



Budget

REVISED
PROPOSED

1996 1997



Los Angeles County Metropolitan Transportation Authority
Los Angeles, California

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**Los Angeles County
Metropolitan Transportation Authority**

**FISCAL YEAR 1996-1997
BUDGET Revised Proposed**

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Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA

90012

213.922.6000

Mailing Address:

P.O. Box 194
Los Angeles, CA 90053

May 30, 1996

To Members of The Board of Directors

I am pleased to present the Fiscal Year 1997 Proposed Budget for the Los Angeles County Metropolitan Transportation Authority. Our key focus and number one funding priority for Fiscal Year 1997 is our customers - providing quality, safe and reliable transportation services to the residents of Los Angeles County. Our funding priorities for fiscal 1997 are:

- Customer service
- Fully funding bus and rail operations
- Improving agency oversight and construction safety
- Implementing the vision articulated in the Long Range Plan.

We have overcome a potential \$40 million operating deficit to present a balanced operating budget without reliance on one-time revenues, reduced service or increased fares. We have achieved this through tightly controlling expenses and benefiting from an improving economic outlook. To achieve this balanced budget and meet our customer expectations, we must implement performance measurements throughout the organization and consistently measure performance against our goals and objectives. The reorganization, recommended by the CEO Peer Review Panel, which will be implemented in Fiscal Year 1997, will provide the structure to facilitate the changes necessary to achieve our goals and improve performance and productivity.

In preparing their budgets, I have asked managers at all levels to prioritize their work and ensure that critical customer needs are their first priority. We have set the agenda to reduce or eliminate activities which are not related to our core mission and service. Our continuing challenge is to develop better, more consistent, and respected business practices in all areas and functions of the LACMTA.

Fiscal Year 1997 is a cornerstone budget. We have resolved nearly all merger transition issues and are focused on meeting our customer's needs, improving the quality of our service, and improving the effectiveness of our organization. Fiscal Year 1997 will be a benchmark year from which to measure the future operational and financial performance of LACMTA. Critical to this success is holding our leaders at all levels accountable for the budget presented.

I look forward to working with you to achieve these objectives in the next fiscal year.

Joseph E. Drew
Chief Executive Officer

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May 30, 1996

Board of Directors
Los Angeles County Metropolitan
Transportation Authority
One Gateway Plaza
Los Angeles, California 90012

Los Angeles County
Metropolitan
Transportation
Authority

To the Chair and
Members of the Board of Directors:

Introduction

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90012
213.922.6000

The Proposed FY97 Budget presents a significant departure from prior year budgets. The FY97 Proposed Budget provides funding for the implementation of the second year of the 20 Year Long Range Plan; the Bus System Improvement Plan; increases in staff dedicated to safety; contract compliance; and customer service and funding for the first achievement based non-contract pay raise since the inception of the LACMTA.

Mailing Address: 213.922.6000 While prior year budgets relied on layoffs, fare increases, service reductions and one time revenue to remain balanced, the Proposed FY97 Budget is balanced through realistic revenue and expense projections; management strategies to hold constant or reduce costs which do not directly impact the level and quality of bus and rail service and prioritization of capital expenditures.
P.O. Box 194

Los Angeles, CA 90053

Structurally, the Proposed FY97 Budget is also a departure from previous years. While the role of the LACMTA as Operator, Planner and Builder was clearly identified in the FY96 Budget, the Proposed FY97 Budget also takes into consideration the fund structure upon which the Budget is based. In addition, statistics regarding prior year actual results of operations have been included in order to give the reader a base line point of comparison when analyzing the Proposed FY97 Budget.

Historical Operating Results

FY95 actual operating revenue was \$44M below FY 95 budgeted revenue because the budget assumed a fare increase which did not materialize. The FY95 Budget was ultimately balanced by relying on one time revenue and through significant staffing reductions.

The FY96 Operating Budget assumed a reduction in operator salaries and fringe benefits of over \$20M (14%) without a reduction in service levels. This reduction in operator salaries did not materialize. In addition, Federal Operating Assistance was reduced by \$7.7M compared with the FY96 Budget. This resulted in a first quarter FY96 deficit of \$28.3M. It is projected that FY 96 Budget will be balanced as of June 30, 1996. The projected \$28.3M deficit was overcome by careful analysis of major cost drivers including operator requirements and attrition rates; liability account trends and potential costs which can be capitalized. A Summary of Historical Operating Results is included in the Financial Summary Section.

Priorities for the Proposed FY97 Budget

The Proposed FY97 Budget is based upon fulfilling the mission of LACMTA to:

plan, program, design, construct, operate and maintain a safe, reliable, affordable, and efficient transportation system that increases mobility, relieves congestion, and improves air quality to meet the needs of all Los Angeles County residents.

Each of the following assumptions upon which the Proposed FY97 Budget is based was developed keeping in mind the attainment of this mission.

- FY97 budgeted service levels are based upon FY96 actual service levels affected by the cost of the Green Line Shuttle service, the opening of Segment 2A, Red Line, 13 contracted bus lines and the mobility allowance of the Bus System Improvement Plan.
- Operator and maintenance wages and fringe benefits are adequately funded to support service levels.
- Costs not directly related to operating service or salaries and wages are funded at or below FY96 Budget levels.
- Specific expenses such as fuel, materials and supplies, tires, leases, and taxes are centrally budgeted to increase visibility and management oversight.
- Operating and Capital Programs and budgeted positions are reviewed and resources reallocated to the highest priority programs in terms of accomplishing the mission of the LACMTA.
- Proposition C discretionary sales tax receipts dedicated to base bus service are projected to increase 4.8%, significantly lower than the UCLA forecast. Receipts in excess of the projection are dedicated to the Bus System Improvement Plan. In this way, base service will less likely be impacted if UCLA forecast assumptions are too aggressive.
- There is no increase in the fare structure or reliance on one-time revenue.
- Federal Operating Assistance will be eliminated over the next two years.

The assumptions upon which the FY97 Budget are based fund service first and challenge managers to find ways to keep non-service related costs from increasing with inflation.

Based upon the Proposed FY97 Budget, in constant dollars, LACMTA will be providing more service at a lower cost in FY97 than LACMTA provided in FY93.

Short Term Operational Goals

The Proposed FY97 Budget is based upon the following operational goals. Each goal was developed to support the attainment of LACMTA's mission.

- Continue existing service levels and continue implementation of the Bus System Improvement Plan
- Achieve a balanced budget and improve the financial viability of the LACMTA
- Meet quality, safety, schedule and financial performance targets for construction projects
- Continue the allocation of regional revenues with greater emphasis on working with municipal operators and Local Agency representatives
- Develop a labor negotiations strategy consistent with long term goals and short term financial constraints
- Provide leadership to improve cooperation and coordination with the community and public officials
- Improve employee morale
- Conduct planning and community outreach activities in support of the rail development program
- Lead and/or work with other local, State and federal agencies to plan, fund and implement strategies to increase mobility, relieve congestion, and improve air quality countywide

The Proposed FY97 Budget includes specific departmental objectives to support these goals.

Department managers will be responsible for developing performance indicators to measure their success in achieving departmental objectives.

Long Term Concerns and Issues

The Proposed FY97 Budget includes adequate funding for the short term. The Long Range Transportation Plan ("the Long Range Plan"), which the Board adopted on March 22, 1995, allocates adequate funding for bus and rail operations, capital projects, and the rail construction program over the next 20 years.

For the long term, the LACMTA will need to continue to develop alternative strategies through its Long Range Plan process that address the funding needs for (1) expanded and improved bus and rail operations (2) bus, rail and highway capital projects, and (3) the rail construction program. Such alternative strategies will be formulated during the current update of the LACMTA Long Range Transportation Plan, which is scheduled for March 1997.

Four trends that have developed since the 1995 Long Range Plan adoption will need to be addressed as part of the Long Range Plan update:

- Federal Operating Assistance is generally assumed to be phased out over the next two years. Available Federal Operating Assistance for bus and rail operations has decreased from \$45.5M budgeted in FY95 to \$15.0M in the Proposed FY97 Budget.
- The LACMTA is a defendant in a fare lawsuit. If the plaintiffs prevail, there is the possibility that fares will have to be substantially reduced, adversely impacting the LACMTA's ability to provide current levels of service.
- Proposition A and Proposition C sales tax receipts may not increase at as rapid a rate as assumed by the UCLA forecast. A slower than projected rate of growth may adversely impact the LACMTA's transportation programs, including LACMTA's ability to enhance current levels of bus and rail service.
- The LACMTA has implemented a Mobility Allowance Program and alternative service provisions that may potentially produce opportunities for service cost reductions and ridership increases.

Conclusion

The Proposed FY97 Budget provides the framework through which the LACMTA can achieve its mission in the coming year.

The short term objective is for management to continue to reassess priorities and reallocate resources to those programs that most clearly reflect the LACMTA mission.

The long term objective is for management to develop creative strategies that address future needs and challenges.


Ronny J. Goldsmith

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LACMTA BOARD OF DIRECTORS

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Chair

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First Vice Chair

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Yvonne Brathwaite Burke,
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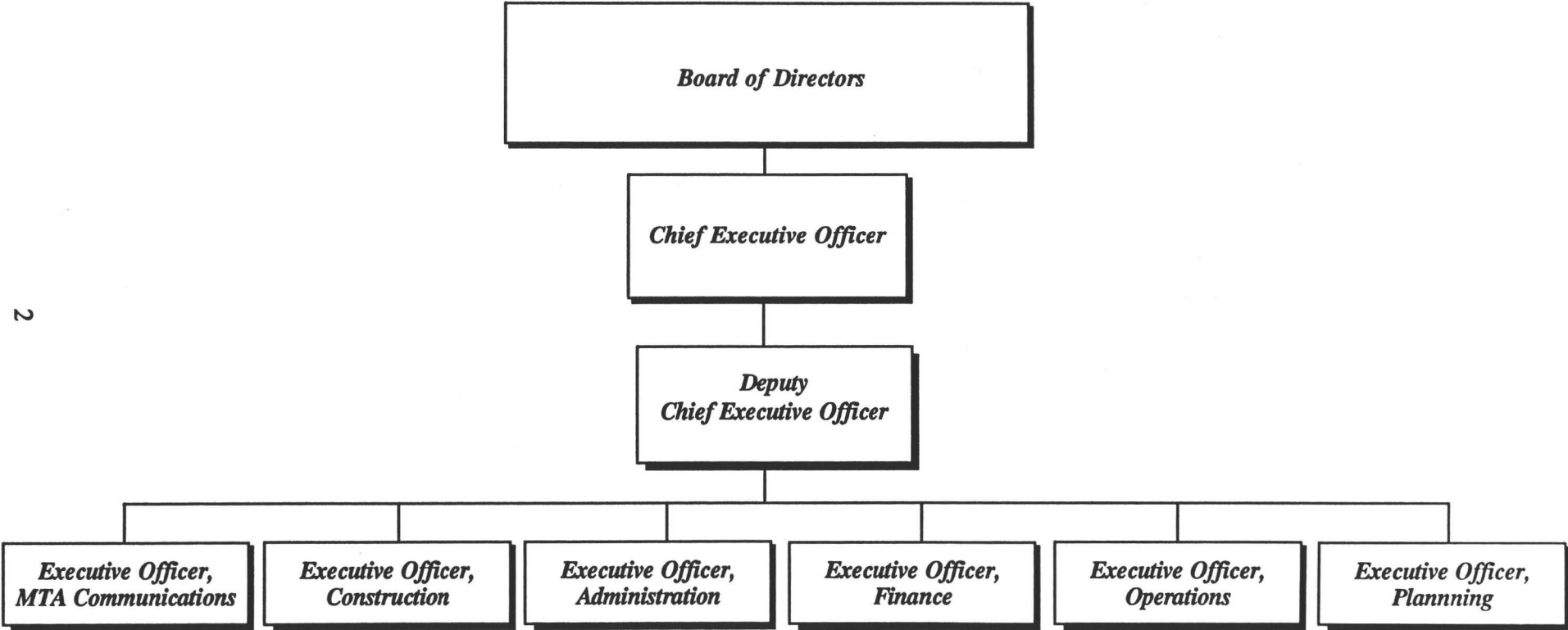
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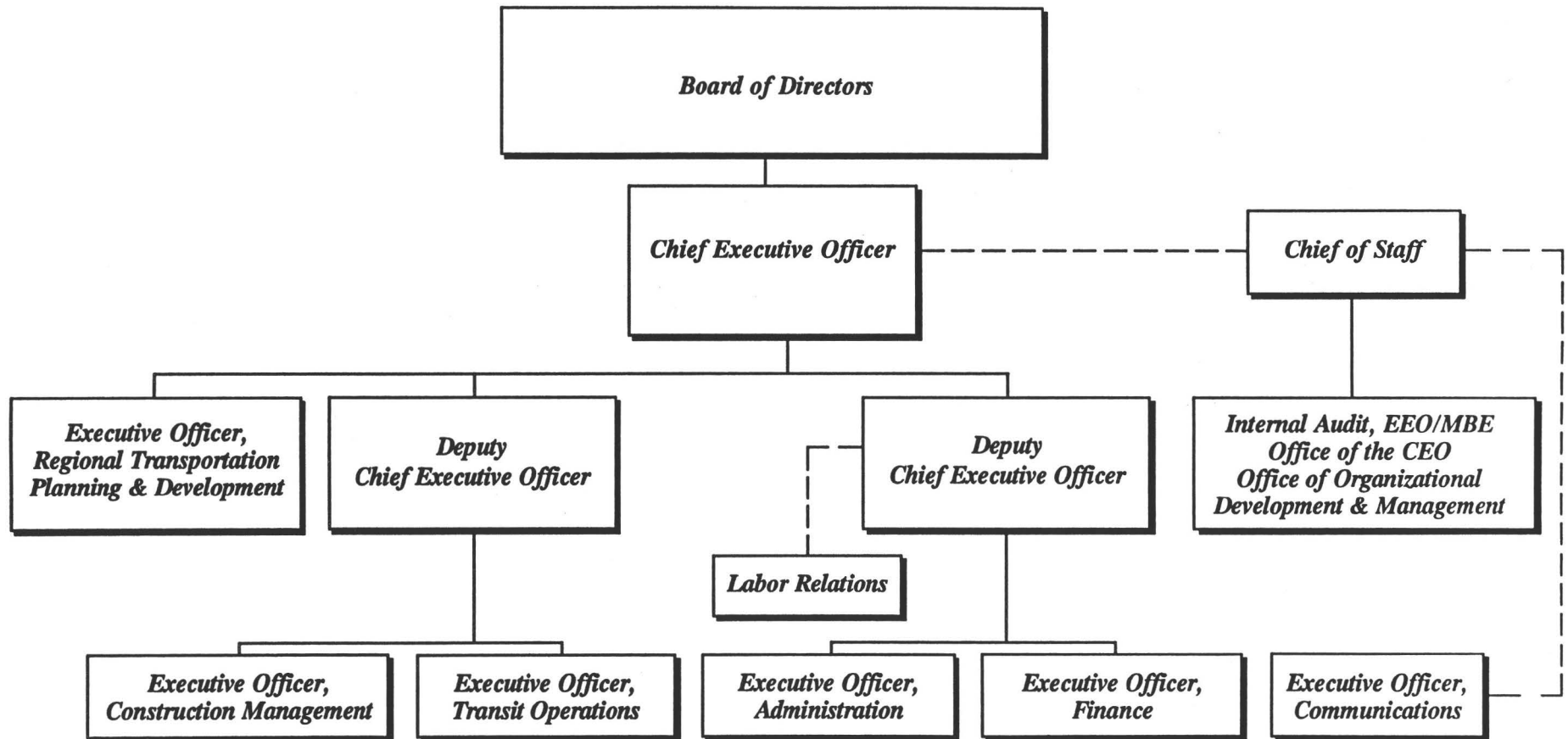
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
ORGANIZATION CHART
FY 96



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**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
ORGANIZATION CHART
FY 97**



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PROFILE OF LACMTA SERVICES AND FARES

LACMTA PROFILE

Introduction

Formed in April, 1993, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the nation's second largest provider of public transportation. LACMTA is responsible for planning, operating, and constructing all aspects of ground transportation in Los Angeles County including (1) highway construction and traffic flow management; (2) public parking facilities; (3) rail construction; (4) bus, rail, and ferry service; (5) alternative modes of transportation; (6) research and development of alternative energy sources for highway vehicles; and (7) air quality, environmental impact, land use, and economic development decisions.

The Los Angeles County Transportation Metropolitan Authority is the principal transportation agency in Los Angeles County. LACMTA is unique as a transportation agency with broad responsibilities in three key areas:

Planning and Programming

- Produces 20 year Long Range Plan for regional transportation
- Programs approximately \$1 billion annually for multitmodal transportation

Operations

- Provides services to over 1 million bus and 80,000 rail passengers per day

Construction

- Manages largest publicly-funded rail construction project in the nation: \$8.5 billion, 79 miles

In 1995, LACMTA opened the Gateway Transit Center at historic Union Station. The Gateway Transit Center connects Los Angeles County through regional and local bus service, and links Los Angeles to neighboring counties by providing easy connections for commuters using Metro Rail, Amtrak, Metrolink, the future Los Angeles-Pasadena light rail line and the El Monte Busway. The Gateway Transit Center integrates bus and rail services while offering park-and-ride options for auto users.

PROFILE OF LACMTA SERVICES AND FARES

LACMTA PROFILE

Long Range Plan

The Long Range Plan is a planning guide for the next twenty years. The goal of the Long Range Plan is to develop a multimodal system that better serves the needs of transit-dependent riders while also providing a network that will attract solo drivers out of their cars through faster transit speeds, improved quality of public transportation service, and expanded commuter choices. The Long Range Plan assumes that more than \$72 billion will be spent over a twenty year period to accomplish these goals.

The Long Range Plan is based on the assumption that the bus network will continue to serve as the backbone of the transit system, and includes strategies which build more transit capacity into the existing transit system while at the same time ensuring that the transit system is used to its fullest potential. The bus system will be expanded and transit-preference corridors will be created so that those traveling in buses or vans will have a faster and more convenient travel alternative. Rail will only be built in the highest-demand corridors where more cost-effective alternatives are not feasible. LACMTA is employing the following strategies to achieve the goals outlined in the Long Range Plan.

- Maintain existing revenue sources and aggressively pursue new transportation revenues for Los Angeles County. In particular, maintain a 50% federal contribution to current and future rail lines. The Long Range Plan assumes that approximately 50% of the funding for the Metro Red Line Segments 2 and 3 will come from federal contributions to the projects, as consistent with the Full Funding Grant Agreement. The assumption is carried forward for the funding of three future rail lines: San Fernando Valley East/West and the Eastern and Western extensions of the Metro Red Line. If the federal contribution (either on an annual or a total basis) is lower than anticipated, the timing and delivery of these projects will be impacted.
- Improve bus transit service by targeting highly transit-dependent areas with better, more frequent service. Add 300 buses to the total county-wide peak bus fleet to improve service quality in high demand areas and, as rail lines open, eliminate duplicative bus routes, thereby reallocating up to 140 additional buses for other needed services.
- Continue to develop the Los Angeles County rail network by building the Pasadena Line, building a rail line in the San Fernando Valley, and completing the Eastern and Western extensions of the Metro Red Line. Six additional projects are under consideration in the second decade of the Plan, if additional funds become available. These projects are the Crenshaw Corridor; Downtown Connector; Exposition Line (downtown to USC); Glendale/Burbank Line; San Fernando Valley East-West (405 Freeway to Warner Center); and the 10/60 Corridor.

PROFILE OF LACMTA SERVICES AND FARES

LACMTA PROFILE

Long Range Plan

- Improve highway transit speeds and service by constructing 279 miles of HOV lanes and gap closures on freeways and major streets, adding 130 miles of arterial bus lanes on surface streets, and increasing traffic signal synchronization efforts throughout the County.
- Promote and implement innovative strategies that encourage mass transit usage by identifying customer needs and providing a system that meets those needs. Those strategies include methods of optimizing the current system by making it more efficient and reliable.
- Make use of existing right-of-ways by enhancing commuter rail service and exploring the option of using rail bus (DMU) technology to provide a lower cost alternative to light rail systems in corridors such as Glendale/Burbank and the Eastern extension to the Pasadena Line.
- Participate as a financial partner in the Alameda Corridor project to help ensure the economic success of the region by facilitating the efficient movement of goods.
- Promote changes in the behaviors of the commuting public by exploring and advancing policies that discourage single occupancy vehicle travel and encourage greater reliance on transit and ride sharing, and innovative alternatives such as telecommuting.
- Implement cost savings measures to increase the cost-efficient delivery of both transit services and capital projects.

PROFILE OF LACMTA SERVICES AND FARES

PROFILE OF LACMTA SERVICES

<p style="text-align: center;">Metro Bus</p> <p>3rd Largest Bus System in the United States providing:</p> <ul style="list-style-type: none"> • 6.3 Million Vehicle Service Hours • 71.4 Million Vehicle Service Miles • Services 1 million bus passengers daily • 100% wheelchair-accessible • 20% of Bus Fleet Alternatively Fueled 	<p style="text-align: center;">Metro Rail</p> <p>Largest publicly-funded rail construction project in the United States, servicing an estimated 80,000 rail passengers daily:</p> <ul style="list-style-type: none"> • <i>Blue Line</i> - 22-mile light rail system connecting Long Beach to Los Angeles • <i>Red Line</i> - 6-mile heavy rail system running through downtown Los Angeles, Wilshire to Western extension opening in summer 1996 • <i>Green Line</i> - 20-mile light rail system linking Norwalk, the Blue Line, El Segundo and Redondo Beach.
<p style="text-align: center;">Paratransit</p> <ul style="list-style-type: none"> • <i>Access Services Incorporated (ASI)</i> - Provides Countywide coordinated services for persons with disabilities • All transit services 100% wheelchair-accessible. 	<p style="text-align: center;">Commuter/Motorist Assistance</p> <ul style="list-style-type: none"> • <i>Freeway Service Patrol</i> - Free motorist assistance provided for by a fleet of 144 tow trucks which patrol LA County freeways to alleviate congestion by assisting stalled vehicles • <i>Metro Call Boxes</i> - 4,000 call boxes along more than 500 miles of freeway and state highways servicing 1,400 calls daily assisting motorists
<p style="text-align: center;">Freeway Programs</p> <ul style="list-style-type: none"> • <i>HOV Lanes</i> - 200 miles of lanes dedicated for high occupancy vehicles • <i>Smart Streets</i> - Sensors under streets surfaces which monitor traffic flow and feed information into central computers to adjust signals to maximize vehicle speeds • <i>Connected Carpool Lanes</i> - Carpool lane connecting freeways 	<p style="text-align: center;">Other Services</p> <ul style="list-style-type: none"> • <i>Gateway Transit Center</i> - Multimodal center linking bus, rail, commuter rail, and park-n-ride services • <i>Bike Lanes</i> - Supports an extensive map of bike lanes throughout service areas • <i>Metro Art</i> - One-half of 1% of rail construction costs are dedicated to the creation of art of each Metro Rail Station • <i>Park-n-Ride Centers</i> - Strategically placed throughout the County for access to rail and bus service

PROFILE OF LACMTA SERVICES AND FARES

PROFILE OF LACMTA FARES

One Way Cash Fares

Bus and Rail	\$1.35
Tokens (Sold in bags of 10)	\$.90
Red Line ¹	\$.25
Freeway Express	\$1.85-\$3.85
Freeway Express (seniors)	\$.70-\$1.70
Senior citizens/Disabled/Blind	\$.45
Transfer (one use within one hour)	\$.25
Seniors/Disabled/Blind transfer	\$.10

¹ Fares will increase to \$1.35 with the opening of the Red Line extension in 1996.

Monthly Passes

Unlimited Local Travel	\$49
Freeway Express	\$64 - \$124
Senior citizens/Disabled/Blind	\$12
High School Monthly Pass (under age 21)	\$20
College and Vocational Pass	\$30

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**II. Mission, Goals, &
Accomplishments**

MISSION, GOALS, AND ACCOMPLISHMENTS

MISSION STATEMENT

In February 1994, the LACMTA Board of Directors adopted the following mission statement:

The mission of the Los Angeles County Metropolitan Transportation Authority is to design, construct, operate and maintain a safe, reliable, affordable, and efficient transportation system that increases mobility, relieves congestion, and improves air quality to meet the needs of all Los Angeles County residents.

MISSION, GOALS, AND ACCOMPLISHMENTS

FY96 KEY ACCOMPLISHMENTS

- Implemented single manager structure in Bus Operations to reduce administrative costs while enhancing customer service.
- Completed construction and opened the Green Line Light Rail System, Summer 1995.
- Implemented new practices and procedures in rail construction to enhance contractor accountability, project safety, quality and schedule adherence.
- Completed construction of Gateway Transit Center and consolidated all LACMTA administrative staff in a single headquarters facility.
- Developed a balanced FY97 Budget without reliance on one-time revenues, increased fares, or staff and service reductions.
- Initiated a communications plan to enhance LACMTA's public image.
- Implemented the Financial Information System (FIS) and consolidated all LACMTA financial information within system.
- Initiated a countywide customer service market research study.
- Initiated restructuring of routes countywide, beginning with the San Fernando Valley.
- Commenced Long Range Plan implementation.

A complete listing of department accomplishments is presented in Section V, Departmental Financial Information.

MISSION, GOALS, AND ACCOMPLISHMENTS

FY97 BUDGET GOALS

Budget goals for FY97 continue to reflect the multifaceted mission of the LACMTA:

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of LACMTA.
- Meet quality, safety, schedule, and financial performance targets for construction projects.
- Implement performance measures to address Triennial Performance Audit recommendations and provide oversight of the implementation process.
- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.
- Develop a labor negotiations strategy consistent with long term goals and short term financial constraints.
- Provide leadership to improve cooperation and coordination with the community and public officials.
- Improve employee morale.
- Conduct planning and community outreach activities in support of the rail development program.
- Lead and/or work with other local, State, and Federal agencies to plan, fund and implement strategies to increase mobility, relieve congestion, and improve air quality countywide.

A complete listing of department objectives to meet these goals is presented in Section V, Departmental Financial Information.

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III. Financial Summary

FINANCIAL SUMMARY

OVERVIEW

Unlike prior year budgets, the Proposed FY97 Budget has been balanced without reliance on one-time revenue, fare increases or service and staff reductions. The Proposed FY97 Budget has been balanced based on the following strategies:

- **FY97 Operating Expenses:** In general, operating expenses are held at estimated FY96 levels which are \$38 M over the FY96 Budget as a result of aggressive cost containment assumptions which fell short of being achieved. The Proposed FY97 Budget assumes the same level of bus and rail service as provided in FY96 and fully funds costs associated with bus and rail operations and maintenance at that level.
- **Scheduled and Unscheduled Overtime:** Operator and Maintenance overtime is reduced by approximately \$10 million compared with estimated FY96 expenses. Operator overtime is reduced by determining the optimum mix of part-time and full-time operators within union contract constraints, and developing a strategy to meet that operator requirement through attrition and specific hiring schedules. Maintenance overtime is reduced as a result of filling previously vacant full time maintenance positions.
- **Worker's Compensation and Public Liability:** Reserve costs are reduced by determining the number of claims which are closed or settled for an amount which is less than the reserved value of the claim. The average "salvage" value is taken into consideration when estimating FY97 reserves for new claims.
- **Non-departmental expenses:** Expenses for fuel, utilities, bus parts, purchased transportation, taxes, leases, and rents are aggregated under a single department for higher visibility and greater financial control.
- **Debt Service and Interest Earnings:** Refinancings planned for FY97 will reduce annual debt service. Cash management practices already in place will increase interest earnings.
- **Services:** Zero based budgeting was implemented for professional service and consultant contracts to insure that those expenses are justified in terms of the mission and goals of the LACMTA.
- **Capitalized Expenses:** Operating expenses are capitalized when those expenses are directly related to capital and construction projects.

FINANCIAL SUMMARY

- Program Prioritizing: Programs were reviewed and resources reallocated to the highest priority programs and costs associated with lower priority programs were reduced or eliminated.

Budgeting Approach

For budgeting purposes, the LACMTA is not treated as a single, integral entity. Rather, it is viewed as a collection of smaller, separate accounting entities known as funds. The Governmental Accounting Standards Board (GASB) defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Annual budgets are adopted for each of the funds used by the LACMTA including the Enterprise, General, Special Revenue, Capital Projects, Debt Service, and Internal Service Funds. All funds except the Enterprise Fund use the modified accrual basis for accounting. Revenue is recognized when it is both measurable and available. The Enterprise Fund uses the accrual basis for accounting. Revenue is recognized when it is received.

Service Assumptions

No changes in existing bus service are planned for FY97. Rail service on the Red Line will increase by approximately 30% over FY96 budgeted levels due to the opening of the Western extension. Service on the Red Line extension is planned for the Summer of 1996. It is assumed that the contracting out of 13 lines will be effective as of July 1, 1996.

<i>Mode</i>	<i>Vehicle Revenue Hours</i>	<i>Vehicle Revenue Miles</i>	<i>Unlinked Passenger Trips</i>
Bus	5,962,000	71,268,000	334,801,000
Contract Services (13 lines)	348,000	5,009,000	13,199,000
Blue Line	74,600	1,448,000	13,500,000
Red Line	26,700	467,000	13,800,000
Green Line	51,500	1,423,000	3,500,000
TOTAL	6,462,800	79,615,000	378,800,000

FINANCIAL SUMMARY

REVENUE ASSUMPTIONS

Operating Revenue

- **Fares:** Fares include all revenue generated from cash fares, and the sale of passes and tokens. No change in the fare structure is proposed in order to balance the Proposed FY97 Budget. Fare revenue is projected to increase \$26.8M million, or 15% over FY95 actual receipts and \$14.6 million or 7% over the FY96 Budget. The increase includes an estimated increase of \$8.8 in Red Line fares, attributable to the opening of the Red Line extension. The proposed FY97 Budget assumes a farebox recovery ratio of 35%, calculated based on total system generated revenue as a percentage of total operating expenses.
- **Other Operating Revenue:** Other Operating Revenue includes advertising income, interest income and other miscellaneous revenue. New revenue in the Proposed FY97 Budget includes \$500,000 generated as a result of the MTA Lite Program. MTA Lite is designed to provide contract maintenance services to other transportation providers through utilizing excess capacity at the Regional Rebuild Center. In addition, \$100,000 is budgeted from the lease of fiber optic lines along commuter rail rights of way owned by the LACMTA.

Sales Tax

- **Propositions A and C Revenue:** Both Proposition A and C are a ½ cent tax on all taxable sales in Los Angeles County. By Ordinance, revenue generated from each Proposition has specific eligible uses according to the following allocations.

<i>Eligible Use</i>	<i>Proposition A</i>	<i>Proposition C</i>
Administration (Maximum amount prior to any other allocation)	5%	1.5%
Local Return	25%	20%
Rail Construction and Operations (Rail Set Aside)	35%	
Discretionary	40%	40%
Transit Security		5%
Commuter Rail		10%
Streets & Highways		25%

FINANCIAL SUMMARY

By Board Action, Proposition A 40% Discretionary Funds are to be used solely for bus and paratransit operations in Los Angeles County. Funds are distributed to all municipal operators, including the LACMTA according to service based formulas. Since 1991, the LACMTA has relied upon the UCLA Business Forecasting Project economic forecast for Los Angeles County as the basis to project current and future LACMTA sales tax revenue derived from Proposition A and C.

The FY97 Budget assumes that Proposition A revenue increases by 6.8% consistent with the September 1995 UCLA Business Forecast projection. Proposition A is credited to a Special Revenue Fund and transferred to the Enterprise, Capital, Debt Service or Subsidy Trust Fund of the LACMTA based upon the revenue necessary to fund FY97 budgeted programs. Funds received but not required in FY97 are held in the Special Revenue Fund for future years.

The Proposed FY97 Budget assumes that Proposition C revenue will increase by 7.3% consistent with the UCLA Business Forecast projection. Discretionary funds in excess of an increase of 4.8% have been dedicated to fund the Bus System Improvement Plan (BSIP). The total amount set aside for the BSIP is \$10.4 million of which, LACMTA is anticipated to receive approximately \$7.9 million. The remainder will be allocated to other operators in Los Angeles county.

Other Subsidies

- **State funds:** The State Transportation Development Act (TDA) provides state funding to eligible operators for operating and capital purposes. Revenues are derived from ¼ cent of the 6-cent retail sales tax collected state-wide. TDA revenue is projected consistent with the UCLA forecast and anticipated to be approximately 52% of Proposition A funds. State Transit Assistance funds are expected to remain at FY96 levels. Other State revenues are assumed to remain stable.
- **Federal funds -** The FY97 Budget assumes continued Congestion Management Air Quality Improvement Program (CMAQ) funding to support Green Line operations and Green Line Shuttle service for the second year of operation. The FY97 budget assumes a 30 percent decrease from FY96 actual revenue in Federal operating assistance.

The budget assumes all committed State and Federal funds for the capital program will be available for expenditure and/or reimbursement as per grant agreements and according to construction schedules.

FINANCIAL SUMMARY

Revenue Trends

Farebox revenue, which represents approximately 18% of bus and rail operations revenue, is comprised of monthly passes, cash, and tokens. Since fiscal year 1994, token use has increased by 150%. Tokens cost .90 cents compared to the base cash fare of \$1.35. The use of monthly passes, currently priced at \$49, has declined by 16% since 1994.

Other significant revenue trends include the decline in Federal Operating Assistance. Federal Operating Assistance is assumed to be phased out over the next two years. Replacing the loss of Federal Operating Assistance continues to be a significant challenge for the LACMTA.

Unlike previous budgets, no one time revenues were used to balance the Proposed FY97 Budget.

FINANCIAL SUMMARY

EXPENSE ASSUMPTIONS

A detailed discussion of expense assumptions related to balancing the FY97 budget are presented in the Transmittal Letter. Other significant expense assumptions are detailed below.

- **Salaries and wages:** Salary increases for contract labor groups are budgeted consistent with the current labor agreements. A 3% pay increase for noncontract salaries is budgeted.
- **Fuel and lubricants:** Fuel prices are budgeted based on the following prices per gallon: diesel \$.60; methanol \$.50; CNG \$.30; and ethanol \$1.10. In total, fuel and lubricants are budgeted at rates 8.6% higher than FY96 projected rates.
- **Purchased transportation:** Full contracting of 13 lines is assumed to be effective as of July 1996.
- **Materials and supplies:** Materials and supplies in total are held at or below FY96 budget levels. Materials associated with major rehabilitation programs, such as the bus overhaul program have been capitalized.
- **Bus Service Improvement Plan (BSIP) -** Expenses of \$7.9 million have been budgeted in miscellaneous expenses and reserved to support implementation of the BSIP in FY97. The budget will be amended to reflect the actual service lines planned for implementation.

Expense Trends

Since 1993, LACMTA has decreased operating expenses by 3% in constant dollars while increasing rail service with the opening of the Green Line and Red Line extension. Services continue to increase with the contracting out of additional lines. The full contracting of service has resulted in net annual savings of approximately \$9 million. The savings have been used to fund bus operations.

FINANCIAL SUMMARY

SUMMARY OF SIGNIFICANT CHANGES IN BUDGETARY APPROACH

The FY97 Budget presents more financial information than has been presented in prior years. FY95 actual results of operations have been included in order to give the reader a baseline point of comparison when analyzing the Proposed FY97 Budget. A presentation of budgets by fund has been included to provide further insight into the financial management and operations of the LACMTA. The Departmental Financial Section presents total expenses, including operating and capital expenses, by department. The Capital Budget includes all expenses associated with planned capital projects including prior year unspent balances. Unlike prior budgets, the Funds Programmed to Other Agencies Sections includes only those funds which will be directly distributed by the LACMTA. Funds programmed to other agencies which are not directly distributed by the LACMTA amount to in excess of \$500M and are reported in other financial documents produced by the LACMTA. Unexpended prior year balances and anticipated FY97 expenditures are included in the total funds programmed.

As part of LACMTA's ongoing effort to improve financial reporting and accountability, several changes have been made in the treatment and presentation of budgetary data. Changes in budgetary approach may account for significant variances between prior year budgets and results of operations and the FY97 budget. Significant differences are noted and explained wherever possible.

Significant changes in budgetary approach include the following:

- Fringe benefits are calculated in total for all agency employees and allocated to departments and cost centers based on direct labor costs. The FY97 budgeted fringe benefit rate is 42% percent. Fringe benefit expense includes: health and welfare benefits; worker's compensation reserves; pensions; FICA; Medicare; and, specific employment expenses related to job responsibilities such as uniform and tool allowance and job training. Nonwork time, such as vacation and sick, is also considered a fringe benefit. This is a change from prior year's reporting in which nonwork time was included as direct salary.
- The definition of a capital expenditure was revised to include all expenditures of \$2,500 or greater with a life of one year or more. Previously, capital expenditures were defined as expenditures of \$5,000 or greater with a life of one year or more.
- The Southern California Regional Rail Authority(SCRRA) is no longer treated as part of the LACMTA reporting entity for budgetary purposes.

FINANCIAL SUMMARY

- Expenses related to capital projects are directly charged to those projects. In prior years those charges were treated as transfers out of departmental budgets.
- Expenses for the following line items have been centralized as part of the Finance Department in a nondepartmental cost center to improve financial monitoring of these expenses:
 - Fringe benefits
 - Fuel and lubricants
 - Utilities
 - Inventory adjustments
 - Taxes
 - Leases and rentals
- Other consolidated line items include:
 - Printing services in General Services
 - Travel and seminar expenses in Executive Office budgets
 - Computer and related supplies in Information and Technology Services
- Several organizational changes have occurred since FY95 which resulted in the transfer of positions within Executive Units and among departments. Examples include the transfer of Customer Relations to Communications and the reorganization of Administration. The transfer of positions accounts for some increases and decreases within department budgets and differences in reporting periods.
- A new organizational structure was implemented as the Proposed FY97 Budget went to press. Department structures do not reflect the organizational structure in place as of July 1, 1996. The reorganization did not increase the number of budgeted positions. Consequently it had no impact on FY97 budgeted expenses. Organization charts reflecting the organizational structure upon which the Proposed FY97 Budget is based as well as the organizational structure in place on July 1, 1996 are included in the Introduction Section.

FINANCIAL SUMMARY

SUMMARY OF BUDGETED EXPENDITURES BY PROGRAM

Dollars in Thousands (\$000)

	FY 97 PROPOSED	LOCAL FUNDS	STATE FUNDS	FEDERAL FUNDS
TRANSIT OPERATIONS				
Bus	594,751	438,379	151,475	4,896
Blue Line	39,962	39,962	-	-
Red Line	32,232	32,232	-	-
Green Line	28,613	7,413	-	21,200
TOTAL - TRANSIT OPERATIONS	695,557	517,985	151,475	26,096
RAIL CONSTRUCTION PROJECTS				
Red Line Segment 1	11,285	11,285	-	-
Red Line Segment 2	279,638	246,190	-	33,448
Red Line Segment 2 - Construction Mitigation	9,958	9,958	-	-
Red Line Segment 3 - North Hollywood	334,449	88,737	-	245,712
Red Line Segment 3 - Mid City	1,365	1,365	-	-
Red Line Segment 3 - Eastern Extension	86,863	24,272	17,591	45,000
Blue Line - Pasadena	79,747	15,341	64,406	-
LA Car	58,214	10,570	9,898	37,746
Green Line	28,865	19,518	9,347	-
North Coast Extension	6,000	6,000	-	-
Blue Line - Long Beach	3,606	3,606	-	-
Maintenance of Way Facilities	3,735	1,770	1,965	-
Environmental Mitigation	6,350	1,051	-	5,299
Engineering Design Services	6,269	6,269	-	-
Transit Enhancements	6,073	6,073	-	-
Systemwide	18,810	18,810	-	-
TOTAL - RAIL CONSTRUCTION PROJECTS	941,226	470,814	103,207	367,205
RAIL PLANNING AND PROGRAM SUPPORT				
Metro Red Line West	2,710	2,710	-	-
Metro Red Line East	665	665	-	-
San Fernando Valley East/West Line	5,565	5,565	-	-
System Safety & Security	3,763	2,223	-	1,540
Other Program Support	2,177	576	-	1,601
TOTAL - RAIL PLANNING & PROGRAM SUPPORT	14,881	11,740	-	3,141
BUS, MINOR RAIL, and ADMINISTRATIVE CAPITAL				
Bus Acquisition	62,433	-	12,488	49,946
Bus Service Maintenance & Operations	23,736	-	4,747	18,989
Bus Operating Facilities	26,771	-	5,315	21,455
Advanced Technology Transit Bus	11,682	3,182	-	8,500
Computers & Related Equipment	5,865	750	1,263	3,852
Gateway Transit Plaza	9,420	9,420	-	-
Rail Operations Capital	6,019	793	432	4,794
All Other Bus and Minor Rail and Admin Capital	26,971	1,749	5,598	19,624
TOTAL - BUS, MINOR RAIL, and ADMINISTRATIVE CAPITAL	172,896	15,894	29,843	127,159

FINANCIAL SUMMARY

SUMMARY OF BUDGETED EXPENDITURES BY PROGRAM

Dollars in Thousands (\$000)

	FY 97 PROPOSED	LOCAL FUNDS	STATE FUNDS	FEDERAL FUNDS
PLANNING STUDIES and PROGRAM SUPPORT				
Transit Planning	24,793	24,793	-	-
Highway Planning	16,321	16,321	-	-
Demand Management Planning	3,805	3,805	-	-
Joint Development	2,083	2,083	-	-
Commuter Rail	1,435	1,435	-	-
Other Planning & Programming Projects	4,611	4,611	-	-
Benefit Assessment District Administration	762	762	-	-
TOTAL - PLANNING STUDIES and PROGRAM SUPPORT	53,811	53,811	-	-
FREEWAY SERVICE PATROL and MOTORIST ASSISTANCE				
Freeway Service Patrol	25,177	20,417	4,759	-
Service Authority for Freeway Emergencies	16,713	-	16,713	-
Major Incidence Response	5,547	5,547	-	-
TOTAL - F.S.P and MOTORIST ASSISTANCE	47,436	25,964	21,472	-
DEBT SERVICE (See Note Below)	300,741	261,135	13,001	26,605
IMMEDIATE NEEDS	5,000	5,000	-	-
CAREER DEVELOPMENT AND TRAINING	1,538	1,139	-	399
ADMINISTRATION AND SUPPORT	35,593	32,361	3,231	-
LOS ANGELES NEIGHBORHOOD INITIATIVE (LANI)	1,600	320	-	1,280
LOCAL TRANSPORTATION ENTERPRISE (LTE)	356	356	-	-
TOTAL OPERATING AND CAPITAL EXPENSES	2,270,635	1,396,520	322,230	551,885
FUNDS PROGRAMMED TO OTHER AGENCIES	560,208	491,092	68,416	700
TOTAL MTA BUDGETED EXPENDITURES	2,830,843	1,886,892	390,646	552,585

Note:

Debt Service listed above includes Interest and Principal Expense Charged to the Enterprise and Benefit Assessment Funds

FINANCIAL SUMMARY

SUMMARY OF BUDGET BY EXPENSE CATEGORY

Expense Summary	Dollars in Thousands (\$000)		
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 456,327	\$ 334,620	\$ 352,870
Fringe Benefits	184,531	180,943	216,198
Services	440,195	699,556	407,882
Fuel & Lubricants	24,484	25,224	26,822
Material & Supplies	68,485	66,816	60,951
Leases & Rentals	14,638	10,643	4,854
Casualty & Liability	66,897	64,821	89,166
Utilities	30,447	16,168	16,412
Debt Expense	295,837	250,042	320,271
Taxes	9,438	3,093	3,056
Purchased Transportation	-	14,611	17,500
Acquisitions	227,880	404,790	742,237
Transfers & Allocations	(63,939)	(119)	(3,109)
Subsidies	425,513	1,001,800	560,208
Other	54,377	8,303	15,525
Total	\$ 2,235,110	\$ 3,081,312	\$ 2,830,843

Staffing	8,888	8,289	8,340
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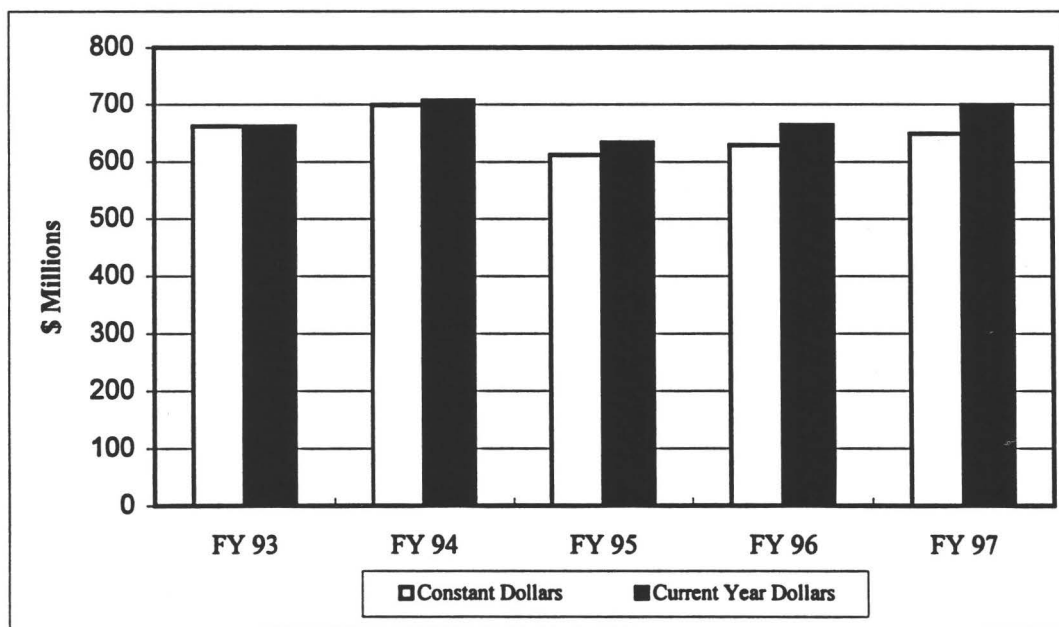
Executive Office Summary

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Board Of Directors	\$ 8,604	\$ 10,852	\$ 15,280
Chief Executive Office	44,586	38,181	31,537
Administration	87,278	193,693	85,994
Communications	32,510	16,657	24,789
Construction	468,570	648,151	830,347
Finance	1,045,565	1,604,360	1,325,652
Operations	376,443	529,226	463,655
Planning And Programming	171,554	40,192	53,588
Total	\$ 2,235,110	\$ 3,081,312	\$ 2,830,843

**Bus and Rail Operations
Historical Operating Results
Revenues**

Dollars in Thousands (\$000)

	ACTUAL FY 93	ACTUAL FY 94	ACTUAL FY 95	BUDGET FY 96	BUDGET FY 97
FAREBOX	125,142	127,207	119,898	116,375	125,151
OTHER FARE	75,781	80,031	78,451	96,222	103,478
OTHER SYSTEM	20,522	28,725	16,444	14,388	13,106
SUB-TOTAL SYSTEM	221,445	235,963	214,793	226,985	241,735
SALES TAX	257,214	248,238	210,341	213,563	249,305
TDA	118,402	127,387	128,282	138,369	141,896
OTHER STATE	8,438	45,800	17,356	27,897	19,679
FEDERAL	45,618	46,947	48,020	51,182	41,096
OTHER LOCAL	10,824	2,442	14,972	6,113	5,360
SUB-TOTAL SUBSIDIES	440,496	470,814	418,971	437,124	457,336
TOTAL REVENUE	661,941	706,777	633,764	664,109	699,071
CONSTANT DOLLAR REVENUE	661,941	699,223	612,173	628,619	649,104
CONSUMER PRICE INDEX	149.7	151.3	154.8	157.7	160.4
ANNUAL CHANGE IN CPI		1.07%	2.31%	1.87%	1.71%
CUMULATIVE CHANGE IN CPI		1.07%	3.41%	5.34%	7.15%



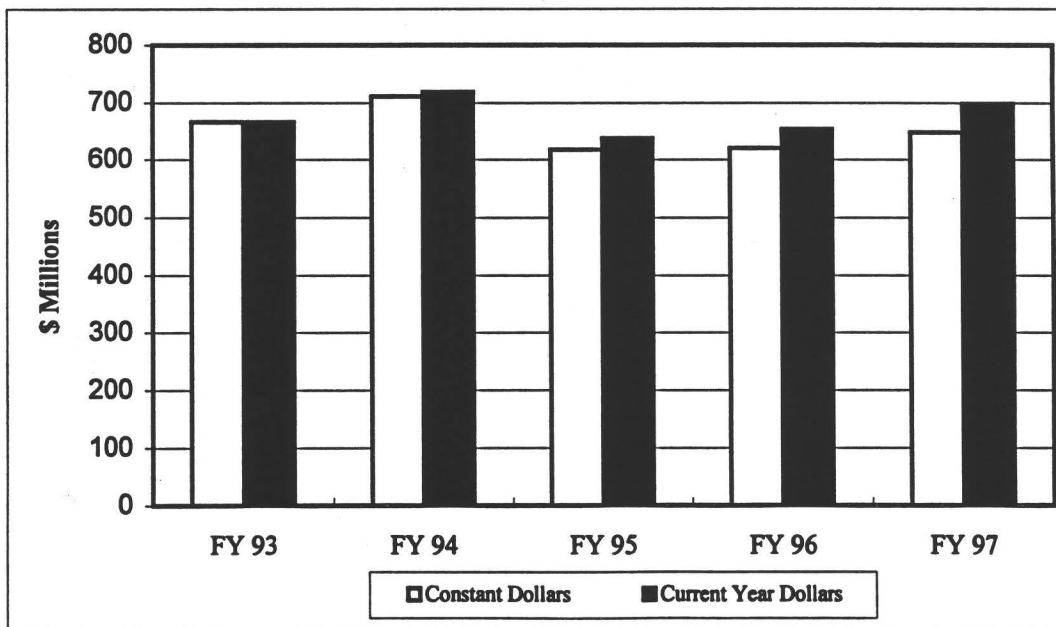
Notes:

All years exclude RAN proceeds

**Bus and Rail Operations
Historical Operating Results
Expenses**

Dollars in Thousands (\$000)

	ACTUAL FY 93	ACTUAL FY 94	ACTUAL FY 95	BUDGET FY 96	BUDGET FY 97
SALARIES & WAGES	374,459	343,753	310,346	277,880	280,517
FRINGE BENEFITS	116,336	189,456	152,661	148,592	162,558
SERVICES	38,870	42,747	10,841	27,852	43,919
MATERIAL & SUPPLIES	72,722	76,385	62,529	62,713	59,288
UTILITIES	12,268	13,495	12,429	13,516	11,485
CASUALTY & LIABILITY	25,217	22,232	34,163	28,376	31,503
MISCELLANEOUS	12,120	13,934	16,601	14,953	22,333
INTEREST EXPENSE	14,783	17,056	21,061	22,427	19,177
ALLOCATED OVERHEAD		0	18,334	58,700	69,984
TOTAL EXPENSES	666,775	719,058	638,965	655,009	700,764
CONSTANT DOLLAR EXPENSES	666,775	711,373	617,197	620,005	650,676
CONSUMER PRICE INDEX	149.7	151.3	154.8	157.7	160.4
ANNUAL CHANGE IN CPI		1.07%	2.31%	1.87%	1.71%
CUMULATIVE CHANGE IN CPI		1.07%	3.41%	5.34%	7.15%



Notes:

All years exclude depreciation and RAN principal repayment

FY97 Services includes cost of BSIP, increased contract security and Green Line Shuttles

FY97 Miscellaneous Expenses includes cost of 13 contracted lines

FY97 includes additional operating expenses associated with Red Line Extension

FINANCIAL SUMMARY

SUMMARY OF BUDGETED POSITIONS

	FY95 Budget	FY96 Budget	FY97 Budget	FY97 Inc (Dec) over FY 96
<i>Board Officials</i>				
Board Secretary's Office	13	14	19	5
County Counsel	15	7	6	-1
Inspector General	25	32	37	5
Total Board Officers	53	53	62	9
<i>Chief Executive Office</i>				
Chief Executive Officer	15	17	14	-3
Equal Opportunity Administration	39	36	39	3
Management Audit Services	21	21	44	23
Transit Police	539	501	501	0
Total CEO Office	614	575	598	23
<i>Administration</i>				
Chief Administrative Officer	5	5	5	0
Employee Relations	9	20	20	0
Human Resources	64	69	74	5
Materiel	61	178	187	9
General Services	132	122	125	3
Real Estate		32	32	0
Organizational Planning & Development	13	8	6	-2
Information and Technology Services	112	162	162	0
Total Administration	396	596	611	15
<i>Communications</i>				
Executive Officer, Communications		3	7	4
Metro Art	5	5	9	4
Government Relations	7	7	7	0
Marketing	27	32	26	-6
Media Relations	10	9	8	-1
Public Affairs	27	34	45	11
Customer Relations	186	118	128	10
Internal Communications			4	4
Total, Communications	262	208	234	26

Notes:

Excludes staffing dedicated to SCRRRA/Metrolink

The FY 96 Budget includes staffing increases approved by the Board during the fiscal year.

FINANCIAL SUMMARY

SUMMARY OF BUDGETED POSITIONS

	FY95 Budget	FY96 Budget	FY97 Budget	FY97 Inc (Dec) over FY 96
<i>Construction</i>				
Executive Officer - Construction	18	20	25	5
Quality Management	6	20	19	-1
Construction Safety	4	21	24	3
Engineering	52	57	60	3
Construction	27	31	31	0
Construction Contracts	30	40	67	27
Program Management	27	47	51	4
Total Construction	164	236	277	41
<i>Finance</i>				
Executive Officer, Finance	5	3	5	2
Accounting	77	70	70	0
Treasury	12	14	15	1
Risk Management - Operations	33	32	25	-3
Risk Management - Construction			4	
Revenue	34	116	131	15
Office of Management & Budget	13	12	13	1
Total Finance	174	247	263	16
<i>Operations</i>				
Executive Officer, Operations & Administrative Support	30	75	73	-2
Rail Operations & Service Delivery Support	399	898	969	71
Technical Support & Regional Rebuild Center	769	411	424	13
Bus Operations	5798			
Northern Region		1218	1318	100
Eastern Region		958	990	32
Western Region		1190	1059	-131
Southern Region		1413	1248	-165
Total Operations	6996	6163	6081	-82
<i>Planning and Programming</i>				
Executive Officer, Planning & Programming	4	5	3	-2
Operations Planning & Scheduling	110	100	98	-2
Countywide Planning	36	30	31	1
Multimodal Planning	53	52	56	4
Capital Planning	26	24	26	2
Total Planning & Programming	229	211	214	3
Total Personnel	8,888	8,289	8,340	51

SUMMARY OF OUTSTANDING DEBT OBLIGATIONS

**Annual Long-Term Debt Service Obligation
(In Millions)**

Due in Fiscal Year	Principal	Interest	Total
1995-96	45.8	160.0	205.8
1996-97	52.3	164.5	216.8
1997-98	56.1	161.4	217.5
1998-99	61.2	157.9	219.1
1999-00	64.6	154.1	218.7
Thereafter	2,666.2	2,044.9	4,711.1
Total	\$2,946.2	\$2,842.8	\$5,789.0

As of June 30, 1995, the LACMTA's long-term debt was approximately \$2.9 billion and over the term of the debt LACMTA will pay interest totaling approximately \$2.8 billion. These amounts exclude principal and interest that will be paid from assets deposited in escrow accounts. These escrow accounts relate to certain bonds that have been refunded to reduce the LACMTA's interest expense by taking advantage of market conditions. The revenue sources used to fund this debt vary. The primary source of revenue used to fund this debt is generated from Proposition A and Proposition C Sales Tax. Although, revenue bonds are not subject to California debt limitations, LACMTA has established internal limitations on the percent of Proposition A and C revenue which can be pledged to support debt.

A schedule of outstanding debt and the source of repayment is included on the following page.

SUMMARY OF OUTSTANDING DEBT OBLIGATIONS

Debt Series	Purpose	Original Principal	Source of Repayment - Dedicated Fund Sources	
Equipment Trust Certificates 1984	January 1984	To purchase 447 transit motorbuses	\$18,850,000	General Obligation of the LACMTA payable from revenues other than fare box revenues
Equipment Trust Certificates 1986	August 1986	To purchase 120 transit motorbuses	24,130,000	General Obligation of the LACMTA payable from revenues other than fare box revenues
Sales Tax Revenue Bonds 1986-A	July 1986	To finance proposed rail rapid transit system	157,615,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Bonds 1986-B	July 1986	To finance proposed rail rapid transit system	260,000,000	Proposition A Sales Tax revenues
Sales Tax Revenue Bonds 1986-C	July 1986	To finance proposed rail rapid transit system	111,500,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Bonds 1986-D	July 1986	To finance proposed rail rapid transit system	100,000,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Bonds 1986-E	July 1986	To finance proposed rail rapid transit system	78,500,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Refunding Bonds 1987-A	May 1987	To refund a portion of the \$707,715,000 Sales Tax Revenue Bond Series 1986A-E	271,550,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Refunding Bonds 1988-A	May 1988	To refund \$111,500,000 of Series 1986-C Bonds	112,274,129	Proposition A Sales Tax Revenues
Sales Tax Revenue Refunding Bonds 1989-A	January 1989	To refund Series 1986-D and E Bonds	174,303,858	Proposition A Sales Tax Revenues
Certificates of Participation Workers' Compensation Funding Program 1990	July 1990	To finance the Workers Compensation Funding Program	160,000,000	LACMTA revenues, including all fare box revenues, contract service revenues, if any, and grants or loans if use is not inconsistent with the specific grant or loan
Lease Revenue Bonds -7.375% 1990	December 1990	To finance purchase of 22 light rail cars	26,400,000	Proposition A Sales Tax revenues

Debt Series		Purpose	Original Principal	Source of Repayment - Dedicated Fund Sources
Yen Obligation 1990		To finance purchase of 22 light rail cars- coupled with Lease Revenue Bonds above	6,600,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Bonds 1991-A	June 1991	For certain rail right-of-way acquisitions, construction of rail lines, and rail car acquisition; also to retire approximately \$100 million of outstanding notes	500,000,000	Proposition A Sales Tax Revenues
Sales Tax Revenue Refunding Bonds 1991-B	December 1991	To refund portions of Series 1987 and Series 1988 Bonds	281,425,000	Proposition A Sales Tax Revenues
Certificates of Participation 1991-G	October 1991	To acquire 60 over -the-road buses and 26 fixed-route buses	19,340,000	Any source of legally available funds of the LACMTA; if insufficient, funds from Proposition A Sales Tax
Sales Tax Revenue Refunding Bonds 1992-A	June 1992	To refund portions of Series 1986-A, 1987-A, and 1988-A Bonds	98,700,000	Proposition A Sales Tax Revenues
Proposition C Sales Tax Revenue Bonds, Second Senior Bonds 1992-A	November 1992	To finance various transit projects	516,855,000	Proposition C Sales Tax Revenues
Sales Tax Revenue Refunding Bonds 1992-B	June 1992	To refund portions of series 1986-A, 1987-A, and 1988-A Bonds	107,665,000	Proposition A Sales Tax Revenues
Certificates of Participation 1992-B	June 1992	To finance purchase of 333 buses	118,375,000	Federal Transit Administration grants (approximately 80 percent) and receipts from local entities per existing Memoranda of Understanding
Certificates of Participation 1992-C	December 1992	To finance purchase of buses and other related equipment	3,390,000	Federal Transit Administration grants (approximately 80 percent) and receipts from local entities per existing Memoranda of Understanding
Grand Central Square Qualified Redevelopment Bonds 1993-A	October 1993	To finance rehabilitation of the Grand Central Square Project for commercial and residential use	21,665,000	Primarily Proposition A Sales Tax Revenues
Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Bonds 1993-A	June 1993	To refund portions of Series 1992-A Bonds	204,095,000	Proposition C Sales Tax Revenues

Debt Series	Purpose	Original Principal	Source of Repayment - Dedicated Fund Sources
Proposition C Sales Tax Revenue 1993-B November 1993	To fund various transit projects	312,350,000	Proposition C Sales Tax Revenues
Proposition A Sales Tax Revenue Refunding Bonds 1993-A May 1993	To refund portions of Series 1986-A, 1987-A, 1988-A, 1989-A, 1991-A, and 1991-B Bonds	560,570,000	Proposition A Sales Tax Revenues
General Revenue Bond, (Union Station Gateway Project) 1995-A January 1995	To finance the new 26 story MTA headquarters building and related costs	169,500,000	General Revenues-all fare box revenues, fees and advertising revenues, together with interest income thereon
Proposition C Sales Tax Revenue Bonds, Second Senior Bonds 1995-A July 1995	To finance various transit projects	250,000,000	Proposition C Sales Tax Revenue

Does not include Benefit Assessment District Debt

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**IV. LACMTA Fund
Budgets**

LACMTA FUND BUDGETS

INTRODUCTION

LACMTA accounts for expenses and revenues according to generally accepted accounting practices as defined by the Governmental Accounting Standards Board's (GASB) Codification of Governmental and Financial Reporting Standards. These standards require public agencies to maintain separate accountability over financial resources dedicated for specified purposes through fund designations.

Enterprise Fund

The Enterprise Fund accounts for operations that are financed and operated in a manner similar to a private business enterprise. The Enterprise Fund includes revenue and expenses associated with bus and rail operations.

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in other funds. The LACMTA General Fund provides for all the executive management, administrative and general planning activities of the LACMTA. The General Fund is supported by the administrative portion of Propositions A and C revenue.

Special Revenue Fund

The Special Revenue Fund accounts for revenue earmarked for a specific purpose. Proposition A and C specific eligible purposes for use of the dedicated transportation sales tax revenues. All money received by the LACMTA from Proposition A and C is recorded in the Special Revenue Fund. Revenues are directly disbursed from the LACMTA to local agencies and municipal operators through the formula allocation and local return programs or transferred to other Funds to support bus and rail operations, rail construction, highway development, and other multi-modal programs of the LACMTA.

Debt Service Fund

The Debt Service Fund includes all financial resources to support debt service requirements. LACMTA has incurred debt to support the rail construction program and the construction of major public improvements such as the Union Station Gateway Headquarters and Intermodal Transit Center.

LACMTA FUND BUDGETS

Capital Fund

The Capital Fund includes all major capital acquisition and construction projects. This fund is largely comprised of expenditures to support the rail construction program. Detailed information on the Capital Program by project is presented in Section VI.

Subsidy Trust Fund

The Subsidy Trust Fund includes all funds directly programmed and allocated to other agencies through LACMTA as the regional transportation planning for Los Angeles County.

Los Angeles County Metropolitan Transportation Authority

Budget by Major Fund Type

Fiscal Year 1997

Dollars in Thousands (\$000's)

	<u>General</u>	<u>Enterprise</u>	<u>Special Revenue</u>	<u>Capital</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Subsidy Trust Fund</u>	<u>Total (Memo Only)</u>
Estimated Beginning Fund Balance @ 7/1/96	\$ -	\$ (25,292)	\$ 502,442	\$ 89,874	\$ 56,730	\$ -	\$ -	\$ 623,754
Estimated Revenues and Other Financing Sources								
Operating Revenues	1,050	236,436	-	8,100	-	-	-	245,586
Proposition A	-	-	432,500	-	-	-	-	432,500
Proposition C	-	-	433,600	-	-	-	-	433,600
TDA Revenues	-	-	225,700	-	-	-	-	225,700
Proceeds of Financing	-	35,000	346,000	-	-	-	-	381,000
Intergovernmental - Local	-	5,360	-	81,684	4,615	10,938	-	102,596
Intergovernmental - State	-	-	38,043	98,651	-	-	-	136,694
Intergovernmental - Federal	-	17,800	167,425	311,122	-	-	-	496,347
Interest	-	5,300	14,000	-	-	-	-	19,300
Operating Transfers - In/(Out)	135,623	434,174	(1,960,562)	581,000	248,142	1,415	560,208	(0)
Sub-Total	136,673	734,070	(303,294)	1,080,556	252,756	12,353	560,208	2,473,323
Estimated Total Funds Available	136,673	708,778	199,148	1,170,430	309,486	12,353	560,208	3,097,077
Budgeted Uses of Funds								
Direct Fund Expenditures	136,673	733,662	-	1,135,191	252,756	12,353	560,208	2,830,843
Total Uses of Fund Resources	136,673	733,662	-	1,135,191	252,756	12,353	560,208	2,830,843
Estimated Ending Fund Balance @ 6/30/97	\$ -	\$ (24,884)	\$ 199,149	\$ 35,238	\$ 56,730	\$ -	\$ -	\$ 266,234

Notes:

Agency funds include Benefit Assessment District Activities, and Transportation Foundation

This schedule does not include Fiduciary Trust Funds such as Pension Funds and other funds held in trust by the LACMTA as fiscal agent

Due to a reorganization of the Authority's financial structure resulting from the implementation of a new financial information system, fund balances and expenditures may not be directly comparable to previous Financial Statements

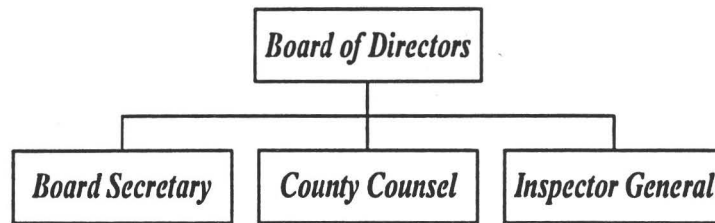
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DEPARTMENTAL FINANCIAL INFORMATION

BOARD OF DIRECTORS

Executive Office Summary

The Office of the Board of Directors consists of the *Board Secretary's Office*, *County Counsel*, and the *Inspector General*.



Position Summary

	FY96	FY97
	<u>Budget</u>	<u>Budget</u>
Board Secretary's Office	14	19
County Counsel	7	6
<u>Inspector General</u>	<u>32</u>	<u>37</u>
Total	53	62

Expense Summary

	FY95	FY96	FY97
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Board Secretary's Office	\$955	\$954	\$1,162
County Counsel	4,995	7,641	11,415
<u>Inspector General</u>	<u>2,654</u>	<u>2,257</u>	<u>2,704</u>
Total	\$8,604	\$10,852	\$15,281

DEPARTMENTAL FINANCIAL INFORMATION

BOARD OF DIRECTORS *Board and Board Secretary's Office*

Department Function

The Board Secretary's Office is responsible for the Board Meeting process, including agendas, minutes, resolutions, and scheduling. The Office also provides support to individual members of the Board with correspondence, travel requests, benefits, expense reimbursements and Director fees. The Board Secretary's Office includes the Legal Services Department and the Ethics and Lobbyist Registration Department. The Legal Services Department is responsible for the acceptance and processing of all legal documents on the LACMTA and its employees. This includes subpoenas, summons and complaints, garnishments, claims for damages and court appearances as the Custodian of Records. The Ethics and Lobbyist Registration Department is responsible for: the implementation and administration of the Ethics Policy which includes advising and training staff on ethics and conflict of interest issues; administration of the statutorily mandated Lobby Registration regulations and; is the filing officer for state mandated Statements of Economic Interest.

FY97 BUDGET GOALS

- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Work with the Board appointees to further the goals of the Board of Directors and the Chief Executive Officer.
- Provide a uniform one-stop process for the legal community to serve LACMTA and its employees.
- Testify in courts of law as Custodian of Records.
- Ensure compliance by staff and the regulated community, with local ordinances, state laws and the LACMTA Ethics Policy.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Assumed responsibility for Statements of Economic Interest.
- Streamlined Board agenda process.

DEPARTMENTAL FINANCIAL SUMMARY

**Executive Office: 1000 - Board Of Directors
Department: 1100 - Board & Board Secretary**

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 530	\$ 529	\$ 704
Fringe Benefits	22	2	10
Services	290	255	268
Material & Supplies	12	52	19
Acquisitions	4	-	-
Other	97	117	161
Total	\$ 955	\$ 954	\$ 1,162
 Staffing	 13	 14	 19

DEPARTMENTAL FINANCIAL INFORMATION

BOARD OF DIRECTORS *County Counsel*

Department Function

The Office of County Counsel is responsible for providing legal advice and representation to the LACMTA. County Counsel attorneys attend Board and committee meetings. They provide advice on issues of governmental law such as the Brown Act, procurement law, eminent domain, Public Records Act, conflict of interest laws, and Federal and State laws relating to transportation. The County Counsel also provides advice and representation on construction matters, employee relations and personnel matters; drafts and reviews contracts; represents the LACMTA in litigation and arbitration; coordinates, administers, and oversees legal services provided by outside law firms. The County Counsel's mission is to provide timely and effective legal representation, advice and counsel of the highest professional caliber to the LACMTA.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Develop a labor negotiations strategy consistent with long term goals and short-term financial constraints.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Provide legal training to LACMTA employees.
- Perform more work with internal staff in place of private attorneys.
- Develop legal handbook for employees.
- Identify needed changes to collective bargaining agreements.
- Finalize implementation of new LACMTA pension plan.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Increased in-service training of LACMTA staff.
- Completed calendaring of labor arbitrations within 30 days of notification.
- Reduced the backlog of labor arbitrations by 25% for all but one union.
- Closed out all inactive contracts with outside firms within 90 days of last invoice.
- Identified potential changes to Collective Bargaining Agreements.
- Standardized LACMTA legal library subscriptions and services.
- Completed implementation of merged case file system.
- Created a consolidated case log.
- Provided on-site CD-ROM library research capability.

DEPARTMENTAL FINANCIAL SUMMARY

**Executive Office: 1000 - Board Of Directors
Department: 1200 - County Counsel**

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ (2,604)	\$ 258	\$ 233
Fringe Benefits	16	7	3
Services	7,005	7,330	11,130
Material & Supplies	11	5	5
Acquisitions	27	-	-
Other	540	41	44
Total	\$ 4,995	\$ 7,641	\$ 11,415
 Staffing	 15	 7	 6

DEPARTMENTAL FINANCIAL INFORMATION

BOARD OF DIRECTORS *Inspector General*

Department Function

The Office of Inspector General is responsible for identifying and investigating allegations of fraud, waste and abuse of LACMTA resources; monitoring compliance with the Ethics Policy and legislatively assigned responsibilities.

FY97 BUDGET GOALS

- Achieve a balanced budget and improved the financial viability of the LACMTA.
- Conduct planning and community outreach activities in support of the rail development program.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

FY97 DEPARTMENT OBJECTIVES

- Conduct investigations to deter and prevent fraud, waste, and abuse of LACMTA programs and operations.
- Identify and recommend needed controls of high-risk and high-dollar areas through audits, reviews and investigations.
- Investigate complaints regarding fraud, waste and abuse of LACMTA resources.
- Prepare procedure to pre-qualify firms interested in contracting with LACMTA.
- Inform the Board on critical compliance and performance issues.

DEPARTMENTAL FINANCIAL SUMMARY

**Executive Office: 1000 - Board Of Directors
Department: 1300 - Inspector General**

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 2,220	\$ 1,608	\$ 2,004
Fringe Benefits	33	35	65
Services	173	526	529
Material & Supplies	33	8	12
Acquisitions	-	-	-
Other	195	80	94
Total	\$ 2,654	\$ 2,257	\$ 2,704
 Staffing	 25	 32	 37

DEPARTMENTAL FINANCIAL INFORMATION

CHIEF EXECUTIVE OFFICE

Executive Office Summary

The Office of the Chief Executive Officer consists of the following Departments: *Chief Executive Officer, Management Audit Services, Transit Police, and Equal Opportunity Administration.*



Position Summary

	<u>FY96 Budget</u>	<u>FY97 Budget</u>
Chief Executive Officer	17	14
Management Audit Services	21	44
Transit Police	501	501
<u>Equal Opportunity Administration</u>	<u>36</u>	<u>39</u>
Total	575	598

Expense Summary

	<u>FY95 Actual</u>	<u>FY96 Budget</u>	<u>FY97 Budget</u>
Chief Executive Officer	\$3,333	\$1,382	\$1,484
Deputy Chief Executive Officer	\$7,245	\$1,686	--
Management Audit Services	3,973	2,472	2,314
Transit Police	25,293	27,953	24,570
<u>Equal Opportunity Administration</u>	<u>4,742</u>	<u>4,688</u>	<u>3,169</u>
Total	\$44,586	\$38,181	\$31,536

DEPARTMENTAL FINANCIAL INFORMATION

CHIEF EXECUTIVE OFFICE *Chief Executive Officer*

Department Function

The Chief Executive Officer is responsible for providing leadership and oversight in the attainment of the FY97 Budget goals and the fulfillment of the Mission of the LACMTA.

Executive Office: 2000 - Chief Executive Office Department: 2010 - Chief Executive Officer

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 2,631	\$ 828	\$ 811
Fringe Benefits	229	2	11
Services	276	405	405
Material & Supplies	8	21	16
Acquisitions	24	-	-
Other	165	126	240
Total	\$ 3,333	\$ 1,382	\$ 1,484
 Staffing	 15	 17	 14

DEPARTMENTAL FINANCIAL SUMMARY

**Executive Office: 2000 - Chief Executive Office
Department: 2300 - Deputy Chief Executive Officer**

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 6,066	\$ 1,686	\$ -
Fringe Benefits	372	-	-
Services	803	-	-
Material & Supplies	-	-	-
Acquisitions	-	-	-
Other	4	-	-
Total	<u>\$ 7,245</u>	<u>\$ 1,686</u>	<u>\$ -</u>
Staffing	-	-	-

DEPARTMENTAL FINANCIAL INFORMATION

CHIEF EXECUTIVE OFFICE *Management Audit Services*

Department Function

Management Audit Services is responsible for carrying out independent and objective audits and reviews to strengthen internal controls and to promote the economy, efficiency, and effectiveness of LACMTA operations in support of management.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Meet quality, safety, schedule and financial performance targets for construction projects
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Restructure operational audit program to increase productivity and ensure it meets management requirements and expectations.
- Implement an Audit Management Information System
- Prepare for the first quality assurance peer review by the APTA.
- Develop annual and long-term audit plans on the basis of risk assessment
- Re-engineer contract audit process to improve overall productivity and effectiveness.
- Implement staff increases by 15 to meet the AB1869 audit requirements fully.
- Perform all legally mandated audits, 150 contract audits, and 30 operational audits in the high-risk, high-priority areas.
- Improve staff communication; cross-train staff by varying work assignments and using outside training programs.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed annual audit plan using Coopers and Lybrand's audit universe management software as a guideline, including work schedule and budget for internal and external auditors to ensure audits are conducted in a timely manner.
- Developed and implemented a follow-up audit system to track implementation of audit recommendations
- Developed process for identifying potential audit areas. Audit staff attended meetings and participated on task forces to identify audit opportunities and stay abreast of LACMTA activities and provide input to the audit planning process
- Developed a tracking and filing system for audits, reports, and supporting documents.
- Began development of Quality Assurance Program to bring about consistency of audit reports and to improve the quality of written work.
- Completed 116 consolidated audits, 19 operational audits, and 140 contract audits from July 1995 to March 1996.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 2000 - Chief Executive Office
 Department: 2500 - Management Audit Services

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 2,391	\$ 978	\$ 1,611
Fringe Benefits	249	50	18
Services	1,284	1,417	658
Material & Supplies	25	4	11
Acquisitions	5	-	-
Other	19	22	15
Total	<u>\$ 3,973</u>	<u>\$ 2,472</u>	<u>\$ 2,314</u>
 Staffing	 21	 21	 44

DEPARTMENTAL FINANCIAL INFORMATION

CHIEF EXECUTIVE OFFICE *Transit Police Department*

Department Function

The Transit Police Department is responsible for providing dedicated law enforcement services and security for LACMTA's passengers, employees, facilities, revenues, and other assets. The Department accomplishes its mission through deployment of uniformed and plain clothes police officers and with uniformed security guards.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Develop a labor negotiations strategy consistent with long-term goals and short-term financial constraints.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Provide the level of law enforcement and security service in support of transit operations that was delivered in FY96.
- Expand police and security service in support of Metro Red Line MOS II opening.
- Develop grant funding proposals to the state and federal governments and to private foundations to fund expanded police service.
- Develop targeted grant proposals for security programs for women and elderly transit users.
- Implement second federal grant program in support of TOPS East L.A.
- Implement security cost containment initiatives to civilianize appropriate services that are currently performed by sworn personnel.
- Continue to expand and develop MTAPD Reserve Corps.
- Continue conversion of police dispatch function to civilians instead of sworn officers.
- Develop a comprehensive Five Year Strategy Plan to direct the law enforcement and security function.
- Complete comprehensive upgrade of police radio communications system to industry standard.
- Secure an equitable, industry-standard, benefits package for transit police officers.
- Continue conversion of police dispatch function to civilians instead of sworn officers.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented TOPS program for South Central Los Angeles.
- Maintained 25% Passenger Fare Inspection.
- Implemented special security team for revenue protection.
- Implemented MTAPD Reserve Corps Program.

DEPARTMENTAL FINANCIAL SUMMARY

**Executive Office: 2000 - Chief Executive Office
Department: 2600 - Transit Police**

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 21,896	\$ 20,903	\$ 20,300
Fringe Benefits	598	622	220
Services	2,020	2,720	4,001
Material & Supplies	676	527	10
Acquisitions	1	3,058	-
Other	102	123	40
Total	\$ 25,293	\$ 27,953	\$ 24,570
 Staffing	 539	 501	 501

DEPARTMENTAL FINANCIAL INFORMATION

CHIEF EXECUTIVE OFFICE *Equal Opportunity Administration*

Department Function

Equal Opportunity Administration is responsible for the development, implementation, and monitoring of LACMTA's equal opportunity programs. The Office ensures that personnel policies and procedures comply with equal opportunity laws and regulations; ensures the maximum appropriate utilization of disadvantaged, women, and minority-owned businesses (DBE/WBE/MBE) in all LACMTA contract procurement and activities; and ensures that LACMTA contractors and subcontractors adhere to applicable EEO and DBE/WBE/MBE contract provisions.

FY97 BUDGET GOALS

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Provide leadership to improve cooperation and coordination with the community and public officials.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Construct benchmark for DBE project specific goals to meet LACMTA's annual goal of 23%.
- Adopt EO Department Policy/Procedures: Title VI Complaint Procedures.
- Construct Outreach Calendar of EO events, Consultant Forums, Small Business Community events, Agency Interface, TBAC, Vendor Fairs, etc.
- Conduct Sexual Harassment and Diversity training for LACMTA employees.
- Participate in Team Building Workshop and develop and implement technical training to foster improved staff morale.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Complied with DBE program guidelines by developing desk manuals for all units within the Contract Compliance section to address Contract Compliance Reviews.
- Established Human Resources Task Force.
- Developed regional reciprocity agreements with Southern California transit properties.
- Sponsored quarterly sessions to present minority business to the expanded LACMTA technical staff.
- Achieved Affirmative Action objectives required by the Federal Transit Administration.
- Implemented a flexible, responsive, information database.
- Conducted triennial workshop sponsored by the Interagency Programs Units .

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 2000 - Chief Executive Office
Department: 2100 - Equal Opportunity Administration

Expense Summary

(\$ Thousands)

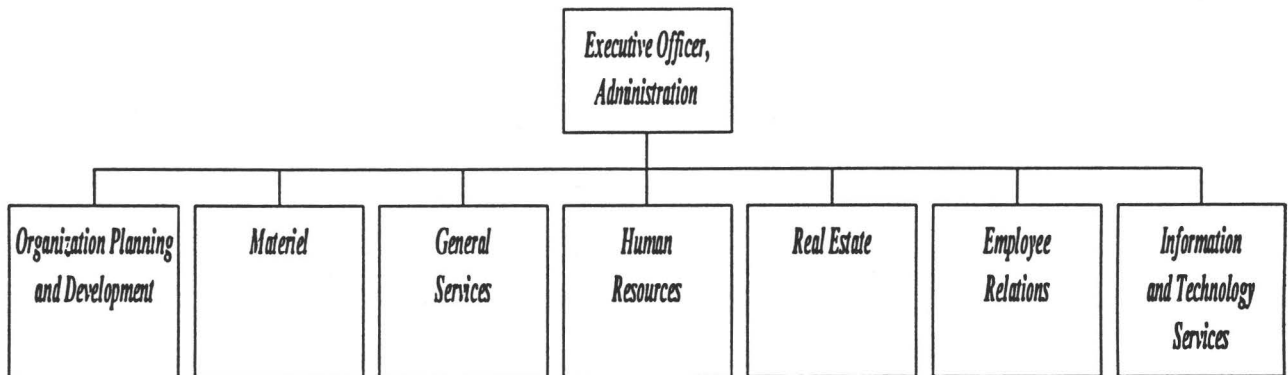
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,763	\$ 1,412	\$ 1,548
Fringe Benefits	237	15	15
Services	2,704	3,089	1,503
Material & Supplies	21	105	8
Acquisitions	3	-	-
Other	13	68	95
Total	\$ 4,742	\$ 4,688	\$ 3,169
 Staffing	 39	 36	 39

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION

Executive Office Summary

The Executive Office for Administration consists of the following Departments: *Executive Officer, Organization Planning and Development, Materiel, General Services, Human Resources, Real Estate, Employee Relations, and Information and Technology Services.*



Position Summary

	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	5	5
Organization Planning and Development	8	6
Materiel	178	187
General Services	122	125
Human Resources	69	74
Real Estate	32	32
Employee Relations	20	20
Information and Technology Services	162	162
Total	596	611

DEPARTMENTAL FINANCIAL INFORMATION

Expense Summary

	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Executive Officer	\$264	\$527	\$680
Organization Planning & Development	661	1,252	856
Materiel	6,628	7,199	9,973
General Services	11,079	12,660	13,764
Human Resources	7,734	7,608	8,355
Real Estate	46,730	134,894	13,719
Employee Relations	518	926	1,609
Informational Technology Services	13,665	28,629	37,038
Total	\$87,278	\$193,693	\$85,994

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Executive Officer*

Department Function

The Executive Officer for Administration is responsible for all administrative support functions throughout the LACMTA and directly oversees the following departments: Human Resources, Information and Technology Services, Organization Planning and Development, Material, Real Estate, Employee Relations and General Services.

FY97 BUDGET GOALS

- Improve employee morale.

- Develop a labor negotiations strategy consistent with long term and short term financial constraints.

- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

FY97 DEPARTMENT OBJECTIVES

- Emphasize an internal customer service orientation by Administration staff.
- Upgrade and maintain technology parity between operating divisions and headquarters.

- Develop and implement short term and long term labor strategies.

- Develop and implement short term and long term human resources plans and programs including performance based compensation system.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced inventory levels by \$3.8 million.
- Coordinated LACMTA's relocation to the Gateway headquarters building.
- Increased access to information through increased computer network capability and availability and improved records management system.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
 Department: 6010 - Executive Officer For Administration

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 235	\$ 322	\$ 262
Fringe Benefits	3	13	102
Services	-	150	100
Material & Supplies	11	6	5
Acquisitions	13	-	-
Other	1	37	212
	\$ 264	\$ 527	\$ 680
 Staffing	 5	 5	 5

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Organization Planning and Development*

Department Function

The Organization Planning and Development Department is responsible for managing the strategic plan process, organization/situation assessments, and LACMTA policies and procedures.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA
-
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process

FY97 DEPARTMENT OBJECTIVES

- Develop and communicate a unified direction for the LACMTA by working with management to produce a strategic plan by June 1997.
 - Unify the LACMTA and improve internal controls by ensuring that appropriate policies and procedures are developed, disseminated and implemented.
-
- Monitor management efforts to implement consultant and audit recommendations.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Worked with the CEO Goal #7 team to assess viability of short-term revenue enhancements.
- Developed and helped implement plan for new Revenue Department.
- Participated on LACMTA Service Planning and Market Research team to define objectives and approach, select consultant and design the process.
- Worked with management to realign organization structure and work processes to reduce redundancies, streamline services and reduce cycle time.
- Worked with the CEO Peer Review to reduce costs, improve performance and produce bus system improvements.
- Launched organization assessment process to reduce costs and implement improvements in productivity and performance.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
Department: 9100 - Organization Planning & Development

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 395	\$ 496	\$ 320
Fringe Benefits	52	8	5
Services	179	675	500
Material & Supplies	7	56	13
Acquisitions	26	-	3
Other	1	17	15
Total	\$ 661	\$ 1,252	\$ 856
 Staffing	 13	 8	 6

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION

Materiel

Department Function

The Materiel Department is responsible for: establishing procurement and contract policies and procedures; ensuring compliance with state and federal procurement rules and regulations; procuring all goods and services; managing the central warehouse; the distribution of goods to storerooms; establishing appropriate inventory levels system-wide; setting policies and procedures for the storerooms; oversight of storeroom personnel and activities; and disposal of excess, obsolete and surplus material, parts, supplies and equipment.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan
- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

FY97 DEPARTMENT OBJECTIVES

- Implement a Vendor Delivery Performance program to ensure timely delivery of parts.
- Reduce past due deliveries by 15%.
- Reduce Bus Parts Inventory by \$2.2 million..
- Increase Materiel Sales to \$1 million.
- Maximize Parts-Identification Program efforts to achieve a target of \$500,000 annual cost savings.
- Bring legally mandated advertising program in-house to achieve 20% cost savings.
- Streamline contract process for short-term professional service agreements from 8 weeks to 4 weeks.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced inventory by \$3.8 million.
- Incorporated County Counsel's comments in the revision of corporate policies and procedures.
- Improved administrative lead time in processing contracts by reducing the average time to award contracts within the CEO's authority from 12-24 weeks to 8-12 weeks.
- Increased annual inventory turnover ratio from 1.1 to 1.45.
- Enhanced the use of blanket purchase orders.
- Streamlined the administrative lead-time process for small procurements from 21 days to 16 days.
- Inventory processing time reduced to 17.5 days.
- Implemented a "Just-in-Time" inventory system.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
Department: 6300 - Materiel

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 5,452	\$ 6,042	\$ 7,419
Fringe Benefits	47	120	101
Services	48	175	276
Material & Supplies	1,073	694	793
Acquisitions	-	130	1,346
Other	8	37	38
Total	\$ 6,628	\$ 7,199	\$ 9,973
 Staffing	 61	 178	 187

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *General Services*

Department Function

The General Services Department is responsible for providing cost-effective, customer-responsive facility and administrative services including management of administrative buildings, records and mail services, graphic services, and printing services.

FY97 BUDGET GOALS

- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Improve General Services customer service by implementing Front-end General Service Request System to enable tracking and faster service.
- Improve employee morale.
- Provide timely service for the implementation of the LACMTA Day Care Facility.
- Participate in Team Building Retreats and processes to improve worker morale.
- Implement "Shake-Up" Employee Recognition Award for Printing Services staff.
- Implement Cross Training Program for Mail Services.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed Document Image System consisting of SQL Oracle index accessible to all parties on WAN; decentralized image-management system; automated electronic workflow routing of documents; full text search; robust, stable, secure architecture; and implemented imaging system.
- Managed the move of 1,950 employees into the Gateway Building.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
 Department: 6400 - General Services

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,881	\$ 3,868	\$ 3,650
Fringe Benefits	367	55	49
Services	1,042	3,618	4,330
Material & Supplies	3,871	2,202	3,244
Acquisitions	251	2,121	1,865
Other	667	796	625
Total	\$ 11,079	\$ 12,660	\$ 13,764
 Staffing	 132	 122	 125

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Human Resources*

Department Function

The Human Resources Department is responsible for the administration of programs designed to attract, hire, motivate, retain, and care for LACMTA employees.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Provide leadership to improve cooperation and coordination with the community and public officials.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Attract and hire high-quality candidates within 45 working days from receipt of an approved employment requisition .
- With consultant and ITS assistance, evaluate the existing Human Resources Management Information System (HRMIS) for adequacy in meeting LACMTA needs. If necessary, initiate the design and development of a new comprehensive and integrated HRMIS.
- Continue efforts with ITS to upgrade the Position Control segment of HRMIS to achieve high speed data entry and enhance management reporting capabilities.
- Finalize, disseminate and conduct training on all HR policies and procedures to eliminate remaining inequities
- Prepare and disseminate an Employee Handbook.
- Develop and/or expand partnerships with other transportation agencies, private business, and educational institutions in the implementation of Career Development and Training Center programs
- Complete the transition of the Transportation Foundation to independent administration and operations.
- Implement and maintain the classification and compensation system for non-represented employees as recommended by the Hay Group.
- Revise and implement a uniform achievement-based compensation system for all non-represented employees and train supervisors and managers on the administration of the program for implementation on July 1, 1997

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Issued the "Uniform Personnel Policies Manual" to managerial staff and conducted training sessions.
- Distributed "Uniform Personnel Policies" summaries.
- Submitted Human Resources activity report and performance indicator reports to CAO and the CEO on a monthly basis.
- Distributed Requisition Status Report to the CEO and all Executive Officers bi-monthly.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
 Department: 6200 - Human Resources

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,332	\$ 4,324	\$ 3,577
Fringe Benefits	790	330	750
Services	1,880	2,105	3,168
Material & Supplies	268	267	247
Acquisitions	37	-	-
Other	427	582	613
Total	\$ 7,734	\$ 7,608	\$ 8,355
Staffing	64	69	74

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Real Estate*

Department Function

The Real Estate Department is responsible for providing real estate appraisal, acquisition, relocation and management services as well as environmental investigations. The Department is also responsible for maximizing revenues and profitability of real property assets in support of LACMTA as it develops an integrated regional transportation system in Los Angeles County.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.

FY97 DEPARTMENT OBJECTIVES

- Reduce property management costs by reducing the amount of Right of Way (ROW) that is LACMTA's responsibility to maintain.
 - Increase real estate revenues by 5% by implementing rental increases on existing leases, obtaining new tenants for unused parcels and granting easements to parties requiring permanent interests in LACMTA's property.
 - Dispose of surplus real estate with no short or long term revenue potential (assuming acquisition funding does not preclude disposal).
 - Participate on the Interdepartmental Team appointment to develop and implement strategies for the lease of LACMTA ROW for fiber optics uses.
 - Identify potential fiber optics carriers and issue Request for Proposal to lease LACMTA ROW corridors for installation of fiber optic cable.
-
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
 - Complete appraisal, environmental investigation, acquisition and relocation of occupants of all parcels required to meet the constructions for the Metro Red Line, Segment 3-North Hollywood; Red Line, East Side Extension and Pasadena Blue Line projects.
 - Complete final construction activity for the Gateway Transit Center with the completion of the Ramirez Flyover.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced rental and leases account by almost 50% due to the closure of Division 6 parking lot; relocation from 425 and 818 Buildings; and closure of certain customer service centers.
- Entered into service contract between Real Estate and Construction staff for real estate services on the East Side Extension and Pasadena.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
Department: 6500 - Real Estate

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 6,551	\$ 1,703	\$ 1,633
Fringe Benefits	580	2	-
Services	1,924	3,014	2,646
Material & Supplies	206	15	9
Acquisitions	37,426	130,080	9,420
Other	43	80	11
Total	<u>\$ 46,730</u>	<u>\$ 134,894</u>	<u>\$ 13,719</u>
 Staffing	 -	 32	 32

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Employee Relations*

Department Function

The Employee Relations Department is responsible for interpreting, administering and negotiating the LACMTA's collective bargaining agreements and administering the Employee Relations program for non-represented employees. The Employee Relations Department will also be responsible for administering the LACMTA's employee benefits program.

FY97 BUDGET GOALS

- Develop a labor negotiations strategy consistent with long-term goals and short-term financial constraints.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Revise objectives and establish specific strategies for 1997 negotiations to achieve objectives established for LACMTA by the Board of Directors and Executive Officers.
- Convene, guide and assist management committees to develop contract proposals to achieve LACMTA goals.
- Process grievances at the Employee Relations level in a timely and thorough manner to reduce financial liability and enhance employee morale.
- Implement changes in the TOWP plan.
- Modify flexible spending account to enhance customer service.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced the grievances pending arbitration by 42%.
- Drafted long term goals for the LACMTA to achieve in negotiations.
- Modified health plan and reduced annual costs by over \$1 million.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
 Department: 6100 - Employee Relations

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 450	\$ 426	\$ 835
Fringe Benefits	4	3	-
Services	17	479	744
Material & Supplies	12	3	10
Acquisitions	-	-	-
Other	34	15	19
Total	\$ 518	\$ 926	\$ 1,609
 Staffing	 9	 20	 20

DEPARTMENTAL FINANCIAL INFORMATION

ADMINISTRATION *Information and Technology Services*

Department Function

Information and Technology Services is responsible for the acquisition and use of information and telecommunications technologies that enhance the LACMTA's ability to achieve its organizational and business objectives. Key functions include: advanced technologies, networked services, program management, customer support and technical services.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Implement the FIS system at operating divisions.
- Design and implement a new Material Management System.
- Design and implement a new Human Resources Information System.
- Expand technology services to all operating divisions.
- Provide computer service availability on a 24 x 7 basis.
- Increase customer support services for desktop PC's, including expanded HELP-Desk support.
- Implement an integrated Customer Service Order Management System for Facilities Maintenance, General Services and ITS.
- Continued integration of technology into LACMTA business operations through completion of ITS Strategic Plan and implementation of a technology investment process.
- Complete ITS Strategic Plan
- Expand Internet service and access to the Board of Directors, external stakeholders and the public.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Re-engineered the technology architecture of the LACMTA headquarters building, including installation of more than 800 additional desktop work stations, an enterprise wide area network and implementation of agency-wide electronic mail and schedule. Personal computer users increased from 700 to nearly 2,000 (185%).
- Increased the number of network users from 250 to 2,000 (700%).
- Streamlined computer acquisition procurement process, reducing turn around time to as little as 24 hours.
- Directed a technology training program that trained over 700 employees over a four month period.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 6000 - Administration
Department: 9200 - Information & Technology Services

Expense Summary

(\$ Thousands)

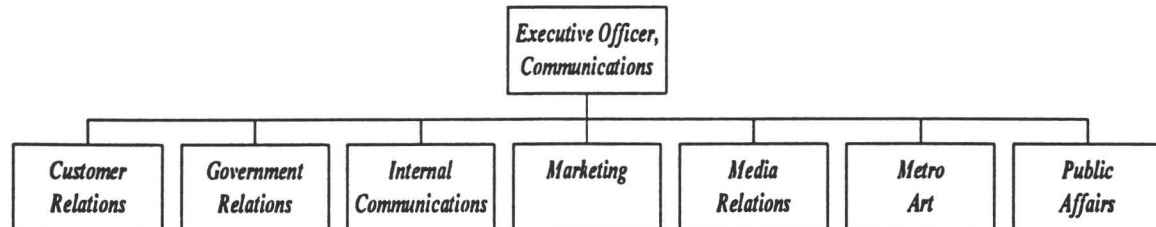
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 5,762	\$ 5,354	\$ 7,486
Fringe Benefits	48	31	69
Services	6,982	6,556	17,258
Material & Supplies	727	482	1,604
Acquisitions	113	16,191	10,613
Other	32	15	8
Total	\$ 13,665	\$ 28,629	\$ 37,038
 Staffing	 112	 162	 162

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS

Executive Office Summary

The Executive Office of Communications consists of the following Departments: *Executive Officer, Customer Relations, Government Relation, Internal Communications, Marketing, Media Relations, Metro Art, and, Public Affairs.*



Position Summary

	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	3	7
Customer Relations	118	128
Government Relations	7	7
Internal Communications	-	4
Marketing	32	26
Media Relations	9	8
Metro Art	5	9
Public Affairs	34	45
Total	208	234

Expense Summary

	<u>FY95</u> <u>Actual</u>	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	\$152	\$188	\$577
Customer Relations	7,242	3,546	3,859
Government Relations	3,402	874	995
Internal Communications	--	--	333
Marketing	4,596	4,498	6,727
Media Relations	5,507	635	536
Metro Art	--	328	507
Public Affairs	11,610	6,589	11,256
Total	\$32,510	\$16,657	\$24,789

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS *Executive Officer*

Department Function

The Executive Officer for Communications is responsible for providing and framing external and internal information in order to effectively communicate and promote LACMTA activities to its various audiences. Communications oversees and is comprised of the following units: Customer Relations, Government Relations, Internal Communications, Marketing, Media Relations, Metro Art, and Public Affairs.

FY97 BUDGET GOALS

- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Oversee and monitor the implementation of the LACMTA Communications Plan.
- Oversee the creation and institutionalization of consistent, strong, targeted LACMTA messages to reflect and promote the leadership goals of the Agency.
- Restructure the Communications Division to better serve all of our customers. Target work program to a client-based orientation, servicing the construction, operations, and planning units.
- Develop and implement a multi-department/multi-disciplinary team concept approach to maximize human resources and focus on customer service.
- Strengthen the approach to providing community outreach and develop a comprehensive Public Affairs Program.

-
- Improve employee morale.

- Oversee the development and implementation of internal communications program which will include an employee recognition program, an employee suggestions program, and a regular employer publications.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed and implemented a comprehensive public image strategy establishing internal and external communications guidelines, public relations approaches, and public education and media campaign activities. Monthly updates are provided to the Board via Board Box and have designed the "MTA Media Brief" for the purpose of informing Board members of imminent issues.
- Developed a federal, state, and local legislative strategy.
- Held public meetings throughout Los Angeles County with elected officials and community groups to ensure their opportunity to comment and provide input on the 20-Year Long-Range Plan.
- Developed the 1996 Legislative Program, which serves as the LACMTA's legislative blueprint in Sacramento and Washington, D.C.
- Developed and implemented a marketing campaign to increase LACMTA bus and rail ridership.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7010 - Executive Officer For Communications

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1	\$ 146	\$ 425
Fringe Benefits	1	1	35
Services	152	30	30
Material & Supplies	-	3	5
Acquisitions	-	-	-
Other	(2)	9	82
	\$ 152	\$ 188	\$ 577
 Total			
 Staffing	-	3	7

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Customer Relations

Department Function

The Customer Relations Department is responsible for Metro Information, which provides individualized customer service to the bus and rail-riding public, and Passenger Relations, which handles comment and complaint input from the general public.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Improve the availability of Metro Information to the public.
- Use CTI to improve access to Metro Information.
- Maintain timely and up-to-date CCIS database.
- Maintain accurate and complete data for use by Metro Information Administration to optimize staffing and productivity.
- Provide timely, professional responses to customers and public officials.
- Work with Regional Operating Units to improve.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented cost savings associated with new telephone information system.
- Revised staffing assignments based on lower times of customer usage.
- Restructured customer service hours based on volume.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7170 - Customer Relations

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 5,411	\$ 3,176	\$ 3,553
Fringe Benefits	14	11	-
Services	1,397	219	209
Material & Supplies	412	122	90
Acquisitions	-	-	-
Other	8	18	7
Total	\$ 7,242	\$ 3,546	\$ 3,859
 Staffing	 186	 118	 128

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Government Relations

Department Function

The Government Relations Department serves as the principal liaison to all federal, state, and local elected officials, government agencies, commissions, and their respective staffs. The Department develops the LACMTA's annual legislative goals and objectives and obtains support for these objectives. The Department also seeks to maintain a high degree of credibility with elected officials at all levels of government.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Review proposed legislation, budgets, regulations, and rule-making decisions at the state, federal, and local levels, and recommend appropriate action to the LACMTA's Executive Management and Board of Directors.
- Develop and implement government relations strategies, relationships, and processes to maximize the potential of the region to receive federal and other funding in support of the LACMTA's adopted legislative goals and objectives.
- Provide effective legislative liaison activities with elected officials and their respective staffs at the federal, state, and local levels of government in support of all LACMTA programs, policies, and projects including bus and rail operations, Metro Rail, Advanced Technology Transit bus, etc.
- Develop and implement internal and external programs to enhance the LACMTA's ability to achieve short and long-range goals and improve relationships between transit divisions and the communities they serve, including an effective legislative program, support for operations, and construction efforts.
- Coordinate and administer the LACMTA's federal and state political consultant contracts.
- Effectively staff the LACMTA's legislatively mandated Citizens Advisory Council.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed annual legislative goals and objectives and adopted by the Board of Directors in December, 1995.
- Conducted staff reviews on most legislation affecting the LACMTA in addition to other transportation-related legislation. A Federal and State Legislative update containing staff recommendations on legislation is presented to the Board every month along with a legislative matrix to the Board of Directors and Executive staff. Board members are notified of pending action on legislation through the Media Briefs, which are faxed daily to the Board.
- Developed annual Legislative Goals and Objectives Book and distributed on Capital Hill. The Book's concept was developed and expanded to provide every member of the Los Angeles County state legislative delegation with a profile of their districts which included all LACMTA services, programs, and projects within their district.
- Provided initial and regular contact with members of the Los Angeles City Council, State Legislature, U.S. Congress, and city council members of Los Angeles County's 87 incorporated cities.
- Coordinated LACMTA's legislative advocacy contracts at FY95 levels.
- Provided staffing to the Citizens Advisory Council, which entails the development of monthly agendas, coordinates presentations by the CEO and executive management, and assists in the preparation of CAC items for presentation to the Board of Directors.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7130 - Government Relations

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 2,872	\$ 350	\$ 419
Fringe Benefits	47	1	-
Services	454	489	547
Material & Supplies	6	2	1
Acquisitions	5	-	-
Other	19	33	27
	\$ 3,402	\$ 874	\$ 995
 Total			
 Staffing	 7	 7	 7

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Internal Communications

Department Function

The Internal Communications Department is responsible for developing and implementing an internal communication plan which builds support for the mission, vision, and goals of the LACMTA. This Department produces all internal publications, oversees the editorial board, plans and implements employee recognition and suggestion programs, coordinates employee communications for the CEO, provides communications support to LACMTA units, plans and conducts an annual charitable giving campaign and conducts ongoing communications assessments to evaluate effectiveness of communications programs.

FY97 BUDGET GOALS

- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Publish internal publications (weekly CEO Report and Monthly Employee Magazine) designed to inform employees, get buy-in for the Agency's mission, and build a communication link with executive leadership team.
- Develop and implement an Employee Recognition Program featuring an employee of the month program and employee of the year award.
- Direct an LACMTA-sponsored Charitable Giving Campaign.
- Develop and implement an employee suggestion program providing appropriate levels of compensation for accepted suggestions.
- Plan and coordinate an annual employee event to provide an opportunity for all employees to come together to foster a unified agency and recognize individual and group accomplishments.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Created the Internal Communications Department.
- Conducted CEO Brown Bag Lunches.
- Conducted CEO Advisory Group.
- Published CEO Report.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7180 - Internal Communications

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ -	\$ -	\$ 226
Fringe Benefits	-	-	-
Services	-	-	60
Material & Supplies	-	-	43
Acquisitions	-	-	-
Other	-	-	4
	-	-	4
Total	\$ -	\$ -	\$ 333
 Staffing	 -	 -	 4

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Marketing

Department Function

Marketing is responsible for the creation of cost-effective informational materials and promotional programs to help customers understand LACMTA services and to generate a positive public perception of those services.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Develop a plan to implement appropriate marketing recommendations gained from the Service Planning/Customer Satisfaction Marketing Survey.
- Issue an RFP and obtain a final report regarding signage throughout the Metro System, and develop an action plan to implement the report's recommendations.
- Develop and implement customized marketing plans for the 4 operating regions to improve customer relations and generate greater public involvement and support.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Coordinated 95 events and placed 39 media inserts for Metro Green Line.
- Coordinated 47 events and placed 28 media inserts for Red Line construction projects.
- Developed and implemented Phase I of V of the Customer Service Satisfaction Market Research Program.
- Provided community education in support of an ongoing aggressive mitigation effort to combat all forms of vandalism on LACMTA vehicles and facilities. Coordinated 25 community cleanups.
- Responded to 100% of all film industry inquiries within 24 hours.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7140 - Marketing

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 1,689	\$ 1,629	\$ 1,713
Fringe Benefits	109	1	-
Services	2,445	2,177	4,433
Material & Supplies	148	596	540
Acquisitions	108	-	-
Other	98	96	41
Total	<u>\$ 4,596</u>	<u>\$ 4,498</u>	<u>\$ 6,727</u>
 Staffing	 27	 32	 26

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Media Relations

Department Function

The Media Relations Department is responsible for planning, developing, and implementing all media press events, developing and distributing all press releases, photo captions, and press kits to the media. The unit serves as LACMTA's spokesperson in the event of an emergency and is on call 24 hours a day to respond to such incidents.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Renew emphasis on numerous positive aspects of the LACMTA including, the effectiveness of the anti-graffiti cleanup program, bus improvement plan, construction joint development projects, Metro Art program, Freeway Service Patrol, and Freeway Callbox program.
- Support various marketing campaigns and programs through implementation of the Board adopted LACMTA Communication Plan by distributing press releases and scheduling press events.
- Highlight LACMTA programs and service in weekly publications.
- Publicize activities regarding our rail operations, including the opening of Segment II of the Metro Red Line subway system along Wilshire Boulevard. Continue to promote the Metro Red, Blue, and Green Lines.
- Publicize key milestone achievements in Metro Rail construction.
- Inform the public via the news media of any important decisions that affect the taxpayers, transit riders, and the general public, including new services and programs, marketing and promotions programs, construction projects and mitigation, and procurement activities.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Distributed over 300 press releases, photo captions, and memos to the media to keep the public informed on LACMTA programs and services affecting the taxpayer, transit rider, and the general public including new services, programs, and construction activities.
- Provided media liaison at all LACMTA Board and Committee meetings. Staffed approximately 15 Board meetings and 60 Committee meetings providing information to news media in attendance during FY96.
- Promoted the opening of the Metro Green Line by distributing approximately 10 press releases and scheduled 4 press events prior to the opening as well as distributed several press releases regarding Metro Art at various Metro Green Line stations. Promoted use of Metro Green Line during holiday travel to LAX.
- Promoted major achievements in the construction of the Metro Red Line Segments II and III and the Pasadena Blue Line by preparing and distributing press releases and scheduled news events highlighting major milestones reached. Responded to major incidents involving Red Line construction along Hollywood Boulevard and in North Hollywood.
- Distributed 31 press releases and scheduled 11 press events promoting LACMTA programs and services such as the Agency's anti-graffiti program, joint development projects, Freeway Service Patrol Program, Freeway Callbox Program.
- Highlighted LACMTA's working relationship with local communities to help improve transportation services in communities by promoting LACMTA activities regarding the San Fernando Valley restructuring study and the inner city area. Distributed 4 press releases announcing various phases of the San Fernando Valley restructuring.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7150 - Media Relations

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,796	\$ 368	\$ 331
Fringe Benefits	39	2	-
Services	529	129	187
Material & Supplies	53	130	8
Acquisitions	9	-	-
Other	82	6	10
	\$ 5,507	\$ 635	\$ 536
 Staffing	 10	 9	 8

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS

Metro Art

Department Function

Metro Art is responsible for implementing all aspects of LACMTA's public art policy and seeks to increase awareness of the importance of quality design throughout the LACMTA. Metro Art involves artists in a variety of permanent and temporary projects throughout the Metro and Metrolink systems with the objective of making mass transit more friendly to commuters and communities.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Provide leadership to improve cooperation and coordination with the community and public officials.
- Conduct planning and community outreach activities in support of the rail development program.

FY97 DEPARTMENT OBJECTIVES

- Develop and implement an LACMTA public art policy.
- Complete installation of Metro Rail Wilshire Corridor projects and a variety of temporary projects to celebrate the opening of this addition to our Metro Rail System.
- Negotiate and award fabrication and installation contracts for all Metro Rail Vermont and Hollywood corridor artists.
- Work with artists, communities, and LACMTA staff to complete the final design process for the Pasadena Line stations and alignment.
- Complete artist selection and oversee design integration for Metro Rail Eastern Extension stations.
- Complete two temporary pilot LACMTA Operations related projects, including a series of posters highlighting cultural destinations served by Metro System.
- Produce updated printed materials on Metro Art including postcard series, brochure, and self-guided art tour.
- Work with LACMTA Planning to develop pilot projects involving artists in streetscaping, linkages, and other planning projects.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Completed a variety of art projects for opening of Metro Green Line.
- Completed 6 Hollywood construction mitigation art projects.
- Completed artist selection process for Eastern Extension Corridor.
- Completed station design for 3 Hollywood/North Hollywood corridor stations.
- Completed installation of 5 projects on Metro Blue Line.
- Completed installation of 2 projects and artist selection for 1 project involving Metrolink.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7120 - Metro Art

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ (121)	\$ 207	\$ 393
Fringe Benefits	38	3	-
Services	57	2	97
Material & Supplies	19	76	5
Acquisitions	1	30	-
Other	6	10	11
Total	\$ (0)	\$ 328	\$ 507
	(0)		
Staffing	5	5	9

DEPARTMENTAL FINANCIAL INFORMATION

COMMUNICATIONS Public Affairs

Department Function

The Public Affairs Department is responsible for representing and building support for LACMTA plans, projects, construction, and operations activities with the community, local elected officials, businesses, and general public.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Increase community outreach through door-to-door contact along construction corridors; coordinating meetings or other public events at each of Operations' four regional sites.
- Implement programs targeted at lessening the impact of the various LACMTA rail construction projects on local communities.
- Conduct special events, fairs, meetings, cleaning programs, security programs, advertising of businesses, and replacement parking.
- Conduct community outreach activities, including door-to-door contacts, in support of rail and bus development programs.
- Conduct programs described in the LACMTA Board adopted Communications Plan Goal, #5.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Participated in the creation of the LACMTA Communications Plan. Developed a Public Affairs Issues Report that is provided monthly to the LACMTA Board of Directors highlighting issues facing the community relative to MTA projects and programs.
- Developed extensive outreach programs to elicit comments and suggestions from communities with regard to LACMTA's 20-year plan. A total of 25 community meetings and presentations were given throughout the County of Los Angeles informing communities about the plan.
- Assisted Operations' introduction of its management structure through a series of Division hosted on-site Open Houses. Provided in-kind and staff support to each region and division hosting the Open Houses.
- Developed and implemented outreach activities for pre-revenue festivities with businesses and cities located along the Metro Green Line route.
- Developed and implemented outreach programs for each of the transit studies being done through Planning and Programming.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 7000 - Communications
Department: 7160 - Public Affairs

Expense Summary

(\$ Thousands)

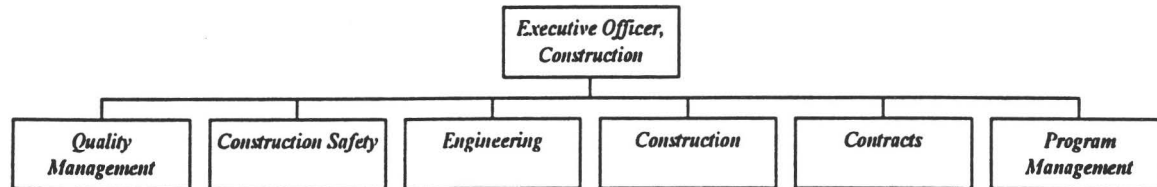
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 9,902	\$ 1,067	\$ 1,837
Fringe Benefits	168	13	-
Services	1,346	3,072	6,278
Material & Supplies	17	286	741
Acquisitions	17	4	-
Other	160	2,148	2,401
Total	\$ 11,610	\$ 6,589	\$ 11,256
 Staffing	 27	 34	 45

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION

Executive Office Summary

The Executive Office of Construction consists of the following Departments: *Executive Officer, Quality Management, Construction Safety, Engineering, Construction, Contracts, and Program Management.*



Position Summary

	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	20	25
Quality Management	20	19
Construction Safety	21	24
Engineering	57	60
Construction	31	31
Contracts	40	67
Program Management	47	51
Total	236	277

Expense Summary

	<u>FY95</u> <u>Actual</u>	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	\$6,718	\$5,191	\$7,571
Quality Management	-	-	1,289
Construction Safety	1,059	1,192	1,223
Engineering	23,432	4,012	3,751
Construction	8,421	1,955	1,797
Contracts	420,762	633,128	811,651
Program Management	8,186	2,673	3,067
Total	\$468,578	\$648,151	\$830,349

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Executive Officer*

Department Function

The Executive Officer for Construction is responsible for oversight of multiple Metro Rail Construction projects.

FY97 BUDGET GOALS

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Establish and strengthen management accountability.
- Raise staffing levels to those needed to provide strengthened program management and contract controls, checks and balances.
- Turn over Wilshire leg to Operations Divisions for revenue operations.
- Manage and supervise Metro Construction staff to ensure timely completion of the Segment 2 objectives.
- Complete all system wide procurement/fabrication and delivery of equipment for Vermont/Hollywood contractor.
- Continue North Hollywood project construction activities for tunnels and stations.
- Continue North Hollywood final design activities for track work, site restoration UCS and systems.
- Complete the following Pasadena Project design contracts: Stations at Chinatown, Avenue 26, French Memorial Park, and Del Mar; Chinatown Aerial; line segments at Del Mar-Memorial Park; Midway Yard and Shops; and Union Station Redesign.
- Complete retrofitting of 13 bridges along the alignments.
- Continue with long lead procurement items: concrete ties and special track work.
- Begin construction of Arroyo Seco to Del Mar line segment.
- Complete Eastside Project design for Little Tokyo Station and line segment from Union Station to First and Boyle Station; First and Boyle Station; line segment from First and Boyle and First and Lorena.
- Acquire critical real estate for Eastside project.
- Begin construction: utility rearrangements; demo/environmental clean-up; award First and Boyle to First and Lorena line segment tunnel/station contract.
- Submit Mid-City Project SEIR/SEIS for approval.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Coordinated rail construction cost containment efforts with Planning & Programming and Finance Departments.
- Completed hiring of Quality Assurance personnel and Construction Safety personnel.
- Began implementation of Arthur Anderson Report Recommendations.
- Completed construction of all Wilshire Corridor facilities.
- Completed tunnel concrete liner for Vermont/Hollywood Corridor.
- Completed evacuation of Vermont/Hollywood Corridor.
- Started tunnel bore mining operations from Universal City Station, south towards the Hollywood Highland Station (Contract C0311)
- Started station evacuation at all three stations:
Hollywood/Highland (Contract C0301)
Universal City Station (Contract C0321)
North Hollywood Station (Contract C0351)
- Completed construction of the Los Angeles River Bridge.
- Forecast completed on arroyo Seco Bridge construction.
- Initiated station redesign in conformance with Cost Containment Plan.
- Supported preparation of SEIR/SEIS for Mid-City Extension.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8010 - Executive Officer For Construction

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 6,213	\$ 2,038	\$ 1,454
Fringe Benefits	364	66	33
Services	97	2,350	5,471
Material & Supplies	33	131	56
Acquisitions	1	445	-
Other	10	160	558
Total	\$ 6,718	\$ 5,191	\$ 7,571
 Staffing	 18	 20	 25

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Quality Management*

Department Function

The Quality Management Department is responsible for the implementation of administrative and control measures during design, procurement, construction, installation, testing, start-up, and turnover that assure the transit system meets the expectations of ultimate customers.

FY97 BUDGET GOALS

- Meet quality, safety, schedule and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Develop a system of realistic performance standards.
- Implement the Construction Division Training Program by integrating the resources available within the Audit Section and the TQM section.
- Develop an effective quality performance measurement system to be used to assess the performance of Metro Construction organizations.
- Implement computer-based systems to improve information reporting.
- Implement the quality council process, and when appropriate, include the CM and contractor organizations.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented the Construction Division Quality Training Program.
- Developed a Quality Performance Measurement System to assess the performance of construction organizations, both internal and external.
- Expanded and enhanced the audit program to examine the performance of quality programs implemented by construction suppliers of major equipment.
- Monitored quality performance of Engineering Management Consultant.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
 Department: 8100 - Quality Management

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ -	\$ -	\$ 995
Fringe Benefits	-	-	-
Services	-	-	255
Material & Supplies	-	-	19
Acquisitions	-	-	-
Other	-	-	19
	\$ -	\$ -	\$ 1,289
	\$ -	\$ -	\$ 1,289
 Staffing	 6	 20	 19

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Construction Safety*

Department Function

The Construction Safety Department is responsible for contractor job-site safety inspections; monitoring contractor compliance; auditing contractor reported injuries; monitoring injury rates and initiating appropriate actions; managing, coordinating, operating and continually improving and updating the Construction Safety Education Program (CSEP); oversight of consultant safety audits; reviewing and assessment of impact of Federal, State and local or other regulatory changes; assisting in contract design and acceptance process; representing the LACMTA in the processes used to promulgate new construction safety regulated regulations.

FY97 BUDGET GOALS

- To meet quality, safety, schedule, and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Monitor all injury and illness incident rates and implement programs to reduce measured rates.
- Oversee LACMTA and CM Construction safety activities.
- Increase education work hours provided to LACMTA staff and contractor personnel.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Provided OSHA 500-level training for supervisors and foremen.
- Maintained lost time and lost time rates that are below the national average.
- Completed hiring of key Construction Safety personnel.
- Completed preparation of Construction Safety Department Management Plan.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8200 - Construction Safety

Expense Summary	(\$ Thousands)		
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,011	\$ 1,015	\$ 1,049
Fringe Benefits	36	12	-
Services	11	-	-
Material & Supplies	-	152	151
Acquisitions	-	-	-
Other	1	12	23
	\$ 1,059	\$ 1,192	\$ 1,223
	0		
Staffing	4	21	24

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Engineering*

Department Function

The Construction Safety Department is responsible for providing full and part time engineering support for the Metro Red Line Segment 2, Metro Red Line Segment 3 (North Hollywood, Mid-City and Eastside) and the Pasadena Blue Line Projects and support for system-wide activities.

FY97 BUDGET GOALS

- To meet quality, safety, schedule, and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Support the design and construction goals and objectives defined in project summaries.
- Support the commitment to continuous improvement through the Lessons Learned Program.
- Recruit and hire professional staff to meet the needs of the projects.
- Update and maintain the baseline design criteria, specifications and standards and directive drawings.
- Coordinate rail engineering issues with MTA Operations and Maintenance and outside agencies.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented performance measures for earned value of design services, quality of design packages and capital cost of design compared to budget.
- Completed installation of Variable Message Signs at Metro Blue Line and Metro Red Line stations.
- Completed final design of the Metro Red Line and Imperial Station Maintenance -of -Way facilities.
- Updated the baseline design criteria, standards and directives drawings to incorporate improvements, enhancements and Lessons Learned in time to support the initiation of final design for MRL Eastside project
- Directed design studies which resulted in reduced station lengths and associated costs for the MRL Eastside project
- Implemented enhancements to the EMC CADD system to improve throughput, efficiency and capability to support the MRL Eastside final design effort.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8300 - Engineering

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 22,025	\$ 3,446	\$ 3,297
Fringe Benefits	855	22	-
Services	459	220	350
Material & Supplies	18	79	14
Acquisitions	4	-	-
Other	62	245	90
Total	<u>\$ 23,423</u>	<u>\$ 4,012</u>	<u>\$ 3,751</u>
 Staffing	 52	 57	 60

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Construction*

Department Function

The Construction Department is responsible for the management and oversight for all rail construction-related activities.

FY97 BUDGET GOALS

- To meet quality, safety, schedule, and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Undertake special project construction management for the following: ADA variable message signs; Area Team traffic signals upgrades; MOW facility/design/build contracts; MOW facility construction; MRL tunnel grouting and MRL station grouting.
- Provide construction with environmental services needed to advance construction without delay.
- Interpret environmental litigation and regulations and develop effective ways to maintain compliance.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Completed the Green Line transition from Construction to Operations.
- Initiated Green Line Contract close-outs for facilities and CalTrans contracts.
- Began construction of the Universal City Station.
- Completed construction of all Wilshire Corridor facilities.
- Completed tunnel concrete liner for Vermont/Hollywood Corridor.
- Assisted with the preparation of project related SEIS/SEIR.
- Completed environment contract specifications for tunnel and station projects.
- Assisted area teams with the planning and development of projects.
- Provided environmental services required to advance construction or approved projects.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8400 - Construction

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 7,834	\$ 1,838	\$ 1,715
Fringe Benefits	386	16	-
Services	157	23	17
Material & Supplies	4	49	27
Acquisitions	18	-	-
Other	22	29	38
	\$ 8,421	\$ 1,955	\$ 1,797
Staffing	27	31	31

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Contracts*

Department Function

The Contracts Department is responsible for the management of contract operations and quality control. The Department directs the overall process of quality control and general management of contract operations.

FY97 BUDGET GOALS

- Meet quality, safety, schedule and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Prepare and circulate mitigation measures status reports for Pasadena LRT and for Red Line Segment 2, 3, and 3 Eastside Extension.
- Conduct environmental studies for changes to Pasadena LRT, Red Line Segment 2, 3, and Eastside Stations.
- Assist Area Teams in evaluating additional alternative(s) for MRL Segment 3 Mid-City.
- Establish a "Contracting Officer" system, whereby each Contract Administrator/Manager is given contract signature authority to execute LACMTA Board/Management approved contracts and changes.
- Develop contract monitoring, record keeping, and progress reporting using relational database features of various computer software.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Continued implementation of Arthur Anderson study and FTA audit recommendations.
- Prepared and promulgated Award Fee Manual.
- Updated all construction related policies and procedures and terms and conditions and trained Construction Division personnel in their use and application.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8500 - Contracts

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,888	\$ 1,933	\$ 2,869
Fringe Benefits	383	26	-
Services	352,031	509,038	189,355
Material & Supplies	15	439	7
Acquisitions	58,851	121,673	619,281
Other	4,594	19	140
Total	\$ 420,762	\$ 633,128	\$ 811,651
 Staffing	 30	 40	 67

DEPARTMENTAL FINANCIAL INFORMATION

CONSTRUCTION *Program Management*

Department Function

The Program Management Department is responsible for monitoring the Metro Construction's impact on the financial resources of the LACMTA; developing and consolidating project financial status data into short range and long range cash management and strategic planning tools; evaluating and coordinating all program and project schedules and cost controls; forecasting and reporting all activities for rail transit projects; and monitoring change orders.

FY97 BUDGET GOALS

- Meet quality, safety, schedule and financial performance targets for construction projects planned.

FY97 DEPARTMENT OBJECTIVES

- Update and distribute project expenditure plan by funding source quarterly by April 15, June 15, September 15, and December 15.
- Update and issue a long range staffing plan for rail construction projects by December 15, 1996.
- Prepare, issue, and implement updated documents and change control procedures. Process and publish updates of all other construction department procedures.
- Reduce change processing time by a minimum of 14 calendar days.
- Complete electronic document imaging and tracking system installation; initiate scanning and indexing of all Construction Division incoming/outgoing correspondence.
- Implement the Executive Reporting system, including executive training.
- Hold weekly meetings with the final design team to address concerns regarding budget, schedule, and design progress.
- Hold weekly meetings with RE's and CM team(s) to review construction contract status.
- Set up Timberline separate database for professional service and continue to expand data.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented new Work Breakdown Structure.
- Implemented a program interface between LACMTA's Financial Information System and the Change Control System.
- Revised 10-Year Construction Expenditure Plan.
- Developed and implemented cross training of all cost and schedule engineers.
- Implemented all 11 Arthur Andersen's management recommendations for this function.
- Updated all policies, procedures and contract specifications for project controls.
- Supported and facilitated approximately 150 Change Control Board Meetings.
- Reduced Professional Services change backlog by over 1/3, processed and closed out over 400 changes.
- Assumed maintenance and change control responsibility for all Construction Division Policy and Procedure documents.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 8000 - Construction
Department: 8600 - Program Management

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 7,529	\$ 2,150	\$ 2,627
Fringe Benefits	396	5	-
Services	11	20	420
Material & Supplies	55	479	3
Acquisitions	184	-	-
Other	10	19	17
Total	\$ 8,186	\$ 2,673	\$ 3,067
Staffing	27	47	51

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE

Executive Office Summary

The Executive Office for Finance consists of the following six departments: *Executive Officer*, *Office of Management and Budget*, *Accounting*, *Revenue*, *Risk Management-Construction*, *Risk Management-Operations*, and *Treasury*.



Position Summary

	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	3	5
Office of Management and Budget	12	13
Accounting	70	70
Revenue	116	131
Risk Management-Construction	4	4
Risk Management-Operations	28	25
Treasury	14	15
Total	247	263

Expense Summary

	<u>FY95</u> <u>Actual</u>	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	\$697	\$6,765	\$1,041
Office of Management and Budget	1,626	1,111	1,182
Accounting	13,275	3,941	4,697
Revenue	3,054	7,503	12,249
Risk Management-Construction	-	438	3,737
Risk Management-Operations	1,767	10,709	1,115
Treasury	3,157	1,695	1,898
Non-Departmental	1,021,988	1,572,198	1,299,736
Total	\$1,045,564	\$1,604,360	\$1,325,654

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE *Executive Officer*

Department Function

The Executive Officer for Finance is responsible for insuring the financial integrity of the LACMTA as transit operator, builder, and regional funding agency. This is accomplished through: the development and ongoing management of \$3 Billion annual budget for bus and rail operations, rail construction, and regional transit projects; the collection, safekeeping, investment, and disbursement of funds dedicated for bus and rail operations, rail construction, and regional transit projects; the development and implementation of the long-range debt management program which leverages future revenue streams to provide for current construction requirements; the mitigation, management, and payment of public liability, property damage, and worker's compensation claims against the LACMTA generated as a result of transit operations and rail construction; and the recording, monitoring, and forecasting of revenues and expenses for transit operations, rail construction, and regional transit projects.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.

- Achieve a balanced budget and improve the financial viability of the LACMTA.

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.

- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Develop long-range operating cost containment plan.

- Complete implementation of FIS policies and procedures to ensure full utilization of capabilities of system.
- Provide for timely distribution of budget variance reports and financial statements.

- Develop short and long-range debt management plan, which takes into consideration available operating, capital and construction funds, expense requirements, and funding options.
- Implement expanded broker/administrator contract for Owner Controlled Insurance Program (OCIP)

- Develop automated tracking system for audit recommendations and implementation status.

- Resolve all outstanding issues related to withdrawing from Social Security and enrollment in CALPERS.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Overcame potential FY95 ending deficit of \$30 million through intensive account analysis.
- Overcame potential FY96 ending deficit of \$28 million through the development and implementation of Next Steps Process.
- Developed FY97 balanced budget. First budget since LACMTA's inception which did not rely upon one-time revenues, reduction in staff, or increases in fares to be balanced.
- Gained agreement from the IRS and SSA to leave Social Security. Upon finalization, this will generate \$50 million for LACMTA in FY97 as well as long-term net savings.
- Developed single Chart of Accounts in compliance with GAAP.
- Facilitated the payout of frozen vacation leave.
- Developed debt financing strategies to reduce exposure to interest rate risk while at the same time reducing debt service costs..
- Developed revenue and expense projections based upon five-year historical data.
- With County Counsel, negotiated Construction Risk Management Broker contract, which addresses all relevant Ernst & Young and Arthur Anderson Audit recommendations.
- Negotiated \$4.7 million savings in lease payments.
- Assisted in the development of the Pension Plan Investment Policy and Money Manager Agreements.
- Assisted in the development and implementation of Financial Best Practices.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5010 - Executive Office For Finance

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 161	\$ 154	\$ 331
Fringe Benefits	35	-	35
Services	488	605	600
Material & Supplies	2	2	3
Acquisitions	-	6,000	-
Other	11	4	72
	\$ 697	\$ 6,765	\$ 1,041
	0		
Staffing	5	3	5

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE

Office of Management and Budget

Department Function

The Office of Management and Budget is responsible for the development of the annual operating and capital budget; preparation of monthly and quarterly revenue and expense projections; management of operating and capital expenditure and revenue plans; evaluation of fiscal impact of service and fare adjustments; development and implementation of short and long-range cost containment and revenue enhancement strategies; and development and implementation of LACMTA budget policies.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.

- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.

FY97 DEPARTMENT OBJECTIVES

- Develop Capital and Operating Budget for FY98. Submit budget for GFOA Financial Reporting award.
- Develop and report forecasts of revenues and expenses monthly and quarterly. Develop and implement strategies to reduce costs and increase revenue.
- Provide financial and budget services to other LACMTA departments in support of their goals and objectives.
- Reconcile and maintain adequate controls over the LACMTA's position control system.
- Develop and implement short and long-range plan including ten-year operating, capital, revenue and expense projections, and a multi-year cost containment program.
- Issue monthly budget variance reports.
- Make recommendations with regard to changes in management processes in order to enhance service delivery.
- Monitor FY97 cost allocation plan and revise, if necessary in December 1996.

- Develop a budget tracking and reporting system for capital projects.

- Provide funding marks for the municipal operators in Los Angeles County, based on their performance statistics and according to generally accepted formal allocation process.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Produced monthly budget variance reports.
- Developed year-end and quarterly expense and revenue projection report presented to Board of Directors.
- Developed and implemented a five-year tracking system for Enterprise Fund, including a five-year revenue and expense tracking model by account detail reconciled to general ledger.
- Developed and implemented Fiscal Policies related to budget.
- Developed standard operating performance measures.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5600 - Office Of Management & Budget

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,118	\$ 782	\$ 833
Fringe Benefits	107	8	-
Services	378	300	300
Material & Supplies	22	2	4
Acquisitions	(0)	-	1
Other	1	20	44
Total	\$ 1,626	\$ 1,111	\$ 1,182
 Staffing	 13	 12	 13

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE *Accounting*

Department Function

The Accounting Department is responsible for the recording of all assets and liabilities of LACMTA; preparation of monthly and quarterly financial statements for all funds; preparation of Comprehensive Annual Financial Report; payment of bi-weekly payroll; management of accounts payable and receivables function; development and maintenance of automated integrated financial management system; and the development and implementation of LACMTA Accounting Policies.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.

- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

FY97 DEPARTMENT OBJECTIVES

- Production of Financial Statements for all funds 20 days after close of the month.
- Development of Comprehensive Annual Financial Report (CAFR) and submittal to Government Finance Officers Associations for Certificate Achievement in Financial Reporting.
- Close FY96 financial records without year end audit adjustments by October 15, 1996. Distribute Audited Financial Statements by December 1996.

- Payment of invoices within 15 days of receipt of bill and no later than 30 days after date of invoice.
- Reduce late payment penalties and increase early payment discounts.
- Develop and implement procedure for the monthly reconciliation of all interfund transfers and loans.

- Develop analysis files for all major balance sheet and revenue and expense accounts.
- Produce accounts payable and accounts receivable aging reports through FIS.
- Insure the reconciliation of the FIS database with all integrated databases.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Accomplishments

- Produced monthly financial statements.
- Developed and implemented single time sheet for all employees.
- Assumed responsibility for the garnishment program.
- Participated in the Financial Best Practices Program.
- Facilitated the transfer of data from multiple accounting data bases into FIS.
- Developed Three Year History of Section 15 Reporting Statistics.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5100 - Accounting

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,169	\$ 3,173	\$ 3,872
Fringe Benefits	251	7	-
Services	990	295	340
Material & Supplies	1,789	88	119
Acquisitions	11	-	-
Other	6,065	378	365
Total	\$ 13,275	\$ 3,941	\$ 4,697
 Staffing	77	70	70

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE *Revenue*

Department Function

The Revenue Department is responsible for the collection, counting, and deposit of fare revenue; maintenance and replacement of fare revenue equipment; storage, maintenance and safekeeping of fare media inventory; management of vendor sales program; and collection of delinquent accounts receivable.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of the LACMTA.

FY97 DEPARTMENT OBJECTIVES

- Expand farebox equipment maintenance coverage and service to divisions on nights and weekends.
 - Implement Phase 1 of automated fare collection system.
 - Computerize coin/currency counting equipment to collect and record revenue data .
 - Issue currency sale contract bids and compare results against in-house costs. Prepare long term recommendations for currency processing operation.
 - Improve revenue service to rail ticket vending machines. Incorporate collection and service of 21 ticket vending machines on the MOS-2A Red Line Extension.
 - Install new camera surveillance system in cash room.
 - Increase frequency of farebox inspection team reviews.
 - Develop bar code system to track revenue equipment and work history performed on revenue equipment.
 - Initiate program to enhance revenue equipment security by modifying and refurbishing cashboxes and receiver vaults.
 - Organize Credit & Collection function and develop procedures and priorities. Implement system to generate monthly customer statements and progressive collection efforts.
 - Reduce delinquent Pass Sales receivables and develop reporting criteria to measure results.
 - Institute changes to improve physical and financial security at Customer Centers.
 - Develop point of sale, inventory management, and reconciliation of fare media system to improved accountability at 7 Customer Centers.
 - Institute monthly meetings with bus and rail division managers to review revenue equipment maintenance issues and division needs.
- Improve employee morale.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Renegotiated currency vendor contracts to reduce processing fees from \$22.10 to \$16.60 per 1,000 bills; revised trash allowance from \$3 to \$.50 per 1000 bills. Net savings from contract changes of \$500,000 annually.
- Delay in bank credit for vendor deposited funds reduced from 48 to 24 hours
- Transferred counting of all rail currency from outside vendor to LACMTA employees.
- Organized Collections Division.
- Initiated automated fare card project for LACMTA.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5400 - Revenue

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,063	\$ 3,793	\$ 4,469
Fringe Benefits	5	40	42
Services	88	1,293	4,744
Material & Supplies	19	443	1,481
Acquisitions	-	571	-
Other	1,879	1,363	1,513
Total	\$ 3,054	\$ 7,503	\$ 12,249
 Staffing	 34	 116	 131

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE

Risk Management-Construction

Department Function

The Risk Management - Construction Department is responsible for the management and payment of Public Liability, Property Damage, and Worker's Compensation claims generated as a result of rail construction; development and implementation of construction safety programs; management of Owner-Controlled Insurance Program for rail construction; establishment and monitoring of actuarially determined liability accounts.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Work with third party administrator/broker to develop a long-term, consolidated OCIP to reduce insurance costs, enhance coverage, and reduce risk exposure.
- Develop a quality assurance/control system to improve safety and loss control efforts.
- Develop alternative Errors and Omissions Insurance program.
- Implement revised Worker's Compensation and Public Liability Contractor Incentive program.
- Implement, in conjunction with other responsible departments, a rapid response team to assist businesses impacted by construction.
- Implement the Hollywood Hills Property Protection Program.
- Implement the Community-oriented Risk Management Program for the Eastside Extension.
- Implement the pre-construction survey (PCS) program for the Eastside Extension.
- Implement all outstanding recommendations with respect Arthur Anderson Audit.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Formed Construction Safety Task Force to identify strategies to reduce worker's compensation and public liability claims.
- Implemented all Ernst & Young audit recommendations.
- Developed and issued RFP for OCIP brokerage services.
- Developed Hollywood Hills Third Party Insurance Program.
- Developed Public Affairs/Risk Management Task Force to promote pro-active construction claims mitigation.
- Expanded scope of pre-construction survey program to include information that will facilitate settlement of business loss claims.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5312 - Risk Management - Construction

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ -	\$ 286	\$ 356
Fringe Benefits	-	10	-
Services	-	76	3,373
Material & Supplies	-	31	2
Acquisitions	-	-	-
Other	-	36	6
	-	36	6
Total	\$ -	\$ 438	\$ 3,737
 Staffing	 -	 -	 4

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE

Risk Management-Operations

Department Function

The Risk Management - Operations Department is responsible for the adjudication, payment and management of Public Liability, Property Damage (PL/PD) and Workers' Compensation (WC) claims resulting from bus and rail operations; development and implementation of operations safety program; securing catastrophic insurance coverage; managing third party claims; administration of third party administrator contracts; and establishment and monitoring of actuarially determined liability accounts.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.

- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.

- Develop a labor negotiations strategy consistent with long term goals and short-term financial constraints.

FY97 DEPARTMENT OBJECTIVES

- Recover a minimum of \$900,000 in damages through subrogation against third parties; claims against insurance policies; and FEMA reimbursements.
- Develop and recommend alternatives to reduce the cost of insurance premiums; brokerage services; and third party claims administration fees.
- Develop, analyze, and report on recommended levels of self-insurance reserves; risk financing alternatives; forecasts of future losses; and integrity of the third party claims administrator data bases.
- Provide Risk Management services by developing and implementing communications plan to increase employee familiarization with the Injury and Illness Prevention Program.

- Comply with applicable state and federal criteria in producing annual FTA Section 15 Form 405; Annual Worker's Compensation Self-Insurers Report; CAL/OSHA Logs; annual facility business plans for fire departments; monthly CPUC Rail Accident Reports; and Quarterly National Safety Council reports.

- Recommend changes to the collective bargaining agreements to reduce worker's compensation costs, occupational injuries and traffic accidents.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Analyzed reserving practices at Montebello Transit, saving \$20,000 in consulting fees and recommending a \$1.5 million reduction to reserves.
- Complied with federal and state criteria in producing annual FTA Section 15 Form 405; Annual Worker's Compensation Self-Insurers Report; CAL/OSHA 200 logs; annual facility business plans for fire departments; monthly CPUC Rail Accident Reports; and Quarterly National Safety Council reports.
- Converted the department network to Windows NT, developed the SQL-based Risk Management Information Systems; and integrated the Risk Management network with the Enterprise Network in support of the ITS strategic plan.
- Completed the first phase of two separate actuarial studies commissioned to analyze the self-insured reserves; procured all risk property and excess liability insurance at cost effective premiums
- Initiated marketing process for portfolio transfer of workers' compensation claims of retired and terminated employees
- Published Request For Proposals for Operations Insurance Brokerage Services which may reduce fees and provide other insurance
- Developed the Target Line Program Model for use by divisions in reducing the frequency and cost of traffic accidents and employee injuries.
- Completed a claims audit of the claims administrators, saving over \$100,000 in consultant fees and recommending over \$625,000 in reserve reductions.
- Recovered over \$900,000 through subrogation against third parties and FEMA payments for earthquake damages.
- Developed two back injury prevention videos for training Bus Operators and Equipment Maintenance staff and trained Operations Instruction staff in presenting the Back Injury Prevention Program.
- Negotiated a \$35,000 reduction in a Department of Toxic Substance Control citation by producing two in-house videos.
- Reassigned a Worker's Compensation Analyst to Risk Management Construction to support construction claims reallocating workload to remaining staff.
- Transferred a vacant position for Green Line Engineer to Risk Management Construction budget.
- Developed and conducted four, four-hour loss control and loss prevention training modules for Service Operation Managers and staff.
- Provided briefings for Operations Management on quarterly claims and safety statistics.
- Established monthly briefings with Deputy Executive Officer for Operations to review key projects.
- Developed new claims and safety reports.
- Redesigned the Safety Day Program.
- Reorganized the workers' compensation claims staff by assigning one full-time analyst/coordinator on-site for each region.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5311 - Risk Management - Operations

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,629	\$ 1,309	\$ 1,058
Fringe Benefits	57	-	2
Services	8	2,530	12
Material & Supplies	60	-	25
Acquisitions	-	6,870	-
Other	13	-	18
Total	\$ 1,767	\$ 10,709	\$ 1,115
 Staffing	 33	 32	 25

DEPARTMENTAL FINANCIAL INFORMATION

FINANCE *Treasury*

Department Function

The Treasury Department is responsible for the receipt, deposit, investment, and disbursement of revenues from all sources; selection and coordination of banking services; structure and coordination of sale of short and long term debt instruments; administration of LACMTA retirement plan investments; and development and implementation of LACMTA investment and debt management policies.

FY97 BUDGET GOALS

- Achieve a balanced budget and improve the financial viability of the LACMTA.

- Meet quality, safety, schedule, and financial performance targets for construction projects planned.

- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.

- Provide leadership to improve cooperation and coordination with the community and public officials.

FY97 DEPARTMENT OBJECTIVES

- Produce and distribute investment reports 15 days after the close of the month.
- Develop short term cash management strategy to enhance yield and extend maturity of investment portfolios.
- Award banking contract and consolidate banking services to reduce transaction costs and increase investment yield.
- With Construction Department, monitor cash flow requirements of construction projects in order to extend maturities and increase yield on investments held in construction reserve accounts.
- Contract for the completion of arbitrage rebate calculation reports. Analyze reports to determine exposure to negative arbitrage. Develop and implement strategies to reduce exposure.

- Develop long term debt policy
- With Construction and Planning Department determine construction project cash requirements and LACMTA bonding capacity.
- Issue new money debt to meet construction cash requirements and reduce outstanding commercial paper.

- Monitor investment managers and insure that all investments are in compliance with Investment Policy and managers meet investment benchmarks.

- Develop creative financing strategies to assist municipalities.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed and distributed monthly investment reports within 20 days after close of month.
- Revised Investment Policy and submitted Policy to Municipal Treasurers Association for award.
- Implemented ADS and Bloomberg Investment Management Systems.
- Issued RFP for consolidated banking services.
- Issued RFP for financial advisor.
- Issued RANS 8 months earlier than prior year with no credit enhancement.
- Issued Proposition A New Money Financing to fund construction requirements and to reduce commercial paper exposure.
- Developed debt strategies to reduce debt service costs and interest rate exposure.
- Restructured Construction Fund investments to increase investment yield.
- Developed daily cash report; reduced average daily balance to under \$15 Million.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 5200 - Treasury

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 386	\$ 703	\$ 663
Fringe Benefits	265	5	10
Services	2,417	965	1,201
Material & Supplies	32	10	12
Acquisitions	9	-	-
Other	48	13	12
	Total	Total	Total
	\$ 3,157	\$ 1,695	\$ 1,898
 Staffing	 12	 14	 15

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 5000 - Finance
Department: 0000 - Non-Departmental

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 1,088	\$ (3,100)	\$ 3,940
Fringe Benefits	174,251	176,621	212,584
Services	6,546	12,393	38,451
Fuel & Lubricants	24,484	25,224	26,822
Material & Supplies	175	-	4,260
Leases & Rentals	14,638	10,643	4,854
Casualty & Liability	66,897	64,821	89,166
Utilities	30,447	16,168	16,412
Debt Expense	295,837	250,042	320,271
Taxes	9,438	3,093	3,056
Purchased Transportation	-	14,611	17,500
Acquisitions	2	-	-
Transfers & Allocations	(63,939)	(119)	(3,109)
Subsidies	425,513	1,001,800	560,208
Other	36,611	-	5,319
Total	\$ 1,021,988	\$ 1,572,198	\$ 1,299,734

Staffing

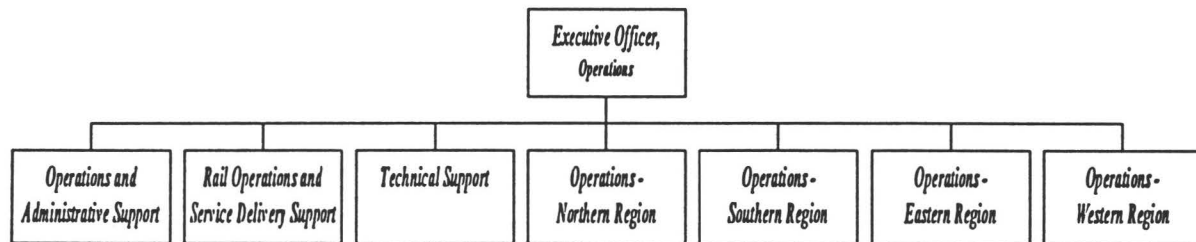
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DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS

Executive Office Summary

The Executive Office of Operations consists of the following eight departments: *Executive Officer, Rail Operations and Service Delivery Support, Technical Support, Operations-Northern Region, Operations-Southern Region, Operations-Eastern Region, and Operations-Western Region.*



Position Summary

	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	75	73
Rail Operations and Service Delivery Support	898	969
Technical Support	411	424
Operations-Northern Region	1,218	1,318
Operations-Southern Region	1,413	1,248
Operations-Eastern Region	958	990
Operations-Western Region	1,190	1,059
Total	6,163	6,081

Expense Summary

	<u>FY95</u> <u>Actual</u>	<u>FY96</u> <u>Budget</u>	<u>FY97</u> <u>Budget</u>
Executive Officer	\$17,922	\$18,623	\$10,095
Rail Ops. and Service Delivery Support	67,621	81,274	71,777
Technical Support	58,055	223,599	170,071
Operations-Northern Region	56,925	54,793	60,200
Operations-Southern Region	66,568	58,054	56,585
Operations-Eastern Region	52,434	46,617	46,133
Operations-Western Region	56,918	46,266	48,794
Total	\$376,443	\$529,226	\$463,656

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Executive Officer*

Department Function

The Executive Officer for Operations is responsible for oversight of all aspects of LACMTA bus and rail operations and related activities

FY97 BUDGET GOALS

FY97 DEPARTMENT OBJECTIVES

- | | |
|--|---|
| <ul style="list-style-type: none">• Continue existing service levels and implementation of the Bus System Improvement Plan. | <ul style="list-style-type: none">• Develop a quality management, inspection and training program.• Support bus and rail operations by providing regional and division management with effective performance reports and indicators to measure financial and operating performance standards.• Develop and implement staffing projections and strategies to minimize labor costs.• Insure Metro Operations is in compliance with LACMTA and regulatory standards regarding fleet operation and condition.• Develop and implement formalized emergency response plans for each LACMTA operating location and facility. |
| <ul style="list-style-type: none">• Achieve a balanced budget and improve the financial viability of the LACMTA | <ul style="list-style-type: none">• Support bus and rail operations by providing regional and division management with effective performance reports and indicators to measure financial and operating performance standards. |
| <ul style="list-style-type: none">• Develop a labor negotiations strategy consistent with long term goals and short term financial constraints | <ul style="list-style-type: none">• Identify labor contract changes and strategies in preparation for labor negotiations. |

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced the operator-to-assignment ratio to below 1.17.
- Reduced the ratio of supervisors-to-bus operators, bus mechanics, and bus maintenance assistants.
- Eliminated positions in bus division stock rooms and reduced staffing to 20 hours per day.
- Reduced other Operations staffing in service management, bus equipment maintenance, facilities maintenance, rail operations support, vehicle engineering projects, and pollution control costs.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3010 - Executive Officer For Operations

Expense Summary	(\$ Thousands)		
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 332	\$ 342	\$ 213
Fringe Benefits	13	5	360
Services	-	1	-
Material & Supplies	-	1	-
Acquisitions	-	-	-
Other	4	8	803
	\$ 349	\$ 357	\$ 1,376
	0		
Staffing	30	3	3

Executive Office: 3000 - Operations
Department: 3100 - Operations & Administrative Support

Expense Summary	(\$ Thousands)		
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,022	\$ 3,082	\$ 2,932
Fringe Benefits	459	77	14
Services	4,870	3,145	840
Material & Supplies	7,823	1,368	4,042
Acquisitions	-	10,583	500
Other	399	12	392
	\$ 17,573	\$ 18,266	\$ 8,720
			(0)
Staffing	-	72	70

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS

Rail Operations and Service Delivery Support

Department Function

Rail Operations and Service Delivery Support is responsible for the operation of existing rail lines and the activation of future rail lines in a safe, efficient and cost effective manner. In addition, through the regional rebuild center, the department accomplishes heavy maintenance on LACMTA and contracted buses; provides services for Rail and industrial equipment, and is responsible for maintenance of the non-revenue fleet.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.

FY97 DEPARTMENT OBJECTIVES

- Employ failure management strategies and service-saving techniques to mitigate delays to service.
 - Provide training and instruction for bus operators in vehicle operation, customer interaction skills, sensitivity for the disabled, defensive driving stress management, and accident prevention techniques.
 - Develop, implement, and monitor maintenance technical training for Bus Operations and Service Delivery Support personnel.
 - Respond to RFP's for the provision of bus service to local jurisdictions and private organizations.
 - Market transit services performed to other transit operators, government agencies and other entities to create a revenue stream to help offset operational costs.
 - Explore engineering resolution/improvement to Methanol/Ethanol engines low Mean Miles Between Failure (MMBF).
 - Perform 100% of preventative maintenance inspections on non-revenue vehicles within 6000 miles or 100 hour intervals.
 - Pass 100% of CHP inspections and DMV smog audits.
-
- Achieve a balanced budget and improve the financial viability of the LACMTA.
-
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
-
- Reduce overtime by 15% below FY96 Actuals.
 - Implement program to accomplish press work for Blue Line Light rail vehicles, wheels and gearboxes at the Red Line Shop to facilitate the Regional Rebuild Center overhaul and repair program.
-
- Receive and test 42 Breda heavy rail vehicles.
 - Receive and test 18 P2000 light rail vehicles.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Increased productivity at the Regional Rebuild Center by increasing the number of engines rebuilt from 439 to 680.
- Decreased Field supervisor to Operator ratio from .17 Supervisors per Operator to .08 for Rail Operations.
- Decreased Control Facility supervisor to Operator ratio from .16 Supervisors per Operator to .15 for Rail Operations.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3200 - Service Delivery Support

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 6,068	\$ 5,030	\$ 4,534
Fringe Benefits	422	774	33
Services	1,317	130	45
Material & Supplies	810	638	711
Acquisitions	-	-	-
Other	166	343	14
	\$ 8,783	\$ 6,916	\$ 5,337

Staffing	-	111	106
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Department: 3400 - Regional Rebuild Center

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 15,755	\$ 13,198	\$ 14,257
Fringe Benefits	149	240	215
Services	447	361	285
Material & Supplies	14,999	18,027	18,186
Acquisitions	-	3,813	2,209
Other	8	16	3
	\$ 31,358	\$ 35,656	\$ 35,155

Staffing	-	345	385
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Department: 3900 - Rail Operations

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 21,057	\$ 18,257	\$ 19,356
Fringe Benefits	109	274	178
Services	2,732	3,022	4,339
Material & Supplies	3,543	8,794	5,306
Acquisitions	-	8,265	2,065
Other	39	91	41
	\$ 27,480	\$ 38,702	\$ 31,285

Staffing	399	442	478
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DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Technical Support*

Department Function

Technical Support is responsible for keeping LACMTA fixed assets and rolling stock in the best possible condition; following all technical advancements to help improve the LACMTA equipment performance; reducing freeway congestion; improving safety and air quality by proactive management of Freeway Service Patrol and SAFE programs.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Procure high quality, reliable buses and non-revenue vehicles, and support the procurement of high quality rail vehicles.
- Identify engineering solutions which improve the efficiency, reliability, maintainability, cost effectiveness and appearance of the current fleet of buses and rail vehicles.
- Ensure that Metro Operations' input is incorporated in the design of new rail lines during planning, design and construction, and maintain configuration control of rail operating systems.
- Maintain optimal facilities design, construction and rehabilitation programs to support operating infrastructure requirements and ensure safety and regulatory compliance.
- Develop, coordinate and implement programs for compliance with environmental and hazardous material and waste regulations.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Procured 294 CNG buses, 140 delivered, the remainder are in production.
- Identified engineering solutions which improved the efficiency, reliability, maintainability, cost effectiveness and appearance of the current fleet of buses and rail vehicles.
- Completed major communications systems improvements including: relocating LACMTA telephone, radio and data communications systems to the Gateway Center; implementing the microwave radio communication system frequency transition plan; enhancing the Transit Police radio system; and implementing the Emergency Dispatch system (EDS).
- Achieved 98% service reliability for bus operations support equipment through proactive preventive maintenance and operating facility refurbishment programs.
- Provided safe and reliable motorist aide program by completing installation of the call box network, ensuring compliance with ADA requirements as mandated by SAFE.
- Reduced highway congestion, motorist delays and air pollution by operating the Freeway Service Patrol and implementing the Major Incident Response program.
- Ensured that Metro Operations' input is incorporated in the design of new rail lines during planning, design and construction, and maintain configuration control of rail operating systems.
- Developed, coordinated and implemented programs for compliance with environmental and hazardous material and waste regulations.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3300 - Technical Support

Expense Summary

(\$ Thousands)

	<u>FY 95</u> <u>Actual</u>	<u>FY 96</u> <u>Budget</u>	<u>FY 97</u> <u>Budget</u>
Salary & Wages	\$ 19,132	\$ 17,471	\$ 15,261
Fringe Benefits	296	328	147
Services	24,876	97,610	55,395
Material & Supplies	12,718	14,906	3,931
Acquisitions	16	92,640	94,933
Other	1,017	645	404
Total	<u>\$ 58,055</u>	<u>\$ 223,599</u>	<u>\$ 170,071</u>
 Staffing	 769	 411	 424

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Operations-Northern Region*

Department Function

Operations-Northern Region is responsible for the operation of service and maintenance of buses in three Operating Divisions: North Los Angeles (Division 3), West Valley (Division 8) and East Valley (Division 15). The Region provides bus service in the San Fernando Valley, North Los Angeles, Glendale, Burbank, Pasadena areas. Selected bus lines from these Divisions also service Downtown Los Angeles, Hollywood, West Los Angeles and the South Bay area.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.

FY97 DEPARTMENT OBJECTIVES

- Improve bus appearance by increasing bus cleanliness rating from current average rating of 6 to an average rating of 7 and implement an aggressive program to install at least 5,500 window guards and replace at least 12,500 seats.
 - Reduce customer complaints from FY96 high of 400 per month to an average rate of less than 250 per month.
 - Reduce past due preventive maintenance from an average of 2 per bus to a rate no greater than .75 per bus.
 - Investigate and implement cost and service quality changes that will make the Northern Region's bus service competitive in the bid for out-side contract service.
 - Develop a comprehensive program for understanding, monitoring and analyzing maintenance productivity and cost drivers.
- Achieve a balanced budget and improve the financial viability of the LACMTA.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Improved the cleanliness and appearance of the bus fleet by interior cleaning and window replacement programs and continuing the Zero-Tolerance Program to eliminate graffiti.
- Improved monitored performance targets.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3500 - Northern Region

Expense Summary

(\$ Thousands)

	<u>FY 95 Actual</u>	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Salary & Wages	\$ 52,589	\$ 50,619	\$ 55,197
Fringe Benefits	101	204	357
Services	-	-	70
Material & Supplies	4,219	3,939	4,507
Acquisitions	-	-	-
Other	16	31	70
Total	<u>\$ 56,925</u>	<u>\$ 54,793</u>	<u>\$ 60,200</u>
 Staffing	 -	 1,218	 1,318

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Operations-Southern Region*

Department Function

The Operations- Southern Region is responsible for the operation of service and the maintenance of buses in an area which includes Los Angeles Central Business District, South Central Los Angeles, and Southbay.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Reduce customer complaints by identifying and managing contributory factors.
- Maximize efforts to provide safe and accessible service to all passengers.
- Coordinate with rail operations to provide seamless service within Region.
- Support training and programs to upgrade skills of all employees.
- Empower employees to participate in decisions affecting their work environments.
- Encourage cross training programs to give employees exposure to all facets of Operations.
- Implement team building programs.
- Augment employee recognition programs with Regional awards and incentive programs.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Accomplishments

- Developed bus cleanliness plans for each division within Southern Region.
- Implemented pilot incentive program for maintenance assistants at Division 5.
- Initiated procurement of new vacuuming system at Division 5.
- Visited several MUNI's for the purpose of management networking and to evaluate and compare business approaches (including cleanliness methodologies).
- Established Management Ride Check program to monitor the performance of Operators.
- Participated in community events to foster improved relationships and communications within geographic territory.
- Supported division participation in vandalism and graffiti abatement projects.
- Developed a targeted Customer Training program for Southern Region.
- Participated in community events to foster improved relationships and communications within geographic territory.
- Implemented marketing strategy to increase ridership.
- Developed targeted customer relations program to reduce incidents and complaints.
- Implemented programs to improve coordination between Regional Rebuild Center, Procurement, and Operations to resolve equipment related problems.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3800 - Southern Region

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 61,459	\$ 54,031	\$ 52,670
Fringe Benefits	115	201	334
Services	-	-	51
Material & Supplies	4,987	3,791	3,476
Acquisitions	-	-	-
Other	7	31	54
Total	\$ 66,568	\$ 58,054	\$ 56,585
 Staffing	 -	 1,413	 1,248

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Operations-Eastern Region*

Department Function

The Eastern Region is responsible for the operation of service and the maintenance of buses in an area which includes El Monte, downtown Los Angeles Central Business District, and Long Beach. The region provides oversight responsibilities for LACMTA operating facilities including the El Monte Busway and Terminal and supports Metro Link, Red Line and Blue Line rail services.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Provide leadership to improve cooperation and coordination with the community and public officials.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Achieve 99.5% Pull-Out Performance.
- Achieve 3.0 Complaints or Less Per 100,000 Boardings.
- Reduce Traffic Accidents to 3.5 per 100,000 Total Adjusted Miles.
- Improve by 50% Zero Tolerance Performance.
- Achieve 90% Preventive Maintenance Program (PMP) Inspections on time.
- Provide effective community liaison and outreach programs to customers, workers and residents of the region.
- Reduce work-related injuries by 5%.
- Reduce absenteeism by 5%.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced the operator-to-assignment ratio from 1.20 to 1.16 for all three divisions
- Reduced the ratio of supervision-to-bus operators, bus mechanics and bus maintenance assistants for all three divisions.
- Reduced the spare ratio from 20% to 18% of peak buses for all three divisions (except methanol and ethanol fleet).

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3600 - Eastern Region

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 47,308	\$ 42,888	\$ 42,065
Fringe Benefits	87	178	101
Services	-	-	169
Material & Supplies	4,945	3,522	3,646
Acquisitions	-	-	-
Other	93	28	152
Total	\$ 52,434	\$ 46,617	\$ 46,133
	0		
Staffing	-	958	990

DEPARTMENTAL FINANCIAL INFORMATION

OPERATIONS *Operations-Western Region*

Department Function

The Western Region is responsible for the operation of service and the maintenance of buses in an area which includes Los Angeles Central Business District, South Central Los Angeles and Southbay.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Reduce customer complaints by identifying and managing contributory factors.
- Maximize efforts to provide safe and accessible service to all passengers.
- Coordination with rail operations to provide seamless service within the Region.
- Resolve equipment issues to improve reliability and service delivery levels.
- Foster an environment which supports mutual respect and courtesy.
- Support training and programs to upgrade skills of all employees.
- Empower employees to participate in decisions affecting their work environments.
- Encourage cross training programs to give employees exposure to all facets of Operations.
- Continue improving communications between divisions and headquarters.
- Implement team building programs.
- Augment employee recognition programs with Regional awards and incentive programs.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Reduced the operator-to-assignment ration from 1.20:1 to 1.16:1.
- Accomplished the downsizing of Division 6 to a terminal under the leadership of the Division 10 Service Operations Manager.
- Reduced the ratio of supervisors-to-bus operators, bus mechanics, and bus maintenance assistants.
- Reduced the size of the bus fleet with associated cost reductions by lowering the spare ratio from 20% to 18%.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 3000 - Operations
Department: 3700 - Western Region

Expense Summary

(\$ Thousands)

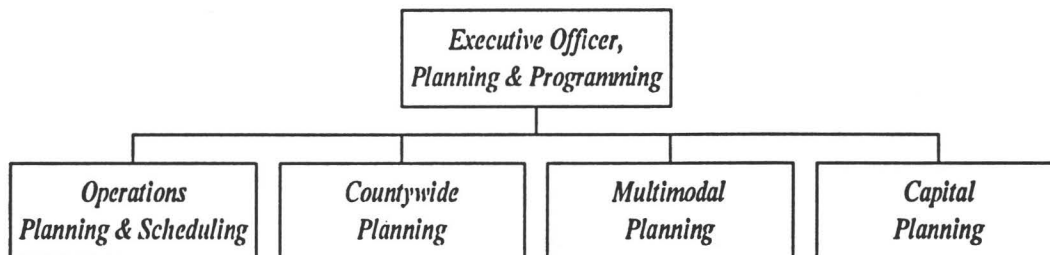
	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 52,487	\$ 42,196	\$ 45,075
Fringe Benefits	86	173	240
Services	0	-	60
Material & Supplies	4,335	3,869	3,404
Acquisitions	-	-	-
Other	10	28	16
Total	\$ 56,918	\$ 46,266	\$ 48,794
 Staffing	 -	 1,190	 1,059

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING

Executive Office Summary

The Executive Office of Planning and Programming consists of the following departments: *Executive Officer, Operations Planning & Scheduling, Countywide Planning, Multimodal Planning* and *Capital Planning*.



Position Summary

	<u>FY96 Budget</u>	<u>FY97 Budget</u>
Executive Officer	5	3
Operations Planning & Scheduling	100	98
Countywide Planning	30	31
Multimodal Planning	52	56
Capital Planning	24	26
Total	211	214

Expense Summary

	<u>FY95 Actual</u>	<u>FY96 Budget</u>	<u>FY97 Budget</u>
Executive Officer	\$837	\$449	\$615
Operations Planning & Scheduling	4,602	4,876	5,306
Countywide Planning	142,942	3,803	3,982
Multimodal Planning	18,116	27,654	41,992
Capital Planning	5,058	3,410	1,694
Total	\$171,554	\$40,192	\$53,588

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING

Executive Officer

Department Function

The Executive Officer for Planning and Programming is responsible for the development of plans, policies, funding programs, and implementing projects necessary for the LACMTA to achieve its overall goals and objectives.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Meet quality, safety, schedule, and financial performance targets for construction projects planned.
- Conduct planning and community outreach activities in support of the rail development program.
- Lead and/or work with other local, State and Federal agencies to plan, fund, and implement strategies to increase mobility, relieve congestion, and improve air quality county-wide.
- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.
- Conduct planning and community outreach activities in support of the rail development program.

FY97 DEPARTMENT OBJECTIVES

- Complete and implement six Transit Restructuring Studies.
- Complete Phases I and II of the Customer Satisfaction/Service Planning Study and apply results to services and programs provided by LACMTA and others.
- Implement and modify Bus/Rail Interface Plans based on customer feedback.
- Develop and implement an HOV Marketing and Information Plan to increase Knowledge of and use of LACMTA's HOV System.
- Adopt Long Range Plan Reassessment.
- Continue to implement Baseline Rail Projects, emphasizing cost efficiencies without reducing planned service levels and community support.
- Develop and implement innovative funding programs and management strategies to advance in the Long Range Plan.
- Secure program funding levels and sources targeted in the Long Range Plan.
- Revise Call for Projects criteria to give further preference to projects and their sponsors that meet LACMTA region-wide goals and leverage locally-controlled resources for regional programs.
- Articulate and promote inclusion of LACMTA funding and project priorities in ISTEA II.
- Implement a business plan approach to rail and major facility development, including joint development.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Participated in planning and co-chaired TRB National Conference on innovative delivery strategies.
- Hosted National Transportation Database training conducted by the FTA and ARCVIEW training for GIS.
- Completed Phase 1 and 2 of ART feasibility analysis.
- Began work on Major Investment/Environmental Impact studies in the San Fernando Valley and Crenshaw Corridor.
- Awarded Contract to measure customer satisfaction.
- Implemented Long Range Plan through Call for Projects.
- Implemented San Fernando Valley Transit Restructuring Study and Green Line Feeder shuttles and Red Line Bus Rail Interface.
- Began implementation of internal restructuring plan to improve efficiencies without increasing costs.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 4000 - Planning And Programming
Department: 4010 - Executive Officer For Planning & Programming

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 692	\$ 277	\$ 193
Fringe Benefits	42	2	62
Services	101	150	150
Material & Supplies	1	1	2
Acquisitions	-	-	-
Other	1	19	209
	\$ 837	\$ 449	\$ 615
 Staffing	 4	 5	 3

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING *Operations Planning & Scheduling*

Department Function

Operations Planning and Scheduling is responsible for scheduling and routing of bus and rail services operated directly by the LACMTA in accordance with budget and labor agreement limitations; providing analytical and service planning support to other units for regional restructuring studies, costing of alternative service delivery systems, the Long Range Plan, and maintenance of the agency tariff and the collection and dissemination of operating performance data, Section 15 data, Title VI (Civil Rights) and other required reports concerning LACMTA operated services.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.

FY97 DEPARTMENT OBJECTIVES

- Implement key elements of the Bus System Improvement Plan; perform boarding/alighting checks on the LACMTA system.
- Work with other operators to examine ways of creating a seamless fare structure for patrons.
- Develop and prepare schedule materials that ensure achievement of agency budget objectives and meet demonstrated service needs of the operating departments; implement three system shake-ups for FY97
- Design and implement appropriate bus/rail and Harbor Transitway bus/bus interface programs.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Implemented market research in service planning and delivery.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 4000 - Planning And Programming
Department: 4100 - Operations Planning & Scheduling

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 4,353	\$ 4,308	\$ 4,211
Fringe Benefits	4	8	-
Services	25	22	1,004
Material & Supplies	167	19	35
Acquisitions	-	460	-
Other	52	59	56
Total	\$ 4,602	\$ 4,876	\$ 5,306
Staffing	110	100	98

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING *Countywide Planning*

Department Function

Countywide Planning is responsible for program development, policy planning and technical analysis in the implementation of transportation system improvements and in the management of travel demand and conducting statute-mandated programs related to the Americans with Disabilities Act, ISTEA, the Congestion Management Program, the Short Range Transit Plan, and formula operating assistance to transit operators.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improve the financial viability of the LACMTA.
- Implement measures to address Triennial Performance Audit recommendations and provide oversight of implementation process.
- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Complete Phase I and begin Phase II of the Service Planning/Market Research Study, ensuring that issues identified are resolved and that suggested actions to increase both ridership and customer satisfaction are coordinated and implemented.
- Advance analysis of key elements of the Long Range Plan Transportation projects to prepare them for future funding considerations including specialized sources, including the HOV System Integration Plan, an LACMTA Countywide Parking Policy, and the next update of the Long Range Transportation Plan.
- Complete all federal, state and local transportation compliance requirements by their respective due dates including the Title VI equity in transit service analyses, ADA Transition Plan, the Countywide Short Range Transit Plan, the Congestion Management Plan and Memoranda of Understanding with various agencies to carry out mandate programs.
- Provide opportunities for growth through creation and participation in Employee Development Programs, training programs, seminars, professional conferences offered by the LACMTA and others.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Completion of HOV System Integration Plan Study.
- Initiated task force to develop bus priority treatment standards and proposals for similar projects in the Call for Projects.
- Achieved a 95% LACMTA Board approval rate for LACMTA policies and programs.
- Completed National Transit Database training for Local Return Operators to optimize existing and new funding sources.
- Enhanced skills and productivity of human resources through SAS Training, ArcView Training, Section 15 Training and National Transit Database Training.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 4000 - Planning And Programming
Department: 4200 - Countywide Planning

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 5,670	\$ 1,714	\$ 1,652
Fringe Benefits	255	236	-
Services	6,319	1,729	2,220
Material & Supplies	56	45	25
Acquisitions	130,585	-	-
Other	56	79	86
Total	\$ 142,942	\$ 3,803	\$ 3,982
 Staffing	 36	 30	 31

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING *Multimodal Planning*

Department Function

Multimodal Planning is responsible for project management across all modes, including Highway/Freeway, Transit Planning, TDM, Rail Planning, Signal Synchronization, Intelligent Transportation Systems (ITS), and other multimodal planning efforts; approves and monitors the utilization of funds by cities and transit operators; conducts joint development activities; is the LACMTA liaison to the cities on Prop A & C Local Return and Discretionary funds, TDA article 3 & 4 and, serves as the project planning lead in the Long Range Plan and the Call for Projects.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.

- Meet quality, safety, schedule, and financial performance targets for construction projects planned

- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.

- Improve employee morale.

FY97 DEPARTMENT OBJECTIVES

- Complete transit restructuring studies.
- Implement a community responsive Bus Service Improvement Plan at the local level through use of a Customer Satisfaction Survey and Subregional Service Council input.
- Oversee implementation and evaluate effectiveness of the Bus-Rail interface plan for Red Line MOS-2.

- Complete PSR/MIS/EIS for High Occupancy (HOV) projects.
- Continue implementation of the baseline rail component of the Long Range Plan through completion of all environmental, engineering feasibility studies and planning studies.

- Provide leadership and coordinate with local jurisdictions on the FY 97 Call for Projects.
- Initiate Business Plans and implement projects in coordination with the Joint Development Strategic Plan for MOS 1 and 2 rail projects
- Develop transitional funding plans for all TDM demonstration projects within this fiscal year.

- Implement key recommendations of the Roles & Responsibilities Task Force
- Conduct 3 internal training sessions
- Improve communications by conducting bi-monthly Multimodal all staff meetings.

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Received Board approval to implement at least three Mobility Allowance Smart Shuttle Pilot Projects.
- Completed the DMU feasibility Analysis including service plan for Burbank-Glendale Corridor.
- Developed fundable Alameda Corridor plan.
- Negotiated and obtained signed MOU's for 90% of 1996 Call for Projects within six months of board approval.
- Established a tracking system to meet Call for Projects matching goals on FY96 projects.

DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 4000 - Planning And Programming
Department: 4300 - Multimodal Planning

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 14,848	\$ 2,844	\$ 3,024
Fringe Benefits	681	52	1
Services	2,647	24,419	38,745
Material & Supplies	23	268	52
Acquisitions	86	-	-
Other	(170)	72	170
Total	\$ 18,116	\$ 27,654	\$ 41,992
 Staffing	 53	 52	 56

DEPARTMENTAL FINANCIAL INFORMATION

PLANNING AND PROGRAMMING *Capital Planning*

Department Function

The Capital Planning Department is responsible for strategic capital planning for all fund sources that support the LACMTA mission of improving mobility and promoting innovative and comprehensive systems throughout the Los Angeles County.

FY97 BUDGET GOALS

- Continue existing service levels and implementation of the Bus System Improvement Plan.
- Achieve a balanced budget and improved the financial viability of the LACMTA.
- Implement an equitable approach to allocating regional revenues working with municipal operators and representatives.

FY97 DEPARTMENT OBJECTIVES

- Advance local and regional projects through funding, advocacy, support and service to funding partners.
- Secure and program funding levels and sources in support of LACMTA plans and policies.
- Articulate and promote inclusion of LACMTA funding and project priorities in ISTEIA II.
- Identify new sources of revenue and increase flexibility of existing sources.
- Revise Call for Projects criteria to give further preference to projects and their sponsors that meet LACMTA's region-wide goals

DEPARTMENTAL FINANCIAL INFORMATION

FY96 Key Accomplishments

- Developed FY 1995-96 Capital Planning Budget.
- Recertified TIP Call for Projects.
- Negotiated State Transportation Improvement Programs (STIP) with the California Transportation Improvement Programs.
- Secured state and federal grants for LACMTA projects (State: \$176 Million and Federal: \$274 Million)
- Advanced the securing of City of Los Angeles funding contribution to Metro Red Line Segment 3
- Obligated \$200 million county-wide of federal flexible (ISTEA) funds during FY 1995-96 through implementation of LACMTA's Timely-Use-Of-Funds policy.
- Participated in monthly meetings and served as LACMTA's representative before the California Transportation Commission, Self-Help County Coalition and Regional Transportation Commission.
- Advocated LACMTA's fair share of the CTC's scarce resources in order to ensure continued state and federal funding of LACMTA's high priority projects in the STIP.
- Negotiated and executed \$176 million in State grants and \$274 million in federal grants.
- Reviewed all Board agenda reports prior to distribution for consistency with TIP, grants, and Long Range Plan.
- Maintained project funding levels for all Los Angeles County programs. Statewide funding shortfall averted due to approval of seismic bond measure.
- Developed LACMTA positions and worked with statewide coalitions to develop strategies for state and federal activities for new revenue generating efforts and joined NEXTEA, worked with APTA and CALCOG.
- Initiated efforts to ensure Congress earmarks over \$722 in the reauthorization of ISTEA for METRO Red Line Projects and other Los Angeles transportation projects.
- Advocated administrative and legislative changes that would facilitate Capital Planning activities, including grants, the TIP, Long Range Plan and the Benefit Assessment Districts program, including coordination with Intergovernmental Affairs on many issues including the \$50 million raid on TDA funds.
- Developed and presented two funding seminars for LACMTA staff and one TIP/Call for Projects workshop. Also put together funding seminar and resource book for Call for Projects completed in September 1995. Call for Projects process completed with maximum involvement from TAC and grantees.

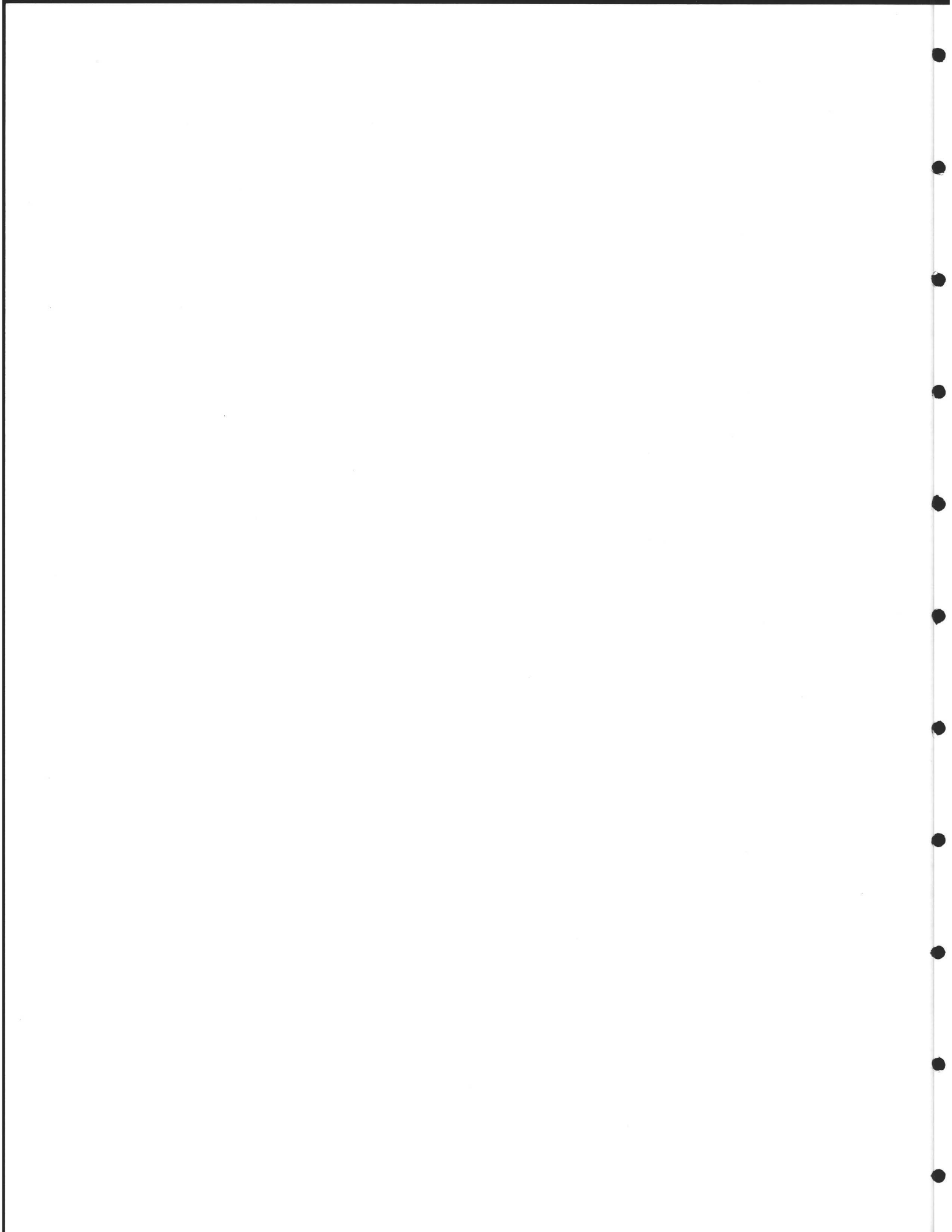
DEPARTMENTAL FINANCIAL SUMMARY

Executive Office: 4000 - Planning And Programming
Department: 4400 - Capital Planning

Expense Summary

(\$ Thousands)

	FY 95 Actual	FY 96 Budget	FY 97 Budget
Salary & Wages	\$ 3,939	\$ 1,164	\$ 1,414
Fringe Benefits	257	28	-
Services	172	228	262
Material & Supplies	17	65	9
Acquisitions	42	1,856	-
Other	631	69	9
Total	\$ 5,058	\$ 3,410	\$ 1,694
 Staffing	 26	 24	 26



CAPITAL BUDGET

OVERVIEW

The LACMTA Capital Budget is the means of implementing planning and programming decisions made through the Long Range Plan and Transportation Improvement Plan (TIP). The capital budget provides the Board authorization to initiate spending of dollars associated with projects which have been planned by the LACMTA. The approved capital budget serves as authorization for expenditure in FY97. This includes:

- Initiation and/or continuation of projects funded by State and Federal grants which were programmed in prior years. Funds for these projects have been secured or are in process (e.g., pending Federal grant approval).
- New projects requiring Board authorization to program local funds and/or apply for State and Federal grants. Some of these new projects are included in the FY97 Budget as there is a need to begin expending funds immediately (e.g., tire lease).

The LACMTA Capital Budget is comprised of the rail construction program and capital projects associated with bus operations, rail operations, and other agency planning and support functions. By definition, capital includes assets having a value of \$2,500 or more and a useful life of at least one year.

Evaluation Criteria and Funding Priorities

Requests for new capital projects are evaluated through a competitive process according to the following criteria:

- Consistency with Long Range Plan objectives and Transportation Improvement Plan (TIP)
- Benefit to the LACMTA (e.g., impact on future operating costs and revenues)
- Effect on service delivery
- Consequences of not funding the capital project request
- Life of asset
- Total project cost and schedule for completion
- Sources of funding.

Funding priorities established for the FY97 Budget include the following:

- Mandates – Ensuring compliance with Federal and State regulations.

CAPITAL BUDGET

- Health And Safety – Protecting the health and safety of LACMTA customers and employees.
- Maintenance of Assets – Maintaining existing assets to preserve past investments and reduce future costs of repair.
- Scheduled Replacement – Replacing vehicles and equipment in accordance with scheduled purchasing cycles.
- New Technology – Instituting new technologies which can improve services and/or reduce costs.
- Enhancement of Service – Improving the overall delivery of service to LACMTA customers.
- Economic Development – Encouraging regional economic development and public/private partnerships.

CAPITAL BUDGET

PROGRAM HIGHLIGHTS

Major capital expenditures planned for FY97 are organized by Rail Construction and Bus and Rail Minor Capital. Within Bus and Minor Rail Capital, projects are organized by FY97 funding priorities. Highlights of major capital expenditures planned for FY97 are as follows.

Rail Construction

- Transfer the Red Line Segment 2 Wilshire leg to Operations for revenue operations.
- Continue North Hollywood project construction activities for tunnels and stations, and final design activities for track work, site restoration and systems.
- Complete Pasadena Project design contracts for stations at Chinatown, Avenue 26, Memorial Park, and Del Mar.
- Acquire real estate for the Eastside Project. Complete design for the Little Tokyo and First and Boyle stations. Begin construction (e.g., utility rearrangements).
- Complete retrofitting of 13 bridges along alignments.
- Complete safety improvements to Metro Blue Line Grade Crossings.

A summary of the status of the rail program as of March 1996 is presented on the following page.

SUMMARY OF RAIL PROGRAM STATUS

(\$ Millions)	RED Segment 1	RED Segment 2	RED Segment 3 N. Hollywd.	RED Segment 3 Mid City	RED Segment 3 East Side	BLUE Long Beach/LA	BLUE Pasadena	GREEN	Light Rail Vehicle	Summary
Length	4.4 Miles	6.7 Miles	6.3 Miles	2.3 Miles	3.7 Miles	22 Miles	13.6 Miles	20 Miles		79 Miles
Number of Stations	5	8	3	2	4	22	14	14	52 Cars	72 Stations
Technology	Heavy Rail	Heavy Rail	Heavy Rail	Heavy Rail	Heavy Rail	Light Rail	Light Rail	Light Rail	Light Rail	
MTA Approved Opening Date	Grand Opening Jan 1993	Opening In Phases 1996-99	Aug-00	TBD	Nov-02	Grand Opening Jul 1990	May-01	Aug-95	Final Car Delivery Sept 1999	Final Completion 2002
Design Status	Completed	99.6%	90%	Final Not Started	13%	Completed	80%	Completed	Based on Milestones 85%	4 of 9 completed
Construction Status	Completed	72%	20%	Not Started	Not Started	Completed	5%	98%	Based on Milestones 25%	3 of 9 completed
Expenditures as of 3/96	\$1,421	\$1,098	\$321	\$12	\$18	\$877	\$159	\$629	\$64	\$4,599
MTA Approve Budget	\$1,450	\$1,641	\$1,314	\$491	\$980	\$877	\$804	\$718	\$201	\$8,475
Federal Funding	48%	44%	60%	66%	62%	0%	0%	0%	40%	37%
State/Local Funding	52%	56%	40%	34%	38%	100%	100%	100%	60%	63%

CAPITAL BUDGET

Bus And Rail Minor Capital

The projects included under Bus and Rail Minor Capital are organized by funding priorities.

Mandated Programs

- Continue replacing underground storage tanks in compliance with federally mandated environmental requirements.
- Initiation of the ADA-mandated bus station and transit center improvement program.

Health & Safety

- Procure, install, and test emergency communications equipment to improve bus and rail passenger safety.
- Provide passenger safety improvements at elevated Metro Blue and Green Line stations, as well as Metro Red Line Segment 1 Stations.
- Improve employee safety and reduce the risk of on-the-job injuries through purchase of new equipment.

Maintenance of Assets

- Initiate methanol bus overhaul program. Complete heavy maintenance program on 100 buses and power plant rebuild on 591 engines.
- Complete rail maintenance activities including door operator program, wire sag program, and overhauls of air brake, traction motor, pantograph, and propulsion systems.
- Continue development of CNG fueling capabilities at LACMTA bus divisions.

Scheduled Replacement

- Accept delivery of approximately 200 new CNG buses.
- Continue replacement and upgrade of the Transit Radio System.

CAPITAL BUDGET

- Replace support vehicles, shop equipment, and computers per established replacement cycles.

New Technology, Enhancement of Service, And Economic Development

- Continue development of the Advanced Technology Transit bus – a federally funded joint project between Northrop and the LACMTA to develop a more cost-efficient bus.
- Update software and hardware platforms to improve service scheduling, vehicle maintenance, human resource management, and materials management functions.

The following pages summarize planned capital expenditures for FY97 by project category and LACMTA priorities. Narrative descriptions for all FY97 capital expenditure projects are presented at the end of this section.

CAPITAL BUDGET

FY97 CAPITAL EXPENDITURES FOR NEW AND ONGOING PROJECTS

Bus & Rail Minor Capital Projects	Total Funds Programmed	Total Expended As Of 12/31/95	FY97 New Capital Programs	Total Available	FY97 Capital Budget Authorized Expenditure
Mandated Programs					
Underground Tank Replacement	\$21,987	\$2,079	\$4,600	\$24,508	\$14,855
ADA Compliance	\$1,015	\$1	\$254	\$1,268	\$1,268
MBL Fire Alarm & PA System	\$0	\$0	\$200	\$200	\$0
Subtotal	\$23,002	\$2,080	\$5,054	\$25,976	\$16,123
Health And Safety Programs					
Emergency Communications Equip.	\$704	\$52	\$0	\$652	\$650
Rail Passenger Safety Improvements	\$1,000	\$25	\$2,005	\$2,980	\$1,245
Equip. For Improved Employee Safety	\$260	\$0	\$75	\$335	\$250
Other Safety Improvements	\$0	\$0	\$800	\$800	\$800
Subtotal	\$1,964	\$77	\$2,880	\$4,767	\$2,945
Maintenance Of Assets					
Methanol Bus Overhaul Program	\$0	\$0	\$6,948	\$6,948	\$6,948
Bus Maintenance Program	\$0	\$0	\$19,348	\$19,348	\$19,348
Rail Maintenance Program	\$7,724	\$239	\$1,065	\$8,550	\$6,062
CNG Fueling Facilities	\$4,483	\$887	\$4,820	\$8,416	\$4,100
Other Facility Upkeep Projects	\$10,313	\$740	\$68	\$9,641	\$7,603
Subtotal	\$22,520	\$1,866	\$32,249	\$52,903	\$44,061
Scheduled Replacement					
Bus Replacement	\$188,215	\$45,172	\$23,562	\$166,605	\$62,433
Transit Radio System	\$8,095	\$1,531	\$0	\$6,564	\$6,556
Bus Interior Cleaning Program	\$194	\$20	\$1,500	\$1,674	\$100
Tire Lease & Replacement	\$215	\$45	\$4,000	\$4,170	\$4,187
Gearbox & Other Rail Equipment	\$510	\$0	\$1,600	\$2,110	\$2,110
Computer & Diagnostic Equipment	\$50	\$0	\$1,575	\$1,625	\$1,625
Printing And Cash Counting Equip.	\$2,216	\$84	\$0	\$2,132	\$2,133
Non-Revenue Vehicle Replacement	\$0	\$0	\$1,734	\$1,734	\$1,734
Certificates Of Participation (a)	\$0	\$0	\$14,500	\$14,500	\$14,500
Automated Storage & Retrieval System	\$1,333	\$100	\$0	\$1,233	\$1,233
Subtotal	\$200,828	\$46,952	\$48,471	\$202,347	\$96,616
New Technology, Enhancement Of Service, And Economic Development					
Upgrade Communications Equipment	\$1,731	\$391	\$0	\$1,340	\$1,338
Information Technology Upgrades	\$6,507	\$299	\$0	\$6,208	\$4,962
ATTB	\$20,400	\$20,365	\$11,690	\$11,725	\$11,682
Gateway Headquarters	\$144,500	\$137,365	\$0	\$7,135	\$249
Gateway Transit Plaza	\$149,500	\$130,757	\$0	\$18,743	\$9,420
Subtotal	\$322,638	\$289,177	\$11,690	\$45,151	\$27,651
SUBTOTAL BUS & MINOR RAIL	\$570,952	\$340,152	\$100,344	\$331,144	\$187,396
<small>(a) COPs are included in the Debt Service Fund.</small>					

Los Angeles County Metropolitan Transportation Authority
FY 1996-97 Budget

CAPITAL BUDGET

Rail Construction & Rail Planning Projects	Total Funds Programmed	Total Expended As Of 12/31/95	FY97 New Capital Programs	Total Available	FY97 Capital Budget Authorized Expenditure
Metro Red Line Segment 1	\$1,450,019	\$1,434,287	\$0	\$15,732	\$11,285
Metro Red Line Segment 2	\$1,640,781	\$1,209,732	\$0	\$431,049	\$279,638
Metro Red Line Segment 2 Construction Mitigation	\$23,147	\$4,889	\$0	\$18,258	\$7,958
Metro Red Line Segment 3 - North Hollywood	\$1,310,822	\$453,592	\$0	\$857,230	\$334,449
Metro Red Line Segment 3 - Mid City	\$493,473	\$13,646	\$0	\$479,827	\$4,075
Metro Red Line Segment 3 - East Ext.	\$980,236	\$37,382	\$0	\$942,854	\$87,528
Metro Green Line/North Coast Extension	\$717,802	\$656,132	\$0	\$61,670	\$36,226
Metro Blue Line - Pasadena	\$803,900	\$180,106	\$0	\$623,794	\$79,747
Metro Blue Line - Transit Enhancements	\$16,354	\$10,679	\$0	\$5,675	\$3,606
San Fernando Valley Line - Planning	\$2,438	\$0	\$3,127	\$5,565	\$5,565
LA Rail Cars	\$200,951	\$78,936	\$0	\$122,015	\$58,214
Engineering Design Services	\$0	\$0	\$6,269	\$6,269	\$6,269
Rapid Response Program	\$0	\$0	\$2,000	\$2,000	\$2,000
Systemwide Agency Costs (Annual)	\$57,435	\$49,664	\$39,549	\$47,320	\$39,547
SUBTOTAL RAIL CONSTRUCTION & RAIL PLANNING PROJECTS	\$7,697,358	\$4,129,045	\$50,945	\$3,619,258	\$956,107
TOTAL	\$8,268,310	\$4,469,197	\$151,289	\$3,950,402	\$1,143,503(a)

(a) COPs are included in the Debt Service Fund.

CAPITAL BUDGET

FY97 CAPITAL PROJECT PROGRAMMING

Funding for new capital programming recommended for Board approval in FY97 is presented below. The recommended programming of new capital funds is consistent with the Transportation Improvement Program. Board authorization and approval is required for these new capital programs.

FY97 Capital Project Programming	Total Funds Programmed	Federal Sections 9 and 3 Funds	Other Federal & State Funds	Local Funds
Mandated Programs				
Underground Tank Replacement	\$4,600	\$3,680	\$0	\$920
ADA Compliance (a)	\$254	\$0	\$0	\$254
MBL Fire Alarm & PA System	\$200	\$160	\$0	\$40
Subtotal	\$5,054	\$3,840	\$0	\$1,214
Health And Safety Programs				
Rail Passenger Safety Improvements	\$2,005	\$1,604	\$0	\$401
Equip. For Improved Employee Safety	\$75	\$62	\$0	\$13
Contingency For Safety Improvements	\$800	\$0	\$0	\$800
Subtotal	\$2,880	\$1,666	\$0	\$1,214
Maintenance Of Assets				
Methanol Bus Overhaul Program	\$6,948	\$1,667	\$0	\$5,281
Bus Maintenance Program	\$19,348	\$10,984	\$0	\$8,364
Rail Maintenance Program	\$1,065	\$852	\$0	\$213
CNG Fueling Facilities (a)	\$4,820	\$3,280	\$0	\$1,540
Other Facility Upkeep Projects	\$68	\$54	\$0	\$14
Subtotal	\$32,249	\$16,837	\$0	\$15,412
Scheduled Replacement				
Bus Replacement	\$23,562	\$18,850	\$0	\$4,712
Bus Interior Cleaning Program	\$1,500	\$1,200	\$0	\$300
Tire Lease & Replacement	\$4,000	\$3,200	\$0	\$800
Gearbox & Other Rail Equipment	\$1,600	\$760	\$0	\$840
Computer & Diagnostic Equipment	\$1,575	\$60	\$0	\$1,515
Non-Revenue Vehicle Replacement	\$1,734	\$1,387	\$0	\$347
Certificates Of Participation (b)	\$14,500	\$11,600	\$0	\$2,900
Subtotal	\$48,471	\$37,057	\$0	\$11,414
New Technology, Enhancement Of Service, And Economic Development				
ATTB (a)	\$11,690	\$0	\$8,500	\$3,190
Subtotal	\$11,690	\$0	\$8,500	\$3,190
Rail Construction & Rail Planning Projects				
	\$50,945	\$0	\$7,245	\$43,700
TOTAL	\$151,289	\$59,400	\$15,745	\$76,144

(a) Local match for prior year grants. (b) COPs are included in the Debt Service Fund.

CAPITAL BUDGET

PROJECT DESCRIPTIONS

Rail Construction Project Descriptions

Metro Red Line Segment 1 -- The 4.4 mile, 5-station Red Line Segment 1 project, which connects Union Station to Westlake/MacArthur Park, opened for revenue service in January 1993.

Metro Red Line Segment 2 -- Currently under construction, this 6.7 mile, 8-station continuation of the Metro Red Line subway includes two rail corridors: the Wilshire Corridor will connect Westlake/MacArthur Park to Wilshire/Western; and the Vermont/Hollywood Corridor which will connect Westlake/MacArthur Park to Hollywood and Vine. Major activities planned for FY97 include:

- transfer of the Wilshire leg to the Operations Division for revenue operations
- completing concrete placement for station box structure for five stations on the Vermont/Hollywood Corridor
- completing trackwork installations for Vermont/ Hollywood Corridor
- beginning system installations for Vermont/Hollywood Corridor.

Metro Red Line Segment 2 - Construction Mitigation – This program is designed to minimize the inconveniences to residents, commuters, and businesses due to heavy construction activity. The Hollywood Construction Impact Program (HCIP) is a special enhanced mitigation program developed for the Hollywood Corridor. These mitigation measures are targeted toward enhancements that go beyond baseline construction mitigation efforts.

Metro Red Line Segment 3 - North Hollywood – The North Hollywood Segment of the Metro Red Line Project is a 6.4 mile project with three stations. This segment begins just west of the Segment 2 Hollywood/Vine Station, and continues west under Hollywood Boulevard to the Hollywood/Highland Station and north under the Santa Monica mountains to its terminus in North Hollywood. Major activities planned for FY97 include:

- continue construction of the Hollywood/Highland Station, North Hollywood Station, and Universal City Station
- continue tunnel mining from North Hollywood to Universal City Station, and tunnel mining between Universal City Station south to the Hollywood/Highland Station
- continue monitoring design efforts for trackwork and systems installations.

CAPITAL BUDGET

Metro Red Line Segment 3 - Mid-City – This is a 2.3 mile project with two stations beginning west of the Wilshire/Western Station passing through the Crenshaw/Olympic Station and terminating at the Pico/San Vicente Station. Major activities planned for FY97 include:

- finalizing the alignment
- submitting the Supplemental Environmental Impact Report/Supplemental Environmental Impact Statement for approval.

Metro Red Line Segment 3 - East Side – The Eastern Extension is a four mile alignment running east from Union Station to First and Lorena Street including four stations. Each station is being designed, as practical, using the modular station concepts developed for the North Hollywood and Mid-City projects. Planned activities for FY97 include:

- completing design for the Little Tokyo and First and Boyle stations
- completing design for the line segment from Union Station to First and Boyle and another line segment from First and Boyle to First and Lorena.
- continuing real estate acquisitions
- beginning construction for utility rearrangement, demolition and environmental clean-up, and award of the First and Boyle to First and Lorena line segment tunnel/station contract.

Metro Blue Line - Long Beach/LA -- The 22 mile, 22-station Metro Blue Line project, which connects Downtown Los Angeles to Long Beach, opened for revenue service in July 1990.

Metro Blue Line - Pasadena – Construction of the 13.7 mile Pasadena light rail line commenced in April 1994. The Pasadena Blue Line will run from Union Station in Downtown Los Angeles to Sierra Madre Villa Avenue in Pasadena. Major activities planned for FY97 include:

- beginning construction of the Arroyo Seco to Del Mar line segment
- continuing with the long lead procurement of concrete ties and special trackwork
- completing retrofit of 13 bridges along the alignment
- completing design contracts for stations at Chinatown, Avenue 26 and French, Memorial Park, and Del Mar
- completing design contracts for the Chinatown Aerial, Midway Yard and Shops, and the Union Station redesign.

Metro Green Line – The 20 mile, 14-station light rail project connecting the City of Norwalk with the City of El Segundo began revenue operations in August 1995. The FY97 budget includes work associated with contract close-out.

CAPITAL BUDGET

Light Rail Vehicle – This project provides for the production of 72 LA standard light rail vehicles for the various light rail lines under construction throughout Los Angeles County.

Systemwide Agency Costs – The systemwide budget includes staff and consultant support for all LACMTA engineering, design, and construction activities on rail construction projects. Support services include: system design criteria and standards maintenance; baseline drawing and document control; Project Management Information Systems administration; budget and financial administration; third party agency and regulatory agency coordination and interface; project management and oversight assistance; and total quality management and program implementation. Major activities planned for FY97 include:

- awarding the contract for construction of the Metro Red Line and Metro Green Line Maintenance of Way facilities
- awarding the contract for retrofit of the Metro Red Line Segment 1 radio system
- maintaining infrastructure of the CADD program
- implementing “Best Management Practices” scope of the Metro Red Line Environmental Mitigation project
- completing design of the sprinkler system for all Metro Red Line Segment 1 stations.

Bus And Rail Minor Capital Project Descriptions

Mandated Programs

Underground Tank Replacement Program – In compliance with environmental mandates, the LACMTA will continue its program to replace underground storage tanks at 12 separate locations prior to the December 22, 1998 deadline for compliance.

ADA Compliance Program – This project implements ADA-mandated facility improvements. Specific facilities scheduled for modification include the USC Center Busway, Pico/Rimpau Transit Center, El Monte Station, Cal State Bus Station, and LAX Transit Center.

Metro Blue Line Fire Alarm and Public Address System – This project involves connecting the public address and fire suppression systems to the EMP.

Health & Safety

Emergency Communications Equipment – This project develops an emergency dispatch center of portable buildings and a bus. Included as part of this project are radios

CAPITAL BUDGET

and dispatch equipment, as well as emergency communications equipment for the Gateway headquarters.

Rail Passenger Safety Improvements – Programs aimed at improving rail passenger safety are planned for FY97, including projects such as:

- electronic horns on Metro Red Line vehicles to reduce noise levels
- chain link fences at elevated Metro Blue and Metro Green Line stations
- battery monitoring systems for stations and tunnels in the event of a power failure
- tanks and sumps in Metro Green Line stations (i.e., water in elevator and escalator pans causes service shutdowns)
- implementation of an automatic train protection program to ensure signal integrity
- Metro Red Line station improvements (e.g., public address system, electronic door strikes).

Equipment For Improved Employee Safety – An overhead crane is proposed to reduce physical movement of material by employees. In addition, a dual dock leveler is planned so that warehouse employees may safely access delivery trucks without venturing near the 3rd rail area.

Contingency For Safety Improvements – The LACMTA annually sets aside a capital contingency to fund unforeseen emergency bus and rail minor capital expenditures.

Maintenance of Assets

Methanol Bus Overhaul Program – This overhaul project is required so that vehicles may be kept in service through the end of their 12-year or 500,000 mile useful life cycle.

Bus Maintenance Program – The heavy maintenance program is a periodic refurbishment of high mileage buses for repair and/or replacement of parts and assemblies that are marginal, defaced or worn. Approximately 100 buses (i.e., five percent of the service fleet) are scheduled for heavy maintenance in FY97. Also included in this category is the capitalization of transmission rebuild, engine rebuild, and bus painting functions. In FY97, approximately 591 engines are scheduled for rebuild.

Rail Maintenance Program – The rail maintenance program for FY97 involves programs such as:

- Metro Red Line pump and sewage ejector systems maintenance
- LRV door operator program to improve door reliability and reduce train delays
- LRV coupler overhaul
- wire sag correction program
- air brake system, traction motor, and pantograph overhaul programs

CAPITAL BUDGET

- propulsion system overhaul program.

CNG Fueling Facilities – As new CNG buses are introduced into the LACMTA bus fleet, additional divisions require CNG fueling facilities and back-up emergency generators for these facilities. Facility modifications planned for FY97 include the RRC, and Divisions 18, 10, 15, and 8.

Other Facility Upkeep Projects – This project includes various expenditures for the maintenance and rehabilitation of LACMTA operating divisions (e.g., re-roofing, pavement replacement), developing of material storage facilities, and other divisional support needs.

Scheduled Replacement

Bus Replacement – Annually, the LACMTA programs new funds for replacement of a portion of its existing bus fleet. Bus replacement is primarily funded from Federal funds. The FY97 capital program provides the funds for delivery of approximately 200 new CNG buses.

Transit Radio System – This multi-year program is for an integrated bus radio communication system and equipment. Over 750 buses will be outfitted with this communications equipment during FY97.

Bus Interior Cleaning Program – As a result of the success of the anti-graffiti program, the LACMTA continues an ambitious program to replace etched windows, install sacrificial windows to permit less expensive replacement of etched windows in the future, replace graffiti soiled seats, and re-engineer the cleaning program to ensure clean and dust-free bus interiors for all customers. This project provides the equipment and modifications to bus cleaning shops at two divisions to continue the improvements in bus cleanliness and appearance achieved thus far.

Tire Lease And Replacement Program – This program allows for the capitalization of tire leases which allows the LACMTA to reduce operating expenses by the capitalization of costs associated with revenue vehicle tire replacement.

Gearbox And Other Rail Equipment – The current Metro Blue Line gearbox vendor is leaving business. This project allows for the development of car sets with a new vendor, as well as provision of additional gearbox spare parts. This project also includes other items such as Metro Blue Line re-rail equipment, wheel press, and telephone equipment upgrades and replacement.

CAPITAL BUDGET

Computer And Diagnostic Equipment – The FY97 budget includes investments in information technology, computer support, and diagnostic equipment. Major projects planned for FY97 include:

- upgrade of dyno equipment at the RRC
- diagnostics down-loader equipment
- PC and related equipment replacement (e.g., target to replace all 386 PCs).

Printing And Cash Counting Equipment – These projects include the purchase and installation of print shop and cash counting equipment.

Non-Revenue Vehicle Replacement – The LACMTA maintains a fleet of non-revenue vehicles (e.g., sedans, trucks, support vehicles). Annually, a portion of the fleet is replaced based on age and condition. The emphasis in the FY97 Budget is scheduled replacement for trucks and field maintenance support vehicles.

Certificates of Participation – In 1992, the LACMTA participated in a \$118.4 million issuance of California Transit Finance Corporation Certificates of Participation to finance the acquisition of 333 buses and related equipment. Annual lease payments are funded through Federal Section 9 capital grant funds and from local matching TDA funds. The amount budget for FY97 is equal to the annual debt service payment requirement.

Automated Storage And Retrieval System (ASRS) – This project includes carousel systems for five divisions to provide additional storage associated with an expanded fleet mix (e.g., CNG vehicles). In addition, the existing ASRS is schedule for replacement.

New Technology, Enhancement of Service, And Economic Development

Upgrade Communications Systems – A number of communication system upgrades are planned for FY97, including:

- Baldwin Hills microwave addition
- radio receiver frequency protection to limit unauthorized use of LACMTA radio frequencies.

Information Technology Upgrades – Major information technology upgrades planned for FY97 include:

- development and migration of the vehicle maintenance system and transit operations trends system
- update of scheduling system software and hardware
- upgrade of the CADD/GIS system
- development of an integrated automated human resource system
- materials management system study.

CAPITAL BUDGET

Advanced Technology Transit Bus – This project represents a public/private joint venture between Northrop and the LACMTA to develop a prototype cost- and fuel-efficient bus. The project is support with Federal and local funds.

**VII. Funds Programmed to
Other Agencies**

FUNDS PROGRAMMED TO OTHER AGENCIES

INTRODUCTION

LACMTA enabling legislation designated it as the regional transportation planning entity for Los Angeles County. As such, the LACMTA is responsible for programming funds to support transit, highway and multimodal programs to various cities and agencies throughout the County. This programming function is a critical component of the LACMTA's responsibility to oversee the development of an integrated transportation system for Los Angeles County. LACMTA is responsible for programming the funds to other agencies, while project management and execution are the responsibility of the local entity.

All transportation funds must be programmed by the LACMTA through the County Transportation Improvement Plan. Funds are programmed to local agencies by enacting ordinance, as in the Local Return Program; by formula through the allocation to transit operators; or, through a competitive awards process, known as the Call for Projects Process. Once funds are programmed by the LACMTA, they are either directly disbursed by LACMTA to the local entity or provided to the local entity by way of grants from a state or federal funding agency.

The FY97 Proposed Budget includes only those funds directly disbursed by the LACMTA. This represents a change from prior budget presentations which included all funds programmed by the LACMTA. A complete presentation of all funds programmed is included in the Transportation Improvement Plan.

FY97 Funds budgeted in the Call for Projects category include prior year unexpended balances and anticipated FY97 expenditures.

FUNDS PROGRAMMED TO OTHER AGENCIES

SUMMARY OF FUNDS PROGRAMMED TO OTHER AGENCIES

	<i>Dollars in Thousands (\$000)</i>		
	FY96 Budget	FY97 Budget	FY97 Inc / (Dec) over FY96
<i>Funds Directly Disbursed by the MTA</i>			
Proposition A & C Local Return	169,900	188,167	18,267
Operating Funds to Included & Eligible Operators	74,900	91,670	16,770
Proposition A Incentive	9,300	8,188	-1,112
Base Bus Restructuring	3,000	3,000	0
Recessionary Relief to Municipal Operators	0	13,990	13,990
Bus Service Improvement Program to Included and Eligible Operators	0	2,552	2,552
Transit Service Expansion	5,700	5,749	49
ASI Paratransit	17,700	29,409	11,709
Commuter Rail (Operating and Capital Subsidy to SCRRRA)	44,900	40,064	-4,836
Other Local Subsidies	0	3,022	3,022
Call for Projects (Prop C -Locally Funded)	100,931	158,922	57,991
TDA Article 3	4,000	4,434	434
TDA Article 8	9,400	10,641	1,241
NTD Reimbursement to Locally Funded Operators	<u>0</u>	<u>400</u>	<u>400</u>
Subtotal	439,731	560,208	120,477
<i>Funds Disbursed by Other Local, State or Federal Agencies</i>			
Capital Funds to Included & Eligible Operators	25,100	23,091	-2,009
Transit Capital Improvement Program	3,900	3,849	-51
State Highway Program	109,300	158,671	49,371
Local Program	309,200	344,317	35,117
Call for Projects	<u>114,569</u>	<u>103,175</u>	<u>-11,394</u>
Subtotal	562,069	633,103	71,034
Total	1,001,800	1,193,311	191,511

Notes:

FY97 Call for Projects (Locally Funded) includes FY96 carryovers and anticipated expenditures of FY97 programmed funds.

FY96 Call For Projects includes total programmed funds.

FUNDS PROGRAMMED TO OTHER AGENCIES

PROGRAM DESCRIPTIONS

The FY97 Budget includes the funds programmed to other agencies which are directly distributed to the local agencies. Funds from the following programs are distributed by the LACMTA to local agencies on a formula or cost reimbursement basis.

- **Local Return** - The Local Return Program includes 25% of the Proposition A receipts and 20% of the Proposition C receipts, as stipulated in the enacting legislation. Funds are distributed by the LACMTA to the County and the 89 cities throughout the county based on population estimates. Proposition A Local Return funds are required to be spent on public transit projects. Local jurisdictions are required to submit a description of the intended use of the funds to the LACMTA for approval. Proposition C Local Return funds are designated for use by cities and the County for public transit, paratransit and related services, including improving and expanding supplemental paratransit services to meet ADA requirements.
- **Operating Funds to Included and Eligible Operators** - Per Board policy and State funding procedures, TDA Article 4, Proposition A Discretionary funds, State Transit Assistance funds, and FTA Section 9 operating funds are programmed and disbursed to bus operators in Los Angeles County, including the LACMTA, based on the Formula Allocation Procedure. The formula allocates the total county pool of funds for these revenue sources based on audited performance data.
- **Proposition A Incentive Fund Program** - Funding for the Proposition A Incentive Program equals 5% of the total Proposition A Discretionary funds. This program funds paratransit services through the County, in addition to funding fixed route services for Foothill Transit, City of Los Angeles, Antelope Valley and Santa Clarita. The subsidy for the Avalon Ferry is also included in this program.
- **Base Bus Restructuring Program** - Funds are provided to four operators (Foothill Transit, Torrance Transit, Montebello Municipal Bus Lines and Commerce Municipal Bus Lines) for services programmed in their Short Range Transit Plans added between July 1, 1990 and April 24, 1991. These services are not included in the Proposition A base service level and are not eligible for Proposition A Discretionary funding. The total funding level is frozen at the FY92 level with no adjustments for inflation.

FUNDS PROGRAMMED TO OTHER AGENCIES

- **Transit Service Expansion Program** - This program is intended to fund additional congestion-relieving transit service and connections to the Metro Blue Line. Funding for the program is allocated through the Bus System Capacity Expansion Component of the Proposition C 40% Discretionary Guidelines.
- **Paratransit Services provided by Access Services, Incorporated** - Access Services, Incorporated is a private non-profit corporation providing paratransit services on a Countywide basis. The ASI's complementary paratransit service greatly improves the mobility of persons with disabilities by providing a much larger service area than would result from each fixed-route operator offering its own complementary paratransit service. It also provides cost savings over having several different systems. The LACMTA is the primary funding source for ASI.
- **Commuter Rail** - As a member agency of the Southern California Regional Rail Authority (SCRRA), LACMTA provides funding for commuter rail services in Los Angeles County. Proposition C 10% funds are allocated for Metrolink commuter rail services.
- **Call for Projects** - The Call for Projects is a multi-year programming tool which awards funds to local jurisdictions and other agencies through a competitive selection process. Through the Call for Projects, the LACMTA identifies needs and programs an amount of funds to various transportation projects. Once needs are identified and projects are selected, specific funds are assigned to meet the eligibility requirements of fund sources and to leverage the maximum amount of federal and state funds for the County.
- **TDA Article 3 funds** - TDA Article 3 funds are allocated by the state to the LACMTA for disbursement to the cities and county. Funds are to be used for the design and construction of pedestrian and bikeway facilities and for bicycle safety education programs. Distribution of TDA Article 3 funds is as follows: 85% to 89 cities and unincorporated area of the County; 4.5% to the City of Los Angeles, and 10.5% to the County of Los Angeles.
- **TDA Article 8 funds** - TDA Article 8 funds are used to cover the costs of public transportation services provided under contract, administrative and planning costs for contract service, vehicles and related equipment, bus shelters, benches, and communication equipment. Funds may be used for development, construction and maintenance of streets and roads, including facilities for exclusive use by pedestrians and bicycles.

TDA Article 8 - Transit/Streets and Highways are allocated to Avalon, Lancaster, Palmdale, Santa Clarita and the unincorporated areas of Los Angeles County based on a population-based formula.

FUNDS PROGRAMMED TO OTHER AGENCIES

LACMTA is also responsible for programming funds in the following categories. Actual disbursements of funds and/or cost reimbursements are made by State or Federal funding agencies.

- **Capital Program for Included and Eligible Transit Operators** - Federal Section 9 capital funds are allocated to Los Angeles County bus operators by the Bus Capital Allocation Formula approved by the Bus Operators' Subcommittee.
- **Transit Capital Improvement Program** - The TCI Program is a discretionary capital program administered by the California Transportation Commission (CTC).
- **State Highway Program** - This category includes funds programmed for State Highway Operation and Protection Program and Capacity Enhancements projects. State highway projects included in the State Transportation Improvement Program (STIP) are capacity enhancing projects which increase vehicle flow through the addition of lanes, turning movements, or grade separations. Included are projects to mitigate the impacts of these capacity enhancements.
- **Local Program** - The Local Program includes funds for roadway reconstruction, rehabilitation, safety improvements and other enhancements. Project specific listings are included in the local program of the TIP for roadway widening, signalization, and grade separations.

FUNDS PROGRAMMED TO OTHER AGENCIES

SUMMARY OF FUNDS PROGRAMMED TO OTHER OPERATORS Included and Eligible Operators (Excluding LACMTA)

Dollars in Thousands (\$000)

	FY96 Operating	FY96 Capital	Total	FY97 Operating	FY97 Capital	Total	FY97 Inc/(Dec) over FY96
Included Operators							
Arcadia	501	89	590	565	95	659	69
Claremont	143	30	173	140	29	169	-4
Commerce	265	538	803	309	152	461	-343
Culver City	3,820	2,203	6,023	4,335	6,250	10,566	4,543
Foothill	17,172	3,147	20,319	23,882	4,226	28,108	7,789
Gardena	3,913	4,569	8,482	4,526	798	5,304	-3,178
La Mirada	236	59	296	254	60	314	18
Long Beach	19,395	3,397	22,792	21,250	3,436	24,593	1,802
Montebello	5,452	1,981	7,433	5,609	813	6,398	-1,035
Norwalk	1,435	3,053	4,488	1,451	1,069	2,514	-1,975
Redondo Beach	78	21	100	82	22	104	5
Santa Monica	17,478	2,273	19,751	20,559	2,376	22,846	3,095
Torrance	<u>5,027</u>	<u>1,177</u>	<u>6,203</u>	<u>6,208</u>	<u>1,190</u>	<u>7,371</u>	<u>1,167</u>
Subtotal	74,915	22,537	97,452	89,170	20,516	109,407	11,955
Eligible Operators							
Antelope Valley	765	368	1,134	1,234	364	1,597	463
City of Los Angeles DOT	2,754	1,381	4,135	3,869	1,418	5,270	1,135
Santa Clarita	<u>861</u>	<u>815</u>	<u>1,676</u>	<u>1,320</u>	<u>794</u>	<u>2,112</u>	<u>436</u>
Subtotal	4,381	2,564	6,945	6,423	2,575	8,979	2,035
TOTAL	79,296	25,101	104,397	95,593	23,091	118,386	13,989

Notes:

Funds programmed to Other Operators are based on formula allocations approved by the Bus Operators Subcommittee in February 1996.

Funds include TDA Article 4, STA Revenue Share, Prop A Discretionary, Federal Section 9 Operating and Capital funds, Foothill Mitigation Funds and \$4.232 million in Prop A Incentive funds to Eligible Operators. The balance of Prop A Incentive funds are allocated to paratransit operators, Avalon Ferry and Hollywood Bowl shuttle services.

APPENDIX A

DESCRIPTION OF LACMTA BUDGET PROCESS

The annual budget includes all operating, capital, and debt service requirements of the LACMTA for the following fiscal year. The fiscal year is from July 1 to June 30. The Budget includes an analysis of the assumptions, underlying revenue and expense projections; number of authorized positions by department; platform hours and miles of service; and the capital and construction schedule upon which the budget is based. The budget specifies the number of positions authorized to be filled during the fiscal year.

The capital budget reflects the annual amount appropriated for each capital project. When the Board authorizes a new capital project, the Board approves a total project cost and schedule. The approval of the project budget authorizes the total expenditures over the duration of the construction project. The annual budget authorizes the anticipated expenditures of the total project budget as well as the scope of work to be completed in the fiscal year.

Development of the Fiscal Year Operating and Capital Budget includes four phases:

Phase I - Budget Strategies. The Chief Financial Officer (CFO), working with Executive Management, defines the assumptions and strategies for the annual budget. This involves projecting revenues and expenses and developing service level assumptions. Phase I is completed prior to the release of the budget instructions.

Phase II - Budget Development. Managers are required to prepare line item budgets and objectives consistent with the strategies developed in Phase I. Managers develop departmental objectives based on the budget objectives. Line item budgets are prepared using the automated Budget Input System (BIS).

Phase III - Budget Review Departmental. Budget requests are submitted on line to the OMB for review and analysis. Each Executive Office is assigned a budget analyst who will review the budget for consistency with budget directions and strategies.

Phase IV - Budget Adoption. By May 31 of each year, the Chief Executive Officer (CEO) submits to the Board of Directors a proposed Budget for the following fiscal year. The Board of Directors adopts a resolution by June 30 of each fiscal year approving a balanced Budget for the following fiscal year. Passage of the annual budget requires a majority vote of the principal members of the Board of Directors.

In the event that the Board of Directors does not adopt the Budget by June 30, the Board of Directors may adopt a continuing appropriations resolution until such time as the Budget is adopted. A continuing appropriations resolution provides that payments for services performed on behalf of the LACMTA shall continue until such time as an Budget is adopted.

Budget Amendment Process

The approved Budget is the basis for authorization for all expenditures. Managers are responsible for ensuring that all expenditures are consistent with the adopted operating budget, and project managers are responsible for ensuring capital expenditures are consistent with the adopted capital budget. During the year, the actual costs for specific expenditures may vary from the amounts budgeted for those purposes. Administrative procedures set forth specific parameters for transferring funds within and between expense categories during the fiscal year to accommodate these variations from the approved Budget.

The Board of Directors approves an Amended Appropriations Resolution quarterly, when necessary, to authorize the receipt and expenditure of funds unanticipated in the Budget as adopted or previously amended and the reallocation of funds necessary for the operation of the LACMTA.

Other Finance Policies

The Board of Directors is responsible for setting the fiscal policies of the LACMTA included as Appendix E.

The CEO reviews the fiscal policies annually. The fiscal policies comply with the California Government Code, the Internal Revenue Service Code, and all other requirements of Federal, State and Local laws, rules, regulations, and policies.

The calendar on the following page outlines the schedule for completing the FY 97 Budget Process.

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
FISCAL YEAR 97
BUDGET CALENDAR**

Date	Staff Activity	Board of Directors Activity
Sep		Distribution of Adopted FY96 Budget Book to Board of Directors, Executive Staff, Department Managers, and external users
Oct	Capital Planning Department develops the 1997 TIP Call for Projects	
Nov	Office of Management and Budget (OMB) distributes FY97 Capital Budget instructions to Department Managers	
Dec	20 Year Long Range Plan assumptions updated by Planning Department and OMB	
Dec	FY97 service assumptions are developed by Planning Department, Scheduling Department, and Operations	
Dec	Department Managers develop FY97 Capital Budget Requests and submit to OMB for review	
Jan	OMB develops Proposed FY97 Capital Budget	
Jan	Funding marks for Municipal Operators are published for FY97	
Jan	OMB conducts workshop for Department Manager on development of FY97 Operation Budget Assumptions	
Feb		Board of Directors workshop on FY97 Operating Budget Goals, Objectives and Assumptions
Feb	OMB distributes FY97 Operating Budget instructions to Department Managers	
Feb	Department Managers develop FY97 Operating Budget Goals and Objectives with Strategic Planning Department	
Mar	Department Managers develop FY97 Operating Requests and submit to OMB for review.	
Mar	OMB develops Proposed FY97 Operating Budget	
Apr	Budget Committee meets with Executive Officers and Department Managers to review Proposed FY97 Operating and Capital Budget Requests*	
Apr	CFO presents Proposed FY97 Budget to Executive Staff	
May		Proposed FY97 Operating and Capital Budget distributed to Board of Directors
May		Budget Workshop #1 - Presentation of Proposed FY97 Operating and Capital Budget
Jun		Budget Workshop #2 - Finance Committee Presentation
Jun		Board of Directors - Review and adoption of Proposed FY97 Operating and Capital Budget
Sep		Distribution of FY97 Adopted Budget Book to Board of Directors, Executive Officers and Department Managers and external users
Sep	OMB submits FY97 Budget Book to GFOA for Distinguished Budget Presentation Award	

*The Budget Committee consists of the Chief Financial Officer, Budget Director, Budget Managers and OMB Department Analysts.

APPENDIX B

DESCRIPTION OF MAJOR FUNDING SOURCES

LOCAL REVENUES

Proposition A. Proposition A funds are revenues generated from a half-cent sales tax approved in 1980 by Los Angeles County voters. Revenue projections are based on the UCLA Sales Tax Forecast. After a deduction of up to 5% for LACMTA administration, funds are apportioned as follows:

<u>Fund Category</u>	<u>Apportionment</u>
Local Return	25%
Rail Program	35%
Discretionary	40%
TOTAL	100%

Proposition C. Proposition C funds are revenues generated from a half-cent sales tax approved in 1990 by Los Angeles County voters. Revenue projections are based on the UCLA Sales Tax Forecast. After deduction of up to 1.5% for LACMTA administration, funds are apportioned as follows:

<u>Fund Category</u>	<u>Apportionment</u>
Security	5%
Commuter Rail and Transit Centers	10%
Local Return	20%
Rail Program	25%
Discretionary	40%
TOTAL	100%

Farebox. Fare revenue is generated through cash in the farebox and prepaid sales of passes and tokens.

Special Benefit Assessment Districts. Special Benefit Assessment Districts are authorized by state legislation to levy special benefit assessments for needed public rail transit facilities and/or services on the property which benefits from those facilities and/or services. Assessments are calculated annually based on either the square footage of the parcel or the square footage of the assessable improvements, whichever is larger. Benefit Assessment Districts have been established around the Metro Red Line Segment 1 and Segment 2 station areas and are planned for the Metro Red Line Segment 3 - North Hollywood extension station area.

Public/Private (Joint Development). Revenues generated from public/private participation in joint development of rail lines and rail stations.

HOV Lane Violation Fund. Penal Code 1463.26, effective January 1, 1989, entitles the LACMTA to receive fines and forfeitures collected in Los Angeles County from the violations of Vehicle code Sections 21655.5 (Vehicle Occupancy Levels) and 21655.8 (Crossing Over Double Parallel Solid Lines). The LACMTA receives one-third of the fines if violations occur within city limits and one-half of the fines if violations occur in an unincorporated area of the county. The HOV Violation Fund is allocated to the freeway incident management program that includes the Freeway Service Patrol.

Advertising and Auxiliary Revenue. Revenues derived from advertising or other minor contract services provided by LACMTA Operations.

STATE REVENUES

State Gas Tax. Proposition 111, effective August 1, 1990, imposes a state gas tax of five cents (\$.05) per gallon and a one cent (\$.01) per gallon increase effective on January 1 of each of the next four years (1991 to 1994), for a total of nine cents (\$.09) per gallon state gas tax

State Gas Tax revenues are used to support the Traffic Systems Management Program (TSM), the State and Local Transportation Partnership Program (SLTPP), the Environmental Enhancement and Mitigation Program, the Transportation Planning & Development (TP&D), and the State Transportation Improvement Program (STIP).

- TSM is a funding program for projects designed to make better use of existing transportation rights-of-way.
- The SLPP provides state funds to match local funds for the construction of transportation projects. Funds available are prorated over the construction cost of eligible projects statewide. Eligible highway projects must either increase capacity, extend service to a new area, or extend the useful life of the roadway by ten years for rehabilitation projects. Only construction costs are eligible for reimbursement. Projects selected for the program require a one-to-one local match to state dollars.
- **Environmental Enhancement and Mitigation Program.** \$10 Million is allocated annually for 10 years to be used for projects directly or indirectly related to modifying existing

transportation facilities and for the design, construction, or expansion of new transportation facilities. Local, state and federal agencies including nonprofit entities may apply for and receive grants not to exceed \$5 million.

- The **TP&D** revenues are generated from a sales tax on diesel fuel, a sales tax due on gasoline above nine cents per gallon, and “spill over” sales tax (4.75% tax on taxable goods, including gasoline, in excess of revenue generated from 5% state sales tax on all taxable goods, except gasoline). The TP&D includes the Transit Capital Improvements (TCI) and the State Assistance Fund (STA) Programs.

TCI is an annual state program funded by the California Transportation Commission Planning & Development and Article XIX (state gas tax) funds. Eligible uses include: abandoned railroad rights-of-way acquisition, bus rehabilitation; fixed guideway/rolling stock for commuter rail, urban rail and intercity rail; grade separation; intermodal transfer stations serving various transportation modes, ferry projects-ferry vessels and terminals; and short-line railroad rehabilitation. These funds are programmed at the discretion of the California Transportation Commission based upon a statewide competition.

The **STA** program is a source of funding for transit capital and operating purposes. STA funds are derived from a sales tax on gasoline and diesel fuel and are equal to 50% of TP&D revenues. These funds are allocated to counties based on population and transit operator revenues.

STA Population Share. The population share of STA (PUC section 99313) is allocated by the State Controller, based on the ratio of the population of the county to the total population of the state.

STA Revenue Share. The revenue share of the STA (PUC section 99314) is allocated by the State Controller based on the total revenue of operators during the prior fiscal year.

- The **STIP** is the adopted plan of the California Transportation Commission for the allocation of funds to specific projects in future years. Programs identified in the STIP are funded through state and federal gas taxes. The STIP programs revenues in the State Highway Account and from the Passenger Rail Bond Fund. Major programs include the Flexible Congestion Relief (FCR), the Inter-Regional Road System, the State Highway Operation and Protection Program (SHOPP), and the Retrofit Soundwall Program.

The FCR is a statewide capital program for highway and fixed guideway capacity improvements composed of state and federal gas tax revenues. Guidelines are developed by Caltrans and adopted by the California Transportation Commission. FCR funds are appropriated to fund major gap closures, backbone arterials, carpool lanes, and some fixed guideway uses.

The Inter-Regional Road System program was established to make improvements for inter-regional traffic on state highways outside urban limit lines from revenues composed of state and federal gas taxes. Projects eligible for this program are nominated by Caltrans for the STIP. These funds count toward meeting county minimum in whatever counties they are programmed. All unallocated Inter-Regional Road System revenues are transferred to the FCR fund annually.

The SHOPP was established for the maintenance and operational integrity and safety of the state highway system. It includes rehabilitation and safety projects, operational improvements, and other work necessary to maintain system integrity.

The **Retrofit Soundwall Program** funds are a subset of Flexible Congestion Relief (FCR) revenues. At the time of the STIP adoption, the California Transportation Commission determines how much FCR funds will be made available for soundwalls based on statutory requirements and statewide need.

- **State Rail Bonds.**

Proposition 108, enacted in 1990, authorizes the state to sell \$1 Billion in general obligation bonds to provide funds for rail capital outlay. Eligible projects must be located on routes and corridors specified in the measure, or future statutes enacted by the state legislature with at least 15% of the total bond funds to be spent for inter-city rail.

Proposition 116, enacted in 1990, authorizes the state to sell \$1 Billion in general obligation bonds to provide funds for rail capital outlay, allocating certain amounts to specified state and local entities through a grant program administered by the California Transportation Commission. Funds are used primarily for passenger and commuter rail systems, with limited funds available for public mass transit guideways, paratransit vehicles, bicycle and ferry facilities, and a railroad technology museum. This program requires matching funds from local entities.

Service Authority for Freeway Emergencies (SAFE). The Service Authority for Freeway Emergencies receives \$1.00 from Department of Motor Vehicles for each vehicle registered in Los Angeles County, to be used for freeway call boxes and service patrols.

Intermodal Surface Transportation Efficiency Act (ISTEA) Match. ISTEA match funds are allocated to eligible projects to match federal funds programmed through the TIP Call for Projects. ISTEA match funds are targeted toward urban congestion relief and air quality improvement projects which are designed to improve upon the capacity of regional transportation systems. Typical ISTEA match funded projects include traffic signal synchronization projects, Smart Corridor improvements, peak-hour parking restrictions, and urban freeway Traffic Operations Systems. Transportation Control Measures (TCMs) are eligible for these matching funds. Transit rolling stock is not eligible.

State Transportation Development Act. The State Transportation Development Act (TDA) provides state funding to eligible operators for operating and capital purposes. Revenues are derived from ¼ cent of the 6-cent retail sales tax collected state-wide. The ¼ cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county.

- **TDA Article 3.** Article 3 of the Act dedicates 2% of the funds for bicycle and pedestrian facilities.
- **TDA Article 4.** Article 4 of the Act includes funds given to municipal transit operators, transit districts, and Joint Powers Authorities. Approximately 91% of the TDA funds received by the LACMTA are covered by Article 4.
- **TDA Article 8.** Article 8 of the Act includes funds used for transit and paratransit programs to fulfill unmet transit needs in areas outside the service area of LACMTA operations. Article 8 accounts for approximately 5% of the funds received by the LACMTA.

Article XIX. Article XIX (of the State Constitution) Rail Guideway Funds allows state gas tax funds to be used for rail capital projects in those counties such as Los Angeles whose voters approved Proposition 5. This proposition allows the LACMTA to use the state gas tax for rail capital purposes in addition to highway purposes. The statutory authorization for an Article XIX Guideway Program was replaced by the Flexible Congestion Relief Program (Proposition 111) after FY93. The California Transportation Commission has previously committed \$420.0 million of Article XIX funds to the Metro Red Line Project.

Budget Change Proposal Funds. Use of these funds for Freeway Service Patrol programs was authorized by AB 3346 in 1992. The source of these funds is the State Highway Account used to construct and maintain freeways with revenues generated by the state gas tax. Los Angeles County receives about 40% of the available funds. Tow truck programs are the only eligible use for these funds.

FEDERAL REVENUES

Intermodal Surface Transportation Efficiency Act (ISTEA). ISTEA funds are authorized for both highway and transit use and are distributed for the following programs: Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement (CMAQ) Programs, Transportation Enhancement Activities (TEA), Minimum Allocation, Donor State Bonus, Interstate Maintenance, Bridge Replacement and Rehabilitation, National Highway System, Substitute Highway.

ISTEA - STP. This program is intended for use by states and localities for congestion relief in urban areas. STP is a block grant type program that may be used by the states and localities for any roads that are not functionally classified as local or rural minor collectors. Such roads are now collectively referred to as federal aid roads. Eligible uses include construction, reconstruction, rehabilitation, resurfacing, restoration, enhancement, and operational improvements for highways, capital costs for transit projects eligible for assistance under the Federal Transit Act, publicly owned intracity or intercity bus terminals and facilities, carpool projects, fringe and corridor parking facilities, bicycle and pedestrian walkways, and highway and transit safety improvements.

ISTEA - CMAQ. Congestion Mitigation and Air Quality Improvement program (CMAQ) funds are apportioned to states which have ozone and/or carbon monoxide nonattainment areas (based on the nonattainment classification factor). Such projects are used to attain national ambient area air quality standards. Projects must contribute to the reduction of air pollutants by implementing Transportation Control Measures (TCM), such as carpool lanes, Transportation Demand Management (TDM) measures and transit (transit-related projects or programs contained in an approved SIP). Other projects and programs may qualify if, after consultation with the Environmental Protection Agency, FHWA determines that they are likely to contribute to the attainment of a National Ambient Air Quality Standard.

Transportation Enhancement Activities (TEA). The ISTEA sets aside 10% of Surface Transportation Program (STP) funds for Transportation Enhancements. Eligible enhancement projects include the following : Provision of facilities for pedestrians and bicycle; acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs; landscaping and other scenic beautification; historic preservation ; rehabilitation and operation of historic transportation building, structures, or facilities; preservation of abandoned railway corridors; control and removal of outdoor advertising; and archeological planning and research. Once such projects are ranked by the LACMTA, they must compete at the state level for funding commitments from the California Transportation Commission.

Federal Highway Demonstration Projects. These revenues include federally authorized funding for projects designated in the 1991 Intermodal Surface Transportation Efficiency Act. The funds may be used for project development, right-of-way, and construction for projects designated in the ISTEA.

Section 3 Discretionary and Formula Capital Program. The Section 3 program is authorized over a 6-year period. Funds are divided 40% for new rail starts, 40% for rail modernization, and 20% for bus.

New Rail Starts. Funds are generally earmarked by Congress to specific projects and are programmed in the TIP based on current and projected congressional earmarks and FTA grant applications. In Los Angeles County, these funds are earmarked by Congress to the Metro Rail Project.

Rail Modernization. Similar to New Rail Starts, funds are used for rail transit capital improvements which are allocated by formula rather than on a discretionary basis to existing system improvements.

Federal Operating and Capital (FTA Section 9). These federal formula-based transit operating and capital funds are based on population and transit operating statistics.

Revenues are appropriated by Congress from the General Funds which are restricted to Bus and Rail capital expenses. Funds are allocated on a formula basis to each urbanized area in the nation.

SMART Streets/Intelligent Vehicle Highway Systems (IVHS) Funds. These funds can be used in Los Angeles County for the expansion and refinement of SMART corridor technologies. Funds also provide emergency call boxes on county freeway systems.

Federal Aid Urban Cash Account. These revenues were derived from an exchange of Regional Federal Aid Urban apportionment with the cities of San Jose and Irvine.

APPENDIX C

COST OF ADDING ONE HOUR OF BUS SERVICE

Cost of Adding One Hour of Bus Service

FY97 BUDGET

In thousands (\$000)

Total Bus and Rail Operations		700,764
<i>Less Excludable Portion of Departments:</i>		
CEO's Office	\$45	
Board Secretary	16	
General Counsel	1,304	
Finance	6,138	
Administration & ITS	9,551	
Planning & Programming	16,061	
MTA LiTE	202	
Rail Operations	40,429	
LACMTA Communications	13,770	
Excludable Departments		(87,516)
<i>Less Excludable Expenses:</i>		
Purchase Transit	17,500	
Rail Operations	51,523	
Interest	19,177	
Advertising	1,248	
Excludable Expenses		(89,448)
Net Billable Expenses		523,800
Total Revenue Service Hours (RSH)		5,962
Projected Rate per Hour (Net Billable Expenses/RSH)		\$87.86

APPENDIX C

COST OF ADDING ONE HOUR OF BUS SERVICE

Savings from Reducing One Hour of Bus Service

FY97 BUDGET

In thousands (\$000)

Variable Costs Only:

Transportation

Operator Wages	\$145,318	
Fringe Benefits & Others	92,106	
	<hr/>	237,424

Maintenance

Division & Central Maintenance	104,299	
Workers' Comp & PL/PD	22,657	
Fuel & Lubricants	25,803	
Tires & Tubes	4,000	
	<hr/>	156,759

Total Variable Cost 394,183

Total Revenue Service Hours (RSH) 5,962

Projected Rate per Hour (Variable Cost/RSH) \$66.12

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APPENDIX D

BUDGET GLOSSARY OF TERMS AND ABBREVIATIONS

AA/DEIS	Alternatives Analysis/Draft Environmental Impact Statement.
ACCESSIBLE SERVICE	Transit vehicles equipped with wheelchair lifts.
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.
AQMD	Air Quality Management District. See SCAQMD.
A-R-T/Metro Art	Art for Rapid Transit (previously Art for Rail Transit). One-half percent of local (Proposition A) rail funds allocated to art projects commissioned by the Los Angeles County Metropolitan Transportation Authority.).
ASI	Access Services Incorporated. ASI is a private non-profit corporation which is the Consolidated Transportation Services (CTSA) for Los Angeles County, and as such has the responsibility to improve and coordinate the paratransit services for 187 different social service and public paratransit operators.
ATU	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.
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.
BIS	Budget Input System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and report those requests.

BOND	An interest-bearing promise to pay a specified sum of money due on a specified date.
BUDGET	A plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
CALL FOR PROJECTS	Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
CALTRANS	California Department of Transportation.
CAPITAL ASSET	The acquisition of property, facility, or equipment whose cost exceeds \$2,500 per unit. Capital project costs include installation, delivery cost, sales and use taxes, and General and Administrative overhead costs.
CLEAN FUELS	Lower polluting replacements for conventional diesel fuel. The state has mandated that all buses purchased after January 1, 1992 be clean-fueled.
CMA	Congestion Management Agency. In response to a state initiative, the LACMTA has been designated as the CMA for Los Angeles County.
CMAQ	Congestion Mitigation Air Quality. A source of federal ISTEA funds.
CMP	Congestion Management Program. A new, county-wide program enacted by the state to improve traffic congestion in California's urbanized areas.
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.
COP	Certificate of Participation. A debt obligation used to finance a capital project.
CPI	Consumer Price Index.
CPUC	California Public Utilities Commission.

CTC	California Transportation Commission. The state commission responsible for improving highway and transit-related capital improvements.
CTP	Corporate Transit Partnership. Program which provides transit service marketing and information to corporations and large employment centers.
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).
DAR	Dial-a-Ride. Curb-to-curb transit service provided to the general public and/or elderly or disabled persons.
DBE	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
DEBT SERVICE FUND	Fund which accounts for those resources used to repay the principal and interest on long-term debt.
EIR	Environmental Impact Report. A detailed statement prepared under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a project and discussing ways to avoid or mitigate the effects.
EIS	Environmental Impact Statement. Same as EIR, except prepared under the (federal) National Environmental Policy Act.
ENCUMBRANCES	Commitments related to the unperformed portion of a contract for goods or services.
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 UNITS	Passenger revenue divided by the base cash fare.
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.
FCR	Flexible Congestion Relief. A federal program of capital improvements to relieve congestion by building/enhancing highways.
FFGA	Full-funding grant agreement. Agreement with the FTA for the funding of Metro Rail Segments.
FIS	Financial Information System. An 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 fiscal year begins July 1 and ends June 30 of the following calendar year.
FSP	Metro Freeway Service Patrol - Service financed by the MTA which uses roving tow trucks to remove disabled vehicles and debris from freeways.
FTA	Federal Transit Administration. Formerly the Urban Mass Transportation Administration (UMTA).
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 fund used to account for all resources not required to be reported in any other fund.
GFOA	Government Finance Officers Association.
GREENWAYS	Pedestrian, bicycle, and transit parkways often built on existing rail rights-of-way.
HEAVY RAIL	A type of transit vehicle railway with the capacity for a "heavy volume" of traffic and characterized by exclusive rights-of-way, multi-car trains, high speed and rapid acceleration, sophisticated signaling, and high platform loading.
HOV LANES	High Occupancy Vehicle Lanes.
HSOPP	Highway Systems Operation and Protection Plan.
HUB MILES	Total miles driven by the bus fleet, including miles traveled out of service.
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991.
JOB CLASSIFICATION	The official job title as assigned by the Human Resources Department.
JOINT DEVELOPMENT	Projects which combine public and private resources to build mixed use development around transit station areas.
LA CAR	Los Angeles Car. Patterned after the Blue Line Car, the LA CAR will be a generic vehicle that will allow for upgrades in technology and automation.
LACBD	Los Angeles Central Business District.

LACMTA	Los Angeles County Metropolitan Transportation Authority.
LEVERAGE	Use of debt to match federal and state funding to expand current cash flows.
LIGHT RAIL	A type of electric transit vehicle railway with a "light volume" traffic capacity compared to "Heavy Rail". Light rail may be on exclusive or shared rights-of way, high or low platform loading, multi-car or single-car trains, automated or manually-operated (e.g., Blue Line).
LOSSAN	Los Angeles-San Diego Intercity Railway.
LRT	Light Rail Transit.
LRV	Light Rail Vehicle.
METRO BLUE LINE	Long-Beach-Los Angeles Light Rail Transit Project. A 22-mile electrically-powered light rail line constructed by the LACMTA and opened for service on July 14, 1990.
METRO GREEN LINE	Norwalk-El Segundo Light Rail Transit Project. A 20-mile electric rail line constructed by the LACMTA on the median of the I-105 freeway. It was opened for service August 12, 1995.
METRO RED LINE - SEGMENT 1	Segment 1 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 2	Segment 2 of the Metro Rail project under construction by the LACMTA from Wilshire/Alvarado north to Hollywood/Vine and west to Wilshire/Western .
METRO RED LINE - SEGMENT 3	Segment 3 of the total of the Metro Rail project under design by the LACMTA. Segment III includes three branches: Branch 1 will be from Hollywood/Vine to Lankershim Blvd./Chandler Blvd.; Branch 2 will extend from Wilshire/Western to Pico/San Vicente; and Branch 3 is still under study but will serve the East Los Angeles area .
METROLINK	The regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura

counties. Service began in October 1992.

MODE

A particular form of transportation identified by the vehicle used i.e., bus, light rail, heavy rail, or automated guideway.

MOU

Memorandum of Understanding. A formal contractual agreement between two or more public agencies.

MTA

Metropolitan Transportation Authority. Also known as LACMTA (See LACMTA).

MULTIMODAL

Public transportation system which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.

MUNICIPAL OPERATOR

A city or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district.

NON-REVENUE VEHICLES

Vehicles which do not carry fare-paying passengers.

OFF-PEAK VEHICLES

Total revenue vehicles required to meet off-peak period service needs per weekday.

OVERHEAD

Expenses not directly chargeable to a particular program which support multiple programs of the LACMTA.

PERFORMANCE MEASURE

The means by which progress in meeting or attaining an objective may be demonstrated.

PHIM	Ports Highway Improvement Match. The MTA acts as an escrow agent and accumulates in this fund matching monies which are contributed by participating agencies in order to receive a Federal Demonstration Grant. Participating agencies are as follows: Caltrans, City of Los Angeles, City of Long Beach, Port of Los Angeles, and Port of Long Beach.
PROPOSITION A	Sales tax initiative approved by Los Angeles County voters in 1980. It established one-half cent sales tax to be used for public transit.
PROPOSITION C	It established sales tax which was approved by the Los Angeles County voters in 1990. A one half-cent sales tax to be used for public transportation purposes.
PUC	Public Utilities Code.
PVEA	Petroleum Violation Escrow Account. A state Special Revenue Fund available to the LACMTA for transportation projects on a competition basis.
REGULATION XV	Trip Reduction Plan managed by the AQMD.
REVENUE VEHICLE	Vehicles which carry fare-paying passengers.
REVENUE VEHICLE HOURS	Total number of scheduled hours that a vehicle is in service. Excludes hours spent traveling to and from storage facilities and during other non-service travel.
REVENUE VEHICLE MILES	Total number of miles traveled by a vehicle operating on rails or tracks, bus, van trolley, ferry, cable car, or other vehicle used to provide public transportation for which a fare is collected. Excludes miles spent traveling to and from storage facilities and during other non-service travel.
ROW	Right-of-Way. Land purchased for a transit system generally but not exclusively for rail.

RTIP	Regional Transportation Improvement Program. This plan is required in order for the region to qualify for federal funding, which is the basis for Los Angeles County input into the State Transportation Improvement Program (STIP).
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.
SCAG	Southern California Association of Governments. The regional planning agency for Los Angeles, Imperial, Orange, Riverside, San Bernardino, and Ventura Counties.
SCAQMD	South Coast Air Quality Management District. Also known as AQMD.
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.
SECTION 15 OPERATING COSTS	Operating costs as defined by the FTA for reporting purposes; total operating costs less leases, rentals, and interest expense.
SFV	San Fernando Valley.
SGV	San Gabriel Valley.
SPECIAL REVENUE FUND	Fund used to account for resources which are legally or administratively restricted for specific purposes.
SRTTP	Short Range Transit 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 was adopted by the California Transportation Commission (CTC) and serves as the primary vehicle for programming funds for highway projects.
TCM	Transportation Control Measures. Required actions under the Federal Clean Air Act; examples include bus transit, ridesharing, signal synchronization, and rail projects.
TCU	Transportation Communications Union. Union represents clerical workers.
TDA	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the 6% state sales tax for transportation purposes. 1% of this revenue is allocated to the LACMTA for its transportation planning activities.
TDM	Transportation Demand Management. A series of programs to encourage ridesharing, reduction of air pollution, etc.
TEAMSTERS	Union represents security guards.
TIP	Transportation Improvement Program. The programming document which establishes allocation of funding for Los Angeles County highways and transit.
TOP	Transportation Occupations Program. Jointly sponsored by the LACMTA, local businesses, and school districts through which rail line pass. The program prepares young people for careers in transportation.
TPM	Transportation Performance Measurement. A program which monitor system performance of transit operators who receive federal and state formula-driven funds.
TPOA	Transit Police Officers Association. Union which

represents peace officers.

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.

UTU

United Transportation Union. Union which represents bus operators, schedule makers, and schedule checkers.

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MTA POLICY

Finance

Fiscal Policies (General)

Policy # FIN 1

POLICY STATEMENT

The Board of Directors shall set the fiscal policies of the Los Angeles County Metropolitan Transportation Authority (MTA). The MTA fiscal year is from July 1 to June 30.

The Board of Directors shall review the fiscal policies of the MTA annually. The fiscal policies of the MTA shall comply with all applicable requirements of Federal, State, and Local laws, rules, regulations, and policies.

In all cases in this policy where matters will be considered by the Board of Directors, is noted in this policy it shall be assumed that the Budget, Finance, and Efficiency Committee has made a recommendation to the Board of Directors prior to action by the Board.

PURPOSE

To ensure that MTA has sufficient and appropriate fiscal policies in place to maintain financial integrity and fiscal control.

APPLICATION

This policy applies to all revenue and expenditures of the MTA.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-FC.DOC Effective Date 01/01/96

MTA PROCEDURE

Finance Fiscal Policies (General)

Procedure # FIN 1

1.0 PROCEDURES

The Chief Financial Officer shall prepare and submit any recommended revisions to MTA's fiscal policies to the Board of Directors. Prior to approval by the Board, MTA General Counsel shall review to ensure compliance with any applicable Federal, State, or local requirements. The policies shall be submitted to the Board annually for authorization with any recommended changes noted.

2.0 DEFINITION OF TERMS

Fiscal Year - The MTA fiscal year shall be from July 1 through June 30.

3.0 RESPONSIBILITIES

Not Applicable

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

02/03/93	Former LACTC and former SCRTD interim procedures Board-adopted.
11/17/95	Revised to streamline and reduce operating costs.

MTA POLICY

Finance

Budget Preparation & Approval

Policy # FIN 2

POLICY STATEMENT

The Chief Executive Officer (CEO) shall annually submit to the Board of Directors a proposed MTA Budget for the following fiscal year by May 31 of each year. The Board of Directors shall adopt a resolution by June 30 of each fiscal year approving a balanced MTA Budget for the following fiscal year. Passage of the annual budget requires a majority vote of the principal members of the Board of Directors.

MTA's Budget shall include all operating, capital, and debt service requirements of the MTA for the following fiscal year. The Budget shall include an analysis of the assumptions, underlying revenue and expense projections; the number of authorized positions by department, the service hours and miles, and the capital and construction schedule upon which MTA's budget is based. Minor changes in hours or miles of service shall require prior approval by the CEO. Substantial service changes shall require prior Board approval. The Budget shall specify the number of positions authorized to be filled during the fiscal year.

The capital budget shall reflect the annual amount appropriated for each capital project. At the time of the Board authorizing any new capital projects, the Board shall approve a total project cost and schedule. The approval of the project budget authorizes the total expenditures over the duration of the construction project subject to applicable procurement laws and rules. The annual budget authorizes the anticipated expenditure levels of the total project budget for the fiscal year as well as the scope of the work on the project to be completed in the fiscal year.

In the event that the Board of Directors does not adopt the MTA Budget by June 30, the Board of Directors may adopt a continuing appropriations resolution until such time as the MTA Budget is adopted. A continuing appropriations resolution provides that payments for services, contracts and wages performed on behalf of the MTA shall continue until such time as an MTA Budget is adopted.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-2D1.DOC Effective Date 01/01/96

PURPOSE

To ensure that a balanced budget is annually prepared and submitted to the Board of Director for adoption.

APPLICATION

This policy applies to all revenue and expenditures of the MTA.

MTA PROCEDURE

Finance

Procedure # FIN 2

Budget Preparation & Approval

1.0 PROCEDURES

1.1 Budget Development

The Board of Directors shall approve a Budget calendar no later than December 31 of each year. The Budget calendar shall include a tentative timetable for the submission of MTA's proposed Budget to the Board of Directors, review by the Finance, Budget and Efficiency Committee, and final approval of the Budget by the Board of Directors. In addition, the Budget calendar shall include tentative dates for approval of the Transportation Improvement Plan and the Long Range Plan, as appropriate.

As part of the initiation of the annual budget development process, the Budget Office, under the direction of the Chief Financial Officer (CFO), shall prepare instructions and schedules for managers to guide development of their annual budget. These budget instructions shall address:

- Assumptions of hours and miles of operation by mode of service
- Assumptions of capital projects and related expenditures
- Assumptions of revenues and expenses
- Goals and objectives to be achieved during the upcoming fiscal year
- Content and format of budget submittal.

The content and format of the annual budget shall be defined by the CFO and approved by the CEO.

1.2 Budget Adoption

Approval of MTA's Budget shall involve public presentations as necessary to brief the Board on significant budgetary assumptions and issues, including a public hearing in which public comment shall be heard. Notice of the time and place of the public hearing for the adoption of the annual budget shall be published pursuant to section 6061 of the Government Code, and shall be published not later than the 15th day prior to the date of the hearing.

The proposed annual budget shall be available for public inspection of at least 15 days prior to the hearing.

The Board shall also approve any related actions, as necessary, to implement the approved budget such as increasing or reducing fares and levels of service, the authorization of debt issuance, etc., at the time of the budget approval. Prior to the actual debt issuance appropriate Board approvals will be obtained.

1.3 Budget Implementation

The Budget Office shall prepare and distribute the adopted budget within 30 days after the adoption by the Board of Directors. The adopted budget shall reflect and note any Board changes to the proposed budget.

2.0 DEFINITION OF TERMS

Not Applicable

3.0 RESPONSIBILITIES

The CFO shall be responsible for overseeing the preparation of the MTA Budget for the Board of Directors including developing all related budgetary assumptions and forecasts.

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Detailed budget information is contained in the Budget Reference Guide.

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

- 02/03/93 Former LACTC and former SCRTD interim procedures Board-adopted.
- 11/28/95 Revised to streamline and reduce operating costs.

MTA POLICY

Finance

Budgetary Controls

Policy # FIN 3

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (MTA) Budget shall control disbursements of the MTA in accordance with the mission, goals and objectives of the MTA. Budgetary control is maintained at the organizational unit level for each operating department and at the project level for each capital project.

The Chief Executive Officer (CEO) shall establish procedures to ensure that proper controls are implemented for all MTA expenditures. These procedures shall include a provision to notify the Board of any significant budget revisions (See FIN 4 Budget Amendments and Adjustments).

PURPOSE

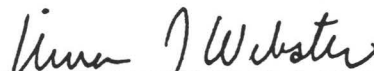
To ensure adequate and appropriate fiscal controls.

APPLICATION

This policy applies to all revenue and expenditures of MTA funds.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

MTA PROCEDURE

Finance Budgetary Controls

Procedure # FIN 3

1.0 PROCEDURES

The Chief Financial Officer (CFO) shall prepare regular reports to monitor financial performance, ensure compliance with the approved budget, and as a primary internal control tool. (See Section V- Fiscal Monitoring and Reporting).

1.1 Authorization to Spend Approved Budget

The approved MTA Budget shall be the basis for authorization of all MTA expenditures. The Board shall adopt an aggregate budget for all organizational units of the MTA. Every expenditure of the MTA shall be coded to an authorized expenditure account, organizational unit, and project. Managers shall be responsible for ensuring that all expenditures are consistent with the adopted operating budget, and project managers shall be primarily responsible for ensuring capital expenditures are consistent with the adopted annual capital budget. The CFO shall establish sufficient internal controls to provide oversight and monitoring.

1.2 Spending in Excess of the Approved Budget

Any expenditure in excess of the approved organizational unit Operating Budget or approved Capital Project Budget shall require prior approval by the Board of Directors.

1.3 Unexpended and Unencumbered Appropriations

All unexpended and unencumbered operating appropriations lapse at the end of the fiscal year and, if a surplus exists, it shall be credited to a contingency fund consistent with the MTA's Policy (See FIN 7 Contingency Fund). Any surplus not required for the contingency fund is subject to re-appropriation by the Board of Directors in the following year.

2.0 DEFINITION OF TERMS

Not Applicable

3.0 RESPONSIBILITIES

Not Applicable

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

1. FIN 4 Budget Amendments and Adjustments
2. FIN 7 Contingency Fund

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

- | | |
|----------|---|
| 02/03/93 | Former LACTC and former SCRTD interim procedures Board-adopted. |
| 11/28/95 | Revised to streamline and reduce operating costs. |

MTA POLICY

Finance

Budget Amendments and Adjustments

Policy # FIN 4

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority's (MTA's) budget establishes operating and capital expenditure limits and corresponding revenue projections for each fiscal year. During the year, the actual costs for specific expenditures may vary from the amounts budgeted for those purposes. Administrative procedures shall set forth specific parameters for transferring funds within and between expense categories during the fiscal year.

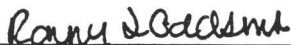
The Board of Directors shall approve an Amended Appropriations Resolution quarterly, when necessary, to authorize the receipt and expenditure of funds unanticipated in the MTA's Budget as adopted or previously amended and the reallocation of funds necessary to support the financial requirements of the MTA.

PURPOSE

To define the authorization levels and approvals required for budgetary amendments and adjustments.

APPLICATION

This policy applies to all revenue and expenditures of the MTA.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

MTA PROCEDURE

Finance

Procedure # FIN 4

Budget Amendments and Adjustments

1.0 PROCEDURES

Approval levels and signature authority required in order to transfer funds within and between expense categories are summarized in the table below. The dollar limits refer to the annual budget and aggregate amounts. Approval by the named party assumes approval by all lower levels of authority.

Amount of Transfer/Adjustment	Approvals Required
Transfer of any budgeted funds	<ul style="list-style-type: none">• Executive Officer• Deputy Executive Officer• Chief Financial Officer (CFO)• Budget Director• Project (Cost Center) Manager• Department Manager.
\$50,000 to \$100,000	Chief Executive Officer or Deputy Chief Executive Officer
Over \$100,000	Board of Directors

Transfer of funds between organizational units shall require Board approval regardless of the amount.

The attached Funds Transfer Form must be used by Departments for the transfer or adjustment of budgeted amounts. A completed form, including all the required signatures must be received by the Budget Office prior to transferring any funds.

1.1 Parameters for Transfers and Adjustments

The following guidelines shall direct the approval of any requested transfer or budget adjustment:

- Funds may not be transferred between the operating and capital budget.
- Funds may not be transferred within or out of salary and fringe benefit expense categories.
- Transferring Funds Within Expense Categories - Funds may be transferred between line items within the same expense category.
- Transferring Funds Between Expense Categories - No more than 10% of the annual amount budgeted in any expense category may be transferred to another expense category without Board approval.
- Transferring Funds Among Cost Centers - Funds may be transferred within cost centers of an organizational unit with the concurrence of the relinquishing and receiving managers and other required approvals.
- Salary Expense Categories - Upon prior approval of the Chief Financial Officer, amounts budgeted for salaries within a department's budget in excess of salary requirements may be used to offset salaries for temporary employees. Funds shall not be transferred.

If as part of a reorganization of functions, positions are transferred from one organizational unit to another, the prorated budgeted salary expenses associated with those positions shall also be transferred.

As part of determining the impact of any requested budget transfer, the Budget Office shall review the request for conformance with Federal, State, and Local spending and grant requirements and legal obligations. Grants Management personnel will assist the Budget Office as necessary in making the determination.

2.0 DEFINITION OF TERMS

Budget Transfer - The requested or approved movement of funds budgeted in one line item, cost center, or project to another line item, cost center, or project.

Budget Amendment - The requested or approved increased in the approved organizational unit budget or capital project budget. All budget amendments require Board of Directors approval.

3.0 RESPONSIBILITIES

The **Chief Financial Officer (CFO)**, through the Budget Office, is responsible for determining the impact of any proposed budget amendment or adjustment on the adopted budget. The CFO shall approve all budget adjustments, amendments, and/or transfers.

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Fund Transfer Form

7.0 PROCEDURE HISTORY

- 02/03/93 Former LACTC and former SCRTD interim procedures Board-adopted.
- 11/17/95 Revised to streamline and reduce operating costs.



**METROPOLITAN TRANSPORTATION AUTHORITY
FUND TRANSFER FORM**

Date Submitted: _____ Department: _____ Cost Center: _____

Prepared By: _____ Project Manager: _____

TRANSFER FROM:

COST CENTER	FUND	LINE ITEM	PROJECT	TASK	FUND PATTERN	PRIOR YR ACTUAL	ANNUAL BUDGET	YTD ACT/ENC	AMOUNT TRANSFER'D	REVISED BUDGET
TOTAL										

Justification for Item Reduction (without resulting deficit):

Relinquishing Department Manager: _____

APPROVAL SIGNATURES REQUIRED:

Project Manager: _____ (all requests) _____ date	Budget Director: _____ (all requests) _____ date
Deputy Exec Officer: _____ (all requests) _____ date	Chief Financial Officer: _____ (all requests) _____ date
Executive Officer: _____ (all requests) _____ date	CEO or Deputy CEO: _____ ((\$50,000 to \$100,000 over \$100,000 requires Board approval) _____ date

TRANSFER TO:

COST CENTER	FUND	LINE ITEM	PROJECT	TASK	FUND PATTERN	ANNUAL BUDGET	AMOUNT TRANSFER'D	REVISED BUDGET
TOTAL								

Justification for Increase (how funds will be spent):

Accepting Department Manager: _____

MTA POLICY

Finance
Fiscal Monitoring & Reporting

Policy # FIN 5

POLICY STATEMENT

Los Angeles County Metropolitan Transportation Authority's (MTA's) policy is to provide regular reporting of revenues and expenses for MTA management and the Board to be sufficiently kept abreast of the financial performance of the Authority. The Chief Financial Officer (CFO) shall be responsible for providing these reports, identifying any significant variances between the budgeted and actual revenues and expenses, and recommending appropriate actions, as necessary, for Board approval per the approved budget amendment policies.

PURPOSE

To provide for regular reporting of MTA's financial performance.

APPLICATION

This policy applies to all revenue and expenditures of the MTA.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-5B.DOC Effective Date 01/01/96

MTA PROCEDURE

Finance Fiscal Monitoring & Reporting

Procedure # FIN 5

1.0 PROCEDURES

The CFO shall submit budget versus actual revenue and expenses reports to the Board of Directors quarterly. These reports shall include year end projections. If there are changes in projections between quarterly reports that significantly impact the financial status of the MTA, the Board of Directors shall be informed immediately.

Monthly variance reports shall be prepared by the Finance Department and distributed to all Departments and managers. All significant variance shall be investigated by the Budget Office and the results of which shall be reported to the CFO. Appropriate action shall be taken to modify or amend the approved budget as necessary.

In addition, the Budget Office shall monitor revenue and expense trends and projections throughout the year. As warranted, the CFO shall report to the Board any significant variances and recommend appropriate action.

2.0 DEFINITION OF TERMS

Not Applicable

3.0 RESPONSIBILITIES

Not Applicable

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

- 02/03/93 Former LACTC and former SCRTD interim procedures Board-adopted.
- 10/25/95 Revised to streamline and reduce operating costs.

MTA POLICY

Finance

Funds Programmed to Other Agencies

Policy # FIN 6

POLICY STATEMENT

As a regional transportation planning agency, the MTA programs funds to agencies throughout Los Angeles County through the Call-for-Projects and TIP. It is the policy of the Los Angeles County Metropolitan Transportation Authority (MTA) to ensure adequate oversight and control of the disbursement of funds to local agencies. MTA's budgetary and accounting procedures shall reflect the nature of these funds as well as the financial obligation of the MTA to honor all commitments of funds to other agencies.

PURPOSE

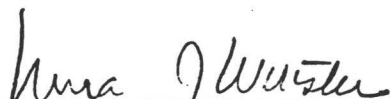
To ensure adequate oversight and control of the disbursement of funds to local agencies.

APPLICATION

This policy applies to all funds disbursed by the MTA to other agencies.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-6B.DOC Effective Date 10/30/95

MTA PROCEDURE

Finance

Procedure # FIN 6

Funds Programmed to Other Agencies

1.0 PROCEDURES

The MTA Budget shall include only those programmed funds which shall be directly expended by the MTA.

The budget shall include:

- Total annual amount of funds programmed by fund source
- Carry forward from prior years unspent balances by fund source
- New funds programmed in the Transportation Improvement Plan (TIP) by fund source.

Other programming documents, such as the TIP, shall reflect the total funds programmed by the MTA.

All funds programmed by the MTA shall be executed through a Letter of Agreement (LOA) or a Memorandum of Understanding (MOU). Funds which the MTA programs but which the MTA does not directly distribute shall be executed through a LOA. Funds which the MTA directly distributes to other agencies shall be executed through a MOU.

After an MOU is executed, the total annual amount of the MOU shall be encumbered by the MTA.

Agencies that are recipients of programmed funds are responsible for providing quarterly cash flow projections for all active projects to the MTA project sponsor within Planning and Programming. Planning and Programming shall compile these cashflows and forward them to Budget Office for analysis. Funds shall not be disbursed unless a current project cash flow is on file.

2.0 DEFINITION OF TERMS

Program - Determining eligibility of projects for funding and funding levels for these projects.

Funds Programmed to Other Agencies - Funds Programmed to Other Agencies or "subsidies" includes all federal, state and local funds which the MTA programs to local agencies, Caltrans, and other municipal operators for various transportation programs.

3.0 RESPONSIBILITIES

The **MTA Planning and Programming Executive Office** is responsible for coordinating and making recommendations to the Board of Directors regarding all programming decisions. Planning and Programming is responsible for coordinating the agreement process and executing all LOAs and MOUs.

The **Finance Department** is responsible for the actual disbursements of MTA funds to local agencies once a MOU is executed and ensuring that sufficient funds are reserved to meet all obligations.

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

- 02/03/93 Former LACTC and former SCRTD interim procedures Board-adopted.
- 10/25/95 Revised to streamline and reduce operating costs.

MTA POLICY

Finance

Contingency Fund

Policy # FIN 7

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (MTA) shall establish contingency funds funded through annual appropriations to meet unanticipated operating and capital expenditure demands. It is the policy of the MTA to establish separate Operating and Capital Contingency funds.

PURPOSE

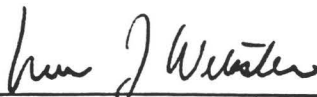
To establish contingency funds in order to ensure that the MTA can withstand local and regional economic disruptions, unanticipated expenditure demands due to natural disasters and other non-recurring expenses.

APPLICATION


This policy applies to all revenue and expenditures of the MTA.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-7B1.DOC Effective Date 01/01/96

MTA PROCEDURE

Finance Contingency Fund

Procedure # FIN 7

1.0 PROCEDURES

The Operating Contingency Fund shall be funded through annual appropriation to meet unexpected increases in operating costs such as unanticipated and unbudgeted increases in fuel costs or emergency funds for use in the event of a major calamity. This Fund shall be maintained up to a maximum of five percent of the annual operating budget. Until such time as the maximum fund balance is achieved, it is the goal of the Board of Directors to annually budget to the Operating Contingency Fund an amount equal to one percent of unrestricted operating revenues. After retirement of any retained earnings deficit, any unrestricted operating surplus shall revert to the Operating Contingency Fund until such time as the maximum balance is achieved. Any allocation of funds from the Operating Contingency Fund shall require a simple majority vote of the principal members of the Board of Directors.

The Capital Contingency Fund shall be funded through annual appropriation to provide for unanticipated capital expenses as well as for the continuing replacement due to depreciation of equipment purchased with the general funds of the MTA. It is the goal of the Board of Directors to annually budget to the Capital Contingency Fund an amount equal to one percent of unrestricted capital revenues. In addition, one time revenues from the sale of unencumbered surplus property or fixed assets and unrestricted surplus capital funds shall be credited to the Capital Contingency Fund. Any allocation of funds from the Capital Contingency Fund shall require a simple majority vote of the principal members of the Board of Directors.

2.0 DEFINITION OF TERMS

Retained Earnings - An equity account reflecting the accumulated earning of an enterprise or internal service fund.

Unrestricted Operating Surplus - An amount in excess of annual operating expenditure requirements which can be dedicated to the operating contingency fund or reprogrammed based on approval of the Board of Directors.

3.0 RESPONSIBILITIES

Not Applicable

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

- 02/03/93 Former LACTC and former SCRTD interim procedures Board-adopted.
- 11/17/95 Revised to streamline and reduce operating costs.

MTA POLICY

Chart of Accounts

Procedure # FIN 8

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

02/03/93	Former LACTC and former SCRTD interim procedures Board-adopted.
11/17/95	Revised to streamline and reduce operating costs.

MTA POLICY

Finance Revenue Policies

Policy # FIN 9

POLICY STATEMENT

It is the objective of the Los Angeles County Metropolitan Transportation Authority (MTA) to prudently manage its resources and avoid dependence on one-time revenues and financing to fund on-going operations. One-time revenues shall be used only for one-time expenses or to support the MTA Operating or Contingency Funds.

MTA shall adopt appropriate procedures to manage and direct all revenues received or earned by the Authority including operating revenues, grant funds, and investment earnings.

PURPOSE

The purpose of this policy is to define revenue management practices.

APPLICATION


This policy applies to all revenue of the MTA.



APPROVED: CFO



APPROVED: Legal Counsel or N/A



ADOPTED: CEO or DCEO

FIN-9B.DOC Effective Date 01/01/96

1.0 PROCEDURES

The Chief Financial Officer shall develop appropriate procedures to ensure appropriate controls regarding the receipt and disbursement of revenues. These procedures will provide for the necessary separation of duties between and among Accounting, Treasury and Budget personnel.

An investment policy shall annually be approved by the Board to ensure that the policy meets the following objectives (in order of priority):

- safety of invested funds;
- maintenance of sufficient liquidity to meet cash flow needs; and
- attainment of the maximum yield possible, consistent with the first two objectives.

The approved MTA Investment Policy shall establish, clarify and document polices related to MTA's financial assets and ensure conformance with applicable state and local regulations. The Investment Policy will identify investment objectives, define permitted investments, stipulate procedures for safekeeping of funds, and provide other pertinent direction on the investment and management of MTA funds.

Anticipated capital grants will be identified in the MTA proposed and approved budget. Board approval of the Capital Budget shall be required prior to the application and/or execution of any grant. Except in the case of unforeseeable circumstances, capital grants shall be used to finance only those capital improvements consistent with the Capital Budget approved or amended by the Board of Directors and whose operating costs have been included in the approved MTA Budget. If additional operating costs resulting from a capital improvement have not been included in the MTA Budget, MTA staff shall not implement the capital improvement until the Board of Directors approves the expenditure of funds to support those operating costs.

2.0 DEFINITION OF TERMS

Not Applicable

3.0 RESPONSIBILITIES

Not Applicable

4.0 FLOWCHART

Not Applicable

5.0 REFERENCES

Not Applicable

6.0 ATTACHMENTS

Not Applicable

7.0 PROCEDURE HISTORY

02/03/93	Former LACTC and former SCRTD interim procedures Board-adopted.
11/28/95	Revised to streamline and reduce operating costs.

