITY	2,018,409	4.97	2,571,158	6.61	552,749	1.64
37 WORKERS' COMP	1,785,656	4.40	3,906,769	10.05	2,121,113	5.65
38 TRANSITIONAL DUTY PROGRAM	0	0.00	0	0.00	0	0.00
39 OTHER METRO OPERATIONS	1,849,773	0.17	2,683,594	6.90	833,821	2.34
40 BUILDING COSTS	1,195,901	0.11	1,861,738	4.79	665,837	1.84
41 EMPLOYEE SUBSIDY & FRINGE	18,328	0.00	161,378	0.41	143,050	0.37
42 COPY SERVICES	154,261	0.01	9,666	0.02	(144,595)	(0.36)
43 SUB-TOTAL	36,024,569	88.73	45,062,712	115.87	9,038,143	27.14
44						
45 SUPPORT DEPARTMENT COSTS	10,650,931	26.23	12,742,922	32.77	2,091,991	6.53
46						
47 TOTAL LIGHT RAIL PROJECT	\$ 123,585,340	\$ 304.41	\$ 145,772,525	\$ 374.83	\$ 22,187,184	\$ 70.42
48 TOTAL VEHICLE SERVICE HOURS	405,982		388,906		(17,076)	

Los Angeles County Metropolitan Transportation Authority
FY05 Proposed Budget

APPENDIX 9: ACTIVITY BASED HEAVY RAIL COST MODEL

ACTIVITIES	FY04 Budget		FY05 Proposed		FY04 TO FY05	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 TRANSPORTATION						
2 WAGES & BENEFITS	\$ 7,439,967	\$ 27.52	\$ 7,215,179	\$ 26.69	\$ (224,788)	\$ (0.83)
3 MATERIALS & SUPPLIES	75,315	0.28	79,963	0.30	4,648	0.02
4 OTHER	19,469	0.07	14,740	0.05	(4,729)	(0.02)
5 SUB-TOTAL	7,534,751	27.88	7,309,882	27.04	(224,869)	(0.83)
6 MAINTENANCE						
8 VEHICLE MAINTENANCE						
9 WAGES & BENEFITS	9,614,411	35.57	9,519,037	35.22	(95,374)	(0.35)
10 MATERIALS & SUPPLIES	2,718,832	10.06	2,720,500	10.06	1,668	0.01
11 OTHER	124,225	0.46	16,000	0.06	(108,225)	(0.40)
12 SERVICES	2,000,000	7.40	1,044,200	3.86	(955,800)	(3.54)
13 SUB-TOTAL	14,457,468	53.49	13,299,737	49.20	(1,157,731)	(4.28)
15 WAYSIDE MAINTENANCE						
16 WAGES & BENEFITS	9,161,227	33.89	7,593,365	28.09	(1,567,861)	(5.80)
17 MATERIALS & SUPPLIES	1,392,814	5.15	1,125,761	4.16	(267,053)	(0.99)
18 PROPULSION POWER	5,962,000	22.06	8,062,000	29.83	2,100,000	7.77
19 OTHER	299,257	1.11	717,980	2.66	418,723	1.55
20 SUB-TOTAL	16,815,298	62.21	17,499,106	64.74	683,808	2.53
22 OTHER MAINTENANCE						
23 MAINTENANCE SUPPORT	-	-	15,081	0.06	15,081	0.06
24 NON-REVENUE VEHICLES	388,751	1.44	367,218	1.36	(21,533)	(0.08)
25 FACILITIES MAINTENANCE	2,706,985	10.01	2,834,196	10.49	127,211	0.47
26 SUB-TOTAL	3,095,736	11.45	3,216,495	11.90	120,759	0.45
28 SUB-TOTAL MAINTENANCE	34,368,503	127.15	34,015,339	125.84	(353,164)	(1.31)
30 OTHER OPERATING COSTS						
31 TRANSIT SECURITY	12,854,057	47.55	16,963,785	62.76	4,109,729	15.20
32 GENERAL MANAGER	275,530	1.02	878,026	3.25	602,495	2.23
33 REVENUE	1,135,864	4.20	1,940,973	7.18	805,109	2.98
34 SERVICE DEVELOPMENT	96,414	0.36	93,009	0.34	(3,405)	(0.01)
35 SAFETY	173,061	0.64	232,974	0.86	59,913	0.22
36 CASUALTY & LIABILITY	3,387,199	12.53	3,495,926	12.93	108,727	0.40
37 WORKERS' COMP	843,282	3.12	1,600,192	5.92	756,910	2.80
38 TRANSITIONAL DUTY PROGRAM	-	-	-	-	-	-
39 OTHER METRO OPERATIONS	926,733	3.43	1,103,942	4.08	177,208	0.66
40 BUILDING COSTS	596,088	2.21	765,858	2.83	169,769	0.63
41 EMPLOYEE SUBSIDY & BENEFITS	9,135	0.03	66,386	0.25	57,250	0.21
42 COPY SERVICES	76,890	0.28	3,976	0.01	(72,914)	(0.27)
43 SUB-TOTAL	20,374,253	75.38	27,145,046	100.43	6,770,793	25.05
45 SUPPORT DEPARTMENT COSTS	5,217,549	19.30	4,895,701	18.11	(321,849)	(1.19)
47 TOTAL HEAVY RAIL PROJECT	\$ 67,495,056	\$ 249.71	\$ 73,365,968	\$ 271.43	\$ 5,870,912	\$ 21.72
48 TOTAL VEHICLE SERVICE HOURS	270,299		270,299			

APPENDIX 10: MODAL OPERATING STATISTICS

Bus	Notes	FY03 Actual	FY04 Budget	FY05 Proposed	Inc/(Dec) Budget
1 Fares (\$000)		\$213,773	\$229,438	\$240,376	\$10,938
2 Other Operating Revenue (\$000)		\$12,660	\$15,160	\$14,625	(\$535)
3 Expenses (\$000)	1	\$754,577	\$742,242	\$755,921	\$13,679
4 Boardings (000)		366,240	356,329	363,812	7,483
5 Farebox Recovery Ratio		30.0%	33.0%	33.7%	0.8%
6 Vehicle Service Hours (000)	3	7,454	7,327	7,362	36
7 Cost per Hour		\$101.24	\$101.31	\$102.67	\$1.37
8 Cost per Passenger Mile		\$0.52	\$0.53	\$0.53	\$0.00
9 Vehicle Service Miles (000)	3	88,809	88,629	91,365	2,736
10 Passenger Miles (000)		1,440,547	1,400,628	1,418,867	18,239
11 Fare Revenue per Boarding		\$0.58	\$0.64	\$0.66	\$0.02
12 Subsidy per Boarding	2	\$1.44	\$1.40	\$1.38	(\$0.02)
13 Subsidy per Passenger Mile	2	\$0.37	\$0.36	\$0.35	(\$0.00)
14 Vehicles Operated		2,066	2,000	2,110	110

Light Rail	Notes	FY03 Actual	FY04 Budget	FY05 Proposed	Inc/(Dec) Budget
15 Fares (\$000)		\$18,048	\$28,434	\$24,551	(\$3,883)
16 Other Revenue (\$000)		\$0	\$1,350	\$375	(\$975)
17 Expenses (\$000)	1	\$85,916	\$123,585	\$145,772	\$22,187
18 Boardings (000)		31,869	44,077	41,456	(2,621)
19 Farebox Recovery Ratio		21.0%	24.1%	17.1%	-7.0%
20 Vehicle Service Hours (000)	3	286	406	389	(17)
21 Cost per Hour		\$300.25	\$304.41	\$374.83	\$70.41
22 Cost per Passenger Mile		\$0.38	\$0.54	\$0.68	\$0.14
23 Vehicle Service Miles (000)	3	6,987	9,536	9,264	(272)
24 Passenger Miles (000)		225,712	229,198	215,568	(13,630)
25 Fare Revenue per Boarding		\$0.57	\$0.65	\$0.59	(\$0.05)
26 Subsidy per Boarding	2	\$2.13	\$2.13	\$2.92	\$0.79
27 Subsidy per Passenger Mile	2	\$0.30	\$0.41	\$0.56	\$0.15

Heavy Rail	Notes	FY03 Actual	FY04 Budget	FY05 Proposed	Inc/(Dec) Budget
28 Fares (\$000)		\$15,192	\$15,227	\$17,733	\$2,506
29 Other Revenue (\$000)		\$1,442	\$3,490	\$1,750	(\$1,740)
30 Expenses (\$000)	1	\$64,497	\$67,495	\$73,366	\$5,871
31 Boardings (000)		31,695	35,908	35,908	-
32 Farebox Recovery Ratio		25.8%	27.7%	26.6%	-1.2%
33 Vehicle Service Hours (000)	3	264	270	270	-
34 Cost per Hour		\$244.39	\$249.71	\$271.43	\$21.72
35 Cost per Passenger Mile		\$0.42	\$0.41	\$0.44	\$0.04
36 Vehicle Service Miles (000)	3	5,426	6,604	6,604	-
37 Passenger Miles (000)		151,901	165,178	165,178	-
38 Fare Revenue per Boarding		\$0.48	\$0.42	\$0.49	\$0.07
39 Subsidy per Boarding	2	\$1.51	\$1.36	\$1.50	\$0.14
40 Subsidy per Passenger Mile	2	\$0.32	\$0.30	\$0.33	\$0.03

Notes:

- (1) Expenses include Transitional Duty Program but exclude interest and debt administration.
- (2) Subsidy excludes all operating revenue.
- (3) Reflect revenue vehicle hours & miles.

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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) provides 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).

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(Amounts in millions)

<u>PTSC Only</u>	<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Proposed</u>
1 Revenue:			
2 Reimbursement for support services	\$ 153.3	\$ 198.6	\$ 181.8
3 Total revenue	<u>153.3</u>	<u>198.6</u>	<u>181.8</u>
4			
5 Operating expenses:			
6 Salaries, wages & fringe	\$ 152.8	\$ 197.7	\$ 181.0
7 Services, leases, taxes & misc	0.5	0.9	0.8
8 Total expenses	<u>153.3</u>	<u>198.6</u>	<u>181.8</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: AGENCY FUNDS

Benefit Assessment Districts

Benefit Assessment is a fee 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, those capital improvements. Metro's Benefit Assessment is a levy on properties within one-half mile of downtown Metro Red Line stations and one-third mile of the Westlake/MacArthur Park Station.

Metro's Benefit Assessment Districts A1 and A2 were created pursuant to a resolution adopted by the former Southern California Rapid Transit District's Board of Directors on July 11, 1985, to pay for a portion of the construction costs of the Metro Red Line Segment 1 stations. BAD A1 includes the downtown area of Los Angeles. Boundary is set at one-half mile from the centers of the Metro Red Line Union, Civic Center, Pershing Square, and 7th Street Metro Stations. BAD A2 includes the MacArthur Park area. Boundary is set at one-third mile from the center of the Westlake/MacArthur Park Station.

The purpose of the Benefit Assessment District (BAD) Program is threefold: (1) to ensure that assessments are levied at a rate high enough to repay the A1 and A2

Assessment Districts' bonded indebtedness and administrative costs, (2) to implement the property owner appeals process, and (3) to maintain a current inventory of assessable properties. The A1 and A2 Districts' bonds do not constitute an indebtedness of the MTA and are payable solely from payments received on assessments against the levied properties.

EZ Transit Pass Program

The EZ Pass Program is a regional pass program that allows patrons to transfer among various transit providers. Currently, eighteen operators participate in the program. The program provides seamless travel for patrons that use the EZ Pass to access different transit systems.

The MTA acts as the custodian for the EZ Pass program. All program revenues are collected in an agency fund and distributed to the participating operators based on an MTA Board approved formula. An excess of revenues over distributions and costs, if any, is held in the agency fund until the MTA Board determines its proper and equitable distribution to the participating operators.

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Agency Funds	Benefit Assessment District			EZ Pass Program		
	FY03 Actual	FY04 Budget	FY05 Proposed	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:						
2 Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Investment income	0.8	-	-	-	-	-
4 Licenses and fines	-	-	-	-	-	-
5 Other	11.0	15.7	22.6	-	-	7.5
6 Total revenues	11.8	15.7	22.6	-	-	7.5
7						
8 Expenditures:						
9 Debt and interest expenditures	11.3	15.2	22.2	-	-	-
10 Services	-	-	-	-	-	7.5
11 General and administrative	0.5	0.5	0.4	-	-	-
12 Total expenditures	11.8	15.7	22.6	-	-	7.5
13						
14 Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
15						
16 Other financing sources (uses):						
17 Operating transfers in	-	-	-	-	-	-
18 Operating transfers out	-	-	-	-	-	-
19 Total other financing sources (uses)	-	-	-	-	-	-
20						
21 Excess (deficiency) of revenues and other financing						
22 sources over expenditures and other financing uses	-	-	-	-	-	-
23						
24 Fund surplus balance - beginning of year	-	-	-	-	-	-
25						
26 Fund surplus balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.

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<u>PRMA Only</u>	<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Proposed</u>
1 Revenue:			
2 Reimbursement for support services	\$ 54.3	\$ 54.9	\$ 54.6
3 Total revenue	<u>54.3</u>	<u>54.9</u>	<u>54.6</u>
4			
5 Operating expenses:			
6 Fringe benefits	\$ 51.8	\$ 48.4	\$ 47.9
7 Allocable costs	2.5	6.6	6.7
8 Total expenses	<u>54.3</u>	<u>54.9</u>	<u>54.6</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 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 in Los Angeles County. This is the largest such program in the United States. An average of 500 calls are received everyday.

In FY05, SAFE will continue upgrading the call box system to bring it into compliance with ADA. This three-year, \$7.5 million project (\$3.25 million in FY05) 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. The upgrades are projected to be completed in FY05.

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

SAFE will also begin investigating the transition of the call box system from an analog to a digital or alternative based communications system during FY05.

Another item on SAFE's agenda is the implementation of a new motorist aid cellular service to provide motorists with the ability to use their cellular phones to request roadside assistance.

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.

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Service Authority for Freeway Emergencies	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:			
2 Intergovernmental	\$ -	\$ -	\$ -
3 Investment income	0.9	1.0	0.9
4 Licenses and fines	7.2	7.2	7.0
5 Other	-	-	-
6 Total revenues	8.1	8.2	7.9
7			
8 Expenditures:			
9 Services	7.1	9.2	7.5
10 General and administrative	1.2	1.9	1.6
11 Total expenditures	8.3	11.1	9.2
12			
13 Excess (deficiency) of revenues over expenditures	(0.2)	(2.9)	(1.3)
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 22 sources over expenditures and other financing uses	(0.2)	(2.9)	(1.3)
23			
24 Fund balance - beginning of year *	27.4	27.2	25.0
25			
26 Fund balance - end of year	\$ 27.2	\$ 24.3	\$ 23.7

* FY05 beginning of year fund balances primarily include projected FY04 favorable revenue and expenditure variances.

APPENDIX 15: ADVANCED TECHNOLOGY VEHICLE CONSORTIUM

The Advanced Technology Vehicle Consortium (ATVC) is an advisory body providing technical support to the MTA Operations Committee.

The Operations Committee of the MTA Board reviews ATVC updates to determine those vehicle acquisition strategies that will meet California Air Resource Board's (CARB) Adopted Urban Bus Transit Rules for 2007 and 2010 Emission standards.

ATVC has provided the Operations Committee with reviews on advanced technology vehicles (for example, CNG vehicles with catalyst and hybrid vehicles) for the 2007 ultra-low emissions options.

The ATVC has recommended to MTA such advanced technology vehicles programs as composite-body buses and large capacity buses for fleet-wide implementation.

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Advanced Technology Vehicle Consortium - ATVC	FY03 Actual	FY04 Budget	FY05 Proposed
1 Revenue:			
2 Intergovernmental	\$ -	\$ 2.0	\$ 4.2
3 Investment income	-	-	-
4 Licenses and fines	-	-	-
5 Other	-	-	-
6 Total revenues	-	2.0	4.2
7			
8 Expenditures:			
9 Bus Acquisition	0.0	2.5	4.9
10 Total expenditures	0.0	2.5	4.9
11			
12 Excess (deficiency) of revenues over expenditures	-	(0.5)	(0.7)
13			
14 Other financing sources (uses):			
15 Operating transfer in			
16 General Fund - Sales/leaseback	-	0.5	0.7
17 Operating transfers out	-	-	-
18			
19 Total other financing sources (uses)	-	0.5	0.7
20			
21 Excess (deficiency) of revenues and other financing			
22 sources over expenditures and other financing uses	-	-	-
23			
24 Fund balance - beginning of year	-	-	-
25			
26 Fund balance - end of year	\$ -	\$ -	\$ -

APPENDIX 16: 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 ended 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 was added in June 2003.

FY05 Bus Service Expansion

On January 12, 2004, the MTA received a Final Order directing the agency to further expand bus service by December 2004. To meet the service expansion requirements of the Order, a service plan was developed that will expand service by approximately 333,500 annual revenue hours. A total of 83,000 revenue hours of bus service will be added in June 2004, with another 250,500 annualized revenue hours added in December 2004. The revenues and expenses necessary to implement the FY05 expansion are not included in the

Proposed Budget. The dollars will be included in the Adopted Budget.

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 implemented a Pilot Program of new bus service between 1997 and 2000 and continues to expand the Metro Rapid service network in accordance with the New Service Plan.

Fares

The MTA did not increase fares from the beginning of the Consent Decree in 1996 through December 2003. 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 in 1997.

APPENDIX 17: 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, 2003 (FY04). 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, 2003

President

Executive Director

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VIII. Glossary



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.
ACCRUAL BASIS	A method of accounting that recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.
ACTUARIAL ANALYSIS	Analysis completed and submitted by an individual versed in the collection and interpretation of numerical data (especially someone who uses statistics to calculate insurance premiums).
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.
ALTERNATIVE FUELS	Low-polluting fuels that are used to propel a vehicle instead of high-sulfur diesel or gasoline. Examples include methanol, ethanol, propane or compressed natural gas, liquid natural gas, low-sulfur or "clean" diesel and electricity.
ARTICULATED BUS	A 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 Agency (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 LACMTA'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.
BIAS	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and justify 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. Also known as an unlinked passenger trip.
BOND	An interest-bearing promise to pay a specified sum of money 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. LACMTA’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 & 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.
CASH BASIS	A basis for keeping accounts whereby revenue and expense are recorded on the books of account when received and paid, respectively, without regard to the period to which they apply.
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).
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).
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 paid to ride 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.
FIDUCIARY FUNDS	Financial resources held or managed in an agent or fiduciary capacity.
FIS	Financial Information System. The LACMTA'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 LACMTA'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.
FIXED GUIDEWAY SYSTEM	A system of vehicles that can operate only on its own guideway constructed for that purpose (e.g., commuter rail, light rail). Federal usage in funding legislation also includes exclusive right-of-way bus operations.
FREIGHT MOVEMENT PROGRAM	A strategic plan being developed by LACMTA to address future goods movement growth throughout the county.

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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 any other fund.
GOVERNMENT FUNDS	Four fund types are used to account for the agency's governmental-type activities: General fund, Special Revenue fund, Debt Service fund, and Capital Projects fund. See applicable description herein.
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	A ten-year program started after the Los Angeles riots to distribute taxi vouchers and bus tokens in Los Angeles County.
INTERNAL SERVICE FUND	Fund is used to account for the goods and services provided to LACMTA 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

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KEY PERFORMANCE INDICATOR	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.
LA LIGHT RAIL VEHICLE CAR	Los Angeles Light Rail Vehicle Car. The LA Light Rail Vehicle Car is a generic vehicle designed for the LACMTA for use on the Green and Gold Lines.
LACMTA	Los Angeles County Metropolitan Transportation Authority. Also referred to as MTA or METRO.
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. A 25-year plan for multi-modal transportation needs of Los Angeles County.
LRV	Light Rail Vehicle
MAINTENANCE & MATERIAL MANAGEMENT SYSTEM (M3)	A materiel, equipment, and facilities management system that automates the control, planning, acquisition and distribution of inventory and tracking of maintenance activities.
METRO	Preferred nickname for and reference to the Los Angeles County Metropolitan Transportation Authority (LACMTA).
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 EXPO LINE	Culver City-Los Angeles Mid-City/Exposition Light Rail Transit Project. A 9.6-mile light rail line currently in the planning stage.
METRO GOLD LINE	Union Station-Pasadena Light Rail Transit Project. A 13.7-mile light rail line constructed by the Metro Blue Line Construction Authority. The line opened for revenue service July 28, 2003.
METRO GOLD LINE EASTSIDE EXTENSION	A 6-mile Metro Gold Line light rail transit extension planned to provide service between Union Station and East Los Angeles. The line is scheduled to open in 2009.

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 ORANGE LINE	A 14-mile Metro Rapidway being built on a former Southern Pacific Railroad right-of-way between the North Hollywood Metro Rail Station and Warner Center in Woodland Hills. Service is scheduled to begin in 2005.
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	LACMTA's BRT service on a dedicated right-of-way. See Metro Orange Line.
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. The study is required by the FTA to obtain federal funds to proceed with any major capital improvement.
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.
MODIFIED ACCRUAL BASIS	A method of accounting that recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under modified accrual accounting, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.

MOSIP	Municipal Operator Service Improvement Program
MOU	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.
MOW	Maintenance of Way. Also known as Wayside Maintenance.
MTA	Metropolitan Transportation Authority. Also known as LACMTA or METRO.
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. A 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.
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.
OVERHEAD CATENARY	An overhead contact wire system that supplies power from a central power source to a rail vehicle or trolley bus.
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 LACMTA 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.
PROPRIETARY FUNDS	Two fund types are used to account for the agency's business-type activities (e.g., activities that receive a significant portion of their funding through user charges): Enterprise fund and Internal Service fund. See applicable description herein.
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.
RFP	Request for Proposal. An 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. 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. SAFE is a separate legal entity.
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 system. A system used by Rail Operations to regulate, direct, and modify train movement and monitor the functional state of rail facilities (e.g. rail signals, switches, electricity loads, station ventilation, security, etc.).
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.
SCORECARD	A system that graphically displays the status of many agency key performance indicators. The Scorecard measures plans against results and displays historical data, current totals, targets, and forecasts so users can easily assess progress, monitor trends, and identify best practices.
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.

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. The California Transportation Commission (CTC) adopted this program that serves as the primary vehicle for programming funds for highway projects.
TCU	Transportation Communications Union. Union representing clerical workers.
TDA	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of $\frac{1}{4}$ 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	International Brotherhood of Teamsters (IBT). 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. A system that 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

LACMTA, 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.

