

# ADOPTED BUDGET

## FY2006

July 1, 2005 – June 30, 2006



**Metro**



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

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## **ADDENDUM**

The Board of Directors adopted the budget for FY06 at its regularly scheduled meeting on Thursday, May 26, 2005.

The Board also adopted an amendment to include an additional \$4 million to expand community policing services for the Metro Orange Line. This amendment is included in the official financial information system for Metro.

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## **I. Description of Metro and Strategic Plan**

**Metro**

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In Fiscal Year 2006, Metro again will be straitjacketed by financial constraints on many fronts, and yet this resilient agency will still push forward on major transit projects that will offer commuters and others new ways to beat traffic and the high price of gas.

The proposed \$2.859 billion budget is \$153 million less than the current amended budget despite rising fuel, insurance, security and workers' compensation costs. We have reduced general and administrative spending to absorb these increases including the elimination of 133 full-time equivalent personnel (FTE). On the other hand, Metro needs to add 98 union positions, mostly operators and mechanics, for the federal Consent Decree compliance for continuing Metro Bus improvements and for the Metro Orange Line.

Metro fares will stay the same and there will be a slight increase in bus service hours. That is very good news for our customers and for would-be public transit users, who can save more than \$4,000 a year riding Metro instead of commuting solo in their cars and trucks. In the coming year, there will be even more transit options. Consider the following:

The 14-mile Metro Orange Line will open in September. This is a state-of-the-art 14-mile transitway that will link the Metro Rail North Hollywood station with Warner Center in the West San Fernando Valley via an exclusive transitway that once carried freight trains. New 60-foot Metro Liner buses, operating as trains on rubber wheels, will ply the Metro Orange Line at much faster travel times than local buses or even cars slogging along the congested 101 Freeway. Parking for more than 3,000 cars will be conveniently located along the Metro Orange Line, and there also will be a bikeway sidling the transitway.

Four new Metro Rapid lines will be operating. These include service on Santa Monica, Western, Long Beach, and Reseda Boulevards. To better serve our customers, Metro also will deploy 200 new Metro Liner buses with nearly 50 percent more seating capacity than a standard coach.

Huge tunneling boring machines will be lowered into the ground this summer in Boyle Heights as construction of the Metro Gold Line extension to Little Tokyo, Boyle Heights and East Los Angeles proceeds full bore toward a late 2009 opening. It is also possible in Fiscal Year 2006 that Metro could break ground on the Exposition light rail line first phase to Culver City. Certainly, we will be in full swing on preliminary engineering.



We've also included in this budget a number of highway projects designed to improve mobility throughout Los Angeles County:

- Interstate 5 carpool lanes in both directions from Route 14 to Route 118.
- Route 14 carpool lanes in both directions from Pearblossom to Avenue P-8.
- Interstate 405/US 101 interchange connector gap closure (Northbound 405 to Eastbound 101)
- Interstate 405 southbound auxiliary and carpool lanes from Waterford to Interstate 10 in West Los Angeles

These accomplishments stand out in sharp relief considering that Metro can expect virtually no support from Sacramento because of the state budget crisis and the prospects for increased federal funding are remote.

That puts Metro in a precarious situation if the agency is saddled with additional financial burdens. Among the risks in this budget are rising fuel prices, the potential for eliminating existing state gas tax funding, and new federal Consent Decree orders to add even more bus service on top of the nearly \$1 billion Metro has spent in the past eight years complying with the Consent Decree.

To balance the budget, Metro will be forced to use \$77 million in "one-time" revenues, largely sales/leaseback of property.

At Metro our credo is to find creative ways to keep improving mobility. We have become adept at walking a financial tightrope in persistent austere times. We don't look down or behind us. We just look straight ahead toward a brighter transportation future for Los Angeles County.

Sincerely,



Roger Snoble  
Chief Executive Officer

## METRO PROFILE

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

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

- Operate the second largest bus system in the United States, providing over 94 million vehicle service miles annually to an average of 1.1 million boardings per weekday.
- Operate three light rail lines and one heavy rail line with over 220,000 boardings per weekday.
- Administer and distribute funds for all Los Angeles County transit providers.
- Develop and construct Rapid Bus lines and fixed guideways for buses and multi-passenger vehicles.
- Construct new light and heavy rail lines.
- Provide highway construction funding and traffic flow management.
- Research and develop alternative energy sources for transit vehicles.
- Make decisions regarding air quality, environmental impact, land use, and economic development.
- Promote the use of public transit services and rideshare programs.

Metro headquarters and the Gateway Transit Center are located adjacent to historic Union Station. The Center links Los Angeles County with neighboring counties by providing easy connections for commuters to Metro Bus and Rail, Metrolink and Amtrak.

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

- Five members of the Los Angeles County Board of Supervisors;
- The Mayor of the City of Los Angeles and 3 appointees;
- Four members appointed by the Los Angeles County City Selection Committee; and
- One non-voting member appointed by the Governor.

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

The annual budget and additional information about the organization, programs, and services at Metro can be found on its website at [metro.net](http://metro.net).

## Demographics

Los Angeles County covers 4,752 square miles, and had a 2003 population of 10,047,000. The County's population would make it equivalent to the ninth largest state in the nation, just behind Michigan. Los Angeles County's population is expected to surpass Michigan sometime in 2005. The County has 88 incorporated cities.

A quick demographic profile of Los Angeles County shows the following: 44.6% of the population is Hispanic, 31.1% is White non-Hispanic, 12.0% is Asian-Pacific Islander, and 9.5% is Black (2000 Census). 70% of the population has a high school diploma or more, while 25% has a bachelor's degree or more (2000 Census). Residents of Los Angeles County include people from 140 countries. The county has the largest populations of Mexicans, Armenians, Koreans, Filipinos, Salvadorans, and Guatemalans outside of their respective countries.

Most of the workers in the County use autos or motorcycles to commute to their jobs (85.6%) while 6.6% take public transportation (vs. 4.7% for the U.S. as a whole). The rest, or 7.8%, walk or work at home.

## Education

Higher and specialized education is a strength of Los Angeles County, with 159 college and university campuses. These range from California Institute of Technology, the Claremont Colleges, UCLA, and USC, to specialized institutions such as the California Institute for the Arts, the Art Center College of Design, the Fashion Institute of Design and Merchandising, and the Otis Art Institute. Medical education is also a strong point

with two each of medical schools, dental schools, and eye institutes, as well as specialized research and treatment facilities such as the City of Hope.

## Economy

The gross product of Los Angeles County in 2003 was \$373.2 billion which would make it the 17<sup>th</sup> largest national economy in the world if the County were a country. There is a diverse economic base in Los Angeles County using 2001 average employment as a measure. The leading industries are:

- 1) Business and professional management services (including management consulting, engineering and advertising) with 488,600 jobs,
- 2) Tourism with 314,200 jobs,
- 3) Health services/bio-med with 305,600 jobs,
- 4) Direct international trade with 287,000 jobs, and
- 5) Motion picture/TV production with 246,600 jobs.

The "new economy" of Los Angeles County often is technology-driven, and includes bio-medicine, digital information technology, multimedia, and advanced transportation technology. This reflects the vibrant technological research capabilities of the County and its creative resources and the growing fusion between technology and creativity.

Los Angeles is the second largest major manufacturing center in the U.S., with 605,700 workers in that activity in 2001. The largest components are apparel with 91,400; instruments with 50,900; aircraft and parts with 47,800; printing/publishing and fabricated metal products with 47,200

each; food and kindred products with 46,100; industrial machinery with 44,400; and electronic products with 41,200.

International trade is a major component of the area's economy. The Los Angeles Customs District (including the ports of Long Beach and Los Angeles, Port Hueneme, and Los Angeles International Airport) is the nation's second largest, based on value of two-way trade. In 2001, this totaled \$212.5 billion, compared with \$214.1 billion of the leader, New York. Major investments are being made in port and transportation facilities, including the \$2.4 billion Alameda Corridor project which was completed in April 2002. There are also three foreign trade zone designations.

Transportation service in Los Angeles County is extensive. In addition to the ports and airports noted above, there are three other commercial airports: Glendale-Burbank-Pasadena, Palmdale Regional, and Long Beach. Besides the extensive freeway system, there is an array of mass transit options including various bus operators, Amtrak, Metrolink (commuter rail), and Metro Rail (subway & light rail). Rail freight service is provided by Burlington Northern Santa Fe and the Union Pacific.

## Outlook

According to the LA County Economic Forecast, the economy is expected to continue growing. Non-farm employment

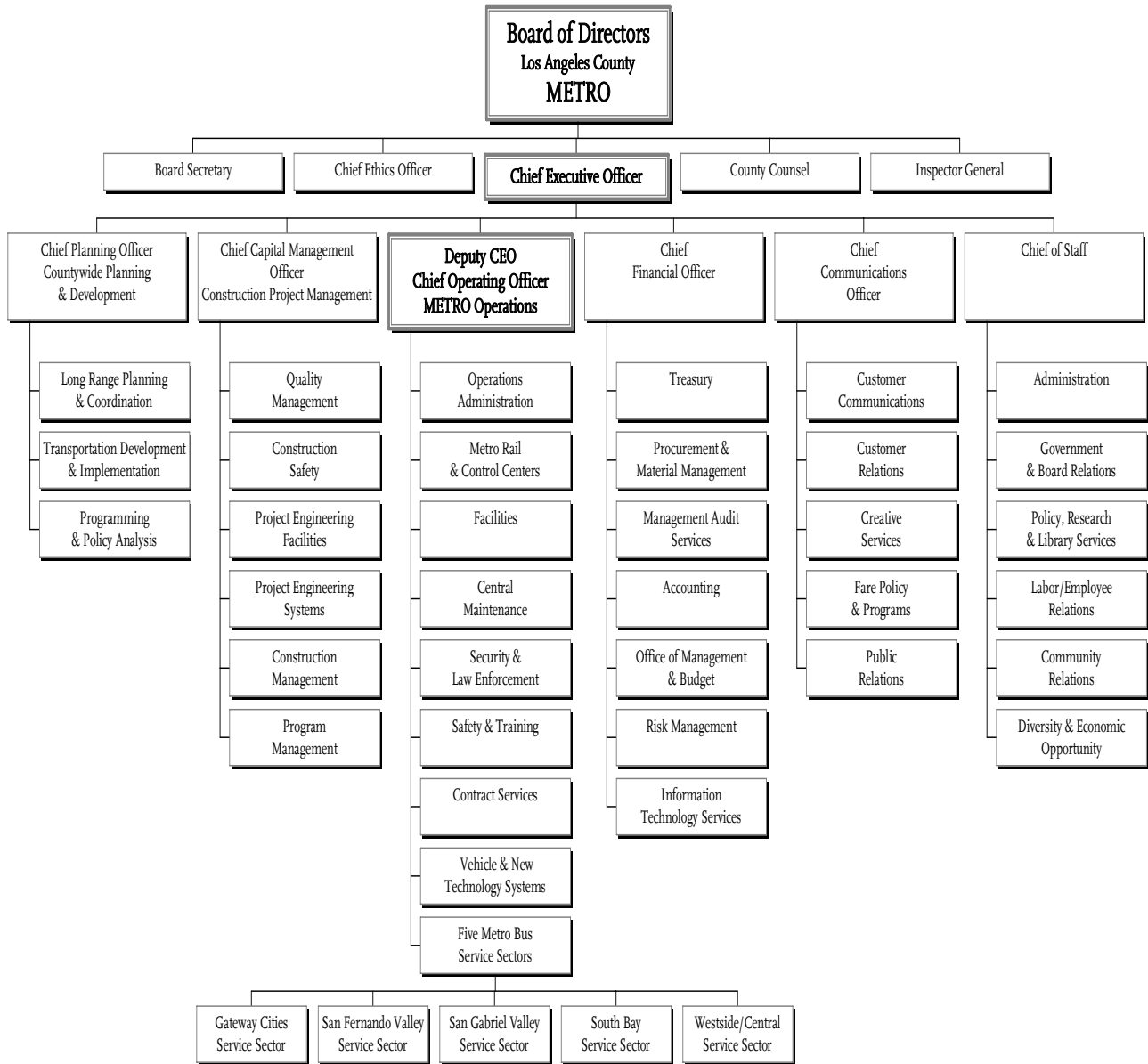
is predicted to grow by 1.6% in 2005 and 1.9% in 2006. The County's unemployment rate is expected to drop to 6.1% in 2005. Taxable retail sales growth in the County in 2005 will be 5.9%.

The County faces several challenges common to most of California. The military base realignment and closure process threatens Los Angeles Air Force Base (in El Segundo), which supports nearly 112,000 jobs around the state. Also, the State's budget will face a FY06 deficit of \$6-\$10 billion which could adversely impact local governments again.

According to the LA Area Chamber of Commerce, the State's business environment has improved modestly thanks to reforms in "nuisance" lawsuits and workers' compensation insurance. The Chamber feels, however, that there is the possibility of new legislation that could make the state's businesses less competitive.

Congestion has become a more prominent issue. Traffic congestion has long been an acknowledged problem, and Metro has been fully engaged in addressing that issue. However, now freight congestion has attracted more attention. This was prompted by the gridlock at the Los Angeles-Long Beach port complex during the second half of 2004. The ports are currently being expanded.

# LACMTA ORGANIZATION CHART



## LACMTA BOARD OF DIRECTORS



**Frank C. Roberts**  
Board Chairman  
Mayor  
City of Lancaster

Mr. Roberts is the Mayor of the City of Lancaster, having been elected as the city's first elected mayor in 1996 and reelected in 1998, 2000, 2002, and 2004, and as mayor/councilman four years prior. Mr. Roberts retired from teaching at Antelope Valley College in 1996 after 38 years, the last 16 of which were as Division Chairman and Dean of Applied Academics and Technologies. In addition to his current position as Metro Board Chairman, Mr. Roberts also serves on the Boards of Antelope Valley Air Quality Management District and Antelope Valley Transit, and is director of the Los Angeles County Private Industry Council. Mr. Roberts holds a bachelor of science degree in engineering from Cal State University at Los Angeles, a master of science degree in vocational education from UCLA, and a master's in public administration from Cal State University at Northridge.



**James K. Hahn**  
Board 1<sup>st</sup> Vice Chair  
Mayor  
City of Los Angeles

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



**Gloria Molina**  
Board 2<sup>nd</sup> Vice Chair  
LA County Supervisor  
1<sup>st</sup> Supervisorial District

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



**Michael D. Antonovich**  
LA County Supervisor  
5<sup>th</sup> Supervisorial District

Mr. Antonovich is a member of the Los Angeles County Board of Supervisors and represents the Fifth Supervisorial District, having been reelected to his seventh four-year term in 2004. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1968 to 1973. Mr. Antonovich has held teaching positions with the Los Angeles School District and Pepperdine University. He holds a bachelor of arts degree and master's degree from California State University, Los Angeles.



**Yvonne Brathwaite Burke**  
LA County Supervisor  
2<sup>nd</sup> Supervisorial District

Mrs. Burke is the Los Angeles County Supervisor for the Second Supervisorial District, having been elected in 1992 and reelected in 1996, 2000, and 2004. Mrs. Burke served as a member of Congress from 1972 to 1978, and as a State Assemblywoman from 1966 to 1972. She has served on numerous boards, including the University of California Board of Regents, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), and Chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Mrs. Burke received a B.A. degree in political science from the University of California, Los Angeles, and a J.D. from the University of Southern California School of Law.



**John Fasana**  
Mayor  
City of Duarte

Mr. Fasana, a City of Duarte Councilmember, has represented the 31 San Gabriel Valley cities on the Metro Board since its inception in 1993, serving as Chair for FY02. Mr. Fasana was first elected to the Duarte City Council in November 1987 and reelected in 1991, 1995, 1999, and 2003, serving as Mayor in 1990, 1997, and 2004. As a Councilmember, he promotes Duarte's interests in transportation, community services, and environmental protection. As Chair of the San Gabriel Valley Council of Governments Transportation Committee, Mr. Fasana has provided policy direction that has led to the creation of the Alameda Corridor East Gateway to America, the Pasadena Metro Blue Line Construction Authority, and the Gold Line Foothill Extension to Montclair. Mr. Fasana currently represents seven cities on the Foothill Transit Executive Board. He also serves as a member of the Metro Board's Fuel Cell Consortium. Mr. Fasana has worked 24 years with Southern California Edison and is a graduate of Whittier College with a bachelor of arts degree in business administration.



**Don Knabe**  
LA County Supervisor  
4<sup>th</sup> Supervisorial District

Mr. Knabe is a member of the Los Angeles County Board of Supervisors representing the Fourth District. Mr. Knabe was first elected to the Board in 1996 and reelected in 2000 and 2004. He is a White House appointee to the State and Local Elected Officials Senior Advisory Committee to the President's Homeland Security Advisory Council on Homeland Security. Mr. Knabe is a former Mayor and Councilman of the City of Cerritos and former Chief of Staff to County Supervisor Deane Dana. Mr. Knabe holds a bachelor's degree in business administration from Graceland College in Lamoni, Iowa.



**Tom LaBonge**  
Council Member  
City of Los Angeles

Mr. LaBonge is serving his first full term as a Los Angeles City Councilmember representing the 4<sup>th</sup> councilmanic district. He was first elected in 2001 to serve the last 16 months of the four-year term that was vacated upon the death of the district's prior representative, John Ferraro, who was also Council President. Mr. LaBonge served 15 years as Mr. Ferraro's Chief Field Deputy before he was asked to join the administration of Mayor Richard J. Riordan as his Special Assistant. After seven years with the Mayor's Office, Mr. LaBonge was named Director of Community Relations for the Los Angeles Department of Water and Power.



**Martin Ludlow**  
Council Member  
City of Los Angeles

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





**Pam O'Connor**  
Mayor  
City of Santa Monica

Ms. O' Connor has served on the Santa Monica City Council since 1994 and has served as that city's mayor three times (in 1997, 1999, and 2005). She is a member of the Southern California Association of Governments' Regional Council and is on the Board of Directors of the Local Government Commission. She also serves on committees for the League of California Cities and the National League of Cities. Ms. O'Connor works as a private consultant, specializing in historic preservation. She has worked throughout Southern California on projects, including the rehabilitation of Los Angeles' City Hall and on numerous buildings at UCLA and USC. Ms. O'Connor earned a B.S. degree in journalism from Southern Illinois University and holds masters' degrees in historic preservation planning and in technology management from Eastern Michigan University.



**Ed Reyes**  
Council Member  
City of Los Angeles

A native of Northeast Los Angeles, Councilmember Ed P. Reyes represents many of the communities where he once grew up and where he resides today with his wife Martha and their four children. With a master's degree from UCLA in architecture and urban planning, Councilmember Reyes, over the years, has creatively used a series of planning and zoning tools to address such issues as housing and transportation throughout Los Angeles. As one of the newest Metro Board members and one-time chair of the Metro Gold Line Authority, Councilmember Reyes hopes to work closely with his colleagues and local residents to address the many transportation challenges that lie ahead for the entire region.



**Zev Yaroslavsky**  
LA County Supervisor  
3<sup>rd</sup> Supervisorial District

Mr. Yaroslavsky, the immediate past chairman of the Metro Board, is a member of the Los Angeles County Board of Supervisors representing the Third Supervisorial District, having been elected to this office in November 1994. Mr. Yaroslavsky served as a member of the Los Angeles City Council between 1975 and 1994. The Los Angeles native earned his bachelor's degree in history and economics from UCLA in 1971 and a master's degree in history in 1972.



**Douglas R. Failing**  
Ex-officio Member  
Appointed by Governor

As a District Director of the California Department of Transportation, Mr. Failing is responsible for the day-to-day operation of the nearly 2,600 Caltrans employees serving District 7, which includes Los Angeles and Ventura Counties. Prior to his appointment in June 2002, he served as District 7's Chief Deputy District Director. Mr. Failing has also represented Caltrans on the Alameda Corridor Transportation Authority Governing Board. Mr. Failing is a Registered Civil Engineer in the State of California and was an Executive Board member of the Institute for the Advancement of Engineering (IAE) and past president of the IAE – College of Fellows. Mr. Failing earned his bachelor of science degree in civil engineering from Michigan Technological University.

## STRATEGIC PLANNING PROCESS UPDATE

The FY04 version of the strategic plan identified seven strategic goals and seven goal teams who met to discuss strategic approaches to existing agency-wide programs, projects and services. More importantly, the goal teams were charged or tasked to determine how this agency will measure its success. This open collaborative process enabled Metro's Executive Management Team an opportunity to break down departmental silos, work better together as a cross-functional and integrated team and to develop new ways of thinking.

Metro's Executive Management Team met on several different occasions to update the FY05 version of the strategic plan. The Executive Management Team reaffirmed their 2005 team commitment to continuous improvement of an efficient and effective transportation system for Los Angeles County, through the identification of five strategic goals. Each strategic goal has one or more objectives, defined by one or more implementation strategies which have been aligned to a series of recommended action steps intended to improve overall operational performance.

The updated FY05 Metro Strategic Performance Plan will continue to be used in FY06 as the basis for agency-wide direction, decisions and activities. The strategic plan is designed to be a "living document" which means it is an "evolving plan" and not a rigid or fixed document. For this reason, a "quarterly review" process has been established to track and measure the achieved key performance indicators, which permits an opportunity to realign the strategic goals, objectives and strategies.

Each strategic goal has an established outcome or key performance indicator and performance measures which have been aligned to key management owners and team support partners for improved management accountability, productivity, and organizational performance.

Each year the CEO will reassess the agency's performance, goals and objectives based upon budget appropriations. The programs and resources listed in the agency-wide strategic plan will be realigned annually based on budget allocations and projections as part of Metro's ten-year forecast.

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## STRATEGIC PLAN FY03 – FY07 (UPDATED FY05)

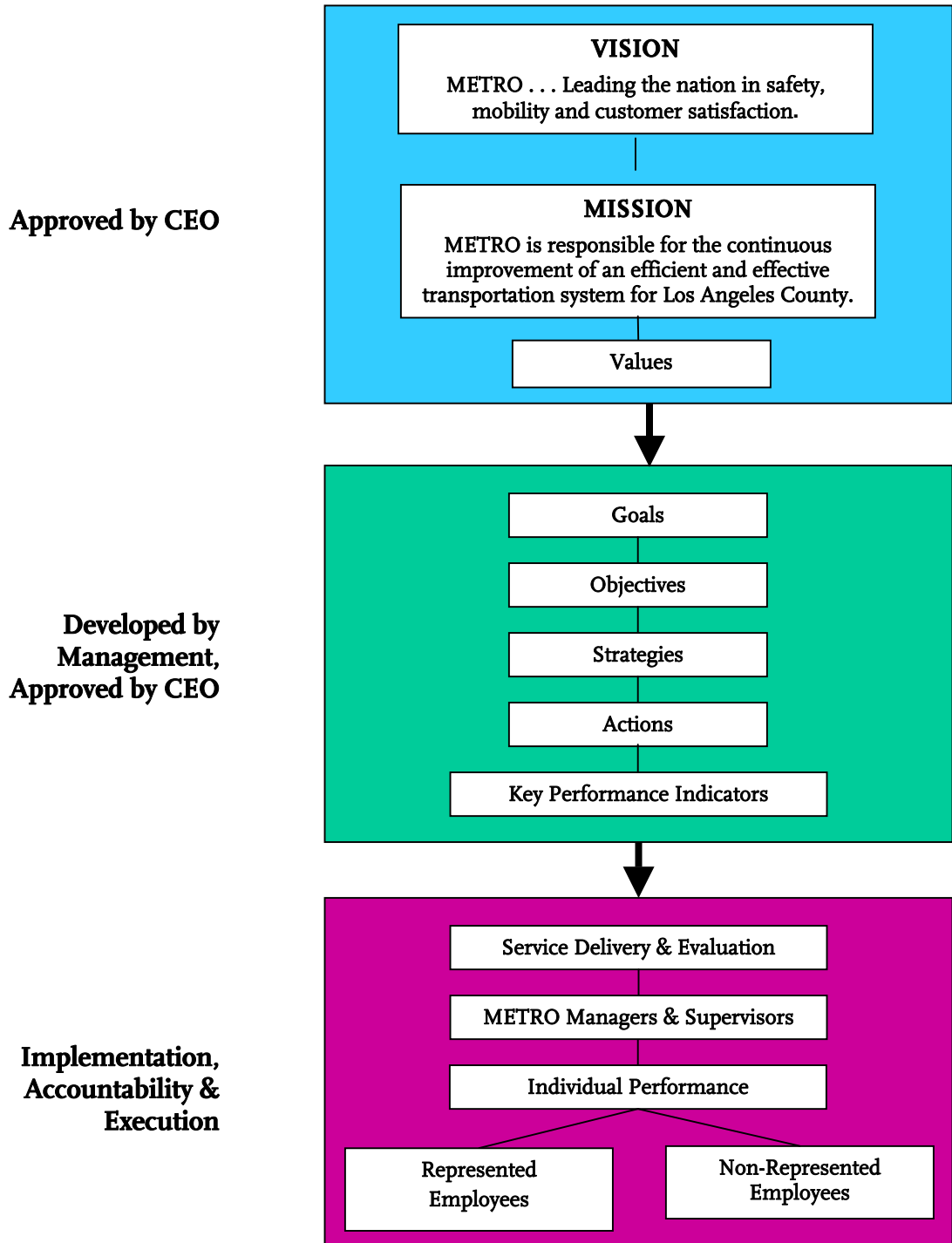
<b>Vision</b>	METRO . . . leading the nation in safety, mobility and customer satisfaction!
<b>Mission</b>	METRO is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.
<b>Core Business Goals</b>	<p><b><u>Goal 1: Improve Transit Services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

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

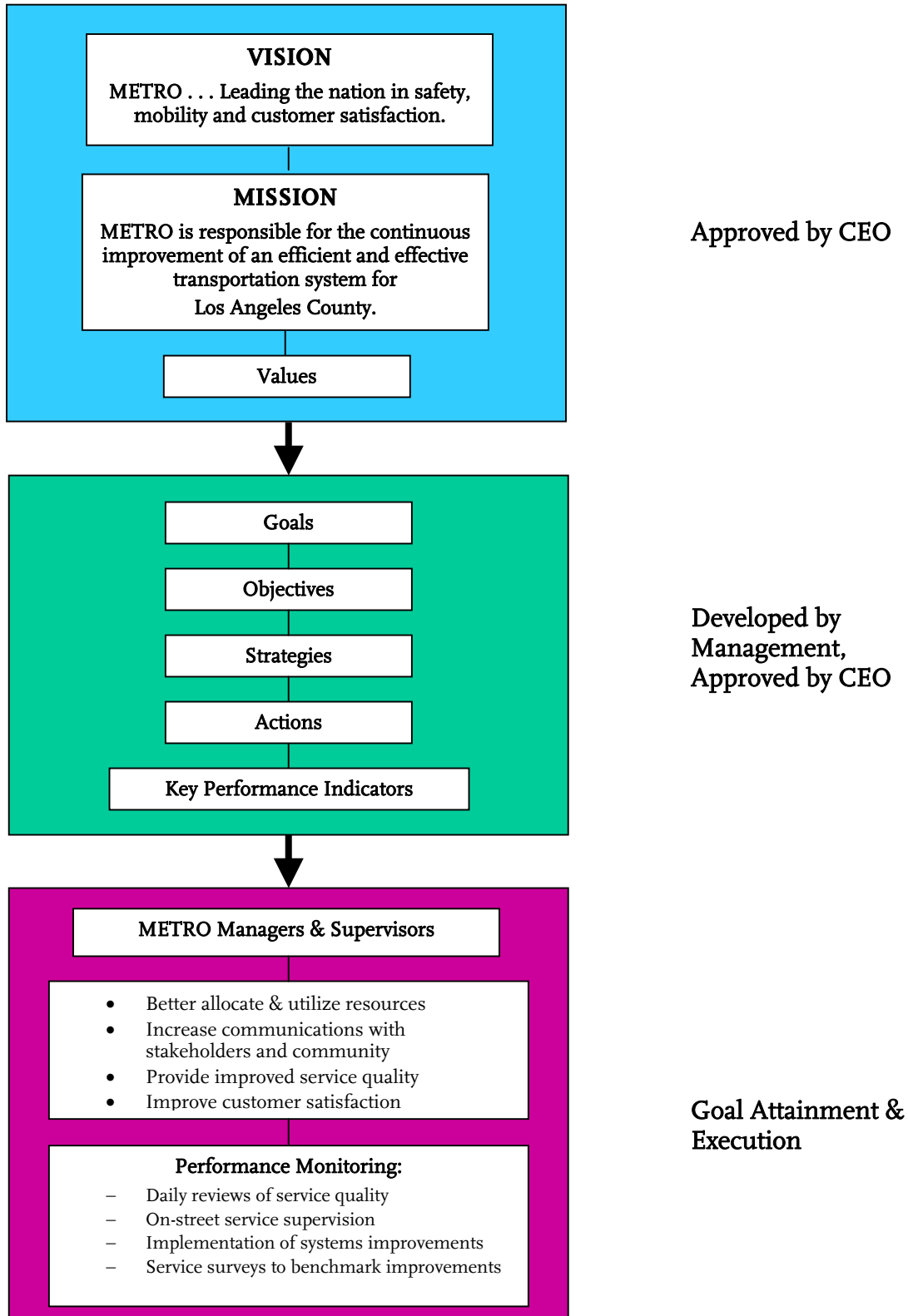
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<b>Values</b>	<u>Safety</u>	Safety's 1st for our customers, employees and business partners. Accidents and injuries are preventable.
	<u>Employees</u>	Employees are our most valuable resource and are to be treated with mutual respect and provided opportunities for professional development.
	<u>Fiscal Responsibility</u>	Individually and as a team, we are accountable for safeguarding and wisely spending taxpayer dollars entrusted to the METRO.
	<u>Integrity</u>	We rely on the professional ethics and honesty of every METRO employee.
	<u>Innovation</u>	Creativity and innovative thinking are valued and new ideas are welcomed.
	<u>Customer Satisfaction</u>	We strive to exceed the expectations of our customers.
	<u>Teamwork</u>	We actively seek to blend our individual talents in order to be the best in the nation.

## HOW THE STRATEGIC PLAN IMPACTS METRO EMPLOYEES – ONGOING



## HOW THE STRATEGIC PLAN IMPACTS METRO CUSTOMERS – ONGOING





## COMMUNICATION PLAN (MODEL) – ONGOING

Overall, this agency seeks to be recognized as a leader in the national transportation industry. The vision cannot be achieved without the continued commitment, energy and hard work of each and every Metro employee. It is critical that the Metro Team Leaders communicate with one voice at every level of the organization and across every transit mode.

This is the basis for developing an agency-wide Communication Plan that “promotes and fosters open communication.” This model enables each and every employee an opportunity to articulate and communicate the new strategic agency direction. It will strive to improve communication with customers, employees, business partners and/or stakeholders.

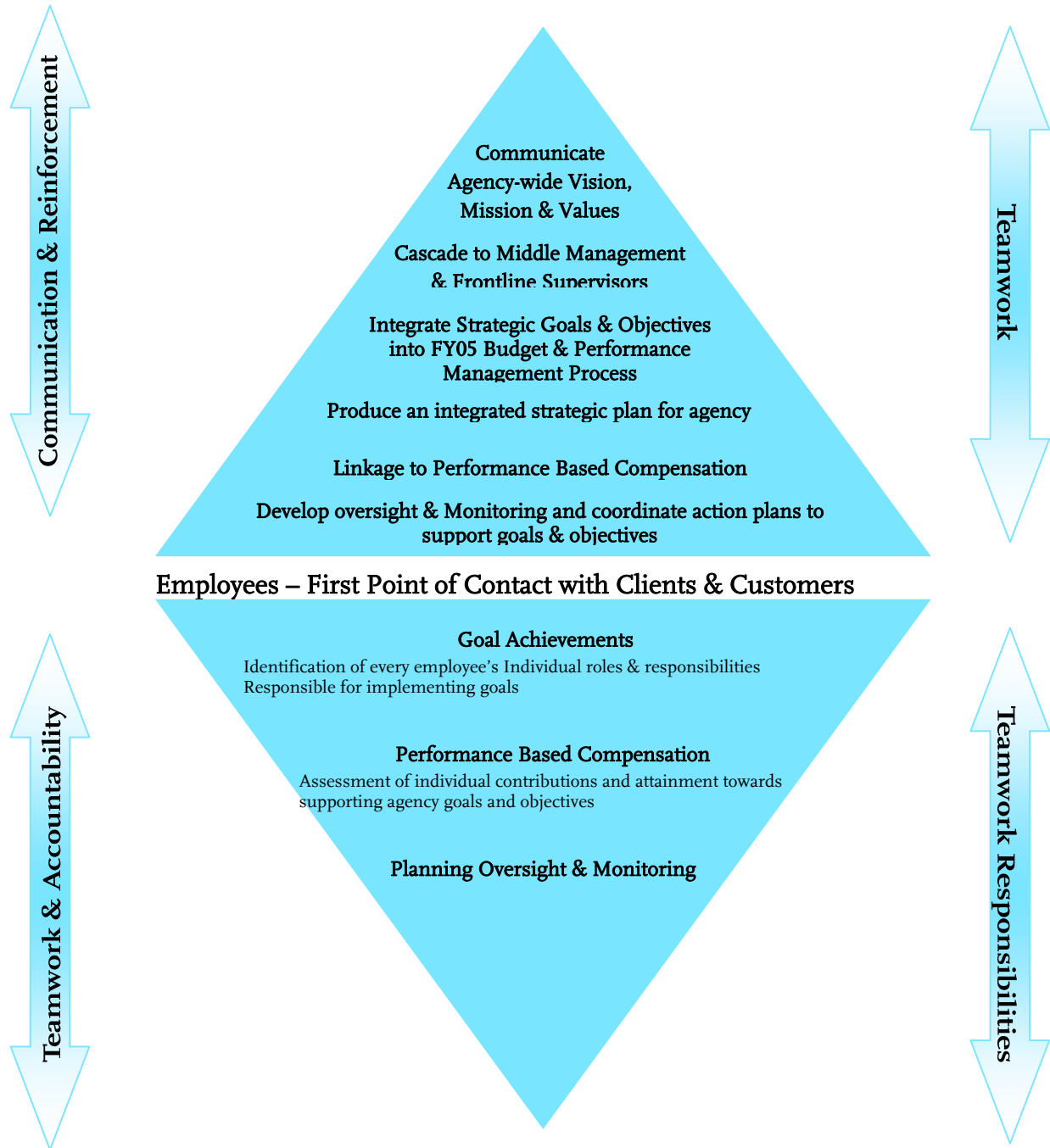
The success of the strategic plan can only be achieved through an agency-wide communication and implementation strategy. This communication plan involves every Metro employee and the Metro Communications Department. The Communications Department will develop

an agency-wide “brand” for the new strategic direction of the agency. The Communications Department will develop marketing and promotional materials to reinforce the vision, mission, core values, goals and new strategic direction of the agency. This offers every employee an opportunity to own the strategic plan as his or her own and to personally be committed to implement the strategic plan.

The Metro Operations Service Sectors’ various strategic plans (e.g., service, fleet, facilities, etc.) are to be integrated and aligned to support the agency-wide strategic plan. Metro’s Long-Range Transportation Plan has been aligned to include the short and long range Los Angeles County transportation program planning and project initiatives.

For your information, the diagram on the following page outlines the Leadership Model to cascade and communicate the strategic plan agency-wide.

## PRACTICING LEADERSHIP MODEL



## KEY PERFORMANCE INDICATORS AND THE AGENCY SCORECARD

Like many of today's leading businesses, Metro tracks its key performance indicators (KPIs) throughout the year to ensure services are provided at the proposed levels and within the approved budgets.

Metro has been using the CEO's Scorecard to track its KPIs since FY04. This desktop data-mining tool has provided Metro management with timely performance data for a wide variety of agency-critical areas such as operator and mechanic wage expense, workers' compensation claims, and bus accidents. By developing and relying on applications such as the CEO's Scorecard, management gets the timely and accurate data needed to make sound decisions and quickly adapt to the dynamic trends emerging in the public transit industry.

During FY05, the CEO's Scorecard coverage was expanded to include other KPIs such as:

- Compressed Natural Gas (CNG) Cost and Usage per Vehicle Hour,
- Lost Work Days (Paid),
- Non-Sector ATU Wage Expense per Vehicle Hour,
- Non-Sector AFSCME Wage Expense per Vehicle Hour,
- Passenger Boardings, and
- Fare Revenue per Boarding.

FY05 presented Metro with many serious

challenges. The dire state and federal economic conditions greatly impacted the Metro's annual grants and subsidies. Moreover, sharply rising fuel prices, lower than expected fare revenues, increased public liability costs, and mounting workers' compensation claim expenses all contributed to one of Metro's most challenging fiscal years in recent memory. While management has done its best to keep the nation's second-largest public transportation agency running smoothly, the challenges have been, and will continue to be, daunting.

Despite these fiscal hurdles, Metro continues to provide some of the best public transportation options in the country. Against a backdrop of hiring freezes and minimal raises, the typical Metro employee continues to work safer and smarter. FY05 workers' compensation claims, bus accidents and lost workdays were down significantly from FY04 levels. Over 93% of all FY05 invoices were paid within 30 days, compared to 87% in FY04. Metro's in-service, on-time performance continues to improve as we strive to provide the best public transit service in the country. The implementation of new technologies such as the Maintenance and Material Management System will help to improve our operations and better serve our customers. By implementing these systems and continuing to work harder and smarter, Metro is well poised to meet the unique challenges in FY06 and beyond.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

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KEY PERFORMANCE INDICATOR	FY04 Actual	FY05 Estimated*	FY06 Target**
Fare Revenue	\$221,454,000	\$265,200,000	\$263,680,000
Operator Wage Expense per Vehicle Hour (WE/VH)	\$26.91	\$27.48	\$27.60
ATU WE/VH	\$10.94	\$10.73	\$11.55
AFSCME Transportation WE/VH	\$2.22	\$2.00	\$2.41
AFSCME Maintenance WE/VH	\$1.03	\$0.93	\$0.89
Non-Sector ATU WE/VH	\$2.80	\$2.85	\$2.76
Non-Sector AFSCME WE/VH	\$1.39	\$1.30	\$1.33
CNG Cost per Vehicle Hour	\$4.45	\$4.79	\$5.55
New Weekly WC Claims (per 200K EH)	18.79	16.86	16.87
Lost Work Days	9,272	5,011	5,011
Boardings	393,598,140	438,800,000	441,378,858
Fare Revenue per Boarding	\$0.57	\$0.60	\$0.60
Bus Accidents per 100,000 Vehicle Hours	49	48	49
On-Time Bill-Paying	87%	92%	90%

\* FY05 full-year actuals not available as of publication date.

\*\* FY06 Targets may be revised due to changes in budgets and resource allocations.

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## II. Budget Highlights

## ABOUT THE BUDGET

### Preface

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Statement 34 requires that financial information be consolidated into either governmental activities or business-type activities. This budget document incorporates that principle and is thus consistent with the Agency’s Comprehensive Annual Financial Reports. Examples of business-type activities at Metro include transit operating and capital costs, infrastructure construction, and debt activities. These activities constitute the Enterprise Fund. Examples of governmental activities are subsidies Metro provides to other agencies, the regional planning and programming of funds, and functions of the Metro Board of Directors. These activities are reported in the Governmental Fund, which includes both the Special Revenue Fund and the General Fund.

### Balancing the Budget

Metro began the process of balancing the FY06 budget immediately after adoption of the FY05 budget. The first step in the process was to incorporate the assumptions in Short Range Transportation Plan (SRTP) in the Ten-Year Forecast. The Ten-Year Forecast included revenue and expense forecasts for all funds and major programs. The Ten-Year Forecast identified potential situations where we might experience deficits.

Once we identified potential shortfalls, management began the process of

reprioritizing programs, and revising the assumptions in the SRTP. We also began a search for additional recurring and one-time revenue. As part of our continuous review of budget variances, we identified additional assumptions that needed to be modified, such as fuel prices and fare revenues.

Management incorporated information from the Ten-Year Forecast and budget variances into FY06 expense targets for each fund, which would balance anticipated revenue and expenses. Management then allocated the target to each department and held the department manager responsible for meeting the target. Simultaneously, management aggressively pursued additional local, state, and federal revenue and grants.

Revenue and expenses shown in this budget are a result of this process.

### Financial Trends

Metro’s annual budget is consistent with the agency’s long-term vision as described in its two principal planning documents:

- Short Range Transportation Plan for Los Angeles County (SRTP)  
The SRTP focuses on the phasing of transportation improvements through 2009. It relies on performance-based modeling to identify the best solution for each mobility challenge. It can be found at [www.metro.net/projects\\_plans/shortrange/srtp.htm](http://www.metro.net/projects_plans/shortrange/srtp.htm).

- Long Range Transportation Plan for Los Angeles County (LRTP)  
The LRTP looks ahead at transportation needs over the next twenty-five years, from 2001 through 2025. It is the blueprint for implementing future transportation improvements for Los Angeles County. It can be found at [www.metro.net/projects\\_plans/longrange/lrtp.htm](http://www.metro.net/projects_plans/longrange/lrtp.htm).

### Changes in Staffing Levels

The FY06 budget funds 8,918 full-time equivalent positions (FTEs) which is a reduction of 35 from the previous year. This was the net result of Metro's austere cost-containment program which eliminated 133 positions. This offset the 98 positions added for court-mandated Consent Decree service and implementation of the Orange Line. The positions eliminated were mostly general and administrative in nature. This reflects Metro's commitment to meeting its mission with a minimum of support costs through constant productivity improvements.

### Changes in Fund Equity Balances

#### *Business-Type Activities*

There will be no net impact on resources available for appropriation in the enterprise fund. This is to be expected as this fund receives federal and state grants and subsidies from the governmental funds to finance its operating loss and capital and debt commitments. It also relies to some extent on borrowing (\$176.3 million in FY06). The Enterprise fund is relying on \$77 million in one-time revenues in FY06. This is evidence of the continuing scarcity of resources.

#### ***Governmental Activities***

In FY06 the Special Revenue fund is budgeted to spend \$111.4 million from fund balance. This is mainly due to budgeting \$88.6 million of Proposition C sales tax for highway, park and ride, and commuter rail uses. \$17.4 million of STA sales tax, accumulated in prior years, will be used for bus and rail capital. The General fund is expected to draw \$42.0 million from the fund balance for bus activities as approved by the Board for Consent Decree requirements.

#### **Local Transportation Subsidies**

These comprise the transfers of sales tax from the Special Revenue Fund to the Enterprise Fund as follows:

Proposition A	\$357.0
Proposition C	295.5
TDA	214.2
STA	<u>50.9</u>
Total	<u>\$917.6</u>

All transfers are made in accordance with their enabling legislation. When received into the Enterprise Fund, they are reported as local grants.

#### **General and Administrative Expenses/Expenditures**

"General and Administrative" is defined as follows:

***Enterprise fund:*** All activities associated with the general administration of a transit agency including transit service development, injuries and damages, safety, personnel administration, legal services, insurance, data processing, finance and accounting, purchasing and



stores, engineering, real estate management, office management and services, customer services, promotion, market research and planning (American Public Transportation Association definition).

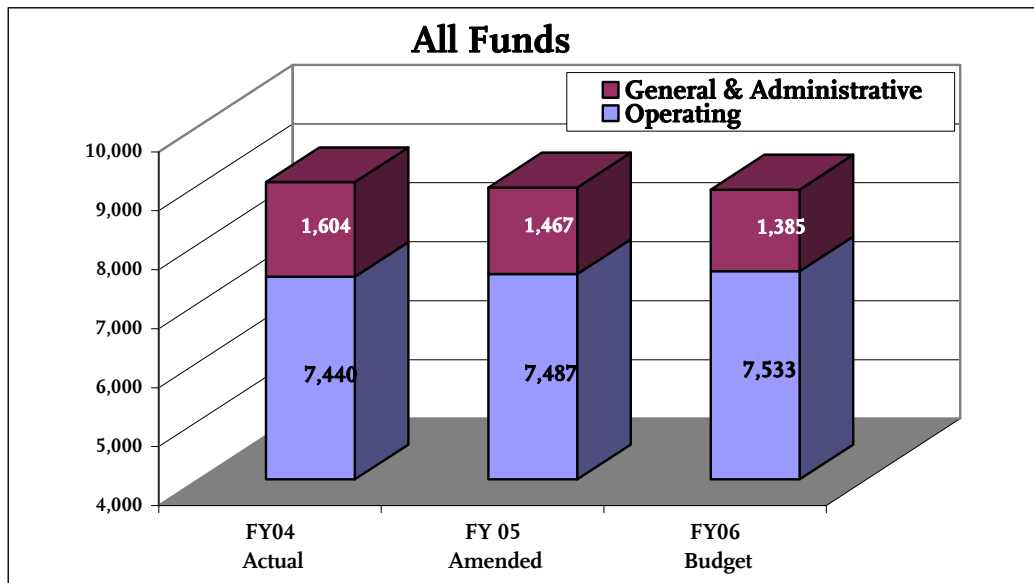
**Governmental funds:** Expenses incurred in the general direction of an enterprise or a business unit as a whole as contrasted with an expense or cost of an output or product for a more specific function.

As part of its cost containment efforts, Metro has sought to minimize general and administrative outlays. The charts of expenses/expenditures reflect the progress made on a relative basis between FY04 and FY05. Looking forward to FY06, this positive trend will reverse slightly in both the Enterprise and Governmental funds. The Enterprise fund will see the impact of

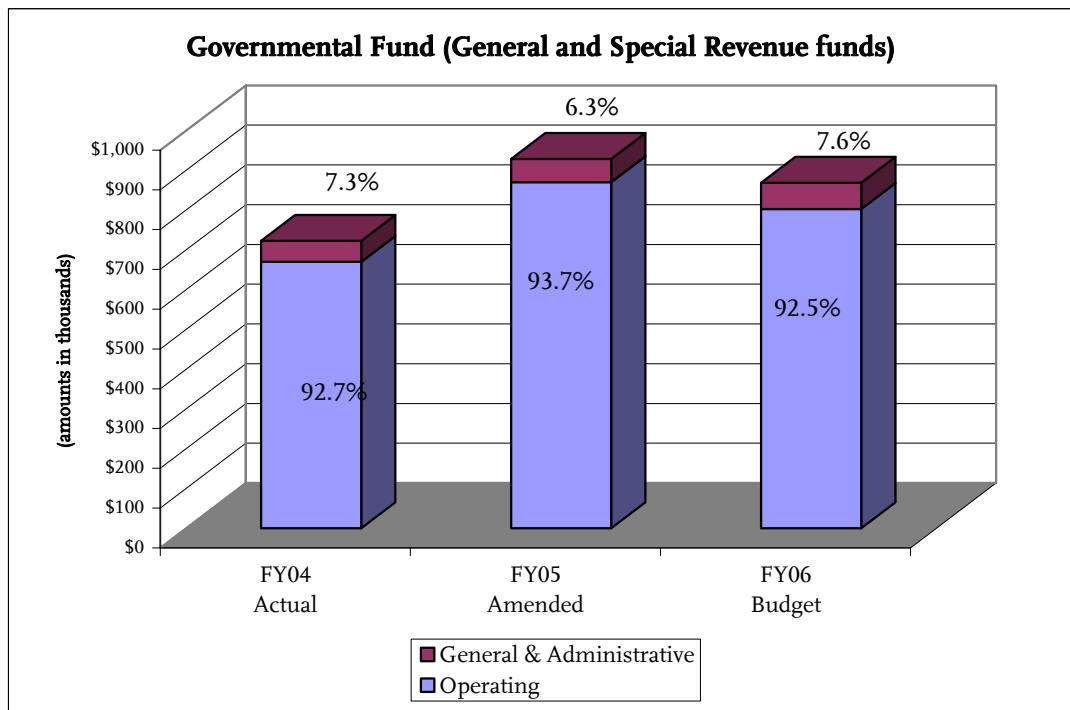
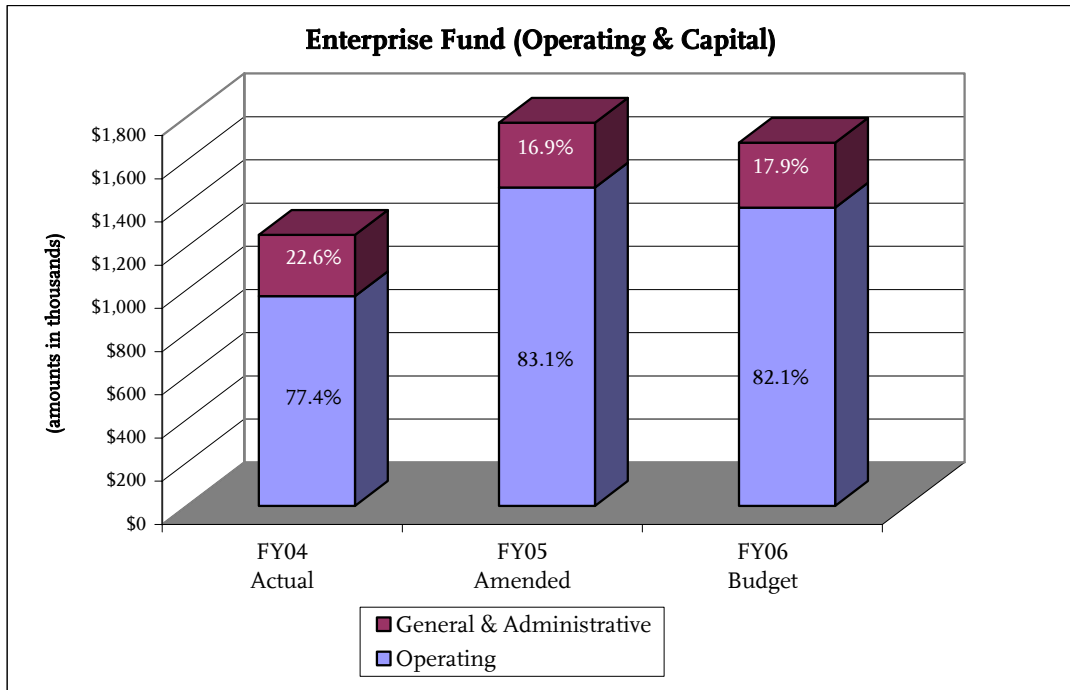
increased insurance and workers' compensation costs as well as unusually high litigation costs for major capital project close-outs (classified as general and administrative). The Governmental funds will have slight increases in building rent allocation, and wages and benefits (classified as general and administrative) in conjunction with lower subsidy expenditures (classified as operating) which will adversely affect the ratio.

The chart of full-time equivalent positions shows the steady progress made in reducing general and administrative positions on both a relative and absolute basis thanks to productivity enhancements. The FY06 budget continues this trend.

**General & Administrative Portion of Full Time Equivalent Positions**



**General & Administrative Portion of Expense/Expenditure**



## FY06 BUDGET HIGHLIGHTS AND MAJOR BUDGET ASSUMPTIONS

### Metro Bus and Rail

#### *FY06 Target Service Levels*

MODE		REVENUE SERVICE HOURS (000)	CHANGE FROM FY05
Metro Bus	Metro Operated	7,053	0.0%
	Orange Line	64	n/a
	Purchased Transportation	527	2.9%
	<b>Total Metro Bus</b>	<b>7,644</b>	<b>1.1%</b>
Metro Rail	Blue Line	202	-4.7%
	Green Line	84	-4.5%
	Gold Line	70	-21.3%
	Red Line	263	-2.6%
	<b>Total Metro Rail</b>	<b>619</b>	<b>-6.1%</b>
<b>Total</b>		<b>8,263</b>	<b>0.4%</b>

- Increase bus service by 77,000 revenue service hours.
- Begin Orange Line fixed guideway service in the San Fernando Valley in September 2005.
- Put into service the first 60-foot articulated buses in LA County.
- Provide for expected higher costs of fuel and propulsion power, which are expected to increase at a much greater rate than the expected increase in the CPI.
- Implement four new Metro Rapid bus lines:
  - ♦ Santa Monica—from Santa Monica to downtown LA via Santa Monica Blvd.,
  - ♦ Western—from the Crenshaw Metro Green Line Station to the Hollywood/Western Metro Red Line Station,
  - ♦ Long Beach—from the Artesia Blue Line Station to downtown LA, and
  - ♦ Reseda—from the Sylmar\San Fernando Metrolink Station to the intersection of Reseda and Ventura Blvds.
- Improve the bus and rail vehicle preventive maintenance programs.
- Increase Homeland Security efforts through a capital grant and increased fare checkers, security guard training, and additional security equipment.
- Maintain fares at current levels.

### Capital Program

- Capital projects are funded in agency-wide priority using the following

criteria developed by management: safety, customer improvements, previously committed, and mandated.

- Although all capital projects receive an annual appropriation, capital projects are controlled by the life-of-project budget which must be approved by the Board.
- Revenues in the capital program are a combination of grant and local funds.
- The Gold Line Eastside Extension will continue a multi-year major construction phase.
- Construction of the Orange Line bus rapid transitway will be substantially completed in FY06.
- Development of Mid-City/Exposition Light Rail Transit will continue in FY06.
- Installation of in-vehicle equipment and centralized data collection equipment under the Universal Fare System project will be completed.

- The design and acquisition of equipment for a regional clearinghouse service center will commence. This clearinghouse will process all fare transactions and properly distribute the revenues to Metro and our municipal partners.
- Construction of a new transportation building and facilities will begin in FY06.
- Construction of light rail operating Division 11 improvements will begin in FY06.

### **Other Budget Highlights and Assumptions**

- Sales tax revenues are forecast to be \$1,594 million in total.
- Salaries will increase according to union contracts for represented employees and at 2.5% for non-represented employees.

**Los Angeles County Metropolitan Transportation Authority  
FY06 Budget**

**Summary of Funding by Source**

(Dollars in millions)	FY02 Actual		FY03 Actual		FY04 Actual		FY05 Amended		FY06 Budget	
Sales Tax (1)	\$1,414.9	64.3%	\$1,559.0	70.2%	\$1,514.0	66.8%	\$1,738.5	57.7%	\$1,714.2	60.0%
Federal, State, & Local Grants	438.4	19.9%	345.0	15.5%	377.2	16.6%	635.3	21.1%	618.6	21.6%
Passenger Fares & Advertising	255.5	11.6%	261.5	11.8%	233.4	10.3%	276.4	9.2%	276.7	9.7%
Net Proceeds from Financing	33.0	1.5%	-	0.0%	82.4	3.6%	311.5	10.3%	179.3	6.3%
Other (2)	59.0	2.7%	56.1	2.5%	61.0	2.7%	50.5	1.7%	70.5	2.5%
<b>Total Funding Sources</b>	<b>\$2,200.8</b>	<b>100.0%</b>	<b>\$2,221.6</b>	<b>100.0%</b>	<b>\$2,268.0</b>	<b>100.0%</b>	<b>\$3,012.2</b>	<b>100.0%</b>	<b>\$2,859.3</b>	<b>100.0%</b>

**Summary of Expenses/Expenditures by Program**

(Dollars in millions)	FY02 Actual		FY03 Actual		FY04 Actual		FY05 Amended		FY06 Budget	
Countywide Bus										
Metro Bus										
Operating (3)	\$733.4	33.3%	\$763.0	34.3%	\$725.5	32.0%	\$791.8	26.3%	\$836.7	29.3%
Capital	181.3	8.2%	76.9	3.5%	130.2	5.7%	244.1	8.1%	157.2	5.5%
Bus Facility Construction	3.3	0.1%	1.9	0.1%	1.3	0.1%	19.8	0.7%	1.0	0.0%
Orange Line	8.3	0.4%	32.2	1.4%	76.0	3.4%	173.8	5.8%	70.0	2.4%
Metro Bus Subtotal	926.3	42.1%	874.0	39.3%	933.0	41.1%	1,229.5	40.8%	1,064.9	37.2%
Municipal Operator and Paratransit Programs (4)	210.9	9.6%	253.7	11.4%	240.9	10.6%	304.4	10.1%	230.1	8.0%
Countywide Bus Subtotal	1,137.2	51.7%	1,127.7	50.8%	1,173.9	51.8%	1,533.9	50.9%	1,295.0	45.3%
Countywide Rail										
Metro Rail										
Operating (3)	143.4	6.5%	150.4	6.8%	179.4	7.9%	216.3	7.2%	225.1	7.9%
Capital	15.7	0.7%	19.8	0.9%	15.1	0.7%	42.3	1.4%	44.6	1.6%
Rail Construction	122.2	5.6%	64.4	2.9%	42.7	1.9%	53.2	1.8%	70.3	2.5%
LRT-Eastside/Expo	25.1	1.1%	41.5	1.9%	43.2	1.9%	216.9	7.2%	273.0	9.5%
Metro Rail Subtotal	306.4	13.9%	276.1	12.4%	280.4	12.4%	528.7	17.6%	613.0	21.4%
Metrolink	44.7	2.0%	38.8	1.7%	39.6	1.7%	54.9	1.8%	57.9	2.0%
Countywide Rail Subtotal	351.1	16.0%	314.9	14.2%	320.0	14.1%	583.6	19.4%	670.9	23.5%
Sales tax return to local jurisdictions	228.5	10.4%	239.9	10.8%	249.6	11.0%	258.5	8.6%	269.1	9.4%
Streets and Highways	125.0	5.7%	146.8	6.6%	146.8	6.5%	256.4	8.5%	249.9	8.7%
Debt Service (5)	302.0	13.7%	308.8	13.9%	312.3	13.8%	305.6	10.1%	309.7	10.8%
Other Governmental	57.0	2.6%	83.5	3.8%	65.4	2.9%	74.2	2.5%	64.7	2.3%
<b>Total Expenditures</b>	<b>\$2,200.8</b>	<b>100.0%</b>	<b>\$2,221.6</b>	<b>100.0%</b>	<b>\$2,268.0</b>	<b>100.0%</b>	<b>\$3,012.2</b>	<b>100.0%</b>	<b>\$2,859.3</b>	<b>100.0%</b>

(1) Sales tax revenues include the use of carryover balances.

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

(3) Details shown on page IV-4.

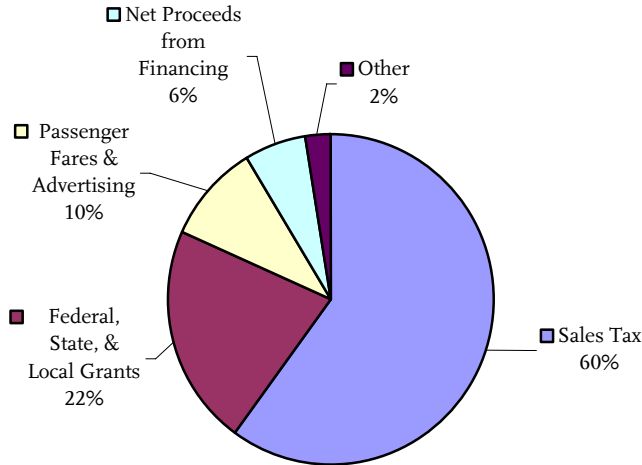
(4) ASI Paratransit: federal amounts included in prior years have been excluded in FY06 because ASI will receive federal funds directly.

(5) Includes principal liability payments and Benefit Assessment District debt payments, but excludes debt refunding and defeased lease.

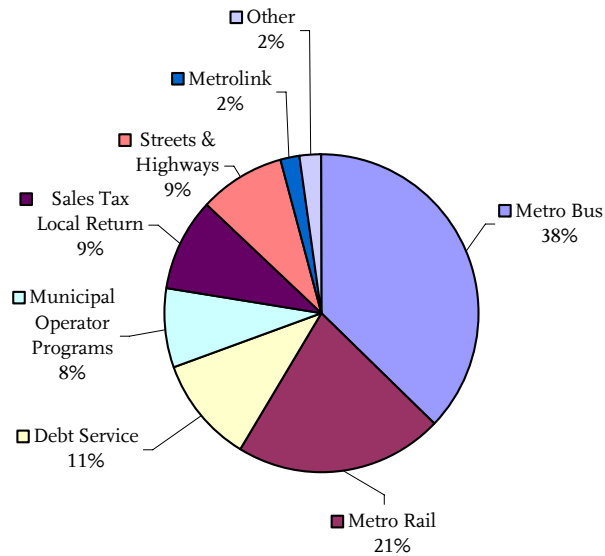
Proprietary fund includes principal payments of \$19.3 million in FY02, \$19.8 million in FY03,

\$16.3 million in FY04, \$12.0 million in FY05 and \$12.0 million for FY06.

### FY06 Funding by Source

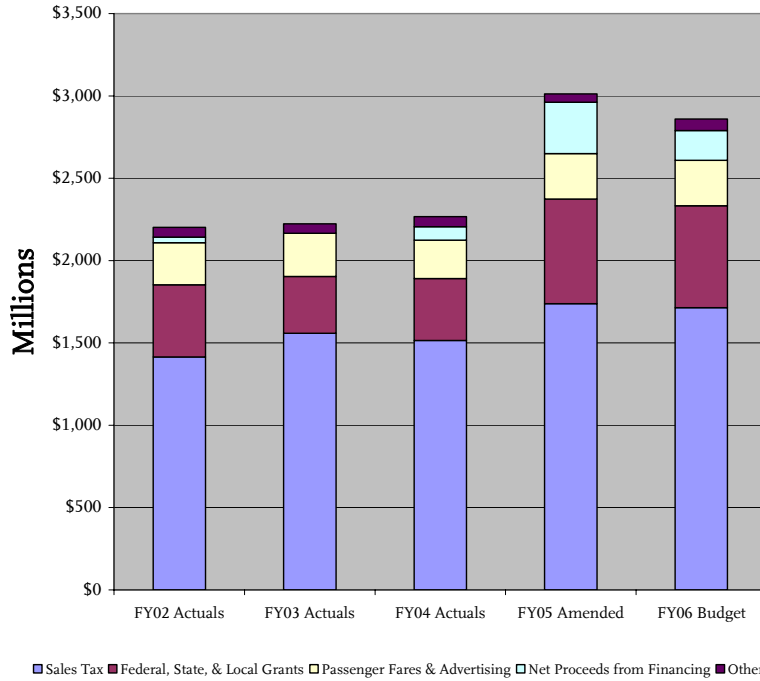


### FY06 Expenditures by Program

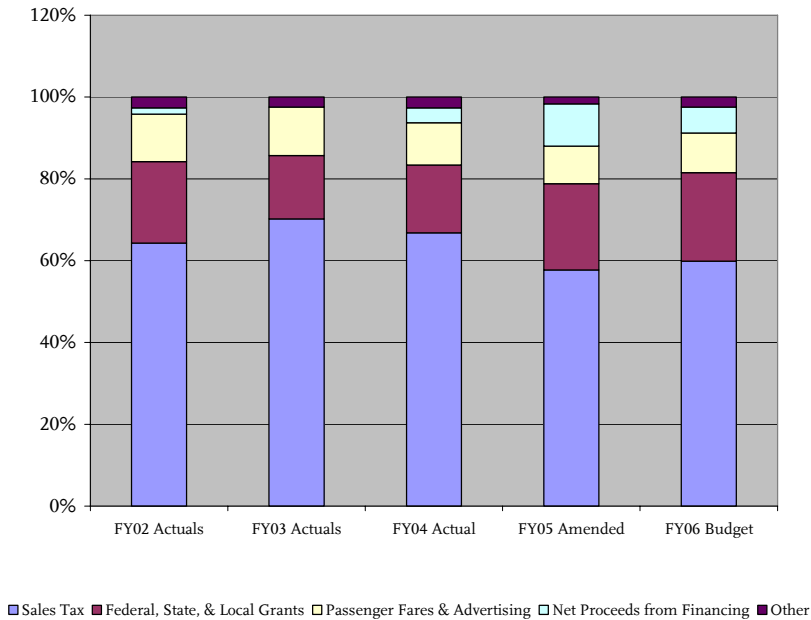


Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

### Summary of Funding by Source (\$)



### Summary of Funding by Source (%)



Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**Statement of Revenues and Expenses**  
For the Years Ending June 30, 2004, 2005, and 2006

(Amounts in millions)

<b>Enterprise Fund - Summary</b>		FY04 Actual	FY05 Amended	FY06 Budget
1	Operating revenues:			
2	Passenger fares	\$ 221.5	\$ 265.2	\$ 263.7
3	Route subsidies	0.6	0.5	0.5
4	Auxiliary transportation	11.9	13.8	15.7
5	Total operating revenues	234.0	279.4	279.9
6				
7	Operating expenses:			
8	Operating	673.7	764.9	818.0
9	General & administrative	231.3	243.2	243.8
10	Operating expenses, excluding depreciation:	905.0	1,008.1	1,061.8
11				
12	Operating loss	(671.0)	(728.7)	(782.0)
13				
14	Operating subsidies and grants (other expenses):			
15	Local operating grants	548.7	508.0	579.6
16	State operating grants	0.5	0.7	0.1
17	Federal operating grants	115.2	217.9	193.6
18	Interest revenues	3.5	2.2	3.8
19	Net appreciation (decline) in fair value of investments	(5.9)	-	-
20	Interest expense	(6.9)	(2.8)	(2.6)
21	Other revenue	2.1	2.7	7.5
22	Total operating subsidies and grants (other expenses)	657.3	728.7	782.0
23				
24	Gain (loss) before debt and capital items	(13.7)	-	-
25				
26	Debt service & capital grants / contributions: *			
27	Local			
28	Capital	90.5	107.3	109.5
29	Debt service	246.6	261.3	281.8
30	Debt service other revenues	4.0	4.0	2.5
31	Proceeds from financing	82.4	306.9	176.3
32	State - capital	11.4	33.9	68.3
33	Federal - capital	144.3	315.0	260.2
34	Total debt service & capital grants / contributions	579.3	1,028.5	898.5
35				
36	Capital program :			
37	Operating capital	169.8	314.8	202.9
38	Major construction	158.9	448.4	411.3
39	Total capital program	328.7	763.2	614.2
40				
41	Debt service expenses: *			
42	Interest expense	161.9	158.5	166.0
43	Principal payments	84.7	102.8	115.8
44	Services	4.0	4.0	2.5
45	Total debt service expenses	250.6	265.3	284.3
46				
47	Net surplus (deficit)	\$ (13.7)	\$ -	\$ -

\* Excludes defeased leases and includes non-cash items  
Note: Totals may not add due to rounding.



Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Years Ending June 30, 2004, 2005 and 2006

(Amounts in millions)

<b>Governmental Funds - Summary</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Revenue:			
2 Sales tax	\$ 1,478.4	\$ 1,527.2	\$ 1,594.3
3 Intergovernmental grants	109.6	134.7	99.9
4 Investment income	8.0	17.0	15.3
5 Net decline in fair value of investments	(2.5)	-	-
6 Lease and rental	11.0	10.5	10.7
7 Proceeds on lease/leaseback to service	8.1	-	-
8 Licenses and fines	7.8	7.5	7.5
9 Other	17.2	15.7	7.0
10 Total Revenues	1,637.6	1,712.6	1,734.6
11			
12 Expenditures:			
13 Subsidies	1,566.6	1,763.2	1,761.2
14 Services	47.0	73.1	65.0
15 Debt and interest expenditures			
16 Interest and fiscal charges	0.6	0.7	0.7
17 Bond principal & commercial paper retirement	0.8	1.5	1.6
18 General and administrative	47.1	56.6	59.5
19 Total expenditures	1,662.1	1,895.2	1,888.0
20			
21 Net change in fund balances	(24.4)	(182.6)	(153.4)
22			
23 Fund balances - beginning of year	770.5	746.1	563.5
24			
25 Fund balances - end of year	\$ 746.1	\$ 563.6	\$ 410.1

Note: Totals may not add due to rounding.

## FINANCIAL STRUCTURE COMPARED TO ORGANIZATIONAL STRUCTURE

The table below shows how cost by fund discussed in the Financial Details relates to cost by Strategic Business Unit discussed in the Strategic Business Units section. Total

cost in the two sections match, since they represent two ways of sorting the same detail.

(Amounts in millions)	Business-Type			Governmental-Type			Agency Fund	Metro Total
	Enterprise Fund Operating *	Enterprise Fund Capital	Enterprise Fund Debt	Special Revenue Fund**	Prop A & C Admin***	General Fund **		
Strategic Business Unit								
Transit Operations	\$ 949.3	\$ 237.2	\$ 10.5	\$ 39.5	\$ 5.5	\$ 3.1	\$ -	\$ 1,245.1
Countywide Planning & Development	-	1.6	-	759.1	10.6	0.9	0.3	772.5
Construction Project Management	0.1	340.2	-	0.1	0.3	-	-	340.7
Communications	18.6	0.7	-	1.1	5.0	3.3	-	28.7
Support Services	74.8	15.1	273.8	8.6	10.3	2.9	22.5	408.0
Chief of Staff	19.6	5.7	-	3.3	7.3	4.2	-	40.1
Board of Directors	2.0	13.7	-	0.2	8.3	-	-	24.2
<b>Metro Total</b>	<b>\$ 1,064.4</b>	<b>\$ 614.2</b>	<b>\$ 284.3</b>	<b>\$ 811.9</b>	<b>\$ 47.3</b>	<b>\$ 14.4</b>	<b>\$ 22.7</b>	<b>\$ 2,859.3</b>

- \* Includes \$2.6 million of interest in the Other Expenses section of the financial statements.
- \*\* Excludes interfund subsidies shown in the financial statements (SRF: \$968.4 million; GF: \$49.8 million).
- \*\*\* Included in Special Revenue Fund financial statement.

### III. Customer Service

## CUSTOMER SERVICES

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

## METRO BUS AND RAIL SERVICE

Metro operates three modes of transit service: bus (directly operated and contracted), light rail, and heavy rail. Boardings average over 1.3 million per weekday. Transit services and supporting capital expenditures make up over two-thirds of the FY06 budget.

### Metro Bus

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

The FY06 budget includes funds for the completion of the high capacity 45-foot bus procurement and for 178 new 60-foot high capacity articulated buses. Metro currently provides about 173 buses to contractors operating Metro service and will add new vehicles for the Metro Green Line shuttle.

Metro is the largest operator of alternative fueled buses. Currently 1,988 buses, or 80% of the 2,400 buses in Metro's fleet, are powered by engines using clean-burning compressed natural gas (CNG).

## Service Sectors

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

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

## Sector Goals and Objectives

With about three full years of operational experience, Service Sectors continue to improve bus service quality and delivery to meet the goals to improve service to its customers by providing local communities with input into its operations. The key principles are to localize control, maintain a single point of contact for service issues, balance responsibility with authority, streamline the decision process and support agency policies, plans and safety initiatives. The following areas of success were achieved by the Service Sectors:

- Locally-based sector planning and scheduling has implemented efficiencies and is more responsive to both customers and bus operators. Service Sectors have improved local bus service, increased accessibility and responsiveness, increased coordination, and focused customer service.
- The Sector Governance Councils, charged with overseeing the planning and implementation of service within their area, have been effective at improving Metro's connection and accountability to customers and local communities.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

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- Overall, with the implementation of technological improvements, on-time performance and accidents performance indicators are improving.

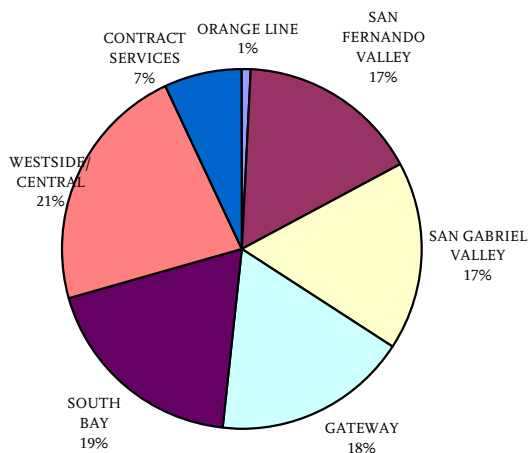
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### FY06 Bus Operating Statistics (as budgeted)

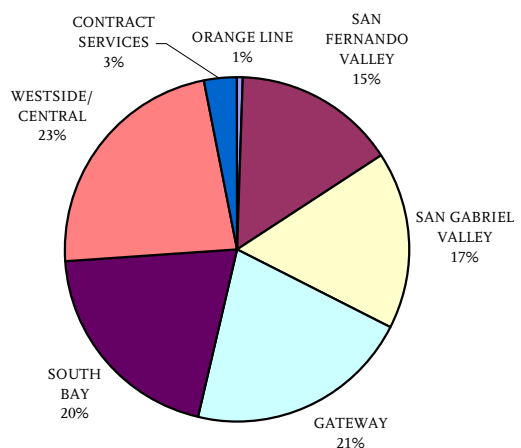
	ORANGE LINE	SAN FERNANDO VALLEY	SAN GABRIEL VALLEY	GATEWAY CITIES
BOARDINGS (000)	2,246	56,761	61,586	77,818
REVENUE SERVICE HOURS (000)	64	1,263	1,279	1,346
REVENUE SERVICE MILES (000)	975	17,444	15,959	15,024
HUB MILES (000)	1,160	21,553	18,878	18,737
BOARDINGS PER REVENUE SERVICE HOUR	35.3	44.9	48.1	57.8
PASSENGER MILES (000)	15,725	212,632	238,337	301,156
COST PER REVENUE SERVICE HOUR	\$154.88	\$94.01	\$90.32	\$89.17
COST PER PASSENGER MILE	\$0.63	\$0.56	\$0.48	\$0.40
COST PER BOARDING	\$4.39	\$2.09	\$1.88	\$1.54
SUBSIDY PER BOARDING	\$3.80	\$1.44	\$1.24	\$0.91
SUBSIDY PER PASSENGER MILE	\$0.54	\$0.39	\$0.32	\$0.23
FARE RECOVERY RATIO	13.6%	28.6%	31.8%	38.4%
FARE REVENUE PER BOARDING	\$0.60	\$0.60	\$0.60	\$0.60

\* Systemwide statistics include bus operating expenses from support activities not assigned directly to sector management, such as in Central Maintenance, Central Control & Instruction, Facilities, and Administrative Support.

**Revenue Service Hours**

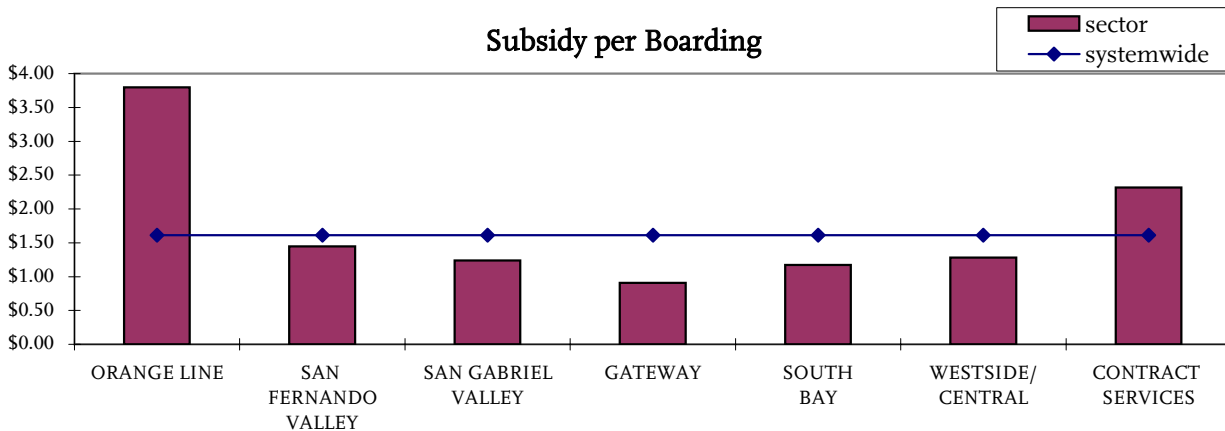
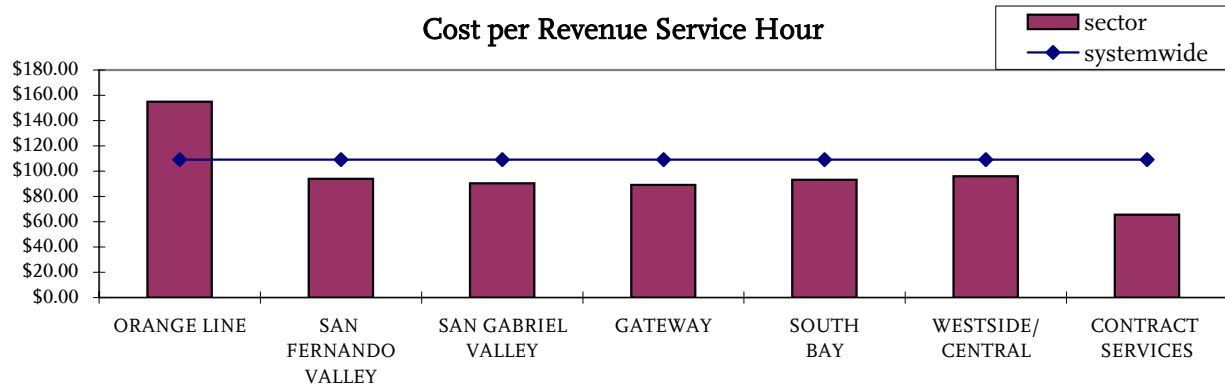


**Boardings by Sectors**



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	SOUTH BAY	WESTSIDE/ CENTRAL	CONTRACT SERVICES	SYSTEMWIDE *
BOARDINGS (000)	74,811	85,175	11,500	369,897
REVENUE SERVICE HOURS (000)	1,452	1,713	527	7,644
REVENUE SERVICE MILES (000)	18,097	20,103	7,366	94,967
HUB MILES (000)	22,312	24,614	8,952	116,207
BOARDINGS PER REVENUE SERVICE HOUR	51.5	49.7	21.8	48.4
PASSENGER MILES (000)	289,517	329,629	55,599	1,442,594
COST PER REVENUE SERVICE HOUR	\$93.20	\$95.88	\$65.54	\$109.09
COST PER PASSENGER MILE	\$0.47	\$0.50	\$0.62	\$0.58
COST PER BOARDING	\$1.81	\$1.93	\$3.01	\$2.25
SUBSIDY PER BOARDING	\$1.17	\$1.28	\$2.32	\$1.61
SUBSIDY PER PASSENGER MILE	\$0.30	\$0.33	\$0.48	\$0.41
FARE RECOVERY RATIO	33.0%	30.7%	19.9%	26.5%
FARE REVENUE PER BOARDING	\$0.60	\$0.60	\$0.60	\$0.60





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Bus Performance Indicators	FY03 Actual	FY04 Actual	FY05 Estimated	FY06 Target
<i><b>Customer Indicators</b></i>				
In-Service On-Time Performance	69.23%	65.43%	69.34%	70.00%
<i><b>Financial Indicators</b></i>				
Bus cost per service hour	\$103.23	\$109.40	\$104.25	\$109.09
Farebox Recovery	28.3%	25.7%	28.0%	26.5%
Subsidy per Boarding	\$1.44	\$1.60	\$1.46	\$1.61
<i><b>Internal Process Indicators</b></i>				
Mean miles between chargeable mechanical failures	6,883	6,790	7,179	7,500
<i><b>Safety Indicators</b></i>				
Vehicle accidents per 100,000 miles	3.86	3.65	3.40	3.25

## Metro Rapid

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

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

During FY03, the Metro Board of Directors approved the accelerated implementation of the Metro Rapid

Expansion Program. In approving the Metro Rapid Expansion Program, additional corridors were identified and prioritized into five implementation phases. By the end of FY06, 19 Metro Rapid lines will be in service. New Metro Rapid lines to be implemented in FY06 include:

- Santa Monica Metro Rapid Line 704. To be implemented December 2005. The Santa Monica Metro Rapid will operate east from the City of Santa Monica via Santa Monica Boulevard, passing through the community of West Los Angeles, and the cities of Beverly Hills and West Hollywood. In the community of Silver Lake, the line turns southeast on Sunset Boulevard/Cesar Chavez, and south on Hill Street, terminating at Venice Boulevard. This line will also connect with the Wilshire-Whittier, Vernon-La Cienega, Fairfax-Hollywood, Long Beach, Hawthorne, Broadway, and Beverly Metro Rapid lines, as well as

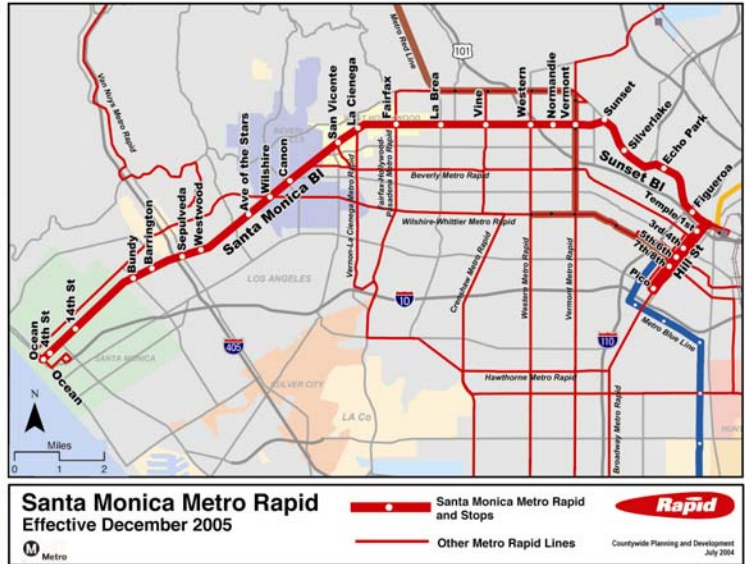
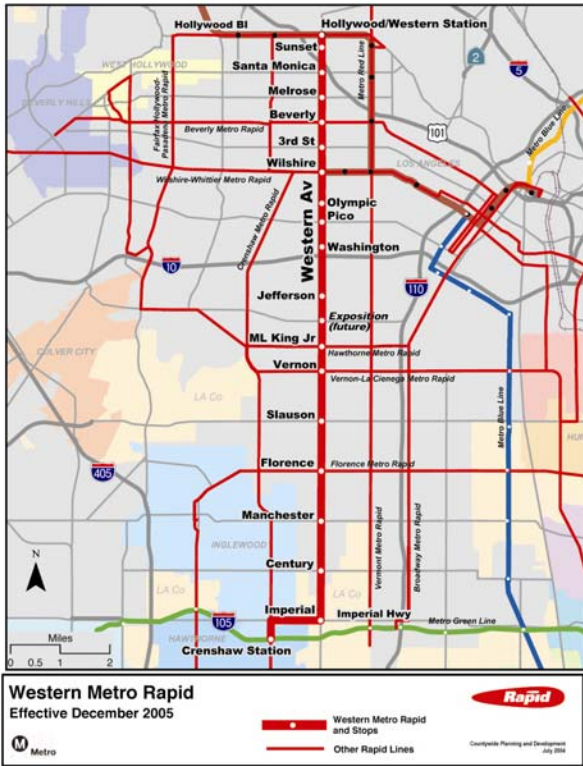
the Metro Red Line at Vermont Avenue and Hill & 5th.

- Western Metro Rapid, Line 757. To be implemented December 2005. The Western Metro Rapid will operate from the Crenshaw Metro Green Line Station north on Crenshaw Boulevard, east on Imperial Highway, and north on Western Avenue to its northern terminus at the Hollywood/Western Metro Red Line Station. The Western Metro Rapid will serve the cities of Hawthorne, Inglewood, Los Angeles County and the City of Los Angeles. This line will also connect with the Florence, Vernon-La Cienega, Hawthorne, Wilshire-Whittier, Beverly and Santa Monica Metro Rapid lines, as well as the Metro Red Line at the Wilshire-Western Station.
- Long Beach Metro Rapid, Line 760. To be implemented June 2006. The Long Beach Metro Rapid will operate north from the Artesia Blue Line Station, continuing east on Artesia Boulevard to Long Beach Boulevard, proceeding north on Long Beach Boulevard, traversing the cities of Long Beach, Compton, Lynwood, South Gate, and the County of Los Angeles community of Walnut Park. At the City of

Huntington Park, the line proceeds north on Pacific Avenue, then turns north on Santa Fe Avenue through the City of Vernon, traversing Downtown Los Angeles on 7<sup>th</sup> Street, Broadway, and terminating in the City of Los Angeles at the Gateway Transit Plaza. This line will also connect with the Florence, Vernon-La Cienega, Broadway, Hawthorne, Santa Monica, and Wilshire-Whittier Metro Rapid lines as well as the Metro Green Line at the Long Beach Station and Metro Red Line at 5<sup>th</sup> and Broadway.

- Reseda Metro Rapid, Line 741. To be implemented June 2006. The Reseda Metro Rapid will operate from the Sylmar-San Fernando Metrolink Station located in the City of San Fernando, continuing south on Brand Boulevard, Sepulveda Boulevard, and west on Nordoff Street, serving the communities of North Hills, Northridge, Cal State University at Northridge, and then proceeding south on Reseda Boulevard through the community of Reseda, crossing the Orange Line, and continuing south to Ventura Boulevard, connecting with the Ventura Boulevard Metro Rapid Line.

Maps of Metro Rapid Lines that will be implemented in FY06



## Metro Rail

In FY06, Metro Rail will provide 356,565 revenue vehicle hours for light rail and 262,574 hours for heavy rail. The budget includes resources to support this level of service, with some adjustments to train lengths, hours of service, and/or headways during morning weekend service periods. This budget also includes resources for Metro Rail to support the Orange Line with communication, facilities maintenance and custodial services.

In addition to the operations and maintenance of all rail lines, Metro Rail is responsible for all Rail related capital projects. During FY06, Metro Rail will complete the following major capital projects:

- Light Rail Division 11 – Phase 1
- Light Rail Division 22 – Blow Down Pit
- Light Rail SCADA Replacement
- Light Rail Division 21 Storage Track Project
- Four Traction Power Substations along the Metro Gold Line

The Light Rail Vehicle Procurement program is concluding the design phase and will be closely monitored during the construction period. The prototype of these light rail vehicles is scheduled for delivery in June 2005 with an additional 20 vehicles during FY06. Twelve Blue Line grade crossings will be retrofitted with safety gates in cooperation with the Union Pacific Railroad to enhance protection to motorists and trains.

Metro Rail will continue its effort to maintain and improve rail vehicles and station cleanliness, including the goal to reduce vandalism. This effort will be supported with law enforcement resources, incorporating new strategies to proactively address these as well as safety related issues system-wide.

In addition, Metro Rail will work with the Los Angeles County Sheriff's Department to address Homeland Security issues on trains, stations and along the main lines. The Fare Checker program begun in FY04 on the Red and Gold Lines was expanded in FY05 to include the Green and Blue Lines. Fare checkers not only provide improved fare compliance, but also are an added security presence on the rail system. Metro now has over 100 fare checkers system-wide.

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Rail Performance Indicators	FY03 Actual	FY04 Actual	FY05 Estimated	FY06 Target
<b><i>Customer Indicators</i></b>				
Light Rail On-Time Performance	97.84%	98.77%	98.54%	99.00%
Heavy Rail On-Time Performance	99.15%	99.04%	98.59%	99.20%
<b><i>Complaints per 100,000 boardings</i></b>				
Light Rail	1.29	1.43	1.23	1.00
Heavy Rail	1.20	1.17	1.03	1.00
<b><i>Financial Indicators</i></b>				
Light Rail cost per RVSH	\$300.25	\$333.71	\$365.48	\$412.53
Heavy Rail cost per RVSH	\$244.39	\$277.70	\$274.45	\$297.18
<b><i>Farebox Recovery</i></b>				
Light Rail	21.0%	16.5%	15.1%	14.7%
Heavy Rail	23.6%	24.9%	30.7%	27.0%
<b><i>Subsidy per Boarding</i></b>				
Light Rail	\$2.13	\$2.83	\$2.83	\$3.47
Heavy Rail	\$1.51	\$1.66	\$1.52	\$1.61
<b><i>Internal Process Indicators</i></b>				
Mean Miles Between Mechanical Failures	7,025	11,356	13,407	15,000
<b><i>Safety Indicators</i></b>				
Rail accidents per 100,000 revenue train miles				
Light Rail	0.51	0.66	0.37	0.40
Heavy Rail	0.07	0.00	0.25	0.14

## TRANSPORTATION SERVICES

### **Metro Freeway Service Patrol**

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

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

The success of the Metro Freeway Service Patrol and the increased congestion on heavily traveled truck routes has prompted Metro to investigate using "Big Rig" tow trucks to assist disabled oversized vehicles and trailer trucks on the I-710 freeway. This demonstration will begin in FY06 and continue for two years.

### **Service Authority for Freeway Emergencies**

Service Authority for Freeway Emergencies (SAFE) is responsible for providing motorist aid services throughout

the County. In the past, SAFE's primary service has been the maintenance and operation of the County's system of approximately 4,500 call boxes. These call boxes provide call-answering services for people with vehicle problems on busy roads. In FY05, SAFE completed the physical accessibility improvements to the call box sites and developed a new Strategic Plan that expands and defines the role of SAFE as a motorist aid authority for the County.

In FY06, SAFE proposes to implement some of the recommendations presented in the Strategic Plan. These include the introduction and operation of the Mobile Call Box service, continued funding of the Metro FSP Big Rig Demonstration project, funding of Metro FSP service expansion, transition of the call box system operations from analog to digital wireless, working with Caltrans to install freeway exit sign numbers, and evaluating and managing various other motorist aid related projects.

### **Paratransit Services**

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

Paratransit ridership in Los Angeles County is projected to increase by an average of 7% for the next five years.

### **High Occupancy Vehicle Lanes**

There are 435 miles of High Occupancy Vehicle (HOV) lanes in operation in Los Angeles County. HOV lanes reduce congestion by using the capacity of the freeway system more efficiently. Caltrans estimates that an average of approximately 702,000 persons use HOV lanes daily in Los Angeles County.

### **Rideshare Program**

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

### **1-800-COMMUTE**

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

### **Reduced Fares Program**

The Reduced Fare Program enables eligible customers to ride the Metro System at a significantly reduced price with current monthly fare media affixed to a valid ID card. Personalized identification cards are provided to eligible full time college/vocational students, seniors and disabled customers. Students in grades K-12 participate in this program by using a Photo-less Student Fare Card, which is valid for one school fiscal year. College and vocational Student ID cards are valid for an academic term. Persons 62 years and older qualify for a senior ID Card. Personalized ID cards for the disabled are issued for various time periods based on the individual's disability. College/Vocational and disabled applications are available at Metro Customer Centers or from our website, metro.net. Photo-less Student Fare Cards for grades K-12 are available at Metro Customer Centers and through participating LAUSD and Pasadena Unified schools. Senior ID cards are made at Customer Centers and some Senior Centers.

### **MetroMail Program**

The MetroMail Program provides customers with the convenience of purchasing monthly passes, stamps and tokens through the mail. Various

individuals, companies, schools, non-profits and government agencies use this service. They submit the MetroMail Order Form, along with the appropriate payment and the fare media is sent in a timely manner via mail or UPS. MetroMail Order Forms are available on metro.net.

### **E-Commerce On-Line Pass Program**

For added convenience, Metro and EZ transit passes can be purchased on-line with use of a credit card. Orders can be placed at metro.net/passes and will be shipped before the 1<sup>st</sup> of the following month.

### **Metro Customer Centers**

The four Metro Customer Centers located in Los Angeles County provide residents with various transit services. The Centers sell EZ regional and Metro passes and tokens; accept Reduced Fare applications from college/vocational students and disabled customers; issue Student Fare Cards and Senior ID cards; display rail/bus schedules, maps and brochures; distribute special promotional information; and provide vendor pick up and exchange services. The Centers also support the Los Angeles County Buy-Down Subsidy program by processing certifications and selling county fare media to the general public, students (grades K-12 and college vocational), seniors and disabled residents who reside in unincorporated areas of the County. Some locations also sell fare media for Foothill Transit and Los Angeles Department of Transportation lines and participate in the Cityride Scrip redemption program.

The Metro Lost and Found service is housed at the Wilshire Customer Center. This operation receives, processes and returns claimed articles and disposes of unclaimed items. Customer Center and Lost and Found information is available on metro.net.

### **Metro Pass and Token Sales Vendor Network**

The Metro Pass and Token Sales Vendor Network includes over 600 retail business locations where patrons can purchase Metro passes and tokens and also EZ regional transit passes, which can be used on participating transit bus services. Vendors are located throughout the Los Angeles County area and a complete list of sales outlets is provided on metro.net. Metro also offers a program for Non-Profit Community groups to increase member benefits, while supporting their community and transit services. Once approved, these groups may purchase discounted Metro passes and tokens and pass that savings on to their members. Applications are available on metro.net under Support Your Community.

### **metro.net**

metro.net is the Metro's presence on the world wide web. Offering an interactive trip planner and comprehensive transit service information for the entire Southern California region, metro.net is accessible from anywhere in the world 24 hours a day. In 2004, the site had over 100 million visitors. The site also features complete information regarding Metro's other transportation services and projects.



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#### IV. Financial Details by Fund

## BUSINESS-TYPE ACTIVITIES

### Enterprise Fund

#### *Fund Narrative*

The Enterprise Fund accounts for business-type activities in a manner similar to the private sector. The business-type activities included within the Enterprise Fund are Metro Bus, contracted bus service, Metro Rail, and Regional Activities. In addition, the Enterprise Fund records capital and debt service activities related to transit operations.

#### *Revenues*

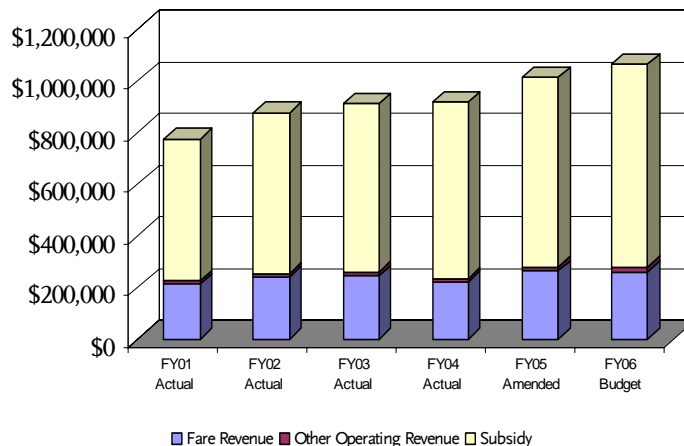
Bus and rail operating revenues recover approximately 26% of the cost to provide transit services. The remaining 74% is funded through a combination of non-operating revenues (primarily federal grants) and transfers (Prop A & C, TDA and STA tax-based revenues).

#### *Expenses*

The Enterprise Fund budget of \$1,962.9 million is composed of \$1,061.8 million operating expenses, \$614.2 million for capital projects and \$286.9 million for debt service activities. These are discussed in more detail later in this section.

Approximately 67% of the Enterprise Fund operating expenses is for labor and fringe benefits. Fuel and materials represents another 14% of expenses, with the remainder being comprised of contracted services (3%), security (6%), casualty and liability (4%), and other expenses (6%). \$243.8 million, or 23%, of operating expenses are general and administrative in nature.

### Enterprise Fund Revenue



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***Service Levels***

Mode		REVENUE SERVICE HOURS	REVENUE SERVICE MILES	UNLINKED PASSENGER TRIPS	PASSENGER MILES
Bus	Local & Rapid	7,052,542	86,626,793	356,150,437	1,371,270,959
	Orange Line	63,725	974,588	2,246,400	15,724,800
	Contracted Svc	527,345	7,365,619	11,500,000	55,598,641
	Subtotal Bus	7,643,612	94,967,000	369,896,837	1,442,594,400
Rail	Blue Line	202,296	4,407,655	22,445,008	116,712,386
	Green Line	83,987	2,566,850	9,032,274	46,967,158
	Gold Line	70,282	1,493,412	4,681,782	24,344,921
	Red Line	262,574	6,030,219	35,322,958	162,485,995
	Subtotal Rail	619,139	14,498,136	71,482,022	350,510,460
Totals		8,262,751	109,465,136	441,378,859	1,793,104,860

***Cost Per Unit of Service***

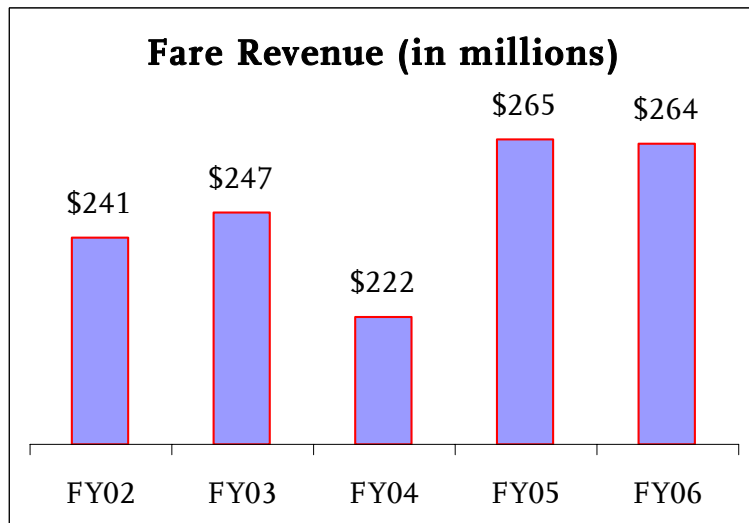
Mode		REVENUE SERVICE HOURS	REVENUE SERVICE MILES	UNLINKED PASSENGER TRIPS	PASSENGER MILES
Bus	Local & Rapid	\$111.93	\$9.11	\$2.22	\$0.58
	Orange Line	\$154.88	\$10.13	\$4.39	\$0.63
	Contracted Svc	\$65.54	\$4.69	\$3.01	\$0.62
	Subtotal Bus	\$109.09	\$8.78	\$2.25	\$0.58
Rail	Blue Line	\$313.95	\$14.41	\$2.83	\$0.54
	Green Line	\$494.49	\$16.18	\$4.60	\$0.88
	Gold Line	\$598.33	\$28.16	\$8.98	\$1.73
	Red Line	\$297.18	\$12.94	\$2.21	\$0.48
	Subtotal Rail	\$363.61	\$15.53	\$3.15	\$0.64
Combined Bus & Rail		\$128.16	\$9.67	\$2.40	\$0.59

**Fare Revenue**

The chart below depicts actual passenger fare revenue received in FY02 through FY04, plus projected receipts for FY05 and FY06. From FY02 to FY03, fare revenue grew by 2% as service levels increased for both bus and rail modes. In FY04, a 35-day strike partially offset by a fare restructuring resulted in a 10% drop in fare revenue. As a consequence of the fare restructuring and uninterrupted service, FY05 fare revenue shows growth over FY04. Fare revenue in FY06 will drop about 1% as a

result of a decline in rail service and a continued shift to discounted fare media.

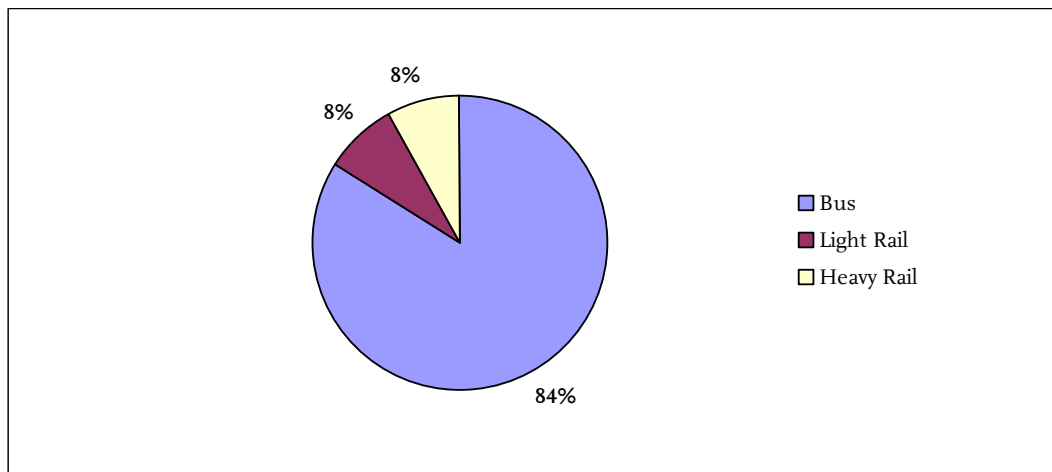
Fare revenue is allocated among modes and lines according to ridership estimates for each line.



**Fare Revenue by Mode**

The chart below illustrates the estimated FY06 fare revenue shares by mode. As

shown, most of Metro's fare revenue is attributed to bus operations.



Los Angeles County Metropolitan Transportation Authority  
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**Statement of Revenues and Expenses**  
For the Years Ending June 30, 2004, 2005, and 2006

(Amounts in millions)

		Bus			Light Rail		
		FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget
<b>Enterprise Fund by Mode</b>							
1	Operating revenues:						
2	Passenger fares	\$ 186.4	\$ 221.0	\$ 221.0	\$ 18.5	\$ 21.4	\$ 21.6
3	Route subsidies	0.6	0.5	0.5	-	-	-
4	Auxiliary transportation	10.7	13.8	15.7	0.8	-	-
5	Total operating revenues	197.7	235.3	237.2	19.3	21.4	21.6
6							
7	Operating expenses:						
8	Operating	535.8	594.3	637.3	89.6	110.5	116.4
9	General & administrative	188.5	195.1	197.0	22.8	31.6	30.7
10	Operating expenses, excluding depreciation:	724.3	789.4	834.3	112.4	142.1	147.1
11							
12	Operating loss	(526.6)	(554.1)	(597.1)	(93.1)	(120.7)	(125.5)
13							
14	Operating subsidies and grants (other expenses):						
15	Local operating grants	429.5	405.8	443.7	65.5	67.4	85.2
16	State operating grants	0.5	0.7	0.1	-	-	-
17	Federal operating grants	89.4	145.5	146.0	25.8	53.4	39.4
18	Interest revenues	3.5	2.2	3.8	-	-	-
19	Net (decline) in fair value of investments	(4.9)	-	-	(0.5)	-	-
20	Interest expense	(6.9)	(2.8)	(2.6)	-	-	-
21	Other revenue	2.1	2.7	6.1	0.0	-	0.9
22	Total operating subsidies and grants (other expenses)	513.3	554.1	597.1	90.8	120.7	125.5
23							
24	Gain (loss) before debt and capital items	(13.3)	-	-	(2.2)	-	-
25							
26	Debt service & capital grants / contributions: *						
27	Local						
28	Capital	81.9	77.1	79.5	12.7	28.6	22.9
29	Debt service	51.5	54.6	67.2	139.1	147.4	153.0
30	Debt service other revenues	0.8	0.8	0.5	2.3	2.2	1.4
31	Proceeds from financing	23.7	155.8	68.1	17.0	134.5	95.9
32	State - capital	2.3	32.0	24.7	8.7	1.9	43.6
33	Federal - capital	122.4	188.5	82.5	6.2	122.2	175.8
34	Total debt service & capital grants / contributions	282.7	508.8	322.4	186.0	436.8	492.6
35							
36	Capital program :						
37	Operating capital	151.7	271.4	163.3	10.6	38.2	30.6
38	Major construction	78.5	182.0	91.4	34.1	249.0	307.6
39	Total capital program	230.3	453.4	254.7	44.7	287.2	338.2
40							
41	Debt service expenses: *						
42	Interest expense	33.8	33.1	35.9	91.3	89.4	92.7
43	Principal payments	17.7	21.5	31.3	47.8	58.0	60.3
44	Services	0.8	0.8	0.5	2.3	2.2	1.4
45	Total debt service expenses	52.4	55.4	67.7	141.4	149.6	154.4
46							
47	Net surplus (deficit)	\$ (13.3)	\$ -	\$ -	\$ (2.2)	\$ -	\$ -

\* Excludes defeased leases and includes non-cash items  
Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority  
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	Heavy Rail			Non-Modal Regional			Total		
	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget
1									
2	\$ 16.5	\$ 22.8	\$ 21.1	\$ -	\$ -	\$ -	\$ 221.5	\$ 265.2	\$ 263.7
3	-	-	-	-	-	-	0.6	0.5	0.5
4	0.4	-	-	-	-	-	11.9	13.8	15.7
5	16.9	22.8	21.1	-	-	-	234.0	279.4	279.9
6									
7									
8	47.7	59.2	63.1	0.6	0.9	1.2	673.7	764.9	818.0
9	18.5	15.0	14.9	1.5	1.5	1.2	231.3	243.2	243.8
10	66.2	74.2	78.0	2.1	2.4	2.4	905.0	1,008.1	1,061.8
11									
12	(49.3)	(51.4)	(56.9)	(2.1)	(2.4)	(2.4)	(671.0)	(728.7)	(782.0)
13									
14									
15	51.1	32.4	48.3	2.6	2.4	2.4	548.7	508.0	579.6
16	-	-	-	-	-	-	0.5	0.7	0.1
17	-	19.0	8.2	-	-	-	115.2	217.9	193.6
18	-	-	-	-	-	-	3.5	2.2	3.8
19	(0.5)	-	-	-	-	-	(5.9)	-	-
20	-	-	-	-	-	-	(6.9)	(2.8)	(2.6)
21	-	-	0.5	-	-	-	2.1	2.7	7.5
22	50.6	51.4	56.9	2.6	2.4	2.4	657.3	728.7	782.0
23									
24	1.3	-	-	0.5	-	-	(13.7)	-	-
25									
26									
27									
28	(4.0)	1.5	7.1	-	-	-	90.5	107.3	109.5
29	56.0	59.3	61.6	-	-	-	246.6	261.3	281.8
30	0.9	0.9	0.6	-	-	-	4.0	4.0	2.5
31	41.7	16.6	12.3	-	-	-	82.4	306.9	176.3
32	0.3	-	-	-	-	-	11.4	33.9	68.3
33	15.7	4.4	1.8	-	-	-	144.3	315.0	260.2
34	110.6	82.8	83.4	-	-	-	579.3	1,028.5	898.5
35									
36									
37	7.5	5.2	8.9	-	-	-	169.8	314.8	202.9
38	46.3	17.4	12.4	-	-	-	158.9	448.4	411.3
39	53.8	22.6	21.3	-	-	-	328.7	763.2	614.2
40									
41									
42	36.8	36.0	37.3	-	-	-	161.9	158.5	166.0
43	19.2	23.3	24.3	-	-	-	84.7	102.8	115.8
44	0.9	0.9	0.6	-	-	-	4.0	4.0	2.5
45	56.9	60.2	62.1	-	-	-	250.6	265.3	284.3
46									
47	\$ 1.3	\$ -	\$ -	\$ 0.5	\$ -	\$ -	\$ (13.7)	\$ -	\$ -

***Capital Program***

***Description***

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

Commencing in FY06, Capital Program activity will be budgeted in the Enterprise Fund.

***Revenues***

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

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

***Expenditures***

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



***Debt Program******Description***

Debt Service activity is recorded in the Enterprise, General and Agency Funds. This is detailed in the schedule titled "LACMTA FY06 Debt Service Schedule" in Appendix 4.

Proceeds from this year's commercial paper issuance and any proceeds from long-term bond issuance will be used to fund the required local contribution to major capital projects including bus, rail, and highway capital equipment and facilities.

Total LACMTA debt is \$4.4 billion. The Agency Fund accounts for another \$100.4 million in Benefit Assessment District debt.

The LACMTA has refunded more than \$3.5 billion of its long-term debt to achieve debt service savings. Those savings exceed \$242 million on a present value basis and \$332 million on a cash basis.

***Revenues***

Annual revenue budgeted for the payment of debt service consists primarily of local sales tax proceeds from Proposition A and Proposition C. Additional sources of debt repayment include federal grants, monies previously set aside pursuant to lease/leaseback transactions, and other miscellaneous revenue receipts.

***Expenditures***

Commercial paper will be issued to provide interim funding for capital expenditures prior to the issuance of long-term bonds. If deemed appropriate during the fiscal year, long-term bonds

may be issued. Otherwise, long-term bonds are anticipated to be issued in subsequent fiscal periods to retire the commercial paper and provide permanent, long-term financing.

The total FY06 debt service requirement is \$443.9 million; \$419.1 million is included in the Enterprise Fund. The remaining \$24.8 million is budgeted in the General and Agency funds. See the FY06 Debt Service Schedule for further detail.

***Debt Limitations/Use Restrictions***

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

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

LACMTA has been assigned high credit ratings on its bonds as a result of having sound security provisions in the bond indentures, properly managing its finances, and pledging sales tax revenues to repay the bonds. LACMTA's senior lien sales tax revenue bonds have been assigned credit ratings of Aa3, AA-, and A+ by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

***Debt Policy***

The LACMTA's debt policy establishes guidelines for the issuance and management of the agency's debt. The policy's priorities are as follows:

1. Achieve the lowest cost of capital.
2. Maintain a prudent level of financial risk.
3. Preserve future financial flexibility.
4. Maintain strong credit ratings and good investor relations.
5. Ensure that local, emerging and disadvantaged business enterprise investment banking and financial firms will be considered for, and utilized in, lead and senior manager roles when appropriate.

The policy calls for a Capital Plan of at least five years to be developed annually. The plan must indicate its debt service requirements and the effect on the agency's debt burden.

The policy prescribes that long-term debt should be used to finance essential capital facilities, projects and certain equipment where it is cost-effective and fiscally prudent. Long-term debt may not be used to fund any operational activities.

Lease financing should be used when it is advantageous to do so either financially or operationally.

Short-term debt is permissible as interim funding as long as it is replaced by permanent funding.

The level of unhedged variable rate debt is limited to 20% of all outstanding debt. The corresponding limit for the total of hedged and unhedged variable rate debt is 50%.

The policy sets target and maximum amounts of revenue that can be dedicated to debt service as percentages of the respective revenue sources. Details are shown in Appendix 4.

Issuance of long-term debt secured by Prop A and Prop C sales tax revenues is also limited by additional bond test covenants. Prior to the issuance of new bonds secured by Prop A and Prop C sales tax revenues, the LACMTA must demonstrate that sales tax revenue collected for a certain period prior to the issuance of the new bonds is sufficient to provide minimum debt service coverage levels for all debt service, including debt service related to the new bonds.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

*FY06 Debt Service Coverage Ratios*

**(Amounts in millions)**

	FY04 Actual	FY05 Budget	FY06 Adopted	Foot- notes
1 Proposition A:				
2 Net Sales Tax Revenue	\$ 432.5	\$ 446.2	\$ 464.5	1
3 First Tier Senior Lien Annual Debt Service	131.5	137.5	139.1	
4 First Tier Senior Lien Debt Service Coverage	3.29x	3.25x	3.34x	
5				
6 Residual Net Sales Tax Revenue	\$ 301.0	\$ 308.7	\$ 325.4	
7 First Tier Second Senior Lien Annual Debt Service	3.3	3.4	3.3	
8 Debt Service Coverage	3.21x	3.17x	3.26x	
9				
10 Residual Net Sales Tax Revenue	\$ 297.7	\$ 305.3	\$ 322.1	
11 Second Tier Annual Debt Service	5.0	5.4	5.2	
12 Second Tier Debt Service Coverage	3.09x	3.05x	3.15x	
13				
14				
15 Proposition C:				
16 Net Sales Tax Revenue	\$ 461.3	\$ 475.9	\$ 495.5	1
17 Second Senior Lien Annual Debt Service	91.6	103.9	100.1	
18 Debt Service Coverage	5.04x	4.58x	4.95x	
19				
20				
21 General Revenue:				
22 Pledged Revenue	\$ 239.6	\$ 303.7	\$ 292.6	
23 Annual Debt Service	25.5	25.4	26.0	
24 Debt Service Coverage	9.40x	11.96x	11.25x	

**Footnotes:**

1 - Sales tax revenue net of required allocations to local governments for transit purposes and less the administrative fee paid to the State Board of Equalization.

**Los Angeles County Metropolitan Transportation Authority**  
**FY06 Budget**

***Projected Debt Service Requirements (FY06 – FY10)***

	Principal (1)	Interest	Foot- notes
1 Proposition A:			
2 FY06 Budget	\$ 56,383,786	\$ 96,240,121	1
3 FY07 Projected	68,219,034	92,842,524	1
4 FY08 Projected	65,979,932	89,282,010	1
5 FY09 Projected	69,397,631	80,509,715	1
6 FY10 Projected	72,897,446	82,152,952	1
7 Total	332,877,829	441,027,322	1
8			
9 Proposition C:			
10 FY06 Budget	39,270,000	74,137,779	1
11 FY07 Projected	42,030,000	71,896,853	1
12 FY08 Projected	43,830,000	69,503,974	1
13 FY09 Projected	47,350,000	67,003,652	1
14 FY10 Projected	47,365,000	64,703,455	1
15 Total	219,845,000	347,245,713	1
16			
17 General Revenue:			
18 FY06 Budget	16,905,000	9,135,043	
19 FY07 Projected	15,840,000	8,666,267	
20 FY08 Projected	16,430,000	8,117,069	
21 FY09 Projected	17,190,000	7,473,415	
22 FY10 Projected	18,050,000	6,753,176	
23 Total	84,415,000	40,144,970	
24			
25 Grant Revenue:			
26 FY06 Budget	-	7,342,763	
27 FY07 Projected	-	7,342,763	
28 FY08 Projected	29,450,000	6,635,963	
29 FY09 Projected	39,355,000	5,632,411	
30 FY10 Projected	31,160,000	4,791,091	
31 Total	99,965,000	31,744,990	
32			
33 Special Revenue:			2
34 FY06 Budget	17,835,000	4,422,365	
35 FY07 Projected	18,935,000	3,387,445	
36 FY08 Projected	20,105,000	2,271,698	
37 FY09 Projected	21,365,000	1,289,813	
38 FY10 Projected	22,170,000	443,950	
39 Total	100,410,000	11,815,270	
40			
41 Capitalized Leases:			
42 FY06 Budget	8,926,002	1,594,772	
43 FY07 Projected	3,868,265	1,090,075	
44 FY08 Projected	2,567,976	866,901	
45 FY09 Projected	2,749,155	685,622	
46 FY10 Projected	2,638,798	495,979	
47 Total	\$ 20,750,196	\$ 4,733,349	
48			
49 Other Debt:			3
50 FY06 Budget	116,643,566	2,830,935	
51 FY07 Projected	36,135,667	3,203,148	
52 FY08 Projected	45,003,085	4,096,155	
53 FY09 Projected	14,214,519	3,872,932	
54 FY10 Projected	67,699,716	12,460,880	
55 Total	\$ 279,696,554	\$ 26,464,050	

**Footnotes:**

- 1 - Includes projected interest for the Commercial Paper programs.
- 2 - The Special Revenue debt service is solely an obligation of two Benefit Assessment Districts and is paid from assessments levied within each District.
- 3 - Other Debt represents outstanding leveraged leases. Principal and interest payments for the leveraged leases are made from restricted funds on deposit, not from future revenues.

## GOVERNMENTAL ACTIVITIES

Governmental activities are budgeted in the Governmental funds comprised of the Special Revenue fund and the General fund. They contain Metro's non-proprietary activities. The Special Revenue fund budget includes the

administration of special transportation programs and the pass-through funding to other agencies in Los Angeles County. Most of the General fund budget is made up of Metro's real estate activities.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Years Ending June 30, 2004, 2005 and 2006

(Amounts in millions)

Governmental Funds	Governmental Funds						Total		
	Special Revenue Fund			General Fund			FY04 Actual	FY05 Amended	FY06 Budget
	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget			
1 Revenue:									
2 Sales tax	\$ 1,478.4	\$ 1,527.2	\$ 1,594.3	\$ -	\$ -	\$ -	\$ 1,478.4	\$ 1,527.2	\$ 1,594.3
3 Intergovernmental grants	105.3	134.0	93.0	4.3	0.7	6.9	109.6	134.7	99.9
4 Investment income	6.4	13.4	13.1	1.6	3.6	2.2	8.0	17.0	15.3
5 Net decline in fair value of investments	(2.5)	-	-	-	-	-	(2.5)	-	-
6 Lease and rental	-	-	-	11.0	10.5	10.7	11.0	10.5	10.7
7 Proceeds on lease/leaseback to service	-	-	-	8.1	-	-	8.1	-	-
8 Licenses and fines	7.3	7.0	7.0	0.5	0.5	0.5	7.8	7.5	7.5
9 Other	5.1	13.6	4.9	12.1	2.1	2.1	17.2	15.7	7.0
10 Total Revenues	1,600.0	1,695.2	1,712.2	37.6	17.4	22.3	1,637.6	1,712.6	1,734.6
11									
12 Expenditures:									
13 Subsidies	1,538.7	1,716.6	1,711.2	27.9	46.6	50.0	1,566.6	1,763.2	1,761.2
14 Services	47.0	72.5	59.3	-	0.6	5.7	47.0	73.1	65.0
15 Debt and interest expenditures									
16 Interest and fiscal charges	-	-	-	0.6	0.7	0.7	0.6	0.7	0.7
17 Bond principal & commercial paper retirement	-	-	-	0.8	1.5	1.6	0.8	1.5	1.6
18 General and administrative	40.1	49.1	53.1	7.0	7.5	6.4	47.1	56.6	59.5
19 Total expenditures	1,625.8	1,838.2	1,823.6	36.3	57.0	64.4	1,662.1	1,895.2	1,888.0
20									
21 Net change in fund balances	(25.7)	(143.1)	(111.2)	1.3	(39.5)	(42.1)	(24.4)	(182.6)	(153.4)
22									
23 Fund balances - beginning of year	629.0	603.3	460.2	141.5	142.8	103.3	770.5	746.1	563.5
24									
25 Fund balances - end of year	\$ 603.3	\$ 460.2	\$ 348.9	\$ 142.8	\$ 103.3	\$ 61.2	\$ 746.1	\$ 563.6	\$ 410.1

Note: Totals may not add due to rounding.

## **Special Revenue Fund**

### ***Fund Narrative***

The Special Revenue fund (SRF) accounts for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or major capital projects) that are earmarked for specified purposes. The SRF reflects Metro's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County. The SRF is a major fund as defined by the Governmental Accounting Standards Board Statement No. 34.

### ***Revenue***

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

### ***Expenditures***

Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 65.2% of Special Revenue expenditures. The remaining 34.8% goes for SAFE, FSP, other contracts, administrative costs and labor.

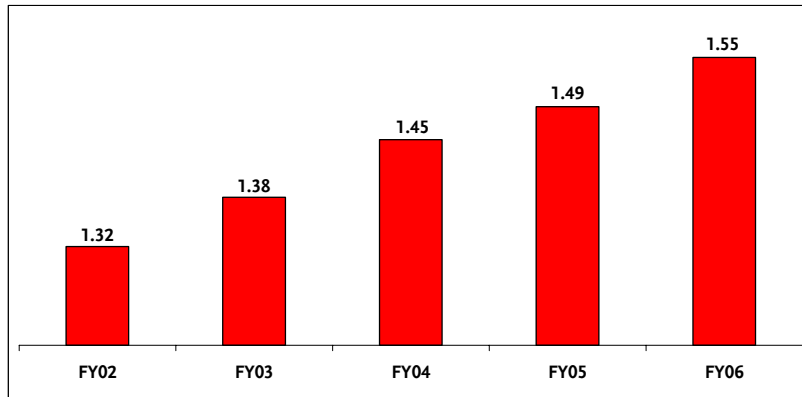
**Los Angeles County Metropolitan Transportation Authority  
FY06 Budget**

The chart below illustrates sales tax revenues received from Proposition A, Proposition C, and Transportation Development Act sales taxes (excluding STA, which is allocated on a discretionary basis). Between FY02 and FY04, actual

sales tax revenues increased at an average annual rate of 4.8%. The FY06 budget revenues are projected to grow at 4.1%, which is LACMTA's twenty-year historical average growth rate.

***Sales Tax Revenue***

(Amounts in billions)

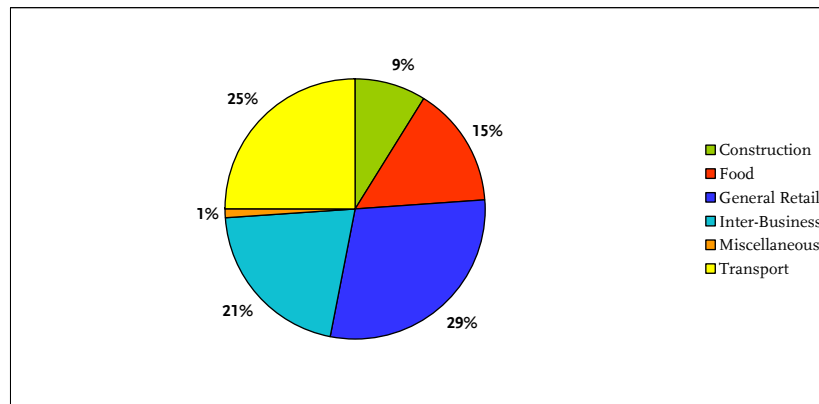


The chart below depicts Los Angeles County sales tax revenue projections for FY06 by major spending categories and is based on the share of sales tax receipts in

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

***Sales Tax Revenue Shares***

(Projections by source for FY06)





***Description of Revenues***

***PROPOSITION A***

Revenue is generated from a ½ percent sales tax in Los Angeles County pursuant to Prop A Ordinance of 1980. The Ordinance specifies that funds must be used exclusively to improve transit in Los Angeles County.

Metro is responsible for administering Prop A funds and the interest earned. It uses 5% of Prop A it receives for administration.

The rest (95%) of Prop A is apportioned:

- 25% Local Return program
- 35% Rail Development Program
- 40% Discretionary

***PROPOSITION C***

Revenues are generated from Los Angeles County's ½ percent sales tax for "public transit purposes" pursuant to Prop C Ordinance of 1990. Specifically, eligible uses are:

- The maintenance, improvement and expansion of public transit
- Congestion reduction
- Increase of mobility

Metro uses 1.5% of overall funds for administrative purposes. The remaining 98.5% is apportioned as follows:

- 5% rail and bus security
- 10% commuter rail/transit centers
- 20% local return
- 25% transit-related improvements to streets, highways, and fixed guideways on railroad rights-of-way
- 40% discretionary

***TRANSPORTATION DEVELOPMENT ACT***

Revenues are derived from the ¼ percent of the 7.25% retail sales tax collected statewide. The ¼ percent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county.

***TDA Article 4: Public Transportation Systems***

Up to 93% of total available TDA funds are allocated to municipal transit operators, Transit Districts and Joint Power Authorities. Allocation is subject to the Formula Allocation Procedure (based on vehicle service miles and fare revenue).

***STATE TRANSIT ASSISTANCE***

These are revenues derived from sales and use taxes on diesel fuel and gasoline as follows:

- 4.75% sales tax on diesel fuel
- 4.75% sales tax on \$0.09 of the gasoline state excise tax on gasoline
- "spillover": sales tax revenues on all sales (including gas) exceed sales tax revenues on all sales (excluding gas).

***Population share***

50% is allocated to counties based on the ratio of each county's population to the state's population. This is eligible for transit operations or roads.

***Operator revenue share***

50% is allocated to counties based on the ratio of the total transit operator's revenues to the total revenues of transit operators in the state. This is eligible for transit operations or capital.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Years Ending June 30, 2004, 2005 and 2006

(Amounts in millions)

<b>Special Revenue Funds</b>	Propositions A & C, TDA Administration			Proposition A			Proposition C			Transportation Develop. Act		
	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget
1 Revenue:												
2 Sales tax	\$ -	\$ -	\$ -	\$ 576.7	\$ 595.0	\$ 619.3	\$ 576.7	\$ 594.9	\$ 619.3	\$ 294.0	\$ 302.4	\$ 314.8
3 Intergovernmental grants	42.1	44.4	44.2	-	-	-	59.5	75.5	33.4	0.0	-	-
4 Investment income	-	-	-	0.8	2.8	2.0	2.2	7.0	7.6	2.3	2.2	2.0
5 Net decline in fair value of investments	-	-	-	(0.6)	-	-	(1.9)	-	-	-	-	-
6 Licenses and fines	-	-	-	-	-	-	0.1	-	-	-	-	-
7 Other	-	-	-	-	-	-	0.0	6.1	-	-	-	-
8 Total revenues	42.1	44.4	44.2	576.8	597.8	621.3	636.5	683.5	660.4	296.3	304.6	316.8
9												
10 Expenditures:												
11 Subsidies	-	-	0.1	535.5	616.1	614.6	672.6	698.3	698.7	300.3	342.3	320.8
12 Services	10.9	8.2	8.4	-	-	-	28.6	57.0	38.6	-	-	-
13 General and administrative	27.3	36.2	39.6	-	-	-	11.0	10.3	10.7	-	-	-
14 Total expenditures	38.2	44.4	48.2	535.5	616.1	614.6	712.2	765.6	748.0	300.3	342.3	320.8
15												
16 Net change in fund balances	3.9	-	(3.9)	41.4	(18.3)	6.8	(75.7)	(82.1)	(87.6)	(3.9)	(37.7)	(4.0)
17												
18 Fund balances - beginning of year	-	3.9	3.9	71.1	112.5	94.2	334.5	258.9	176.8	147.0	143.0	105.4
19												
20 Fund balances - end of year	\$ 3.9	\$ 3.9	\$ -	\$ 112.5	\$ 94.2	\$ 101.0	\$ 258.9	\$ 176.8	\$ 89.1	\$ 143.0	\$ 105.4	\$ 101.4

\* Other includes regional EZ Transit Pass Program.

Note: Totals may not add due to rounding.

**Los Angeles County Metropolitan Transportation Authority  
FY06 Budget**

	State Transit Assistance			SAFE			Other *			Total		
	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget	FY04 Actual	FY05 Amended	FY06 Budget
1												
2	\$ 31.1	\$ 34.9	\$ 40.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,478.4	\$ 1,527.2	\$ 1,594.3
3	-	-	-	-	-	-	3.6	14.1	15.3	105.3	134.0	93.0
4	0.8	0.5	0.5	0.3	0.9	1.0	-	-	-	6.4	13.4	13.1
5	-	-	-	-	-	-	-	-	-	(2.5)	-	-
6	-	-	-	7.3	7.0	7.0	-	-	-	7.3	7.0	7.0
7	-	-	-	-	-	-	5.1	7.5	4.9	5.1	13.6	4.9
8	31.9	35.4	41.3	7.6	7.9	8.0	8.8	21.6	20.2	1,600.0	1,695.2	1,712.2
9												
10												
11	22.4	39.4	58.7	-	-	-	7.9	20.6	18.3	1,538.7	1,716.6	1,711.2
12	-	-	-	6.8	7.3	11.1	0.7	-	1.2	47.0	72.5	59.3
13	-	-	-	1.4	1.8	2.0	0.4	0.8	0.7	40.1	49.1	53.1
14	22.4	39.4	58.7	8.2	9.1	13.1	9.0	21.3	20.2	1,625.8	1,838.2	1,823.6
15												
16	9.4	(4.0)	(17.4)	(0.6)	(1.2)	(5.2)	(0.2)	0.3	-	(25.7)	(143.1)	(111.2)
17												
18	49.0	58.4	54.5	27.2	26.6	25.4	0.1	(0.1)	0.2	629.0	603.3	460.2
19												
20	\$ 58.4	\$ 54.5	\$ 37.1	\$ 26.6	\$ 25.4	\$ 20.3	\$ (0.1)	\$ 0.2	\$ 0.2	\$ 603.3	\$ 460.2	\$ 348.9

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

***Regional Programs***

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

administering and managing the federal or state grant.

The FY06 budget for local funding commitments to the Call for Projects (CFP) reflects current year cash flow. Funding for all other local programs, including Municipal Operator programs, ASI, Proposition A Incentive, Local Return, and Metrolink, reflects the FY06 programmed amounts.

***FY06 Revenue Summary - Regional Programs Budget***

(Amounts in thousands)

Funding Category	Transit Operator Programs *	ADA/ Accessibility Funding Program	CFP Projects & Programs	Other Local Projects	Commuter Rail & Intercity Rail	Other Planning Projects	Total Budget	Subsidy Budget
1 Prop A - Local Return 25%	\$ -	\$ -	\$ 147,095	\$ -	\$ -		147,095	147,095
2 Prop A - Discretionary 95% of 40%	204,376	-	-	-	-		204,376	204,376
3 Prop A - Incentive 5% of 40%	-	11,768	-	-	-		11,768	11,768
4 Prop C - Local Return 20%	-	-	122,006	-	-		122,006	122,006
5 Prop C - Security 5%	31,253	-	-	-	-		31,253	31,253
6 Prop C - Commuter Rail 10%	-	-	12,565	-	52,525		65,089	65,089
7 Prop C - Streets & Hwys 25%	-	-	111,467	-	-		111,467	111,467
8 Prop C - Discretionary 40%	88,124	25,031	132	6,050	-		119,337	119,337
9 Other	-	-	23,200	18,194	-		41,394	41,394
10 TDA	280,186	-	22,981	-	-		303,167	303,167
11 STA Formula	31,193	-	-	-	-		31,193	31,193
12 Administration (Prop A, Prop C, TDA)	-	-	-	-	-	65	65	65
13 Interest (Prop A, Prop C, TDA, STA)	2,802	-	-	-	-		2,802	2,802
14 <b>Total</b>	<b>\$ 637,935</b>	<b>\$ 36,799</b>	<b>\$ 439,445</b>	<b>\$ 24,244</b>	<b>\$ 52,525</b>	<b>\$ 65</b>	<b>\$ 1,191,013</b>	<b>\$ 1,191,013</b>

**NOTES:**

\*Transit Operator Programs category now reflects the Metro Bus Operations allocations (now reflected as subsidies).

Los Angeles County Metropolitan Transportation Authority  
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***Regional Subsidy Program Budget Detail***

(Amounts in thousands)

Regional Fund Description	FY04 Actual	FY05 Amended	FY06 Budget
1			
2 TRANSIT OPERATOR PROGRAMS			
3     Formula Allocated Funds - other agencies (1)	\$ 150,891	\$ 188,086	\$ 157,315
4     Formula Allocated Funds - MTA portion (2)	338,682	361,548	363,677
5     Transit Security	3,943	5,235	5,600
6     Transit Security - MTA portion (2)	21,847	23,431	25,653
7     BSIP & MOSIP Programs	9,783	19,188	19,755
8     BSIP & MOSIP Programs - MTA portion (2)	52,316	55,677	56,606
9     Transit Service Expansion	5,815	5,962	6,123
10    Base Bus Restructuring	3,393	3,122	3,205
11                                   Transit Operator Programs total	586,671	662,250	637,935
12			
13 ADA/ACCESSIBILITY FUNDING PROGRAMS			
14     ASI - Access Services, Inc. (3)	61,800	65,374	25,031
15     Proposition A Incentive programs	5,441	11,304	11,768
16                                   ADA Accessibility Funding Programs total	67,241	76,678	36,799
17			
18 CFP PROJECTS AND PROGRAMS			
19     Proposition A and C Local Return	248,306	272,452	269,101
20     Call for Projects & Rapid Bus (1)	66,326	172,335	147,363
21     TDA Bikeways/Transit/Streets & Hwys Pgms	19,535	21,921	22,981
22                                   CFP Projects and Programs total	334,166	466,708	439,445
23			
24 OTHER LOCAL PROJECTS			
25     Immediate Needs	5,574	5,000	5,000
26     SHORE/General Relief Tokens	228	1,050	1,050
27     Regional Grantee-FTA (1)	3,076	13,585	13,794
28     EZ Pass Program	4,800	7,500	4,400
29                                   Other Local Projects total	13,678	27,135	24,244
30			
31 COMMUTER RAIL & INTERCITY RAIL PROGRAMS			
32     Metrolink	37,682	41,512	52,500
33     Intercity Rail	25	25	25
34                                   Commuter Rail & Intercity Rail Programs total	37,707	41,537	52,525
35			
36 OTHER PLANNING PROJECTS			
37     Other P&P Planning (MTA/OCTA Commuter) (4)	-	-	65
38                                   Other Planning Projects total	-	-	65
39			
40 <b>TOTAL MTA FUNDED PROGRAMS</b>	<b>\$ 1,039,463</b>	<b>\$ 1,274,308</b>	<b>\$ 1,191,013</b>

**NOTES:**

- (1) Key revisions to FY05 Budget include:
  - a) \$30M increase for municipal operator (Santa Monica).
  - b) \$1M decrease to Call-for-Projects/Rapid Bus (funds transferred from Rapid Bus subsidies).
  - c) \$1M increase to Regional Grantee-FTA (Board directive - JARC).
- (2) Schedule now includes MTA Bus Operations allocations (now reflected as subsidies).
- (3) FY06 Budget for ASI excludes \$49.2M of Federal funds; only the local funds are reflected.
- (4) Other Planning Projects reflect a former General Fund project reclassified to the Special Revenue Fund.

### ***Regional Programs Descriptions***

#### ***Transit Operator Programs***

Transit Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 40% Discretionary, and Propositions A and C interest revenues to 17 transit service providers in Los Angeles County. These funds are allocated based on formulas prescribed by state law and by the LACMTA Board of Directors.

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

#### ***ADA/Accessibility Funding Programs***

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

#### ***Paratransit Programs***

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

### ***Call for Projects and Other Transportation Improvement Programs***

#### ***Propositions A and C Local Return***

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

#### ***Transportation Improvement Program Call for Projects***

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

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

***TDA Article 3 and Article 8***

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

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

***Other Local Programs***

Metro provides \$1.1 million in funding for Support for Homeless Re-Entry (SHORE) and the General Relief (GR) Token Program to provide tokens for transportation for homeless/indigent persons.

***Regional Grantee***

Metro is acting as the grantee for federal funds on a pass-through basis. In FY06, the budgeted amount for pass-through grants is \$13.8 million.

In FY06, participants include Baldwin Park, Bellflower, Burbank, Cerritos, Compton, El Segundo, Glendale, Monterey Park, Palmdale, Palos Verdes Transit, Pasadena, Playa Vista, Redondo Beach, San Fernando, Sierra Madre, South Pasadena, and West Covina, as well as the Los Angeles Neighborhood Initiative (LANI).

***EZ Transit Pass Program***

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

Metro administers the program by collecting all revenues (\$12.3 million in FY06) and distributing them to the participating operators according to a formula approved by the LACMTA Board of Directors.

***Regional Rail Program***

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

## **General Fund**

### ***Fund Narrative***

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

The GF mainly provides property management services. The GF is a major fund as defined by the Governmental Accounting Standards Board Statement No. 34.

### ***Revenues***

The primary sources of revenue to the General Fund are rental and lease revenue on owned property, revenue generated from property management functions provided by the Real Estate Department, and interest income. Revenues collected from non-recurring sources also are included in the General Fund, as are revenues from some Federal, State, and local grants.

### ***Expenditures***

The GF incurs expenditures associated with property management activities that are not directly attributable to transit operations or construction efforts. It also reports Grand Central Market debt service and pass-through grant funded activities.



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**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Years Ending June 30, 2004, 2005, and 2006

(Amount in millions)

<b>General Fund</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Revenue:			
2 Intergovernmental grants	\$ 4.3	\$ 0.7	\$ 6.9
3 Investment income	1.6	3.6	2.2
4 Lease and rental	11.0	10.5	10.7
5 Proceeds on lease/leaseback to service	8.1	-	-
6 Licenses and fines	0.5	0.5	0.5
7 Other	12.1	2.1	2.1
8 Total Revenues	37.6	17.4	22.3
9			
10 Expenditures:			
11 Subsidies	27.9	46.6	50.0
12 Services	-	0.6	5.7
13 Debt and interest expenditures	0.6	0.7	0.7
14 Bond principal & commercial paper retirement	0.8	1.5	1.6
15 General and administrative	7.0	7.5	6.4
16 Total expenditures	36.3	56.9	64.4
17			
18 Net change in fund balance	1.3	(39.5)	(42.1)
19			
20 Fund balances - beginning of year	141.5	142.8	103.3
21			
22 Fund balances - end of year	\$ 142.8	\$ 103.3	\$ 61.2

Note: Totals may not add due to rounding.

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## V. Capital Program

## INTRODUCTION

The Capital Program (CP) is a financial plan of proposed capital projects, their costs, and schedules. The CP is designed to meet Metro's infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of Metro and is updated annually. Appropriations for the capital budget are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year.

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

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

The design phase includes professional consultant activities, legal and technical documentation, environmental clearance, constructibility review, data collection,

advertising, assessment of alternatives related to project design, construction management services, and bid reviews.

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

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

Metro's 101 capital projects for FY06 are grouped in one of the following eleven elements: Bus Acquisition, Bus Facilities Improvements, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Improvements, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse, Other Capital, and Major Construction.

### Funding

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

## MAJOR CONSTRUCTION PROJECTS

The FY06 Construction Program includes funds for engineering and construction of the Metro Gold Line Eastside Extension, completion of construction of the Orange Line, construction of the Canoga Station Park and Ride facility, and completion of Mid-City/Exposition Light Rail Transit preliminary engineering, design, and real estate acquisition.

### **Metro Gold Line Eastside Extension**

This project will connect East Los Angeles with downtown Los Angeles. The corridor will extend from Union Station to the intersection of Beverly and Atlantic Boulevards. The light rail line project is 6 miles and will operate at-grade for 4.3 miles and through tunnels in Boyle Heights for 1.7 miles.

The FY06 project includes tunnel and station excavation, installation of station trackwork and systems, utility relocation, real estate acquisition, and final design work. Revenue operation is projected to begin in FY10.

### **Orange Line**

The Orange Line is an exclusive 14-mile, at-grade busway from the Metro Red Line North Hollywood station to Warner Center via the Burbank/Chandler right-of-way. The full busway project consists of a 26-

foot wide busway, a bikeway, and a landscaped median. It parallels several major streets and has thirteen stations spaced approximately one mile apart.

Total travel time for the full length of the corridor will be approximately 40 minutes. Park and Ride facilities at five stations will provide approximately 3,200 parking spaces; there is existing parking at the North Hollywood Metro Red Line Station.

The FY06 project includes completion of the busway and bikeway, systems installation and testing acceptance, landscaping, and a majority of contract close out activities.

### **Canoga Station Park & Ride**

This project includes funds for starting and substantially completing the Canoga Station Park and Ride, surfacing park and ride spaces, and extending the Orange Line by one-third mile.

### **Mid-City/Exposition Light Rail Transit Project**

Activities scheduled for FY06 include completion of the preliminary engineering design, third party utility relocations, and real estate acquisitions.

## **INFRASTRUCTURE IMPROVEMENT AND ACQUISITION CAPITAL PROJECTS**

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

### **Bus Acquisitions**

In FY06, Metro will receive portions of the 100 45-foot high-capacity bus order. Other FY06 expenditures in this element are primarily for bus system improvements such as the Universal Fare System (UFS) and progress payments for the procurement of 178 articulated buses.

### **Bus Facilities Improvements**

FY06 Bus Facilities Improvements projects include construction work at bus divisions to replace and refurbish equipment and facilities, expansion of buildings and facilities, and storage tank replacement and soil remediation.

### **Bus Maintenance**

The FY06 budget includes funding to rebuild CNG buses which have reached their mid-life.

### **Rail Facilities Improvements**

FY06 Rail Facilities Improvements projects cover facility expansion, safety improvements, radio system upgrades, and support equipment.

### **Rail Vehicle Maintenance**

The FY06 Rail Vehicle Maintenance program includes retrofitting brake components on Breda rail cars and upgrading the P2000 light rail vehicle signaling package.

### **Wayside Systems**

Wayside Systems projects for FY06 include funds for upgrading of stations and operating facilities, safety improvements, and maintenance and refurbishment of traction power, signals, facilities and track.

### **IT/Communications**

IT/Communications projects for FY06 support development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include replacement of telecommunications transmission equipment, replacement of work stations, and technology upgrades.

### **Non-Revenue Vehicles**

The FY06 Non-Revenue Vehicles element includes purchase of replacement and expansion vehicles to support bus and rail operations and general Metro functions.

### **Warehouse Projects**

Warehouse projects for FY06 include upgrading materials handling systems, constructing storage facilities, and acquiring equipment for the central warehouse.

### **Other Capital Projects**

Other Capital projects for FY06 include completion of the Homeland Security project and Gateway headquarters improvements.

For a complete list of capital projects, please see pages V-5 through 8.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## CAPITAL PROGRAM PROJECT LIST

(Amounts in thousands)		Expected Expenditures Through FY05	FY06 and Future	Life of Project	New
Project Title	CP#				
<b>1 Bus Acquisition</b>					
2 # Universal Fare Collection System	200225	\$ 74,648	\$ 18,959	\$ 93,607	
3 Regional Service Center and Clearinghouse	200351	2,314	7,686	10,000	
4 ATMS Radios for Contractor Buses	201002	-	2,000	2,000	*
5 100 QTY 45' NABI Compo Buses	201004	38,023	10,207	48,230	
6 178 CNG Articulated Bus Purchase Base Order	201005	34,200	92,574	126,774	
<b>7 Bus Acquisition Total</b>		<b>149,184</b>	<b>131,427</b>	<b>280,611</b>	
<b>9 Bus Facilities Improvements</b>					
10 Replacement Automated Guideway Vehicles	202000	4	1,596	1,600	
11 Division 10 Expansion	202001	-	1,000	1,000	
12 Digital Video Recorders and Division Equipment	202003	205	826	1,031	
13 In-Ground Bus Hoist Replacement	202007	4,784	3,497	8,281	
14 Upgrade Underground Storage Tanks and Remediate Soil	202008	5,406	12	5,418	
15 Division Lighting Program	202009	365	833	1,198	
16 Permanent Restroom Facilities at Selected Locations	202010	449	1,131	1,580	
17 Cal State - L.A. County USC Busway Sta. Enhancement	202011	392	1,860	2,251	
18 New Div. 9 Transportation Bldg. and Facilities Improvements	202014	1,438	15,062	16,500	
19 Repave LAX & Other Terminals	202015	719	216	935	
20 Temple & Beaudry Layover Facility	202016	99	1,593	1,692	
21 Division 7 Facility Improvements	202017	2,797	764	3,561	
22 Division 2 Maintenance - Maintenance Bldg. Modernization	202018	914	737	1,650	
23 LAX Terminal Improvements	202020	85	299	384	
24 El Monte Transit Station Enhancements	202021	14	100	114	
25 FY06 Underground Storage Tank Replacement	202025	-	2,467	2,467	*
26 FY06 Soil Remediation	202030	-	1,506	1,506	*
27 FY06 Bus Facility Contingency Projects	202035	-	1,675	1,675	*
28 FY06 Bus Division Maintenance Equipment	202040	-	1,075	1,075	*
29 FY06 Replace Bus Div. Emerg. Generators	202045	-	339	339	*
30 FY06 Bus Division Amenity Improvement Project	202055	-	2,116	2,116	*
31 Articulated Bus Facility Modifications	202065	198	6,443	6,641	
32 Division 1 Expansion	202066	7,666	3,909	11,574	
33 Division 8 & 15 Renewable Solar Energy Generation Project	202067	3,490	10	3,500	
34 Division 6 Relocation	202076	544	11,953	12,497	
35 Division 4 Expansion & Pavement Project	202092	1,141	1,379	2,521	
36 New Division/South Park Relocation	202095	-	1,294	1,294	*
37 Install New A/C @ Div. 7 & 18	202164	744	6	750	
38 Metro Bus Art Program	202166	271	344	615	
39 Wayfinding and Customer Information Improvements at Major Transfer Centers	202167	-	412	412	
40 490 Bauchet Street Construction	202168	-	2,874	2,874	*
<b>41 Bus Facilities Improvements Total</b>		<b>31,725</b>	<b>67,327</b>	<b>99,052</b>	

# Corrected typographical error in life-of-project budget from \$93.0 million in pre-adoption book to \$93.6 million, which is consistent with the Board-adopted life-of-project budget.



Los Angeles County Metropolitan Transportation Authority  
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## CAPITAL PROGRAM PROJECT LIST (cont.)

(Amounts in thousands)		Expected Expenditures Through FY05	FY06 and Future	Life of Project	New	
Project Title	CP#					
<b>42 Bus Maintenance</b>						
43	FY06 Bus Midlife Program	203003	\$ -	\$ 12,000	\$ 12,000	*
44	FY06 Replace Regional Rebuild Center Shop Equipment	203009	-	561	561	*
<b>45 Bus Maintenance Total</b>			<b>-</b>	<b>12,561</b>	<b>12,561</b>	
<b>46</b>						
<b>47 IT/Communications</b>						
48	Computer Kiosks Bus and Rail Facilities.	207006	367	414	781	
49	HASTUS Scheduling Software System Upgrade	207009	239	321	560	
50	ITS Telecommunications Transmission Replacement Proj.	207010	-	9,541	9,541	
51	FY06 Workstation and Network Technology Refresh Prog.	207022	-	1,856	1,856	*
52	FY06 Maintenance and Materiel Mgmt. System Upgrades	207036	-	1,006	1,006	*
53	Radio Communications Upgrades for MTA Security	207047	-	35	35	*
54	Customer Center Security & Information Enhancements	207048	-	342	342	*
<b>55 IT/Communications Total</b>			<b>605</b>	<b>13,515</b>	<b>14,121</b>	
<b>56</b>						
<b>57 Non-Revenue Vehicles</b>						
58	Bus System Support Replacement Non-Revenue Vehicles	208002	3,306	2,660	5,966	
59	Bus System Expansion Non Revenue Vehicles	208003	177	50	227	
60	Rail Support Replacement Non Revenue Vehicles	208004	1,391	450	1,841	
61	FY06 Bus System Support Replacement Non-Rev Vehicles	208005	-	1,242	1,242	*
62	FY06 Bus System Expansion Non Revenue Vehicles	208010	-	1,085	1,085	*
<b>63 Non-Revenue Vehicles Total</b>			<b>4,874</b>	<b>5,487</b>	<b>10,361</b>	
<b>64</b>						
<b>65 Other Capital Projects</b>						
66	Homeland Security Project	200018	1,436	1,744	3,179	
67	Gateway Headquarters Improvement Projects	210008	2,535	299	2,834	
68	Cooling Tower Vacuum	210025	5	41	46	
<b>69 Other Capital Projects Total</b>			<b>3,976</b>	<b>2,083</b>	<b>6,059</b>	
<b>70</b>						
<b>71 Rail Facilities Improvements</b>						
72	Between-Car Platform Barriers - Metro Rail	204002	509	2,448	2,957	
73	Division 20 Improvements	204003	948	2	950	
74	ROC Reconfiguration	204004	1,360	4,027	5,387	
75	MGL Elevator and Escalator Sumps and Clarifiers	204005	1,132	1	1,133	
76	Division 22 Improvements	204008	1,313	2,098	3,411	
77	Division 11 Improvements	204009	5,919	11,477	17,396	
78	MBL Long Beach Transit Mall Station Redesign	204010	111	1,415	1,526	
79	Rail Systemwide Safety Improvements	204012	192	1,881	2,073	
80	Vermont/Santa Monica Sta. Underground Water Mitigation	204016	10	1,273	1,283	
81	Division 21 Improvements	204017	2,391	2,109	4,500	
<b>82 Rail Facilities Improvements Continued Next Page</b>						

**Los Angeles County Metropolitan Transportation Authority  
FY06 Budget**

(Amounts in thousands)		Expected Expenditures Through FY05	FY06 and Future	Life of Project	New
Project Title	CP#				
<b>83 Rail Facilities Improvements</b>					
84 FY06 Rail Facility Maintenance Contingency Projects	204029	\$ -	\$ 3,299	\$ 3,299	*
85 MRL Seg 2 & 3 Station PLC and EMP Upgrade	204035	-	1,126	1,126	*
86 Division 22 Improvements Phase II	204037	-	4,895	4,895	*
87 MRL Tactile Pad and Strip Installation	204041	201	249	450	
88 Completion of Metro Blue Line Art Program	204042	377	557	934	
89 Completion of Metro Green Line Art Program	204043	4	166	170	
<b>90 Rail Facilities Improvements Total</b>		<b>14,467</b>	<b>37,023</b>	<b>51,490</b>	
91					
<b>92 Rail Vehicle Maintenance</b>					
93 Breda Rail Car Retrofit	206004	66	4,245	4,311	
94 P2000 Vehicle Signaling Package Upgrade	206005	-	3,364	3,364	
<b>95 Rail Vehicle Maintenance Total</b>		<b>66</b>	<b>7,609</b>	<b>7,675</b>	
96					
<b>97 Warehouse</b>					
98 PGL Midway Warehouse - Equipment and Storage	209003	867	900	1,767	
99 Metro Red Line Storage Building	209004	168	660	828	
100 Automate Bulk Storage Area	209007	-	1,029	1,029	
101 Purchase EZ Tilter	209010	7	185	192	
102 New Pallet Racking for Bus Divisions	209011	7	178	185	
103 Install Dock Leveler Stationery Storeroom	209012	2	100	102	
104 New Expansion Pallet Racking at Central Warehouse	209013	1	34	35	
105 Equipment Safety Modification for Central Warehouse	209014	1	55	56	
106 Install Shipping Awning	209015	-	250	250	
<b>107 Warehouse Total</b>		<b>1,054</b>	<b>3,390</b>	<b>4,445</b>	
108					
<b>109 Wayside Systems</b>					
110 SCADA Equipment Replacement	205002	8,004	2,559	10,563	
111 Rail Security Improvements	205004	164	6,305	6,469	
112 Rail Communications Systems Upgrade	205005	742	1,590	2,332	
113 MBL Grade Crossing Improvements	205006	2,246	1,876	4,122	
114 Wayside Systems Tools and Equipment	205007	284	74	358	
115 Crossing Gate Equipment Replacement	205009	677	561	1,238	
116 MBL Four Quadrant Gate Program Expansion	205012	900	4,755	5,655	
117 Light Rail Train Tracking Improvements	205014	105	851	956	
118 Seg.-1 Remote Terminal Unit (RTU) Upgrade	205017	377	2,268	2,645	
119 FY06 Wayside Systems Tools and Equipment	205019	-	573	573	*
120 FY06 Wayside Systems Contingency Projects	205029	-	3,334	3,334	*
121 Four PGL Traction Power Substations	205034	3,156	5,545	8,701	
122 MRL Signal System Upgrade	205037	247	491	738	
<b>123 Wayside Systems Total</b>		<b>16,903</b>	<b>30,782</b>	<b>47,684</b>	
<b>124 Subtotal for Capital Program</b>		<b>222,853</b>	<b>311,206</b>	<b>534,059</b>	

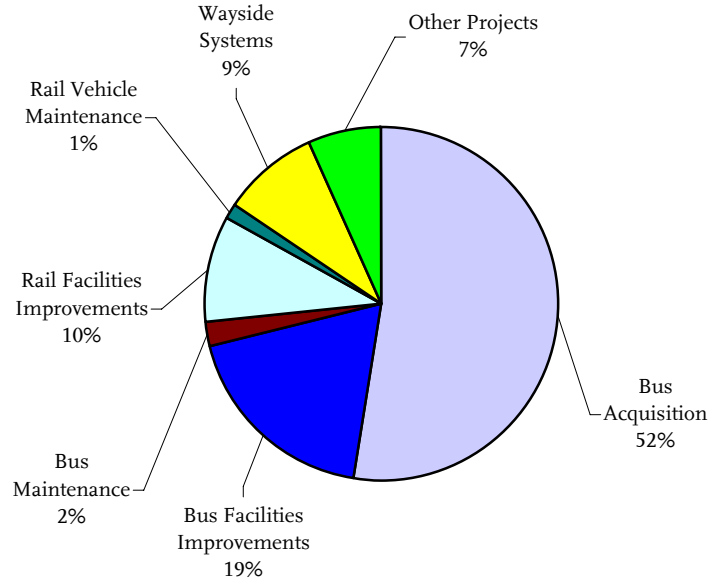
Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## CAPITAL PROGRAM PROJECT LIST (cont.)

(Amounts in thousands)			Expected	FY06	Life	
Project Title	CP#		Expenditures	and	of	New
			Through FY05	Future	Project	
125	<b>Major Construction</b>					
126	Orange Line Pre-Revenue Operation	800026	\$ -	\$ 1,152	\$ 1,152	*
127	Metro Gold Line Eastside Extension	800088	317,640	581,173	898,813	
128	Orange Line	800112	232,887	80,113	313,000	
129	Mid-City/Exposition Light Rail Corridor	800113	18,300	43,750	62,050	
130	SFV East-West Bikeway Project	800114	7,861	2,777	10,638	
131	Canoga Station Park and Ride Project	800117	8,568	17,432	26,000	*
132	Light Rail Vehicle Fleet Enhancement	800151	63,477	89,442	152,919	
133	MGL Eastside Extension Enhancements	800288	450	17,550	18,000	*
134	<b>Major Construction Total</b>		<b>649,183</b>	<b>833,389</b>	<b>1,482,572</b>	
135	<b>Capital Program Grand Total</b>		<b>\$ 872,036</b>	<b>\$ 1,144,595</b>	<b>\$ 2,016,632</b>	

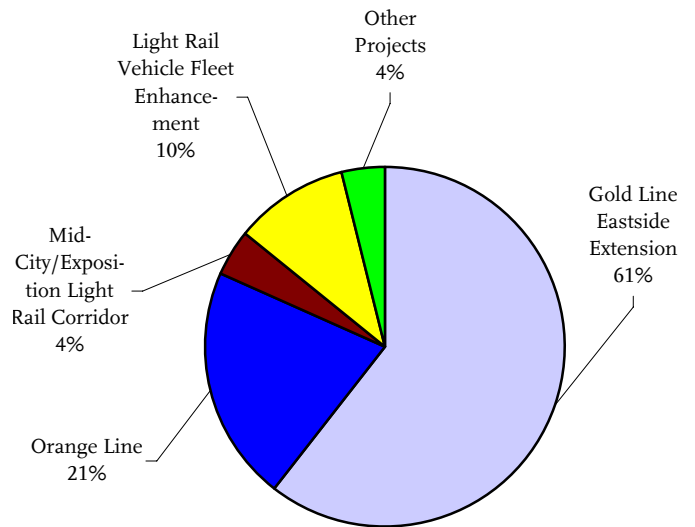
**Capital Programs - Excluding Major Construction**

Element (in 000 \$'s)	Total Life of Project Budget
1 Bus Acquisition	\$ 279,956
2 Bus Facilities Improvements	99,052
3 Bus Maintenance	12,561
4 Rail Facilities Improvements	51,490
5 Rail Vehicle Maintenance	7,675
6 Wayside Systems	47,684
7 Other Projects	34,986
<b>8 Capital Program Total</b>	<b>\$ 533,404</b>



**Major Construction**

Project (in 000 \$'s)	Total Life of Project Budget
12 Gold Line Eastside Extension	\$ 898,813
13 Orange Line	313,000
14 Mid-City/Exposition Light Rail Corridor	62,050
15 Light Rail Vehicle Fleet Enhancement	152,919
16 Other Projects	55,790
<b>17 Major Construction Total</b>	<b>\$ 1,482,572</b>





Map of route for Metro Gold Line Eastside Extension



Project rendering of new light rail vehicles -- delivery of first two cars is scheduled for June 2005



**Gold Line Eastside Extension – Project Rendering: Line Section at 1<sup>st</sup> Street Bridge**



**Gold Line Eastside Extension – Project Rendering: Soto Station Aerial View**



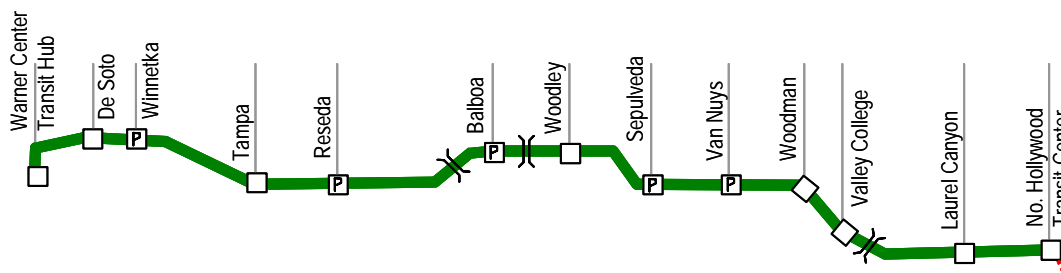
**Gold Line Eastside Extension -- Repair of 1st Street after relocation of 12" water line**



**Gold Line Eastside Extension -- Placement of 18" storm drainage line at 1st and Boyle Avenue**



**Orange Line – Project Rendering: Typical Station**



**Low floor CNG-powered articulated vehicle for initial use on Orange Line**





**Orange Line -- Forming Platform of Laurel Canyon Station**



**Orange Line -- Sound wall north of Victory Blvd.**

## CAPITAL PROJECT OPERATING IMPACT ASSESSMENT

Capital projects in the FY06-10 capital program with a Life of Project (LOP) cost in excess of \$5.0 million have been reviewed to determine the cost impact on Metro operations. The operating cost impact assessment considers costs and/or savings related to ongoing operations, power requirements, maintenance labor and materials, training, and security.

Projects which replace existing facilities or equipment often do not change the cost of operations over the life of the asset. Functionally equivalent replacements generally require the same levels of energy to operate equipment, maintenance activities, training, and security. In those instances where a replacement asset involves a higher or lower cost to operate than the asset being replaced, the cost or saving is identified.

The cost of operations of major construction projects such as bus corridors and rail corridors is based on service levels when complete. Once in full operation such projects will be operated at a specific level of revenue service hours. The cost of operation is based on the cost per hour times the annual revenue service hours to be operated. In instances where a new project duplicates existing service, the duplicated service has been excluded from the operating cost impact.

Some projects must be monitored after implementation to determine annual operating cost impacts. In these instances future budgets will contain operating cost impacts based on data for a full fiscal year of operations.

For a list of capital projects with potential operating cost impacts, please see pages V-16 and 17.

## FY06-10 Capital Projects with Potential Operating Cost Impacts

Element	CP#	Title	Description of cost impacts or savings	Amount of cost or (saving)
Bus Acquisition	200225	Universal Fare Collection System	Contracted maintenance as part of original contract	FY06 - \$4,500,000 FY07 - \$5,200,000 FY08 - \$5,600,000 FY09 - \$ 722,000
Bus Acquisition	200351	Regional Service Center and Clearinghouse	Operating cost estimates will be developed during project specification.	To Be Determined
Bus Facilities Improvements	202066	Division 1 Expansion	Cost of operating an expanded division will likely be offset by a reduction in deadhead mileage and other operational savings	\$0
Bus Facilities Improvements	202007	In-Ground Bus Hoist Replacement	No additional costs will be incurred. Savings will be realized based on significantly reduced consumption of hydraulic fluid.	\$0
Bus Facilities Improvements	202014	Div. 9 Transportation Building and Facility Improvements	No additional costs will be incurred. Savings may be realized due to decreased building maintenance costs and improved efficiency.	(\$100,000)
Bus Facilities Improvements	202065	Articulated Bus Facility Modifications	No additional costs will be incurred by this project.	\$0
Bus Maintenance	203003	FY06 Bus Midlife Program	The Bus Mid-Life program is a proactive plan to replace major components before they reach failure mileage. The consolidated replacement and repair program minimizes out of service time by avoiding reactive major component replacement due to catastrophic failure. The program contributes to lower maintenance costs by minimizing field repairs and lost productivity.	Savings To Be Determined
IT/Communications	7000027	ITS Telecommunications Transmission Upgrade Project	Savings of about \$1,000,000 per year in telephone costs are anticipated. Other savings that cannot be empirically determined include reduced labor for maintenance and repair parts for old equipment.	(\$1,000,000)
Major Construction	800088	Metro Gold Line Eastside Extension	Project operating cost is based on the first full year of operation following completion.	\$13,400,000
Major Construction	800112	Orange Line	Project operating cost is based on the first full year of operation following completion.	\$11,000,000
Major Construction	800113	Mid-City/Exposition Light Rail Corridor	Project operating cost is based on the first full year of operation following completion.	\$25,000,000
Major Construction	800114	SFV East-West Bikeway Project	Operating costs will be determined following project completion	Included in Orange Line project operating costs
Major Construction	800117	Canoga Station Park and Ride Facility	The operating impact of this project will be included in the Orange Line project (800112)	Included in Orange Line project operating costs
Major Construction	800151	LRV Fleet Enhancement Project	These rail cars will be assigned to the Metro Gold Line and will replace existing vehicles which will be reallocated to the rail lines as maintenance spares	Included in Eastside Extension and Gold Line operating costs

**Los Angeles County Metropolitan Transportation Authority  
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Element	CP#	Title	Description of cost impacts or savings	Amount of cost or (saving)
Major Construction	800288	Metro Gold Line Eastside Extension Enhancements	The operating impact of this project will be included in the Metro Gold Line Eastside Extension project (800088)	Included in Eastside Extension operating costs
Non-Revenue Vehicles	202008	Bus System Replacement Non Revenue Vehicles	The additional annual cost is estimated to be \$10,904. This includes \$8,176 for increased fuel usage and \$2,728 for additional parts and labor.	\$10,904
Rail Facilities Improvements	204004	ROC Reconfiguration	Anticipate additional maintenance costs due to added equipment. Equipment enhancements and facility improvements will have a positive effect on staff productivity and safety. This has not been presently quantified and valued.	Anticipate annual savings but cannot be valued until project completion.
Wayside Systems	205004	Rail Security Improvements	Anticipate additional maintenance costs due to added equipment. CCTV cameras and related equipment is being upgraded and replaced. Improved security for the public and system operation has not been quantified.	Anticipate no annual savings but additional annual costs to be valued at project completion.
Rail Facilities Improvements	204009	Division 11 Improvements	Future cost savings as the fleet ages and the fleet size increases are not known at this time. Actual savings can only be determined over time. When the 15 P2020 vehicles were transferred for the MGL to Division 11 our maintenance was increased by 27%. The Division 11 Expansion will provide adequate space to maintain the fleet to its required level.	Anticipate no annual savings but additional annual costs to be valued at project completion.
Wayside Systems	205002	SCADA Equipment Replacement	There is no impact as a result of the operation of the new capital assets as they are a replacement/upgrade to existing assets. Operational considerations of these assets are already factored into the applicable department FTE and acquisition budgets. Training costs will be incurred in the Rail Communications and Wayside Systems Engineering departments for operations and maintenance training of the system. Parts and materials costs will have been fully encumbered in the FY '05 budget. There will be no impact to inventory costs since critical spares are provided in the contract. Maintenance of spares inventory will have a lower cost due to the availability of standard off-the-shelf parts from multiple vendors.	Anticipate no annual savings but additional annual costs to be valued at project completion.
Wayside Systems	205012	MBL Four Quadrant Gate Program Expansion	Increased maintenance costs anticipated due to additional crossing gates. Unquantifiable amount of cost avoidance since this is a public safety improvement.	Operating costs to be determined when project completed and cost data collected.
Wayside Systems	205034	Four PGL Traction Power Substations	Savings anticipated due to operational efficiencies created by the enhancements. Additional substations will ensure the capability of the system to increase service schedule headways.	Operating savings to be determined during project development

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## VI. Strategic Business Units

## METRO SUMMARY DESCRIPTION

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

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

construction projects and Metro facilities improvements. Communications is responsible for the strategic evaluation, development, and implementation of agency-wide marketing and communications programs. Support Services, which is comprised of Accounting, Treasury, Management and Budget, Information Technology Services, Management Audit Services, Procurement and Material Management, and Risk Management, provides essential financial and administrative support to the entire organization. The Chief of Staff coordinates and oversees key programs and provides support to the CEO. The Board of Directors establishes Metro policies and approves appropriations. The Board also manages or supervises Board meetings and Board committee meetings, ethics and lobby registration programs, the inspector general, and legal counsel.

Los Angeles County Metropolitan Transportation Authority  
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## Summary of FY06 Budgeted FTEs by Department

	FY04 Budget	FY05 Amended	FY06 Budget	Change from FY05
1 Metro Operations				
2 Metro Rail	1,104	1,090	1,099	9
3 San Fernando Valley Service Sector	987	1,014	1,056	42
4 San Gabriel Valley Service Sector	951	972	975	3
5 Gateway Cities Service Sector	834	975	1,058	83
6 South Bay Service Sector	1,291	1,220	1,173	(47)
7 Westside/Central Service Sector	1,359	1,367	1,374	7
8 Contracted Bus Services	6	5	4	(1)
9 Bus Operations Control	73	73	76	3
10 Central Maintenance	332	323	328	5
11 Vehicle and Systems Technology	39	32	18	(14)
12 Service Planning & Development	90	85	80	(5)
13 Manpower	23	21	17	(4)
14 Operations Central Instruction	125	96	95	(1)
15 Facilities	195	192	172	(20)
16 Operations Security	99	97	97	(0)
17 Safety	15	14	17	3
18 Freeway Services	9	8	9	1
19 Executive Office, Metro Operations	8	7	7	-
20 Metro Operations Total	7,540	7,591	7,654	63
21				
22 Countywide Planning & Development				
23 Transportation Dev & Implementation	62	52	48	(4)
24 Programming & Policy Analysis	35	31	30	(1)
25 Long Range Planning & Coordination	29	23	22	(1)
26 Executive Office, Reg Transp Plan & Dev	4	4	4	-
27 Countywide Planning & Development Total	130	110	104	(6)
28				
29 Construction Project Management				
30 Construction	34	26	21	(5)
31 Program Management	38	33	27	(6)
32 Engineering	28	17	14	(3)
33 Quality Management	14	11	9	(2)
34 Construction Safety	7	5	4	(1)
35 Executive Office, Construction Project Mgmt	14	14	13	(1)
36 Construction Project Management Total	135	106	88	(18)
37				
38 Communications				
39 Creative Services	18	14	14	-
40 Customer Communications	33	26	30	4
41 Customer Relations	118	102	108	6
42 Fare Policy & Programs	43	44	23	(21)
43 Public Relations	15	12	10	(2)
44 Executive Office, Communications	10	11	8	(3)
45 Communications Total	237	209	193	(16)



**Los Angeles County Metropolitan Transportation Authority**  
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	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>	<b>Change from FY05</b>
46 Support Services				
47    Accounting	83	82	78	(4)
48    Treasury	65	65	62	(3)
49    Office of Management & Budget	22	22	20	(2)
50    Information Technology Services	154	142	132	(10)
51    Management Audit Services	55	38	30	(8)
52    Procurement & Material Management	258	237	226	(11)
53    Risk Management	40	47	47	-
54    Office of the CFO	2	2	2	-
55 Support Services Total	679	635	597	(38)
56				
57 Chief of Staff				
58    Administration	173	165	156	(9)
59    Diversity & Economic Opportunity	25	25	22	(3)
60    Community Relations	19	19	16	(3)
61    Labor/Employee Relations	22	21	19	(2)
62    Government & Board Relations	11	10	9	(1)
63    Policy, Research & Library Services	6	5	5	-
64    Executive Office, Chief of Staff	12	9	8	(1)
65 Chief of Staff Total	268	254	235	(19)
66				
67 Board of Directors				
68    Inspector General	32	24	23	(1)
69    Office of Board Secretary	12	12	12	-
70    Ethics Office	6	6	6	-
71    County Counsel	5	5	5	-
72    Chief Executive Office	1	1	1	-
73 Board of Directors Total	56	48	47	(1)
74				
75 Agency Total	9,045	8,953	8,918	(35)

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## Metro Summary Expenditures Budget

FTEs	FY04 Budget	FY05 Amended	FY06 Budget
1 Metro Operations	7,540	7,591	7,654
2 Countywide Planning & Development	130	110	104
3 Construction Project Management	135	106	88
4 Communications	237	209	193
5 Support Services	679	635	597
6 Chief of Staff	268	254	235
7 Board of Directors	56	48	47
8 Agency Total	9,045	8,953	8,918

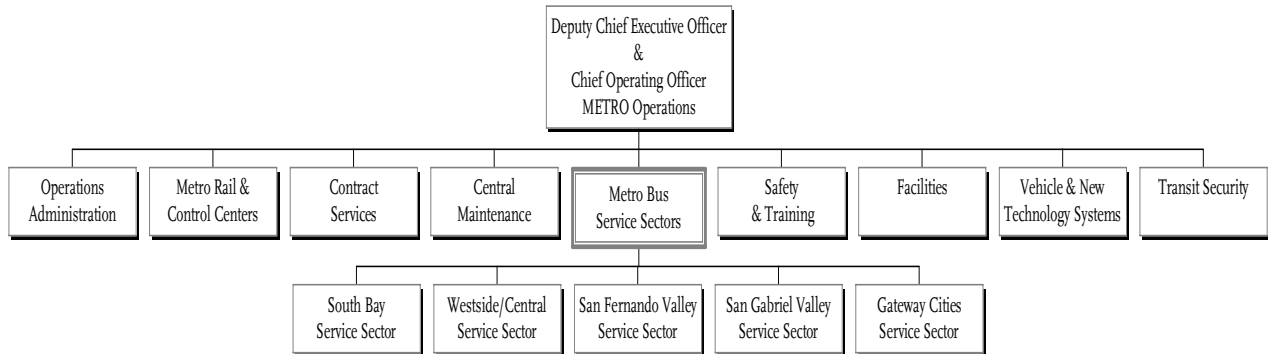
Expenditures (Amounts in thousands)	FY04 Actual	FY05 Amended	FY06 Budget
9 Metro Operations	\$ 965,869	\$ 1,270,628	\$ 1,245,153
10 Countywide Planning & Development	655,119	845,977	772,532
11 Construction Project Management	162,731	387,358	340,664
12 Communications	30,728	31,501	28,724
13 Support Services	392,667	418,422	407,995
14 Chief of Staff	42,776	42,257	39,999
15 Board of Directors	18,079	16,127	24,240
16 Agency Total	\$ 2,267,968	\$ 3,012,269	\$ 2,859,307 *

Expenditure Types (Amounts in thousands)	FY04 Actual	FY05 Amended	FY06 Budget
17 Wages & Benefits	\$ 688,593	\$ 748,960	\$ 774,147
18 Services	179,920	259,154	259,942
19 Purchased Transportation	30,912	26,422	32,442
20 Fuel, Lubricants & Propulsion Power	50,252	64,195	70,539
21 Materials & Supplies	72,566	84,864	83,648
22 Casualty & Liability	49,801	50,112	47,856
23 Other Support	43,465	48,933	47,168
24 Acquisitions	236,095	609,585	499,963
25 Equipment	1,922	5,237	7,628
26 Subsidies	628,701	814,849	742,262
27 Debt	285,741	299,959	293,711
28 Agency Total	\$ 2,267,968	\$ 3,012,269	\$ 2,859,307 *

\* Includes principal liability payments and Benefit Assessment District debt payments. Excludes debt refunding and defeased lease. Proprietary fund includes principal payments of \$16.3 million in FY04, \$12.0 million in FY05, and \$12.0 million for FY06.

# METRO OPERATIONS

## Organization Chart



### Introduction

Metro Operations is responsible for providing more than eight million hours of bus and rail transit service that support over 440 million boardings each year. Metro Operations also administers Paratransit Service, the Metro Freeway Service Patrol, and the Service Authority for Freeway Emergencies.

Metro Operations is organized into six service sectors (five bus and one rail) and seven major support units which are committed to provide safe, courteous, professional, dependable, clean, and efficient transit services to customers.

### Metro Bus Service Sectors

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

planning and scheduling, and communications.

### South Bay Service Sector

The South Bay Service Sector (SB) is responsible for providing transit service to the following geographic areas:

Norwalk (East) to LAX and the Beach Cities (West), Hollywood (North) to San Pedro (South) and Downtown Los Angeles. South Bay Sector's East/West Service connects with the Blue Line, and the North/South service connects with the Green Line. Additional service provided includes the Hollywood Park Race Track. The Sector consists of three, main functional sections: South Bay Service Sector Office, Arthur Winston Division, and Carson Division.

The South Bay Service Sector Office, located in Torrance, works in conjunction with the Governance Council to deliver quality transportation to the community and provide support to the operating divisions.

The Arthur Winston Division, located in South Los Angeles, operates 243 CNG and diesel buses, providing 649,941 revenue service hours. The Carson Division operates 274 CNG and diesel vehicles, providing 810,290 revenue service hours.

### **Westside/Central Service Sector**

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

The sector includes three operating divisions. Division 6, located in Venice, operates 78 buses, providing 128,576 revenue service hours. Division 10, located in northeast Los Angeles, operates 287 buses, providing 852,970 revenue service hours. Division 7, located in West Hollywood, operates 258 buses providing 740,494 revenue service hours.

### **San Fernando Valley Service Sector**

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

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

Fernando Valley and Chatsworth in the west San Fernando Valley.

Both divisions are responsible for a fleet of 472 buses and operating 549,716 revenue service hours at Division 8 in Chatsworth and 748,746 revenue service hours at Division 15 in Sunland.

### **San Gabriel Valley Service Sector**

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

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

For FY06 SGV will operate 634,426 revenue service hours of bus service at Division 3 and 646,587 revenue service hours at Division 9 with 419 buses traveling about 18.4 million miles.

### **Gateway Cities Service Sector**

The Gateway Cities (GC) Service Sector is comprised of 26 cities and unincorporated areas of southeast Los Angeles County.

Cities included in the Gateway Cities sector are Artesia, Avalon, Bell, Bellflower, Bell Gardens, Cerritos, Commerce,

Compton, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Habra Heights, Lakewood, La Mirada, Long Beach, Lynwood, Maywood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier.

The Gateway Cities sector offices are located in Downey, which provide planning and administrative support to two operating divisions, both located in downtown Los Angeles. The two divisions have a total of over 1,100 employees and operate 471 buses with 798,146 revenue service hours at Division 1 and 556,376 revenue service hours at Division 2.

## **Metro Rail**

Metro Rail operates and maintains four rail lines, including 121 light and 104 heavy rail vehicles and 65 rail stations. Rail operation includes Transportation (operations, supervision, train control, scheduling, and instruction), Fleet Services (vehicle maintenance, engineering and design, instruction, warranty and quality assurance), and Wayside Systems (track, power, stations, signals, communication and facility maintenance). Metro Rail is also responsible for the Bus Control Center.

## **Contract Services**

The Transportation Contract Services Department is responsible for three main programs; Purchased Transportation, Motorist Services, and Paratransit Services.

Purchased Transportation contracts with privately-owned bus companies to provide bus service on more than 20 bus lines in the north, south and east regions of

Metro's service area. The FY06 boardings under these purchased transportation contracts is projected to be over 11.5 million.

Motorist Services is chiefly responsible for two programs, the Freeway Service Patrol (FSP) and the Service Authority for Freeway Emergencies (SAFE). The FSP's fleet of roving tow trucks mitigates freeway congestion by promptly assisting disabled motorists and removing debris. The SAFE program supports the network of freeway call boxes used by motorists in need of assistance. For a more detailed description of the Motorist Services programs, please refer to page III-9 of this book.

The Paratransit program, managed by Access Services, Inc. (ASI), provides public transportation services to the elderly and disabled.

For a more detailed description of these contract services, please refer to page III-9 of this book.

## **Central Maintenance**

Central Maintenance provides maintenance support to operating divisions. Departmental functions include the Regional Rebuild Center, Fleet Management and Support Services, and Quality Assurance, which includes direct involvement with the California Highway Patrol and Title 13 of the California Code of Regulations. Quality Assurance is also directly responsible for the management of goods and services contracts, Fare Collection Maintenance, Radio Equipment Maintenance, and Non-Revenue Vehicle/Equipment. Programs cover all facets of bus and equipment maintenance:

repairing and rebuilding major components and sub-systems; and controlling and assigning the bus fleet.

### **Bus Operations Control**

Bus Operations Control communicates via two-way radio and telephone with bus operators, field supervisors, field technicians, operating divisions, and emergency response personnel. They monitor and control special bus movements, coordinate, develop and implement all special event services and bus leases, modify bus activity when conditions require outside interaction due to accidents, and detours, monitors ADA compliance and serious customer complaints through undercover rides and field observations and provide failure management as needed to help meet operating goals in the areas of safety, customer relations, and on-time performance.

### **Service Development**

Service Development works out the operating framework for the Metro bus and rail systems and Metro Rapid. The department provides timely and accurate information to operating division and sector staffs that assist in developing efficient, effective, and community-responsive service. Service Development is also responsible for development of the Metro Connections program. Metro Connections is designed to restructure the Metro bus and rail system to improve operational efficiency and expand regional transit ridership.

### **Operations Central Instruction**

Operations Central Instruction (OCI) is responsible for implementing a defensive

driving curriculum for new and veteran bus and rail operators, mechanics, and service attendants for all operating divisions. OCI provides progressive training with a cost-effective approach to strengthen employee skills and meet Metro's goals in the areas of safety, customer relations, and on-time performance.

### **Corporate Safety**

Corporate Safety manages the Safety's 1<sup>st</sup> program that was established to reduce injuries and accidents. The objective of the program is to provide leadership, guidance, technical direction, and resources to protect people, prevent mishaps, achieve regulatory compliance, and control hazards, hazardous occupational exposures, and costs. The department collects, analyzes, and audits accident and injury data on a computerized tracking system called TransitSafe. Injury and accident trends are reviewed with General Managers during monthly Tactical Safety Meetings to quickly identify root causes of problems and improve overall performance.

### **Facilities**

Department functions include Facilities & Property Maintenance, Facilities Engineering, Contract Services, and Stops & Zones. The department's primary function includes the development, implementation, and management of capital programs for Metro's facilities. In addition, the department is also responsible for developing and implementing energy efficiency programs that reduce utility costs and improve employee safety. The Department also provides support to all Metro operating divisions by maintaining terminals, stations, bus stops, layover zones,

landscape, and inactive right-of-ways. Facilities strives to provide safe, efficient and world-class facilities to enable transit customers and Metro employees to experience an efficient and effective transit system.

### **Vehicle & New Systems Technology**

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

New Systems Technology provides project management oversight and is responsible for the acquisition and implementation of new automated systems for Metro Operations. Systems currently being implemented include the Universal Fare System (UFS), and the operating component of the Maintenance and Material Management System (M3).

### **Law Enforcement & Security**

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

### **Significant Events in FY06**

- Open Orange Line bus rapid transit in September 2005.

- Implement high-capacity vehicle plan that includes putting into service first 100 articulated buses.
- Add the Advanced Transportation Management System to purchased transportation vehicles
- Complete the acquisition of equipment for regional clearinghouse for UFS project.
- Implement service for four Metro Rapid lines (Santa Monica, Western, Long Beach, and Reseda).
- Further enhance security systems and training through the expenditure of grants from Department of Homeland Security .
- Start construction of new Division 6 facility in the Westside/Central Service Sector.
- Award design/build contract for the construction of the new Division 9 transportation building in the San Gabriel Service Sector.
- Complete the light rail facility expansion projects at Divisions 11 and 22.
- Complete the service planning development for the bus restructuring study (Metro Connections).
- Improve wayfinding and signage at Metro bus and rail locations.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## Metro Operations Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Metro Rail	1,104	1,090	1,099
2 San Fernando Valley Service Sector	987	1,014	1,056
3 San Gabriel Valley Service Sector	951	972	975
4 Gateway Cities Service Sector	834	975	1,058
5 South Bay Service Sector	1,291	1,220	1,173
6 Westside/Central Service Sector	1,359	1,367	1,374
7 Contracted Bus Services	6	5	4
8 Bus Operations Control	73	73	76
9 Central Maintenance	332	323	328
10 Vehicle and Systems Technology	39	32	18
11 Service Planning & Development	90	85	80
12 Manpower	23	21	17
13 Operations Central Instruction	125	96	95
14 Facilities	195	192	172
15 Operations Security	99	97	97
16 Safety	15	14	17
17 Freeway Services	9	8	9
18 Executive Office, Metro Operations	8	7	7
19 Metro Operations Total FTEs	7,540	7,591	7,654

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
20 Metro Rail	\$ 121,597	\$ 186,296	\$ 208,255
21 San Fernando Valley Service Sector	92,703	107,087	115,348
22 San Gabriel Valley Service Sector	91,759	101,138	107,133
23 Gateway Cities Service Sector	84,788	96,294	110,072
24 South Bay Service Sector	117,694	133,561	124,445
25 Westside/Central Service Sector	128,367	140,530	151,017
26 Contracted Bus Services	35,143	36,233	41,727
27 Bus Operations Control	6,315	6,539	7,204
28 Central Maintenance	46,841	55,926	55,925
29 Vehicle and Systems Technology	86,284	188,733	115,739
30 Service Planning & Development	12,881	14,320	10,886
31 Manpower	1,449	1,608	1,385
32 Operations Central Instruction	7,131	6,624	7,051
33 Facilities	45,027	83,802	70,882
34 Operations Security	51,463	69,524	70,487
35 Safety	1,849	2,835	4,491
36 Freeway Services	24,407	32,613	36,408
37 Executive Office, Metro Operations	10,170	6,966	6,698
38 Metro Operations Total	\$ 965,869	\$ 1,270,628	\$ 1,245,153



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Expenditure Types (Amounts in thousands)	FY04 Actual	FY05 Amended	FY06 Budget
39 Wages & Benefits	\$ 565,541	\$ 634,254	\$ 662,289
40 Services	90,086	121,705	144,494
41 Purchased Transportation	30,912	26,422	32,442
42 Fuel, Lubricants & Propulsion Power	50,251	64,195	70,539
43 Materials & Supplies	65,043	76,610	76,371
44 Casualty & Liability	42,469	39,342	41,227
45 Other Support	18,782	20,773	18,255
46 Acquisitions	104,250	281,496	197,708
47 Equipment	348	1,840	4,034
48 Subsidies	(95)	4,778	-
49 Debt	(1,718)	(787)	(2,207)
50 Metro Operations Total	<u>\$ 965,869</u>	<u>\$ 1,270,628</u>	<u>\$ 1,245,153</u>

## Metro Operations: Key Performance Plans and Measures

<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve service quality and capacity of the bus and rail systems</b>				
In-service on-time performance				
Bus Systemwide	69.23%	65.43%	69.34%	70.00%
San Fernando Valley Sector	67.30%	67.47%	69.27%	70.00%
San Gabriel Valley Sector	70.02%	69.98%	70.14%	75.00%
Gateway Cities Sector	74.53%	69.34%	70.90%	70.00%
South Bay Sector	63.67%	61.74%	64.74%	70.00%
Westside/Central Sector	67.88%	63.31%	62.74%	70.00%
Complaints per 100,000 Boardings				
Bus Systemwide	4.23	4.51	3.60	3.50
San Fernando Valley Sector	6.32	5.45	4.57	4.25
San Gabriel Valley Sector	3.57	3.08	2.91	2.90
Gateway Cities Sector	2.63	4.63	2.43	2.40
South Bay Sector	4.02	5.30	3.95	3.90
Westside/Central Sector	4.84	5.30	4.02	3.75
Mean Miles Between Chargeable Mechanical Failures				
Bus Systemwide	6,883	6,790	7,179	7,500
San Fernando Valley Sector	8,616	7,794	9,871	9,000
San Gabriel Valley Sector	7,696	7,018	6,938	8,000
Gateway Cities Sector	7,800	8,129	5,392	5,500
South Bay Sector	6,237	6,810	6,785	7,000
Westside/Central Sector	5,720	5,791	7,672	7,800
Bus Scheduled Revenue Hours Delivered	97.07%	88.55%	99.37%	98.90%
Bus Farebox Revenue Recovery	28.3%	25.7%	28.0%	26.5%
Bus Subsidy per Boarding	\$1.44	\$1.60	\$1.46	\$1.61
Bus Fare per Boarding	\$0.58	\$0.57	\$0.60	\$0.60
Bus Cost per Revenue Hour				
Bus Systemwide	\$103.23	\$109.40	\$104.25	\$109.09
Orange Line	n/a	n/a	n/a	\$154.88
San Fernando Valley Sector	\$83.94	\$102.46	\$91.72	\$94.01
San Gabriel Valley Sector	\$86.68	\$99.53	\$84.34	\$90.32
Gateway Cities Sector	\$103.84	\$112.55	\$88.50	\$89.17
South Bay Sector	\$79.89	\$93.67	\$89.96	\$93.20
Westside/Central Sector	\$84.03	\$98.57	\$87.38	\$95.88

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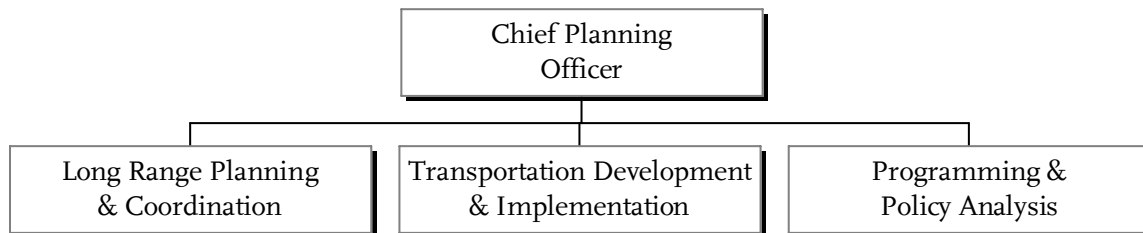
<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve service quality and capacity of the bus and rail systems</b>				
Rail Mean Miles Between Mechanical Failures	7,025	11,356	13,407	15,000
Complaints per 100,000 Boardings				
Heavy Rail	1.20	1.17	1.03	1.00
Light Rail	1.29	1.43	1.23	1.00
Cost per Revenue Hour				
Heavy Rail	\$244.39	\$227.70	\$274.45	\$297.18
Light Rail	\$300.25	\$333.71	\$365.48	\$412.53
Fare Revenue Recovery				
Heavy Rail	23.6%	24.9%	30.7%	27.0%
Light Rail	21.0%	16.5%	15.1%	14.7%
Subsidy per Boarding				
Heavy Rail	\$1.51	\$1.66	\$1.52	\$1.61
Light Rail	\$2.13	\$2.83	\$2.83	\$3.47
Fare per Boarding				
Heavy Rail	\$0.48	\$0.53	\$0.63	\$0.60
Light Rail	\$0.57	\$0.56	\$0.52	\$0.60
In Service On-Time Performance				
Heavy Rail	99.15%	99.04%	98.59%	99.20%
Light Rail	97.84%	98.77%	98.54%	99.00%
Scheduled revenue vehicle hours delivered				
Heavy Rail	98.75%	98.59%	97.87%	99.67%
Light Rail	97.05%	97.58%	97.99%	99.50%
Freeway Service Patrol (FSP) - Average monthly assists	29,256	27,507	26,191	25,000
SAFE - Average monthly calls answered	10,640	9,658	8,441	9,000

## Metro Operations: Key Performance Plans and Measures, continued

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Enhance a safety-conscious culture throughout Metro and its customers and business partners</b>				
Vehicle Accidents per 100,000 Hub Miles				
Bus Systemwide	3.86	3.65	3.40	3.25
San Fernando Valley Sector	2.91	2.99	2.48	2.40
San Gabriel Valley Sector	3.40	2.91	2.61	2.50
Gateway Cities Sector	4.07	3.86	3.87	3.60
South Bay Sector	4.00	3.68	3.42	3.60
Westside/Central Sector	4.72	4.61	3.46	3.40
New lost work time indemnity claims reported/filed				
Bus Systemwide	1,367	888	880	800
Rail	109	43	102	80
New workers' comp indemnity claims per 200,000 exposure hrs				
Bus Systemwide	22.31	17.64	15.62	15.00
San Fernando Valley Sector	16.72	15.15	16.62	16.00
San Gabriel Valley Sector	23.15	16.12	9.94	9.90
Gateway Cities Sector	25.30	20.19	14.75	16.50
South Bay Sector	17.28	14.84	16.12	16.20
Westside/Central Sector	28.74	21.52	19.07	20.00
Rail	11.25	11.59	9.58	9.50
Passenger accidents per 100,000 boardings				
Bus Systemwide	0.21	0.21	0.22	0.20
Heavy Rail	0.02	0.05	0.02	0.02
Light Rail	0.04	0.03	0.04	0.04
Rail accidents per 100,000 revenue train miles				
Heavy Rail	0.07	0.00	0.25	0.14
Light Rail	0.51	0.66	0.37	0.37

## COUNTYWIDE PLANNING & DEVELOPMENT

### Organization Chart



### Introduction

Countywide Planning and Development (CP&D) is responsible for programming and administering federal, state, and local transportation funds, preparing a financially constrained TIP, and planning and coordinating regional transportation services and infrastructure improvements. It does this in partnership with the County of Los Angeles and the 88 cities and 17 municipal operators within the County.

### Executive Office

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

### Long Range Planning and Coordination

The Long Range Planning and Coordination (LRP&C) department is responsible for regional transit planning, long and short range transportation planning, and transportation modeling and technical analysis necessary to

support the development of countywide and regional plans and programs. The Department is responsible for regional transit activities including planning, design, development, monitoring, and municipal operator coordination for the Metro Rapid program, and for developing the 2005 Regional Short-Range Transportation Plan. The Department is also responsible for developing countywide plans and programs, including the Long- and Short-Range Transportation Plans and the Congestion Management Program, and for regional transportation planning and air quality conformance coordination. Finally, the Department performs technical analysis in support of plans, programs, and projects, including transportation modeling, geographic information system analysis, user benefit analysis for federal New Starts funding, and freight data collection and modeling.

### Transportation Development and Implementation

The Transportation Development and Implementation (TDI) department is responsible for project development, management, and/or implementation of multiple modes of transportation within Los Angeles County, including

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

### **Programming and Policy Analysis**

Programming and Policy Analysis (P&PA) is responsible for strategic capital planning, regional and local programming, and regional program management for all fund sources that support Metro's mission of improving mobility and promoting innovative and comprehensive transportation systems throughout Los Angeles County. P&PA also manages the Transportation Improvement Program (TIP); analyzes state, federal and local programming proposals and policies; programs the Call for Projects (CFP); serves as the funding lead in the LRTP and CFP; allocates local and municipal operator funding; provides policy development and guidance for regional programs; is Metro liaison with state and federal grantor agencies; and is Metro liaison to the cities on Proposition A and Proposition C Local Return, Discretionary funds, and TDA Articles 3, 4 and 8.

### **Significant Events in FY06**

- Conduct planning, design, development, and programming of Metro Rapid lines.
- Initiate nexus study for countywide developer mitigation fee through Congestion Management Program.
- Initiate update of the Long Range Transportation Plan.
- Complete environmental clearance for preliminary engineering for the Exposition to Robertson LRT Project.
- Collect data for state-of-the-art freight model.
- Support 2006 Countywide Call for Projects Re-certification and De-obligation activities.
- Review federal, state and local legislative initiatives and policy issues (i.e. TEA-LU/SAFETEA, Proposition 42, SB 45, etc); support federal, state and local legislative requests (e.g. FY06 and FY07 USDOT Appropriations).
- Prepare FY06 Countywide Funding Sources Guide that provides descriptive array of key financial resources for Metro and Los Angeles County.
- Implement actions resulting from FY05/06 budget reductions, including:
  - ♦ Longer lead-time requirements for MOU and LOA processing, grant applications, State TIP amendments, local return

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- questions, and Benefit Assessment District appeals.
- ♦ Reduced oversight of the Metrolink and regional EZ Transit Pass programs.
- Initiate consultant contract for Route 2 EIR/EIS.
- Initiate consultant work on Goods Movement Action Plan.
- Begin deployment for bus signal priority on four Metro Rapid corridors outside of the City of Los Angeles.
- Initiate Design/Build Soundwall on SR-134.
- Extend Wilshire bus lane to I-405.
- Reduce real estate acquisitions for I-5/ Carmenita Interchange.
- Continue Crenshaw Corridor enhancements.
- Continue SFV North-South Corridor enhancements.
- Expand joint development activity.
- Conduct I-710 Gap Closure Tunnel Feasibility Assessment.
- Conduct Route 57/60 Technical Feasibility Analysis.
- Complete Countywide Bicycle Strategic Plan.

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## Countywide Planning & Development Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Transportation Dev & Implementation	62	52	48
2 Programming & Policy Analysis	35	31	30
3 Long Range Planning & Coordination	29	23	22
4 Executive Office, Reg Transp Plan & Dev	4	4	4
5 <b>Countywide Planning &amp; Development Total FTEs</b>	<b>130</b>	<b>110</b>	<b>104</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
6 Transportation Dev & Implementation	\$ 19,581	\$ 25,000	\$ 20,822
7 Programming & Policy Analysis	630,070	815,417	746,931
8 Long Range Planning & Coordination	4,811	5,038	4,237
9 Executive Office, Reg Transp Plan & Dev	657	522	543
10 <b>Countywide Planning &amp; Development Total</b>	<b>\$ 655,119</b>	<b>\$ 845,977</b>	<b>\$ 772,532</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
11 Wages & Benefits	\$ 13,294	\$ 12,299	\$ 12,133
12 Services	14,583	21,935	17,034
13 Materials & Supplies	449	523	168
14 Other Support	201	350	310
15 Acquisitions	198	571	-
16 Equipment	-	227	625
17 Subsidies	626,394	810,071	742,262
18 <b>Countywide Planning &amp; Development Total</b>	<b>\$ 655,119</b>	<b>\$ 845,977</b>	<b>\$ 772,532</b>



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## Countywide Planning & Development: Key Performance Plans and Measures

<b>Goal: Provide leadership for the region's mobility agenda</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Provide quality planning, technical analysis and programming</b>				
% of MTA-sponsored plans and projects within 10% of schedule	100%	80%	85%	80%
% of projects on budget	100%	90%	90%	90%
% of scope of work for I-710 South Corridor EIR/EIS developed	n/a	0%	10%	100%
% of Route 57/60 Interchange Technical Feasibility Analysis completed	n/a	5%	15%	100%
% of I-710 Gap Closure Tunnel Feasibility Assessment completed	n/a	20%	30%	100%
% of participation at COG/COG working group meetings related to transportation issues	n/a	90%	95%	90%
% of Technical Advisory Committee (TAC) meetings chaired	n/a	100%	100%	100%
% of technical studies for Crenshaw Corridor Short-Term Transit Enhancements completed	n/a	0%	20%	100%
% of Multi-County Goods Movement Action Plan completed	n/a	5%	20%	50%
% of plans developed to extend the dedicated bus lane in West LA from Federal toward the I-405 Freeway	n/a	n/a	n/a	100%
% of draft EIS/EIR for environmental clearance of Glendale Corridor - Route 2 terminus completed	n/a	n/a	10%	50%
% of PSR for several low-cost improvements to 101 Corridor Study completed	n/a	n/a	n/a	100%
% of Design/Build Soundwall Demonstration Project on SR-134 design work completed	n/a	n/a	n/a	30%
% of Bicycle Strategic Plan completed	n/a	n/a	n/a	100%
# of additional public agencies added to the RIITS network	n/a	n/a	n/a	3
% of STIP allocation requests received	95%	100%	100%	100%
% of STIP time extension requests received	85%	100%	100%	100%
% of FAP Program funding allocated on schedule	100%	100%	100%	100%
# of financial forecasting model runs completed	2	2	2	2
# of funding sources matrix updates completed	1	1	1	1
# of revenue demand charts for major funding sources completed	1	1	1	1
\$ available to pay on invoices received (for subsidies to others)	\$602M	\$683M	\$750M	\$743M
% of Local Return forms turned around within prescribed time	100%	100%	100%	100%
% of applications needed to be filed for LA County projects and programs sponsored by others	99%	100%	100%	100%
% of grant applications needed to be filed for Metro projects	100%	100%	100%	100%
% of MOUs and LOAs developed and submitted for processing	100%	100%	100%	100%
% of MOUs developed and submitted for processing (cities)	100%	100%	100%	100%
% of MOUs developed and submitted for processing (muni ops)	100%	100%	100%	100%
\$'s received from Benefit Assessment Districts	\$14.3M	\$18.0M	\$20.0M	\$20.0M
% of reassessment requests received and processed on schedule	100%	100%	100%	100%
Implement the Congestion Management Program's annual conformity process	100%	100%	100%	100%
Update the L RTPin accordance with scheduled actions.	n/a	100%	100%	100%
Perform New Starts analyses per FTA-set submittal deadlines	100%	100%	100%	100%

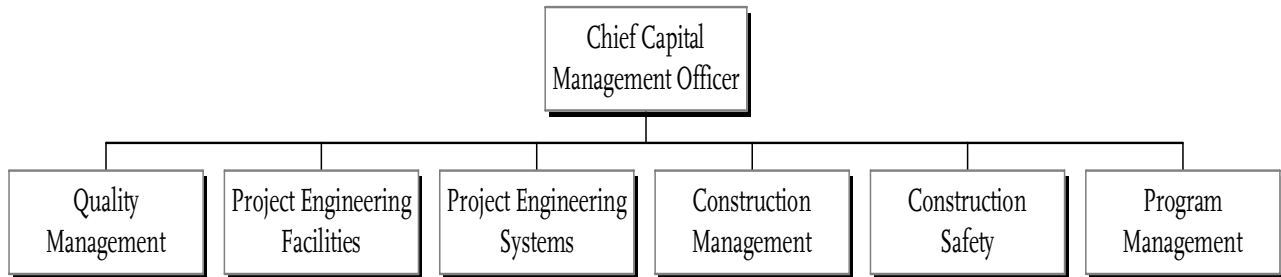
## Countywide Planning & Development: Key Performance Plans and Measures continued

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
% employees completed safety training	97%	100%	100%	100%

<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Implement innovative technologies</b>				
# of Metro Rapid corridors implemented	4	3	5	4

# CONSTRUCTION PROJECT MANAGEMENT

## Organization Chart



### Introduction

Construction Project Management is responsible for providing engineering services and construction oversight for rail projects, transit corridors, capital projects, and rail engineering service requests. The primary focus during FY06 is the completion of the Metro Orange Line busway and bikeway construction and systems installation and testing to allow for public opening; the Eastside Extension completion of the underground station box excavations, the start of tunneling operations, and completion of the 101 Freeway overcrossing structure; 90% completion of the Canoga Station/Park and Ride; completion of preliminary engineering design, real estate acquisition and award of the design/build contract for the Mid-City Exposition LRT Project; and, the continuation of closeout and claim settlements on all open contracts.

### Executive Office

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

and administrative guidance and assistance.

### Quality Management

Quality Management is responsible for the implementation of administrative and control measures. These measures are in effect during design, procurement, construction, installation, testing, start-up and turnover that ensure the transit system meets the expectations of our customers.

### Engineering

Engineering is responsible for the cost-effective provision of design and other engineering professional services from preliminary engineering through final design and construction of bus and rail projects. These projects range from minor updates of rail facilities and wayside systems to design of major rail projects. The Engineering Department includes Project Engineering Facilities and Project Engineering Systems. Project Engineering Facilities' main responsibilities are to provide design reviews of major capital projects such as the Metro Orange Line, the Metro Gold

Line Eastside Extension, and the Mid-City/Exposition Light Rail Transit Project.

### **Project Engineering Systems**

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

### **Construction Management**

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

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

Environmental Compliance/Services (EC/S) provides environmental clearance for Metro projects and ensures compliance with the provisions of federal, state and local laws, regulations and guidelines related to impacts of the projects on the environmental and cultural resources. EC/S is responsible for providing the appropriate plan to mitigate contamination impacts, maintaining compliance with all environmental regulations pertaining to hazardous wastes and materials, monitoring environmental contractors working on projects, and providing regulatory interface to resolve Metro concerns.

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

### **Construction Safety**

Construction Safety is responsible to ensure the highest level of safety in the workplace on all construction projects, including the Metro Orange Line, the Metro Gold Line Eastside Extension, and capital projects. The staff oversees all safety related activities for the Construction Project Management Division.

### **Program Management**

Program Management is responsible for planning, scheduling, budgeting, tracking, reporting, analyzing, and forecasting the impact of engineering, construction, and Rail Capital Projects.

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

This department also provides timely and accurate configuration management of contract changes and all documentation in support of Construction Project Management projects.

### **Significant Events in FY06**

- Commencing in FY06, capital program activity will be budgeted in the enterprise fund.
- Metro Orange Line: The FY06 program includes funding for Contract C0675 Design/Build to complete construction of the busway and bikeway. Work will entail completing busway and bikeway construction and systems installation,

- landscaping and contract close out activities.
- Canoga Station/Park and Ride: The FY06 program includes funding for starting and substantially completing construction, which will include a new station, surface park and ride spaces and one-third mile extension of the busway.
  - Metro Gold Line Eastside Extension: The FY06 program includes funding for completion of both underground station box excavations; delivery of tunnel boring machines and start of tunneling operation; excavation and construction of the east and west portals; procurement of systems equipment; and completion of the 101 Freeway overcrossing structure.
  - Mid-City/Exposition LRT Project: The FY06 budget includes funding for completion of preliminary engineering, initiation of final design and construction, third party utility relocations; real estate acquisitions; and award of the design/build contract.
  - P2550 Rail Cars: The FY06 Light Rail Vehicle (LRV) program includes delivery of approximately 20 new LRV cars of the total 40 cars. The FY06 program also covers payments for completed manufacturer's engineering milestones.
  - Capital Projects: The FY06 budget includes costs for engineering design and construction activities for the completion of construction of the Light Rail Divisions 11, 21, and 22 improvements which includes the blow down pit and enclosure structure, main shop expansion and car wash, environmental inspection and environmental remediation activities, and various rail facilities and wayside system upgrades.

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## Construction Project Management Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Construction	34	26	21
2 Program Management	38	33	27
3 Engineering	28	17	14
4 Quality Management	14	11	9
5 Construction Safety	7	5	4
6 Executive Office, Construction Project Mgmt	14	14	13
7 Construction Project Management Total FTEs	135	106	88

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
8 Construction	\$ 3,116	\$ 2,948	\$ 2,180
9 Program Management	3,903	3,901	3,350
10 Engineering	3,062	1,871	1,540
11 Quality Management	1,419	1,234	1,118
12 Construction Safety	617	569	460
13 Construction Contracts	149,087	374,546	329,213
14 Executive Office, Construction Project Mgmt	1,529	2,289	2,804
15 Construction Project Management Total	\$ 162,731	\$ 387,358	\$ 340,664

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
16 Wages & Benefits	\$ 13,406	\$ 12,006	\$ 10,327
17 Services	19,408	45,974	28,451
18 Materials & Supplies	264	429	623
19 Casualty & Liability	17	3,490	-
20 Other Support	202	608	349
21 Acquisitions	128,113	324,651	300,914
22 Equipment	1,188	200	-
23 Subsidies	132	-	-
24 Construction Project Management Total	\$ 162,731	\$ 387,358	\$ 340,664

## Construction Project Management: Key Performance Plans and Measures

<b>Goal: Deliver quality capital projects on time and within budget</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Design and build quality projects</b>				
<b>Orange Line</b>				
Achieve Contract C0675 Design/Build Milestone 3 Systems Complete, Milestone 4A Tujunga to Van Nuys, Milestone 4B Van Nuys to Warner Center and Milestone 4C Substantial Completion to allow Revenue Operations to commence for the public	n/a	n/a	n/a	30-Sep-05
Complete all remaining work including landscaping except reliability demonstration testing	n/a	n/a	n/a	31-Dec-05
Closeout C0675 Design/Build contract except for remaining reliability demonstration testing which continues into FY07	n/a	n/a	n/a	30-Jun-06
<b>Canoga Station/Park and Ride</b>				
Issue construction Notice to Proceed and begin Contract C0739 construction.	n/a	n/a	n/a	30-Sep-05
Substantially complete Contract C0739.	n/a	n/a	n/a	30-Jun-06
<b>Gold Line Eastside Extension</b>				
Excavate 1st/Boyle shaft and setup to receive Tunnel Boring Machines (TBM's)	n/a	n/a	n/a	30-Sep-05
Begin tunnel operations	n/a	n/a	n/a	31-Dec-05
Issue all design packages as Approved for Construction (AFC)	n/a	n/a	n/a	30-Jun-06
Caltrans construction contractor (101 Freeway Overcrossing) turns over abutment 10 to C0803 contractor	n/a	n/a	n/a	30-Jun-06
Procurement of major systems components to begin	n/a	n/a	n/a	30-Jun-06
<b>Mid-City/Exposition Light Rail Transit</b>				
Complete Preliminary Engineering	n/a	n/a	n/a	30-Sep-05
Issue "Negotiated Design Build" contract for Solicitation of Bids	n/a	n/a	n/a	30-Sep-05
MTA Board approval of the FEIS	n/a	n/a	n/a	31-Dec-05
Start Third Party Utility Relocations	n/a	n/a	n/a	31-Dec-05
Obtain Record of Decision from the FTA	n/a	n/a	n/a	31-Mar-06
Award the Design-Build Contract for the Mid-City/Exposition LRT Project	n/a	n/a	n/a	31-Mar-06

## Construction Project Management: Key Performance Plans and Measures, continued

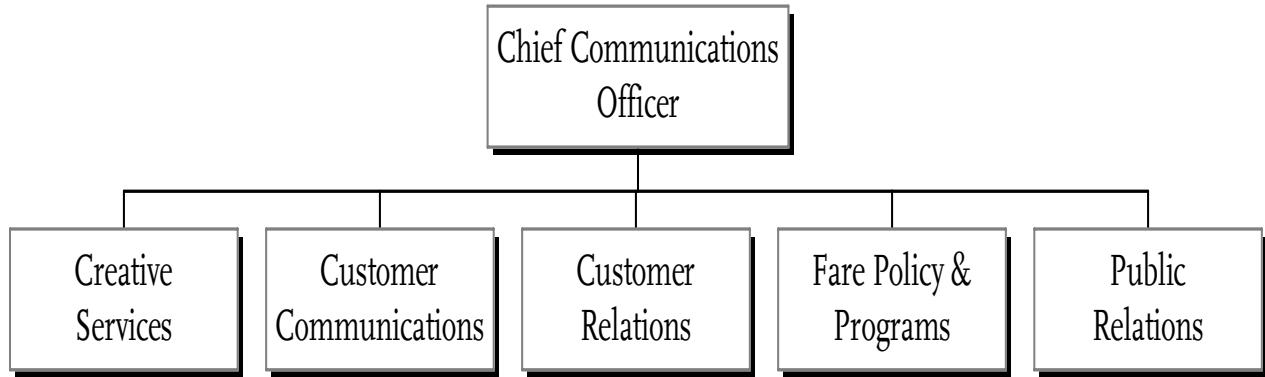
<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve, expand, and add operating facilities</b>				
<b>Division 11</b>				
Complete 45 % of project construction	n/a	n/a	n/a	30-Sep-05
Complete 65% of project construction	n/a	n/a	n/a	31-Dec-05
Complete 95% of project construction and initiate close out of design/build contract	n/a	n/a	n/a	31-Mar-06
Complete 100% of project construction and continue contract close-out	n/a	n/a	n/a	30-Jun-06
<b>Division 21</b>				
Start 30% design of Main Shop Expansion and Car Wash	n/a	n/a	n/a	31-Sep-05
Start contract procurement process	n/a	n/a	n/a	31-Dec-05
Complete contract procurement process	n/a	n/a	n/a	31-Mar-06
Award Design/Build contract for Main Shop Expansion and Car Wash	n/a	n/a	n/a	30-Jun-06
<b>Division 22</b>				
Complete Blow Down pit and enclosure construction, start contract close out	n/a	n/a	n/a	31-Sep-05
Start procurement process for crossover track and tire press machine	n/a	n/a	n/a	31-Dec-05
Start construction of crossover track and install tire press machine	n/a	n/a	n/a	30-Mar-06

<b>Goal: Deliver quality capital projects on time and within budget</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Work with contractors to provide a safe work site to minimize lost time accidents</b>				
<b>Incident Statistics</b>				
Monthly publication of injury and incident summary reports for each Major Capital Project and smaller operations Capital Projects as a whole	n/a	n/a	n/a	100%
Use monthly reports to monitor and respond to (through various interventions) developing negative trends in the incident data	n/a	n/a	n/a	100%
Use monthly reports to monitor and reward/recognize developing positive trends in the incident data	n/a	n/a	n/a	100%



## COMMUNICATIONS

### Organization Chart



### Introductions

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

### Executive Office, Communications

The Communications Executive Office oversees and directs the activities of the organization to increase awareness and improve public perception of Metro and its services, to create a positive image of Metro, to attract discretionary riders, and to position Metro as the recognized transportation leader both regionally and nationally. In addition, the group is responsible for developing and implementing new programs and services that enhance transportation options for Los Angeles County residents.

### Creative Services

Creative Services provides design services (graphic design, environmental graphics, graphic standards, photography and illustration), production management (procurement and trafficking), website management (design and coordination) and implementation of Metro's public art policy (Metro Art), which includes community involvement and artist participation in the development of Metro's transit system and provides free docent-guided tours.

### Customer Communications

Customer Communications promotes awareness and use of Metro programs, projects and services through informational materials, signage, advertising and corporate sales promotion. The department markets existing routes and service enhancements as well as a complete line of alternative transportation, pass and rideshare programs to area employers, educational institutions,

current and potential riders, and the general public. The group includes internal printing services, manages all purchased media as well as revenue contracts for advertising on Metro buses, and handles internal employee communications.

### **Customer Relations**

Customer Relations provides one-on-one regional transportation information through 1-800-COMMUTE, offering route, schedule and fare information, in addition to processing customer input and complaints. The department also handles official correspondence written on behalf of Board members and Metro executive staff, manages customer response analysis and operates the Metro Customer Information Distribution Center.

### **Fare Policy and Programs**

Fare Policy and Programs handles the overall development, implementation and compliance of agency-wide fare policies, develops and manages fare programs and oversees fare media production and distribution to Metro bus divisions, Customer Service Centers and vendor outlets. In addition, the group works with contracted and municipal bus operators regarding Interagency and Metro to Muni Transfers, and is responsible for various elements related to the implementation of the new UFS and TAP programs.

### **Public Relations**

Public Relations manages media relations, special events, production of Metro cable shows and videos, commercial filming, the Metro Store and employee activities. It informs the public about Metro's activities via press releases, media features,

community speakers and Metro's internal and external websites.

### **Significant Events in FY06**

- Launching the Metro Orange Line will be of primary focus early in the fiscal year. With new services and new vehicles being introduced throughout the system, ridership-building efforts will have the highest priority.
- Increasing awareness of available service to local communities will be a new ridership initiative for FY06. The goal is to use targeted service marketing and ridership promotions to make more people aware of the Metro services available at a local level.
- Rolling out the UFS/TAP smart card system will be a major educational undertaking for the agency. As the system phases in over the next two years, it will involve a complete makeover of the retail and customer service sales network as well as a huge customer communication effort.
- Fare Policy and Programs will take proactive measures in anticipation of UFS/TAP smart card implementation. In addition to phasing tokens out of the system, management will develop strategic plans for the department, including a transition process for reduced fare customers and utilization of Customer Centers. Besides reducing Metro Customer Information Centers from six to four, other changes include full implementation of K-12 Photo-less Student Fare Card program; expansion of E-Commerce On-Line Pass sales for monthly fare media; and support fulfillment needs for New Resident and Employer Programs.

- With Metro now offering a complete line of transit and rideshare programs, business-to-business marketing will expand in an effort to get more local businesses to provide subsidized transit passes and rideshare incentive programs to their employees.
- Upgrading system signage and customer amenities will be a focal point in FY06. Metro Art will take a closer look at customer amenities and develop standard designs that may be used at multiple facilities.
- Following three years of program improvements, modifications and consolidations, an update of the rideshare study will be initiated to identify what impacts have been made and where additional opportunities may lie.
- Survey research activities to measure customer satisfaction, general public opinion and impacts from new Metro services initiatives will be streamlined to improve cost effectiveness.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## Communications Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Creative Services	18	14	14
2 Customer Communications	33	26	30
3 Customer Relations	118	102	108
4 Fare Policy & Programs	43	44	23
5 Public Relations	15	12	10
6 Executive Office, Communications	10	11	8
7 Communications Total FTEs	237	209	193

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
8 Creative Services	\$ 3,067	\$ 3,391	\$ 2,552
9 Customer Communications	11,384	10,849	10,183
10 Customer Relations	6,993	6,769	7,339
11 Fare Policy & Programs	4,087	5,800	3,999
12 Public Relations	3,145	2,653	2,303
13 Executive Office, Communications	2,052	2,038	2,348
14 Communications Total	\$ 30,728	\$ 31,501	\$ 28,724

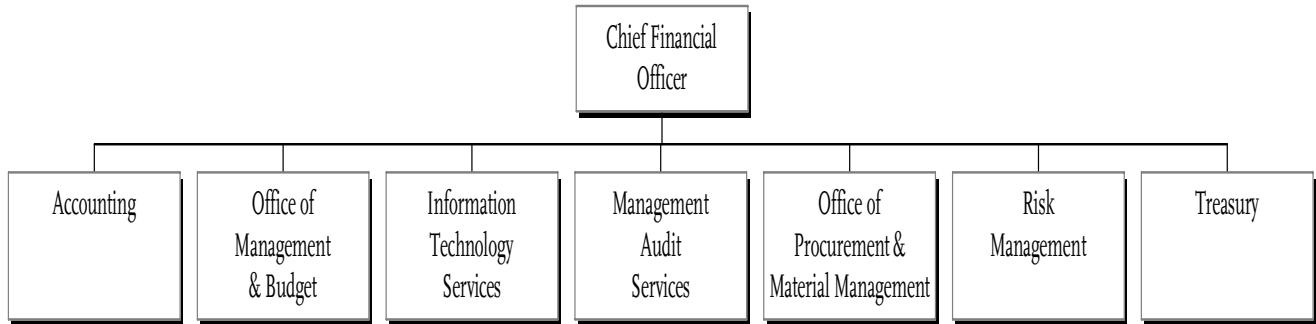
<b>Expenditure Types (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
15 Wages & Benefits	\$ 16,607	\$ 16,132	\$ 15,191
16 Services	7,035	9,375	8,086
17 Materials & Supplies	1,122	1,138	1,145
18 Other Support	5,732	4,493	4,049
19 Acquisitions	232	362	253
20 Communications Total	\$ 30,728	\$ 31,501	\$ 28,724

## Communications: Key Performance Plans and Measures

<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve service quality and capacity for bus and rail systems</b>				
Average wait time on 1-800-COMMUTE (min:sec)	2:28	3:48	5:30	5:15
Value of positive news coverage in print and broadcast media, as equivalent value of advertising	\$3,530,000	\$15,762,074	\$7,000,000	\$5,000,000
Total radio reach/frequency (percentage of targeted audience that heard radio ad/number of times ads were heard)	89%/11.0	77%/11.0	75%/8.0	75%/6.0
Total newspaper ad distribution per quarter, in 000's (total distribution of newspapers that carried ad times # of ads run in qtr)	56,964	59,278	58,000	54,000
Total revenue generated from film leasing	\$703,697	\$606,676	\$550,000	\$550,000
Number of active employer worksites using Metro Commute	n/a	n/a	n/a	1,075
Passes sold monthly through employer accounts	7,385	7,694	9,130	10,043
Rideshare Incentive participants (mainly new Rideshare participants at employer worksites)	n/a	n/a	n/a	20,000
Number of vanpools in LA County	693	945	960	975

## SUPPORT SERVICES

### Organization Chart



### Introduction

Support Services, headed by the Chief Financial Officer (CFO), provides cross-functional administrative and financial services to support the Metro's core business units. Support Services is comprised of departments and resources that serve all operating units.

evaluations of budget variances. Accounting also records Metro's project accounting, capital assets, fare media, payroll, accounts payable, and accounts receivable transactions through the Financial Information System (FIS).

### Chief Financial Officer

The CFO oversees seven departments: Accounting, Management & Budget, Information Technology Services, Management Audit Services, Procurement & Material Management, Risk Management, and Treasury. The CFO also provides support for Metro's operating and capital plans.

### Management & Budget

The Office of Management & Budget (OMB) develops the annual operating, capital, and subsidy budgets; prepares revenue and expense projections; prepares the annual revision to the 10-Year Forecast; maintains the CEO's Scorecard, manages operating and capital expenditure and revenue plans; and conducts special studies that analyze key business activities.

### Accounting

Accounting generates financial reports and analyses used to support Metro's financial activities and reporting and auditing requirements. This encompasses bond issues, billing and reporting to funding partners, and management

### Information Technology Services

Information Technology Services (ITS) is responsible for the development, implementation, operation, maintenance, and technical support of Metro's computer

systems and integrated communications network.

### **Management Audit Services**

Management Audit Services' mission is to provide highly reliable, independent, objective assurance and consulting services, designed to improve Metro's operations. The department accomplishes this by bringing a systematic, disciplined approach to evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

Management Audit Services assists the Chief Executive Officer and his management team by providing the following services: a) test and report on the evaluation of internal controls throughout the agency, b) conduct compliance reviews to applicable laws and regulations, c) review financial and management data for accuracy, completeness and reliability, d) conduct performance audits of operations and processes to ensure agency resources are managed economically, efficiently, and effectively, e) perform management control self-assessments (CSA), f) perform contract and contract change order audits as required by law and Board adopted policy, g) perform audits of grantees in accordance with grants and Memoranda of Understanding (MOUs), h) pre-qualify vendors in compliance with law and Board adopted policy and, i) track and resolve all external and internal audit findings as required by OIG policy and Generally Accepted Government Auditing Standards.

### **Procurement & Material Management**

Procurement & Material Management's mission is to deliver cost effective, value-added services that are responsive to and supportive of clients.

#### ***Executive Office, Procurement & Material Management***

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

#### ***Material Management***

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

#### ***Contract Administration***

Contract Administration performs acquisition planning, coordinates agency pre-award actions to produce executable contracts and then performs post-award contract administration, claims/change order processing/negotiation, contract close-out, and unencumbers physically complete contracts for the agency's strategic business units. It also supports

the procurement of all small purchase non-inventory requirements and administers the Metro purchasing card program.

### ***Client/Vendor Services***

Client/Vendor Services oversees and manages the administrative processes and business information systems in support of Procurement and Material Management and their clients. This includes five major functional areas: operation of the Automatic Storage and Retrieval System (40,000 random storage locations); support of the purchase order module of the Financial Information System (FIS); maintenance of the vendor data base and related systems including the department's Internet and Intranet web sites; management and control of documents, reports and records; and the planning and deployment of major systems, such as M3, FIS, Internet Procurement, Internet Supplier Portal, Purchasing Intelligence, e-Marketplace, and TransportMax.

### **Risk Management**

Risk Management is responsible for protecting Metro's assets through the identification, management, and control of insurable risks. These responsibilities include management and oversight of the following: workers' compensation claims administration (including special investigations); general liability claims administration; the placement and administration of appropriate insurance programs; self-insured liability reserves through risk financing techniques; and the recovery of insurance proceeds for damage to Metro property.

### **Treasury**

Treasury forecasts, monitors, and manages cash requirements; oversees and directs the investment of available funds and debt proceeds; and administers the debt program. The Pension and Benefits unit administers all facets of group health and welfare plans, pension plans, 401(k) and 457 deferred compensation, and unemployment insurance, and provides retirement and financial counseling programs. The Revenue Administration unit collects, counts, and deposits fare revenue; inspects and monitors fare collection facilities, equipment, and procedures; participates with law enforcement to counteract counterfeit fare media; and maintains and repairs Ticket Vending Machines (TVMs) fare collection equipment.

### **Significant Events in FY06**

#### ***Accounting***

- Implement use of electronic invoicing for selected large volume vendors to reduce manual processes.
- Implement FIS' cash management module to increase internal controls and efficiencies in recording cash transactions.
- Refine new financial reporting module to provide financial statement readers with comprehensive and easily understood financial information.
- Refine Cost Allocation Plan methodologies to respond to both management and funding requirements.



- Implement employee time reporting to improve internal controls by submitting approved time sheets and reducing duplicative data entry.

***Office of Management & Budget***

- Revise financial schedule formats to comply with Governmental Accounting Standards Board requirements for consolidating financial information into either business-type or governmental activities.
- Implement additional components in the integrated performance monitoring management system (CEO's Scorecard).
- Continue enhancement of the Budget Information and Analysis System (BIAS) to automate manual processes within the system and reduce turnaround time.
- Develop life-of-project reporting in FIS for capital projects.

***Information Technology Services***

- Budget reductions have resulted in staffing levels going from 142 in FY05 to 136 in FY06.
- The new ITS Telecommunications Transmission Project will be initiated. Scheduled completion is in FY09.
- Capital projects scheduled for completion in FY06 include upgrades to the Maintenance and Material Management (M3) and the Hastus Scheduling System.

***Management Audit Services***

- The department was reorganized and streamlined. Staff was reduced by 21% with a 40% reduction in managers. The overall department budget was reduced by 23%.
- For the first time, the annual audit plan was submitted to Executive Management and the Board for input and approval in conjunction with the budget process.
- The department is focusing more resources on the review of information systems given the importance and impact of information systems to the agency.
- The department is evaluating automated audit workpaper software to determine the most cost-effective and efficient programs available for future implementation.
- A Peer Review will be completed to comply with the requirements of Generally Accepted Government Auditing Standards.

***Procurement & Material Management***

- Refine M3 operations without impacting material support to transit operations.
- Consolidate procurement support to all Strategic Business Units under one Deputy Executive Officer.
- Establish a Statement of Work certification program to improve Agency efficiency and effectiveness.

***Risk Management***

- Eliminated eight consultant positions, primarily in the Workers' Compensation area, by implementing efficiency improvements that resulted in fewer open claims.
- Implement a chargeback program for general liability expenses to create a greater awareness of these expenses.

***Treasury***

- Outstanding debt will increase \$332 million over the fiscal year.
- The Pension and Benefits unit assumed direct control of the ATU health and welfare trust fund in FY05. The unit will increase their participation in the administration of the TCU and UTU health and welfare trust funds in FY06.
- The volume of currency received in fare boxes and TVMs has significantly increased since the implementation of the Day Pass with the following affects:
  - ♦ One-dollar bill processing costs will increase 260% over FY05 for the currency "sold" to the contracted vendor.
  - ♦ Large bill (\$2 - \$100) processing expenses will increase since these bills are manually counted in-house.

- The Revenue Administration unit will integrate the following tasks without increasing staff:
  - ♦ Maintain fare collection equipment and collect revenue from thirteen new stations on the new Orange Line.
  - ♦ Provide project implementation support and maintain the new UFS fare boxes on buses and new TVMs at rail stations.
  - ♦ Supply administrative support for the new Transit Access Pass (TAP) smart card program.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## Support Services Reports

Department FTEs	FY04 Budget	FY05 Amended	FY06 Budget
1 Accounting	83	82	78
2 Treasury	65	65	62
3 Office of Management & Budget	22	22	20
4 Information Technology Services	154	142	132
5 Management Audit Services	55	38	30
6 Procurement & Material Management	258	237	226
7 Risk Management	40	47	47
8 Office of the CFO	2	2	2
9 Support Services Total FTEs	679	635	597

Expenditures (Amounts in thousands)	FY04 Actual	FY05 Amended	FY06 Budget
10 Accounting	\$ 9,530	\$ 11,183	\$ 10,325
11 Treasury	308,381	334,666	331,353
12 Office of Management & Budget	2,408	2,519	2,446
13 Information Technology Services	31,630	26,667	23,143
14 Management Audit Services	5,948	5,474	4,176
15 Procurement & Material Management	24,662	26,008	24,609
16 Risk Management	9,752	11,531	11,550
17 Office of the CFO	356	373	392
18 Support Services Total	\$ 392,667	\$ 418,422	\$ 407,995

Expenditure Types (Amounts in thousands)	FY04 Actual	FY05 Amended	FY06 Budget
19 Wages & Benefits	\$ 48,416	\$ 48,263	\$ 47,726
20 Services	28,753	40,301	35,256
21 Materials & Supplies	4,538	5,024	4,507
22 Casualty & Liability	7,315	7,280	6,629
23 Other Support	10,858	14,958	16,879
24 Acquisitions	2,647	1,850	1,080
25 Equipment	345	-	-
26 Subsidies	2,269	-	-
27 Debt	287,526	300,746	295,918
28 Support Services Total	\$ 392,667	\$ 418,422	\$ 407,995

## Support Services: Key Performance Plans and Measure

### Accounting

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Conduct monthly performance monitoring reviews to assess financial performance.</b>				
# of days to pay invoices from invoice date	35	30	26	25
% reduction in number of unprocessed/unmatched invoices over 90 days outstanding from previous year	5%	20%	5%	10%
# of days to pay properly approved Expense Reports from submittal date	6	6	3	3
# of days from month end to submit accurate grant billings	8	7	7	7
% of errors in total paychecks, including special checks issued	2%	1%	1%	1%
% reduction from previous year-end in the amount of uncollected accounts over 90 days outstanding	64%	34%	15%	10%
# of calendar days to complete the CAFR	180	121	150	120
# of working days to complete FTA Quarterly Financial Report submittals	45	45	45	45
# of days to submit annual NTD Report from year end close	113	120	120	120
# of calendar days to complete Proposition A&C audit from year-end	n/a	120	120	120
# of calendar days to submit State Controller's Report from quarter- end	83	90	90	90
# of calendar days to submit BAD Reports from year-end close	n/a	150	150	150
# of working days to complete month-end financial closing	9	12	11	7
# of FIS accounting and end user reports, including service sector, developed every quarter	4	2	2	2
% of returned fare media stock (passes/discount stamps) compared to total issued/delivered to agents/vendors	34%	45%	25%	25%
Complete indirect cost plan preparation within six months from completion of year-end audits	6/30/03	6/30/04	6/30/05	5/31/06
# of working days to prepare activity based costing (ABC) and quarterly financial reports from the quarter-end closing	n/a	3	3	3

<b>Goal: Develop an effective and efficient workforce.</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety conscious culture throughout Metro and its customers and business partners</b>				
% of employees sent to Safety training	100%	100%	100%	100%
Develop programs and materials to promote safety and reduce injuries in the department, per quarter	1	1	2	2

***Office of Management & Budget***

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Manage the approved budget</b>				
Percent of budget expended (budget to actual)	87.5%	81.0%	75.0%	80.0%
Percent of revenue collected (forecast to actual)	92.1%	93.2%	95.0%	95.0%
<b>Objective: Implement an integrated performance monitoring management system.</b>				
Implement key performance indicators in Metro Scorecard	n/a	2	15	25
<b>Objective: Conduct monthly performance monitoring reviews to assess financial performance.</b>				
Maximum number of hours after pay date to access updated Metro scorecard data	n/a	n/a	36	36

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Invest in employee development.</b>				
Percent of OMB staff members who have attended at least one training class per fiscal year	100%	100%	100%	100%

## Support Services: Key Performance Plans and Measures, continued

### *Information Technology Services*

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Deliver consistent communication services to each Metro segment</b>				
Complete all ITS Work Order tickets promptly, professionally, and courteously. Customer rating (scale: 1-low to 5-high)	3.8	4.2	4.4	4.5
Application availability to the agency	99.7%	99.8%	99.8%	99.8%

<b>Goal: Deliver quality capital projects on time and within budget</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Develop Integrated Project Tracking System</b>				
Capital project schedule adherence	85.0%	95.0%	95.0%	95.0%

### *Management Audit Services*

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Implement an integrated performance monitoring management system</b>				
Percentage of audit plan completed	53%	74%	80%	90%
Sustention rate of audit questioned costs	86%	62%	58%	65%
<b>Objective: Improve the procurement process</b>				
Average number of days to complete vendor pre-qualification	17	15	15	15

Los Angeles County Metropolitan Transportation Authority  
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***Procurement & Material Management***

<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Acquire and deliver cost effective materials, parts, and supplies</b>				
Quarterly average No-stock hold as a percent of active fleet	0.14%	0.83%	0.50%	<1.0%

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve the procurement process</b>				
Percentage of invoices paid within 30 days	84%	90%	95%	95%
Percentage of cost estimates that are at or below the Estimating Department's stated standard cycle time	70%	75%	80%	70%
Average inventory material procurement cycle time (days)	n/a	8.92	8.50	9.00
Average non-inventory material/services procurement cycle time for IFB (days)	n/a	28.37	26.00	26.00
Average non-inventory material/services procurement cycle time for RFP (days)	n/a	40.75	42.00	45.00
Client feedback (scale: 1-low to 3-high)	n/a	2.91	2.90	2.00

***Risk Management***

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
# of new reported Workers' Compensation claims	1,987	1,607	1,498	1,430
# of new Workers' Compensation claims per 100 employees	21.40	16.80	16.10	15.40
Total number of lost work days	118,160	111,260	64,070	60,850
Number of lost work days per 100 employees	1,275	1,192	689	655
Number of new bus traffic accident claims	2,610	2,189	2,132	2,044
# of new bus traffic accident claims per 100K hub miles	2.67	2.44	2.06	1.98

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Manage the approved budget</b>				
Workers' Compensation Subrogation Recoveries	n/a	\$14,566	\$150,000	\$150,000
Public Liability/Property Damage Subrogation Recoveries	\$579,243	\$462,371	\$450,000	\$450,000
Workers' Compensation Chargeback per 100 employees	\$564,731	\$607,066	\$640,941	\$667,498

## Support Services: Key Performance Plans and Measures, continued

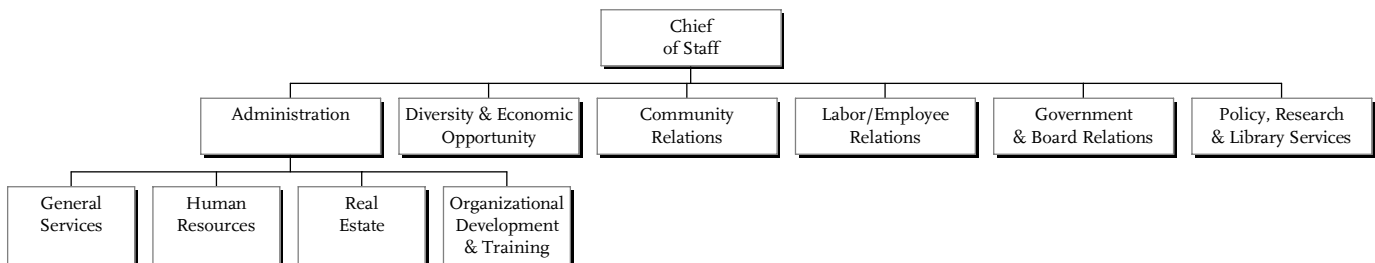
*Treasury*

<b>Goal: Exercise fiscal responsibility</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Conduct monthly performance monitoring reviews to assess financial performance</b>				
% of bond issues reviewed each quarter for refunding opportunities meeting the targets defined in the debt policy	100%	100%	100%	100%
% of financial statements delivered within time periods specified by covenants	75%	90%	90%	90%
% of insurance statements delivered to equity investors prior to policy expiration dates and within time periods specified by covenants	50%	60%	90%	90%
% of Positive Pay Exceptions resolved within 4 hours of notification	100%	100%	100%	100%
Operating Fund portfolios total return will equal or exceed the market weighted composite index of the 91 day T-Bill and the Merrill Lynch 1-3 yr Govt/Corp Index	>1.0	<=1.0	=>1.0	=>1.0
% of Retirement Applications processed within 30 days of receiving all required documentation	98%	95%	100%	100%
% of 401(k)/457 enrollment/payroll deductions and changes processed within the pay period submitted	100%	95%	100%	100%
% of Health and Welfare and benefit plan premiums paid by established due dates	100%	100%	100%	100%
% of system hours TVM's are out of service each quarter	12%	9%	6%	5%



## CHIEF OF STAFF

### Organization Chart



### Introduction

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

### Executive Office, Chief of Staff

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

### Administration

Administration is responsible for four essential functions: General Services, Human Resources, Real Estate, and Organizational Development and Training (OD&T). These functions support essential agency-wide activities and projects.

#### *Executive Office, Administration*

The Executive Office provides leadership and management oversight of administrative services such as building management and real estate services, human resources, ADA Compliance, and organizational development and training activities, as well as development of agency-wide administrative policies.

#### *General Services*

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

#### *Human Resources*

Human Resources furnishes administration and guidance on all aspects of personnel management for Metro

including recruiting and staffing, compensation, job classification, leave programs, and drug and alcohol compliance programs.

### ***Real Estate***

This department provides real estate services in the areas of appraisal, environmental investigations, property acquisitions, relocation, property management, and property dispositions.

### ***Organizational Development & Training***

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

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

### **Diversity & Economic Opportunity**

The Diversity and Economic Opportunity Department (DEOD) is responsible for developing and implementing Contract Compliance, Small Business Certification, Small Business Outreach, Equal Employment Opportunity, and Labor Compliance programs. The DEOD promotes diversity and economic development in the community through proactive and inclusive monitoring, mentoring, training, and outreach activity. DEOD is responsible for ensuring that decisions affecting employment practices and contracting are made without regard to sex (including sexual orientation), race, color, ancestry, religious creed, national

origin, physical and mental disability, HIV and AIDS, medical conditions (e.g., cancer), age (over 40), marital status, veteran status, or any other status protected by applicable federal or state statutes.

### **Community Relations**

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

### **Labor/Employee Relations**

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

### **Government & Board Relations**

Government Relations is the principal liaison to all federal, state and local elected

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

### **Policy, Research & Library Services**

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

### **Significant Events in FY06**

- Implement mitigation programs for Gold Line Eastside Extension.
- Streamline processes and focus on essential support of the agency to reduce costs.
- Dispose of surplus property and generate \$3.5 million in revenue.
- Restructure Metro's Community Relations function to improve its effectiveness and management. One-third of managers' time will be dedicated to Bus Sector support. They will also provide outreach support and coordination for Planning Area Teams and local government liaison while continuing to support capital projects and safety education.

Los Angeles County Metropolitan Transportation Authority  
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## Chief of Staff Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Administration	173	165	156
2 Diversity & Economic Opportunity	25	25	22
3 Community Relations	19	19	16
4 Labor/Employee Relations	22	21	19
5 Government & Board Relations	11	10	9
6 Policy, Research & Library Services	6	5	5
7 Executive Office, Chief of Staff	12	9	8
<b>8 Chief of Staff Total FTEs</b>	<b>268</b>	<b>254</b>	<b>235</b>

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
9 Administration	\$ 30,912	\$ 30,523	\$ 28,695
10 Diversity & Economic Opportunity	2,208	2,195	2,071
11 Community Relations	3,307	2,404	2,371
12 Labor/Employee Relations	2,050	2,207	2,183
13 Government & Board Relations	2,335	1,995	1,962
14 Policy, Research & Library Services	675	698	701
15 Executive Office, Chief of Staff	1,287	2,234	2,014
<b>16 Chief of Staff Total</b>	<b>\$ 42,776</b>	<b>\$ 42,257</b>	<b>\$ 39,999</b>

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
17 Wages & Benefits	\$ 26,360	\$ 21,547	\$ 21,500
18 Services	7,314	8,577	7,721
19 Materials & Supplies	1,015	1,081	777
20 Other Support	7,398	7,458	7,056
21 Acquisitions	656	655	4
22 Equipment	34	2,940	2,940
<b>23 Chief of Staff Total</b>	<b>\$ 42,776</b>	<b>\$ 42,257</b>	<b>\$ 39,999</b>

## Chief of Staff: Key Performance Plans and Measures

### *General Services*

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
Percent of safety work orders responded to and completed within 30 minutes of notification	100%	100%	100%	100%
<b>Objective: Deliver consistent communication services to each Metro market segment</b>				
% of public record requests provided in compliance with policies	98%	98%	98%	98%
% of staff record requests completed by time requested	n/a	n/a	98%	98%
<b>Objective: Streamline internal processes</b>				
Percent of mail distributions completed on-time	97%	97%	97%	98%
Percent of internally-generated, tracked packages delivered within 12 hours of pickup	n/a	n/a	98%	100%
Percent of externally-generated packages delivered within six hours	n/a	n/a	98%	100%
Percent of Copy Center jobs delivered on-time	90%	98%	90%	95%

### *Human Resources*

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
Reduce average number of lost work days per person on non-occupational leaves of absence by 10% by June 30, 2006	179	133	136	122
Reduce the average number of calendar days to complete a dialogue with an applicant/employee requiring a reasonable accommodation	n/a	56	49	45
<b>Objective: Recruit and select employees to meet job requirements</b>				
Maintain existing turnover rate at a level of 8% or less (excluding RIFs) throughout FY06 by providing total compensation information to employees	n/a	8%	10%	8%
Identify, project and address the future staffing needs of 25% of Metro's cost centers by June 30, 2006	n/a	n/a	n/a	50
<b>Objective: Streamline internal processes</b>				
Increase employee participation in the agency wide rideshare program by 10%	n/a	18%	24%	27%
Percent of employees that voluntarily resign or retire who return exit questionnaires	n/a	n/a	n/a	33%

## Chief of Staff: Key Performance Plans and Measures, continued

### *Real Estate*

<b>Goal: Provide leadership for the region's mobility agenda.</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Identify, program, secure and maintain funding for projects, programs and services countywide.</b>  Generate approximately \$16 million in annual revenue from the sale and short-term and long term lease of Metro real property assets, and the reimbursement of property management expenses from LADOT, SANBAG, and PBLCA	\$15,265,993	\$13,900,000	\$15,750,000	\$16,000,000

### *Organizational Development & Training*

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Invest in employee development</b>  Client satisfaction rating for Signal Synch classes (scale: 1=low to 5=high) Signal Technicians completing onsite training Client satisfaction rating for training & development sessions (scale: 1=low to 5=high) Cost per training participant Employees completing formal in-house training Employees/trainees completing training by non-Metro personnel, but hosted onsite	n/a	4.36	3.50	4.00
	n/a	140	300	300
	4.64	4.48	4.15	4.30
	\$44.85	\$46.78	\$49.50	\$53.35
	5,684	7,170	4,500	3,000
	n/a	112	200	200

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***Community Relations***

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Create a safety-conscious culture throughout Metro and its customers and business partners</b>				
Population reached through initiation of national distribution of CR Rail Safety CDs and videos requested by 20 other Transit Agencies/organizations	n/a	n/a	n/a	3,000,000
Number of individuals reached through safety presentations and the 3-D mobile theatre	n/a	250,000	300,000	1,500,000
Number of students reached through "On the Move" Education Outreach Program	n/a	78,000	79,000	90,000

***Labor/Employee Relations***

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Exerise consistent application of the collective bargaining</b>				
% of UTU grievances responded to within 45 days of hearing	91%	94%	95%	96%
% of ATU grievances responded to within 22 days of hearing	100%	100%	100%	100%
% of Injured Worker Advocate to make initial contact within 4 hours	n/a	99%	99%	99%

***Government & Board Relations***

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Deliver consistent communication services to each Metro</b>				
Number of meetings with Los Angeles County Congressional Delegation and Key Committee Members	70	88	88	100
Number of legislator and aide contacts established through briefings, meetings, and hosting events to communicate Metro's position on legislative matters of interest to the agency	75	75	75	200
Number of bi-monthly Policy Analysis Reports produced and distributed to Metro Board members and Executive Staff	25	25	25	25
Percent of Legislative Program implemented	95%	85%	100%	100%
Number of briefings conducted with Board members	24	24	24	25
Number of meetings with Southern Cal. Legislative Group, CTA, CTC, and Self-help Counties on transportation-related issues	12	12	12	30
Number of meetings with the Metro's Citizens' Advisory Council Executive and Full Committees	25	25	25	25
Number of Regional CEO Meetings attended	6	9	9	9
Number of Mobility-21 Advisory and Executive Committee meetings attended	22	24	24	24

## Chief of Staff: Key Performance Plans and Measures, continued

### *Policy Research & Library Services*

<b>Goal: Develop an effective and efficient workforce</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Streamline internal processes</b>				
Percent of newly-acquired materials catalogued and shelved within 5 days of receipt	85%	100%	100%	100%
Percent of reference and research questions answered within 48 hours	85%	100%	100%	100%
Number of documents per month downloaded from web pages for research needs	250	3,374	36,000	24,000
Number of items circulated via internal use, check-out, and interlibrary loans	1,725	2,242	2,500	3,000
Percent of Metro Board adopted policies summarized and published within 30 days of adoption	n/a	93%	100%	100%

### *Diversity & Economic Opportunity*

<b>Goal: Deliver quality capital projects on time and within budget</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Develop Integrated Project Tracking System</b>				
Evaluate and establish DBE/SBE/VALP goals on 95% of procurements over \$25K for construction , and over \$40K for professional services and commodities where subcontracting opportunities exist	90%	100%	100%	100%

<b>Goal: Provide leadership for the region's mobility agenda</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Provide quality planning, technical analysis, and programming</b>				
Receive and review Subcontractors Paid Report (Form 103) submitted by Prime Contractors on 100% of active projects with DBE/SBE goals to monitor Prime Contractors' performance in meeting their small business participation commitment and ensuring compliance with the prompt payment provisions	87%	89%	92%	95%
Track 100% of certified payroll reports to identify wage underpayments on Metro Public Works projects per Federal and State prevailing wage regulations	100%	100%	100%	100%
Provide thorough and prompt processing of internal discrimination complaints within 60 days to increase customer service to Metro employees.	60 days	78 days	62 days	60 days
Complete 100% of submitted certification applications within 90 days of receiving all required documentation per Federal Regulations	60%	88%	90%	100%



Los Angeles County Metropolitan Transportation Authority  
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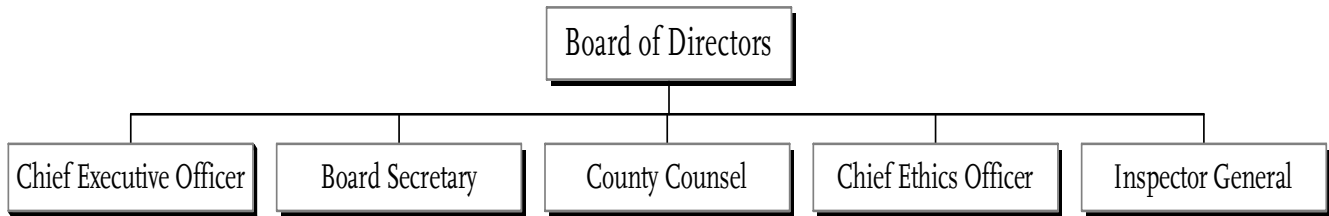
***Administration***

<b>Goal: Improve transit services</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Improve service quality and capacity for bus and rail systems</b>				
# of non-operator employees receiving ADA sensitivity training	n/a	0	25	100
# of inspections of accessibility features at rail stations	n/a	276	150	150

<b>Goal: Provide leadership for the region's mobility agenda</b>	<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Estimated</b>	<b>FY06 Target</b>
<b>Objective: Provide quality planning, technical analysis, and programming</b>				
Number of non-ADA compliant items identified in the Metro/ADA Transition Plan	n/a	n/a	25	5
Number of senior citizens receiving mobility training	n/a	n/a	500	550

## BOARD OF DIRECTORS

### Organization Chart



### Introduction

The Board of Directors establishes policies and authorizes appropriations of Metro. Reporting directly to the Board of Directors are the Chief Executive Officer, Board Secretary, County Counsel, Chief Ethics Officer, and Inspector General.

### Chief Executive Officer

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

The Chief Executive Officer works with staff, elected officials, and the community to bring consensus on key projects while at the same time improving the mobility and livability of Los Angeles County. As head of the organization, the Chief Executive Officer's direct reports include the Chief Planning Officer, Chief Capital Management Officer, Deputy CEO/Chief Operations Officer- Metro Operations, Chief Financial Officer, Chief of Staff, and Chief Communications Officer. These officers' units support the enterprise-wide

objectives and provide linkages to our employees and stakeholders including our business partners, the unions, and the community.

### Board Secretary

The Board Secretary is responsible for coordinating and overseeing Board meeting and Sector Governance Council processes including agendas, minutes, resolutions, and scheduling. The Secretary also oversees the Legal Services function, which is responsible for accepting and processing all legal documents served on LACMTA and its employees.

### County Counsel

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

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

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

### **Chief Ethics Officer**

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

### **Inspector General**

The Office of Inspector General (OIG), which was created under legislation that also created the LACMTA, reports directly to the Board.

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

The OIG conducts analyses, evaluations, and appraisals of performance effectiveness as well as of the accuracy of information systems. It is charged with the responsibility to detect, investigate, deter, and prevent fraud, waste, and abuse in Metro programs, operations, and resources.

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

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

## Board of Directors Reports

<b>Department FTEs</b>	<b>FY04 Budget</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Inspector General	32	24	23
2 Office of Board Secretary	12	12	12
3 Ethics Office	6	6	6
4 County Counsel	5	5	5
5 Chief Executive Office	1	1	1
6 Board of Directors Total FTEs	56	48	47

<b>Expenditures (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
7 Inspector General	\$ 3,174	\$ 2,893	\$ 2,908
8 Office of Board Secretary	638	1,010	1,102
9 Ethics Office	637	653	668
10 County Counsel	12,982	10,926	18,967
11 Board Office	148	164	151
12 Chief Executive Office	500	481	443
13 Board of Directors Total	\$ 18,079	\$ 16,127	\$ 24,240

<b>Expenditure Types (Amounts in thousands)</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
14 Wages & Benefits	\$ 4,969	\$ 4,460	\$ 4,981
15 Services	12,741	11,287	18,900
16 Materials & Supplies	135	57	57
17 Other Support	225	292	269
18 Acquisitions	-	-	4
19 Equipment	8	30	30
20 Board of Directors Total	\$ 18,079	\$ 16,127	\$ 24,240

## VII. Appendix

## APPENDIX 1: METRO BUDGET PROCESS

### Budget Overview

The annual budget, as adopted by the Board of Directors, is the legal authority to obligate and spend funds. It includes all operating, capital and debt service requirements of the LACMTA for the fiscal year, July 1<sup>st</sup> to June 30<sup>th</sup>. The annual budget is comprised of the operating budget, the capital program, subsidies to other agencies, and debt programs.

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

- All revenue and expenditure/expense assumptions and projections.
- Revenue service hours and miles of bus and rail service.

The operating budget includes Metro Bus and Metro Rail operations, Freeway Service Patrol (FSP), planning activities and projects, property management activities, debt service, and agency administration. The budget is comprised of two funds. The Enterprise fund includes all business-type activities such as bus and rail operations, capital projects, and debt service. The Governmental fund includes activities such as Special Revenue administration, Propositions A and C and TDA administration, and other General fund activities.

The capital budget process has been integrated into the annual budget process. The capital budget includes all capital projects including transit corridor and rail construction projects and the Capital

Program (CP). The CP consists of all activities associated with bus acquisition, bus and rail capital improvements, facility construction and other capital improvements such as information technology enhancements. When the Board of Directors approves a capital project, it authorizes the schedule and total expenditures over the life of the project.

Appropriations for the capital budget are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year. The approach to providing flexible funding over the life of a project authorizes staff to reappropriate unexpended revenues and expenses from the prior year.

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

Regional programs funded in the Special Revenue Fund include capital and operating allocations to municipal bus operators, direct disbursements to Los Angeles County municipalities for transportation programs, and services for

disabled persons provided by Access Services, Inc. (ASI).

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

### **Budget Workflow**

In accordance with the Financial Standards, the annual budget is adopted before July 1<sup>st</sup> to define the legal level of expenditures/expenses for the fiscal year. Budgeting for the fiscal year is divided into four phases: (1) budget formulation and preparation, (2) budget reviews, (3) budget adoption, and (4) budget implementation.

#### ***Budget Formulation and Preparation***

- Initial planning, development of assumptions, preparation of instructions and training materials began in January after a mid-year review of the FY05 budget.
- FY06 budget kickoff meetings were held with departments in early February 2005.
- Budget system training classes were held in February 2005.
- Preparation of the FY06 budget began in February 2005 with departments developing expense and labor requests that were submitted to their Executive Officers for approval before submittal to the Office of Management and Budget (OMB) in March.
- Capital Program expense and labor requests were submitted by departments to the assigned Project Manager for approval prior to being included in the department's budget request to their Executive Officer.

#### ***Budget Reviews***

- The Capital Program was developed concurrently with the annual operating budget. Recommendations for the update to the Capital Program were reviewed with Executive Management in January 2005.
- Project and department level reviews of budget requests were completed in March 2005.

#### ***Budget Adoption***

- A workshop was held for the Board of Directors on May 9, 2005.
- The budget document was released to the Board of Directors and public on May 4, 2005.
- The public hearing was held on May 19, 2005, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Program are planned for adoption at the May 26, 2005, meeting of the Board of Directors.

#### ***Budget Implementation***

- The FY06 Budget will be implemented on July 1, 2005.
- Periodic financial reports are prepared to enable management to monitor and control the budget.
- Quarterly financial reports are prepared by Finance and presented by the Chief Financial Officer to the Board of Directors. These reports monitor financial performance and ensure compliance with approved budget.

## Budget Basis

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

Funds are classified and budgeted into three categories: governmental, proprietary, and fiduciary. Governmental includes the General and Special Revenue funds. The proprietary category includes the Enterprise fund. The fiduciary fund category includes agency funds for the Benefit Assessment Districts (BADs). All governmental funds are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. The proprietary and fiduciary funds use the accrual basis of accounting in which revenue is recognized when it is earned or received.

Metro uses Special Revenue funds to account for those funds that are restricted by purpose and use. The Special Revenue fund reflects Metro’s responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County.

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

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

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

## Budget Policies and Procedures

The annual budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special programs and previously approved capital projects. The agency uses the zero-based budgeting methodology to determine resources for new programs and capital projects as well



as general and administrative expenses. Metro's chart of accounts is reviewed and supplemented on an as-needed basis.

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

For all Metro accounting funds, budgetary oversight and control is attained through checking available funds for non-labor transactions. Available funds are identified as unspent and unencumbered. Available funds are verified for a department and project by monitoring combined budget totals for non-labor account categories or for individual acquisition-related accounts.

### **Budget Amendments**

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

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

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

### **Capital Program Budget**

The Capital Program (CP) budget is adopted on a life-of-project basis. Thus annual re-appropriations are not required. Changes to the life-of-project budget must be approved by the Board. The CP budget process was completed as part of the FY06 budget process. Project managers analyze the status of their funded projects (reforecasting schedules, costs, etc.). Estimates for the work to be completed in the current fiscal year impacts the life-of-project budget. Project managers submit new projects for consideration through the CP budget process in the second quarter of the current fiscal year.

The CP budget process:

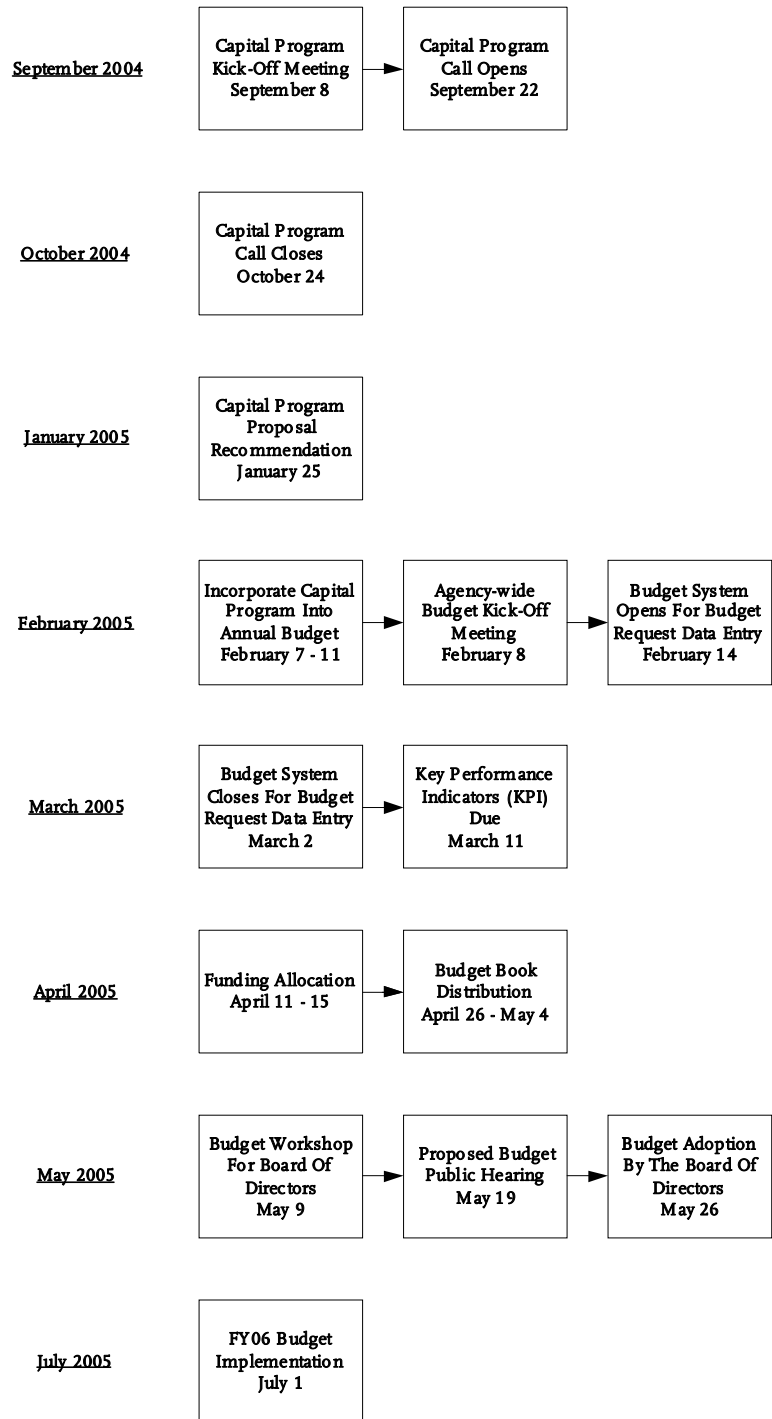
- determines which prior year projects will not be completed as scheduled in the current fiscal year,
- identifies new requirements or projects since the adoption of the prior CP, including changes to the life-of-project budget,
- defines project costs in terms of labor and non-labor costs,
- authorizes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

The CP is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gather project information (current and new projects) and submit the information to OMB in the second quarter of FY05. OMB compiles the information and disseminates the information to Element Sponsors (department executive officers, directors, etc.). Element Sponsors review and rank projects, then compile a list of proposed projects for the next fiscal year.

OMB assembles the proposed project lists and submits the list to Executive Management. Executive Management reviews the list of recommended capital projects and further prioritizes the projects to match available revenues. OMB submits the approved CP to the LACMTA Board of Directors for review and adoption in the fourth quarter of FY05 as part of the FY06 budget process.

## Metro FY06 Budget Development Schedule

*Key events and dates in the budget development cycle*



## APPENDIX 2: FINANCIAL STANDARDS POLICY

### Policy Statement

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

### Purpose

The Financial Standards shall be divided into three sections:

**General Financial Standards** - The purpose of the general standards is to ensure that Metro prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.

**Debt Financial Standards** - The purpose of the Debt Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in financial planning are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace. These standards will be consistent with the Board-approved Debt Policy.

**Business Planning Parameters** - The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year's budget and other Metro financial plans and establishes future business targets for management to achieve.

### Application

This policy applies to all Metro financial plans.

#### *1.0 Procedures*

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

#### *2.0 Definition of Terms*

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

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2.5	Capital Program – The financial plan that details Metro’s investment in its own assets over a five-year period. The Capital Program is updated and included in each year’s budget. The current year’s expenditures are appropriated within the budget.	<b>6.0</b>	<b><i>Attachments</i></b> None.
		<b>7.0</b>	<b><i>Procedure History</i></b>
		7.1	Initial Action – February 2002 Adoption of this policy supersedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:
			Fin 1 Fiscal Policies (General)
			Fin 2 Budget Preparation and Approval
			Fin 3 Budgetary Controls
			Fin 4 Budget Amendments and Adjustments
			Fin 5 Fiscal Monitoring & Reporting
			Fin 6 Funds Programmed to Other Agencies
			Fin 7 Contingency Fund
			Fin 8 Chart of Accounts
			Fin 9 Revenue Policies
<b>3.0</b>	<b><i>Responsibilities</i></b>		
3.1	OMB shall be responsible for conducting the periodic performance reviews required under this policy.		
3.2	Based on inputs from all units of Metro, OMB shall be responsible for presenting the updated financial standards to the Board for review and approval.		
<b>4.0</b>	<b><i>Flowchart</i></b> Not applicable.		
<b>5.0</b>	<b><i>Reference</i></b>		
5.1	LACMTA Debt Policy		
5.2	LACMTA Investment Policy		

## APPENDIX 3: LACMTA FY05-06 FINANCIAL STANDARDS

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

### Financial Standards – General

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

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

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

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

- G4. An annual actuarial analysis shall be performed on all LACMTA self-administered retirement plans. The LACMTA shall make annual contributions that, when combined with employee contributions, fund actuarially computed costs as they accrue.
- G5. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, the LACMTA shall record the liabilities,

- including losses incurred but not reported, at 100% of the net present value.
- The goal is to maintain restricted cash balances in amounts equal to the present value estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities will be made annually.
- G6. Since sales taxes are received on a monthly basis, the allocations among the various ordinance categories shall also be recorded monthly.
- Expenditures against appropriations are limited to cash actually on hand during the fiscal year.
- G7. Sales tax collections received during a fiscal year that are in excess of the sales tax budget for that year shall be reported as unreserved, designated fund balances in the Special Revenue Fund. Excess Local Return monies are disbursed when received. Any other excess balances may only be expended pursuant to Board authorization. Such funds are generally available for appropriation in the subsequent budget cycle in accordance with their ordinance designations.
- G8. The fiscal year shall end on June 30 of each year. By January of each fiscal year, the Board should review and approve a set of Financial Standards that can be used by management as a framework for developing the following year's Budget. The Board shall approve the Budget by June 30 of each fiscal year.
- G9. The annual budget establishes the legal level of appropriation. The budget shall include operating, capital, regional funding and other components necessary to implement the policy directions contained in previously board adopted longer-term plans, i.e., Long Range Transportation Plan (LRTP) and Short Range Transit Plan (SRTP). Appropriations for the operating budget lapse at the end of one year. Appropriations for the capital and regional funding budgets are approved on a life-of-project basis. The budget shall be prepared in a fashion to clearly describe the projects and programs contained therein and to receive the GFOA award for excellence in budgetary presentation.
- G10. The LACMTA shall adopt a long-range (covering at least 20 years) transportation plan for Los Angeles County at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects and programs. The plan update report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules.
- G11. Annually, the LACMTA shall adopt a five-year (short-range) transportation plan (SRTP) for Los

Angeles County. The plan will include service levels and ridership by mode for each of the years. The five-year plan will also identify the capital investment needs to support the existing regional system and regional service expansion.

The plan will also identify key performance indicators by which to measure accomplishment of the plan's goals.

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

Management will develop a risk assessment and an audit plan each year simultaneously with the adoption of the annual budget. The Board's Executive Management and Audit Committee (EMAC), as the audit committee for Metro, will provide input and approve the audit plan. Furthermore, completed audits will be submitted to the Chief Executive Officer and to the Board through EMAC.

Recommendations for improvements to the system of internal controls are requirements of the various regularly scheduled and specifically directed audits that are performed in accordance with generally accepted governmental auditing standards. These recommendations, management's action plans, and progress toward

implementation will be reported to EMAC on a regular basis.

### **Financial Standards - Business Planning Parameters**

- B1. Sales tax revenue forecasts shall be based on the 20-year historical growth in Los Angeles county taxable sales, which is currently 4.1%.
- B2. Passenger revenue forecasts shall be derived from historical actual revenues. During periods affected by actual or proposed fare structure changes, the impacts on ridership and average fare forecasts shall be estimated conservatively.

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

- B3. It is our long-term strategy to maintain a reasonable subsidy per passenger ratio (operating expenses, excluding depreciation, minus operating revenues divided by passenger boardings). However, with the additional consent decree costs with no corresponding increase in passengers, subsidy per passenger has grown as follows:



Subsidy Per Passenger	
FY02 Actual	\$1.43
FY03 Actual	\$1.55
FY04 Actual	\$1.75
FY05 Budget	\$1.56
FY05 Projected	\$1.64
FY06 Projected	\$1.69

B4. The Board desires to steadily improve service efficiency over time. For LACMTA operated bus and rail service, cost per revenue vehicle service hour (measured separately for bus and rail) may not increase by more than the projected rate of inflation for the Los Angeles area plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board.

The projected incremental cost impact on cost per revenue vehicle service hour of new services, programs, and/or facilities shall be presented to the Board for approval as part of the annual update of the SRTP each year.

B5. Service planning assumptions for bus operations will be based upon demonstrated needs as defined through the 5-Year Short Range Plan.

B6. Staffing for FY06, measured in FTE's, will be held at or below the FY05 level adjusted for service

expansion or other new scope that has been approved by the Board.

B7. Regional programs such as local return, formula allocation procedure and Call for Projects shall be funded according to the terms of the laws, regulations and/or discretionary procedures approved by the Board.

B8. The capital plan covers LACMTA's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities, and is included in each annual budget. The capital plan shall include funding for asset replacement and expansion projects. Capital projects in excess of \$5 million shall be presented separately for life-of-project approval by the Board. Capital projects with life-of-project budget changes that cause the project to exceed \$1 million, or for which the change exceeds \$1 million, shall be presented to the Board for approval.

B9. LACMTA applies for and receives discretionary federal and state funding. Discretionary funding shall be requested for major system expansion projects or extraordinary transit capital needs. (e.g., Bus Rapid Transit, Light Rail Transit or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on appropriate state and federal criteria and the likelihood of obtaining approvals.

The Board shall approve all discretionary state and federal

funding requests by project or program each year.

operating or building the transit system or regional programs that are operations-related.

B10. Prop A and C administrative funds are appropriated through the annual budget from the Special Revenue Fund to the General Fund to pay for activities not required to be accounted for in other funds. The following statements provide guidance for appropriation and use of Prop A and C administrative funds.

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

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

***Appropriation***

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

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

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

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

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

***Eligible Uses***

Administrative activities include the planning, management, execution, use and conduct of the projects and programs funded by Prop A and C funds. Administrative funds may not be used for

**Financial Standards - Debt**

D1. LACMTA may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of applicable state and federal laws and the Debt Policy.

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- D2. Long-term debt may be included in the budget or longer range plans; however, no such debt shall be incurred without the specific approval of the Board.
- D3. Reserved.
- D4. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D5. Reserve funds that may be required by the financial markets for each debt issuance shall be maintained. Cash and securities, insurance or surety bonds may fund these reserves. For financial planning purposes, reserve requirements shall be included in the par amount of debt issued.
- D6. LACMTA shall maintain a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure rating of "A" or better on sales tax backed securities and secure A1 or P1 rating on other short-term debt, and, if necessary, to secure credit enhancement from financial institution with a rating of "AA" or better.
- D7. Debt service coverage ratio minimums by sales tax ordinance categories are shown in the Debt Policy. For financial planning purposes, those ratios shall not be exceeded in the development of longer-term financial plans.

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**APPENDIX 4: LACMTA FY06 Debt Service Schedule**

Transaction Name	Principal Adjustments							
	Initial PAR Value	Principal Balance As of 6/30/05	Interim Commercial Paper Financing	New Financing	New Financing Cost	Commer. Paper Refunding	Principal Pmt FY06	Accreted Interest
1 1991-B Refunding	281,425,000	65,510,000	-	-	-	-	-	-
2 1992-A Refunding	98,700,000	98,700,000	-	-	-	-	16,200,000	-
3 1996-A New Money	110,580,000	10,170,000	-	-	-	-	2,350,000	-
4 1997-A Refunding	256,870,000	227,905,000	-	-	-	-	4,015,000	-
5 1999-A Forward Refunding	160,205,000	154,555,000	-	-	-	-	6,965,000	-
6 1999-B New Money	150,340,000	115,255,000	-	-	-	-	2,565,000	-
7 1999-C Refunding	170,495,000	168,820,000	-	-	-	-	465,000	-
8 2001-A New Money	55,685,000	52,770,000	-	-	-	-	1,050,000	-
9 2001-B Refunding	191,215,000	185,550,000	-	-	-	-	5,505,000	-
10 2003-A Forward Refunding	273,505,000	261,955,000	-	-	-	-	11,530,000	-
11 2003-B Refunding	243,795,000	243,795,000	-	-	-	-	-	-
12 2005-A New Money	248,335,000	-	-	244,943,903	3,391,097	-	-	-
13 1990-A Lease Rev. (CBL)	26,400,000	4,862,000	-	-	-	-	2,530,000	-
14 1990-A Yen Obligation (CBL)	6,600,000	3,424,055	-	-	-	-	254,253	-
15 1996 Refunding	104,715,000	16,235,000	-	-	-	-	2,195,000	-
16 Tax-Exempt Commercial Paper	350,000,000	122,945,247	-	20,200,000	-	-	-	-
17 Prop A Debt Sub-Total	2,728,865,000	1,732,451,302	-	265,143,903	3,391,097	-	55,624,253	-
18								
19 1992-A New Money	516,855,000	37,980,000	-	-	-	-	11,890,000	-
20 1993-A Refunding	204,095,000	197,835,000	-	-	-	-	1,060,000	-
21 1995-A New Money	250,000,000	25,830,000	-	-	-	-	5,915,000	-
22 1998-A Refunding	219,710,000	219,710,000	-	-	-	-	-	-
23 1999-A New Money	124,805,000	114,070,000	-	-	-	-	2,620,000	-
24 2000-A New Money	161,995,000	151,370,000	-	-	-	-	2,960,000	-
25 2003-A Refunding	94,840,000	86,270,000	-	-	-	-	8,650,000	-
26 2003-B Refunding	170,775,000	168,775,000	-	-	-	-	350,000	-
27 2003-C Refunding	221,850,000	218,000,000	-	-	-	-	1,550,000	-
28 2004-A New Money	176,345,000	176,345,000	-	-	-	-	2,105,000	-
29 Taxable Commercial Paper	150,000,000	77,609,000	30,800,000	-	-	-	-	-
30 Local Allocation -- City of Los Angeles	21,700,000	8,680,000	-	-	-	-	2,170,000	-
31 Prop C Debt Sub-Total	2,312,970,000	1,482,474,000	30,800,000	-	-	-	39,270,000	-
32								
33 2000 Breda Lease (Norwest)	64,882,355	53,886,471	-	-	-	-	2,124,855	-
34 2000 Breda Lease (CIBC)	13,780,433	11,989,073	-	-	-	-	464,404	-
35 2000 Breda Lease (Comerica)	87,396,529	72,619,633	-	-	-	-	2,853,222	-
36 2001 Agilent Lease	264,054,348	31,092,373	-	-	-	-	-	-
37 2001 Comerica Lease	75,742,288	76,172,257	-	-	-	-	3,263,595	5,425,337
38 2002 Textron Lease	114,779,263	18,448,809	-	-	-	-	-	1,136,836
39 2002 Philip Morris Lease	384,088,739	414,713,157	-	-	-	-	102,743,966	21,165,339
40 2002 First Hawaiian Lease	65,774,837	73,132,493	-	-	-	-	2,535,893	4,677,326
41 2003 Fleet Lease	89,632,800	97,290,348	-	-	-	-	2,657,631	6,269,421
42 Capitalized Leases	64,104,779	26,557,881	-	-	-	-	8,926,002	-
43 Debt Overhead Costs	-	-	-	-	-	-	-	-
44 Other Debt Sub-Total	1,224,236,372	875,902,494	-	-	-	-	125,569,568	38,674,259
45								
46 2005 Capital Grant	250,000,000	-	-	246,372,277	3,627,723	-	-	-
47 Grant Revenue Debt Sub-Total	250,000,000	-	-	246,372,277	3,627,723	-	-	-
48								
49 2003 Workers Comp	88,485,000	76,085,000	-	-	-	-	11,980,000	-
50 1996-A Refunding (USG)	185,735,000	-	-	-	-	-	-	-
51 2004-A Refunding (USG)	197,050,000	197,050,000	-	-	-	-	4,925,000	-
52 General Revenue Debt Sub-Total	471,270,000	273,135,000	-	-	-	-	16,905,000	-
53								
54 Enterprise Fund Debt Total	6,987,341,372	4,363,962,796	30,800,000	511,516,181	7,018,819	-	237,368,821	38,674,259
55								
56 1993-A CRA Housing	9,454,406	8,889,301	-	-	-	-	209,534	-
57 2002-A CRA Redevelopment Refunding	20,920,000	20,125,000	-	-	-	-	550,000	-
58 Prop A General Fund Debt Sub-Total	30,374,406	29,014,301	-	-	-	-	759,534	-
59								
60 MTA Debt Total	7,017,715,777	4,392,977,097	30,800,000	511,516,181	7,018,819	-	238,128,355	38,674,259
61								
62 1992-A Bnft Assmt. Dist. A1	154,055,000	53,390,000	-	-	-	-	16,710,000	-
63 2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	41,905,000	-	-	-	-	170,000	-
64 2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	5,115,000	-	-	-	-	955,000	-
65 Agency Fund Sub-Total	203,225,000	100,410,000	-	-	-	-	17,835,000	-
66								
67 Total	7,220,940,777	4,493,387,097	30,800,000	511,516,181	7,018,819	-	255,963,355	38,674,259

**Footnotes**

- 1 - Capital needs of \$57 million for Prop A will be financed with long-term bonds in FY06. Long-term bonds will also be issued to retire approximately \$198 million of outstanding commercial paper. An additional \$51 million of Prop C capital needs will be financed with tax-exempt commercial paper. Metro will issue approximately \$250 million of Capital Grant Revenue Bonds to fund capital costs associated with the Metro Gold Line Eastside Extension.
- 2 - A portion of Prop A 40% Discretionary Sales Tax Revenue is pledged to fund debt service for these bonds. The debt service is to be reimbursed from net revenues of the project.

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	Principal Bal. as of 6/30/06	Principal	Interest	Total D/S P&I	Misc. Fees*	Total D/S Expense	Enterprise Fund	General Fund	Agency Fund	Foot- notes
1	65,510,000	-	4,258,150	4,258,150	16,000	4,274,150	4,274,150	-	-	
2	82,500,000	16,200,000	4,834,500	21,034,500	396,000	21,430,500	21,430,500	-	-	
3	7,820,000	2,350,000	422,555	2,772,555	9,500	2,782,055	2,782,055	-	-	
4	223,890,000	4,015,000	12,070,350	16,085,350	9,500	16,094,850	16,094,850	-	-	
5	147,590,000	6,965,000	7,505,663	14,470,663	9,500	14,480,163	14,480,163	-	-	
6	112,690,000	2,565,000	5,429,961	7,994,961	9,500	8,004,461	8,004,461	-	-	
7	168,355,000	465,000	8,312,523	8,777,523	9,500	8,787,023	8,787,023	-	-	
8	51,720,000	1,050,000	2,464,184	3,514,184	9,500	3,523,684	3,523,684	-	-	
9	180,045,000	5,505,000	9,421,175	14,926,175	9,500	14,935,675	14,935,675	-	-	
10	250,425,000	11,530,000	11,198,444	22,728,444	(1,078,919)	21,649,525	21,649,525	-	-	
11	243,795,000	-	11,308,950	11,308,950	(926,797)	10,382,153	10,382,153	-	-	
12	248,335,000	-	11,239,992	11,239,992	113,037	11,353,029	11,353,029	-	-	1
13	2,332,000	2,530,000	312,356	2,842,356	9,500	2,851,856	2,851,856	-	-	
14	3,169,802	254,253	166,604	420,857	-	420,857	420,857	-	-	
15	14,040,000	2,195,000	777,181	2,972,181	9,500	2,981,681	2,981,681	-	-	
16	143,145,247	-	5,010,084	5,010,084	972,000	5,982,084	5,982,084	-	-	1.3
17	1,945,362,049	55,624,253	94,732,670	150,356,923	(423,179)	149,933,744	149,933,744	-	-	
18										
19	26,090,000	11,890,000	1,683,210	13,573,210	9,500	13,582,710	13,582,710	-	-	
20	196,775,000	1,060,000	10,143,751	11,203,751	704,500	11,908,251	11,908,251	-	-	
21	19,915,000	5,915,000	1,174,985	7,089,985	9,500	7,099,485	7,099,485	-	-	
22	219,710,000	-	11,234,875	11,234,875	9,500	11,244,375	11,244,375	-	-	
23	111,450,000	2,620,000	5,245,888	7,865,888	9,500	7,875,388	7,875,388	-	-	
24	148,410,000	2,960,000	7,631,425	10,591,425	9,500	10,600,925	10,600,925	-	-	
25	77,620,000	8,650,000	3,912,988	12,562,988	(674,187)	11,888,801	11,888,801	-	-	
26	168,425,000	350,000	6,002,667	6,352,667	573,635	6,926,302	6,926,302	-	-	
27	216,450,000	1,550,000	7,580,079	9,130,079	664,277	9,794,356	9,794,356	-	-	
28	174,240,000	2,105,000	8,371,793	10,476,793	(174,637)	10,302,156	10,302,156	-	-	
29	108,409,000	-	4,878,405	4,878,405	481,500	5,359,905	5,359,905	-	-	1.4
30	6,510,000	2,170,000	275,048	2,445,048	-	2,445,048	2,445,048	-	-	
31	1,474,004,000	39,270,000	68,135,113	107,405,113	1,622,588	109,027,701	109,027,701	-	-	
32										
33	51,761,616	2,124,855	1,115,943	3,240,798	-	3,240,798	3,240,798	-	-	
34	11,524,670	464,404	208,988	673,392	-	673,392	673,392	-	-	
35	69,766,410	2,853,222	1,506,004	4,359,227	-	4,359,227	4,359,227	-	-	
36	31,092,373	-	-	-	-	-	-	-	-	
37	78,334,000	3,263,595	-	3,263,595	-	3,263,595	3,263,595	-	-	
38	19,585,645	-	-	-	-	-	-	-	-	
39	333,134,530	102,743,966	-	102,743,966	-	102,743,966	102,743,966	-	-	
40	75,273,926	2,535,893	-	2,535,893	-	2,535,893	2,535,893	-	-	
41	100,902,137	2,657,631	-	2,657,631	-	2,657,631	2,657,631	-	-	
42	17,631,879	8,926,002	1,594,772	10,520,774	-	10,520,774	10,520,774	-	-	
43	-	-	-	-	857,000	857,000	857,000	-	-	
44	789,007,186	125,569,568	4,425,707	129,995,275	857,000	130,852,275	130,852,275	-	-	
45										
46	250,000,000	-	1,526,227	1,526,227	453,465	1,979,692	1,979,692	-	-	1
47	250,000,000	-	1,526,227	1,526,227	453,465	1,979,692	1,979,692	-	-	
48										
49	64,105,000	11,980,000	2,408,747	14,388,747	146,402	14,535,149	14,535,149	-	-	
50	-	-	-	505,215	505,215	505,215	505,215	-	-	
51	192,125,000	4,925,000	6,726,296	11,651,296	613,009	12,264,305	12,264,305	-	-	6
52	256,230,000	16,905,000	9,135,043	26,040,043	1,264,626	27,304,669	27,304,669	-	-	
53										
54	4,714,603,235	237,368,821	177,954,761	415,323,582	3,774,500	419,098,081	419,098,081	-	-	
55										
56	8,679,767	209,534	511,613	721,147	9,500	730,647	-	730,647	-	2
57	19,575,000	550,000	995,839	1,545,839	9,500	1,555,339	-	1,555,339	-	2
58	28,254,767	759,534	1,507,451	2,266,985	19,000	2,285,985	-	2,285,985	-	
59										
60	4,742,858,001	238,128,355	179,462,212	417,590,567	3,793,500	421,384,067	419,098,081	2,285,985	-	
61										
62	36,680,000	16,710,000	2,626,758	19,336,758	174,157	19,510,915	-	-	19,510,915	5
63	41,735,000	170,000	1,619,825	1,789,825	79,167	1,868,992	-	-	1,868,992	5
64	4,160,000	955,000	175,783	1,130,783	12,898	1,143,681	-	-	1,143,681	5
65	82,575,000	17,835,000	4,422,365	22,257,365	266,222	22,523,587	-	-	22,523,587	
66										
67	4,825,433,001	255,963,355	183,884,577	439,847,932	4,059,722	443,907,654	419,098,081	2,285,985	22,523,587	

3 - Interest expense is calculated using a 3.5% interest rate.

4 - Interest expense is calculated using a 4.5% interest rate.

5 - The Benefit Assessment District debt service is solely an obligation of the respective Districts and is paid from assessments levied within each district.

6 - Debt service for the 2004 Union Station Gateway bonds is treated as rent and is reimbursed to the Enterprise Fund through the overhead allocation process.

\* Includes amortized issuance costs, bond discounts & premiums.

<b>Proposition A Sales Tax Revenue Debt Affordability Targets</b>		
<i>Category</i>	<i>Allowable Uses &amp; Status</i>	<i>Debt Policy Maximum</i>
Prop A Rail 35%	<i>Rail Operations &amp; Capital.</i> Is currently committed to debt service in an amount close to the Policy Maximum.	87% of Prop A 35% Rail revenues.
Discretionary 40%	<i>Any transit purpose.</i> Is currently committed to bus operating, capital, and paratransit subsidies.	
Local Return 25%	<i>Any transit purpose.</i> Distributed to localities based on population.	N/A

***Tests for Issuance of Additional Bonds:***

***First Tier Senior Prop A Bonds.*** For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 35% of Prop A revenues collected must equal at least 115% of maximum annual debt service for all First Tier Senior Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

***First Tier Second Senior Prop A Bonds.***

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must equal at least 115% of maximum annual debt service for all First Tier Second Senior Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

***Second Tier Prop A Bonds.***

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must equal at least 115% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds. In addition, for 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 40% of Prop A revenues collected must equal at least 125% of maximum annual debt service for all Prop A Bonds issued for non-rail purposes that will be outstanding immediately following the issuance of the new bonds.

***Third Tier Prop A Obligations.***

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds

subordinate to the Third Tier Prop A Obligations, 75% of all Prop A revenues collected must equal at least 100% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

equal at least 130% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

***All Prop A Bonds.***

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must



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<b>Proposition C Sales Tax Revenue Debt Affordability Targets</b>		
<i>Category</i>	<i>Allowable Uses &amp; Status</i>	<i>Debt Policy Maximum</i>
Discretionary 40%	Bus & Rail, Capital & Operating.	40% of Prop C 40% Discretionary revenues.
Highway 25%	Streets, Highways and Fixed Guideway Projects on Railroad Right-of-Way.	60% of Prop C 25% Highway.
Commuter Rail 10%	Commuter Rail and Park and Ride. Operations or capital.	40% of Prop C 10% Commuter Rail.
Security 5%	Transit Security. Operations or capital.	No debt issuance.
Local Return 20%	Any transit purpose and certain roadways heavily used by transit. Distributed to localities based on population.	N/A

***First Senior Prop C Bonds.***

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, pledged Prop C revenues collected must equal at least 400% of maximum annual debt service for all First Senior Prop C Bonds and 130% of maximum annual debt service for all Prop C Bonds that will be outstanding immediately following the issuance of the new bonds.

***Second Senior Prop C Bonds.***

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, pledged Prop C revenues collected must equal at least 130% of maximum annual debt service for all Second Senior Prop C Bonds that will be outstanding immediately following the issuance of the new bonds.

***Subordinate Lien Prop C Obligations.***

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds or debt obligations, pledged Prop C revenues collected must equal at least 130% of maximum annual debt service for all Second Senior and Subordinate Lien Prop C debt and obligations that will be outstanding immediately following the issuance of the new bonds or debt

obligations. In addition, for 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Subordinate Lien Prop C obligations, pledged Prop C revenues collected must equal at least 100% of maximum annual debt service for all Prop C Bonds and Obligations that will be outstanding immediately following the issuance of the new bonds

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**APPENDIX 5: PROPOSITIONS A & C, and TDA ADMINISTRATION  
EXPENDITURES AND FUNDING**

Project	Task Name	REVENUE SOURCE				Total Allocation	
		FY06 Budget	Prop A Administration	Prop C Administration	TDA Administration		Grants
1	Beginning Fund Balance	\$ -	\$ 3,915,000	\$ -	\$ -	\$ -	\$ 3,915,000
2	Revenues for the year - Actual		27,052,416	9,289,808	6,000,000	1,904,854	44,247,079
3	Available funds		30,967,416	9,289,808	6,000,000	1,904,854	48,162,079
4							
5	<b>100002-Governmental/Oversight</b>						
6	General oversight	14,704,162	14,704,162	-	-	-	14,704,162
7	Legal expenses	571,500	571,500	-	-	-	571,500
8	Transportation Foundation	38,665	38,665	-	-	-	38,665
9	Investment/Debt Management	65,062	65,062	-	-	-	65,062
10	Investment/Cash Management	74,401	74,401	-	-	-	74,401
11	Debt Management	67,334	67,334	-	-	-	67,334
12	Total Project 100002	15,521,124	15,521,124	-	-	-	15,521,124
13							
14	<b>100012-Prop A &amp; C Audit</b>						
15	Prop A & C Audit	90,828	45,414	45,414	-	-	90,828
16	Total Project 100012	90,828	45,414	45,414	-	-	90,828
17							
18	<b>100050-Administration-Subsidy/Call for Projects(CFP)</b>						
19	G&A Costs	2,470,381	2,470,381	-	-	-	2,470,381
20	Total Project 100050	2,470,381	2,470,381	-	-	-	2,470,381
21							
22	<b>100060-Admin.-General Planning</b>						
23	G & A Costs	6,486,097	6,486,097	-	-	-	6,486,097
24	Total Project 100060	6,486,097	6,486,097	-	-	-	6,486,097
25							
26	<b>405510-Other Planning and Programming</b>						
27	Call/MOU Tech Services	82,887	41,444	41,443	-	-	82,887
28	Consolidated Audit Services	599,402	161,128	161,127	277,147	-	599,402
29	Triennial Audit Management	143,678	47,893	47,892	47,893	-	143,678
30	HOV Administration	14,187	-	14,187	-	-	14,187
31	Prop A/C Administration	350,586	175,293	175,293	-	-	350,586
32	Grants Administration	1,157,016	385,672	385,673	385,672	-	1,157,017
33	TDA Article 3 & 8	148,345	-	-	148,345	-	148,345
34	TIP Administration	1,177,191	392,397	392,397	392,397	-	1,177,191
35	STIP PPM	1,894,854	-	-	-	1,894,854	1,894,854
36	Government Coordination / Outreach.	515,103	257,552	257,551	-	-	515,103
37	Bus System Improvements Plan	120,038	120,038	-	-	-	120,038
38	Station Planning/Joint Develop	2,089,720	-	2,089,720	-	-	2,089,720
39	Bike Parking Racks & Lockers	78,985	-	-	78,985	-	78,985
40	Art Program	178,905	-	178,905	-	-	178,905
41	Public Outreach	21,569	10,784	10,785	-	-	21,569
42	General Planning	799,026	35,459	35,459	728,108	-	799,026
43	MTA / OCTA Commuter Rail Plan	65,000	-	65,000	-	-	65,000
44	General Commuter Program	3,301	3,301	-	-	-	3,301
45	Increase customer awareness Program	1,996,871	221,667	807,385	967,819	-	1,996,871
46	Total Project 405510	11,436,666	1,852,628	4,662,818	3,026,365	1,894,854	11,436,665

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Project	Task Name	FY06 Budget	REVENUE SOURCE				Total Allocation
			Prop A Administration	Prop C Administration	TDA Administration	Grants	
47	<u>405511-Transit Planning</u>						
48	LA County Token Program	\$ 103,732	\$ -	\$ 103,732	\$ -	\$ -	\$ 103,732
49	Long Range Plan Update	1,684,115	561,372	561,372	561,371	-	1,684,115
50	Municipal Funding & Coordination.	340,066	113,355	113,355	113,355	-	340,066
51	Admin. NTD Report - Local Cities	91,080	30,360	30,360	30,360	-	91,080
52	Restructuring Study	647,835	215,945	215,945	215,945	-	647,835
53	Bus Service Improvements	6,384,989	1,751,220	3,042,805	1,590,964	-	6,384,989
54	Metro Rapid Bus	356,400	118,800	118,800	118,800	-	356,400
55	Transit Service Expansion	5,167	-	5,167	-	-	5,167
56	Transit Planning	798,132	256,044	266,044	266,044	10,000	798,132
57	BRT Research	10,000	5,000	5,000	-	-	10,000
58	Eastside Ext. Pedestrian Crossing	50,000	25,000	25,000	-	-	50,000
59	ADA Compliance	34,400	17,200	17,200	-	-	34,400
60	Research & Development	501,096	501,096	-	-	-	501,096
61	GIS Work for Planning Studies	230,386	76,795	76,797	76,795	-	230,387
62	Total Project 405511	11,237,399	3,672,188	4,581,576	2,973,635	10,000	11,237,399
63							
64	<u>609911-Transit Academy/TOPS</u>						
65	TOP	35,975	35,975	-	-	-	35,975
66	Total Project 609911	35,975	35,975	-	-	-	35,975
67							
68	<u>610340-Investment &amp; Debt Management</u>						
69	Investment & Debt Management	883,609	883,609	-	-	-	883,609
70	Total Project 609911	883,609	883,609	-	-	-	883,609
71							
72	<u>Total Expenditures/Allocations</u>	48,162,079	30,967,416	9,289,808	6,000,000	1,904,854	48,162,079
73							
74	Remaining balance at June 30, 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**APPENDIX 6: SUMMARY of REVENUES and CARRYOVER by SOURCE**

(Amounts in thousands)									
Revenue Source	Fiscal Year 2004			Fiscal Year 2005			Fiscal Year 2006		
	Carryover	Actual	Total	Carryover	Amended	Total	Carryover	Budget	Total
1 Sales Tax Revenues									
2 Proposition A									
3 Administration	\$ 479	\$ 28,833	\$ 29,311	\$ 1,018	\$ 29,748	30,765	\$ 1,267	\$ 30,967	\$ 32,234
4 Local Return (25%)	4,661	136,955	141,615	5,005	141,302	146,307	-	147,095	147,095
5 Rail - Set Aside (35%)	8,131	191,736	199,867	30,322	197,823	228,144	4,890	205,933	210,823
6 Discretionary (95% of 40%)	32,901	208,171	241,072	53,288	214,779	268,067	32,901	223,585	256,486
7 Incentive (5% of 40%)	19,471	10,956	30,427	24,986	11,304	36,290	19,986	11,768	31,754
8 Total proposition A	65,643	576,651	642,294	114,619	594,955	709,574	59,044	619,348	678,392
9									
10 Proposition C									
11 Administration	556	8,650	9,206	721	8,924	9,645	720	9,290	10,010
12 Local Return (20%)	8,348	113,601	121,949	8,945	117,201	126,146	-	122,006	122,006
13 Security (5%)	31	28,400	86,104	2,470	29,300	31,770	1,928	30,502	32,429
14 Commuter Rail (10%)	57,704	56,800	233,253	72,052	58,600	130,653	37,932	61,003	98,935
15 Streets & Highways (25%)	176,453	142,001	318,454	149,641	146,501	296,142	104,844	152,508	257,352
16 Discretionary (40%)	61,852	227,202	289,054	27,744	234,402	262,146	28,557	244,012	272,569
17 Total proposition C	304,945	576,654	881,599	261,573	594,928	856,501	173,981	619,321	793,302
18									
19 Transportation Development Act - TDA									
20 Administration - (Fixed)	-	6,000	6,000	-	6,000	6,000	-	6,000	6,000
21 Article 3 - (2%)	14,674	5,760	20,434	14,192	5,929	20,121	16,003	6,177	22,180
22 Article 4 - (92.68%)	127,277	266,957	394,233	124,958	274,806	399,764	94,046	286,085	380,130
23 Article 8 - (5.32%)	1,133	15,299	16,432	1,284	15,712	16,996	989	16,585	17,574
24 Total TDA	143,083	294,016	437,100	140,435	302,446	442,882	111,038	314,847	425,884
25									
26 State Transit Assistance - STA									
27 Revenue Share - PUC 99314	35,322	14,642	49,964	45,193	18,483	63,676	46,180	21,618	67,798
28 Population Share - PUC 99313	13,687	16,444	30,131	13,244	16,389	29,632	10,321	19,169	29,490
29 Total STA	49,009	31,086	80,095	58,437	34,871	93,309	56,501	40,787	97,288
30 Total Sales Tax	562,680	1,478,408	2,041,087	575,064	1,527,201	2,102,265	400,564	1,594,302	1,994,866
31									
32 Intergovernmental									
33 Local Funds									
34 Access Service Inc - ASI (RSTP Federal Funds)	-	46,955	46,955	-	47,900	47,900	-	-	-
35 City of LA.	-	1,194	1,194	-	-	-	-	6,445	6,445
36 Department of Water and Power - DWP	-	-	-	-	200	200	-	-	-
37 Joint Development - Grand Central Market	-	-	-	-	2,281	2,281	-	-	-
38 Local Other	-	8,208	8,208	-	-	-	-	-	-
39 Total local funds	-	56,356	56,356	-	50,381	50,381	-	6,445	6,445
40 State Funds									
41 State Regional STIP/TCRP	-	14,662	14,662	-	30,949	30,949	-	72,916	72,916
42 State Highway Account	-	295	295	-	2,161	2,161	-	781	781
43 AQMD	-	-	-	-	800	-	-	1,044	1,044
44 STIP - PPM	-	-	-	-	-	-	-	2,500	2,500
45 Freeway Service Patrol - State/Local Grant	-	6,597	6,597	-	6,500	6,500	-	9,000	9,000
46 State Other	-	341	341	-	209	209	-	165	165
47 Total state funds	-	21,895	21,895	-	40,619	40,619	-	86,407	86,407
48 Federal Funds									
49 Federal Section 5309 [ 3 ] Capital - New Starts	-	11,505	11,505	-	60,664	60,664	-	80,000	80,000
50 Federal Section 5309 [ 3 ] Fixed Guideways	-	50,591	50,591	-	48,397	48,397	-	27,815	27,815
51 Federal Section 5309 [ 3 ] Bus Facilities	-	-	-	-	5,620	5,620	-	8,740	8,740
52 Federal Section 5307 [ 9 ] Capital	-	52,612	52,612	-	75,535	75,535	-	19,818	19,818
53 Congestion Mitigation & Air Quality - CMAQ	-	55,722	55,722	-	85,206	85,206	-	107,550	107,550
54 Federal TEA	-	-	-	-	5,813	5,813	-	4,225	4,225
55 Regional Surface Transp. Funds (RSTP)	-	12,987	12,987	-	27,220	27,220	-	73,607	73,607
56 Federal STP	-	-	-	-	-	-	-	2,238	2,238
57 Federal Homeland Security	-	-	-	-	3,179	3,179	-	2,654	2,654
58 FHWA - L.A. County	-	-	-	-	1,001	1,001	-	-	-
59 Federal Other	-	873	873	-	13,100	13,100	-	5,479	5,479
60 Total federal funds	-	184,290	184,290	-	325,735	325,735	-	332,127	332,127
61 Total Intergovernmental	-	262,541	262,541	-	416,735	416,735	-	424,979	424,979
62 Balance to following page	\$ 562,680	\$ 1,740,949	\$ 2,303,629	\$ 575,064	\$ 1,943,936	\$ 2,519,000	\$ 400,564	\$ 2,019,281	\$ 2,419,845

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(Amounts in thousands)									
Revenue Source	Fiscal Year 2004			Fiscal Year 2005			Fiscal Year 2006		
	Carryover	Actual	Total	Carryover	Amended	Total	Carryover	Budget	Total
63 Balance from previous page	\$ 562,680	\$ 1,740,949	\$ 2,303,629	\$ 575,064	\$ 1,943,936	\$ 2,519,000	\$ 400,564	\$ 2,019,281	\$ 2,419,845
64 Investment Income									
65 Prop A Interest	5,499	182	5,681	(2,097)	2,800	703	(1,302)	2,000	698
66 Prop C Interest	29,603	(361)	29,242	(2,723)	7,000	4,277	(7,595)	7,600	5
67 TDA Interest	3,891	2,301	6,192	2,599	2,200	4,799	1,499	2,000	3,499
68 STA Interest	-	779	779	-	500	500	-	500	500
69 General Fund - Interest Revenue	-	804	804	-	1,800	1,800	-	791	791
70 Sales Leaseback	-	611	611	-	-	-	-	630	630
71 Right of way lease revenues	-	1,286	1,286	-	1,800	1,800	-	606	606
72 SAFE - Interest Revenue	-	535	535	-	900	900	-	950	950
73 FAU Cash Interest	-	189	189	-	-	-	-	185	185
74 Interest Earned on Debt Service Funds	-	49,905	49,905	-	20,000	20,000	-	-	-
75 Interest Earned on Capital Projects Fund/ISF	-	1,258	1,258	-	-	-	-	-	-
76 Total investment income	38,993	57,490	96,483	(2,221)	37,000	34,779	(7,398)	15,262	7,865
77 Lease and Rental	66,030	10,963	76,993	48,443	10,500	58,943	30,311	10,652	40,963
78 License and Fines									
79 SAFE	27,215	7,261	34,476	26,574	7,000	33,574	25,415	7,000	32,415
80 HOV Lanes Fines	0	456	456	2	500	502	-	500	500
81 Total license and fines	27,216	7,717	34,932	26,576	7,500	34,076	25,415	7,500	32,915
82 Other									
83 General fund revenues									
84 Parking Fees - USG Building	-	994	994	-	960	960	-	1,326	1,326
85 Reserved Parking Permits At Rail Stations	-	-	-	-	-	-	-	60	60
86 Sales Leaseback	41,900	8,128	50,028	50,168	-	50,168	32,091	-	32,091
87 Employee Activities	219	493	712	(79)	760	681	-	568	568
88 Miscellaneous other	-	7,904	7,904	-	51	51	-	51	51
89 Net (decline) in fair value of investment	-	(1,297)	(1,297)	-	-	-	-	-	-
90 Pasadena B.L. (Admin costs reimbursement)	-	-	-	-	75	75	-	75	75
91 General fund estimated carryover balance	22,063	-	22,063	39,568	-	39,568	40,824	-	40,824
92 Total general fund revenues	64,183	16,222	80,404	89,656	1,846	91,502	72,915	2,080	74,995
93 FAU Cash	10,077	-	10,077	7,394	263	7,657	4,458	-	4,458
94 Ridesharing	1,298	19	1,317	1,317	-	1,317	1,342	-	1,342
95 Benefit Assessment District	-	18,074	18,074	-	5,997	5,997	-	22,841	22,841
96 EZ Pass Program	-	-	-	-	7,500	7,500	-	4,852	4,852
97 Total other	75,557	34,315	109,872	98,366	15,606	113,973	78,715	29,774	108,489
98 Operating revenues:									
99 Fare Box Revenues - Passenger fares	-	221,454	221,454	-	262,683	262,683	-	261,030	261,030
100 Route subsidies - Hollywood shuttle	-	602	602	-	500	500	-	500	500
101 Metrolink EZ Pass Reimbursement	-	-	-	-	2,500	2,500	-	2,650	2,650
102 Advertising	-	11,932	11,932	-	13,750	13,750	-	15,675	15,675
103 Total operating revenues	-	233,989	233,989	-	279,433	279,433	-	279,855	279,855
104 Non-operating revenues									
105 FTA Grant - 5307 Preventive Maintenance	-	89,415	89,415	-	145,488	145,488	-	140,211	140,211
106 FTA Grant - 5309 Fixed Guideways	-	-	-	-	43,176	43,176	-	17,627	17,627
107 FTA Grant - CMAQ Rapid Bus/Pasadena Gold Line	-	25,803	25,803	-	28,100	28,100	-	35,000	35,000
108 Federal - Homeland Security	-	-	-	-	1,118	1,118	-	720	720
109 State - Homeland Security	-	510	510	-	705	705	-	80	80
110 Interest revenues	-	3,547	3,547	-	2,200	2,200	-	3,800	3,800
111 Net (decline) in fair value of investments	-	(5,871)	(5,871)	-	-	-	-	-	-
112 Other:									
113 Bus Parts/Scrap Sales	-	309	309	-	400	400	-	530	530
114 Filming Fees	-	606	606	-	550	550	-	550	550
115 County Buy down	-	339	339	-	492	492	-	439	439
116 Fare Violations/Fines	-	959	959	-	1,200	1,200	-	2,000	2,000
117 Proceeds from Sales of Surplus Property	-	-	-	-	-	-	-	3,900	3,900
118 Miscellaneous	-	175	175	-	500	500	-	500	500
119 Total other	-	2,388	2,388	-	3,142	3,142	-	7,919	7,919
120 Total non-operating revenue	-	115,793	115,793	-	223,929	223,929	-	205,357	205,357
121 Total Revenues	770,475	2,201,215	2,971,691	746,229	2,517,905	3,264,134	527,607	2,567,681	3,095,289
122 Other financing Sources									
123 Proceeds from financing									
124 Proposition A Rail Bonds/CP	-	60,000	60,000	-	126,144	126,144	-	105,190	105,190
125 Proposition A Discretionary Bonds/CP	-	-	-	-	-	-	-	10,624	10,624
126 Proposition C St & Hwys Bonds/CP	-	22,448	22,448	-	182,148	182,148	-	57,685	57,685
127 Proposition C Discr Bonds/CP	-	-	-	-	3,241	3,241	-	5,797	5,797
128 Total proceeds from financing	-	82,448	82,448	-	311,533	311,533	-	179,296	179,296
129 Proceeds from refunding bonds	-	-	-	-	165,000	165,000	-	-	-
130 Total other financing sources	-	82,448	82,448	-	476,533	476,533	-	179,296	179,296
131 Total revenues and carryovers	\$ 770,475	\$ 2,283,663	\$ 3,054,139	\$ 746,229	\$ 2,994,438	\$ 3,740,668	\$ 527,607	\$ 2,746,977	\$ 3,274,584

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

FY04 Actual exclude proceeds from refunding bonds(\$392.6M), proceeds from sales(debt)(\$82.6M) and regional EZ Transit Pass Program(\$4.8M)

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**APPENDIX 7: ACTIVITY BASED BUS COST MODEL**

ACTIVITIES	FY05 Amended		FY06 Budget		FY05 to FY06	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 <b>TRANSPORTATION</b>						
2 Wages & Benefits	\$ 291,575,389	\$ 41.33	\$ 303,865,755	\$ 43.09	\$ 12,290,366	\$ 1.76
3 Materials & Supplies	379,286	0.05	390,138	0.06	10,852	0.00
4 Training	4,693,317	0.67	5,303,984	0.75	610,667	0.09
5 Control Center	6,407,248	0.91	6,785,411	0.96	378,163	0.05
6 Scheduling and Planning	3,352,092	0.48	3,409,472	0.48	57,380	0.01
7 <b>SUB-TOTAL</b>	<b>306,407,331</b>	<b>43.43</b>	<b>319,754,760</b>	<b>45.34</b>	<b>13,347,429</b>	<b>1.91</b>
8						
9 <b>DIVISION MAINTENANCE</b>						
10 Wages & Benefits	98,109,925	13.91	103,378,061	14.66	5,268,136	0.75
11 Fuel	41,174,633	5.84	45,721,652	6.48	4,547,019	0.65
12 Materials & Supplies	36,398,631	5.16	37,069,718	5.26	671,087	0.10
13 Fueling Contractor Reimb.	(543,681)	(0.08)	(1,721,575)	(0.24)	(1,177,894)	(0.17)
14 <b>SUB-TOTAL</b>	<b>175,139,508</b>	<b>24.83</b>	<b>184,447,857</b>	<b>26.15</b>	<b>9,308,348</b>	<b>1.33</b>
15						
16 <b>RRC REGULAR MAINTENANCE</b>						
17 Wages & Benefits	4,555,524	0.65	6,293,948	0.89	1,738,424	0.25
18 Materials & Supplies	2,548,270	0.36	2,871,153	0.41	322,883	0.05
19 Maintenance Services	190,089	0.03	194,718	0.03	4,629	0.00
20 <b>SUB-TOTAL</b>	<b>7,293,884</b>	<b>1.03</b>	<b>9,359,819</b>	<b>1.33</b>	<b>2,065,936</b>	<b>0.29</b>
21						
22 <b>RRC PREVENTATIVE MAINTENANCE</b>						
23 Power Plant Assembly	7,045,816	1.00	7,692,604	1.09	646,788	0.09
24 Accident Repair	1,717,366	0.24	1,790,970	0.25	73,604	0.01
25 Wheelchair Lifts	224,452	0.03	275,640	0.04	51,188	0.01
26 Painting	882,474	0.13	838,196	0.12	(44,278)	(0.01)
27 Windows	18,010	0.00	18,010	0.00	-	0.00
28 <b>SUB-TOTAL</b>	<b>9,888,118</b>	<b>1.40</b>	<b>10,615,419</b>	<b>1.51</b>	<b>727,302</b>	<b>0.10</b>
29						
30 <b>OTHER MAINTENANCE</b>						
31 Maintenance Support	12,623,887	1.79	12,045,828	1.71	(578,059)	(0.08)
32 Non-Revenue Vehicles	3,675,076	0.52	4,135,940	0.59	460,864	0.07
33 Facilities Maintenance	25,806,189	3.66	27,958,214	3.96	2,152,026	0.31
34 Training	1,464,438	0.21	1,585,099	0.22	120,661	0.02
35 <b>SUB-TOTAL</b>	<b>43,569,589</b>	<b>6.18</b>	<b>45,725,081</b>	<b>6.48</b>	<b>2,155,492</b>	<b>0.31</b>
36						
37 <b>SUB-TOTAL MAINTENANCE</b>	<b>235,891,099</b>	<b>33.44</b>	<b>250,148,176</b>	<b>35.47</b>	<b>14,257,077</b>	<b>2.03</b>
38						

**Los Angeles County Metropolitan Transportation Authority**  
**FY06 Budget**

ACTIVITIES	FY05 Amended		FY06 Budget		FY05 to FY06	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
39 <b>OTHER OPERATING COSTS</b>						
40 Transit Security	18,153,126	2.57	18,188,415	2.58	35,289	0.01
41 General Managers	12,816,606	1.82	14,316,071	2.03	1,499,465	0.21
42 Revenue	12,882,905	1.83	12,509,556	1.77	(373,349)	(0.05)
43 Service Development	3,258,805	0.46	2,860,380	0.41	(398,425)	(0.06)
44 Safety	1,683,373	0.24	2,037,346	0.29	353,973	0.05
45 Casualty & Liability	40,974,229	5.81	45,376,147	6.43	4,401,918	0.63
46 Workers' Compensation	51,876,548	7.35	53,695,179	7.61	1,818,631	0.26
47 Transitional Duty Program	2,001,487	0.28	2,248,862	0.32	247,376	0.04
48 Other Metro Operations	14,342,143	2.03	11,722,491	1.66	(2,619,652)	(0.37)
49 Building Costs	9,435,465	1.34	7,494,951	1.06	(1,940,514)	(0.27)
50 Employee Subsidy & Fringe	493,261	0.07	792,118	0.11	298,856	0.04
51 Copy Services	1,529,110	0.22	992,920	0.14	(536,190)	(0.08)
52 <b>SUB-TOTAL</b>	<b>169,447,059</b>	<b>24.02</b>	<b>172,234,436</b>	<b>24.42</b>	<b>2,787,377</b>	<b>0.40</b>
53						
54 <b>SUPPORT DEPARTMENT COSTS</b>	<b>47,899,198</b>	<b>6.79</b>	<b>47,255,518</b>	<b>6.70</b>	<b>(643,680)</b>	<b>(0.09)</b>
55						
56 <b>TOTAL LOCAL &amp; RAPID</b>	<b>759,644,688</b>	<b>107.68</b>	<b>789,392,891</b>	<b>111.93</b>	<b>29,748,203</b>	<b>4.25</b>
57 <b>REVENUE SERVICE HOURS</b>	<b>7,054,943</b>		<b>7,052,542</b>		<b>(2,401)</b>	
58						
59 <b>PURCHASED TRANSPORTATION</b>						
60 Contracted Service	26,421,709	51.59	32,441,758	61.52	6,020,049	9.93
61 Security	1,266,679	2.47	1,360,016	2.58	93,337	0.11
62 Administration	1,571,719	3.07	758,765	1.44	(812,954)	(1.63)
63 <b>SUB-TOTAL</b>	<b>29,260,107</b>	<b>57.13</b>	<b>34,560,539</b>	<b>65.54</b>	<b>5,300,432</b>	<b>8.41</b>
64 <b>REVENUE SERVICE HOURS</b>	<b>512,175</b>		<b>527,345</b>		<b>15,170</b>	
65						
66 <b>ORANGE LINE</b>						
67 Direct	-		5,727,630	89.88	5,727,630	n/a
68 Indirect	-		1,169,161	18.35	1,169,161	n/a
69 Security	-		2,558,848	40.15	2,558,848	n/a
70 Workers' Compensation	-		413,945	6.50	413,945	n/a
71 <b>SUB-TOTAL</b>	<b>-</b>		<b>9,869,583</b>	<b>154.88</b>	<b>9,869,583</b>	<b>n/a</b>
72 <b>REVENUE SERVICE HOURS</b>			<b>63,725</b>		<b>63,725</b>	
73						
74 <b>TOTAL EXCLUDING DEBT</b>	<b>788,904,795</b>	<b>\$ 104.25</b>	<b>833,823,013</b>	<b>\$ 109.09</b>	<b>44,918,219</b>	<b>\$ 4.83</b>
75 <b>REVENUE SERVICE HOURS</b>	<b>7,567,118</b>		<b>7,643,612</b>		<b>76,494</b>	
76						
77 <b>ENTERPRISE FUND DEBT</b>						
78 Interest	2,787,967		2,555,149		(232,818)	
79 Administration	465,525		469,203		3,679	
80 <b>SUB-TOTAL</b>	<b>3,253,491</b>		<b>3,024,352</b>		<b>(229,139)</b>	
81						
82 <b>TOTAL BUS PROJECT</b>	<b>\$ 792,158,286</b>		<b>\$ 836,847,366</b>		<b>\$ 44,689,080</b>	



Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**APPENDIX 8: ACTIVITY BASED LIGHT RAIL COST MODEL**

ACTIVITIES	FY05 Amended		FY06 Budget		FY05 to FY06	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 <b>TRANSPORTATION</b>						
2 Wages & Benefits	\$ 21,863,349	\$ 56.22	\$ 21,363,337	\$ 59.91	\$ (500,012)	\$ 3.70
3 Materials & Supplies	224,186	0.58	\$177,397	0.50	(46,789)	(0.08)
4 Other	24,555	0.06	\$24,555	0.07	-	0.01
5 <b>SUB-TOTAL</b>	<b>22,112,090</b>	<b>56.86</b>	<b>21,565,289</b>	<b>60.48</b>	<b>(546,801)</b>	<b>3.62</b>
6						
7 <b>MAINTENANCE</b>						
8 <b>VEHICLE MAINTENANCE</b>						
9 Wages & Benefits	18,808,683	48.36	20,215,705	56.70	1,407,023	8.33
10 Materials & Supplies	5,642,142	14.51	5,895,941	16.54	253,799	2.03
11 SERVICES	5,100	0.01	9,688	0.03	4,588	0.01
12 Services	498,537	1.28	1,137,500	3.19	638,963	1.91
13 <b>SUB-TOTAL</b>	<b>24,954,462</b>	<b>64.17</b>	<b>27,258,835</b>	<b>76.45</b>	<b>2,304,373</b>	<b>12.28</b>
14						
15 <b>WAYSIDE MAINTENANCE</b>						
16 Wages & Benefits	20,083,829	51.64	21,162,276	59.35	1,078,446	7.71
17 Materials & Supplies	2,323,297	5.97	1,327,728	3.72	(995,569)	(2.25)
18 Propulsion Power	12,755,826	32.80	12,554,876	35.21	(200,950)	2.41
19 Other	322,052	0.83	1,448,152	4.06	1,126,100	3.23
20 <b>SUB-TOTAL</b>	<b>35,485,005</b>	<b>91.24</b>	<b>36,493,032</b>	<b>102.35</b>	<b>1,008,027</b>	<b>11.10</b>
21						
22 <b>OTHER MAINTENANCE</b>						
23 Maintenance Support	14,000	0.04	-	-	(14,000)	(0.04)
24 Non-Revenue Vehicles	1,079,574	2.78	858,173	2.41	(221,401)	(0.37)
25 Facilities Maintenance	3,183,782	8.19	3,974,374	11.15	790,592	2.96
26 <b>SUB-TOTAL</b>	<b>4,277,355</b>	<b>11.00</b>	<b>4,832,547</b>	<b>13.55</b>	<b>555,192</b>	<b>2.55</b>
27						
28 <b>SUB-TOTAL MAINTENANCE</b>	<b>64,716,822</b>	<b>166.41</b>	<b>68,584,414</b>	<b>192.35</b>	<b>3,867,592</b>	<b>25.94</b>
29						
30 <b>OTHER OPERATING COSTS</b>						
31 Transit Security	25,412,566	65.34	26,149,936	73.34	737,370	7.99
32 General Manager	1,323,852	3.40	1,534,262	4.30	210,410	0.90
33 Revenue	2,532,072	6.51	3,931,861	11.03	1,399,789	4.52
34 Service Development	279,027	0.72	267,671	0.75	(11,356)	0.03
35 Safety	1,346,782	3.46	1,569,959	4.40	223,176	0.94
36 Casualty & Liability	2,571,158	6.61	2,165,610	6.07	(405,548)	(0.54)
37 Workers' Compensation	4,406,769	11.33	4,316,195	12.10	(90,574)	0.77
38 Other Metro Operations	2,677,030	6.88	2,253,749	6.32	(423,282)	(0.56)
39 Building Costs	1,861,816	4.79	876,860	2.46	(984,956)	(2.33)
40 Employee Subsidy & Benefits	160,984	0.41	303,680	0.85	142,696	0.44
41 Copy Services	9,642	0.02	176,992	0.50	167,350	0.47
42 <b>SUB-TOTAL</b>	<b>42,581,698</b>	<b>109.49</b>	<b>43,546,774</b>	<b>122.13</b>	<b>965,076</b>	<b>12.64</b>
43						
44 <b>SUPPORT DEPARTMENT COSTS</b>	<b>12,724,935</b>	<b>32.72</b>	<b>13,397,373</b>	<b>37.57</b>	<b>672,438</b>	<b>4.85</b>
45						
46 <b>TOTAL LIGHT RAIL PROJECT</b>	<b>\$142,135,544</b>	<b>\$ 365.48</b>	<b>\$ 147,093,850</b>	<b>\$ 412.53</b>	<b>\$ 4,958,306</b>	<b>\$ 47.05</b>
47 <b>TOTAL REVENUE SERVICE HOURS</b>	<b>388,906</b>		<b>356,565</b>		<b>(32,341)</b>	

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**APPENDIX 9: ACTIVITY BASED HEAVY RAIL COST MODEL**

ACTIVITIES	FY05 Amended		FY06 Budget		FY05 to FY06	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
<b>1 TRANSPORTATION</b>						
2 Wages & Benefits	\$ 7,215,179	\$ 26.69	\$ 8,308,088	\$ 31.64	\$ 1,092,909	\$ 4.95
3 Materials & Supplies	79,963	0.30	73,259	0.28	(6,704)	(0.02)
4 Other	8,038	0.03	8,038	0.03	-	0.00
<b>5 SUB-TOTAL</b>	<b>7,303,180</b>	<b>27.02</b>	<b>8,389,384</b>	<b>31.95</b>	<b>1,086,204</b>	<b>4.93</b>
<b>6</b>						
<b>7 MAINTENANCE</b>						
<b>8 VEHICLE MAINTENANCE</b>						
9 Wages & Benefits	9,519,025	35.22	10,421,053	39.69	902,028	4.47
10 Materials & Supplies	2,720,500	10.06	2,968,181	11.30	247,681	1.24
11 Other	12,000	0.04	18,529	0.07	6,529	0.03
12 Services	547,718	2.03	735,668	2.80	187,950	0.78
<b>13 SUB-TOTAL</b>	<b>12,799,243</b>	<b>47.35</b>	<b>14,143,431</b>	<b>53.86</b>	<b>1,344,188</b>	<b>6.51</b>
<b>14</b>						
<b>15 WAYSIDE MAINTENANCE</b>						
16 Wages & Benefits	7,593,365	28.09	7,524,862	28.66	(68,504)	0.57
17 Materials & Supplies	1,150,911	4.26	1,033,899	3.94	(117,012)	(0.32)
18 Propulsion Power	8,062,000	29.83	9,238,600	35.18	1,176,600	5.36
19 Other	690,533	2.55	1,111,061	4.23	420,528	1.68
<b>20 SUB-TOTAL</b>	<b>17,496,810</b>	<b>64.73</b>	<b>18,908,422</b>	<b>72.01</b>	<b>1,411,612</b>	<b>7.28</b>
<b>21</b>						
<b>22 OTHER MAINTENANCE</b>						
23 Maintenance Support	15,081	0.06	-	0.00	(15,081)	(0.06)
24 Non-Revenue Vehicles	359,858	1.33	286,058	1.09	(73,800)	(0.24)
25 Facilities Maintenance	2,834,196	10.49	3,943,351	15.02	1,109,155	4.53
<b>26 SUB-TOTAL</b>	<b>3,209,135</b>	<b>11.87</b>	<b>4,229,408</b>	<b>16.11</b>	<b>1,020,273</b>	<b>4.23</b>
<b>27</b>						
<b>28 SUB-TOTAL MAINTENANCE</b>	<b>33,505,188</b>	<b>123.96</b>	<b>37,281,262</b>	<b>141.98</b>	<b>3,776,073</b>	<b>18.03</b>
<b>29</b>						
<b>30 OTHER OPERATING COSTS</b>						
31 Transit Security	17,762,261	65.71	17,165,458	65.37	(596,803)	(0.34)
32 General Manager	891,025	3.30	1,077,362	4.10	186,337	0.81
33 Revenue	1,940,973	7.18	1,877,074	7.15	(63,899)	(0.03)
34 Service Development	93,009	0.34	89,224	0.34	(3,785)	(0.00)
35 Safety	232,974	0.86	343,716	1.31	110,743	0.45
36 Casualty & Liability	3,495,926	12.93	3,524,678	13.42	28,752	0.49
37 Workers' Compensation	2,100,192	7.77	1,844,357	7.02	(255,835)	(0.75)
38 Other Metro Operations	1,110,506	4.11	956,673	3.64	(153,833)	(0.46)
39 Building Costs	765,889	2.83	360,335	1.37	(405,554)	(1.46)
40 Employee Subsidy & Benefits	66,780	0.25	128,906	0.49	62,126	0.24
41 Copy Services	4,000	0.01	75,130	0.29	71,130	0.27
<b>42 SUB-TOTAL</b>	<b>28,463,534</b>	<b>105.30</b>	<b>27,442,913</b>	<b>104.51</b>	<b>(1,020,622)</b>	<b>(0.79)</b>
<b>43</b>						
<b>44 SUPPORT DEPARTMENT COSTS</b>	<b>4,910,587</b>	<b>18.17</b>	<b>4,918,932</b>	<b>18.73</b>	<b>8,345</b>	<b>0.57</b>
<b>45</b>						
<b>46 TOTAL HEAVY RAIL PROJECT</b>	<b>\$ 74,182,490</b>	<b>\$ 274.45</b>	<b>\$ 78,032,491</b>	<b>\$ 297.18</b>	<b>\$ 3,850,001</b>	<b>\$ 22.74</b>
<b>47 TOTAL REVENUE SERVICE HOURS</b>	<b>270,299</b>		<b>262,574</b>		<b>(7,725)</b>	

## APPENDIX 10: MODAL OPERATING STATISTICS

<b>Bus</b>	<b>Notes</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>	<b>Inc/(Dec) FY05 to FY06</b>
1 Fares (\$000)		\$186,441	\$220,976	\$220,977	\$1
2 Other Operating Revenue (\$000)		\$11,271	\$14,250	\$16,175	\$1,925
3 Expenses (\$000)	1	\$724,355	\$788,905	\$833,823	\$44,918
4 Boardings (000)		329,875	365,812	369,897	4,085
5 Farebox Recovery Ratio		25.7%	28.0%	26.5%	-1.5%
6 Vehicle Service Hours (000)	3	6,622	7,567	7,644	76
7 Cost per Hour		\$109.39	\$104.25	\$109.09	\$4.83
8 Cost per Passenger Mile		\$0.57	\$0.55	\$0.58	\$0.03
9 Vehicle Service Miles (000)	3	82,498	94,436	94,967	531
10 Passenger Miles (000)		1,270,902	1,426,667	1,442,594	15,927
11 Fare Revenue per Boarding		\$0.57	\$0.60	\$0.60	\$0.00
12 Subsidy per Boarding	2	\$1.60	\$1.51	\$1.61	\$0.10
13 Subsidy per Passenger Mile	2	\$0.41	\$0.39	\$0.41	\$0.03
14 Vehicles Operated		2,098	2,242	2,241	(1)

<b>Light Rail</b>	<b>Notes</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>	<b>Inc/(Dec) FY05 to FY06</b>
15 Fares (\$000)		\$18,500	\$21,426	\$21,601	\$175
16 Other Revenue (\$000)		\$800	\$0	\$0	\$0
17 Expenses (\$000)	1	\$112,380	\$142,136	\$147,094	\$4,958
18 Boardings (000)		32,852	41,456	36,159	(5,297)
19 Farebox Recovery Ratio		16.5%	15.1%	14.7%	-0.4%
20 Vehicle Service Hours (000)	3	337	389	357	(32)
21 Cost per Hour		\$333.71	\$365.48	\$412.53	\$47.05
22 Cost per Passenger Mile		\$0.47	\$0.66	\$0.78	\$0.12
23 Vehicle Service Miles (000)	3	7,704	9,264	8,468	(796)
24 Passenger Miles (000)		241,217	215,568	188,024	(27,544)
25 Fare Revenue per Boarding		\$0.59	\$0.52	\$0.60	\$0.08
26 Subsidy per Boarding	2	\$2.83	\$2.91	\$3.47	\$0.56
27 Subsidy per Passenger Mile	2	\$0.39	\$0.56	\$0.67	\$0.11

<b>Heavy Rail</b>	<b>Notes</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>	<b>Inc/(Dec) FY05 to FY06</b>
28 Fares (\$000)		\$16,462	\$22,783	\$21,102	(\$1,681)
29 Other Revenue (\$000)		\$364	\$0	\$0	\$0
30 Expenses (\$000)	1	\$66,210	\$74,182	\$78,032	\$3,850
31 Boardings (000)		30,870	35,908	35,323	(585)
32 Farebox Recovery Ratio		24.9%	30.7%	27.0%	-3.7%
33 Vehicle Service Hours (000)	3	238	270	263	(8)
34 Cost per Hour		\$277.70	\$274.45	\$297.18	\$22.73
35 Cost per Passenger Mile		\$0.43	\$0.45	\$0.48	\$0.03
36 Vehicle Service Miles (000)	3	5,398	6,604	6,030	(574)
37 Passenger Miles (000)		152,630	165,178	162,486	(2,692)
38 Fare Revenue per Boarding		\$0.55	\$0.63	\$0.60	(\$0.04)
39 Subsidy per Boarding	2	\$1.60	\$1.43	\$1.61	\$0.18
40 Subsidy per Passenger Mile	2	\$0.32	\$0.31	\$0.35	\$0.04

## Notes:

(1) Expenses include Transitional Duty Program but exclude interest and debt administration.

(2) Subsidy excludes all operating revenue.

(3) Reflect revenue vehicle hours &amp; miles.

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## **APPENDIX 11: PUBLIC TRANSPORTATION SERVICES CORPORATION**

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

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

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

(Amounts in millions)

<b>PTSC Only</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Revenue:			
2     Reimbursement for support services	\$ 170.0	\$ 112.7	\$ 110.7
3 Total revenue	170.0	112.7	110.7
4			
5 Operating expenses:			
6     Salaries, wages & fringe	169.1	112.2	110.3
7     Services, leases, taxes & misc	0.9	0.5	0.4
8 Total expenses	170.0	112.7	110.7
9			
10 Increase(decrease) in retained earnings	-	-	-
11			
12 Retained earnings - beginning of year	-	-	-
13			
14 Retained earnings - end of year	\$ -	\$ -	\$ -

## APPENDIX 12: AGENCY FUNDS

Benefit Assessment is a fee used to pay part or all of the cost of capital improvements enhancing the value of property receiving service from, or located near and benefiting from, those capital improvements. Metro's Benefit Assessment is a levy on properties within one-half mile of downtown Metro Red Line stations and one-third mile of the Westlake/MacArthur Park Station.

Metro's Benefit Assessment Districts A1 and A2 were created pursuant to a resolution adopted by the former Southern California Rapid Transit District's Board of Directors on July 11, 1985, to pay for a portion of the construction costs of the Metro Red Line Segment 1 stations. BAD A1 includes the downtown area of Los Angeles. Boundary is set at one-half mile

from the centers of the Metro Red Line Union, Civic Center, Pershing Square, and 7<sup>th</sup> Street Metro Stations. BAD A2 includes the MacArthur Park area. Boundary is set at one-third mile from the center of the Westlake/MacArthur Park Station.

The purpose of the Benefit Assessment District (BAD) Program is threefold: (1) to ensure that assessments are levied at a rate high enough to repay the A1 and A2 Assessment Districts' bonded indebtedness and administrative costs, (2) to implement the property owner appeals process, and (3) to maintain a current inventory of assessable properties. The A1 and A2 Districts' bonds do not constitute an indebtedness of the MTA and are payable solely from payments received on assessments against the levied properties.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

**Statement of Revenues, Expenditures and Changes in Fund Balances**

For the Years Ending June 30, 2004, 2005 and 2006

(Amounts in millions)

<b>Agency Fund</b>	<b>Benefit Assessment District</b>		
	FY04 Actuals	FY05 Amended	FY06 Budget
1 Revenue:			
2 Other	\$ 18.1	\$ 22.6	\$ 22.8
3 Total revenues	18.1	22.6	22.8
4			
5 Expenditures:			
6 Debt and interest expenditures	17.9	22.2	22.5
7 General and administrative	0.2	0.4	0.3
8 Total expenditures	18.1	22.6	22.8
9			
10 Net change in fund balances	-	-	-
11			
12 Fund balances - beginning of year	-	-	-
13			
14 Fund balances - end of year	\$ -	\$ -	\$ -



## APPENDIX 13: DESCRIPTION OF METRO'S CLIENTELE

<b>Demographic Profile of Metro Bus Riders by Sector*</b>						
	MTA System	San Fernando Valley	San Gabriel Valley	West Central	South Bay	Gateway
Gender						
Male	43%	44%	43%	44%	41%	43%
Female	57	56	57	56	59	57
Median Household Income	\$12,000	\$13,000	\$12,000	\$12,000	\$12,000	\$11,000
Mean Age (Years)	39.6	39.9	39.3	40.6	39.5	38.4
Ethnicity						
Hispanic/Latino	58%	56%	68%	59%	46%	64%
African-American/Black	20	10	12	16	36	25
White/Caucasian	12	22	8	14	9	5
Asian/Pacific Islander	8	9	10	9	6	4
Other(American-Indian/ Multi-Racial)	2	3	2	2	3	2

\*FY2002 On-Board Bus Survey, page 4.

## Summary of Survey Results - Bus

Major findings from 31,000 completed surveys for the FY2002 Bus On-Board (Weekday) Survey are as follows:

### *Demographic Profile*

- Weekday Metro Bus riders are 57% female and 43% male, with little difference by MTA service sector.
- Median annual household income for weekday bus riders is \$12,000 per year, again with little difference by service sector.
- Latinos are the largest ethnic group among weekday riders (58%). African-Americans are 20% of the ridership, and Whites and Asians are 12% and 8%, respectively. Latino bus riders are particularly prominent in the San Gabriel Valley (68%) and Gateway (64%) sectors. African-American riders comprise 36% of the South Bay sector. White riders are most numerous in the San Fernando Valley (22%).
- The average age of weekday riders is 39.6. Whites and Asians are older than the other groups (46.5 and 45.9, respectively).

### *Travel Characteristics*

- A large majority of weekday Metro Bus riders (74%) use more than one bus or train in the course of their one-way trip.

- Riders access their first bus or train almost entirely by walking (93%). A similar percentage (94%) walk to their final destination.
- Most riders (82%) use MTA buses 5 or more days per week.
- The home-to-work trip (and its reverse—work-to-home) constitutes 58% of all weekday trips.
- Most weekday Metro Bus riders use passes to pay their boarding fare (52%), more than 1/3 of whom use the regular monthly pass. Pass use is highest in the West Central sector (58%) and lowest in South Bay (50%).

### *Travel Patterns*

- San Fernando Valley sector riders remain within the San Fernando Valley sector on 66% of all bus trips that originate there. This is in contrast to the San Gabriel Valley (47%) and South Bay (48%)—the only two sectors where a majority of riders travel outside of their sector.
- The major destination for riders outside of their own sector (for all sectors except West Central) is West Central. From the San Fernando Valley and South Bay, trips to West Central outnumber all other inter-sector trips combined, and from the San Gabriel Valley West Central trips are virtually equal to the total trips to all other sectors. Only from Gateway are West Central trips not so common.

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

<b>Demographic Profile of Metro Rail Riders by Line*</b>				
	All Lines	Blue Line	Red Line	Green Line
Gender				
Male	55%	54%	55%	57%
Female	45	46	45	43
Median Household Income	\$22,000	\$17,000	\$25,000	\$22,000
Mean Age (Years)	39.0	37.6	39.8	38.6
Ethnicity				
Hispanic/Latino	41%	43%	39%	41%
White/Caucasian	24	15	30	18
African-American/Black	22	32	16	28
Asian Pacific Islander	9	7	11	10
Other (American Indian/ Multi-Racial)	4	3	4	3

\*FY2002 On-Board Rail Survey, page 3 (before opening of Gold Line in Summer of 2003)

## Summary of Survey Results - Rail

For the FY2002 Rail On-Board (Weekday) Survey, here are major findings from 12,182 completed surveys.

### *Demographic Profile*

- Weekday Metro Rail riders are 55% male and 45% female, with little difference by line.
- Median annual household income is \$22,000 per year. The Red Line demonstrates the highest income (\$25,000) and the Blue Line the lowest (\$17,000).
- Latinos are the largest ethnic group of riders (41%), with only small variations by line. White riders represent 24% of the ridership for all lines but 30% for the Red Line. African-American riders comprise 32% of the Blue Line and 28% of the Green Line, but only 22% overall owing to low Red Line ridership (16%).
- Median annual household income among White riders is \$50,000 and over. African-Americans average \$21,000 and Latinos \$14,000. Median income among Asian riders is \$34,000. All four ethnic groups demonstrate their lowest median income on the Blue Line. Latino and Asian incomes are highest on the Green Line.
- The mean age of Metro Rail riders is 39.0 years. Latino riders are notably younger than other groups (34.8 years) and White riders are the oldest (45.0 years).

### *Travel Characteristics*

- A large majority of weekday Metro Rail riders (67%) use more than one bus or

train in the course of their one-way trip.

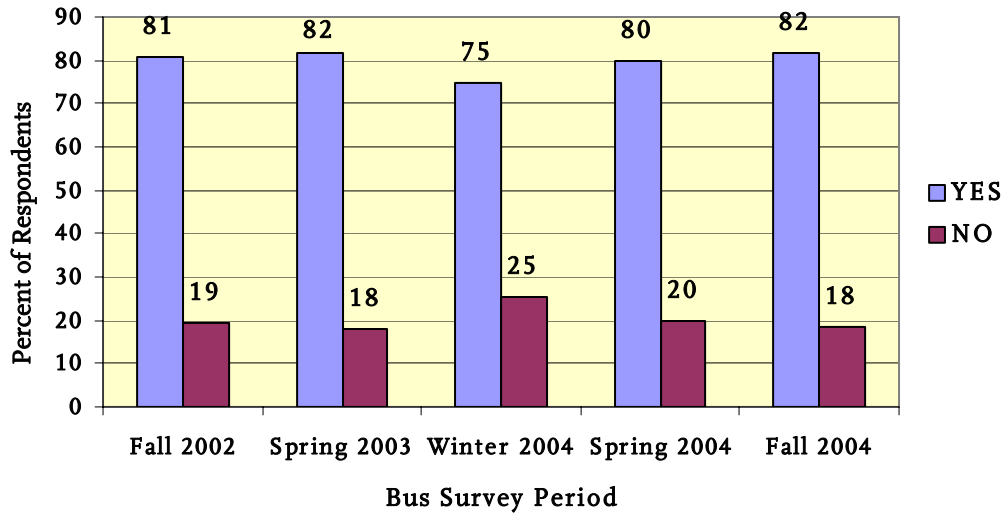
- Riders access their first bus or train mostly by walking (70%). An even larger percentage (82%) walk to their final destination.
- Most riders (72%) use Metro Rail 5 or more days per week.
- The 7th Street/Metro station (26%) and Pershing Square (9%) attract the most work trips.
- The dominant trip purpose for frequent weekday Metro Rail riders is the home-work trip (71%); the second most prevalent trip purpose is home-school (9%).
- Riders indicate that their median one-way trip consumes 65 minutes, including 35 minutes on board buses and trains and 10 minutes each for getting to, getting from, and waiting.
- Most Metro Rail riders use passes to pay their boarding fare (58%), half of whom use the regular monthly pass. Red Line pass usage is particularly high (66%) because of Metrolink riders.

## Clientele and Economic Conditions

Metro has seen an increase in ridership that is attributed to soaring gasoline prices. Ridership on the Red Line jumped nearly 12% in the first three months of 2005 compared to the same period last year. Boardings rose 8% on the Green Line and 3% on the Blue Line. These increases are notable in light of the rainy weather during the same period. Bus boardings remained comparable to year-ago levels.

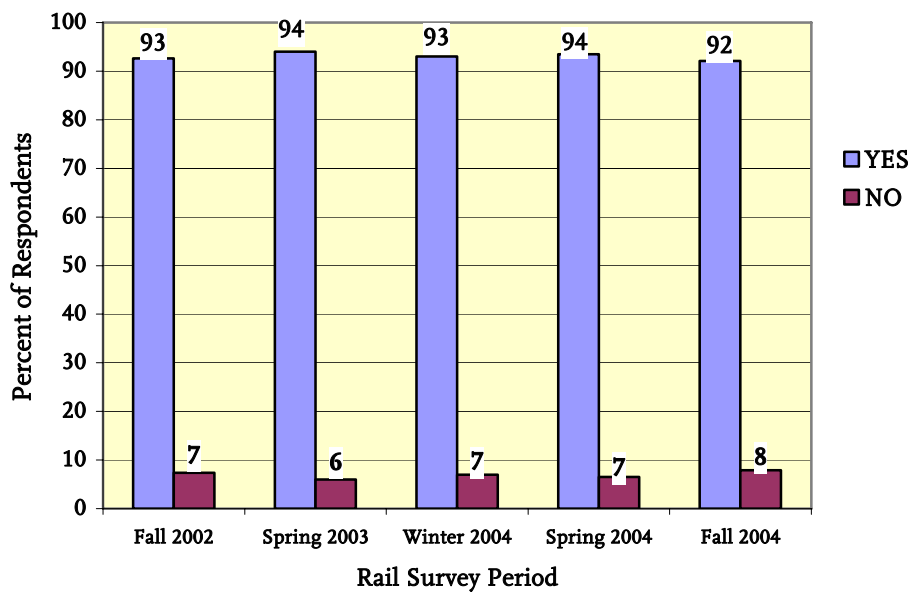
## Customer Satisfaction Survey - Bus

Generally speaking, are you satisfied with Metro Bus Service?

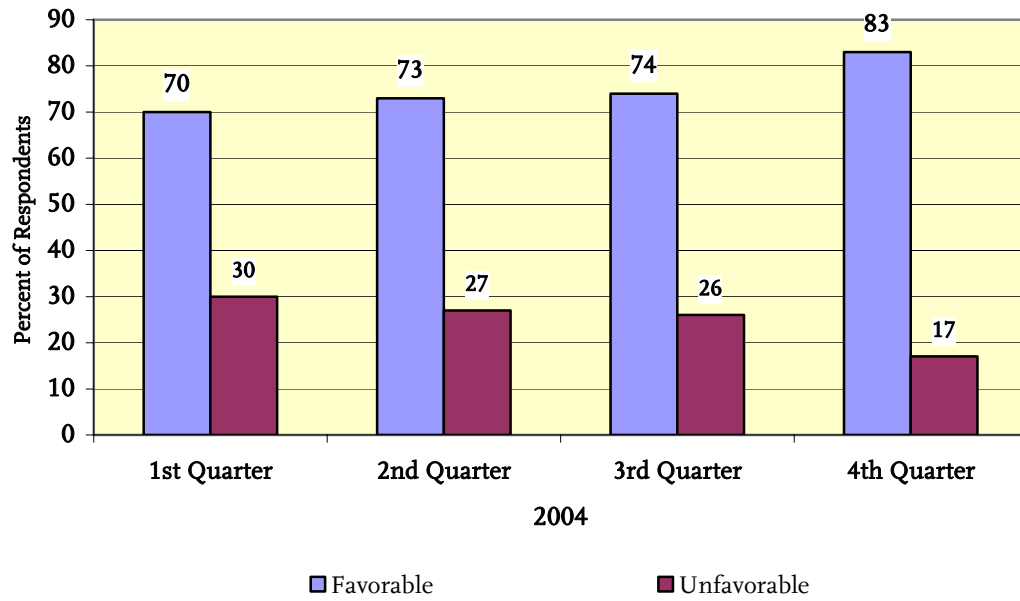


## Customer Satisfaction Survey - Rail

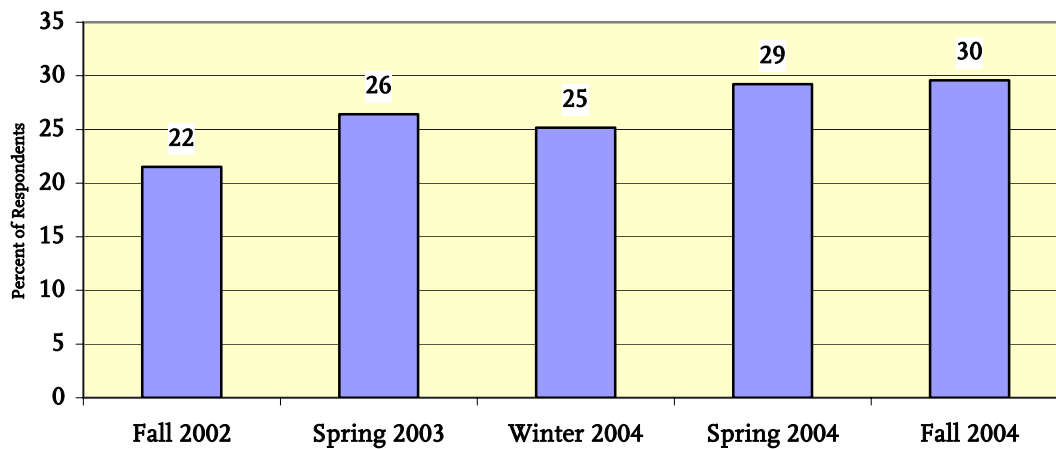
Generally speaking, are you satisfied with Metro Rail Service?



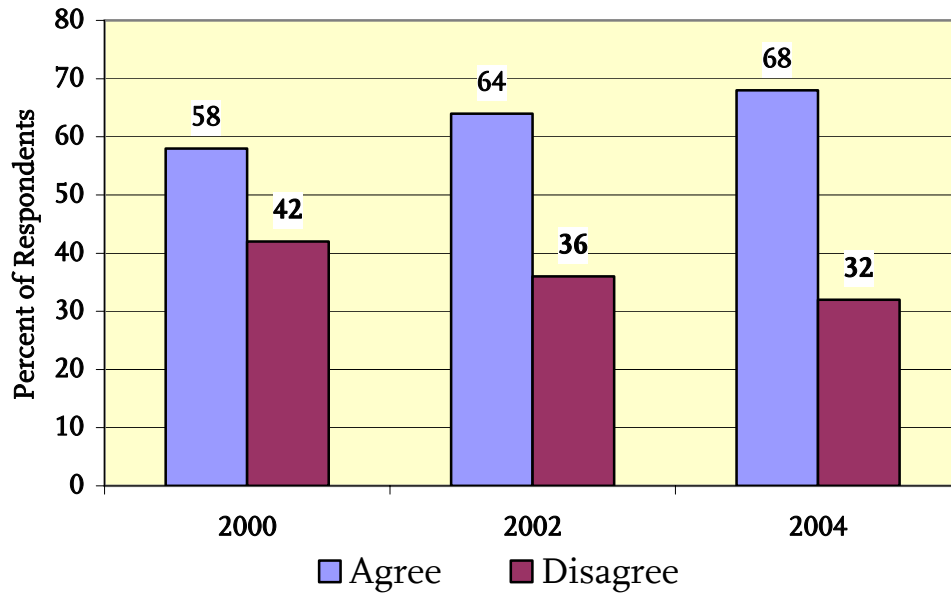
## Opinion of Metro Improving



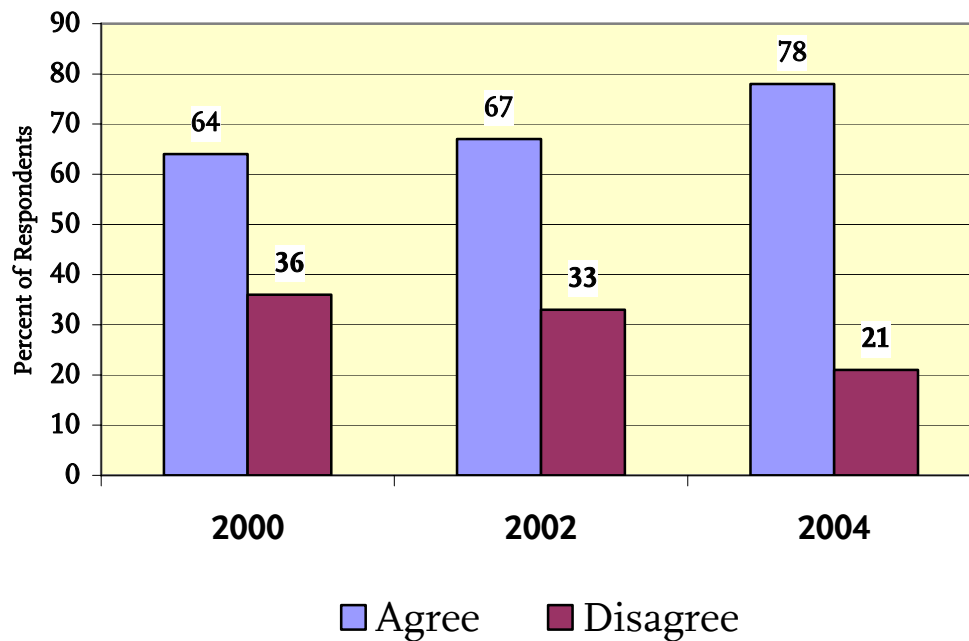
## Discretionary Ridership Going Up



## Considering Needs of Residents



## Metro Provides Quality Service



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## **APPENDIX 14: SERVICE AUTHORITY FOR FREEWAY EMERGENCIES**

The Service Authority for Freeway Emergencies (SAFE) was established in Los Angeles County in 1988. SAFE is a separate legal entity created under state law and is responsible for providing motorist aid services in Los Angeles County. SAFE currently operates and manages the Los Angeles County Kenneth Hahn Call Box System. There are 4,471 call boxes located in Los Angeles County. This is the largest such program in the United States. An average of 300 calls are received everyday.

In FY06, SAFE will continue to operate and maintain the call box system. During this fiscal year, SAFE plans to begin the transition of the call box system from an analog to a digital based communications system. SAFE also plans to evaluate the current placement of call boxes throughout the County and will develop recommendations to modify the call box system to ensure it efficiently and effectively meets needs of today's freeway environment.

Another item on SAFE's agenda is the implementation of a new motorist aid cellular service (Mobile Call Box) to provide motorists with the ability to use their cellular phones to request roadside assistance. SAFE plans on introducing this new service at the beginning of the fiscal year. SAFE also plans on working with Caltrans to install freeway exit sign numbers in a targeted region in the County.

SAFE will continue to fund the Metro Freeway Service Patrol I-710 Big Rig Demonstration Project and is also proposing to fund the expansion of the current Metro Freeway Service Patrol program during this fiscal year.

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

Los Angeles County Metropolitan Transportation Authority  
FY06 Budget

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**Statement of Revenues, Expenditures and Changes in Fund Balances**

For the Years Ending June 30, 2004, 2005 and 2006

(Amounts in millions)

<b>Service Authority for Freeway Emergencies</b>	<b>FY04 Actual</b>	<b>FY05 Amended</b>	<b>FY06 Budget</b>
1 Revenue:			
2    Investment income	\$     0.3	\$     0.9	\$     1.0
3    Licenses and fines	7.3	7.0	7.0
4 Total revenues	7.6	7.9	8.0
5			
6 Expenditures:			
7    Services	6.8	7.3	11.1
8    General and administrative	1.3	1.8	2.0
9 Total expenditures	8.2	9.1	13.1
10			
11 Net change in fund balances	(0.6)	(1.2)	(5.1)
12			
13    Fund balances - beginning of year	27.2	26.6	25.4
14			
15    Fund balances - end of year	\$    26.6	\$    25.4	\$    20.3

## **APPENDIX 15: ADVANCED TECHNOLOGY VEHICLE CONSORTIUM**

The Advanced Technology Vehicle Consortium (ATVC) is an advisory body organized and funded by Metro, LA City, LA County, and the AQMD as a working unit to promote clean-fuel vehicles and technologies, outside Metro's normal operating structure.

The ATVC is an independent non-profit California public corporation with its own independent Board of Directors that includes Y. Burke-Chair; J.Fasana-Vice Chair; J.Hahn; F.Roberts; Z. Yaroslavsky; M. Antonovich; and B. LaPisto-Kirtley.

The ATVC is responsible for the

continued development and commercialization of the Advanced Technology Bus and has been instrumental in identifying and recommending new transit technologies that include composite "Compo" buses, high capacity CNG articulated vehicles, and gasoline hybrid buses.

The ATVC monitors emissions standards and recommends technologies that will meet those standards. It also identifies technologies that leverage capital funds to reduce operating costs and improve performance, safety, and passenger comfort.

## APPENDIX 16: CONSENT DECREE

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

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

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

### Load Factor Standards

The Consent Decree contains specific targets for reducing loading standards by the year 2002. The LACMTA is required to reduce the target load factor on buses operating during peak periods from 1.45 (19 standees) to 1.35 (15 standees) by December 31, 1997; to 1.25 (11 standees) by June 30, 2000; and to 1.20 (9 standees) by June 30, 2002.

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

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

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

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

### FY05 Bus Service Expansion

On January 12, 2004, the LACMTA received a Final Order directing the agency to further expand bus service by December 2004. To meet the service expansion requirements of the Order, a service plan was developed that expanded service by approximately 208,000 annualized revenue hours. A total of 83,000 revenue hours of bus service were added in June 2004, with another 250,500 revenue hours added in December 2004.

### **Five-Year New Service Plan**

The Consent Decree requires the LACMTA to develop and implement a five-year plan of improvements to the bus system to expand mobility for the transit-dependent community in the greater Los Angeles area. The LACMTA implemented a Pilot Program of new bus service between 1997 and 2000 and continues to expand the Metro Rapid service network in accordance with the New Service Plan.

### **Fares**

The LACMTA did not increase fares from the beginning of the Consent Decree in 1996 through December 2003. Sale of the weekly pass began in December 1996. A base off-peak discount fare of \$0.75 was introduced in 1997 on Line 40 and all lines operating late night/early morning (9pm-5am) service.

## APPENDIX 17: GFOA AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Los Angeles County Metropolitan Transportation Authority, California, for its annual budget for the fiscal year beginning July 1, 2004 (FY05). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Los Angeles County Metropolitan Transit Authority  
California**

For the Fiscal Year Beginning

**July 1, 2004**

*Nancy Z. Ziehl*  
President

*Jeffrey R. Egan*  
Executive Director

## VIII. Glossary



## TERMS

<b>ABC</b>	Activity-based cost. Methodology that measures the cost and performance of activities, resources, and cost objects. Resources are assigned to activities, then activities are assigned to cost objectives based on their use. ABC recognizes the causal relationships of cost drivers to activities.
<b>ACCRUAL BASIS</b>	A method of accounting that recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.
<b>ACTUARIAL ANALYSIS</b>	Analysis completed and submitted by an individual versed in the collection and interpretation of numerical data (especially someone who uses statistics to calculate insurance premiums).
<b>ADA</b>	Americans with Disabilities Act. A comprehensive civil rights measure signed into law on July 1990 to ensure persons with disabilities receive equal access to transportation and other services.
<b>AFSCME</b>	American Federation of State, County and Municipal Employees. The union representing maintenance and transportation supervisors.
<b>ALTERNATIVE FUELS</b>	Low-polluting fuels that are used to propel a vehicle instead of high-sulfur diesel or gasoline. Examples include methanol, ethanol, propane or compressed natural gas, liquid natural gas, low-sulfur or "clean" diesel and electricity.
<b>ARTICULATED BUS</b>	An extra long (54 ft. to 60 ft.), high-capacity bus with two connected passenger compartments. The rear body section is connected to the main body by a joint mechanism that allows the vehicle to bend when in operation for sharp turns and yet has a continuous interior.
<b>ASI</b>	Access Services, Incorporated. ASI is a private non-profit corporation, which is the Consolidated Transportation Services Agency (CTSA) for Los Angeles County and, as such, has the responsibility to improve and coordinate the paratransit services for 187 different social service and public paratransit operators.
<b>ATMS</b>	Advanced Transportation Management System. A state-of-the-art communications package being installed in Metro's active bus fleet and at the bus operations control center.
<b>ATU</b>	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.

<b>ATVC</b>	Advanced Technology Vehicle Consortium. An independent non-profit California public corporation organized and funded by Metro, City of Los Angeles, Los Angeles County, and Air Quality Management District as a working unit to promote clean air vehicles and advanced technologies.
<b>BAD</b>	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.
<b>BIAS</b>	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and justify those requests.
<b>BIG RIG</b>	A common reference to a commercial semi truck, tractor-trailer, or eighteen-wheeler used to haul freight on public highways.
<b>BOARDINGS</b>	Number of passengers entering a vehicle of a public transportation system. Passengers are counted each time they enter a vehicle, no matter how many vehicles are used from trip origin to destination. Also known as an unlinked passenger trip.
<b>BOND</b>	An interest-bearing promise to pay a specified sum of money on a specified date.
<b>BOS</b>	Bus Operations Subcommittee. A subcommittee of the Technical Advisory Committee (TAC). BOS is composed of the 17 bus-operating agencies within Los Angeles County.
<b>BRT</b>	Bus rapid transit. Bus service operated on exclusive rights-of-way (busway) and on short stretches of street lanes designated for bus use.
<b>BSIP</b>	Bus Service Improvement Program. Program to provide additional buses on existing lines to relieve overcrowding.
<b>BUDGET</b>	A plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
<b>CAFR</b>	Comprehensive Annual Financial Report. LACMTA's annual financial statements.
<b>CALTRANS</b>	California Department of Transportation. Caltrans is responsible for the design, construction, maintenance, and operation of the California State Highway System, as well as that portion of the Interstate Highway System within the state's boundaries.

<b>CAPITAL ASSET</b>	The acquisition of property, facility, or equipment whose cost exceeds \$2,500 per unit. Capital project costs include installation, delivery cost, sales and use taxes, and general & administrative overhead costs.
<b>CAPITAL PROGRAM (CP)</b>	A portfolio of capital projects and their funding.
<b>CAPITAL PROJECT</b>	Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase their useful life.
<b>CASH BASIS</b>	A basis for keeping accounts whereby revenue and expense are recorded on the books of account when received and paid, respectively, without regard to the period to which they apply.
<b>CBD</b>	Central Business District. An area of high land valuation characterized by a high concentration of retail businesses, service businesses, offices, hotels, and theaters, as well as by a high traffic flow.
<b>CFP</b>	Call for projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
<b>CMAQ</b>	Congestion Mitigation and Air Quality. Federal funds available for either transit or highway projects that contribute significantly to reducing automobile emissions that cause air pollution.
<b>CNG</b>	Compressed natural gas. Natural gas in high-pressure surface containers that is highly compressed (though not to the point of liquefaction). CNG is used extensively as a transportation fuel for automobiles, trucks and buses.
<b>COMMERCIAL PAPER</b>	Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility.
<b>CORRIDOR</b>	A defined metropolitan area considered for significant transportation projects such as highway improvements, bus transitways, light rail lines, bikeways, etc.
<b>CP&amp;D</b>	Countywide Planning & Development. Metro department responsible for providing MTA with nationally-recognized leadership, expertise and capability in program development, policy planning and technical analysis in the implementation of transportation system improvements and in the management of travel demand.
<b>CPI</b>	Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living.

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<b>CPUC</b>	California Public Utilities Commission. The Commission regulates privately owned electric, telecommunications, natural gas, water and transportation companies, in addition to household goods movers and rail safety.
<b>CTC</b>	California Transportation Commission. The Commission is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California.
<b>CTSA</b>	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).
<b>DBE</b>	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
<b>DEBT PROGRAM</b>	Activities related to current and planned debt service requirements and their funding.
<b>DOT</b>	United States Department of Transportation. A Federal department responsible for ensuring a fast, safe, efficient, accessible and convenient national transportation system.
<b>EEO/AA</b>	Equal Employment Opportunity/Affirmative Action. Federal laws prohibiting job discrimination.
<b>EIR</b>	Environmental Impact Report. A detailed statement describing and analyzing the significant environmental effects of a project, and discussing ways to mitigate or avoid those effects.
<b>ENCUMBRANCES</b>	Commitments related to unperformed contracts for goods or services.
<b>ENTERPRISE FUND</b>	Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting. Includes related capital and debt activity.
<b>EZ PASS</b>	The regional EZ Pass is a monthly pass offered to customers that provides seamless riding among Los Angeles County's sixteen Municipal transit operators and Metro bus and rail services.
<b>FAP</b>	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.

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<b>ARE</b>	The price paid to ride public transportation such as a bus or train.
<b>FAREBOX RECOVERY RATIO</b>	Farebox revenue divided by operating costs.
<b>FASB</b>	Financial Accounting Standards Board. The Board establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.
<b>FAU</b>	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.
<b>FEIS</b>	Federal Environmental Impact Statement. A comprehensive study of likely environmental impacts resulting from major federally assisted projects; the National Environmental Policy Act (NEPA) requires these statements.
<b>FIDUCIARY FUNDS</b>	Financial resources held or managed in an agent or fiduciary capacity.
<b>FIS</b>	Financial Information System. The LACMTA's automated, integrated financial accounting and control system.
<b>FISCAL YEAR</b>	The period at the end of which a governmental agency determines its financial position and results of operations. The LACMTA's fiscal year begins July 1 and ends June 30 of the following calendar year.
<b>FIXED ASSETS</b>	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
<b>FIXED GUIDEWAY SYSTEM</b>	A system of vehicles that can operate only on its own guideway constructed for that purpose (e.g., commuter rail, light rail). Federal usage in funding legislation also includes exclusive right-of-way bus operations.
<b>FREIGHT MOVEMENT PROGRAM</b>	A strategic plan being developed by LACMTA to address future goods movement growth throughout the county.
<b>FSP</b>	Metro Freeway Service Patrol. Funded by LACMTA, these contracted towing services remove stalled vehicles from peak period congested freeways. The service is managed by MTA in conjunction with the California Highway Patrol and Caltrans.

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<b>FTA</b>	Federal Transit Administration. The Federal government, through the FTA, provides financial assistance to develop new transit systems and improve, maintain, and operate existing systems.
<b>FTE</b>	Full-time equivalent position. A part-time position is converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to a .5 of a full-time position.
<b>FUNCTION</b>	An activity or a group of related activities for which the reporting unit is responsible.
<b>FUND</b>	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.
<b>FUND BALANCE</b>	Fund equity in governmental funds - the difference between fund assets and liabilities.
<b>FY</b>	Fiscal year. The period at the end of which a governmental agency determines its financial position and results of operations. The Metro fiscal year begins July 1 and ends June 30.
<b>GASB</b>	Governmental Accounting Standards Board. The Board establishes and improves standards of state and local governmental accounting and financial reporting, resulting in useful information for users of financial reports, and educates the public, including issuers, auditors, and users of those financial reports.
<b>GENERAL AND ADMINISTRATIVE (G&amp;A) COSTS</b>	All activities associated with general administration of the transit agency, including transit service development, injuries and damages, safety, personnel administration, legal services, insurance, data processing, finance and accounting, purchasing and stores, engineering, real estate management, office management and services, customer services, promotion, market research and planning.
<b>GENERAL FUND</b>	Fund used to account for those financial resources that are not required to be accounted for in any other fund.
<b>GOVERNMENTAL FUNDS</b>	Two fund types are used to account for the agency's governmental-type activities: the General Fund, and the Special Revenue Fund. See applicable descriptions herein.
<b>GR</b>	General Relief Token Program. Metro program that provides tokens for transportation of homeless/indigent persons.

<b>HEAVY RAIL</b>	High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.
<b>HOV</b>	High occupancy vehicle lanes or carpool lanes on freeways dedicated for use by vehicles with multiple occupants.
<b>HUB MILES</b>	The mileage operated by each bus based on the reading of the bus odometer, located on the hub of a rear axle, which usually is read during the daily fueling of the bus. This is the mileage data used to schedule the preventive and planned maintenance.
<b>IFB</b>	Invitation for bids. An advertised competitive solicitation for fixed price bids. Awards are made to the responsive, responsible bidder that submits the lowest price.
<b>IMMEDIATE NEEDS TRANSPORTATION PROGRAM</b>	A program started after the Los Angeles riots to distribute taxi vouchers and bus tokens in Los Angeles County.
<b>ITS</b>	Information Technology Services. The department that provides the computer services function at Metro.
<b>JOINT DEVELOPMENT</b>	Projects that combine public and private resources to build mixed use development around transit station areas.
<b>JPA</b>	Joint Powers Authority. A voluntary association of government entities formed into a special purpose agency to deal with a common problem or problems, carry out a specific project, or provide a specific service, for example, the operation of a regional transit system.
<b>KEY PERFORMANCE INDICATORS</b>	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.
<b>LA LIGHT RAIL VEHICLE CAR</b>	Los Angeles Light Rail Vehicle Car. The LA Light Rail Vehicle Car is a generic vehicle designed for the LACMTA for use on light rail lines.
<b>LACMTA</b>	Los Angeles County Metropolitan Transportation Authority. Serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest counties. Also referred to as MTA or METRO.
<b>LOA</b>	Letter of agreement. A written agreement.
<b>LIGHT RAIL</b>	Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line (catenary).

<b>LOCAL RETURN</b>	Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements.
<b>LRT</b>	Light rail transit. Modern-day term for a streetcar-type of transit operation.
<b>L RTP</b>	Long Range Transportation Plan. A 25-year plan for multi-modal transportation needs of Los Angeles County.
<b>LRV</b>	Light rail vehicle. Electrically propelled passenger carrying rail vehicle.
<b>M3</b>	Maintenance & Material Management System. A materiel, equipment, and facilities management system that automates the control, planning, acquisition and distribution of inventory and tracking of maintenance activities.
<b>METRO</b>	Preferred nickname for and reference to the Los Angeles County Metropolitan Transportation Authority (LACMTA).
<b>METRO BLUE LINE</b>	Long Beach-Los Angeles Light Rail Transit Project. A 22-mile light rail line constructed by the LACMTA. The line opened for service July 14, 1990.
<b>METRO EXPOSITION LINE</b>	Culver City-Los Angeles Mid-City/Exposition Light Rail Transit Project. A 9.6-mile light rail line currently in the planning stage.
<b>METRO GOLD LINE</b>	Union Station-Pasadena Light Rail Transit Project. A 13.7-mile light rail line constructed by the Metro Blue Line Construction Authority. The line opened for revenue service July 28, 2003.
<b>METRO GOLD LINE EASTSIDE EXTENSION</b>	A 6-mile Metro Gold Line light rail transit extension planned to provide service between Union Station and East Los Angeles. The line is scheduled to open in 2009.
<b>METRO GREEN LINE</b>	Norwalk-El Segundo Light Rail Transit Project. A 20-mile light rail line constructed by the LACMTA on the median of the I-105 freeway. The line opened for service August 12, 1995.
<b>METRO ORANGE LINE</b>	A 14-mile Metro Rapidway being built on a former Southern Pacific Railroad right-of-way between the North Hollywood Metro Rail Station and Warner Center in Woodland Hills. Service is scheduled to begin in Summer 2005.



<b>METRO RAPID</b>	Bus service on arterial streets with several attributes to improve service operating speeds including traffic signal priority, level boarding and alighting with low floor buses, fewer stops, and active management of service operation.
<b>METRO RAPIDWAY</b>	LACMTA's BRT service on a dedicated right-of-way. See Metro Orange Line.
<b>METRO RED LINE – SEGMENT I</b>	Segment I of the Metro Rail project constructed by the LACMTA from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
<b>METRO RED LINE – SEGMENT II</b>	Segment II includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996, and Wilshire/Vermont north to Hollywood/Vine, which opened for service in June 1999.
<b>METRO RED LINE – SEGMENT III</b>	Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000.
<b>METROLINK</b>	The regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992.
<b>MIS</b>	Major Investment Study. The study is required by the FTA to obtain federal funds for any major capital improvement.
<b>MISSION STATEMENT</b>	A brief statement that summarizes an organization's purpose, intent, and commitment.
<b>MODE</b>	A particular form of transportation identified by the vehicle or mode used i.e. bus, light rail, heavy rail, car, bike, or foot.
<b>MODIFIED ACCRUAL BASIS</b>	A method of accounting that recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under modified accrual accounting, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.
<b>MOSIP</b>	Municipal Operator Service Improvement Program. The program was created in 1999 to provide Los Angeles County's transit operators with funding from Proposition C 40% discretionary to alleviate overcrowding on their transit systems.
<b>MOU</b>	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.

<b>MOW</b>	Maintenance of way. Also known as Wayside Maintenance. The maintenance of rail operations fixed plant and equipment other than transit vehicles.
<b>MTA</b>	Metropolitan Transportation Authority. Also known as LACMTA or METRO.
<b>MULTIMODAL</b>	Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.
<b>MUNICIPAL OPERATOR</b>	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.
<b>NEW START</b>	Federal funding granted under section 3(i) of the Federal Transit Act. These discretionary funds are made available for construction of a new fixed guideway system or extension of any existing fixed guideway system, based on cost-effectiveness, alternatives analysis results and the degree of local financial commitment.
<b>NON-REVENUE VEHICLES</b>	Vehicles that do not carry fare-paying passengers.
<b>NTD</b>	National Transit Database. A database consisting of financial and operational information for over 600 U.S. transit agencies that receive FTA Section 5307 grants.
<b>OBJECTIVE</b>	Time-phased measurable accomplishment required realizing the successful completion of a strategic goal.
<b>OCIP</b>	Owner-controlled insurance program. OCIP self-insurance coverage includes workers' compensation, employer's liability, bodily injury and property damage liability, builder's risk (property), and railroad protective liability.
<b>OMB</b>	Office of Management and Budget. Metro department that develops and coordinates the agency budget activities.
<b>OVERHEAD</b>	Expenses not directly chargeable to a particular program, which support multiple programs of the LACMTA.
<b>OVERHEAD CATENARY</b>	An overhead contact wire system that supplies power from a central power source to a rail vehicle or trolley bus.

<b>PARATRANSIT</b>	Flexible forms of transportation services that are not confined to a fixed route. Paratransit is generally used to provide service for people with disabilities in compliance with the Americans With Disabilities Act of 1990 (ADA).
<b>PASSENGER MILES</b>	The cumulative distance ridden by passengers.
<b>PERFORMANCE INDICATORS</b>	Specific quantitative and qualitative measure of work performed as an objective of specific departments or programs.
<b>PERFORMANCE MEASURES</b>	Data collected to determine how effective or efficient a department or program is in achieving its objectives.
<b>PRE-QUALIFICATION PROGRAM</b>	A program that assures that Metro enters into contracts only with qualified firms.
<b>PROGRAM</b>	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
<b>PROP A</b>	Proposition A is a sales tax initiative approved by the Los Angeles County voters in 1980. The proposition established a one-half cent sales tax to be used for public transportation purposes.
<b>PROP C</b>	Proposition C is a sales tax initiative approved by the Los Angeles County voters in 1990. The proposition established a one half-cent sales tax to be used for public transportation purposes.
<b>PROPRIETARY FUND</b>	A fund type that is used to account for business-type activities, i.e., activities that receive a significant portion of their funding through user charges. See Enterprise Fund.
<b>PTSC</b>	Public Transportation Services Corporation. Created by the LACMTA in December 1996, the PTSC is a non-profit public benefit corporation organized under the laws of the State of California.
<b>REVENUE SERVICE HOURS (RSH)</b>	Total number of scheduled hours that a bus or train is in service. This total excludes hours spent traveling to and from storage facilities and during other non-service travel. Also referred to as Revenue Vehicle Service Hours (RVSH).
<b>REVENUE VEHICLE</b>	Vehicles that carry fare-paying passengers.
<b>REVENUE VEHICLE MILES</b>	Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel.
<b>RFP</b>	Request for proposal. The competitive proposal method of procurement. Award is made on a negotiated fixed price or cost reimbursement basis.

<b>ROD</b>	Revenue operations date. The date revenue operations begin.
<b>RTAA</b>	Regional Transit Alternatives Analysis. A projection that identifies future funding availability through fiscal year 2010.
<b>SAFE</b>	Service Authority for Freeway Emergencies. One dollar from each vehicle registration within Los Angeles County is used to provide expanded and improved emergency call box service along the highways. SAFE is a separate legal entity.
<b>SANBAG</b>	San Bernardino Associated Governments. The council of governments and transportation planning agency for San Bernardino County.
<b>SBE</b>	Small Business Enterprise. Businesses in which more than 50% of the business is owned and operated primarily by socially or economically disadvantaged individuals.
<b>SBU</b>	Strategic Business Unit. Metro is organized into seven strategic business units: Board of Directors, Chief of Staff, Communications, Construction Project Management, Countywide Planning & Development, Support Services, and Transit Operations.
<b>SCADA</b>	Supervisory Control and Data Acquisition system. A system used by Rail Operations to regulate, direct, and modify train movement and to monitor the functional state of rail facilities (e.g. rail signals, switches, electricity loads, station ventilation, security, etc.).
<b>SCAG</b>	Southern California Association of Governments. SCAG is mandated by the federal government as the Metropolitan Planning Organization (MPO) for six counties (Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial). Its mission is to research and develop plans for transportation, growth management, hazardous waste management, and air quality.
<b>SCAQMD</b>	South Coast Air Quality Management District. The air pollution control agency for the four-county region including Los Angeles and Orange counties and parts of Riverside and San Bernardino counties.
<b>SCORECARD</b>	A system that graphically displays the status of many agency key performance indicators. The Scorecard (also referred to as the CEO Scorecard) measures plans against results and displays historical data, current totals, targets, and forecasts so users can easily assess progress, monitor trends, and identify best practices.

<b>SCRRA</b>	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.
<b>SERVICE SECTOR</b>	Five geographic bus service areas of Metro managed by a General Manager with oversight from an independent, appointed local council. The five sectors are known as Metro San Fernando Valley, Metro San Gabriel Valley, Metro South Bay, Metro Gateway Cities, and Metro Westside-Central.
<b>SHORE</b>	Support for Homeless Re-entry Program. The LACMTA provides bus tokens to Los Angeles County shelters and missions.
<b>SPECIAL REVENUE FUND</b>	Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes.
<b>SRTP</b>	Short Range Transportation Plan. A planning document with five-year projections that describes goals and objectives of each transit operator in the county; provides estimates of ridership, services and expenses; and outlines proposed service modifications.
<b>STA</b>	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.
<b>STIP</b>	State Transportation Improvement Program. The California Transportation Commission (CTC) adopted this program that serves as the primary vehicle for programming funds for highway projects.
<b>TAC</b>	Technical Advisory Committee. Composed of agency staff that meet to discuss technical transportation policy issues.
<b>TAP</b>	Transit Access Pass. A thin plastic card the size of a credit card with an embedded microprocessor commonly referred to as a “smart card”. Used as fare media in stored-value collection systems for multi-modal transit operations.
<b>TCU</b>	Transportation Communications Union. The union representing selected clerical office employees, telephone information clerks, custodial staff, and stores personnel.
<b>TDA</b>	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of $\frac{1}{4}$ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to the LACMTA for its transportation planning activities.

<b>TEA-21</b>	Transportation Equity Act for the 21 <sup>st</sup> Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21 <sup>st</sup> Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next six years.
<b>TEAMSTERS</b>	International Brotherhood of Teamsters (IBT). Union representing security guards.
<b>TIP</b>	Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit systems.
<b>TOTS</b>	Transit Operating and Trend System. A system that collects and reports bus operator salary data.
<b>TSM</b>	Transportation Systems Management. A program of user incentives and disincentives to maximize capacity and usage of the existing transportation network.
<b>TVM</b>	Ticket Vending Machine. Vending machines located at transit station entrances for the purchase of tickets.
<b>UFS</b>	Universal Fare System. Fare collection equipment that will enable the region's customers to travel seamlessly and ensure compatibility with other transit systems within Los Angeles County.
<b>UNLINKED PASSENGER TRIP</b>	The boarding of one passenger on a transit vehicle in revenue service.
<b>UTU</b>	United Transportation Union. Union representing bus and rail operators and other operations employees.
<b>WAYFINDING</b>	The orderly presentation of information needed to let people comfortably and successfully navigate in an environment. While signage is the primary tool used to communicate that information, it is not the only one.
<b>WAYSIDE EQUIPMENT</b>	A system for automatically controlling train movement, enforcing train safety, and directing train operations by computers.

## IX. Abbreviations

## ABBREVIATIONS

ABC	Activity-based costing
ADA	Americans with Disabilities Act
AFSCME	American Federation of State, County, and Municipal Employees
ASI	Access Services, Incorporated
ATMS	Advanced Transportation Management System
ATU	Amalgamated Transit Union
ATVC	Advanced Technology Vehicle Consortium
BAD	Benefit Assessment District
BIAS	Budget Information Analysis System
BOS	Bus Operations Subcommittee
BRT	Bus Rapid Transit
BSIP	Bus Service Improvement Program
CAFR	Comprehensive Annual Financial Report
CALTRANS	California Department of Transportation
CBD	Central Business District
CCIP	Contractor-controlled insurance program
CFP	Call for projects
CHP	California Highway Patrol
CMAQ	Congestion Mitigation and Air Quality
CNG	Compressed natural gas
CP	Capital Program
CP&D	Countywide Planning and Development
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CTC	California Transportation Commission
CTSA	Consolidated Transportation Services Agency



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<b>DBE</b>	Disadvantaged Business Enterprise
<b>DOT</b>	Department of Transportation (United States)
<b>EEO/AA</b>	Equal Employment Opportunity/Affirmative Action
<b>EF</b>	Enterprise Fund
<b>EIR</b>	Environmental Impact Report
<b>FAP</b>	Formula Allocation Program
<b>FASB</b>	Financial Accounting Standards Board
<b>FAU</b>	Federal Aid Urban
<b>FEIS</b>	Federal Environmental Impact Statement
<b>FIS</b>	Financial Information System
<b>FSP</b>	Freeway Service Patrol
<b>FTA</b>	Federal Transit Administration
<b>FTE</b>	Full time equivalent
<b>FY</b>	Fiscal year
<b>GASB</b>	Governmental Accounting Standards Board
<b>GF</b>	General Fund
<b>GR</b>	General Relief Token Program
<b>HOV</b>	High occupancy vehicle
<b>IBT</b>	International Brotherhood of Teamsters
<b>IFB</b>	Invitation for bids
<b>ITS</b>	Information Technology Services
<b>JPA</b>	Joint Powers Authority
<b>KPI</b>	Key Performance Indicator
<b>LACMTA</b>	Los Angeles County Metropolitan Transportation Authority
<b>LOA</b>	Letter of agreement
<b>LRT</b>	Light rail transit
<b>LRTP</b>	Long Range Transportation Plan
<b>LRV</b>	Light rail vehicle

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<b>M3</b>	Maintenance and Material Management System
<b>METRO</b>	Los Angeles County Metropolitan Transportation Authority
<b>MIS</b>	Major Investment Study
<b>MOSIP</b>	Municipal Operator Service Improvement Program
<b>MOU</b>	Memorandum of Understanding
<b>MOW</b>	Maintenance of way
<b>MTA</b>	Metropolitan Transportation Authority
<b>NC</b>	Non-Contract
<b>NTD</b>	National Transit Database
<b>OCIP</b>	Owner-controlled insurance program
<b>OMB</b>	Office of Management and Budget
<b>OTP</b>	On-time performance
<b>PBLCA</b>	Pasadena Blue Line Construction Authority
<b>PROP A</b>	Proposition A
<b>PROP C</b>	Proposition C
<b>PTSC</b>	Public Transportation Services Corporation
<b>RFP</b>	Request for proposal
<b>ROD</b>	Revenue operations date
<b>RSH</b>	Revenue service hours
<b>RTAA</b>	Regional Transit Alternatives Analysis
<b>RVSH</b>	Revenue vehicle service hours
<b>SAFE</b>	Service Authority for Freeway Emergencies
<b>SANBAG</b>	San Bernardino Associated Governments
<b>SBE</b>	Small Business Enterprise
<b>SBU</b>	Strategic Business Unit
<b>SCADA</b>	Supervisory Control and Data Acquisition system
<b>SCAG</b>	Southern California Association of Governments
<b>SCAQMD</b>	South Coast Air Quality Management District

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<b>SCRRA</b>	Southern California Regional Rail Authority
<b>SHORE</b>	Support for Homeless Re-entry Program
<b>SRF</b>	Special Revenue Fund
<b>S RTP</b>	Short Range Transportation Plan
<b>STA</b>	State Transit Assistance Fund
<b>STIP</b>	State Transportation Improvement Program
<b>TAC</b>	Technical Advisory Committee
<b>TAP</b>	Transit Access Pass
<b>TCU</b>	Transportation Communications Union
<b>TDA</b>	Transportation Development Act
<b>TEA-21</b>	Transportation Equity Act for the 21 <sup>st</sup> Century
<b>TIP</b>	Transportation Improvement Program
<b>TOTS</b>	Transit Operating and Trend System
<b>TSM</b>	Transportation Systems Management
<b>TVM</b>	Ticket vending machine
<b>UFS</b>	Universal Fare System
<b>UTU</b>	United Transportation Union
<b>WE</b>	Wage expense