

Los Angeles County Metropolitan Transportation Authority

ADOPTED BUDGET

FY2010

July 1, 2009 – June 30, 2010



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I. Description of Metro and Strategic Plan

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Message from the Chief Executive Officer

Metro's Fiscal Year 2010 (FY10) budget provides funding for initiating numerous transportation innovations that will eventually change the landscape of the entire Los Angeles region. For the first time, the budget includes revenues resulting from Measure R, a new half-cent sales tax for Los Angeles County that will eventually provide nearly \$40 billion to build new public transit and highway projects over the next 30 years and provide subsidies to the region's bus operations. The FY10 spending plan is half a billion dollars or just under 15 percent more than the spending plan in the FY09 budget. The increase is largely due to a spate of new highway and transit building projects such as construction of a 10-mile northbound carpool lane on the I-405 freeway between the I-10 and CA-101 freeways. Altogether, we will undertake \$636 million in new programs in FY10, funded largely with federal stimulus funds and the new Measure R transit sales tax.

Among other major transportation advances in the new fiscal year, we will begin operation of the Metro Gold Line Eastside Extension to East Los Angeles and purchase 219 compressed natural gas buses. The purchase of larger, 45-foot buses for Metro will allow us to have the cleanest fleet of buses in modern America. The budget provides funds to continue construction of the Expo Light Rail Line from downtown Los Angeles to Culver City, to begin construction of a four-mile extension of the popular Metro Orange Line busway from Canoga Park to Chatsworth and to advance numerous planning studies for new transit projects throughout Los Angeles County.

We are busy laying the groundwork to begin construction for many exciting new transit and highway projects. These range from the Metro Gold Line Foothill Extension in the San Gabriel Valley to a Metro Green Line connection to LAX, rapid transit service in the Crenshaw Corridor and South Bay, extending the subway westward, and building a regional connector that will reduce the need for transfers between the Metro Gold, Blue and Expo lines when traveling between Pasadena and Long Beach or Santa Monica.

We are also looking at critical highway projects such as closing the I-710 gap between Alhambra and the I-210 freeway and providing traffic relief from the trucks plying the I-710 Freeway from the ports. In FY10, we are also proceeding with plans for a congestion pricing demonstration project. Financed by a \$210 million federal grant, Metro and Caltrans will introduce express lanes on the Harbor Transitway between downtown Los Angeles and the Artesia Transit Center in Torrance and along the I-10 between downtown and El Monte beginning in December 2010.

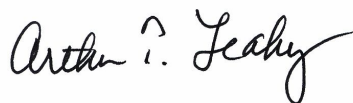
In addition, I intend to position Metro to take advantage of state and federal money to build the first leg of a high speed rail line in California and tap state and federal funding opportunities. The Los Angeles to Anaheim starter line could start construction as early as 2012 and open about six years later. That segment alone would create 75,000 jobs and turn Union Station into an airport without planes. The trip to Anaheim would take less than 20 minutes.

But Metro is also grappling with the worst economic downturn since the Great Depression, which has sapped local sales tax revenues and State Transit Assistance (STA) funding. The STA funding alone had been averaging about \$100 million a year for transit. It has been suspended for at least five years as the Governor and Legislature struggle to eliminate California's massive budget deficit.

Metro's \$3.9 billion budget for the fiscal year that began July 1, 2009 is balanced, but my concern is that even though we have cut expenses by more than \$130 million, we must rely on one-time revenues to stay afloat this year. The imbalance between operating revenues and expenses cannot be sustained. Local Proposition A, Proposition C and TDA sales taxes that account for nearly 60% of our total revenue will likely decline at least 5 percent compared to last year.

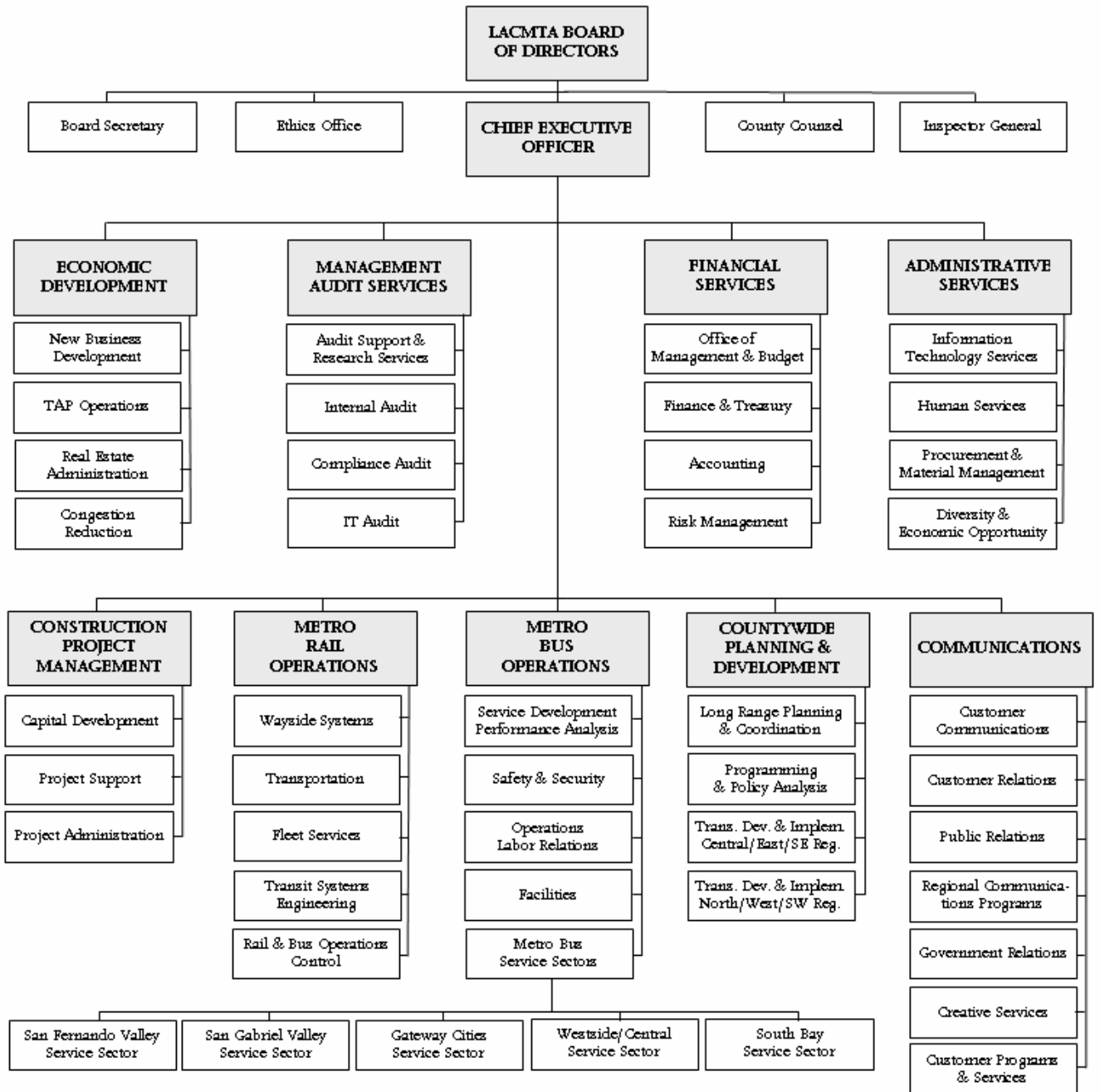
Ridership is flat, another sign of the distressed economy. If people are not working, they are not riding the buses and trains. Consequently, the fares of those who do ride are heavily subsidized by other revenue sources. Our customers – many of them poor and transit dependent – pay only 27 percent of what it costs to operate the Metro system. As mandated by Measure R, there will be no general Metro fare increase in FY10, and fares for seniors, students, the disabled and Medicare recipients will stay at current levels for five years.

This is my first Metro budget. I became CEO in April 2009 so I am still delving into Metro's many responsibilities and opportunities. My commitment to customers, taxpayers and the agency's directors is to ensure that we improve the quality of life in the Los Angeles region by aggressively moving forward to develop more mobility options for this traffic-choked area. We will have to leverage the funds we have with other government and private sector funding to accelerate improvements, wherever possible, in an environmentally friendly and fiscally prudent manner. It is a tough challenge, but I welcome it.



Arthur T. Leahy
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority

Los Angeles County Metropolitan Transportation Authority Organization Chart



Metro Board of Directors



Antonio Villaraigosa
Board Chairman
Mayor, City of Los Angeles

Board Chairman Antonio Villaraigosa was elected the 41st Mayor of the City of Los Angeles in 2005 and was reelected in 2009. He was formerly a City Councilman for the City of Los Angeles representing the 14th District. Prior to his election to the City Council, Mayor Villaraigosa served on the boards of the Southern California Rapid Transit District and the Metro Board of Directors including a prior term as Board Chairman. He was elected to the California State Assembly in 1994, serving as Democratic Whip and Majority Leader before becoming Speaker of the Assembly in 1998. Mayor Villaraigosa holds a Bachelor of Arts degree from UCLA and a law degree from the People's College of Law.



Don Knabe
Board 1st Vice Chairman
LA County Supervisor
4th Supervisorial District

Board 1st Vice Chairman Don Knabe was first elected to the Los Angeles County Board of Supervisors representing the Fourth District in 1996 and reelected three times since. He is a White House appointee to the State and Local Elected Officials Senior Advisory Committee to the Homeland Security Advisory Council. Supervisor Knabe is a former Mayor and Councilman of the City of Cerritos. He has served on the Board of Directors for Metro, Metrolink, and the Alameda Corridor Transportation Authority. He is the immediate past Chairman and Member of the Southern California Regional Airport Authority and a Member of the Southern California Association of Governments Aviation Task Force. Supervisor Knabe holds a bachelor's degree in business administration from Graceland College.



Ara Najarian
Board 2nd Vice Chairman
City Council Member
City of Glendale

Board 2nd Vice Chairman Najarian was elected to the Glendale City Council in 2005. Before being elected to the city council, he was an elected member of the Glendale Community College Board of Trustees. He served 7 years on the Glendale Transportation and Parking Commission and served two of those years as Chairman. Director Najarian is currently Vice Chair of the Glendale Redevelopment Agency and is the Past Chair of the Glendale Housing Authority. He has been an attorney in private practice for 20 years. Director Najarian attended Occidental College where he received a Bachelor of Arts degree in Economics and later earned his JD from the University of Southern California School of Law.



Michael Antonovich
LA County Supervisor
5th Supervisorial District

Director Antonovich is a member of the Los Angeles County Board of Supervisors representing the Fifth Supervisorial District. Supervisor Antonovich was reelected to his eighth four-year term in 2008. 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. Director Antonovich has held teaching positions with the Los Angeles Unified School District and Pepperdine University. He holds a Bachelor of Arts degree and Master's degree from California State University, Los Angeles.



Diane DuBois
City Council Member
City of Lakewood

Director DuBois was elected to the City Council of Lakewood in 2005. Prior to her City Council service, she was a Lakewood Planning and Environment Commissioner for 28 years. She has been a board member and volunteer for Lakewood Meals On Wheels, a board member of the Greater Long Beach Girl Scout Council, a governing board member of Lakewood Regional Medical Center, a member of Soroptimists International of Lakewood/Long Beach, and a volunteer at Pathways Volunteer Hospice. Director DuBois is representing the Gateway Cities on the Metro Board of Directors and will serve on the Operations and Construction committees.



John Fasana
City Council Member
City of Duarte

Director Fasana has served on the Duarte City Council since 1987, and served as Mayor in 1990, 1997 and 2004. He has represented thirty San Gabriel Valley cities on the Metro Board of Directors since its inception in 1993 and served as Board Chair during the 2001-2002 fiscal year. He is currently serving as Chair of the newly created Ad hoc Committee on Congestion Pricing. Director Fasana also serves as Chair of the San Gabriel Valley Council of Governments Transportation Committee, and represents seven cities on the Foothill Transit Governing Board. He has 26 years of service with Southern California Edison and is a graduate of Whittier College with a Bachelor of Arts degree in business administration.



Jose Huizar
City of Los Angeles
Mayor Appointee

Director Huizar was elected to the Los Angeles City Council in 2005 and re-elected in 2007. He is Chair of the Audits and Governmental Efficiency Committee, Vice-Chair of the Planning & Land Use Management Committee and a member of the Budget & Finance Committee, Ad Hoc River Committee and Ad Hoc Gang Violence and Youth Development Committee. Director Huizar serves as the Chair of the LA County Education Coordinating Council and is a member of SCAG's Transportation and Communications Committee. He served as board of education president for the LAUSD from 2001-2005. He was previously a deputy city attorney in the Real Estate and Environmental Division of the LA City Attorney's Office. Director Huizar earned degrees from UC Berkeley, Princeton and the UCLA School of Law.



Richard Katz
City of Los Angeles
Mayor Appointee

Director Katz served on the State Water Resources Control Board from 2001-2006. He also served Governor Davis as Senior Advisor on Energy and Water and led negotiations on the Colorado River Agreement with the Federal Government, California Water Agencies, and six other states. Director Katz served 16 years in the State Legislature beginning in 1980, including a term as the Democratic Leader. For 10 years, He chaired the Assembly Transportation Committee and authored Proposition 111 to raise money for mass transit/highways and created the Congestion Management Program. Director Katz was instrumental in drafting legislation that created Metro in 1993 through a merger of the Southern California Rapid Transit District and the LA County Transportation Commission.



Gloria Molina
LA County Supervisor
1st Supervisorial District

Director Molina serves on the Los Angeles County Board of Supervisors representing the First District. She was first elected in 1991 and re-elected in 1994, 1998, 2002 and 2006. Prior to her election to the Board of Supervisors, Director Molina served as State Assemblywoman for the 56th District from 1982 to 1987. In 1987, she was elected to the Los Angeles City Council, where she represented the First District until 1991. Before her election to public office, Director Molina served in the Carter White House as a Deputy for Presidential Personnel and subsequently as the Deputy Director for the Department of Health and Human Services in San Francisco. She attended East Los Angeles College and Rio Hondo College.



Pam O'Connor
City Council Member
City of Santa Monica

Director O'Connor has served on the Santa Monica City Council since 1994 and has served three terms as mayor. She is a member of the SCAG 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. Director 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. She earned a Bachelor of Science degree in journalism from Southern Illinois University and holds masters' degrees in historic preservation planning and in technology management from Eastern Michigan University.



Mark Ridley-Thomas
LA County Supervisor
2nd Supervisorial District

Director Ridley-Thomas was elected Los Angeles County Supervisor for the Second District in 2008. He previously served the 26th District in the California State Senate where he chaired the Senate's Committee on Business, Professions and Economic Development and its two subcommittees on Professional Sports and Entertainment, and The Economy, Workforce Preparation and Development. He also served on the Senate Appropriations, Energy, Utilities and Communications, Health and Public Safety committees. He served on the Los Angeles City Council starting in 1991 for nearly a dozen years, departing as Council President pro Tempore and served two terms in the California State Assembly, where he chaired the Assembly Democratic Caucus.



Rita Robinson
City of Los Angeles
Mayor Appointee

Director Robinson is the General Manager of the Los Angeles Department of Transportation where she is responsible for the day-to-day operations of over 2,000 employees whose mission is to provide for the safe and optimal mobility of people and goods throughout the City of Los Angeles to support economic activity and a desirable quality of life. A city employee for over 30 years, she began her career as a student professional intern and has served in a number of capacities in Los Angeles city government, including the Office of the City Administrative Officer, Department of Recreation and Parks, and the Community Development Department. Before Director Robinson's appointment to the Transportation Department, she directed the Department of Public Works Bureau of Sanitation.



Zev Yaroslavsky
LA County Supervisor
3rd Supervisorial District

Director Yaroslavsky, a past chairman of the Metro Board of Directors, is a member of the Los Angeles County Board of Supervisors representing the Third Supervisorial District. He was elected to the office in November 1994 and re-elected three times, most recently in 2006. Supervisor Yaroslavsky is recognized as a leader on fiscal, health care, transportation, cultural and environmental matters. He is also regarded as the County's fiscal watchdog, insisting that it live within its means. He previously 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 Failing
Ex-officio Member
Appointed by Governor

Director Failing is the District Director of the California Department of Transportation and 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. Director Failing has also represented Caltrans on the Alameda Corridor Transportation Authority Governing Board. He 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. Director Failing earned his bachelor of science degree in civil engineering from Michigan Technological University.

Metro Profile

The Los Angeles County Metropolitan Transportation Authority (LACMTA), or Metro, was formed in 1993 to plan, coordinate, design, build, and operate the public transportation system for the region. Metro's employees are proud to:

- Operate the second largest bus system in the United States, providing over 7.6 million revenue service hours annually with an average of 1.2 million boardings per weekday.
- Operate three light rail lines and one heavy rail line with about 300,000 boardings per weekday.
- Administer and distribute transportation 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.
- 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 Gateway Transit Center links Los Angeles County with neighboring counties in Southern California by providing easy connections for commuters to Metro Bus and Rail, Metrolink (commuter rail) and Amtrak (intercity rail).

Metro is governed by a Board of Directors with 13 voting members and one non-voting member. The Board of Directors is constituted as follows:

- The five members of the Los Angeles County Board of Supervisors.

- The Mayor of the City of Los Angeles and three mayoral appointees.
- Four members appointed by the Los Angeles County City Selection Committee.
- One non-voting member appointed by the Governor.

Five legally separate entities which are integrated into Metro's operations and financial reporting are also included in the annual budget presentation that follows. These "blended component" units are:

- the Public Transportation Services Corporation (PTSC),
- two Benefit Assessment Districts (BAD),
- the Exposition Metro Line Construction Authority (Expo), and
- the Service Authority for Freeway Emergencies (SAFE)

Please see Appendices 16 through 19 for detailed financial statements.

The annual budget and additional information about the organization, programs, and services at Metro can be found on its website: www.metro.net

Brief History of Metro

1871 – Los Angeles grants operational franchises for horse drawn streetcar railways.

1951 – Los Angeles Chamber works with the state legislature to form the Los Angeles Metropolitan Transit Authority (LAMTA).

1957 – Legislature gives LAMTA authority to purchase and operate privately owned bus lines through sale of revenue bonds.

1964 – Southern California Rapid Transit District (SCRTD) was formed to deliver mass rapid transit system, acquire property by eminent domain, levy taxes with voter approval, issue bonds and create Benefit Assessment Districts.

1976 – Los Angeles County Transportation Commission (LACTC) formed by legislature as new oversight organization for planning and funding mass transit.

1993 – SCRTD and LACTC merged to form the Los Angeles County Metropolitan Transportation Authority (Metro).

Los Angeles County Profile

Los Angeles County in California is the most populous county in the United States with an estimated population of 10.4 million. The county seat is the city of Los Angeles. The county is home to 88 incorporated cities and many unincorporated city-like areas. As of 2009, the county's population is larger than the populations of 42 states, ranking just behind Ohio, and is home to over a quarter of all California residents. In addition, if the county were a nation, it would be the 18th largest economy in the world.

Please see Appendix 21 for a more detailed description of the demographics for Los Angeles County.

Strategic Planning Process Update

As part of the strategic planning process for FY10, the CEO requested that every Chief Officer continue to be key owners for the agency's nine strategic goals.

Metro's Chief Officers reaffirmed their commitment to continuous improvement of an efficient and effective transportation system for Los Angeles County and agreed to report on their respective strategic business unit's accomplishments during the CEO's weekly staff meetings. This offers the CEO an opportunity to hear first-hand every strategic business unit's accomplishments, challenges and establishes accountability for individual and agency-wide performance. More importantly, it will offer senior management a chance to work in an open and collaborative manner as a cross-functional and integrated team.

The programs and resources listed in the agency-wide strategic plan will be realigned annually as a mechanism for determining the new strategic direction of the agency. Metro's strategic performance plan will enable this agency to be a strategy-focused organization and offers senior management the opportunity to determine Metro's Long and Short Range Transportation Plans, based on budget allocations and projections and resource utilization.

Office of Management and Budget (OMB) has developed a CEO Scorecard to monitor, track and measure the achieved key performance indicators which permits senior management the opportunity to realign strategic business objectives in terms of quantity, effectiveness and efficiency.

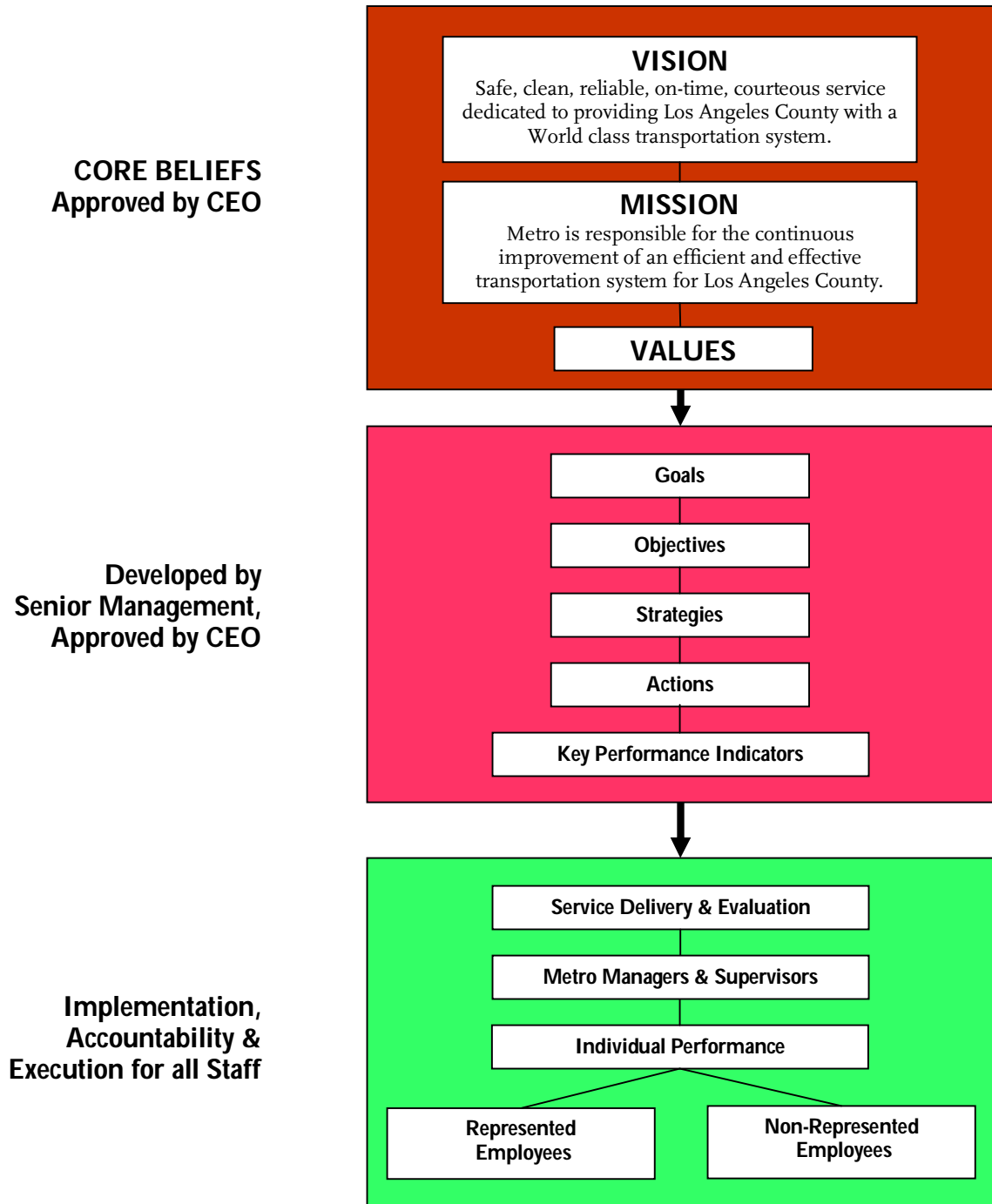
Organizational Development & Training Department (OD&T) will continue to work with each Chief Officer to determine and identify FY11 strategic goals, objectives, strategies and key performance indicators. Further, OMB requests that each strategic goal have one or more objectives and defined key performance indicators that are aligned to improve overall operational performance.

Metro's Strategic Performance Plan is an "evolving plan" and not a rigid or fixed document. Each strategic goal has an established outcome or key performance indicator and performance measures that are aligned to key management owners and team support partners for improved management accountability, productivity, and organizational performance. Key performance indicators are included in the Strategic Business Units section.

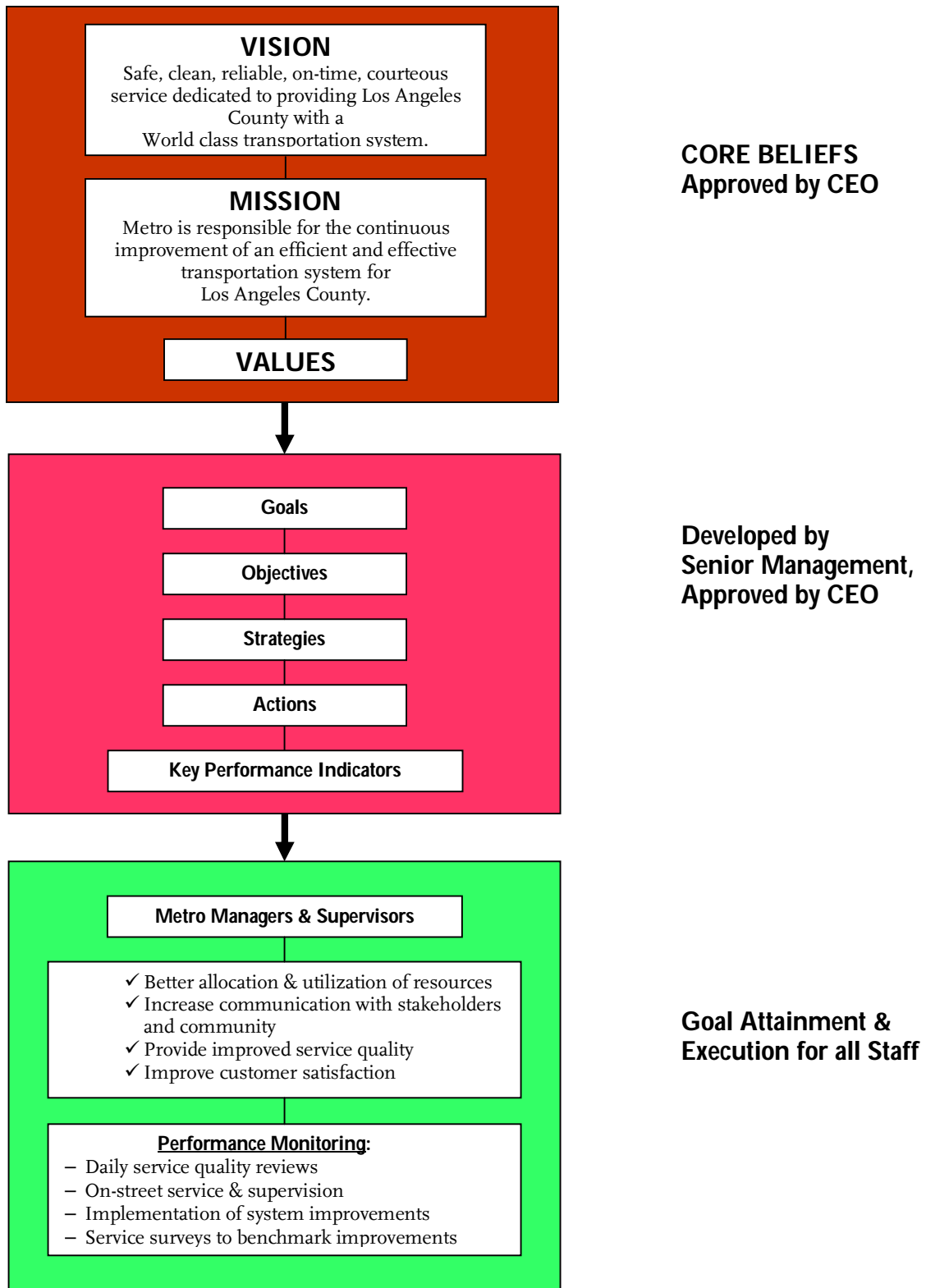
Strategic Plan FY10

| | |
|----------------------------|--|
| Vision | Safe, clean, reliable, on-time, courteous service dedicated to providing Los Angeles County with a world class transportation system. |
| Mission | Metro is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County. |
| Core Business Goals | <p>Goal 1: Improve transit services</p> <p>Goal 2: Deliver quality capital projects on time and within budget</p> <p>Goal 3: Exercise fiscal responsibility/maximize agency resources</p> <p>Goal 4: Provide leadership for the region’s mobility agenda</p> <p>Goal 5: Develop an effective and efficient workforce</p> <p>Goal 6: Secure local, state and federal funding</p> <p>Goal 7: Maintain open lines of communication</p> <p>Goal 8: Enhance a safety-conscious culture with employees, contractors and customers</p> <p>Goal 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions</p> |
| Values | <p><u>Safety:</u> We commit to ensure that our employees, passengers and the general public’s safety is always our first consideration</p> <p><u>Service Excellence:</u> We commit to provide safe, clean, reliable, on-time, courteous service for our clients and customers</p> <p><u>Workforce Development:</u> We commit to make Metro a learning organization that attracts, develops, motivates and retains a world-class workforce</p> <p><u>Fiscal Responsibility:</u> We commit to manage every taxpayer and customer-generated dollar as if it were coming from our own pocket</p> <p><u>Innovation: & Technology</u> We commit to actively participate in identifying best practices for continuous improvement</p> <p><u>Sustainability:</u> We commit to reduce, re-use and recycle all internal resources and reduce green house gas emissions</p> <p><u>Integrity:</u> We commit to rely on the professional ethics and honesty of every Metro employee</p> <p><u>Teamwork:</u> We commit to actively blend our individual talents to achieve world class performance and service</p> |

How the Strategic Plan Impacts Metro Employees – Ongoing



How the Strategic Plan Impacts Metro Customers – Ongoing



Communication Plan (Model) - Ongoing

Overall, Metro seeks to be a leader in the public transportation industry. This requires the continuous commitment, energy and hard work of every Metro employee.

The agency-wide Communication Plan (model) promotes and fosters open communication and provides employees an opportunity to discuss the strategic direction of the agency and help improve communication with customers, employees, business partners and/or stakeholders.

The success of the Strategic Plan can only be achieved through agency-wide communication and implementation. Therefore, it is imperative that the Communication Plan involves every Metro employee. The Communications Department will develop marketing and promotional materials to support and reinforce the new strategic direction of the

agency, vision, mission, core values, and goals. This will enable each Chief Officer and their direct reports to personally commit to communicate, collaborate and implement the strategic plan.

Organizational goals, unit objectives and KPI's are to be integrated and aligned to support the agency-wide Strategic Performance Plan. The Metro Long-Range Transportation Plan (LRTP) describes the short and long range Los Angeles County transportation program planning and project initiatives. Metro strategic goals and objectives are updated to address the transportation direction as defined by the Mobility 21 Coalition and the Sustainability Summit.

The diagram on the following page outlines the Leadership Model to cascade and communicate Metro's Strategic Performance Plan agency-wide.

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 a selection of KPIs since FY04. This desktop data-mining tool has provided Metro management with timely performance data for a wide variety of agency-critical areas.

In order to give management rapid information, indicators are tracked at frequent intervals. Labor costs are reported at the end of each biweekly pay period, workers' compensation claims are tracked weekly. All other indicators are reported monthly.

The Scorecard compares current year performance to prior year performance in terms of effectiveness and efficiency of service delivery. Each indicator identifies the measurement of output to be monitored. The indicators also provide nominal values both of input and of output to measure productivity. Efficiency of the operation is measured by the cost per unit of output. Both productivity and efficiency are compared to the targets set during the budget process.

The Scorecard allows management to "drill down" to the mode and cost center levels to better understand how individual organizational units are performing. By doing so, all outcomes can be evaluated, best practices identified, and practices leading to poor outcomes corrected. Because safety is Metro's top priority, there are five safety related indicators. The Scorecard reports bus accidents per

100,000 hub miles and per 100,000 vehicle hours. The frequency of bus accidents has declined and is expected to continue to decline.

The Scorecard also reports Workers' Compensation claims per 200,000 hours of exposure, the number of open Workers' Compensation claims, and lost work days paid. Both KPIs measuring Workers' Compensation claims have continued to improve.

The Scorecard contains fare revenue, boardings, and fare revenue per boarding. Both boardings and fare revenue were higher than budgeted during the first part of the year due to high gasoline prices, and lower than budgeted during the later months due to high unemployment in the Los Angeles region.

The Scorecard shows wage cost – base wages, overtime and non-work time – for Metro's three largest represented labor groups. The cost is measured against the vehicle hours for transportation-related activities and hub miles for maintenance-related activities. A vehicle hour is defined as the time an operator is "behind the wheel" including layover and deadhead time. A hub mile represents the odometer readings.

The scorecard tracks the dollars spent on natural gas fuel (CNG), the amount of CNG used, and the hub miles powered by natural gas. Management can tell if variances result either from using more CNG or from the price of CNG. It also allows management to see if fuel usage variances are caused by the number of miles traveled or changes in operating efficiency.

One of Metro’s significant labor costs is for personnel on long term leave. The Scorecard includes an indicator showing the number of employees by type of leave and cost center.

Vendors are major stakeholders in Metro. Therefore, Metro tracks whether or not invoices are paid on time. The scorecard allows each major business unit to monitor timely invoice payment.

| | Key Performance Indicator | FY08 Actual | FY09 Estimate ⁽¹⁾ | FY10 Target ⁽²⁾ |
|----|--|------------------------|---|---------------------------------------|
| 1 | Operator Wage Expense per Vehicle Hour ⁽³⁾ | \$ 29.92 | \$ 31.15 | \$ 31.58 |
| 2 | ATU Sector Wage Expense per Hub Mile ⁽⁴⁾ | \$ 0.86 | \$ 0.94 | \$ 0.94 |
| 3 | ATU Non-Sector Wage Expense per Hub Mile | \$ 0.20 | \$ 0.22 | \$ 0.22 |
| 4 | AFSCME Transportation Wage Expense per Vehicle Hour ⁽⁵⁾ | \$ 2.74 | \$ 3.04 | \$ 3.26 |
| 5 | AFSCME Maintenance Wage Expense per Hub Mile | \$ 0.07 | \$ 0.08 | \$ 0.08 |
| 6 | AFSCME Non-Sector Wage Expense per Vehicle Hour | \$ 1.42 | \$ 1.46 | \$ 1.55 |
| 7 | CNG Cost per Hub Miles | \$ 0.51 | \$ 0.53 | \$ 0.56 |
| 8 | Fare Revenue (thousands) | \$ 328,754 | \$ 326,446 | \$ 337,284 |
| 9 | Boardings (thousands) | 474,229 | 479,462 | 498,475 |
| 10 | Fare Revenue per Boarding ⁽⁶⁾ | \$ 0.68 | \$ 0.67 | \$ 0.67 |
| 11 | Bus Accidents per 100,000 Hub Miles | 3.44 | 3.06 | 3.28 |
| 12 | New Weekly Workers’ Compensation Claims per 200,000 Exposure Hours | 12.26 | 10.29 | 11.12 |
| 13 | Month Ending Open Workers’ Compensation Claims | 1,904 | 1,650 | 1,625 |
| 14 | Lost Work Days Paid per Month | 4,822 | 4,321 | 4,583 |
| 15 | On-Time Bill Payment | 95% | 97% | 95% |
| 16 | Leave of Absence | 569 | 557 | 555 |

(1) FY09 full-year actuals not available as of publication date.

(2) FY10 targets may be revised due to changes in budgets and resource allocations.

(3) Wage expense = wages, overtime and non-work time.

(4) ATU is the Amalgamated Transit Union. This group represents maintenance employees such as mechanics and service attendants.

(5) AFSCME is the American Federation of State, County and Municipal Employees. This group represents first line supervisors in transit operations.

(6) Excludes Metrolink reimbursement.

II. Budget Highlights

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About the Budget

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 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. The Enterprise Fund, General Fund, and Special Revenue Fund are classified as major funds as defined by the Governmental Accounting Standards Board Statement No. 34.

The detailed budgeting process and guiding financial policies are included in Appendices 1 through 3.

Developing the Budget

Metro began the process of developing the FY10 budget immediately after adoption of the FY09 budget. The first step in the process was to revise the Ten-Year Forecast using known parameters and future assumptions agreed to by Executive Management. The Ten-Year Forecast included revenue and expense forecasts

and trend analysis for all funds and major programs. The Ten-Year Forecast identified potential situations where deficits might be experienced and the trends indicated that expenses will be increasing at a greater rate than revenues.

As part of its continuous review of budget variances, Metro identified additional assumptions that needed to be modified, such as fuel prices, negotiated union wages and benefits, and fare revenues.

After analyzing all of the forecast information, Metro assigned targets to each department and held the department manager responsible for meeting the target. Simultaneously, Metro aggressively pursued additional federal, state and local revenue and grants.

The FY10 budget was eventually balanced through a combination of expense reductions and various one time revenue solutions.

See Appendix 1 for a detailed discussion of Metro’s budget process.

Budget Controls

The legal level of budgetary control is at the fund level. Comprehensive multi-year plans are adopted when major capital projects are approved which provide project-length budgetary control of capital project funds. The portion of costs expected to be incurred on each project during the fiscal year is included in annual appropriations. Metro maintains an encumbrance-based accounting system as another tool of budgetary control.

Budget Planning

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

The Short Range Transportation Plan for Los Angeles County (SRTP) focuses on the phasing of transportation improvements. It relies on performance-based modeling to identify the best solution for each mobility challenge.

The Long Range Transportation Plan for Los Angeles County (LRTP) looks ahead at transportation needs over the next twenty-five years. It is the blueprint for implementing future transportation improvements for Los Angeles County.

Both planning documents are under development and subject to adoption by the Board of Directors. Draft versions of these planning documents which were available at the time of budget adoption were incorporated into budget development.

Changes in Staff Levels

The FY10 budget funds 9,201 full-time equivalent positions (FTEs) which is an increase of 49 FTEs from the previous year, primarily to support the additional activities for revenue operation of the Gold Line Eastside Extension, Measure R, Congestion Relief and Rail Gating. Of these FTE increases, 38 FTEs are contract positions (AFSCME, ATU, TCU, Teamsters and UTU), and 11 are non-contract positions.

Changes in Fund Equity Balances

Business-Type Activities

Annually, revenue sources are used to balance the Enterprise Fund operating and

capital budgets as well as debt commitments. For FY10, funding was made especially difficult due to a budgeted decline in available sales tax revenues, and the State's decision to divert all STA funding away from transit operators.

To cover these funding shortages Metro was forced to seek out new funding sources for capital such as the Federal Stimulus funding for \$62.3 million and \$94.4 million of State Prop 1B bonds. Additionally, \$96.3 million of Proposition C Discretionary fund balance will be transferred into the Enterprise Fund for Rail operations and Metro bus capital and operations will use \$47.7 million of TDA 4 Special Revenue Funds fund balances allocated to Metro in the prior year.

Governmental Activities

In FY10, the Special Revenue Fund is budgeted to expend \$421.0 million of fund balances. These fund balances were generated by sales tax, investment, and other revenues collected in years past that are now being tapped to support Metro as well as the Municipal Bus Operators of the county.

Refer to Appendix 7 for detailed information concerning Propositions A & C, Measure R, and TDA Administration uses.

Metro's General Fund fund balance is expected to increase by \$9.1 million during FY10. Most of this increase is attributable to lease revenues, parking revenues collected at rail stations, and interest expected to be received during the year.

FY10 Budget Highlights and Major Budget Assumptions

Metro Bus and Rail – FY10 Target Service Levels

| Mode | Revenue Service Hours (000) | Change from FY09 |
|----------------------------|-----------------------------|------------------|
| Metro Bus | | |
| • Metro Operated | 6,944 | -1.7% |
| • Orange Line | 102 | 0.0% |
| • Purchased Transportation | 554 | 0.4% |
| • Total Metro Bus | 7,600 | -1.5% |
| Metro Rail | | |
| • Blue Line | 221 | -1.3% |
| • Green Line | 88 | 0.0% |
| • Gold Line | 139 | 69.3% |
| • Red Line | 257 | -4.5% |
| • Total Metro Rail | 706 | 6.4% |
| Total | 8,306 | -0.9% |

- Continue to increase the fleet of high capacity buses.
- Implement service on the new Silver Line, a Bus Rapid Transit (BRT) line operating between the Artesia Transit Center and the El Monte Bus Station via the I-10 and I-110 highways.
- Continue to evaluate service design and service levels to identify capacity underutilization, inefficient network design, and duplication of bus/rail services in order to improve bus system efficiency.
- Continue the natural gas hedging program to substantially reduce risk of price fluctuations.
- Maintain the New Service Plan “peak seat” requirements.
- Initiate revenue service operations on the new Metro Gold Line extension from Union Station to Atlantic Avenue in East Los Angeles.
- Continue implementation of the Universal Fare System (UFS) and TAP card allowing seamless countywide travel using smartcard technology.
- Maintain cash, pass and token prices at the FY09 level.
- Continue to implement “SmartDrive” (incident based surveillance system) on buses system-wide to reduce accidents, improve safety, and enhance operator training.
- Continue to implement the MATIS information system, a comprehensive motorist aid system that will establish a regional 511 traveler information system for Los Angeles County.

Capital Program

The Capital Program budgeting process commenced in September 2008 with an agency-wide Call-for-Projects. The proposed program of projects was adopted by the Executive Investment Committee in December 2008, and modified in early 2009 to reflect revised priorities and new funding, and was included in the annual budget process.

Capital projects are funded in agency-wide priority using criteria developed by Metro: 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 grants and local funds. Highlights of the FY10 major Capital Program include:

- Continue construction of the Gold Line Eastside Extension with the expected completion date in early FY10.
- Continue construction of the Expo Light Rail Line.
- Begin construction of the Metro Orange Line Extension along Canoga Ave.
- Acquire 130 forty-five foot composite buses.
- Acquire 53 contract service buses.
- Continue construction of the Congestion Reduction Demonstration Project (CRDP), including acquiring buses, improving the El Monte Busway

and Harbor Transitway, building ExpressLanes and adding bike lockers.

- Continue a major bus mid-life overhaul program rebuilding 188 buses and installing new engines in an additional 110 buses.
- Begin construction of the Union Division bus facility.
- Continue to acquire equipment for a regional clearinghouse service center. This clearinghouse will process all fare transactions and properly distribute the revenues to Metro and its municipal partners.
- Continue to install fare gates at selected rail stations.
- Renovate highest priority bus operating division facilities.
- Replace two CNG fueling stations.
- Procure new light rail vehicles.
- Overhaul heavy rail subway cars.

Refer to Section V for a detailed discussion of the Capital Program.

Other Budget Highlights and Assumptions

- Sales tax revenues and fund balances programmed to be spent are \$2.147 billion in total.
- No salary and wage increases are planned for employees in all labor groups other than those required in existing collective bargaining agreements.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Summary of Resources

| (\$ in millions) | | FY06 Actual | | FY07 Actual | | FY08 Actual | | FY09 Budget | | FY10 Budget | |
|------------------|-------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| 1 | Sales Tax, STA & TDA ⁽¹⁾ | \$1,430.2 | 60.4% | \$1,763.8 | 56.0% | \$1,661.4 | 59.9% | \$2,174.9 | 64.0% | \$2,146.8 | 56.1% |
| 2 | Federal, State, & Local Grants | 702.8 | 18.6% | 509.7 | 27.4% | 592.9 | 21.4% | 748.1 | 22.0% | 1,207.6 | 31.6% |
| 3 | Passenger Fares & Advertising | 297.8 | 10.8% | 304.5 | 11.6% | 350.2 | 12.6% | 350.4 | 10.3% | 363.1 | 9.5% |
| 4 | Net Proceeds from Financing | 42.6 | 7.1% | 93.2 | 1.7% | 87.0 | 3.1% | 27.7 | 0.8% | 7.9 | 0.2% |
| 5 | Other ⁽²⁾ | 85.3 | 3.1% | 53.8 | 3.3% | 83.6 | 3.0% | 97.6 | 2.9% | 101.4 | 2.6% |
| 6 | Total Funding Sources | \$2,558.7 | 100.0% | \$2,725.0 | 100.0% | \$2,775.2 | 100.0% | \$3,398.7 | 100.0% | \$3,826.8 | 100.0% |

Summary of Expenses/Expenditures by Program

| (\$ in millions) | | FY06 Actual | | FY07 Actual | | FY08 Actual | | FY09 Budget | | FY10 Budget | |
|------------------|-----------------------------------|------------------|---------------|------------------|---------------|------------------|--------------|------------------|---------------|----------------------|---------------|
| 7 | | | | | | | | | | | |
| 8 | Countywide Bus | | | | | | | | | | |
| 9 | Metro Bus | | | | | | | | | | |
| 10 | Operating | \$839.5 | 32.8% | \$894.9 | 32.8% | \$892.2 | 32.3% | \$981.6 | 29.0% | \$976.3 | 25.9% |
| 11 | Capital | 151.4 | 5.9% | 154.9 | 5.7% | 171.3 | 6.2% | 213.9 | 6.3% | 327.7 | 8.6% |
| 12 | Bus Rapid Transit | 27.6 | 1.1% | 14.6 | 0.5% | 1.7 | 0.1% | 9.7 | 0.3% | 37.6 | 1.0% |
| 13 | Metro Bus Subtotal | 1,018.5 | 39.8% | 1,064.4 | 39.1% | 1,065.2 | 38.5% | 1,205.2 | 35.6% | 1,341.6 | 35.4% |
| 14 | Municipal Operator and | | | | | | | | | | |
| 15 | Paratransit Programs | 242.2 | 9.5% | 280.9 | 10.3% | 273.3 | 9.7% | 349.2 | 10.2% | 320.0 | 8.0% |
| 16 | Countywide Bus Subtotal | 1,260.7 | 49.3% | 1,345.3 | 49.4% | 1,338.5 | 48.2% | 1,554.4 | 45.7% | 1,661.6 | 43.4% |
| 17 | Countywide Rail | | | | | | | | | | |
| 18 | Metro Rail | | | | | | | | | | |
| 19 | Operating | 214.0 | 8.4% | 228.1 | 8.4% | 235.5 | 8.5% | 248.2 | 7.3% | 264.4 | 6.9% |
| 20 | Capital | 35.4 | 1.4% | 11.2 | 0.4% | 19.3 | 0.7% | 62.4 | 1.8% | 47.8 | 1.2% |
| 21 | Rail Rehabilitation | - | 0.0% | - | 0.0% | 0.1 | 0.0% | 32.4 | 1.0% | 36.7 | 1.0% |
| 22 | Major Rail Construction | 26.5 | 1.0% | 19.7 | 0.7% | 260.1 | 9.4% | 384.0 | 11.3% | 312.7 ⁽³⁾ | 8.2% |
| 24 | Metro Rail Subtotal | 432.2 | 16.9% | 489.1 | 17.9% | 515.0 | 18.6% | 727.0 | 21.4% | 661.6 | 17.3% |
| 25 | Metrolink | 45.5 | 1.8% | 44.2 | 1.6% | 46.5 | 1.7% | 60.2 | 1.8% | 70.8 | 1.9% |
| 26 | Countywide Rail Subtotal | 477.6 | 18.7% | 533.3 | 19.6% | 561.5 | 20.2% | 787.2 | 23.2% | 732.4 | 19.1% |
| 27 | Sales tax return to local | | | | | | | | | | |
| 28 | jurisdictions | 288.3 | 11.3% | 295.9 | 10.9% | 294.4 | 10.6% | 304.4 | 9.0% | 321.4 | 8.4% |
| 29 | Streets and Highways and | 191.7 | 7.5% | 179.0 | 6.6% | 197.5 | 7.1% | 305.3 | 9.0% | 666.8 | 17.4% |
| 30 | Other Planning | | | | | | | | | | |
| 31 | Debt Service ⁽⁴⁾ | 287.6 | 11.2% | 312.3 | 11.5% | 294.9 | 10.6% | 321.0 | 9.4% | 329.0 | 8.6% |
| 32 | Other Governmental ⁽⁵⁾ | 52.8 | 2.1% | 59.2 | 2.2% | 88.4 | 3.2% | 126.4 | 3.7% | 115.6 | 3.1% |
| 33 | Total Expenditures | \$2,558.7 | 100.0% | \$2,725.0 | 100.0% | \$2,775.2 | 99.9% | \$3,398.7 | 100.0% | \$3,826.8 | 100.0% |

⁽¹⁾ Sales tax category includes use of carryover balances.

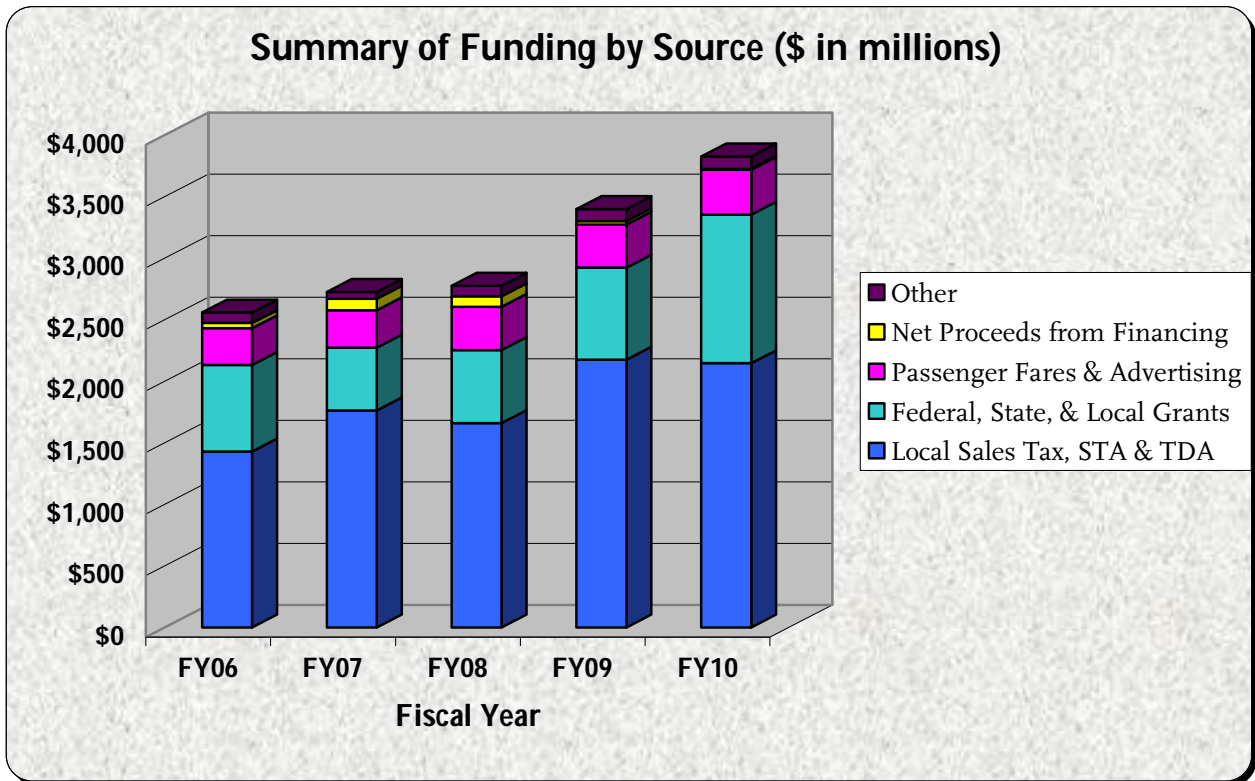
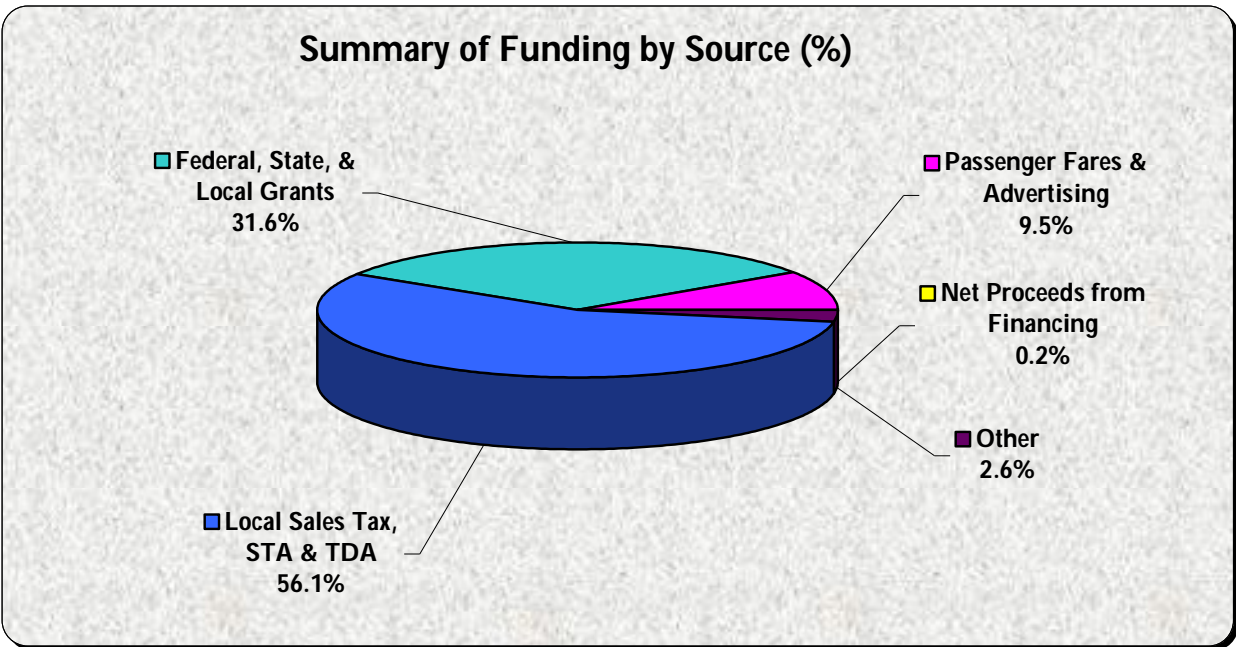
⁽²⁾ Includes CNG fuel credits, lease revenue, and other General Fund components plus Benefit Assessment District (BAD) resources, SAFE resources, and investment revenues.

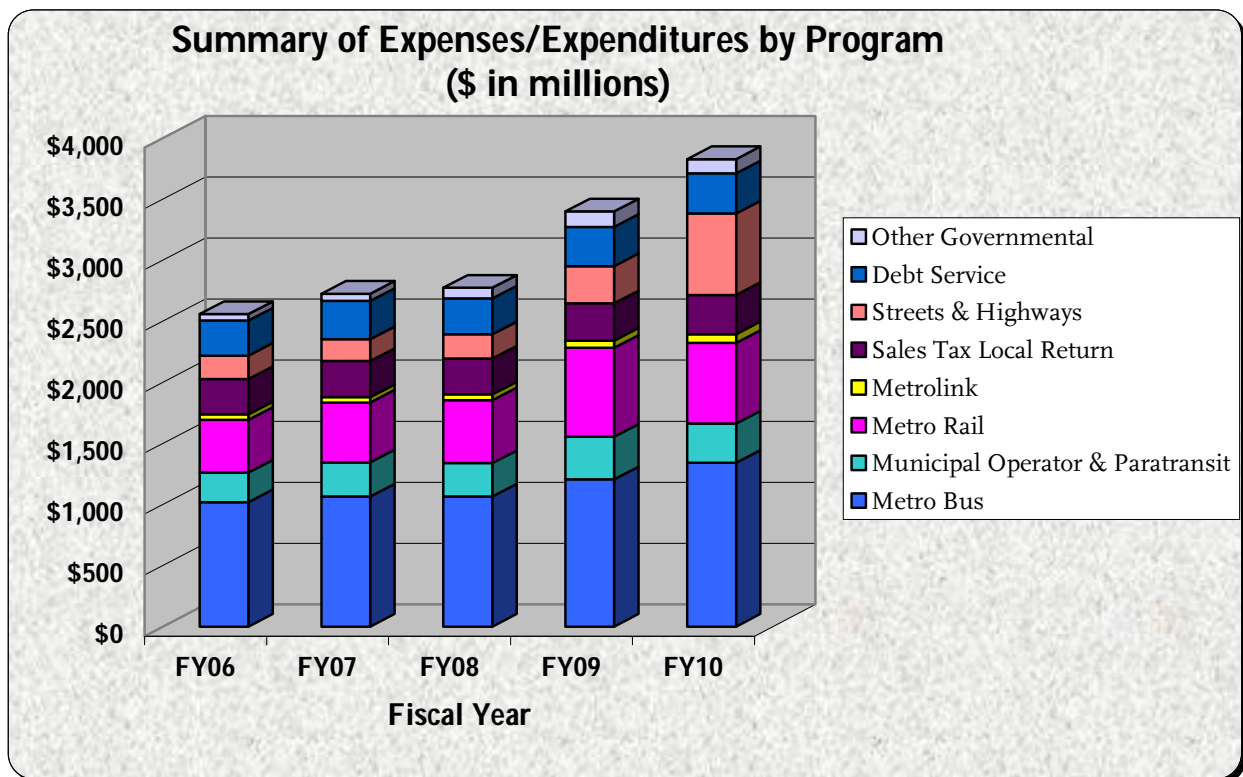
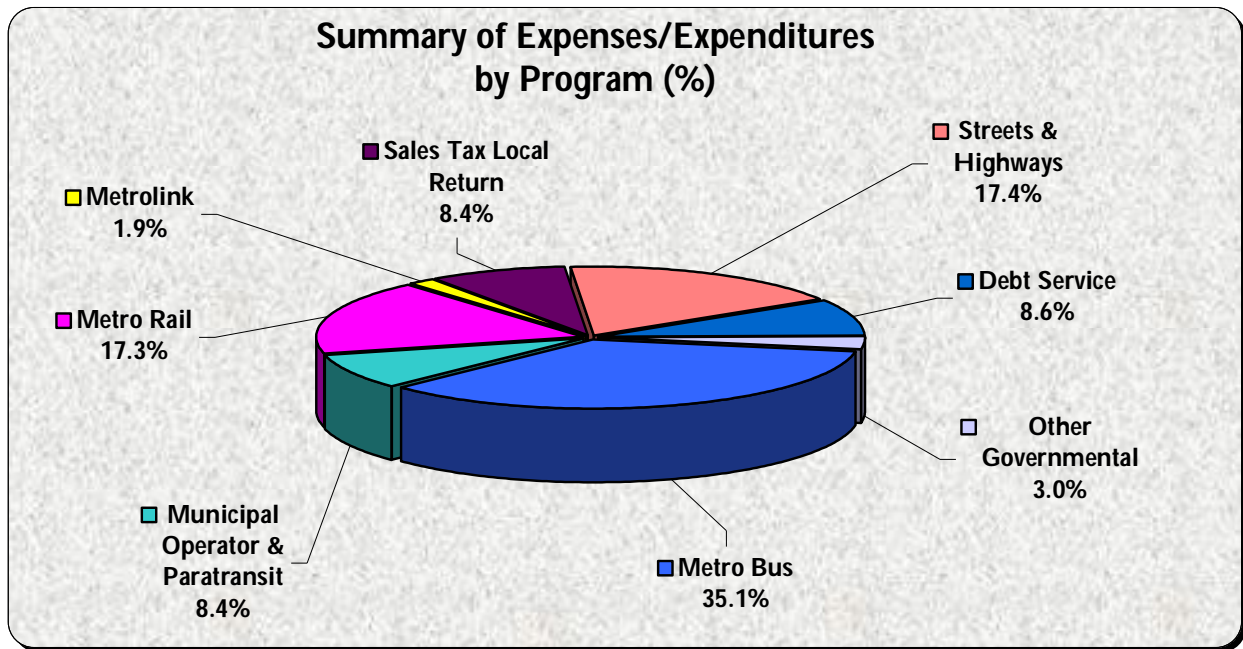
⁽³⁾ Includes interest both on FTA bridge loan and on construction costs related to Metro Goldline Eastside Extension Project 800088.

⁽⁴⁾ Includes principal liability payments and Benefit Assessment District debt payments, but excludes the following items included in the Debt Service schedule: 1) USG Building (General Revenue Bonds) debt service, 2) FTA bridge loan interest related to Metro Goldline Eastside Extension Project 800088, and 3) defeased lease payments.

⁽⁵⁾ General Fund Others, General Fund Property Management, Rideshare Service, & Regional EZ Pass.

Note: Totals may not add due to rounding.





Enterprise Fund Summary of Revenues and Expenses

Statement of Revenues and Expenses

For the Years Ending June 30, 2008, 2009, and 2010

(\$ in millions)

| Enterprise Fund Summary | | FY08 Actual | FY09 Budget | FY10 Budget |
|--------------------------------|--|------------------------|------------------------|------------------------|
| 1 | Operating revenues: | | | |
| 2 | Passenger fares | \$ 328.8 | \$ 326.4 | \$ 337.3 |
| 3 | Route subsidies | 0.8 | 0.4 | 0.3 |
| 4 | Advertising | 20.8 | 23.6 | 25.6 |
| 5 | Total operating revenues | 350.4 | 350.4 | 363.1 |
| 6 | Operating expenses, excluding depreciation: | 1,134.3 | 1,233.5 | 1,256.7 |
| 7 | Operating loss | (783.9) | (883.1) | (893.6) |
| 8 | Operating subsidies and grants (other expenses): | | | |
| 1 | Local grants | 1.1 | - | - |
| 9 | Federal grants | 197.6 | 213.8 | 240.8 |
| 10 | Interest revenues | - | 0.5 | 0.5 |
| 11 | Debt (expense) | 2.3 | (14.0) | (14.0) |
| 12 | Other revenue | 8.1 | 2.2 | 9.5 |
| 13 | Total operating subsidies and grants (other expenses) | 209.0 | 202.4 | 236.8 |
| 14 | Gain (loss) before debt and capital items | (574.7) | (680.6) | (656.8) |
| 15 | Debt service & capital grants / contributions: | | | |
| 16 | Local | | | |
| 17 | Capital | - | 11.3 | 9.2 |
| 18 | Debt service other revenues | - | 2.2 | - |
| 19 | Proceeds from financing | 86.2 | 27.7 | 7.9 |
| 20 | State - capital | 108.8 | 202.5 | 186.2 |
| 21 | Federal - capital | 90.9 | 149.4 | 235.4 |
| 22 | Total debt service & capital grants / contributions | 285.9 | 393.0 | 438.7 |
| 23 | Capital program: | | | |
| 24 | Operating capital | 190.1 | 291.2 | 411.7 |
| 25 | Major construction | 261.5 | 403.5 | 311.5 |
| 26 | Total capital program | 451.6 | 694.7 | 723.2 |
| 27 | Debt service expenses:* | | | |
| 28 | Interest expense | 136.9 | 152.5 | 148.4 |
| 29 | Principal payments | 128.7 | 127.1 | 132.7 |
| 30 | Services | 4.8 | 2.2 | 9.0 |
| 31 | Total debt service expenses | 270.4 | 281.8 | 290.1 |
| 32 | Transfers In | 1,010.4 | 1,264.2 | 1,231.3 |
| 33 | Net surplus (deficit) | \$ - | \$ - | \$ - |

* Excludes defeased leases and includes non-cash items.

Note: Totals may not add due to rounding.

Governmental Funds Summary of Revenues and Expenditures

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ending June 30, 2008, 2009 and 2010

(\$ in millions)

| Governmental Funds - Summary | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 1 Revenue: | | | |
| 2 Sales tax | \$ 1,768.9 | \$ 1,713.0 | \$ 1,902.2 |
| 3 Intergovernmental grants | 199.7 | 142.0 | 399.5 |
| 4 Investment income | 74.5 | 7.8 | 4.5 |
| 5 Net decline in fair value of investments | (1.8) | - | - |
| 6 Lease and rental | 10.9 | 18.5 | 16.5 |
| 7 Licenses and fines | 8.6 | 7.5 | 8.5 |
| 8 Other | 28.4 | 21.4 | 11.3 |
| 9 Total Revenues | 2,089.2 | 1,910.1 | 2,342.6 |
| 10 Expenditures: | | | |
| 11 Subsidies | 759.4 | 942.5 | 1,287.6 |
| 12 Operating Expenditures | 137.1 | 206.9 | 230.1 |
| 13 Debt and interest expenditures | | | |
| 14 Interest and fiscal charges | 1.3 | 1.5 | 1.3 |
| 15 Bond principal & commercial paper retirement | 0.9 | 0.8 | 1.0 |
| 16 Total expenditures | 898.7 | 1,151.7 | 1,520.1 |
| 17 Transfers In | 117.7 | 110.9 | 134.6 |
| 18 Transfers Out | (1,158.7) | (1,273.0) | (1,369.0) |
| 19 Proceeds from Financing | - | - | - |
| 20 Net change in fund balances | 149.5 | (403.8) | (412.0) |
| 21 Fund balances - beginning of year | 1,455.6 | 1,605.1 | 1,294.1 |
| 22 Fund balances - end of year | \$ 1,605.1 | \$ 1,201.3 | \$ 882.1 |

Note: Totals may not add due to rounding

Note: FY09 Sales tax revenues reflects the reforecast information based on February 2009 UCLA Forecast.
Beginning FY10 Fund Balances reflect anticipated unspent FY09 carry-over amounts.

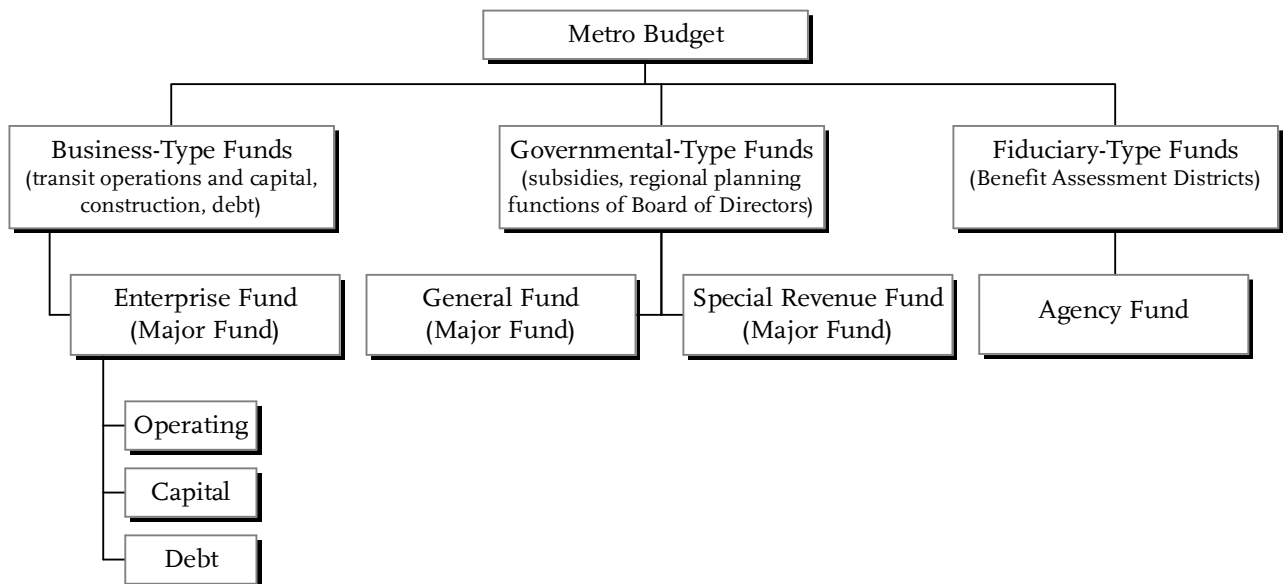
Financial Structure Comparison to Organizational Structure

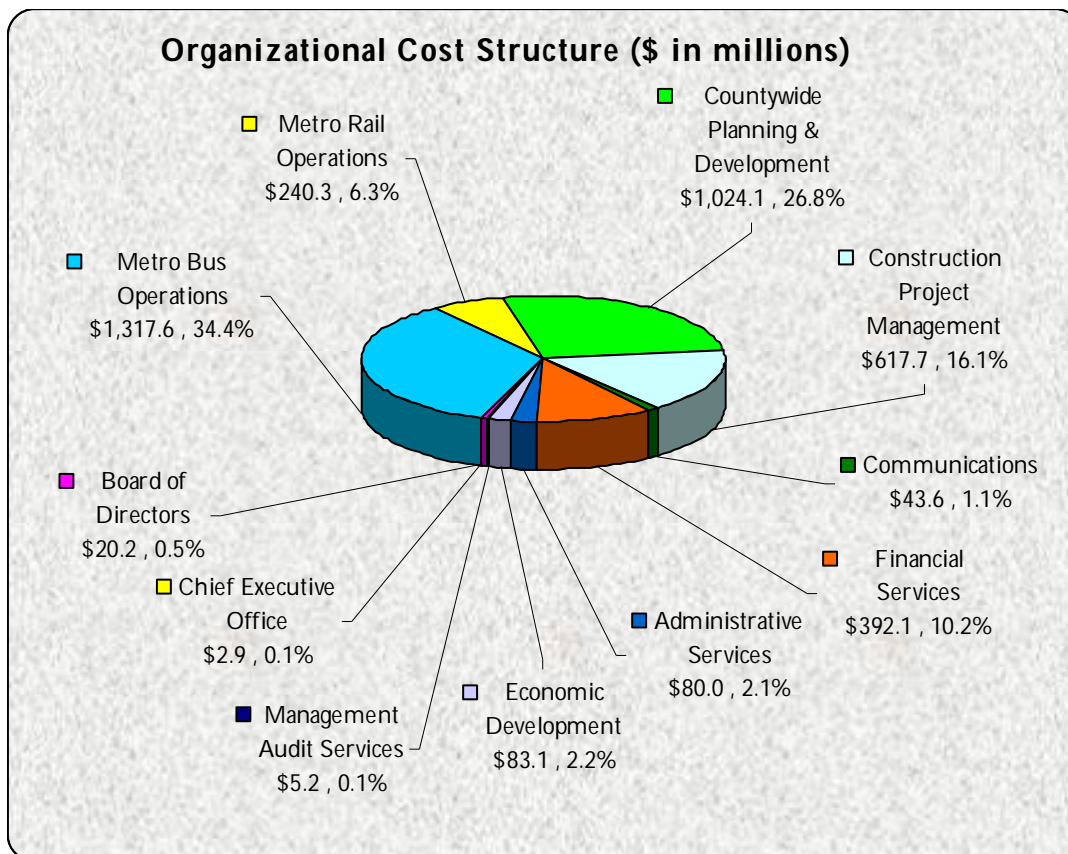
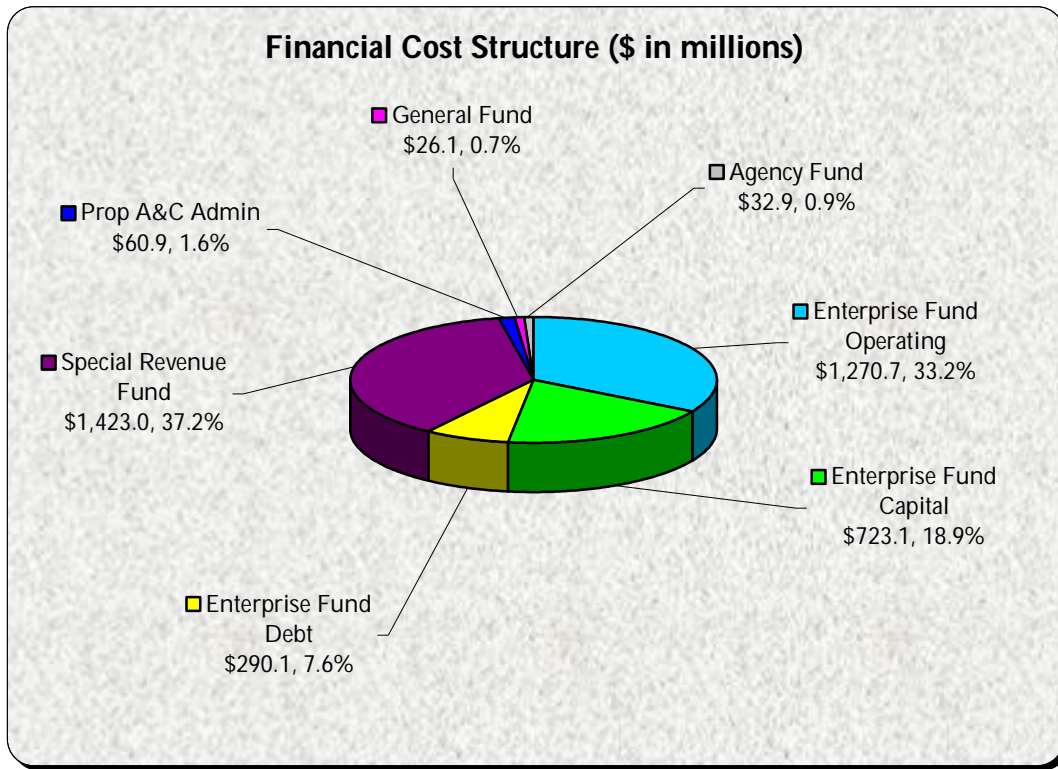
The table below shows how cost by fund discussed in the Financial Details section (Section IV) relates to cost by Strategic Business Unit discussed in the Strategic Business Units section (Section VI). Total

cost in the two sections match since they represent two ways of sorting the same detail. The chart below shows how the funds are structured.

| (\$ in millions) | Business-Type | | | Governmental-Type | | | Fiduciary | All Types |
|--|--|-------------------------|----------------------|-------------------------------------|---------------------------------|-----------------------------|----------------------------|-------------|
| | Enterprise Fund Operating ⁽¹⁾ | Enterprise Fund Capital | Enterprise Fund Debt | Special Revenue Fund ⁽²⁾ | Prop A & C Admin ⁽³⁾ | General Fund ⁽²⁾ | Agency Fund ⁽⁴⁾ | Metro Total |
| 1 Metro Bus Operations | \$ 944.7 | \$ 289.5 | \$ 4.4 | \$ 76.0 | \$ 1.6 | \$ 1.4 | \$ - | \$ 1,317.6 |
| 2 Metro Rail Operations | 171.9 | 68.4 | - | - | - | - | - | 240.3 |
| 3 Countywide Planning & Development | 0.2 | 0.4 | - | 1,005.2 | 17.0 | 1.1 | 0.2 | 1,024.1 |
| 4 Construction Project Management ⁽⁵⁾ | 5.6 | 280.1 | - | 331.7 | 0.2 | 0.1 | - | 617.7 |
| 5 Communications | 21.8 | 2.4 | - | 2.4 | 8.3 | 8.7 | - | 43.6 |
| 6 Economic Development | 20.7 | 48.3 | - | 1.4 | 2.2 | 10.5 | - | 83.1 |
| 7 Administrative Services | 63.0 | 11.0 | - | 1.2 | 4.7 | 0.1 | - | 80.0 |
| 8 Financial Services | 41.2 | 20.8 | 285.7 | 2.9 | 6.3 | 2.5 | 32.7 | 392.1 |
| 9 Management Audit Services | 0.7 | - | - | 0.4 | 4.1 | - | - | 5.2 |
| 10 Board of Directors | 0.9 | 2.3 | - | 1.5 | 13.8 | 1.7 | - | 20.2 |
| 11 Chief Executive Office | - | - | - | 0.2 | 2.7 | - | - | 2.9 |
| 12 Metro Total | \$ 1,270.7 | \$ 723.2 | \$ 290.1 | \$ 1,422.9 | \$ 60.9 | \$ 26.1 | \$ 32.9 | \$ 3,826.8 |

- (1) Includes \$14.0 million of debt expense in the Other Expenses section of the financial statements.
- (2) Excludes interfund subsidies shown in the financial statements (SRF: \$1,326.7 million; GF: \$10.7 million).
- (3) Included in Special Revenue Fund financial statement.
- (4) Includes Benefit Assessment Districts
- (5) Includes Exposition Metro Line Construction Authority.





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III. Customer Services

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Customer Services



Introduction

Metro is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 10.4 million people – about 27.2% of California's 38.3 million residents – live, work, and play within its 1,433 square-mile service area.

Los Angeles differs from many metropolitan areas in that people here travel in all directions. They do not travel primarily between the suburbs and a central business district. There are many centers of employment, recreation and residence. This lack of a clearly identifiable commute pattern, combined with being one of the most densely

populated urban areas in the country, makes the task of planning transportation for Los Angeles County extremely complex.

Our Challenge

While often viewed by the public as being solely a transit operator, Metro is also charged with planning for a countywide transportation system that meets the needs of all of the traveling public including those who travel by streets and highways, public transit, and even those who bicycle and walk.

Keeping over 7 million vehicles moving over 300 million miles every day requires us to be increasingly effective in squeezing more capacity out of our congested streets and highways. No single solution works.

Staving off gridlock, requires a multi-pronged approach that includes the Metro Freeway Service Patrol, conspicuous and understandable traffic signs and signals, freeway ramp metering, carpool lanes, intersection improvements and expanding public transit and other rideshare options.



Metro Long and Short Range Transportation Plans

Los Angeles County residents voted to invest \$40.0 billion over the next 30 years to improve mobility by passing Measure R, a new half-cent sales tax. Metro's efforts in FY10 will be directed to incorporating the Measure R funds into the transportation puzzle formulated in the twenty-five year Long Range Transportation Plan (LRTP) and the more detailed five year Short Range Transportation Plan (SRTP).

In formulating the transportation plans, Metro staff employed the most sophisticated computer modeling techniques available to examine a large array of transportation options and funding scenarios. The Metro Board consulted with representatives from many different organizations – academics, business and community leaders, labor leaders, environmentalists, government officials, and transit users – and held numerous public outreach meetings. (See Appendix 20 for client survey results.)

Customer Services

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

In addition to operating its own service, Metro funds the following 16 municipal bus operators:

- Antelope Valley Transit
- Arcadia Transit
- Beach Cities Transit
- Claremont Dial-A-Ride
- Commerce Municipal Bus Lines
- Culver City Bus Lines
- Foothill Transit
- Gardena Municipal Bus Lines
- La Mirada Transit
- Long Beach Transit
- Los Angeles Department of Transportation (LADOT)
- Montebello Bus Lines
- Norwalk Transit System
- Santa Clarita Transit
- Santa Monica Big Blue Bus
- Torrance Transit

Metro also funds a wide array of transportation projects including bikeways and pedestrian facilities, local roads and highway improvements, goods movement, Metrolink, ADA paratransit service transportation and the popular Freeway Service Patrol and Freeway Call Boxes program.

Recognizing that no one form of transportation can solve our urban congestion problems, Metro's multimodal approach uses a variety of transportation alternatives to meet the needs of the highly diverse populations in the region. The "M" logo used throughout the Metro

System is the public symbol of this fully coordinated network.

Metro's approximately 9,200 employees are dedicated to providing the very best customer service. These employees work in a wide variety of technical specialties and services including Metro Bus and Metro Rail operators and mechanics, construction engineers, safety inspectors, transportation planning professionals and customer information agents.

Customer Service Facts You Might Not Know

- Metro's investments in new services and system improvements are proving timely given the increase in fuel prices that make public transportation an attractive alternative for more and more commuters.
- In the last year, Metro has changed out 670 displays in bus stations, rail stations and rail cars to provide more customer friendly transit information.



- Metro security continues to be bolstered in FY10 using \$1.55 million in grants from the U.S. Department of Homeland Security. These grants are used for a wide range of transit security projects, including adding high-tech surveillance equipment, strengthening the bus and rail

system against explosive attacks, preparedness training, equipment purchases, and training exercises.



- Transit Education Programs dedicated to saving lives reached 16.5 million people in FY09 with presentations, tours, participation in events and community outreach.
- Metro has an extensive transit safety education program that involves site-specific presentations to schools and community groups, participation of the Metro Experience mobile theatre in community events, and a K-12 safety orientation tour program. Since the

transit safety education group began its training program, it has trained over 33 million students and community members.



- Los Angeles County currently has 1,252 miles of bike paths, including 251 miles of off-street, exclusive bike paths. There are also 481 miles of designated on-street bike lanes and 520 miles of bike routes marked by signage.



- Metro has placed 285 bike lockers and 400 racks capable of holding 800 bicycles at Metro Rail stations throughout the county.



- Metro runs extra trains and buses to accommodate large crowds at special events such as Hollywood's Santa Parade, the Tournament of Roses Festivities, the LA Marathon, and even provides all night coverage on New Year's Eve.



- Metro commissions artists to incorporate art into a wide array of transportation projects throughout Los Angeles County. From bus stops to rail stations, streetscapes to bus interiors, construction fences to poetry works, art creates a sense of place and engages transit riders. One half of one percent (0.5%) of rail construction cost is allocated to the creation of original art works.



- Metro is heavily involved in hundreds of local events and community activities such as Gifts for Skid Row Kids, Meals for Homebound Seniors, and many, many more.



Metro Bus



Overview

Over 401 million passengers will board Metro buses and will travel in excess of 1.5 billion miles. Metro buses will provide over 7.6 million hours of service.

larger passenger windows, three large doors for entry and exit, comfortable seating for up to 60 passengers and are significantly quieter than other buses.

Bus Service Facts You Might Not Know

- Metro Bus will debut a new Silver Line operating between Artesia Transit Center and the El Monte Bus Station via downtown Los Angeles.
- Metro Bus will add 130 more 46 seat 45 foot Composite buses which provide more seating capacity and are significantly lighter than a conventional steel-framed bus.



- Metro boasts the largest clean-air fleet in the nation. Clean running CNG powered buses account for nearly all of the buses in the fleet.
- Metro will retrofit an existing 40' bus to utilize battery-driven power as part of a zero emission demonstration project.

- The 60-foot articulated compressed natural gas (CNG) buses that seat 50% more passengers than a standard 40-foot bus have been a big success. These buses "bend" in the middle to improve their operation on city streets. They feature an advanced aerodynamic design,



- Sleek designs and vibrant colors highlight one of the most modern fleets on the road today. Color scheme features red for Rapid buses, blue for Express buses, and orange for Local buses.



- FlyAway buses travel from Union Station to LAX in 45 minutes or less and utilize high-occupancy vehicle lanes on the I-110 and I-105 Freeways, providing a significant time savings over driving alone to the airport in rush-hour traffic. The FlyAway buses operate twenty-four hours a day, seven days a week and average in excess of 700 passengers daily. Inexpensive, secure underground parking is available at Union Station.



- Metro's decentralized community approach with five local service sectors brings operating decisions closer to its customers.
- Reports of graffiti on the fleet continue to go down. A combination of Metro's "zero tolerance" policy and aggressive law enforcement have contributed to the improvement.
- Metro is as close to being 100% ADA compliant as an agency can get. All bus lines are accessible with wheelchair lifts or ramps. All stops are now announced through an automated audio system. The rail system is equipped for passengers with hearing, mobility and visual impairments. In addition, Metro is the primary funding partner of Access Services, Inc. – a regional paratransit service provider.



- Metro is doing its part to ensure that customers have a pleasant travel experience. The Metro Clean team

is hard at work every day scouring buses, bus stops, and areas surrounding Metro facilities to make them more inviting for transit riders.



Metro Rapid

Previous studies of public bus transportation in Los Angeles have shown that half the time a bus is in service it is either stopped at a traffic signal or at a bus stop. The extremely successful Metro Rapid Program was developed to improve bus speeds through implementing efficiencies such as system integration of bus and traffic signal priorities, low floor buses, headway rather than timetable-based schedules, and fewer stops. Passenger travel times have been reduced by as much as 29%.

The Metro Rapid New Service Plan operates 700+ vehicles over a network of 450 miles of Metro Rapid service, complementing light and heavy rail transit throughout Los Angeles County.

Metro Rapid has seven attributes which, when implemented as one program, provide fast, frequent bus service.



Key Metro Rapid Attributes:

- Simple route layout: Makes it easy to find, use and remember.
- Frequent service: Buses arrive as often as every 3-10 minutes during peak commuting times.
- Fewer stops: Stops spaced about $\frac{3}{4}$ of a mile apart, like rail lines, at most major transfer points.
- Level boarding: Low-floor buses speed-up dwell times.
- Bus priority at traffic signals: New technology reduces traffic delay by extending the green light or shortening the red light to help Metro Rapid get through intersections.
- Color-coded buses and stops: Metro Rapid's distinctive red paint makes it easy to identify Metro Rapid stops and buses.
- Enhanced stations: Metro Rapid stations provide information, lighting, canopies and "Next Trip" displays.

Metro Orange Line

This bus only transitway and bike path is a 14-mile route through the San Fernando Valley, running east and west between North Hollywood Metro Rail Station and Warner Transit Center. Ridership continues to increase far in excess of original projections. Construction has started on a four mile extension to Chatsworth.

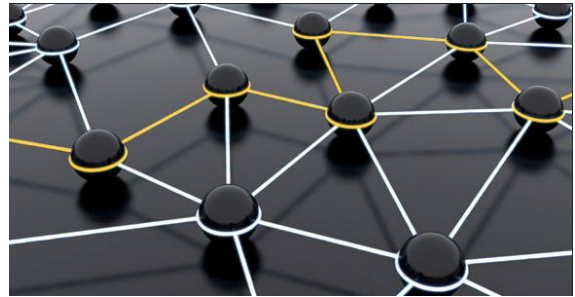


Metro Connections

For the last seven years, Metro has been working on a bus system restructuring known as Metro Connections. The intent of Metro Connections is to move Metro's predominantly downtown Los Angeles-focused grid system to a hybrid grid and center-based bus service delivery, which will better reflect the region's multiple activity centers and destinations. In addition, restructuring seeks to more effectively utilize and integrate the varied strengths of each of the region's many service providers.

The key themes of the Metro Connections Project are:

- Faster, high-speed, point-to-point destination-based service.
- Increased use of the region's high-capacity, high-speed rail and transit way system.
- Improved regional service coverage and connectivity.
- Upgraded inter-community and local service.
- Coordinated, convenient connections between services.
- Customer service improvements designed to enhance the quality and convenience of the travel experience.



Metro Rail



Overview

Metro Rail has designed, built and now operates over 153 miles of track serving over 97 million passenger boardings at over 70 stations and providing approximately 592 million miles of transportation for Metro passengers.



Metro Rail prides itself in maintaining a modern, clean fleet of rail cars and clean, modern, safe rail stations.



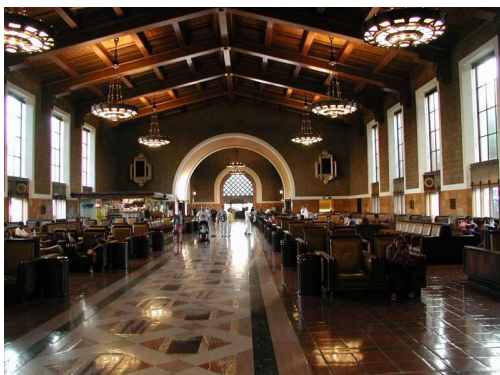


Rail Service Facts You Might Not Know

- Metro Rail will provide service requiring approximately 706,000 revenue service hours.



- Transportation to and from each Metro Rail station is available from Metro Bus and community bus lines. Connections can also be made to Metrolink commuter rail service and Amtrak at Union Station.



- Extension of the Gold Line is currently nearing completion. The \$898.8 million Metro Gold Line Eastside Extension adds a six-mile

extension from Union Station to Atlantic Boulevard with eight stations along the route, including 1.8-mile twin tunnels. The line is slated to open in the summer of 2009.



- The first phase of the Expo Light Rail line will run 8.6 miles from downtown Los Angeles to Culver City and be completed sometime in FY12 at a cost of \$862.3 million.



- Metro is a primary funding partner for Metrolink, Southern California's 388 mile commuter rail system that includes seven routes encompassing 56 stations and handles over 48,000 passengers daily.



Transportation Services

Service Authority for Freeway Emergencies

- The Los Angeles County Service Authority for Freeway Emergencies (SAFE) is responsible for providing motorist aid services throughout Los Angeles County.
- SAFE is responsible for the operation and maintenance of the Kenneth Hahn Call Box System, which consists of 3,093 call boxes installed throughout the 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).
- The Freeway Service Patrol aids over 300,000 stranded motorists a year. A fleet of 152 Metro-funded tow trucks assists stranded motorists on over 450 miles of Los Angeles County freeways. The program, operated by SAFE, assists motorists to keep traffic moving and reduce congestion. The service includes free Big Rig Tow Service for trucks traveling along the Long Beach Freeway. Last year, service was expanded to include the I-91 Freeway.



- 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.



- SAFE is also responsible for maintaining the #399 Mobile Call Box program, which allows stranded motorists to utilize their cell phones to request assistance.
- In FY10, SAFE will deploy the baseline Motorist Aid and Traveler Information System (MATIS). MATIS consists of: a call center to support the call box, #399 mobile call box and Southern California 511 traveler information programs; a fleet monitoring system to support the Metro Freeway Service Patrol program; and the multi-county regional Southern California 511 traveler information system. The baseline system will enable motorists to continue to obtain services from

the call box and #399 mobile call box system, will provide enhanced management capabilities over the Metro Freeway Service Patrol program and provide travelers throughout Los Angeles, Orange and Ventura counties with a comprehensive traveler information system providing traffic, transit, rideshare, biking and other related traveler information.



Paratransit Services

- Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. In addition, ASI improves the quality and effectiveness of transportation services to the elderly and to persons with disabilities through coordination with social service agencies and other charitable organizations.



- Paratransit ridership in Los Angeles County is projected to increase by an average of at least 3% per year for the next five years.

High Occupancy Vehicles Lanes

- The High Occupancy Vehicle (HOV) lane system extends to over 482 lane miles on fourteen freeway corridors. The network is one of the largest HOV systems in the country.

- Caltrans estimates that nearly 750,000 people use the HOV lanes every day in Los Angeles County. By the year 2030, 160 lane-miles of HOV lanes will be added to the L.A. County freeway system.

Rideshare Program

- Los Angeles County is at the forefront of innovations and efforts to battle traffic and smog. Thousands of worksites throughout the region offer rideshare programs to their employees to reduce the number of cars on the road.
- Since FY03, Metro has been directly operating the countywide rideshare services. In addition, Metro has been working closely with four neighboring county transportation agencies to provide several regional commuter programs.



- The new services that have been initiated since establishment of the

Metro-operated rideshare program include: (1) state-of-the art web-based regional rideshare matching software and database, (2) online ridematch services for individual commuters and employers to match their employees, (3) a restructured employer commute assistance outreach program for more cost effective operations, (4) two new annual employer pass programs to help introduce commuters to transit, (5) a revamped rideshare incentive program that has vastly increased participation, and (6) a regional commute assistance website, CommuteSmart.info, and an e-newsletter, CommuteSmart.news.

- An important regional Guaranteed Ride Home program began operation last year. The program assists commuters who need to get home due to emergency.
- The number of registered carpoolers continues to rise, with carpool registrations growing from 38,803 in FY02 to over 113,875 today.

Vanpool Program

- The new Metro Vanpool Program has grown from 327 vans in FY07 to 848 vans by the end of FY09. In FY10, Metro expects the program to increase to 917 vans, the equivalent of 157 million passenger miles per year, removing 8,200 single-occupancy cars from the region's highways. It is the fastest growing such program in the nation.



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.



Transit Access Pass (TAP)

- The TAP card is replacing all the traditional paper passes and premium stamps described below in the Reduced Fare Program. Riders need to purchase a TAP card to continue to get the same reduced-fare discount or standard pass at the rate they are currently enjoying. In addition to storing passes, a TAP card can be used to store cash value, or can be loaded with both cash value and passes. A TAP card can be purchased or replenished online, or in person at one of the many Los Angeles County sales locations.



Reduced Fare Program

- The Reduced Fare Program enables eligible customers to ride the Metro System at a significantly reduced price with a current monthly stamp affixed to a valid ID card. Personalized ID cards are provided to eligible full-time college or vocational students, seniors and disabled customers.
- Students in grades K through 12 participate in the reduced fare program by using a photoless Student Fare Card, which is valid for one school year. The cards are available at Metro Customer Centers, by mail, and through participating LAUSD and Pasadena Unified schools.
- College and vocational Student ID cards are valid for an academic term.
- Persons 62 years and older qualify for a senior ID Card. Senior ID cards are made at Customer Centers, the San Fernando Valley Sector Office and some Senior Centers.
- Personalized ID cards for riders with disabilities are issued for various time periods based on the individual's disability.

- All other Reduced Fare applications are available at Metro Customer Centers, by mail, or on-line at Metro's website: www.metro.net/reducedfares.

Metro Customer Centers

- The four Metro Customer Centers located in Los Angeles served over 550,000 customers last year, selling TAP cards, Metro passes and tokens and EZ transit passes; accepting Reduced Fare applications from college/vocational students and customers with disabilities; issuing Student Fare Cards and Senior ID cards; answering customers' questions; displaying rail/bus schedules, maps and brochures; distributing special promotional information; and providing vendor pick up and exchange services. The Centers also support the Los Angeles County subsidy program by processing certifications and selling county fare media to the general public, students (grades K-12 and college/vocational), seniors and passengers with disabilities who reside in eligible unincorporated areas of the County. Some locations also sell fare media for Foothill Transit and the Los Angeles Department of Transportation and participate in the Cityride Scrip redemption program.

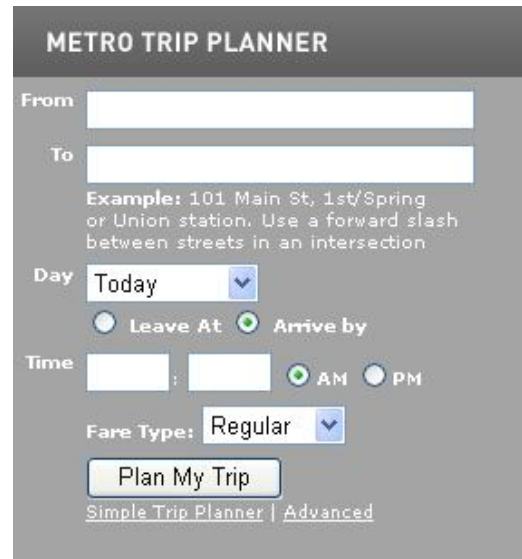


- The Metro Lost and Found service is located at the Wilshire Customer Center. This operation receives, processes and returns claimed articles and disposes of unclaimed items. The number and variety of items left on buses and trains is staggering. For example, the center receives an average of 10-12 bikes per day. Customer Center and Lost and Found information is available on metro.net.



metro.net

- metro.net is Metro's presence on the world wide web. It offers an interactive trip planner, ride matching and comprehensive transit service information for the entire Southern California region, including maps of public transit throughout Los Angeles County.
- metro.net is accessible from anywhere in the world 24 hours a day. The website receives over 55 million hits per month. The site also affords customers the convenience of purchasing fare media, reserved parking spaces at rail stations, or Metro apparel and merchandise online. Complete information regarding Metro's other transportation services and projects are available as well. (<http://www.metro.net>)

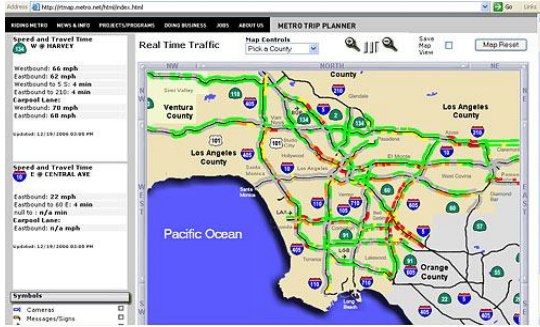


What Our Passengers Think

- Metro trains and buses continue to receive high marks for innovation, as well as for quality of essential services.
- Customers recognize Metro's efforts to increase service by adding new rapid bus routes and new rail lines.
- Safety remains an important issue with riders. Additional personnel, increased training and sophisticated equipment have succeeded in raising the comfort level of our riders.



- Metro's website, www.metro.net, is easy to use. In addition to planning trips, it provides real time traffic information.



Metro has continued its efforts to clean up graffiti as soon as it appears. The effort has been noticed by the majority of riders.

- See Appendix 20 for additional information about Metro's riders and their opinions of the service Metro provides.

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IV. Financial Details by Funds

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Business-Type Activities

Enterprise Fund

Business-type activities are budgeted in the Enterprise Fund in a manner similar to the way they are handled in 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. The Enterprise Fund is a major fund as defined by Governmental Accounting Standards Board Statement No. 34.

Expenses

The Enterprise Fund budget of \$2,284.0 million is composed of \$1,256.7 million operating expenses, \$723.2 million for capital projects and \$304.1 million for debt service activities. These are discussed in more detail later in this section.

Approximately 64% 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 (6%), security (5%), casualty and liability (5%), and other expenses (6%). Please see Appendices 8

through 13 for more detailed discussion on Activity Based Cost by Mode.

Revenues

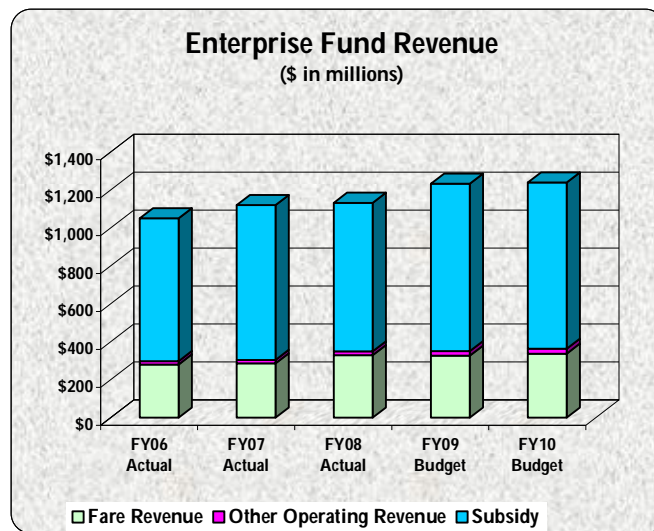
Bus and rail operating revenues consist of 29% farebox revenues and 71% subsidies from federal, state, and local grants. Grant revenues are assumed to increase according to state and federal appropriation levels.

Local Transportation Subsidies

Transfers of sales tax and other revenues from the Governmental Funds to the Enterprise Fund are as follows (\$ in millions):

| | |
|--------------|--------------------------|
| General Fund | \$ 10.2 |
| Prop A | 425.3 |
| Prop C | 383.0 |
| Measure R | 32.0 |
| TDA | 257.2 |
| STA | 0.3 |
| PTMISEA | 94.4 |
| TCRP | 28.9 |
| Total | <u><u>\$ 1,231.3</u></u> |

All transfers are made in accordance with enabling legislation.



Service Levels by Mode

Revenue Service Hours

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | 7,065,394 | 6,943,692 | (121,702) |
| Orange Line | 101,561 | 101,561 | - |
| Purchased Transp | 552,249 | 554,419 | 2,170 |
| Subtotal Bus | 7,719,204 | 7,599,672 | (119,532) |
| Rail | | | |
| Blue Line | 224,373 | 221,473 | (2,900) |
| Green Line | 87,741 | 87,741 | - |
| Gold Line | 82,515 | 139,701 | 57,186 |
| Heavy Rail | 269,123 | 257,128 | (11,995) |
| Subtotal Rail | 663,752 | 706,043 | 42,291 |
| Totals | 8,382,956 | 8,305,715 | (77,241) |

Cost Per Revenue Service Hour

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | \$129.33 | \$130.34 | \$1.02 |
| Orange Line | \$226.40 | \$236.88 | \$10.48 |
| Purchased Transp | \$80.44 | \$84.07 | \$3.62 |
| Subtotal Bus | \$127.11 | \$128.39 | \$1.28 |
| Rail | | | |
| Blue Line | \$307.78 | \$308.09 | \$0.31 |
| Green Line | \$487.17 | \$499.41 | \$12.24 |
| Gold Line | \$535.84 | \$441.23 | (\$94.61) |
| Heavy Rail | \$342.42 | \$351.97 | \$9.55 |
| Subtotal Rail | \$373.89 | \$374.19 | \$0.30 |
| Combined | \$146.65 | \$149.29 | \$2.64 |

Revenue Service Miles

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-------------|
| Bus | | | |
| Local & Rapid | 88,441,559 | 86,944,471 | (1,497,088) |
| Orange Line | 1,619,412 | 1,619,412 | - |
| Purchased Transp | 7,628,790 | 7,689,930 | 61,140 |
| Subtotal Bus | 97,689,761 | 96,253,813 | (1,435,948) |
| Rail | | | |
| Blue Line | 4,896,673 | 4,837,232 | (59,441) |
| Green Line | 2,644,697 | 2,644,697 | - |
| Gold Line | 1,852,465 | 3,032,506 | 1,180,041 |
| Heavy Rail | 6,111,751 | 5,897,486 | (214,265) |
| Subtotal Rail | 15,505,586 | 16,411,921 | 906,335 |
| Totals | 113,195,347 | 112,665,734 | (529,613) |

Cost Per Revenue Service Mile

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | \$10.33 | \$10.41 | \$0.08 |
| Orange Line | \$14.20 | \$14.86 | \$0.66 |
| Purchased Transp | \$5.82 | \$6.06 | \$0.24 |
| Subtotal Bus | \$10.04 | \$10.14 | \$0.09 |
| Rail | | | |
| Blue Line | \$14.10 | \$14.11 | \$0.00 |
| Green Line | \$16.16 | \$16.57 | \$0.41 |
| Gold Line | \$23.87 | \$20.33 | (\$3.54) |
| Heavy Rail | \$15.08 | \$15.35 | \$0.27 |
| Subtotal Rail | \$16.01 | \$16.10 | \$0.09 |
| Combined | \$10.86 | \$11.01 | \$0.14 |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Boardings (000s)

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | 383,331 | 377,542 | (5,788) |
| Orange Line | 7,352 | 7,793 | 441 |
| Purchased Transp | 15,969 | 15,969 | - |
| Subtotal Bus | 406,651 | 401,304 | (5,347) |
| Rail | | | |
| Blue Line | 24,823 | 25,855 | 1,031 |
| Green Line | 10,897 | 12,218 | 1,322 |
| Gold Line | 5,736 | 11,680 | 5,944 |
| Heavy Rail | 40,166 | 47,400 | 7,234 |
| Subtotal Rail | 81,621 | 97,152 | 15,531 |
| Totals | 488,272 | 498,456 | 10,184 |

Cost Per Boarding

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | \$2.38 | \$2.40 | \$0.01 |
| Orange Line | \$3.13 | \$3.09 | (\$0.04) |
| Purchased Transp | \$2.78 | \$2.92 | \$0.14 |
| Subtotal Bus | \$2.41 | \$2.43 | \$0.02 |
| Rail | | | |
| Blue Line | \$2.78 | \$2.64 | (\$0.14) |
| Green Line | \$3.92 | \$3.59 | (\$0.34) |
| Gold Line | \$7.71 | \$5.28 | (\$2.43) |
| Heavy Rail | \$2.29 | \$1.91 | (\$0.38) |
| Subtotal Rail | \$3.04 | \$2.72 | (\$0.32) |
| Combined | \$2.52 | \$2.49 | (\$0.03) |

Passenger Miles (000s)

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | 1,422,081 | 1,429,588 | 7,507 |
| Orange Line | 43,086 | 43,086 | - |
| Purchased Transp | 51,426 | 51,426 | - |
| Subtotal Bus | 1,516,593 | 1,524,100 | 7,507 |
| Rail | | | |
| Blue Line | 182,450 | 190,031 | 7,581 |
| Green Line | 68,322 | 80,397 | 12,076 |
| Gold Line | 41,527 | 84,326 | 42,800 |
| Heavy Rail | 190,788 | 236,999 | 46,211 |
| Subtotal Rail | 483,086 | 591,754 | 108,668 |
| Totals | 1,999,679 | 2,115,854 | 116,175 |

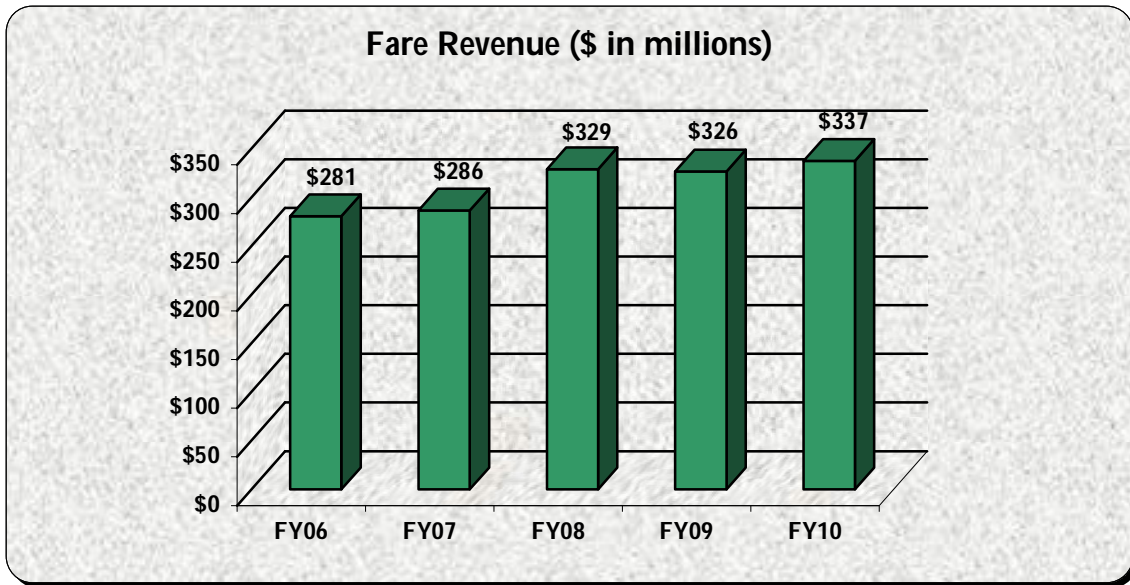
Cost Per Passenger Mile

| Mode | FY09 Budget | FY10 Budget | Inc/(Dec) |
|------------------|-------------|-------------|-----------|
| Bus | | | |
| Local & Rapid | \$0.64 | \$0.63 | (\$0.01) |
| Orange Line | \$0.53 | \$0.56 | \$0.02 |
| Purchased Transp | \$0.86 | \$0.91 | \$0.04 |
| Subtotal Bus | \$0.65 | \$0.64 | (\$0.01) |
| Rail | | | |
| Blue Line | \$0.38 | \$0.36 | (\$0.02) |
| Green Line | \$0.63 | \$0.55 | (\$0.08) |
| Gold Line | \$1.06 | \$0.73 | (\$0.33) |
| Heavy Rail | \$0.48 | \$0.38 | (\$0.10) |
| Subtotal Rail | \$0.51 | \$0.45 | (\$0.07) |
| Combined | \$0.61 | \$0.59 | (\$0.03) |

Fare Revenue

The chart below depicts actual passenger fare revenue received in FY06 through FY08, plus budgeted receipts for FY09 and FY10. Fare revenue in FY10 is projected to grow by 2.8% due to addition of the

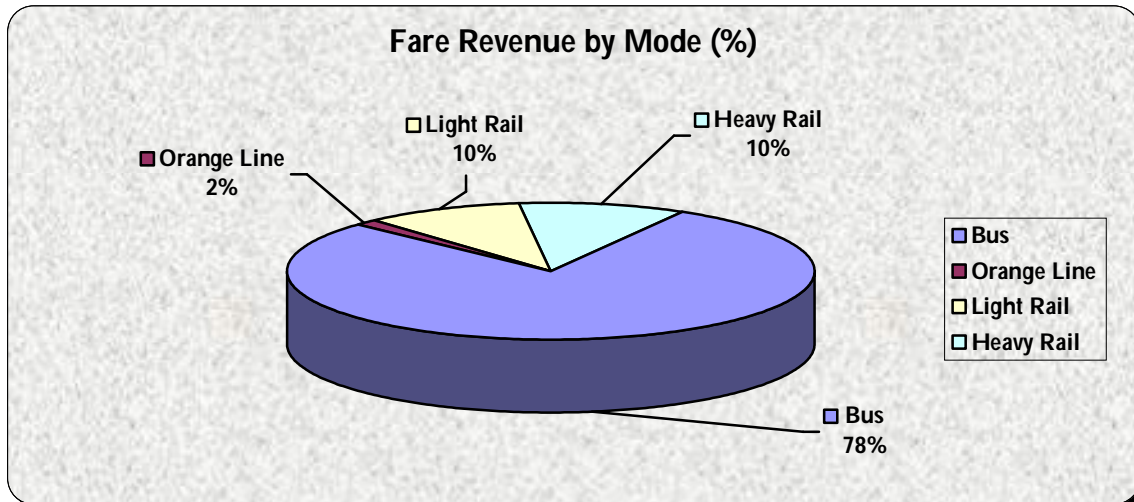
Eastside Extension of the Metro Gold Line. Fare revenue is allocated among modes and lines according to ridership estimates for each line. Fare revenues are assumed to be \$0.67 per boarding.



Fare Revenue by Mode

The chart below illustrates the distribution of the estimated FY10 fare revenue by mode. As shown on the graph, most of

Metro's fare revenue is attributed to bus operations.



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Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Enterprise Fund

| Enterprise Fund by Mode | | Bus Rapid Transit | | | Bus | | | Light Rail | | |
|-------------------------|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget |
| 1 | Operating revenues: | | | | | | | | | |
| 2 | Passenger fares (1) | \$ 5.1 | \$ 4.9 | \$ 5.2 | \$ 262.1 | \$ 264.9 | \$ 263.3 | \$ 29.7 | \$ 27.7 | \$ 33.5 |
| 3 | Route subsidies | - | - | - | 0.8 | 0.4 | 0.3 | - | - | - |
| 4 | Advertising | - | 0.4 | 1.0 | 19.1 | 20.9 | 22.4 | 0.3 | - | - |
| 5 | Total operating revenues | 5.1 | 5.2 | 6.2 | 282.1 | 286.2 | 286.0 | 30.0 | 27.7 | 33.5 |
| 6 | | | | | | | | | | |
| 7 | Operating expenses, excluding depreciation: | 19.1 | 23.0 | 24.1 | 875.6 | 958.2 | 951.7 | 144.6 | 156.0 | 173.7 |
| 8 | | | | | | | | | | |
| 9 | Operating loss | (14.0) | (17.7) | (17.9) | (593.5) | (672.0) | (665.7) | (114.6) | (128.4) | (140.2) |
| 10 | | | | | | | | | | |
| 11 | Operating subsidies and grants (other expenses): | | | | | | | | | |
| 12 | Local grants | - | - | - | 0.5 | - | - | 0.5 | - | - |
| 13 | Federal grants | 11.4 | 4.5 | - | 139.9 | 147.7 | 183.7 | 27.3 | 36.3 | 40.2 |
| 14 | Interest revenues | - | - | - | - | 0.5 | 0.5 | - | - | - |
| 15 | Debt (expense) | - | - | - | 2.3 | (14.0) | (14.0) | - | - | - |
| 16 | Other revenue | - | - | 0.8 | 8.0 | 2.1 | 8.5 | 0.1 | 0.1 | - |
| 17 | Total operating subsidies and grants (other expenses) | 11.4 | 4.5 | 0.8 | 150.7 | 136.3 | 178.8 | 27.9 | 36.4 | 40.2 |
| 18 | | | | | | | | | | |
| 19 | Gain (loss) before debt and capital items | (2.6) | (13.2) | (17.1) | (442.8) | (535.7) | (486.9) | (86.7) | (92.0) | (100.1) |
| 20 | | | | | | | | | | |
| 21 | Debt service & capital grants / contributions:(2) | | | | | | | | | |
| 22 | Local | | | | | | | | | |
| 23 | Capital | - | 0.1 | - | - | 3.2 | - | - | 8.0 | 9.2 |
| 24 | Debt service grants/other revenues | - | - | - | - | 0.3 | - | - | 1.6 | - |
| 25 | Proceeds from financing | (0.9) | - | - | 10.7 | - | - | 71.5 | 2.7 | - |
| 26 | State - capital | 0.2 | - | - | - | - | - | 108.6 | 202.5 | 186.2 |
| 27 | Federal - capital | 1.3 | 0.2 | - | 47.4 | 83.0 | 170.0 | 39.6 | 66.1 | 59.5 |
| 28 | Total debt service & capital grants / contributions | 0.6 | 0.3 | - | 58.1 | 86.5 | 170.0 | 219.7 | 280.9 | 254.9 |
| 29 | | | | | | | | | | |
| 30 | Capital program: | | | | | | | | | |
| 31 | Operating capital | - | - | - | 173.1 | 214.0 | 328.9 | 10.0 | 29.4 | 46.5 |
| 32 | Major construction | 1.7 | 9.2 | 37.5 | - | - | - | 257.2 | 391.3 | 272.3 |
| 33 | Total capital program | 1.7 | 9.2 | 37.5 | 173.1 | 214.0 | 328.9 | 267.3 | 420.7 | 318.8 |
| 34 | | | | | | | | | | |
| 35 | Debt service expenses:(2) | | | | | | | | | |
| 36 | Interest expense | - | - | 1.5 | 11.1 | 12.3 | 10.0 | 91.0 | 104.3 | 102.2 |
| 37 | Principal payments | - | - | 1.4 | 24.6 | 12.0 | 10.6 | 76.7 | 84.8 | 88.8 |
| 38 | Services | - | - | 0.0 | 1.8 | 0.4 | 1.4 | 3.0 | 1.5 | 6.6 |
| 39 | Total debt service expenses | - | - | 2.9 | 37.5 | 24.7 | 22.0 | 170.7 | 190.7 | 197.6 |
| 40 | | | | | | | | | | |
| 41 | Transfers In | 4.8 | 22.1 | 57.4 | 593.0 | 687.9 | 667.8 | 306.9 | 422.4 | 361.6 |
| 42 | | | | | | | | | | |
| 43 | Net surplus (deficit) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

(1) Intermodal allocation methodology was revised subsequent to FY05

(2) Excludes defeased leases and includes non-cash items

Note: Totals may not add due to rounding

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| | Heavy Rail | | | Non-Modal Regional | | | Total | | |
|----|----------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|----------------|
| | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget |
| 1 | | | | | | | | | |
| 2 | \$ 31.8 | \$ 29.0 | \$ 35.3 | \$ - | \$ - | \$ - | \$ 328.8 | \$ 326.4 | \$ 337.3 |
| 3 | - | - | - | - | - | - | 0.8 | 0.4 | 0.3 |
| 4 | 1.3 | 2.3 | 2.2 | - | - | - | 20.8 | 23.6 | 25.6 |
| 5 | 33.2 | 31.3 | 37.5 | - | - | - | 350.4 | 350.4 | 363.1 |
| 6 | | | | | | | | | |
| 7 | 90.9 | 92.2 | 90.5 | 4.1 | 4.1 | 16.8 | 1,134.3 | 1,233.5 | 1,256.7 |
| 8 | | | | | | | | | |
| 9 | (57.7) | (60.9) | (53.0) | (4.1) | (4.1) | (16.8) | (783.9) | (883.1) | (893.6) |
| 10 | | | | | | | | | |
| 11 | | | | | | | | | |
| 12 | 0.1 | - | - | - | - | - | 1.0 | - | - |
| 13 | 19.0 | 24.8 | 16.9 | - | 0.4 | - | 197.6 | 213.8 | 240.8 |
| 14 | - | - | - | - | - | - | - | 0.5 | 0.5 |
| 15 | - | - | - | - | - | - | 2.3 | (14.0) | (14.0) |
| 16 | 0.1 | 0.1 | - | - | - | 0.2 | 8.1 | 2.2 | 9.5 |
| 17 | 19.2 | 24.9 | 16.9 | - | 0.4 | 0.2 | 209.0 | 202.4 | 236.8 |
| 18 | | | | | | | | | |
| 19 | (38.5) | (36.0) | (36.1) | (4.1) | (3.7) | (16.6) | (574.7) | (680.6) | (656.8) |
| 20 | | | | | | | | | |
| 21 | | | | | | | | | |
| 22 | | | | | | | | | |
| 23 | - | - | - | - | - | - | - | 11.3 | 9.2 |
| 24 | - | 0.2 | - | - | - | - | - | 2.2 | - |
| 25 | 4.9 | 25.0 | 7.9 | - | - | - | 86.2 | 27.7 | 7.9 |
| 26 | - | - | - | - | - | - | 108.8 | 202.5 | 186.2 |
| 27 | 2.7 | - | 5.9 | - | - | - | 90.9 | 149.4 | 235.4 |
| 28 | 7.5 | 25.2 | 13.9 | - | - | - | 285.9 | 393.0 | 438.7 |
| 29 | | | | | | | | | |
| 30 | | | | | | | | | |
| 31 | 6.9 | 47.9 | 36.3 | - | - | - | 190.1 | 291.2 | 411.7 |
| 32 | 2.6 | 2.9 | 1.7 | - | - | - | 261.5 | 403.5 | 311.5 |
| 33 | 9.5 | 50.8 | 38.0 | - | - | - | 451.6 | 694.7 | 723.2 |
| 34 | | | | | | | | | |
| 35 | | | | | | | | | |
| 36 | 34.8 | 35.9 | 34.7 | - | - | - | 136.9 | 152.5 | 148.4 |
| 37 | 27.4 | 30.3 | 31.9 | - | - | - | 128.7 | 127.1 | 132.7 |
| 38 | - | 0.3 | 1.0 | - | - | - | 4.8 | 2.2 | 9.0 |
| 39 | 60.5 | 66.5 | 67.6 | - | - | - | 270.4 | 281.8 | 290.1 |
| 40 | | | | | | | | | |
| 41 | 101.4 | 128.1 | 127.9 | 4.2 | 3.7 | 16.6 | 1,010.4 | 1,264.2 | 1,231.3 |
| 42 | | | | | | | | | |
| 43 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Capital Program

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

Capital Program activity is 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 Executive Investment 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 and rehabilitation of infrastructure and capital assets as well as staff necessary for successful design, construction, acquisition, and implementation. Expenditures also include all administrative costs to support the projects.

Debt Program

Metro is authorized to issue debt under the California Public Utilities Code, pursuant to one of a number of master trust agreements to which Metro is a party. The trust agreements contain requirements for the issuance of debt. Metro has no State or local debt limitations. The majority of the debt issued by Metro is issued as sales tax revenue bonds repaid from either Prop A or Prop C sales tax receipts. Metro also has issued debt secured by federal grants, general revenue and miscellaneous revenues. There are no on-going debt service coverage requirements but Metro has to meet certain tests at the time of issuing new debt, showing that historical revenues meet a specific test of the ratio of revenues to the maximum future annual debt service. Debt service activity is recorded in the Enterprise, General and Agency Funds and is detailed in Appendix 4.

Total Metro outstanding debt is \$4.50 billion, comprised of \$1.80 billion of Prop A debt, \$1.48 billion of Prop C debt, \$852.4 million of lease/leaseback to service obligations and capitalized lease, \$132.5 million of capital grant revenue bonds, \$206.8 million of bonds secured by general revenues and other miscellaneous revenues and \$25.8 million of Prop A general fund debt. The Agency Fund accounts for another \$22.2 million in Benefit Assessment District debt. No new debt issuance is planned for FY10.

Revenues

Annual revenue budgeted for the payment of debt service consists primarily of local sales tax receipts 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

The total FY10 debt service requirement is \$428.5 million. \$304.0 million is related to Transit Operations activities. \$81.2 million is related to defeased lease and debt overhead. \$4.0 million is for Capital Grant Revenue Debt interest. \$14.3 million is for USG debt. \$24.9 million is budgeted in the General and Agency funds. See the FY10 Debt Service Schedule for further detail.

Debt Limitations/Use Restrictions

Metro 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.

Metro has contractual covenants as part of its trust agreements that limit the issuance of additional debt. The additional bonds covenants restrict the percentage amount of specific revenue sources that may be used to pay debt service. These covenants provide protection to bondholders by limiting the amount of additional bonds that may be issued.

Issuance of long-term debt secured by Prop A and Prop C sales tax revenues is also limited by additional bonds test covenants. Prior to the issuance of bonds secured by Prop A and Prop C sales tax revenues, Metro 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.

Metro 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. Moody's Investors Service, Standard & Poor's, and Fitch Ratings have assigned ratings to Metro's Prop A senior lien sales tax revenue bonds of Aa3, AAA, and AA-, respectively, and A1, AA+, and AA-, respectively, to Metro's Prop C second senior sales tax revenue bonds.

Debt Policy

Metro's debt policy establishes guidelines for the issuance and management of the agency's debt. The Debt Policy is updated annually and approved by the Board. The Treasurer is responsible for the day-to-day management of the debt and finance program. The Debt Policy has been in place since 1998.

The priorities are as follows:

- Achieve the lowest cost of capital.
- Maintain a prudent level of financial risk.
- Preserve future financial flexibility.
- Maintain strong credit ratings and good investor relations.
- Ensure that local, emerging and disadvantaged business enterprise investment banking and financial firms will be considered for, and utilized in, lead and senior management 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.

Variable rate debt can be used to diversify the debt portfolio, reduce interest costs and improve the match of assets to liabilities. 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%.

Short-term debt is permissible as interim funding as long as it is replaced by permanent funding. Commercial paper is 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 policy sets debt affordability targets and policy limits for the maximum amounts of revenue that can be dedicated to debt service as percentages of the respective revenue sources. Under the debt policy, Prop A sales tax revenue bonds can only be issued for rail operations and capital and cannot exceed 87% of the Prop A 35% Rail revenues. Prop C sales tax revenue bonds can be issued for discretionary projects (bus & rail) up to a maximum of 40% of the Prop C 40% discretionary revenues; highway (streets, highways and fixed guideway projects) up to a maximum of 60% of Prop C 25% Highway revenues, and Commuter

Rail (commuter rail and Park and Ride) up to a maximum of 40% of Prop C 10% Commuter Rail. The debt policy also allows debt secured by benefit assessments up to 100% of the levies and certain limited issuance of lease revenue and other system revenue debt. . The debt policy sets target savings for the issuance of refunding bonds issued for cost savings. The savings can be measured using the call option model, in which case the target savings from any particular refunding candidate should be

approximately 80% of the expected value of the call option, net of transaction expenses. Alternatively, if the net present value savings methodology is used, the minimum average savings should be approximately 3% savings as a percentage of the refunded par amount.

Impact on Operations

All debt issuance is considered and included in the Short and Long Range Transportation Plans so that impacts on bus and rail operating funding are negligible or non-existent.

FY10 Debt Service Coverage Ratios

| (\$ in millions) | | FY08 Actual | FY09 Actual | FY10 Budget | Foot- notes |
|------------------|--|----------------|----------------|----------------|----------------|
| 1 | Proposition A: | | | | |
| 2 | Net Sales Tax Revenue | \$ 516.9 | \$ 470.7 | \$ 462.5 | 1 |
| 3 | First Tier Senior Lien Annual Debt Service | \$ 144.5 | \$ 149.4 | \$ 149.4 | 2 |
| 4 | First Tier Senior Lien Debt Service Coverage | 3.58x | 3.15x | 3.10x | 3 |
| 5 | | | | | |
| 6 | Residual Net Sales Tax Revenue | \$ 372.4 | \$ 321.3 | \$ 313.1 | |
| 7 | Second Tier Annual Debt Service | \$ 2.3 | \$ 2.3 | \$ 2.3 | 2 |
| 8 | Second Tier Debt Service Coverage | 3.52x | 3.10x | 3.05x | 3 |
| 9 | | | | | |
| 10 | Proposition C: | | | | |
| 11 | Net Sales Tax Revenue | \$ 551.5 | \$ 502.2 | \$ 493.5 | 1 |
| 12 | Second Senior Lien Annual Debt Service | \$ 100.2 | \$ 108.8 | \$ 111.3 | 4 |
| 13 | Second Senior Lien Annual Debt Service Coverage | 5.51x | 4.62x | 4.43x | 3 |
| 14 | | | | | |
| 15 | General Revenue: | | | | |
| 16 | Pledged Revenue | \$ 347.0 | \$ 357.1 | \$ 373.2 | 5 |
| 17 | Annual Debt Service | \$ 24.5 | \$ 28.3 | \$ 27.1 | |
| 18 | Debt Service Coverage | 14.16x | 12.64x | 13.78x | 3 |

Footnotes:

1 - Sales tax revenue net of required allocations to local governments for transit purposes

2 - Net Proposition A Sales Tax Revenue is first applied to pay debt service on the First Tier Senior Lien Bonds. Remaining unapplied Proposition A Sales Tax revenues are next applied to pay debt service on the First Tier Second Senior Lien Bonds. Metro has no First Tier Second Senior Lien Bonds outstanding as of June 30, 2009. Remaining unapplied Proposition A Sales Tax revenues are next applied to the Second Tier Bonds.

3 - Coverage is as of June 30, 2009. The bond indentures do not impose any minimum coverage requirement.

4 - Net Proposition C Sales Tax Revenue is first applied to pay debt service on the First Senior Lien Bonds. Metro has no First Senior Lien Bonds outstanding as of June 30, 2009. Remaining unapplied Proposition C Sales Taxes revenues are next applied to pay debt service on the Second Senior Lien Bonds.

5 - Pledged revenue is the total of operating and non-operating revenues and interest revenue from pooled cash only.

Note: Totals may not add due to rounding.

Governmental Activities

Governmental activities are budgeted in the Governmental funds comprised of the Special Revenue Fund and the General Fund. They consist of 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 non-capital real estate activities. For FY10, the aggregate fund balance of all individual funds comprising the Special Revenue Fund is expected to decrease by \$421.0 million. This change is primarily related to current year use of prior year Propositions A and C, and TDA revenue to fund various capital, operating, and planning projects – please refer to page II-2 for additional information.

Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2008, 2009 and 2010

(\$ in millions)

| Governmental Funds | Governmental Funds | | | | | | Total | | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Special Revenue Fund | | | General Fund | | | FY08 Actual | FY09 Budget | FY10 Budget |
| | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | | | |
| 1 Revenue: | | | | | | | | | |
| 2 Sales tax | \$ 1,768.9 | \$ 1,713.0 | \$ 1,902.2 | \$ - | \$ - | \$ - | \$ 1,768.9 | \$ 1,713.0 | \$ 1,902.2 |
| 3 Intergovernmental grants | 193.2 | 139.3 | 396.2 | 6.5 | 2.7 | 3.3 | 199.7 | 142.0 | 399.5 |
| 4 Investment income | 66.3 | 4.6 | 2.4 | 8.2 | 3.1 | 2.2 | 74.5 | 7.8 | 4.5 |
| 5 Net decline in fair value of investments | (1.6) | - | - | (0.2) | | - | (1.8) | - | - |
| 6 Lease and rental | - | - | | 10.9 | 18.5 | 16.5 | 10.9 | 18.5 | 16.5 |
| 7 Licenses and fines | 7.9 | 7.0 | 8.0 | 0.7 | 0.5 | 0.5 | 8.6 | 7.5 | 8.5 |
| 8 Fuel tax credit and others | - | - | | 28.4 | 21.4 | 11.3 | 28.4 | 21.4 | 11.3 |
| 9 Total Revenues | 2,034.7 | 1,863.9 | 2,308.8 | 54.5 | 46.1 | 33.8 | 2,089.2 | 1,910.1 | 2,342.6 |
| 10 | | | | | | | | | |
| 11 Expenditures: | | | | | | | | | |
| 12 Subsidies | 759.2 | 942.5 | 1,287.6 | 0.2 | - | - | 759.4 | 942.5 | 1,287.6 |
| 13 Operating Expenditures | 119.7 | 176.7 | 206.3 | 17.4 | 30.2 | 23.9 | 137.1 | 206.9 | 230.1 |
| 14 Debt and interest expenditures | | | | | | | | | |
| 15 Interest and fiscal charges | - | - | - | 1.3 | 1.5 | 1.3 | 1.3 | 1.5 | 1.3 |
| 16 Bond principal & commercial paper retirement | - | - | - | 0.9 | 0.8 | 1.0 | 0.9 | 0.8 | 1.0 |
| 17 Total expenditures | 878.9 | 1,119.1 | 1,493.9 | 19.8 | 32.5 | 26.1 | 898.7 | 1,151.7 | 1,520.1 |
| 18 | | | | | | | | | |
| 19 Transfers In | 115.3 | 97.0 | 122.4 | 2.4 | 13.8 | 12.1 | 117.7 | 110.9 | 134.6 |
| 20 Transfers (out) | (1,114.9) | (1,249.3) | (1,358.3) | (43.8) | (23.7) | (10.7) | (1,158.7) | (1,273.0) | (1,369.0) |
| 21 | | | | | | | | | |
| 22 Net change in fund balances | 156.2 | (407.5) | (421.0) | (6.7) | 3.7 | 9.1 | 149.5 | (403.8) | (412.0) |
| 23 | | | | | | | | | |
| 24 Fund balances - beginning of year | 1,301.6 | 1,457.7 | 1,143.0 | 154.0 | 147.4 | 151.1 | 1,455.6 | 1,605.1 | 1,294.1 |
| 25 | | | | | | | | | |
| 26 Fund balances - end of year | \$ 1,457.7 | \$ 1,050.2 | \$ 722.0 | \$ 147.4 | \$ 151.1 | \$ 160.2 | \$ 1,605.1 | \$ 1,201.3 | \$ 882.1 |

Note: Totals may not add due to rounding.

Note: FY09 Sales tax revenues reflects the reforecast information based on February 2009 UCLA Forecast. Beginning FY10 Fund Balances reflect anticipated unspent FY09 carry-over amounts.

Special Revenue Fund

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. This includes sales tax revenues such as Propositions A & C, Measure R, and TDA funds. Measure R Sales Tax was approved by voters in November 2008 and is effective July 1, 2009.

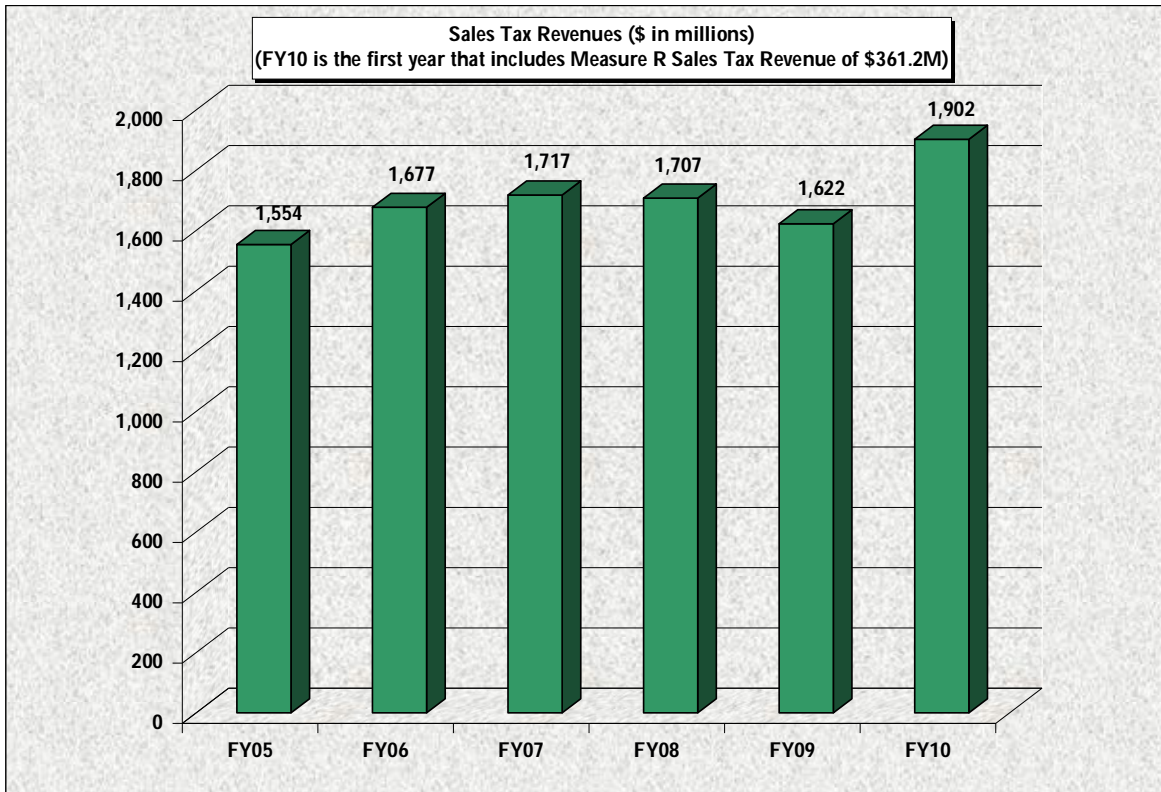
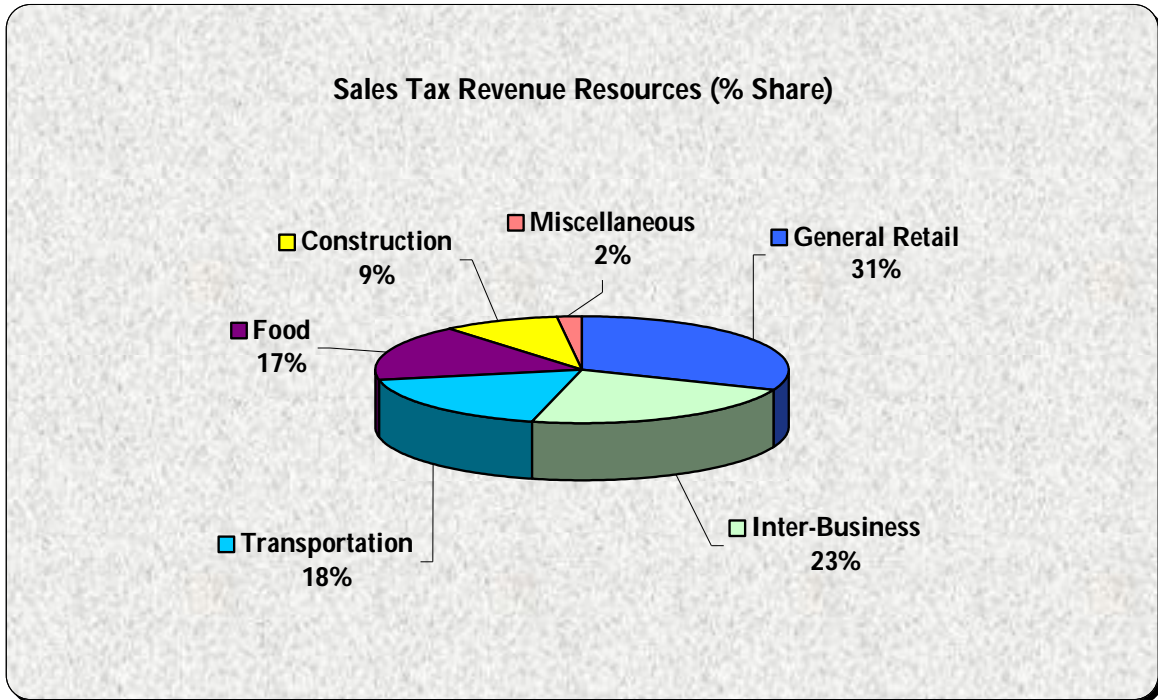
Revenue

The primary source of revenue is Proposition A sales tax, Proposition C sales tax, Measure R sales tax, and Transportation Development Act (TDA) sales tax. 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. Propositions A, C and TDA sales tax revenues are assumed to decrease by 5% from the reforecasted FY09 budget which reflected a 5% decrease from FY08 actual sales tax revenues. This growth assumption is based on the UCLA Anderson School's sales tax forecast dated December 2008.

Expenditures

Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 80% of Special Revenue expenditures. The remaining 20% goes for SAFE, Freeway Service Patrol (FSP), other contracts, administrative costs and labor.



Description of Revenue

Proposition A Sales Tax

Revenue is generated from a 0.5% sales tax in Los Angeles County pursuant to the Prop A Ordinance of 1980 that specifies funds must be used exclusively to improve transit in Los Angeles County.

Metro is responsible for administering Prop A funds and the interest earned. Metro uses 5% of the Prop A funds it receives for administration. The remaining 95% of Prop A is apportioned as follows:

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

Proposition C Sales Tax

Revenues are generated from Los Angeles County's 0.5% sales tax for "public transit purposes" pursuant to the Prop C Ordinance of 1990. 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 Highway Improvements.
- 40% Discretionary.

Measure R Sales Tax

Revenues are generated from Los Angeles County's 0.5% sales tax approved by voters in November 2008 effective for the following 30 years beginning July 1, 2009.

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

- 2% Rail Capital Improvements.
- 3% Metrolink Capital Improvements.
- 5% Rail Operations for new transit projects.
- 15% Local Return.
- 20% Bus Operations allocated using Metro's Formula Allocation Procedure (based on vehicle service miles and fare revenue).
- 20% Highway Capital projects.
- 35% Transit Capital Specific Projects.

Transportation Development Act

Revenues are derived from 0.25% of the 7.25% retail sales tax collected statewide. The 0.25% is returned by the State Board of Equalization proportionally to each county based on their tax collections.

TDA Article 4: Public Transportation Systems

Up to 92% of total TDA funds are allocated as Article 4 funds to transit operators. Allocation is subject to the Formula Allocation Procedure (based on vehicle service miles and fare revenue). Metro also receives TDA Article 3 and Article 8 for distribution. See Pg. IV-23 for more detail.

State Transit Assistance

State Transit Assistance (STA) revenues derive 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" is a potential source of additional revenue that applies when

the growth in sales tax revenue on all sales including gas exceeds the growth in sales tax revenue on all sales excluding gas.

In years past STA funds were allocated 50% to counties based on the ratio of each county's population to the state's population and the remaining 50% was allocated to counties based on the ratio of the total transit operator's revenues to the total revenues of transit operators in the state.

For FY10, the State of California has diverted all STA funding away from the counties to the State's General Fund. Therefore, no STA revenue is included in Metro's FY10 Budget. A residual fund balance earned in prior years continues to be reported and will be drawn down by local operators in future years.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Special Revenue Fund

For the Years Ending June 30, 2008, 2009 and 2010

(\$ in millions)

| Special Revenue Funds | Proposition A & C, TDA Administration | | | Proposition A | | | Proposition C | | | Measure R | | |
|--|---------------------------------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
| | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget |
| 1 Revenue: | | | | | | | | | | | | |
| 2 Sales tax | \$ - | \$ - | \$ - | \$ 683.4 | \$ 649.1 | \$ 616.7 | \$ 683.5 | \$ 649.4 | \$ 616.9 | \$ - | \$ - | \$ 361.2 |
| 3 Intergovernmental grants | 11.8 | 18.8 | 6.7 | - | - | - | 8.0 | 50.3 | 324.7 | - | - | 3.8 |
| 4 Investment income | 0.8 | - | - | 11.7 | 1.2 | 0.6 | 23.8 | 2.3 | 1.2 | - | - | - |
| 5 Net (decline) in fair value of investments | (0.0) | - | - | (0.2) | - | - | (1.0) | - | - | - | - | - |
| 6 Licenses and fines | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 Other | 0.0 | - | - | - | - | - | 0.2 | - | - | - | - | - |
| 8 Total revenues | 12.6 | 18.8 | 6.7 | 694.9 | 650.3 | 617.3 | 714.6 | 702.0 | 942.7 | - | - | 365.0 |
| 9 | | | | | | | | | | | | |
| 10 Expenditures: | | | | | | | | | | | | |
| 11 Subsidies | 0.6 | 1.4 | 0.4 | 243.4 | 307.4 | 248.1 | 381.9 | 481.5 | 791.9 | - | - | 97.3 |
| 12 Operating Expenditures | 58.9 | 80.0 | 60.6 | - | - | - | 45.6 | 70.8 | 75.0 | - | - | 53.2 |
| 13 Total expenditures | 59.5 | 81.4 | 60.9 | 243.4 | 307.4 | 248.1 | 427.4 | 552.3 | 866.9 | - | - | 150.5 |
| 14 | | | | | | | | | | | | |
| 15 Transfers In | 49.7 | 59.7 | 48.3 | - | - | 7.1 | 65.1 | 36.4 | 5.4 | - | - | 27.7 |
| 16 Transfers Out | - | (4.2) | (9.0) | (559.5) | (497.0) | (460.6) | (162.5) | (331.6) | (414.6) | - | - | (32.0) |
| 17 Proceeds from Financing | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | | | | | | | | | | | | |
| 19 Net change in fund balance | 2.8 | (7.1) | (14.9) | (108.1) | (154.1) | (84.3) | 189.8 | (145.4) | (333.4) | - | - | 210.2 |
| 20 | | | | | | | | | | | | |
| 21 Fund balance - beginning of year | 12.2 | 15.0 | 14.9 | 304.7 | 196.6 | 97.5 | 388.2 | 578.0 | 463.1 | - | - | - |
| 22 | | | | | | | | | | | | |
| 23 Fund balance - end of year | \$ 15.0 | \$ 7.9 | \$ - | \$ 196.6 | \$ 42.5 | \$ 13.2 | \$ 578.0 | \$ 432.6 | \$ 129.7 | \$ - | \$ - | \$ 210.2 |

Note: Totals may not add due to rounding.

Note: FY09 Sales tax revenues reflects the reforecast information based on February 2009 UCLA Forecast. Beginning FY10 Fund Balances reflect anticipated unspent FY09 carry-over amounts.

Note: Special Revenue Other includes State TCRP, PTMISEA, and EZ Pass.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| | Transportation Devel. Act | | | State Transit Assistance | | | SAFE | | | Other | | | Total | | |
|----|---------------------------|-------------|-------------|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget | FY08 Actual | FY09 Budget | FY10 Budget |
| 1 | | | | | | | | | | | | | | | |
| 2 | \$ 340.5 | \$ 323.5 | \$ 307.3 | \$ 61.5 | \$ 90.9 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,768.9 | \$ 1,713.0 | \$ 1,902.2 |
| 3 | - | - | - | - | 18.5 | - | - | - | - | 173.4 | 51.7 | 61.1 | 193.2 | 139.3 | 396.2 |
| 4 | 9.0 | - | - | 3.9 | 0.4 | - | 1.5 | 0.7 | 0.6 | 15.4 | - | - | 66.3 | 4.6 | 2.4 |
| 5 | - | - | - | - | - | - | 0.3 | - | - | (0.6) | - | - | (1.6) | - | - |
| 6 | - | - | - | - | - | - | 7.7 | 7.0 | 8.0 | 0.2 | - | - | 7.9 | 7.0 | 8.0 |
| 7 | - | - | - | - | - | - | (0.0) | - | - | 0.1 | - | - | 0.3 | - | - |
| 8 | 349.6 | 323.5 | 307.3 | 65.4 | 109.8 | - | 9.6 | 7.7 | 8.6 | 188.4 | 51.7 | 61.1 | 2,035.0 | 1,863.9 | 2,308.8 |
| 9 | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | |
| 11 | 116.6 | 109.3 | 89.8 | 13.6 | 30.4 | - | - | - | - | 3.2 | 12.4 | 60.3 | 759.2 | 942.5 | 1,287.6 |
| 12 | - | - | - | - | - | - | 7.2 | 15.8 | 15.6 | 8.0 | 10.1 | 2.0 | 119.7 | 176.7 | 206.3 |
| 13 | 116.6 | 109.3 | 89.8 | 13.6 | 30.4 | - | 7.2 | 15.8 | 15.6 | 11.2 | 22.5 | 62.3 | 878.9 | 1,119.1 | 1,493.9 |
| 14 | | | | | | | | | | | | | | | |
| 15 | - | 0.6 | 0.7 | - | - | - | - | - | - | 0.4 | 0.3 | 33.4 | 115.3 | 97.0 | 122.4 |
| 16 | (204.7) | (286.3) | (263.2) | (77.4) | (98.7) | (0.3) | (1.7) | (2.0) | (2.0) | (109.1) | (29.6) | (176.6) | (1,114.9) | (1,249.3) | (1,358.3) |
| 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | | | | | | | | | | | | | | | |
| 19 | 28.3 | (71.4) | (44.9) | (25.6) | (19.3) | (0.3) | 0.7 | (10.1) | (9.0) | 68.5 | (0.1) | (144.5) | 156.4 | (407.5) | (421.0) |
| 20 | | | | | | | | | | | | | | | |
| 21 | 173.0 | 201.4 | 130.0 | 70.1 | 44.4 | 25.2 | 35.7 | 36.4 | 26.4 | 317.6 | 386.1 | 386.0 | 1,301.6 | 1,458.0 | 1,143.0 |
| 22 | | | | | | | | | | | | | | | |
| 23 | \$ 201.4 | \$ 130.0 | \$ 85.1 | \$ 44.4 | \$ 25.2 | \$ 24.9 | \$ 36.4 | \$ 26.4 | \$ 17.4 | \$ 386.1 | \$ 386.0 | \$ 241.5 | \$ 1,458.0 | \$ 1,050.5 | \$ 722.0 |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

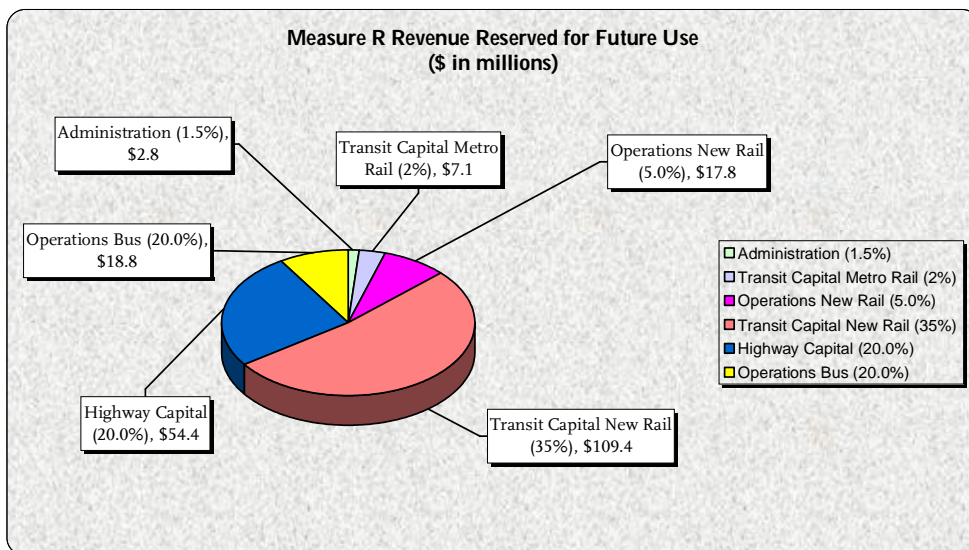
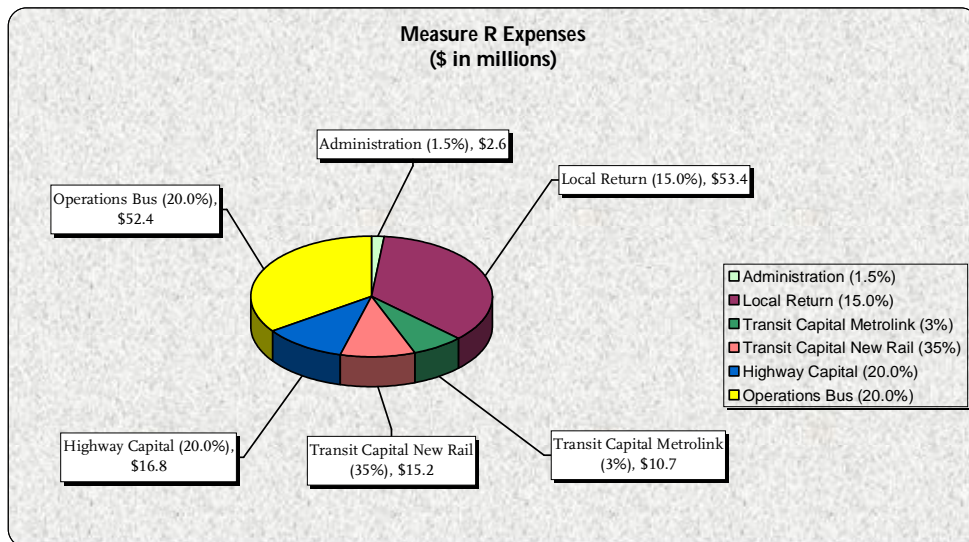
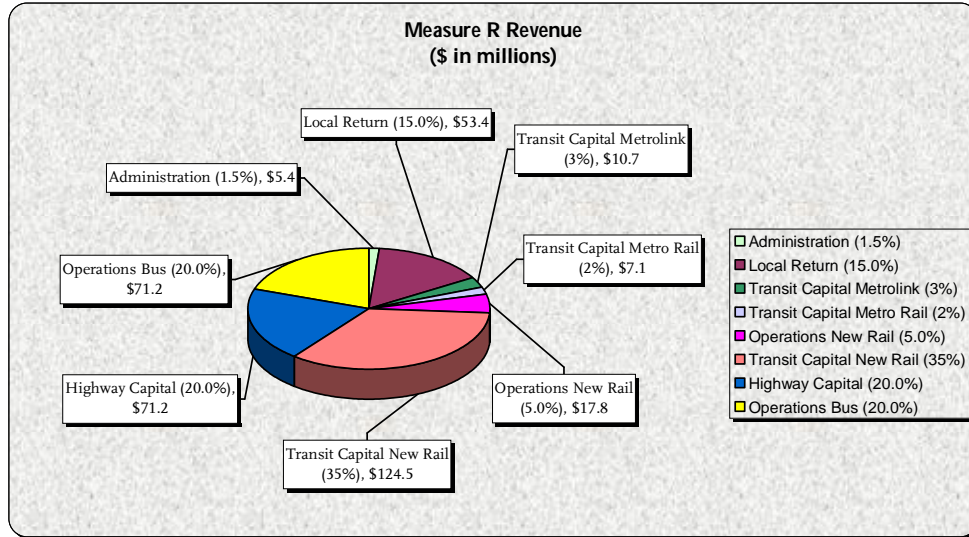
Measure R Funding and Expenses

(\$ in millions)

| | Project Number | FY10 Estimated Revenue | FY10 Budget Expense | Estimated Ending Fund Balance |
|---|------------------------------|---------------------------------------|------------------------------------|--|
| Measure R Funding / Projects | | | | |
| 1 Measure R Administration (1.5%) | 100055 | \$ 5.419 | \$ 2.617 | \$ 2.802 |
| 2 | | | | |
| 3 Measure R Local Return (15%) | 460075 | 53.374 | 53.374 | - |
| 4 | | | | |
| 5 Measure R Transit Capital - Metrolink Capital (3%) | 460064 | 10.675 | 10.675 | - |
| 6 | | | | |
| 7 Measure R Transit Capital - Metro Rail Capital (2%) | | 7.117 | - | 7.117 |
| 8 | | | | |
| 9 Measure R Operations - New Rail Operations (5%) | | 17.791 | - | 17.791 |
| 10 | | | | |
| 11 Measure R Transit Capital - New Rail & BRT (35%) | | 124.540 | | |
| 12 Crenshaw Transit Corridor | 465512 | | 4.703 | |
| 13 Green Line Extension to LAX Airport | 460303 | | 0.201 | |
| 14 Gold Line Foothill LRT Extension | 460200 | | 10.250 | |
| 15 Measure R Transit Capital - New Rail & BRT (35%) Total | | 124.540 | 15.154 | 109.386 |
| 16 | | | | |
| 17 Measure R Highway Capital (20%) | | 71.166 | | |
| 18 Countywide Sound Wall Construction | 460309 | | 13.872 | |
| 19 I-710 South and/or Early Action Projects | 460316 | | 2.001 | |
| 20 High Desert Corridor | 465550 | | 0.401 | |
| 21 Highway Op Improvement | 460310 | | 0.401 | |
| 22 I-710 N. Gap Closure | 460315 | | 0.062 | |
| 23 Alameda Corridor East | 460307 | | 0.034 | |
| 24 Measure R Highway Capital (20%) Total | | 71.166 | 16.771 | 54.395 |
| 25 | | | | |
| 26 Measure R Operations - Bus Operations (20%) | | 71.166 | | |
| 27 Metro (Fare Replacement) | EF Bus | | 32.000 | |
| 28 Measure R 20% FAP Subsidies | 460056 | | 20.367 | |
| 29 Measure R Operations - Bus Operations (20%) Total | | 71.166 | 52.367 | 18.799 |
| 30 | | | | |
| 31 | | | | |
| | Measure R Grand Total | \$ 361.248 | \$ 150.958 | \$ 210.290 |

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY10 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, Proposition C, and Measure R 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 FY10 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, Access Services, Inc. (ASI), Proposition A Incentive, Local Return, and Metrolink, reflects the FY10 programmed amounts.

Regional Subsidy Program Budget Summary FY10 Budget

(\$ in thousands)

| Funding Category | Transit Operator Programs (1) | ADA/ Accessibility Funding Program | CFP Projects & Programs | Other Local Projects | Commuter Rail & Intercity Rail | Other Planning Projects | Total Subsidy Budget |
|---|----------------------------------|---|----------------------------|-------------------------|-----------------------------------|----------------------------|-------------------------|
| 1 Prop A - Local Return 25% | - | - | 146,472 | - | - | | 146,472 |
| 2 Prop A - Discretionary 95% of 40% | 225,903 | | | - | | | 225,903 |
| 3 Prop A - Incentive 5% of 40% | | 24,549 | | | | | 24,549 |
| 4 Prop A - Interest Fund Balance | 19,670 | | | | | | 19,670 |
| 5 Prop C - Local Return 20% | | | 121,527 | | | | 121,527 |
| 6 Prop C - Security 5% | 29,852 | | | | | | 29,852 |
| 7 Prop C - Commuter Rail 10% | | | 10,745 | | 60,160 | | 70,905 |
| 8 Prop C - Streets & Hwys 25% | | | 193,281 | | | | 193,281 |
| 9 Prop C - Discretionary 40% | 96,355 | 34,179 | - | 8,900 | | 375 | 139,809 |
| 10 Prop C - Interest Fund Balance | 34,699 | | | | | | 34,699 |
| 11 Measure R - Bus Operations | 71,166 | | | | | | 71,166 |
| 12 Measure R - Local Return | | | 53,374 | | | | 53,374 |
| 13 Measure R - Streets & Highway Programs | | | 2,400 | | | | 2,400 |
| 14 Measure R - Commuter Rail | | | | | 10,675 | | 10,675 |
| 15 Measure R - Transit Capital | | | 450 | | 10,000 | | 10,450 |
| 16 Other (Fed'l, Local, State, FAU Cash, CMAQ, & Cash TCRP) | | | 18,897 | 10,703 | | 8,000 | 37,600 |
| 17 Other (EZ Pass) | | | | 9,500 | | | 9,500 |
| 18 Admin (Prop A, C, TDA) | | | - | | | 887 | 887 |
| 19 TDA | 275,744 | | 22,822 | | | | 298,566 |
| 20 STA Formula | - | | | | | | - |
| 21 Total | \$ 753,389 | \$ 58,728 | \$ 569,967 | \$ 29,103 | \$ 80,835 | \$ 9,262 | \$ 1,501,285 |

NOTES:

- 1) Transit Operator Programs is significantly reduced over the prior year due to the absence of STA funds, decreased sales tax revenues, and a negative FY08 fund balance.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

**Regional Subsidy Program Budget Detail
FY10 Budget**

(\$ in thousands)

| Regional Fund Description | FY08 Actual | FY09 Budget | FY10 Adopted |
|---|------------------------|------------------------|-------------------------|
| 1 Transit Operator Programs (1) | | | |
| 2 Formula Allocated Funds | \$ 613,119 | \$ 691,424 | \$ 556,845 |
| 3 Transit Security | 34,106 | 31,883 | 29,852 |
| 4 BSIP & MOSIP Programs | 74,401 | 76,264 | 78,418 |
| 5 Foothill Mitigation | 9,827 | 11,468 | 6,928 |
| 6 Transit Service Expansion | 6,414 | 6,554 | 6,682 |
| 7 Base Bus Restructuring | 3,811 | 3,431 | 3,498 |
| 8 Measure R Bus Operations | - | - | 71,166 |
| 9 Prop 1B Equivalent Municipal Operators - Security | - | 2,972 | - |
| 10 Prop 1B Equivalent for Municipal Operators - PTMISEA | - | 23,840 | - |
| 11 FY08 LADOT Adjustment | - | 6,819 | - |
| 12 Transit Operator Programs total | 741,678 | 854,655 | 753,389 |
| 13 ADA/Accessibility Funding Programs | | | |
| 14 ASI - Access Services, Inc. | 28,014 | 34,179 | 34,179 |
| 15 Proposition A Incentive programs | 14,411 | 25,663 | 24,549 |
| 16 ADA Accessibility Funding Programs total | 42,425 | 59,842 | 58,728 |
| 17 CFP Projects and Programs | | | |
| 18 Call for Projects & Rapid Bus | 129,170 | 193,697 | 222,922 |
| 19 Proposition A and C Local Return | 297,080 | 304,370 | 267,999 |
| 20 TDA Bikeways/Transit/Streets & Highway Programs | 21,411 | 27,692 | 22,822 |
| 21 Measure R Local Return | - | - | 53,374 |
| 22 Measure R Streets & Highway Programs | - | - | 2,850 |
| 23 CFP Projects and Programs total | 447,661 | 525,758 | 569,967 |
| 24 Other Local Projects | | | |
| 25 Immediate Needs | 5,000 | 5,000 | 5,000 |
| 26 SHORE/General Relief Tokens | 895 | 400 | 400 |
| 27 Regional Grantee-FTA | 3,231 | 2,982 | 2,756 |
| 28 EZ Pass Program | 6,748 | 9,500 | 9,500 |
| 29 Rider Relief | - | 5,000 | 3,500 |
| 30 JARC/New Freedom | - | - | 7,947 |
| 31 Other Local Projects total | 15,874 | 22,882 | 29,103 |
| 32 Commuter Rail & Intercity Rail Programs | | | |
| 33 Metrolink | 45,208 | 60,160 | 60,090 |
| 34 Intercity Rail | 4 | 1 | 70 |
| 35 Measure R Gold Line Foothill LRT Extension | - | - | 10,000 |
| 36 Measure R Commuter Rail | - | - | 10,675 |
| 37 Commuter Rail & Intercity Rail Programs total | 45,212 | 60,161 | 80,835 |
| 38 Other Planning Projects | | | |
| 39 Wilshire Bus Lane Project | - | - | 537 |
| 40 Misc Other Planning Projects/Studies & Transit Planning | 420 | 1,397 | 725 |
| 41 I-5/Hasley Canyon Road Interchange Project | - | - | 8,000 |
| 42 Other Planning Projects total | 420 | 1,397 | 9,262 |
| 43 Total Metro Funded Programs | \$ 1,293,270 | \$ 1,524,693 | \$ 1,501,285 |

Footnote: (1) The FY10 Adopted budget for Transit Operator Programs is significantly reduced due to the absence of STA funds, decreased sales tax revenues, and a negative FY08 fund balance.

Note: Totals may not add due to rounding.

Regional Programs Descriptions

Transit Operator Programs

Transit Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 40% Discretionary, and Measure R 20% to Metro Bus Operations and 16 bus transit service providers in Los Angeles County. These funds are distributed based on formulas prescribed by Metro's Policies and Procedures and approved by the Board of Directors.

In addition, bus operators receive Proposition C 5% Security and Proposition C 40% Discretionary funds under six programs approved by the Metro Board of Directors as follows:

- Foothill Mitigation Program
- Transit Service Expansion
- Discretionary Base Bus Restructuring
- Bus Service Improvement Plan (BSIP) including Overcrowding Relief
- Municipal Operator Service Improvement Program (MOSIP)
- Proposition 1B Transit Modernization and Security

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.

Incentive Programs

Five percent of the Proposition A 40% funds the incentive program to provide support to local transit operators within Los Angeles County for the provision of public and private paratransit service. The FY10 Incentive Program also includes \$5.5 million for the third year of a multi-year call for projects program for the local transit operators.

Propositions A and C Local Return

The Proposition A and Proposition C ordinances require that each of the 88 cities and the County of Los Angeles receive a direct share, based on population, of the total Proposition A and Proposition C sales tax revenues. Known as "local return," these Proposition A 25% and Proposition C 20% funds must be used to support transit needs or other transportation-related projects including paratransit and fixed route service, street and road maintenance (Prop C only) on streets heavily used by transit, and other transit-related improvements.

Measure R Local Return

Similar to the Proposition A and Proposition C ordinances, the Measure R ordinance requires that each of the 88 cities and the County of Los Angeles receives a direct share, based on population, of the net total Measure R sales tax revenues. Known also as "local return", these Measure R 20% funds must be used to support transportation-related projects, including major street resurfacing, rehabilitation and reconstruction; pothole repair; left-turn signals; bikeways; pedestrian improvements; streetscapes, signal synchronization; and transit.

Transportation Improvement Program Call for Projects

The Transportation Improvement Program (TIP) Call for Projects (CFP) is a biennial process for allocating selected federal, state and local 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 evaluates the merits of each submittal and develops a priority ranking based on a scoring system adopted by Metro's Board of Directors. Metro's Board of Directors reviews the staff recommendations and adopts a multi-year funding program. After adoption by its Board of Directors, Metro provides 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 reasonable transit needs in the jurisdiction have been met, Article 8 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 funding for Support for Homeless Re-Entry (SHORE), the Immediate Needs Transportation Program and the Rider Relief Program.

EZ Transit Pass Program

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

Metro administers the program by collecting all revenues and distributing them to the participating operators upon receipt of their requests for reimbursement.

Regional Commuter Rail Program

MetroLink is a regional passenger rail system that 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 other four county members of the JPA provide funding, in combination with passenger fares, state and federal grants, and other operating revenue.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Fund Balances

For The Year Ending June 30, 2010

(\$ in millions)

| Fund | FY10 Estimated Ending Fund Balance | Fund Balance Designations | FY10 Estimated Available Fund Balance |
|--|--|------------------------------|--|
| 1 Special Revenue Funds: | | | |
| 2 Proposition A: | | | |
| 3 Administration | \$ - | \$ - | \$ - |
| 4 Local Return | - | - | - |
| 5 Rail Set Aside | - | - | - |
| 6 Discretionary | 8.6 | 8.6 ⁽¹⁾ | - |
| 7 Incentive | - | - | - |
| 8 Interest | 4.6 | - | 4.6 |
| 9 Proposition C: | | | |
| 10 Administration | - | - | - |
| 11 Local Return | - | - | - |
| 12 Commuter Rail | 0.3 | 0.3 ⁽¹⁾ | - |
| 13 Discretionary | 119.7 | 112.6 ⁽¹⁾ | 7.1 |
| 14 Street & Highways | - | - | - |
| 15 Security | 0.3 | - | 0.3 |
| 16 Interest | 9.4 | - | 9.4 |
| 17 Measure R | | | |
| 18 Admin | 2.8 | - | 2.8 |
| 19 Local Return | - | - | - |
| 20 Transit Capital - Metrolink | - | - | - |
| 21 Transit Capital - Metro Rail | 7.1 | - | 7.1 |
| 22 Rail Operations | 17.8 | - | 17.8 |
| 23 Transit Capital New Rail | 109.4 | - | 109.4 |
| 24 Highway Capital | 54.4 | - | 54.4 |
| 25 Bus Operations | 18.8 | - | 18.8 |
| 26 Transportation Development Act: | | | |
| 27 Administration | - | - | - |
| 28 Article 3 | 18.1 | 18.1 ⁽¹⁾ | - |
| 29 Article 4 | 61.8 | 61.8 ⁽¹⁾ | - |
| 30 Article 8 | 5.2 | 5.2 ⁽¹⁾ | - |
| 31 Interest | - | - | - |
| 32 State Transit Assistance: | | | |
| 33 Revenue Share | 24.9 | 24.9 ⁽¹⁾ | - |
| 34 Population Share | - | - | - |
| 35 Interest | - | - | - |
| 36 SAFE | 17.4 | 17.4 ⁽²⁾ | - |
| 37 Prop. A, C, TDA Administration | - | - | - |
| 38 General Fund: | | | |
| 39 Sales/leaseback | 27.4 | - | 27.4 |
| 40 Right-of-Way Lease | 67.2 | - | 67.2 |
| 41 HOV Fines | 1.7 | - | 1.7 |
| 42 General | 58.7 | - | 58.7 |
| 43 Interest | 4.4 | - | 4.4 |
| 44 Employee Activities | 0.8 | - | 0.8 |
| 45 Other: | | | |
| 46 Special Revenue Other | 241.5 | 241.5 ⁽³⁾ | - |
| 47 Debt Service | 938.4 | 938.4 ⁽¹⁾ | - |
| 48 Benefit Assessment Districts | 45.5 | 45.5 ⁽¹⁾ | - |
| 49 Pension Plans (Jointly Administered) | 765.9 | 765.9 ⁽¹⁾ | - |

⁽¹⁾ Fully committed to existing obligations.

⁽²⁾ Committed for future SAFE obligations.

⁽³⁾ Represents Traffic Congestion Relief Program (TCRP) and State PTMSIEA funds.

V. Capital Program

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Program Description

A capital expenditure is any acquisition or construction project that has a value of \$2,500 or greater and a useful life of more than one year. 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 plan are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year.

The Capital Program 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, constructability 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, permits, 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 capital projects for FY10 are grouped into thirteen elements that are discussed in the following pages.

Each element is managed by a subject matter expert known as an "Element Sponsor." The Element Sponsors are responsible for validating project need, approving the scope, ranking the projects and monitoring the project managers to ensure project completion on schedule and within budget.

Strategic Business Unit (SBU) Chiefs have primary responsibility for reviewing capital projects developed by their staff. The Chiefs work with Element Sponsors to develop project priorities that reflect MTA's overall strategic goals.

The annual and life-of-project (LOP) budgets for each project are shown in the Capital Projects List beginning on page V-5.

Funding

The Capital Program 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 major construction projects are those projects that add new infrastructure to the region. The FY10 Construction Program includes funds for construction of the Metro Gold Line Light Rail Eastside Extension, Metro Orange Line Extension, construction of the Metro Expo Light Rail Line, acquisition of light rail vehicles for Expo and the Blue Line, overhaul of Red Line subway cars, and close out activities for the Orange Line.

Metro Gold Line Eastside Extension

This project will connect East Los Angeles with downtown Los Angeles. The corridor will extend six miles from Union Station to the intersection of Pomona and Atlantic Boulevards. It will operate at-grade for 4.3 miles and through tunnels in Boyle Heights for 1.7 miles. Revenue operation is projected to begin in early FY10. The total cost of the project is \$898.8 million.

In FY10, the project team will achieve completion of the architectural elements of the underground and at-grade stations, systems integration testing, pre-revenue operations, and will open for revenue service.

Metro Orange Line Extension

The Metro Orange Line (MOL) Extension Project is a four-mile extension of the Metro Orange Line Bus Rapid Transit extending from the Canoga park-and-ride lot to the Chatsworth Metrolink Station. The Project includes an extension of the Orange Line busway, new station platforms at the Canoga park-and-ride lot, Sherman Way (with park-and-ride), Roscoe Boulevard, Nordhoff Street, and the Chatsworth Metrolink Station (with park-and-ride); grade separation over the Los Angeles River and an overcrossing/grade-separation over active

railroad tracks at Lassen Street, providing direct access into the Chatsworth Metrolink Station. The project also includes a bicycle/pedestrian path, systems equipment and landscaping similar to the MOL.

During FY10, all required real estate actions and third party agreements will be finalized, selection of final design will be completed by Metro for the Lassen St./railroad over-crossing grade separation, all construction contracts will be awarded, and construction will commence on the MOL Extension.

Expo Light Rail Transit Project

The first phase of the Expo Light Rail line will travel along the right-of-way between downtown Los Angeles and Culver City. It will share track and two stations (7th Street/Metro Center and Pico) with the Metro Blue Line as it leaves downtown Los Angeles. It will then travel along the Exposition right-of-way to the current terminus at Washington/National. Nine new stations will be constructed. The light rail line project will be approximately 8.6 miles in length and will parallel the heavily congested I-10 freeway. The cost of the project to Culver City is \$862.3 million. Estimated travel time from downtown Los Angeles to Culver City is under 30 minutes.

The FY10 schedule includes completion of final design, trench construction and wall installation, track installation, street improvements, construction of the La Brea Overpass, construction of the Ballona Creek LRT Bridge, realignment of National Boulevard in Culver City, and construction of stations.

Expo Light Rail and Metro Blue Line Light Rail Vehicle Project

Primary activities for FY10 focus on final acceptance of base buy cars as well as obtaining board approval to award a contract for additional light rail vehicles.

include the issuance of a Request for Proposal/Invitation for Bid (RFP/IFB), evaluating the proposals, and obtaining board approval. The total cost to rehabilitate 104 heavy rail cars is \$202 million.

Metro Red Line Heavy Rail Subway Vehicle Mid-Life Refurbishment

The Metro Red Line Heavy Rail Subway Vehicle Mid-Life Refurbishment activities

Rail Vehicle Maintenance

The FY10 Rail Vehicle Maintenance program includes upgrading the signaling systems on the P2000 light rail vehicles.

Infrastructure Improvement and Acquisition Capital Projects

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

Bus Acquisitions

Metro will continue to receive and place into service the final 130 of 260 CNG 45' composite buses. The total cost to purchase 260 45' composite buses is \$179 million. Additionally, Metro will retrofit an existing 40' bus with a battery-driven power plant for a demonstration project of zero emission technology.

Metro will acquire 41 new 45' CNG buses for \$28.4 million as part of the CRDP project for the I-10 and I-110 express lanes. Metro will also receive 53 new 30' buses for \$24.0 million that will be operated by contract service providers.

Bus Facilities Improvements

Projects include construction work at bus divisions to replace and refurbish equipment and facilities, expansion of buildings and facilities, replacement of CNG fueling stations, and replacement of underground fuel storage tanks. Other projects include improvements to the El Monte busway and its associated transit center, and improvement of the Harbor Transitway. Both of these projects are part of the CRDP.

Bus Maintenance

Projects include rebuilding 188 CNG buses which have reached their mid-life and installing new engines in 110 buses.

Rail Facilities Improvements

Projects cover facility expansion, safety improvements, security projects, and support equipment.

Wayside Systems

Projects include upgrading of stations and operating facilities, safety improvements, and maintenance and refurbishment of traction power, signals, facilities and track.

Rail Rehabilitation

Projects include the Subway Railcar Midlife Overhaul project, the Metro Rail Gating project, replacing Metro Blue Line power substations, replacing Metro Blue Line overhead catenary wire, and modernization of elevators and escalators at the Civic Center station.

IT/Communications

Projects include development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include replacement of work stations, upgrading Metro's web infrastructure, and technology upgrades. Development of the Transit Operator Activity Scheduling and Tracking (TOAST) for tracking operator payroll will continue in FY10.

Non-Revenue Vehicles

Projects include purchase of replacement and expansion vehicles to support bus and rail operations and general Metro functions.

Warehouse Projects

Projects include upgrading materials handling systems and constructing storage facilities at one bus and one rail division.

Security Projects

Projects include installation of Metro Gold Line passenger information systems, a disaster recovery system for the ATMS system, and a second phase of upgrading Metro Red Line bridge and tunnel protection measures.

Other Capital Projects

Other Capital projects for FY10 include the Universal Fare System (UFS), the Regional Service Center and Clearinghouse project (TAP), a project to improve Regional Rail System Signage, and implementation of a document imaging system. CRDP projects include construction of express lanes on the I-10 and I-110, and installation of bike lockers at the El Monte and Artesia Transit Centers.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Capital Program List

| (\$ in thousands) | | Expected Expenditures Through FY09 | FY10 | FY11 and Future | Life of Project | New ⁽¹⁾ |
|---|--------|------------------------------------|----------------|-----------------|-----------------|--------------------|
| Project Title | CP# | | | | | |
| 1 Bus Acquisition | | | | | | |
| 2 45-Foot Composite Buses | 201013 | \$ 89,074 | \$ 89,381 | \$ 675 | \$ 179,130 | |
| 3 HCNG Demonstration Project | 201033 | 983 | 275 | - | 1,258 | |
| 4 100 CNG Buses (ARRA Funds) | 201052 | - | - | 60,000 | 60,000 | Y |
| 5 Contract Services Bus Buy | 201054 | 65 | 18,571 | 5,364 | 24,000 | |
| 6 41 Buses for Congestion Relief Reduction Demonstration Program (CRDP) | 201059 | - | 28,399 | 1 | 28,400 | |
| 7 Bus Acquisition Total | | 90,122 | 136,627 | 66,039 | 292,788 | |
| 9 Bus Facilities Improvements | | | | | | |
| 10 Union Division | 202001 | 3,742 | 30,774 | 60,484 | 95,000 | |
| 11 RRC General Building Modifications | 202006 | 1,105 | 11 | 2 | 1,118 | |
| 12 Temple & Beaudry Layover Facility | 202016 | 460 | 358 | 874 | 1,692 | |
| 13 El Monte Transit Station Enhancements | 202021 | 10 | 105 | - | 115 | |
| 14 FY09 UST Replacement | 202028 | 1,431 | 100 | - | 1,531 | |
| 15 FY10 UST Replacement | 202029 | - | 2,403 | - | 2,403 | Y |
| 16 FY08 Bus Division Maintenance Equipment | 202042 | 2,236 | 17 | - | 2,253 | |
| 17 FY09 Bus Division Maintenance Equipment | 202043 | 2,176 | 24 | - | 2,200 | |
| 18 FY08 Replace Bus Div. Emergency Generators | 202047 | 1,693 | 166 | - | 1,859 | |
| 19 FY09 Replace Bus Div. Emergency Generators | 202048 | 817 | 1,083 | - | 1,900 | |
| 20 FY08 HVAC Replacement Program All Divisions | 202062 | 1,285 | 3 | - | 1,288 | |
| 21 FY09 HVAC Replacement Program All Divisions | 202063 | 512 | 838 | - | 1,350 | |
| 22 Articulated Bus Facility Modifications | 202065 | 5,330 | 1,253 | 59 | 6,641 | |
| 23 GCSS Norwalk 605 Station Expansion Project | 202096 | 68 | 377 | 783 | 1,228 | |
| 24 Division 7 - Installation of a Fire Alarm System | 202107 | 61 | 290 | - | 351 | |
| 25 Division 10 - CNG Fueling Facility | 202138 | 1,272 | 238 | 10,164 | 11,673 | |
| 26 Division 18 - CNG Fueling Facility | 202139 | 1,005 | 188 | 9,906 | 11,100 | |
| 27 Metro Art Enhancements | 202166 | 582 | 33 | - | 615 | |
| 28 Division 5, 10, & 18 Renovations | 202181 | 18,185 | 148 | - | 18,333 | |
| 29 In-ground Bus Hoist Replacement -- Phase II | 202203 | 1,650 | 2,387 | 336 | 4,372 | |
| 30 Articulated Bus Facility Modifications -- Phase II | 202204 | 2,364 | 968 | 48 | 3,380 | |
| 31 ATMS Upgrade | 202232 | 5,125 | 5,662 | 1,320 | 12,107 | |
| 32 Division 1, 3, 8, 9 and 15 Renovations | 202239 | 6,246 | 5,772 | 1,703 | 13,720 | |
| 33 Bauchet Street Storage and Facilities Maintenance | 202246 | 4,381 | 10,106 | 2,868 | 17,355 | |
| 34 Metro Orange Line Passenger Amenities | 202249 | 488 | 127 | - | 615 | |
| 35 Div. 1 Environmental Mitigations | 202253 | 291 | 159 | - | 450 | |
| 36 Division 3 Master Plan Phases II-IV | 202260 | 994 | 5,520 | 6,686 | 13,200 | |
| 37 Solar Powered Enhanced Bus Stop Lighting | 202261 | 384 | 366 | - | 750 | |
| 38 Division 2 Bus Washer Improvements | 202278 | - | 83 | 317 | 400 | |
| 39 Division 9 Bus Yard Expansion | 202279 | 252 | 646 | 77 | 975 | |
| 40 MSSC Building 5 CNG Modifications | 202282 | 1,199 | 1,451 | - | 2,650 | |
| 41 El Monte Busway Improvements and Transit Center Expansion (CRDP) | 202286 | 2,600 | 23,974 | 33,532 | 60,106 | |
| 42 Harbor Transitway Improvements (CRDP) | 202287 | 300 | 1,588 | 962 | 2,850 | |
| 43 FY10 Bus Contingency Project | 202310 | - | 508 | - | 508 | Y |
| 44 Bus Facilities Improvements Total | | 68,241 | 97,725 | 130,121 | 296,089 | |

⁽¹⁾ New projects added to the Capital Program since adoption of the FY09 Budget.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| (\$ in thousands) | | Expected Expenditures Through FY09 | FY10 | FY11 and Future | Life of Project | New | |
|-------------------|--|------------------------------------|----------------|-----------------|-----------------|----------------|---|
| 45 | Bus Maintenance | | | | | | |
| 46 | FY09 Bus Midlife Program | 203006 | \$ 18,355 | \$ 5,939 | \$ - | \$ 24,294 | |
| 47 | FY10 Bus Midlife Program | 203007 | - | 24,258 | 6,308 | 30,566 | Y |
| 48 | FY10 CMS Engine Replacement Program | 203017 | - | 12,847 | - | 12,847 | Y |
| 49 | Bus Maintenance Total | | 18,355 | 43,044 | 6,308 | 67,707 | |
| 50 | | | | | | | |
| 51 | IT/Communications | | | | | | |
| 52 | FY10 Application Platform Upgrade | 207021 | - | 822 | - | 822 | Y |
| 53 | FY10 Computer Equipment Technology Refresh Program | 207026 | - | 1,859 | - | 1,859 | Y |
| 54 | Simulcast Security Radio System Upgrade | 207033 | 494 | 823 | - | 1,318 | |
| 55 | Remote Storage for Disaster Recovery | 207053 | 606 | 176 | 1 | 783 | |
| 56 | Transit Operator Activity Scheduling and Tracking | 207061 | 4,618 | 3,063 | - | 7,681 | |
| 57 | Web Infrastructure Upgrade | 207085 | 655 | 653 | 1,787 | 3,096 | |
| 58 | Applicant Tracking System | 207087 | 111 | 273 | - | 384 | |
| 59 | Board Room AV System Upgrade | 207090 | 105 | 1,227 | - | 1,332 | |
| 60 | Procurement Contract Management System | 207096 | 164 | 521 | 1,579 | 2,263 | |
| 61 | IT/Communications Total | | 6,753 | 9,417 | 3,367 | 19,537 | |
| 62 | | | | | | | |
| 63 | Non-Revenue Vehicles | | | | | | |
| 64 | FY08 Bus System Support Non-Revenue Vehicles | 208007 | 4,194 | 6,647 | - | 10,841 | |
| 65 | FY08 Rail Support Replacement Non-Revenue Vehicles | 208017 | 374 | 4,262 | - | 4,636 | |
| 66 | FY08 Rail Support Expansion Non-Revenue Vehicles | 208022 | 9 | 2,033 | - | 2,042 | |
| 67 | Replacement Non-Revenue Sedans | 208045 | 107 | 2,573 | - | 2,680 | |
| 68 | Replacement Non-Revenue Medium Duty Vehicles - Bus | 208047 | - | 1,090 | - | 1,090 | |
| 69 | Replacement Non-Revenue Heavy Duty Vehicles - Bus | 208049 | 991 | 1,225 | - | 2,215 | |
| 70 | Expansion Non-Revenue Heavy Duty Vehicles | 208050 | 119 | 1,380 | - | 1,499 | |
| 71 | Replacement Non-Revenue Equipment - Bus | 208051 | 476 | 596 | 117 | 1,188 | |
| 72 | Replacement Metro Experience Vehicle Combo | 208054 | 12 | 1,536 | - | 1,548 | |
| 73 | Replacement Non-Revenue Heavy Duty Crane Truck | 208055 | - | 260 | 1 | 261 | |
| 74 | Expansion Non-Revenue Heavy Duty Crew Cab | 208057 | - | 269 | 1 | 270 | |
| 75 | Non-Revenue Vehicles Total | | 6,281 | 21,871 | 119 | 28,270 | |
| 76 | | | | | | | |
| 77 | Other Capital Projects | | | | | | |
| 78 | Universal Fare Collection System | 200225 | 89,932 | 6,378 | 1,297 | 97,607 | |
| 79 | Regional Service Center and Clearinghouse | 200351 | 14,608 | 5,244 | 219 | 20,072 | |
| 80 | Regional Rail Signage System Improvements | 204020 | 836 | 295 | 1,100 | 2,231 | |
| 81 | Customer Center Security & Information Enhancements | 207048 | 172 | 170 | - | 342 | |
| 82 | ECMS - Document Imaging System | 210086 | 768 | 319 | - | 1,087 | |
| 83 | Replacement Revenue Processing Equipment | 210098 | 80 | 74 | - | 154 | |
| 84 | Bike Lockers for El Monte Transit Center and Artesia Transit Center (CRDP) | 210115 | - | 150 | - | 150 | Y |
| 85 | Express Lanes on I-10 and I-110 (CRDP) | 210120 | 2,600 | 16,692 | 10,808 | 30,100 | |
| 86 | Other Capital Projects Total | | 108,996 | 29,323 | 13,424 | 151,743 | |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| (\$ in thousands) | | Expected Expenditures Through FY09 | FY10 | FY11 and Future | Life of Project | New | |
|-------------------|---|------------------------------------|---------------|-----------------|-----------------|----------------|---|
| Project Title | CP# | | | | | | |
| 87 | Rail Facilities Improvements | | | | | | |
| 88 | ROC Reconfiguration | 204004 | \$ 5,328 | \$ 59 | \$ - | \$ 5,387 | |
| 89 | Metro Subway Stations Entrance Canopies | 204006 | 2,710 | 3,332 | 544 | 6,586 | |
| 90 | Vermont/Santa Monica Sta. Underground Water Mitigation | 204016 | 1,172 | 102 | 8 | 1,283 | |
| 91 | Division 20 Carwash & Cleaning Platform | 204047 | 2,188 | 6,761 | 6,451 | 15,400 | |
| 92 | Division 21 Improvements - Phase II | 204053 | 1,369 | 1,188 | 11,443 | 14,000 | |
| 93 | Division 20 Additional Vehicle Hoists | 204054 | 3,298 | 161 | 791 | 4,250 | |
| 94 | UPS System & Backup Generator for Loc 61 - Bldg A | 204082 | 216 | 159 | - | 375 | |
| 95 | MRL Fall Protection Gear Installation | 204088 | 83 | 238 | 179 | 500 | |
| 96 | Bicycle Lockers and Racks for Metro Rail Stations | 204089 | 203 | 365 | 782 | 1,350 | |
| 97 | Div. 21 Rockfall Mitigation Project | 204112 | - | 1,100 | 380 | 1,480 | Y |
| 98 | Metro Rail Gating | 210094 | 3,095 | 12,628 | 5,278 | 21,000 | |
| 99 | Rail Facilities Improvements Total | | 19,661 | 26,093 | 25,856 | 71,610 | |
| 100 | | | | | | | |
| 101 | Rail Rehabilitation | | | | | | |
| 102 | Subway Railcar Midlife Overhaul | 206034 | 25,130 | 7,916 | 168,954 | 202,000 | |
| 103 | MBL Traction Power Sub-Stations Rehabilitation | 211001 | 1,006 | 16,399 | 64,795 | 82,200 | |
| 104 | MBL OCS Rehabilitation | 211002 | 884 | 1,102 | 11,013 | 13,000 | |
| 105 | MBL TWC Rehabilitation | 211003 | 273 | 1,210 | 267 | 1,750 | |
| 106 | MBL & MRL Switch Machines Rehabilitation | 211004 | 426 | 798 | 51 | 1,275 | |
| 107 | MBL Signal System Rehabilitation | 211005 | 291 | 363 | 166 | 820 | |
| 108 | MGL Central ATC Computer System Rehabilitation | 211006 | 223 | 399 | 128 | 750 | |
| 109 | MRL Segment 2/3 Remote Terminal Units Rehabilitation | 211008 | 170 | 298 | 72 | 540 | |
| 110 | Escalator/Elevator Modernization Program - Civic Center Station | 211010 | 2,606 | 3,546 | 5,848 | 12,000 | |
| 111 | 7th/Metro Station Egress | 211011 | 776 | 907 | 3,217 | 4,900 | |
| 112 | Hi-Rail OCS Rehab Platform/Bucket Trucks | 211012 | 81 | 468 | 4,151 | 4,700 | |
| 113 | Digital Rail Radio Upgrade | 211013 | 15 | 2,966 | 22,019 | 25,000 | Y |
| 114 | MRL Seg-1 A/F Track Circuit Replacement | 211014 | - | 362 | 1,917 | 2,279 | Y |
| 115 | Rail Rehabilitation Total | | 31,881 | 36,734 | 282,599 | 351,214 | |
| 116 | | | | | | | |
| 117 | Rail Vehicle Maintenance | | | | | | |
| 118 | P2000 Vehicle Signaling Package Upgrade | 206005 | 623 | 879 | 1,861 | 3,364 | |
| 119 | Rail Vehicle Maintenance Total | | 623 | 879 | 1,861 | 3,364 | |

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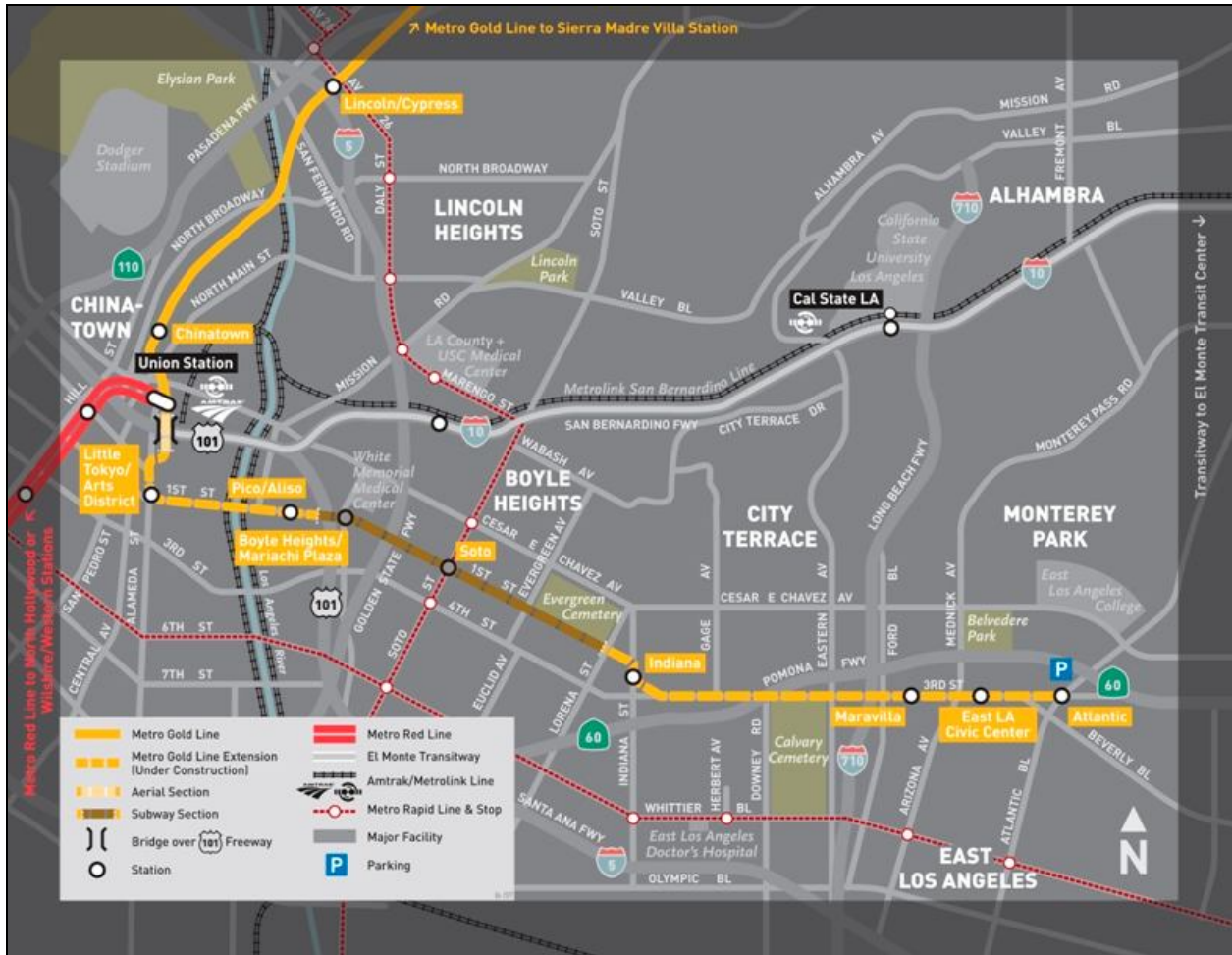
| (\$ in thousands) | | Expected Expenditures Through FY09 | FY10 | FY11 and Future | Life of Project | New |
|-------------------|---|------------------------------------|---------------|-----------------|-----------------|---------------|
| Project Title | CP# | | | | | |
| 120 | Security | | | | | |
| 121 | MRL Bridges and Tunnels Protection Project Phase I (DHS) | 204084 | \$ 1,427 | \$ 413 | - | \$ 1,840 |
| 122 | MRL Chemical Detection System PHII (DHS) | 204085 | 571 | 180 | - | 751 |
| 123 | Security Control Center Upgrade | 210100 | 364 | 492 | - | 856 |
| 124 | MGL Transit Passenger Information Systems (DHS - FY2007 TSGP) | 212001 | 2,102 | 173 | - | 2,275 |
| 125 | MRL Bridges and Tunnels Protection Project Phase II (DHS - FY2007 TSGP) | 212002 | 1,000 | 400 | - | 1,400 |
| 126 | ATMS Disaster Recovery System Phase I | 212003 | 1,250 | 535 | - | 1,785 |
| 127 | Bus Facilities CCTV System Installation - Phase II (DHS - FY2007 TSGP) | 212004 | 310 | 95 | - | 405 |
| 128 | Intelligent Video Upgrade (DHS - FY2007 TSGP) | 212005 | 517 | 217 | - | 734 |
| 129 | Security Total | | 7,541 | 2,505 | - | 10,046 |
| 130 | | | | | | |
| 131 | Warehouse | | | | | |
| 132 | Division 7 Warehousing Support - West Hollywood | 209028 | 517 | 667 | - | 1,184 |
| 133 | Green Line Material Storage Building and Offices | 209042 | 326 | 69 | 797 | 1,192 |
| 134 | Vertical Carousel - Blue Line Warehouse | 209045 | - | 257 | - | 258 |
| 135 | Division 9 Warehouse Improvements | 209047 | - | 693 | 197 | 890 |
| 136 | Safety Improvements at the Central Warehouse Facility | 209058 | 182 | 163 | - | 345 |
| 137 | Warehouse Total | | 1,026 | 1,850 | 994 | 3,870 |
| 138 | | | | | | |
| 139 | Wayside Systems | | | | | |
| 140 | Fiber Optic Rail Communication System | 205001 | 1,428 | 1,583 | - | 3,011 |
| 141 | Rail Communication Systems Upgrade | 205005 | 2,138 | 140 | 55 | 2,332 |
| 142 | MBL Grade Crossing Improvements | 205006 | 6,939 | 1,226 | 2,435 | 10,600 |
| 143 | Light Rail Train Tracking Improvements | 205014 | 516 | 112 | 328 | 956 |
| 144 | MRL Seg-1 Remote Terminal Unit (RTU) Upgrade | 205017 | 2,599 | 46 | - | 2,645 |
| 145 | MRL Signal System Upgrade | 205037 | 620 | 109 | 9 | 738 |
| 146 | System-Wide Elevator/Escalator System Monitoring | 205039 | 320 | 124 | 67 | 511 |
| 147 | Cathodic Protection Systems | 205054 | 145 | 202 | 573 | 920 |
| 148 | MBL LED "TRAIN" Street Crossing Signs Installation | 205065 | 119 | 1,243 | 539 | 1,900 |
| 149 | MBL Wayside Communication Enclosures Installation | 205069 | 118 | 253 | 36 | 406 |
| 150 | SONET Fiber Optic Cable Transmission System Installation | 205076 | 98 | 571 | 630 | 1,300 |
| 151 | Wayside Workers Protection Project | 205085 | - | 28 | 4,545 | 4,573 |
| 152 | Wayside Systems Total | | 15,041 | 5,635 | 9,216 | 29,892 |

Los Angeles County Metropolitan Transportation Authority
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| (\$ in thousands) | | Expected Expenditures | | FY11 and Future | Life of Project | New |
|-------------------|---|-----------------------|-------------------|---------------------|---------------------|-----|
| Project Title | CP# | Through FY09 | FY10 | | | |
| 153 | Major Construction | | | | | |
| 154 | Expo/Blue Line Light Rail Vehicle Procurement | \$ 18,017 | \$ 664 | \$ 155,820 | \$ 174,500 | |
| 155 | Metro Gold Line Eastside Extension | 837,939 | 45,337 | 15,538 | 898,814 | |
| 156 | Metro Orange Line Extension | 1,200 | 37,050 | 177,350 | 215,600 | |
| 157 | Light Rail Vehicle Fleet Enhancement | 99,266 | 22,987 | 30,666 | 152,919 | |
| 158 | MGL Eastside Extension Enhancements | 36,833 | 14,570 | - | 51,403 | |
| 159 | Pasadena Gold Line Closeout | 950 | 683 | 1,096 | 2,729 | |
| 160 | MRL Seg. 2 Closeout | 8,920 | 1,354 | 5,033 | 15,307 | |
| 161 | MRL Segment 3 North Hollywood Closeout | 2,025 | 363 | 1,251 | 3,639 | |
| 162 | Orange Line Close-out | 5,622 | 426 | - | 6,048 | |
| 163 | Mid-City/Exposition Light Rail Corridor * | 403,967 | 188,066 | 270,266 | 862,300 | |
| 164 | Major Construction Total | 1,414,739 | 311,500 | 657,020 | 2,383,259 | |
| 165 | Capital Program Grand Total | \$ 1,789,261 | \$ 723,204 | \$ 1,196,924 | \$ 3,709,388 | |

* CP 890001 includes Metro costs for CP 800113 - Expo Light Rail Corridor

Gold Line Eastside Extension Project



Gold Line Eastside Extension Project – Route Map



Eastside Extension Station Renderings



Tunnel Segment



Soto Station – Stairs from Platform

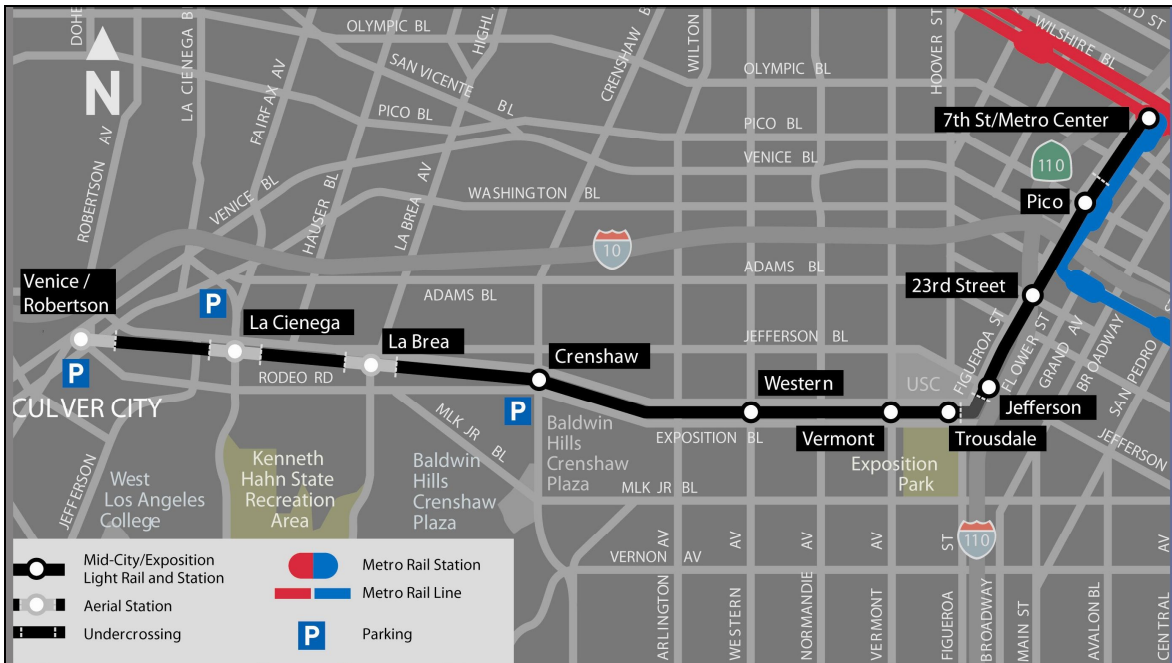


Boyle Heights / Mariachi Plaza Station – Mezzanine Construction



Boyle Heights / Mariachi Plaza Station – Mezzanine Level Tile

Expo Light Rail Transit Project



Expo LRT Project - Route Map



Trousdale Expo Park Station Rendering



Vermont Station Rendering



Western Station Rendering



Crenshaw Station Rendering



LaCienega Station Rendering



Pouring of Trench Slab



Rebar Work on Trench Slab

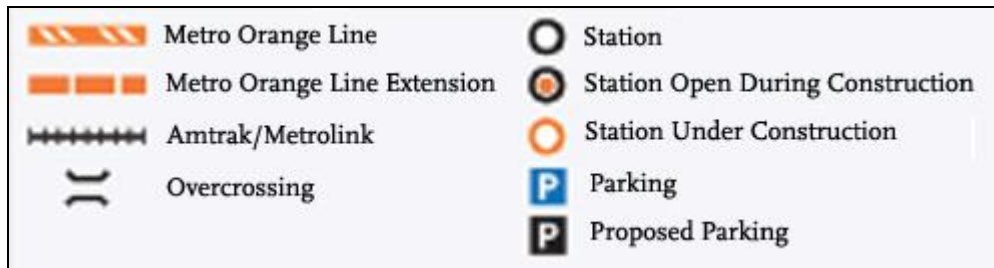


Installation of Girders for National Bridge



National Bridge Pouring

Orange Line Extension Project



Orange Line Extension Map Legend



Orange Line Eastside Extension Project Map



Rendering of Chatsworth Station

Capital Project Operating Impact Assessment

Capital projects in the FY10-14 capital plan 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 savings are 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

Los Angeles County Metropolitan Transportation Authority
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FY10-14 Capital Projects with Potential Operating Cost Impacts

| Element | CP# | Title | Description of cost impacts or savings | Annual amount of cost or (saving) |
|-----------------------------|--------|---|--|-----------------------------------|
| Bus Facilities Improvements | 202001 | Union Division | The annual cost of operating Union Division is based on the current cost of comparable division, adjusted for savings in deadhead miles and operational efficiencies available with new technology. | \$49,000,000 |
| Bus Facilities Improvements | 202138 | Div 10 CNG Fueling Facility | Annual savings resulting from updated & more cost efficient equipment replacing outdated equipment. Assuming public-private partnership leaseback structure will result in reduced maintenance repair related costs | (\$250,000) |
| Bus Facilities Improvements | 202139 | Div 18 CNG Fueling Facility | Annual savings resulting from updated & more cost efficient equipment replacing outdated equipment. Assuming public-private partnership leaseback structure will result in reduced maintenance repair related costs | (\$250,000) |
| Bus Facilities Improvements | 202181 | Divisions 5, 10, and 18 Renovations | Annual savings may be realized due to operational efficiencies created by division improvements. | \$0 |
| Bus Facilities Improvements | 202232 | ATMS Upgrade | Additional costs for training, inventory, facility rental, energy, and maintenance activities. | \$118,000 |
| Bus Facilities Improvements | 202239 | Div. 1, 3, 8, 9, and 15 Renovations | Annual savings may be realized due to operational efficiencies created by division improvements. | \$0 |
| Bus Facilities Improvements | 202246 | Bauchet Street Storage and Facilities Structure | Annual savings may be realized due to operational efficiencies created by division improvements. However, increased labor costs may offset such savings. | \$0 |
| Bus Facilities Improvements | 202260 | Division 3 Master Plan Phase II-IV | Savings may be realized due to operational efficiencies created by division improvements upon construction completion of the Master Plan. | \$0 |
| Bus Facilities Improvements | 202286 | El Monte Busway Improvements and Transit Center Expansion | Operational savings will roughly offset costs for the increased facility size. | \$0 |
| Bus Maintenance | 203007 | FY10 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. Prevents maintenance costs from increasing with age. | \$0 |
| Bus Maintenance | 203017 | FY10 CMS Engine Replacement Program | The RRC Engine Replacement Program is a proactive plan to replace bus engines prior to their failure. The program prevents major negative impacts on bus service and the public caused by a significant, unmanageable number of buses out of service with a failed engine. No additional operating costs or savings will be incurred by this project | \$0 |
| IT / Communications | 207061 | Transit Operator Activity Scheduling and Tracking | Three data technicians have been hired to support this project. | \$300,000 |
| Major Construction | 800088 | Metro Gold Line Eastside Extension | Project operating cost is based on the first full year of operation following completion. | \$15,352,000 |
| Major Construction | 800119 | Metro Orange Line Extension | Project operating cost is based on the first full year of operation following completion. | \$22,040,000 |

Los Angeles County Metropolitan Transportation Authority
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| Element | CP# | Title | Description of cost impacts or savings | Annual amount of cost or (saving) |
|------------------------------|--------|---|---|-----------------------------------|
| 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. | See project # 800088 |
| Major Construction | 800288 | Metro Gold Line Eastside Extension Enhancements | The operating impact of this project is included in the Metro Gold Line Eastside Extension project (800088). Included in Eastside Extension operating costs. | See project # 800088 |
| Major Construction | 890001 | Exposition Light Rail Line | Project operating cost is based on the first full year of operation following completion. | \$36,700,000 |
| Other Capital Projects | 200225 | Universal Fare Collection System | The annual cost of supporting the Universal Fare Collection System includes maintaining bus fareboxes and rail station ticket vending machines (TVM). These costs include contract and non-contract labor and parts. | \$6,000,000 |
| Other Capital Projects | 210120 | Fastlanes on I-10 and I-110 | Project operating cost is based on the first full year of operation following completion. | \$8,000,000 |
| Other Capital Projects | 200351 | Regional Service Center and Clearinghouse (TAP) | Operating cost estimate based on project implementation through FY09. | \$7,000,000 |
| Rail Facilities Improvements | 204004 | ROC Reconfiguration | Savings may be realized due to decreased building maintenance costs and improved efficiency, including a 50% reduction in annual lighting costs. New furniture may reduce Workers Compensation claims by approximately \$100,000. | (\$100,000) |
| Rail Facilities Improvements | 204006 | Metro Red Line Station Canopies | The completion of this project could reduce maintenance costs, including maintenance man-hours and expensive escalator parts to repair 22 entrance escalators. Without canopy protection, the average annual saving on repair cost is about \$170,000 (i.e., \$20k for hiring pumping service, \$100k for repair equipment due to water damage, and \$50k for subsequent repair). The majority of escalators is currently 16 years old. The average life expectancy of inner escalator is between 25 and 30 years. Without canopies, the escalators start to fail after 12 years of service per our maintenance contractor. The total savings with canopy protection for the last 16 years would be \$170,000/yr x 16 years=\$2,720,000. The replacement cost for each escalator is around \$700,000. Replacing 22 escalators is around \$15,400,000. The annual saving over 16 years would be \$ 962,500. The combined annual saving would be \$1,132,500. | (\$1,132,500) |
| Rail Facilities Improvements | 204047 | Division 20 Carwash and Cleaning Platform | This project will improve the overall operational efficiency by building an additional platform (as well as extending the existing platform and upgrading the existing car wash). This will allow more cars to be cleaned in a shorter amount of time, providing access for a greater number of Service Attendants at any given time. | \$0 |
| Rail Facilities Improvements | 204053 | Division 21 Improvements - Phase II | The current facility does not provide the minimum of amenities to support the revenue fleet size required for the current Gold-Line Phase-I and Eastside extension projects. An example is brake overhauls, since the existing shop does not properly support an exchange process to transport rail cars to another location to perform the work costs \$5,500 each way in shipping fees. Based on required OEM equipment cycles to properly maintain equipment, shipping savings alone will exceed \$500,000 on an annual basis. | (\$500,000) |
| Rail Facilities Improvements | 210094 | Rail Gating Project | Upon completion the cost of maintaining the rail gating system will include maintenance services, parts and equipment, and customer service functions. | \$4,100,000 |
| Wayside Systems | 205006 | Metro Blue Line Crossing Improvements | Operational cost savings are based on the estimated maintenance costs required to maintain the existing grade crossings without necessary upgrades, performing only temporary repairs and taking into consideration estimated labor, parts, material and operational impacts. Historically these types of temporary maintenance repair costs escalate exponentially with age. | (\$150,000) |
| Rail Rehabilitation | 211001 | MBL Traction Power Sub-Station Rehabilitation | This project will reduce scheduled and unscheduled maintenance costs due to replacement of life-expired equipment and replacement with equipment that requires less maintenance. | (\$100,000) |
| Rail Rehabilitation | 211002 | MBL OCS Rehabilitation | This project will reduce unscheduled emergency repair costs due to replacement of life-expired equipment and correction of existing installation problems. | (\$10,000) |
| Rail Rehabilitation | 211010 | Elevator/Escalator Modernization Program - Civic Center | Savings may be realized due to operational efficiencies and reduced maintenance and repair related cost as a result of the design modifications. | (\$25,000) |
| Rail Rehabilitation | 211013 | Digital Rail Radio Upgrade | No impact to the operational budget is anticipated since the replacement system will have similar maintenance expense to the old system. | \$0 |

VI. Strategic Business Units

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Metro Summary Description

Metro is organized into eleven Strategic Business Units (SBUs):

- Metro Bus Operations
- Metro Rail Operations
- Countywide Planning & Development
- Construction Project Management
- Communications
- Economic Development
- Administrative Services
- Financial Services
- Management Audit Services
- Office of the CEO
- Board of Directors

Metro transit services are managed by two separate SBUs. Metro Bus Operations is responsible for providing bus service on nearly 200 routes.

Metro Rail Operations is responsible for providing light rail and subway service on five rail lines.

Countywide Planning and Development is responsible for programming and administering federal, state, and local transportation funds, and planning and coordinating 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 Rail facilities improvements.

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

Economic Development is responsible for developing new business opportunities, managing MTA real estate, implementing the Congestion Relief Demonstration Project, and implementing the county-wide fare collection system (TAP).

Administrative Services, which is comprised of Information Technology Services, Procurement and Material Management, Human Services, and Diversity and Economic Opportunity, provides essential administrative support to the entire organization.

Financial Services, which includes Accounting, Finance/Treasury, Office of Management and Budget, and Risk Management, provides financial support to the entire organization.

Management Audit Services provides the CEO and the executive management team with independent internal audit and business and technology risk consulting services.

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.

The Office of the CEO coordinates and oversees key programs and provides support to the Board of Directors.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Summary of FY10 Budgeted FTEs by Department

| | FY08 Budget | FY09 Budget | FY10 Budget | Change from FY09 |
|---|----------------|----------------|----------------|---------------------|
| 1 Metro Bus Operations | | | | |
| 2 San Fernando Valley Service Sector | 1,117 | 1,114 | 1,119 | 5 |
| 3 San Gabriel Valley Service Sector | 1,088 | 1,111 | 1,086 | (25) |
| 4 Gateway Cities Service Sector | 1,060 | 1,043 | 1,073 | 30 |
| 5 South Bay Service Sector | 1,172 | 1,166 | 1,180 | 14 |
| 6 West Side/Central Service Sector | 1,306 | 1,323 | 1,293 | (30) |
| 7 Contract Services | 4 | 5 | 5 | - |
| 8 Central Maintenance | 372 | 374 | 374 | - |
| 9 Service Development Performance Analysis | 59 | 60 | 60 | - |
| 10 Manpower - Transit Operations | 16 | 17 | 17 | - |
| 11 Operations Central Instruction | 98 | 96 | 96 | - |
| 12 Corporate Safety | | | 17 | |
| 13 Transit Security | 115 | 115 | 105 | (10) |
| 14 Facilities | 159 | 160 | 162 | 2 |
| 15 Vehicle and Systems Technology | 17 | 17 | 17 | - |
| 16 Executive Office, Transit Operations | 17 | 18 | 13 | (5) |
| 17 Motorist Services | 8 | 8 | 8 | - |
| 18 Metro Bus Operations Total | 6,608 | 6,626 | 6,625 | (1) |
| 19 | | | | |
| 20 Metro Rail Operations | | | | |
| 21 Rail General Manager | 10 | 10 | 14 | 4 |
| 22 Transportation | 337 | 346 | 292 | (54) |
| 23 Wayside Systems | 388 | 405 | 176 | (229) |
| 24 Fleet Services | 345 | 347 | 350 | 3 |
| 25 Transit Systems Engineering | 27 | 32 | 269 | 237 |
| 26 Rail & Bus Operations Control | 76 | 77 | 152 | 75 |
| 27 Metro Rail Operations Total | 1,183 | 1,217 | 1,253 | 36 |
| 28 | | | | |
| 29 Countywide Planning & Development | | | | |
| 30 Chief Planning Officer | 3 | 3 | 3 | - |
| 31 Long Range Planning & Coordination | 23 | 23 | 23 | - |
| 32 Transp. Dev. & Implm. (Central/East/SE Region) | 31 | 33 | 34 | 1 |
| 33 Transp. Dev. & Implm. (North/West/SW Region) | 28 | 28 | 29 | 1 |
| 34 Programming & Policy Analysis | 32 | 33 | 36 | 3 |
| 35 Countywide Planning & Development Total | 117 | 120 | 125 | 5 |
| 36 | | | | |
| 37 Construction Project Management | | | | |
| 38 Capital Development | 27 | 30 | 30 | - |
| 39 Project Support | 28 | 30 | 32 | 2 |
| 40 Project Administration | 33 | 33 | 32 | (1) |
| 41 Construction Project Management Total | 89 | 93 | 94 | 1 |
| 42 | | | | |
| 43 Communications | | | | |
| 44 Chief Communication Officer | 8 | 7 | 7 | - |
| 45 Customer Communications | 29 | 31 | 31 | - |
| 46 Customer Relations | 103 | 104 | 104 | - |
| 47 Public Relations | 11 | 11 | 11 | - |
| 48 Regional Communication Program | 16 | 17 | 21 | 4 |
| 49 Government Relations | 7 | 7 | 7 | - |
| 50 Creative Services | 14 | 16 | 16 | - |
| 51 Customer Programs & Services | 28 | 28 | 28 | - |
| 52 Communications Total | 216 | 221 | 225 | 4 |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| | FY08 Budget | FY09 Budget | FY10 Budget | Change from FY09 |
|---|----------------|----------------|----------------|---------------------|
| 53 Economic Development | | | | |
| 54 Congestion Reduction | - | 2 | 3 | 1 |
| 55 New Business Development | 7 | 7 | 7 | - |
| 56 Real Estate Administration | 20 | 20 | 20 | - |
| 57 TAP Operations | 9 | 9 | 10 | 1 |
| 58 <u>Economic Development Total</u> | 36 | 38 | 40 | 2 |
| 59 | | | | |
| 60 Administrative Services | | | | |
| 61 Information Technology Services | 130 | 130 | 130 | - |
| 62 Human Services | 152 | 152 | 152 | - |
| 63 Procurement & Material Management | 228 | 228 | 229 | 1 |
| 64 Diversity & Economic Opportunity | 22 | 22 | 22 | - |
| 65 <u>Administrative Services Total</u> | 532 | 532 | 533 | 1 |
| 66 | | | | |
| 67 Financial Services | | | | |
| 68 Accounting | 78 | 79 | 79 | - |
| 69 Office Of Management & Budget | 19 | 20 | 20 | - |
| 70 Finance & Treasury | 65 | 64 | 66 | 2 |
| 71 Risk Management | 61 | 60 | 58 | (2) |
| 72 <u>Financial Services Total</u> | 223 | 223 | 223 | (0) |
| 73 | | | | |
| 74 Management Audit Services | | | | |
| 75 Chief Auditor | 5 | 5 | 5 | - |
| 76 Audit Support & Research Services (ASRS) | 3 | 2 | 2 | - |
| 77 Internal Audit | 9 | 8 | 8 | - |
| 78 IT Audit | 5 | 4 | 4 | - |
| 79 Compliance Audit | 6 | 9 | 9 | - |
| 80 <u>Management Audit Services Total</u> | 28 | 28 | 28 | - |
| 81 | | | | |
| 82 Board of Directors | | | | |
| 83 Board of Directors & Board Secretary | 11 | 11 | 11 | - |
| 84 Ethics Office | 7 | 7 | 7 | - |
| 85 County Counsel | 4 | 4 | 4 | - |
| 86 Inspector General | 23 | 21 | 21 | - |
| 87 <u>Board of Directors Total</u> | 45 | 43 | 43 | - |
| 88 | | | | |
| 89 Chief Executive Office | | | | |
| 90 Chief Executive Office | 1 | 1 | 2 | 1 |
| 91 Board Relation, Policy, Research & Library Service | 10 | 10 | 10 | - |
| 92 <u>Chief Executive Office Total</u> | 11 | 11 | 12 | 1 |
| 93 | | | | |
| 94 <u>Agency Total</u> | 9,088 | 9,152 | 9,201 | 49 |

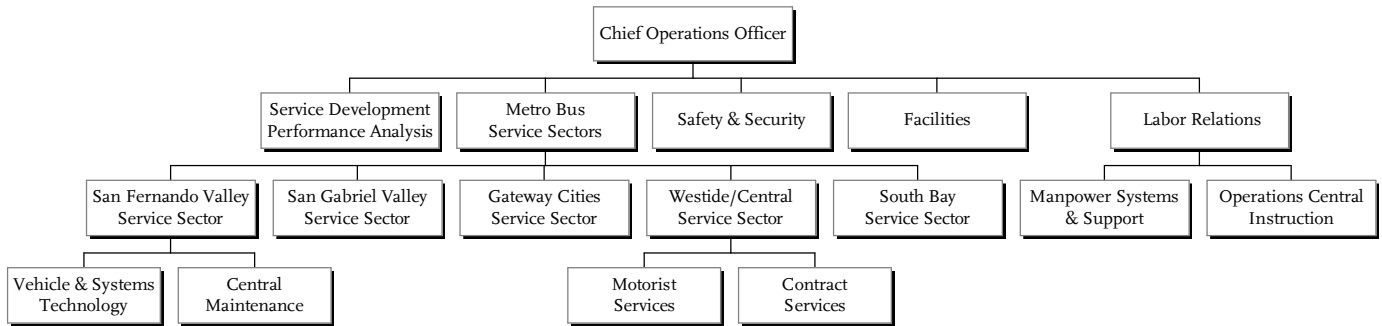
Summary of FY10 Budget by Department

| FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|-------------------------------------|------------------------|------------------------|------------------------|
| 1 Metro Bus Operations | 6,608 | 6,626 | 6,625 |
| 2 Metro Rail Operations | 1,183 | 1,217 | 1,253 |
| 3 Countywide Planning & Development | 117 | 120 | 125 |
| 4 Construction Project Management | 89 | 93 | 94 |
| 5 Communications | 216 | 221 | 225 |
| 6 Economic Development | 36 | 38 | 40 |
| 7 Administrative Services | 532 | 532 | 533 |
| 8 Financial Services | 223 | 223 | 223 |
| 9 Management Audit Services | 28 | 28 | 28 |
| 10 Board of Directors | 45 | 43 | 43 |
| 11 Chief Executive Office | 11 | 11 | 12 |
| 12 Agency Total | 9,088 | 9,152 | 9,201 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 13 Metro Bus Operations | \$ 1,102,271 | \$ 1,224,255 | \$ 1,317,564 |
| 14 Metro Rail Operations | 162,607 | 268,382 | 240,307 |
| 15 Countywide Planning & Development | 770,281 | 956,639 | 1,024,032 |
| 16 Construction Project Management | 250,171 | 345,720 | 617,704 |
| 17 Communications | 41,687 | 46,410 | 43,564 |
| 18 Economic Development | 23,109 | 55,582 | 83,061 |
| 19 Administrative Services | 79,448 | 79,575 | 80,149 |
| 20 Financial Services | 325,515 | 393,575 | 392,144 |
| 21 Management Audit Services | 3,693 | 4,020 | 5,227 |
| 22 Board of Directors | 14,315 | 22,111 | 20,166 |
| 23 Chief Executive Office | 2,075 | 2,459 | 2,868 |
| 24 Agency Total | \$ 2,775,171 | \$ 3,398,728 | \$ 3,826,787 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 25 Wages & Benefits | \$ 830,380 | \$ 890,367 | \$ 901,361 |
| 26 Fuel & Propulsion Power | 102,581 | 69,416 | 70,143 |
| 27 Acquisitions | 231,905 | 348,646 | 673,415 |
| 28 Services | 314,100 | 561,495 | 593,896 |
| 29 Purchased Transportation | 37,044 | 41,729 | 44,053 |
| 30 Material & Supplies | 120,964 | 125,979 | 147,556 |
| 31 Insurance | 53,799 | 61,896 | 57,566 |
| 32 Subsidies | 811,196 | 937,701 | 979,928 |
| 33 Other Support | 29,455 | 28,059 | 27,299 |
| 34 Debt | 243,749 | 333,440 | 331,571 |
| 35 Agency Total | \$ 2,775,171 | \$ 3,398,728 | \$ 3,826,787 |

Metro Bus Operations



Introduction

Metro Bus Operations consists of five major support units, each committed to providing safe, courteous, professional, dependable, clean and efficient transit services. Metro Bus Operations also administers Paratransit Service, the Metro Freeway Service Patrol (FSP), and the Service Authority for Freeway Emergencies (SAFE).

In FY10, Bus Operations will provide nearly 7.6 million revenue service hours, supporting approximately 400 million boardings.

Metro Bus Service Sectors

The five Metro Bus service sectors are Gateway Cities, San Fernando Valley, San Gabriel Valley, South Bay, and Westside/Central. Each service sector is responsible for all facets of bus operations: transportation, maintenance, service planning and scheduling, and coordination of community-based communications.

Gateway Cities Service Sector

The Gateway Cities Service Sector is comprised of 26 cities and unincorporated areas of southeast Los Angeles County, including 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 office is located in Downey, which brings operations closer to the Gateway Cities communities and local transit partners.

Gateway Cities sector staff works closely with cities in its region, the Gateway Cities Council of Governments, transit providers and other organizations throughout the Gateway Cities to improve transit service in the area. Sector staff also conducts monthly council meetings, semi-monthly bus-ride-alongs, and facilities tours with the Gateway Cities Sector Governance Council, which oversees bus service in the area.

Additionally, the Gateway Cities Sector provides strategic planning, service development, and administrative support to two operating divisions, both located in downtown Los Angeles. Division 1 will operate 249 buses providing 685,969 revenue service hours, and Division 2 will operate 210 buses providing 594,794 revenue service hours in FY10.

San Fernando Valley Service Sector

The San Fernando Valley Service Sector provides transportation services to the cities of Glendale, Burbank, La Canada Flintridge, San Fernando, Calabasas, Agoura Hills, Westlake Village, Thousand Oaks, and to numerous San Fernando Valley communities within the City of Los Angeles. This sector also operates the very successful Orange Line.

The sector office, located in Chatsworth, provides administrative support for its two operating divisions, as well as schedules activities to ensure the delivery of quality transportation to the community. The operating divisions are located in Sun Valley (in east San Fernando Valley) and Chatsworth (in west San Fernando Valley) and employ over 1,100 personnel. Both divisions are responsible for a fleet of 495 buses traveling approximately 22 million miles. The divisions provide a total of 1,321,651 revenue service hours – 527,751 revenue service hours at Division 8 in Chatsworth and 793,900 revenue service hours at Division 15 in Sun Valley.

San Fernando Valley Service Sector oversees Central Maintenance and Vehicle Technology.

The Central Maintenance Department provides maintenance support to operating divisions. The department consists of Central Maintenance Shops, 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.

The Central Maintenance Shops provide heavy maintenance and bus refurbishment, such as complete paint jobs, major accident repair, engine replacements, and mid-life overhauls/

refurbishments for all operating divisions. Additional Central Maintenance Shop functions include the rebuild and fabrication of parts, tools and rotables used by bus maintenance and other departments.

Fleet Management and Support Services controls and assigns the bus fleet, provides assistance in repair to buses en-route and at layover zones to avoid service disruption, and provides M3 technical support to maintenance departments.

Quality Assurance is directly responsible for the management of goods and services contracts, fare collection maintenance, radio equipment maintenance, and non-revenue vehicle/equipment.

The Vehicle Technology Department identifies, reviews, tests, and procures high-capacity, alternative fueled, advanced technology buses. It provides operational and technical support and training on the operation and maintenance of new vehicles, manages all bus acquisitions, processes bus warranty claims, and oversees advanced vehicle technology projects that can increase operating efficiency and improve services provided for our transit passengers and employees.

San Gabriel Valley Service Sector

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

provides regional service to the east San Gabriel Valley.

The San Gabriel Valley Service Sector operates two divisions: Division 3, located in Cypress Park, and Division 9, located in El Monte. The San Gabriel Valley Service Sector office, located in El Monte, provides planning and administrative services to its two operating divisions.

For FY10, the San Gabriel Valley Service Sector will operate 475 buses traveling about 19.7 million miles, with 638,940 revenue service hours at Division 3 and 765,394 revenue service hours at Division 9.

South Bay Service Sector

South Bay Service Sector is the primary service provider for over 19 cities and unincorporated areas of southwest Los Angeles including Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, LAX, Manhattan Beach, Marina del Rey, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills Estates, San Pedro, Torrance, Westchester and Wilmington. The sector's service area runs from Norwalk (East) to LAX and the Beach Cities (West) connecting with the Blue Line, and Hollywood (North) to San Pedro (South) connecting with all Metro Rail stations in downtown and South Los Angeles County.

The sector employs over 1,180 employees and consists of three functional locations: South Bay Service Sector Office, Arthur Winston Division, and Carson Division.

The South Bay Sector Office, located in Torrance, coordinates with the Governance Council to deliver quality transportation to the community with

continued improvement in safety, maintenance, and on-time performance.

The South Bay Sector includes two operating divisions. The Arthur Winston Division, located in South Los Angeles, provides service for 11 bus lines (2 Rapid Lines), and operates 222 buses, providing 595,109 revenue service hours. The Carson Division provides service for 22 bus lines (4 Rapid Lines) and operates 283 buses, providing 806,677 revenue service hours.

Westside/Central Service Sector

Operating boundaries for the Westside/Central Service Sector extend to the west as far as Malibu and to the east, past downtown Los Angeles. This 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 67 buses, providing 125,435 revenue service hours; Division 10, located in northeast Los Angeles, operates 257 buses, providing 780,571 revenue service hours; and Division 7, located in West Hollywood, operates 251 buses providing 730,714 revenue service hours.

Westside/Central Sector oversees Contract Services, Motorist Services, and Paratransit Services.

Contract Services manages contracts with privately-owned bus companies that provide bus service on more than 22 bus lines in the north, south and east regions of Metro's service area. The FY10 boardings under these purchased transportation contracts are projected to be nearly 16.0 million.

Motorist Services is chiefly responsible for two programs – Freeway Service Patrol (FSP) and Service Authority for Freeway Emergencies (SAFE). 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 Pg. III-12 and Appendix 19.

The Paratransit program, managed by Access Services, Inc. (ASI), provides public transportation services to the elderly and disabled. For additional information concerning paratransit services, please refer to Pgs. III-12 and III-13.

Facilities

The Facilities Maintenance Department consists of Facilities and Property Maintenance, Facilities Engineering, Sign Shop, and Stops and Zones. The department's primary function includes the development, implementation, and management of capital projects for Metro's facilities. The department is also responsible for implementing the Board-approved Energy Efficiency Policy and Program to help reduce operational costs, improve existing facilities and improve employee safety. Additionally, the department provides support to all operating divisions by maintaining terminals, stations, bus stops, layover zones, landscape, and inactive rights-of-way. 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.

Labor Relations

The Labor Relations group is responsible for labor relations activities, including collective bargaining, contract administration and work systems. Labor agreements are negotiated with four unions – United Transportation Union (UTU), Amalgamated Transit Union (ATU), American Federation of State, County, and Municipal Employees (AFSCME), and Teamsters. Contract administration includes the following: advising management regarding the interpretation and application of all of the agreements and administering the discipline and the grievance procedures of each union agreement, including the arbitration process. Work systems are reviewed and evaluated to determine whether they are consistent with contract language or are responsible for generating grievances.

Manpower Systems and Support

Manpower Systems and Support is responsible for division management and supervisory training, developing and implementing division policy and procedures, conducting compliance audits, and providing system support for the Transit Operating and Trends System (TOTS)/Automated Bidding System (ABS). The department also provides key functional support, including hiring, assigning and promoting UTU, ATU, AFSCME and Transportation Communications Union (TCU) employees.

Manpower collects, analyzes, and provides data for departmental business needs and support for labor negotiations, management recommendations and feasibility studies.

The department continues to implement the Transit Operator Activity Scheduling

and Tracking (TOAST) project in conjunction with Service Development and ITS, which will automate bus and rail operator assignments and scheduling.

Operations Central Instruction

Operations Central Instruction (OCI) is responsible for implementing a defensive driving curriculum for new and veteran bus 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, accident reduction, customer relations, and on-time performance.

Service Planning and Development

Service Planning and Development organizes the operating framework for the Metro bus and rail systems. Service Performance Analysis collects and reports operational data generated by the bus and rail systems. The department provides timely and accurate information that aids Sector staff in developing efficient, effective, and community-responsive service. The department also provides a point of contact for compliance with Federal Transit Administration regulations and Title VI requirements. Resource Management is responsible for implementing the software conversion to Transit Operation Activity Scheduling and Tracking program for all bus and rail operating divisions.

System Safety and Security

System Safety and Security manages the Safety's 1st 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.

Additionally, System Safety and Security is responsible for security and law enforcement services. System security provides timely and critical threat assessment and response. The department is continually developing and enhancing security programs for the protection of Metro's passengers, employees, properties, revenues and assets.

Significant Events in FY10

Service Planning and Development

- Restructure the existing bus service to improve service efficiency based on the Transit Service Policy.
- Establish a new Service Performance Evaluation Program that balances mobility needs with the need to be efficient.
- Implement the new Silver Line operating between Artesia Transit Center and El Monte Bus Station via downtown Los Angeles.
- Implement a bus/rail interface plan for the Gold Line Eastside Extension.
- Test and implement Transit Operation Activity Scheduling and Tracking (TOAST) at all bus/rail operating divisions.
- Establish Metro's Short Range Transit Plan (FY10 to FY14) that sets the direction of service planning over the next 5 years.

Bus Operating Sectors

- Implement "SmartDrive" (Incident-based Surveillance System) system-wide to reduce accidents and improve safety.
- Initiate ATU and UTU labor contract negotiations.
- Implement a new Big Rig Tow Beat on I-91 Freeway.

Systems Safety and Security

- Implement a Strategic Reconfiguration of Metro Security Program to increase and enhance system-wide security.
- Develop new System Security Program Plan and associated emergency plans.

- Develop a range of State Prop. 1B grant-funded security projects.
- Develop significantly enhanced emergency response capability in support of regional rail system with the new Security HiRail Emergency Response Vehicle (ERV).

Motorist Services

- Implement MATIS/Travel Information System, a comprehensive motorist aid system that will establish a regional 511 traveler information system for Los Angeles County.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Metro Bus Operations Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|----------------|----------------|----------------|
| 1 San Fernando Valley Service Sector | 1,117 | 1,114 | 1,119 |
| 2 San Gabriel Valley Service Sector | 1,088 | 1,111 | 1,086 |
| 3 Gateway Cities Service Sector | 1,060 | 1,043 | 1,073 |
| 4 South Bay Service Sector | 1,172 | 1,166 | 1,180 |
| 5 West Side/Central Service Sector | 1,306 | 1,323 | 1,293 |
| 6 Contract Services | 4 | 5 | 5 |
| 7 Central Maintenance | 372 | 374 | 374 |
| 8 Service Development Performance Analysis | 59 | 60 | 60 |
| 9 Manpower - Transit Operations | 16 | 17 | 17 |
| 10 Operations Central Instruction | 98 | 96 | 96 |
| 11 Corporate Safety | - | - | 17 |
| 12 Transit Security | 115 | 115 | 105 |
| 13 Facilities | 159 | 160 | 162 |
| 14 Vehicle and Systems Technology | 17 | 17 | 17 |
| 15 Executive Office, Transit Operations | 17 | 18 | 13 |
| 16 Motorist Services | 8 | 8 | 8 |
| 17 Metro Bus Operations Total FTEs | 6,608 | 6,626 | 6,625 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|----------------|----------------|----------------|
| 18 San Fernando Valley Service Sector | \$ 128,919 | \$ 137,790 | \$ 136,964 |
| 19 San Gabriel Valley Service Sector | 122,717 | 137,216 | 136,086 |
| 20 Gateway Cities Service Sector | 115,575 | 128,025 | 127,151 |
| 21 South Bay Service Sector | 140,073 | 145,682 | 144,310 |
| 22 West Side/Central Service Sector | 155,790 | 161,990 | 162,106 |
| 23 Contract Services | 66,207 | 95,528 | 97,732 |
| 24 Central Maintenance | 72,535 | 77,341 | 101,173 |
| 25 Service Development Performance Analysis | 7,437 | 12,304 | 12,972 |
| 26 Manpower-Transit Ops | 1,307 | 1,566 | 1,574 |
| 27 Operations Central Instruction | 7,043 | 7,654 | 8,006 |
| 28 Corporate Safety | - | - | 3,870 |
| 29 Systems safety and Security | 3,021 | 3,801 | - |
| 30 Transit Security | 80,172 | 86,169 | 81,702 |
| 31 Facilities | 63,547 | 83,681 | 133,030 |
| 32 Vehicle and Systems Technology | 88,790 | 90,763 | 116,093 |
| 33 Executive Office, Transit Operations | 11,049 | 13,106 | 13,151 |
| 34 Motorist Services | 27,605 | 41,640 | 41,645 |
| 35 Metro Bus Operations Total | \$ 1,091,787 | \$ 1,224,255 | \$ 1,317,564 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|----------------|----------------|----------------|
| 36 Wages & Benefits | \$ 585,531 | \$ 633,751 | \$ 630,584 |
| 37 Fuel & Propulsion Power | 53,459 | 61,763 | 59,902 |
| 38 Acquisitions | 126,581 | 158,354 | 234,991 |
| 39 Services | 118,192 | 147,490 | 153,687 |
| 40 Purchased Transportation | 37,044 | 41,729 | 44,053 |
| 41 Material & Supplies | 78,006 | 82,991 | 95,343 |
| 42 Insurance | 53,798 | 51,815 | 50,646 |
| 43 Subsidies | 28,070 | 34,179 | 34,179 |
| 44 Other Support | 11,106 | 12,182 | 12,644 |
| 45 Debt | - | - | 1,534 |
| 46 Metro Bus Operations Total | \$ 1,091,787 | \$ 1,224,255 | \$ 1,317,564 |

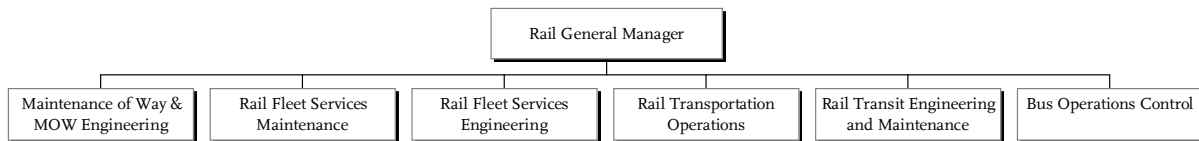
Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Metro Bus Operation: Key Performance Indicators

| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Improve In-Service On-Time Performance to meet or better the target by June 30, 2010. | | | | |
| San Fernando Valley Sector | 65.6% | 67.5% | 67.9% | 72.0% |
| San Gabriel Valley Sector | 65.9% | 66.8% | 68.8% | 74.0% |
| Gateway Cities Sector | 68.0% | 68.1% | 70.8% | 74.0% |
| South Bay Sector | 62.4% | 62.0% | 61.6% | 67.0% |
| Westside/Central Sector | 57.6% | 56.7% | 59.0% | 67.0% |
| Bus Systemwide | 63.8% | 64.1% | 64.9% | 71.0% |
| Objective: Meet or better the targeted number of Complaints per 100,000 Boardings | | | | |
| San Fernando Valley Sector | 3.0 | 2.9 | 3.0 | 2.8 |
| San Gabriel Valley Sector | 2.5 | 2.6 | 3.0 | 2.6 |
| Gateway Cities Sector | 1.8 | 1.9 | 1.9 | 2.0 |
| South Bay Sector | 2.5 | 2.6 | 3.0 | 2.7 |
| Westside/Central Sector | 2.7 | 3.0 | 3.1 | 2.7 |
| All Bus Sectors (1) | 2.5 | 2.6 | 2.8 | 2.6 |
| Bus Systemwide | | | | 2.9 |
| (1) Excludes non-division complaints and Contract Services | | | | |
| Objective: Meet or better the target for Mean Miles Between Mechanical Failures (requiring a bus exchange). | | | | |
| San Fernando Valley Sector | 3,619 | 2,938 | 3,171 | 3,500 |
| San Gabriel Valley Sector | 3,376 | 3,300 | 3,370 | 3,500 |
| Gateway Cities Sector | 3,163 | 2,845 | 2,625 | 3,500 |
| South Bay Sector | 3,826 | 3,427 | 3,373 | 3,500 |
| Westside/Central Sector | 3,651 | 3,213 | 3,310 | 3,600 |
| Bus Systemwide | 3,532 | 3,137 | 3,164 | 3,520 |
| Objective: Meet or better the target for Percentage of Scheduled Revenue Hours Operated | | | | |
| Bus Systemwide | 99.3% | 98.9% | 98.9% | 99.0% |

| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Meet or better the target for Vehicle Accidents per 100,000 Hub Miles. ⁽²⁾ | | | | |
| San Fernando Valley Sector | 2.78 | 2.53 | 2.21 | 2.24 |
| San Gabriel Valley Sector | 2.89 | 3.08 | 2.70 | 2.85 |
| Gateway Cities Sector | 4.08 | 3.50 | 3.16 | 3.30 |
| South Bay Sector | 4.06 | 3.88 | 3.36 | 4.00 |
| Westside/Central Sector | 4.73 | 4.21 | 3.84 | 4.00 |
| Bus Systemwide | 3.71 | 3.44 | 3.05 | 3.28 |
| (2) FY09 performance exceeded expectations. FY10 targets are more conservative. | | | | |
| Objective: Meet or better the target for New Workers' Compensation Indemnity Claims per 200,000 Exposure Hours. | | | | |
| San Fernando Valley Sector | 13.74 | 12.17 | 11.24 | 12.50 |
| San Gabriel Valley Sector | 13.35 | 10.17 | 12.56 | 11.50 |
| Gateway Cities Sector | 10.27 | 10.56 | 8.20 | 9.55 |
| South Bay Sector | 10.81 | 15.18 | 8.61 | 10.50 |
| Westside/Central Sector | 12.99 | 13.41 | 8.54 | 10.50 |
| Bus Systemwide | 11.11 | 11.54 | 8.89 | 10.91 |
| Objective: Meet or better the target for Passenger Accidents per 100,000 Boardings. | | | | |
| Bus Systemwide | 0.22 | 0.27 | 0.27 | 0.24 |
| Objective: Meet or better the target for New Lost Work Time Indemnity Claims Reported/Filed. | | | | |
| Bus Systemwide | 866 | 899 | 406 | 850 |

Metro Rail Operations



Introduction

Comprised of six functional units, Metro Rail operates over 200 light and heavy rail vehicles; maintains over 70 rail stations, over 153 miles of track, overhead catenaries and heavy rail traction power systems; and oversees all facets of rail operations. Additionally, Metro Rail is responsible for all rail-related capital projects.

During FY10, Metro Rail will provide 448,915 revenue vehicle hours for light rail and 257,128 hours for heavy rail, supporting approximately 97 million boardings.

In response to an ever-increasing need for accountability and responsibility, Metro Rail has reorganized its major functional units, as follows:

Rail General Manager

The Rail General Manager is comprised of rail transportation scheduling, administrative and financial support.

Rail Transportation Operations

Rail Transportation Operations is comprised of two groups, Rail Transportation Operations and Rail Operations Control Center (ROC). Rail Transportation Operations is responsible for the revenue service delivery and other movements on the rail right-of-way, field supervision, monitoring and improving the quality of service delivery, training, instructing and supervising rail operators.

The Rail Operations Control Center (ROC), which operates 24 hours/7 days a week, serves as a dispatch function for all rail service and monitors and controls all scheduled and unscheduled movement by vehicles and personnel on the rights-of-way. Like its counterpart, Bus Operations Control, the ROC provides surveillance of stations and emergency operations and control.

Maintenance of Way & MOW Engineering

Maintenance of Way & MOW Engineering is comprised of Maintenance of Way, and MOW Engineering, Rail Communications, Rail Facilities and Custodial Services. Maintenance of Way and MOW Engineering is responsible for the maintenance and inspection of the rail systems' signal equipment, track and traction power. In addition, it is responsible for all engineering associated with these disciplines.

Rail Communications, Rail Facilities and Custodial Services are responsible for the inspection and maintenance of the rail systems communications, facilities and custodial services.

Rail Fleet Services Maintenance

Rail Fleet Services Maintenance manages the inspection and maintenance of all revenue service vehicles, graffiti abatement, and paint and body repair of all revenue vehicles.

Rail Fleet Services Engineering

Rail Fleet Services Engineering is responsible for the major capital procurement and overhaul of revenue vehicles. Major FY10 activities include Light Rail Vehicle Fleet Enhancement, and the mid-life overhaul of the heavy rail revenue vehicles for the Metro Red Line and the EXPO/Blue Line Light Rail Vehicle Procurement.

Rail Transit Engineering & Maintenance

Rail Transit Engineering & Maintenance is composed of Advanced Transportation Management Systems (ATMS) Engineering & Maintenance, which supports the Bus Operations Control Center (BOC); SCADA Systems Engineering and Maintenance, which supports the Rail Operations Control Center; Rail Communications; Rail Facilities; and Rail Custodial Services. It is also responsible for managing Rail Operations capital projects.

Bus Operational Control

Bus Operations Control (BOC) monitors and controls special bus movements and coordinates, develops and implements all special event services and bus leases. The BOC modifies bus activity when conditions require outside interaction due to accidents and detours, monitors

Americans with Disabilities Act (ADA) compliance and serious customer complaints through undercover rides and field observations, and provides failure management to assist Metro in meeting its operating goals in the areas of safety, customer relations and on-time performance. Also, the BOC provides closed circuit television monitoring.

Significant Events in FY10

During FY10, Metro Rail will start and/or continue the following major capital projects:

- Pre-revenue and revenue operation for the Eastside Extension.
- Engineering phase of the refurbishment of subway and light rail-car fleets and procurement of light rail vehicles.
- Engineering phase of the digital rail radio upgrade
- Replacement and rehabilitation of Metro Blue Line's traction power substations, overhead catenary system, signal system and switch machines.
- Activation and pre-revenue activities for the Expo Line.
- Implementation of an electronic Asset Management System.

Metro Rail Operations Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|------------------------------------|------------------------|------------------------|------------------------|
| 1 Rail General Manager | 10 | 10 | 14 |
| 2 Transportation | 337 | 346 | 292 |
| 3 Wayside Systems | 388 | 405 | 176 |
| 4 Fleet Services | 345 | 347 | 350 |
| 5 Transit Systems Engineering | 27 | 32 | 269 |
| 6 Rail & Bus Operations Control | 76 | 77 | 152 |
| 7 Metro Rail Operations Total FTEs | 1,183 | 1,217 | 1,253 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 8 Rail General Manager | \$ 2,031 | \$ 3,726 | \$ 2,839 |
| 9 Transportation | 36,500 | 41,272 | 36,145 |
| 10 Wayside Systems | 62,055 | 67,485 | 48,091 |
| 11 Fleet Services | 49,612 | 75,547 | 66,918 |
| 12 Transit Systems Engineering | 14,984 | 71,649 | 70,486 |
| 13 Rail & Bus Operations Control | 7,904 | 8,701 | 15,828 |
| 14 Metro Rail Operations Total | \$ 173,086 | \$ 268,382 | \$ 240,307 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 15 Wages & Benefits | \$ 119,330 | \$ 124,679 | \$ 128,897 |
| 16 Fuel & Propulsion Power | 19,309 | 23,133 | 24,574 |
| 17 Acquisitions | 7,318 | 53,956 | 39,402 |
| 18 Services | 12,689 | 48,710 | 28,833 |
| 19 Material & Supplies | 14,092 | 12,355 | 14,040 |
| 20 Insurance | - | 3,855 | 3,253 |
| 21 Other Support | 348 | 1,693 | 1,309 |
| 22 Metro Rail Operations Total | \$ 173,086 | \$ 268,382 | \$ 240,307 |

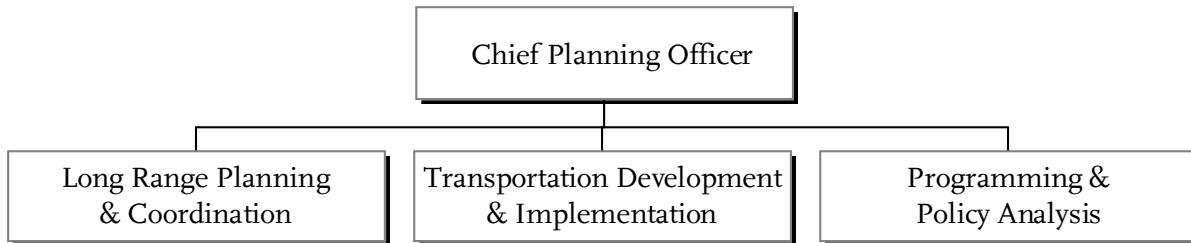
Metro Rail Operations: Key Performance Indicators

| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Meet or better the target for In-Service On-Time Performance by June 30, 2010 | | | | |
| Heavy Rail ⁽¹⁾ | 99.1% | 99.8% | 99.3% | 99.1% |
| Light Rail | 99.0% | 99.7% | 98.8% | 99.0% |
| Objective: Meet or Better the "Scheduled Revenue Service Hours Delivered" operations objectives. | | | | |
| Heavy Rail ⁽¹⁾ | 98.8% | 99.5% | 99.8% | 99.5% |
| Light Rail ⁽¹⁾ | 98.4% | 98.8% | 99.8% | 99.5% |
| Objective: Meet or better the targeted number of Complaints per 100,000 Boardings | | | | |
| Heavy Rail | 0.47 | 0.45 | 0.41 | 0.50 |
| Light Rail | 0.63 | 0.79 | 0.83 | 0.90 |
| Objective: Meet or Better the "Mean Miles between Mechanical Failures that Require a Rail Car Exchange" operations objectives. | | | | |
| Heavy Rail ⁽¹⁾ | 19,587 | 26,743 | 36,153 | 30,000 |
| Light Rail | 24,020 | 34,044 | 23,500 | 24,000 |

| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Meet or Better the "Passenger Accidents per 100,000 Boardings" safety objectives. | | | | |
| Heavy Rail ⁽¹⁾ | 0.010 | 0.017 | 0.007 | 0.020 |
| Light Rail ⁽¹⁾ | 0.012 | 0.013 | 0.037 | 0.050 |
| Objective: Meet or better the target for Rail Accidents per 100,000 Revenue Train Miles. | | | | |
| Heavy Rail ⁽¹⁾ | 0.010 | 0.017 | 0.007 | 0.020 |
| Light Rail ⁽¹⁾ | 0.012 | 0.013 | 0.037 | 0.050 |
| Objective: Meet or Better the "New Lost Work Time Indemnity Claims Reported/Filed" safety objectives. | | | | |
| Rail System-wide ⁽¹⁾ | 89 | 165 | 37 | 75 |
| Objective: Meet or Better the "New Workers' Compensation Indemnity Claims per 200,000 Exposure Hours" safety objectives. | | | | |
| Rail System-wide ⁽¹⁾ | 8.08 | 13.06 | 5.69 | 10.00 |

(1) FY09 performance exceeded expectations. FY10 targets are more conservative.

Countywide Planning and Development



Strategic Business Unit

Countywide Planning and Development (CP&D) is responsible for regional short range and long range planning; programming and administering federal, state, and local transportation funds; preparing a financially constrained Transportation Improvement Program (TIP); and planning and coordinating regional transportation services and infrastructure improvements. It does this in partnership with Metro Operations, the County of Los Angeles and the 88 cities and 16 municipal operators within the County.

Chief Planning Officer

The Chief Planning Officer 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 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 transit activities including

planning, design, development, monitoring, and municipal operator coordination for the Metro Rapid program and other regional transit planning activities. The Department is also responsible for developing countywide plans and programs, including the Long and Short Range Transportation Plans (LRTP and SRTP respectively) and the Congestion Management Program (CMP), 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, and user benefit analysis for Federal New Starts funding.

Transportation Development and Implementation

The Transportation Development and Implementation (TDI) department is responsible for project development, management, and implementation of multiple modes of transportation within Los Angeles County, including Highway/Freeway, Arterials, Transportation Demand Management (TDM), Rail and Busway, Signal Synchronization, Intelligent Transportation Systems, Bicycle, Pedestrian, Goods Movement and others. In addition, this department approves and manages the utilization of Call-for-Projects (CFP) funds by the cities and county and

provides technical assistance in the implementation of these projects. The department is responsible for environmentally clearing corridor projects that further the implementation of Measure R projects. Projects currently in the environmental clearance stage include the Crenshaw Transit Corridor, Westside Subway Extension, Regional Connector, Eastside Extension Phase 2 and the Harbor Subdivision. TDI also serves as Metro's liaison with the 89 local jurisdictions and subregional Council of Governments (COGs).

The department is organized into two geographic sub-regions with three area planning teams in each sub-region. One sub-region includes the Central, Gateway Cities/Southeast and San Gabriel Valley. The South Bay, San Fernando Valley/North County and Westside area planning teams are in the other sub-region. Each team is responsible for corridor planning, project management and implementation of multiple modes of transportation within its geographic area.

Programming and Policy Analysis

Programming and Policy Analysis 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. The department also manages the \$17.0 billion, six-year Transportation Improvement Program (TIP); analyzes federal, state and local programming proposals and policies; applies for and administers federal, state and local grants; programs funding for the Call-for-Projects (CFP); serves as the LRTP funding lead; allocates and administers funding to 89 local

jurisdictions, Metro Operations and 16 municipal operators; provides funding policy development and guidance for regional programs; is Metro's liaison with federal and state grantor agencies; and is Metro's liaison to the cities and municipal operators on local funding matters.

Significant Events in FY10

- Review and make recommendations on federal, state, and local legislative initiatives and policy issues (including FFY 2010 – FFY 2015 Federal Funding Authorization and Appropriations, SB 45 Implementation, State Transportation Infrastructure Bonds and Programs, Prop A, Prop C, and Measure R); support FY10 federal, state and local legislative requests for appropriations and other actions
- Prepare, review and submit the State Transportation Improvement Program funding requests for Los Angeles County
- Develop and implement Measure R local return, Metrolink, transit operating and capital policy and administrative guidelines for 37% of Measure R funds
- Review, analyze and make recommendations on directive to include new transit operators in the Regional Formula Allocation procedure
- Coordinate and address issues on the regional Universal Fare System with the municipal operators and local transit systems
- Manage and administer over \$1.0 billion in Transportation Fund Allocations for Transit Operators under the FAP, Foothill Mitigation, TSF, Base Restructuring, BSIP, Security MOSIP, Prop 1B

- Mitigation Programs, Measure R, and the ARRA transit funding
- Manage and administer Fund Allocations to the 88 Cities and LA County under the Local Return, TDA Article 3 & 8, Voluntary NTD Reports, and Mini-Call Bus Replacement Programs
- Manage and administer \$8.9 million for special community transit programs under the Immediate Needs, SHORE and Rider Relief Programs
- Incorporate municipal operators in the Rider Relief Transportation Program
- Manage and administer capital and operating funds for over \$100 million in Metrolink Commuter Rail Services
- Improve coordination, integration and secure capital funding for Amtrak and Metrolink services along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor
- Complete update of the 30 year, \$271 billion Long Range Transportation Plan
- Award over \$300 million in funding for the 2009 Call-for-Projects
- Manage the Call for Projects including providing technical assistance to project sponsors, ensuring compliance with local, state and federal regulations and policies, and that over \$500 million in funds are spent on eligible project components, completing the annual Recertification/De-obligation/Extensions and execute necessary Letter of Agreement/Memorandum of Understandings (LOA/MOU) and amendments to existing agreements
- Complete Metro Rapid Signal Priority Expansion Phase I on Four Metro Rapid Corridors
- Continue with the Metro Rapid Signal Priority Expansion Phase II for three Metro Rapid Corridors
- Complete Harbor Subdivision AA
- Select Locally Preferred Alternative for Crenshaw Transit Corridor, Award PE Contract and continue preparation of the final EIR/EIS
- Continue with Management Oversight of the EIR/EIS for the I-710 South Corridor
- Continue with the DEIR/DEIS for the Metro Westside Extension
- Continue with the DEIR/DEIS for the Regional Connector
- Continue with the DEIR/DEIS for the Eastside Corridor Phase II
- Continue with the EIS/EIR for SR2 Southern Freeway terminus and transportation efficiency improvements to Glendale Blvd.
- Continue Major System Integration with Regional Intelligent Transportation Systems Architecture
- Develop the Highway program for the Long Range Transportation Plan and Measure R implementation
- Identify initial projects for Board consideration for Potential Public Private Partnership
- Develop and implement Planning Dept. Transportation Sustainability Program
- Conduct planning, design development, and programming for new Metro Rapid lines
- Complete Wilshire Bus-Only Lane environmental assessment

- Conduct countywide bus speed improvement study
- Monitor and certify local compliance with Congestion Management Program
- Manage the CMP Congestion Mitigation Fee Study
- Manage the FTA On-Board System wide Origin-Destination Survey
- Transportation demand modeling for countywide and corridor studies.
- Secure, manage and administer over \$4.5 billion in programmed federal, state, and local transportation funds, including FTA, FHWA, ARRA funds, state Prop 1B funds, Homeland Security, STA/TDA for Metro capital, operating and planning projects, Expo Phases I and II, the 405 HOV, the Congestion Reduction Demonstration Program, and continue serving as the pass-through grant agency for capital, planning, and operating projects within LA County
- Oversee/report progress and address accounting/audit issues on all state, federal and local grant funds provided for Metro projects and programs.
- Close the \$240 million Benefit Assessment Program used to fund the initial segment of the Metro Red Line

Countywide Planning and Development Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Chief Planning Officer | 3 | 3 | 3 |
| 2 Long Range Planning & Coordination | 23 | 23 | 23 |
| 3 Transp. Dev. & Implm. (Central/East/SE Region) | 31 | 33 | 34 |
| 4 Transp. Dev. & Implm. (North/West/SW Region) | 28 | 28 | 29 |
| 5 Programming & Policy Analysis | 32 | 33 | 36 |
| 6 Countywide Planning & Development Total FTEs | 117 | 120 | 125 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 7 Chief Planning Officer | \$ 522 | \$ 486 | \$ 490 |
| 8 Long Range Planning & Coordination | 5,240 | 8,484 | 8,072 |
| 9 Transp. Dev. & Implm. (Central/East/SE Region) | 12,551 | 28,317 | 34,085 |
| 10 Transp. Dev. & Implm. (North/West/SW Region) | 15,682 | 18,972 | 38,379 |
| 11 Programming & Policy Analysis | 736,287 | 900,380 | 943,005 |
| 12 Countywide Planning & Development Total | \$ 770,281 | \$ 956,639 | \$ 1,024,032 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 13 Wages & Benefits | \$ 14,231 | \$ 16,048 | \$ 17,352 |
| 14 Acquisitions | - | 100 | 320 |
| 15 Services | 22,378 | 45,816 | 69,418 |
| 16 Material & Supplies | 247 | 289 | 278 |
| 17 Subsidies | 731,332 | 894,022 | 936,249 |
| 18 Other Support | 2,093 | 364 | 416 |
| 19 Countywide Planning & Development Total | \$ 770,281 | \$ 956,639 | \$ 1,024,032 |

Countywide Planning and Development: Key Performance Reports

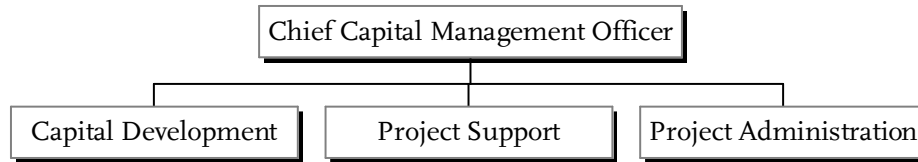
| GOAL 4: Provide leadership for the region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|----------------|----------------|-------------------|----------------|
| Objective: Provide quality planning, technical analysis and programming | | | | |
| Allocate target % of FAP Program funding on schedule | 100% | 100% | 100% | 100% |
| Complete target # of financial forecasting model runs. | 2 | 4 | 3 | 2 |
| Complete target # of funding sources matrix updates. | 0 | 0 | 1 | 1 |
| Complete target # of sets of revenue demand charts for all major funding sources | 1 | 0.75 | 1 | 1 |
| Develop and submit target % of MOUs for processing (cities). | 100% | 100% | 100% | 100% |
| Develop and submit target % of MOUs for processing (municipal operators). | 100% | 100% | 100% | 100% |
| Ensure target \$ are allocated to cities and munis to pay project invoices. | \$789M | \$727M | \$890M | \$970M |
| Turn around target % of Local Return forms within prescribed time period. | 100% | 100% | 100% | 100% |
| Objective: Type or paste your objective after the word "Objective: | | | | |
| Attend target % and participate in as appropriate COG meetings related to transportation issues. | 90% | 90% | 90% | 90% |
| Complete Call for Projects competitive grant process. | 100% | NA | NA | 100% |
| Complete target % of the Wilshire Boulevard Bus Lane Project Environmental Assessment. | NA | NA | 85% | 100% |
| Complete target % of work for the Crenshaw Corridor AA/DEIR/DEIS. | | 30% | 70% | 100% |
| Complete target % of work for the Harbor Subdivision Alternative Analysis study. | | 5% | 70% | 100% |
| Complete target % of work for the Public Private Partnership Tasks 1 and 2 project screening. | | | | 100% |
| Complete target % of work for the Westside Corridor DEIS/DEIR. | | | 20% | 80% |
| Conduct target % of transportation demand modeling required to support major plans, programs, and projects. | 100% | 100% | 100% | 100% |
| Execute target % of transmittals sent out to Sponsors for processing MOU/LOA's for transit projects. | | | 100% | 100% |
| Implement target % of the Congestion Management Program's annual conformity process. | 100% | 100% | 100% | 100% |
| Implement target % of the Countywide Bus Speed Improvement Project Phase I. | NA | NA | 40% | 100% |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| GOAL 4: Provide leadership for the region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Lead the planning and coordination of regionally significant projects and programs for the region. | | | | |
| Attend target % of COG working group meetings as required to assist with transportation-related issues. | 90% | 90% | 90% | 90% |
| Complete target % of work for the Eastside Extension Phase II DEIR/DEIS study. | | | 25% | 75% |
| Complete target % of work for the I-710 South Corridor EIR/EIS. | 5% | 15% | 40% | 80% |
| Complete target % of work for the Regional Connector Downtown DEIR/DEIS study. | | | 40% | 100% |

| GOAL 6: Secure local, state and federal funding | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Pursue and secure local, state and federal funding | | | | |
| By due dates, file target % of applications required for LA County projects and programs. | 100% | 100% | 100% | 100% |
| By due dates, file target % of grant applications required for Metro projects and programs. | 100% | 100% | 100% | 100% |
| Collect target \$ amount from the Benefit Assessment Districts in order to meet debt payment schedule. Program ending; final assessments levied in 2008. | \$21M | \$20.5M | \$15M | \$600K |
| Receive target % of STIP Allocations requests by Q4. | 100% | 100% | 100% | 100% |
| Receive target % of Time Extension Requests by Q4. | 100% | 100% | 100% | 100% |

Construction Project Management



Strategic Business Unit

Construction Project Management is responsible for providing engineering services and construction oversight for major construction projects, transit corridors, capital improvement projects, and rail engineering service requests.

Capital Development

Capital Development is responsible for planning, engineering, and constructing new fixed guideway systems and extensions to the highest safety and performance standards while paying close attention to environmental and economic concerns.

Project Support

Project Support is responsible for:

- providing functional support within the Construction Project Management Division;
- providing cost-effective design and other engineering professional services from preliminary engineering through final design and construction of bus and rail projects;
- the construction management and oversight of all rail construction-related activities and construction-related rail capital projects;
- providing the appropriate plans to mitigate contamination impacts, maintain compliance with all environmental regulations pertaining to hazardous wastes and materials, monitor environmental contractors working on projects, and provide

regulatory interfacing to resolve Metro concerns;

- interfacing with third party agencies and utilities to design and construct improvements to existing systems and new projects,
- supporting safety and quality on all projects managed by the Construction Project Management division.

Project Administration

Project Administration 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. This includes planning, scheduling budgeting, tracking, reporting, analyzing, and forecasting the impact of engineering, construction and rail infrastructure improvement projects; providing timely and accurate configuration management of contract changes and all documentation in support of Construction Project Management projects; and implementing administrative and quality control measures during design, procurement, construction, installation, testing, start-up and turnover that ensure the transit system meets the expectations of Metro's customers.

Significant Events in FY10

Following are the capital project activities budgeted during the fiscal year:

- Complete construction of Metro Gold Line Eastside Extension Project and open for revenue service.

- Issue construction contracts for Metro Orange Line Extension.
- Award and issue the Notice to Proceed for Construction of the Division 21-Phase II Improvements.
- Complete construction and open to the public the Pomona/Atlantic Parking Structure.
- Final design and initiate construction for the I-405 Carpool Lane Project.
- The FY10 Budget includes Construction Project Management division support in engineering, construction safety, third party administration and project control for future transit corridor projects such as the Regional Downtown Connector, the Eastside Extension Phase II, the Crenshaw Corridor, the Metro Red Line Western Extension, and the Metro Orange Line Canoga Park Extension.
- The Construction Project Management division will provide project management support for the I-405 Carpool Lane Project during FY10. This includes final design and commencement of construction, industry outreach, and project management assistance.
- The FY10 Budget includes costs for the engineering, design, procurement, construction, and management activities for the Metro Subway Station Entrance Canopies, Division 21 Improvements Phase II, Division 20 Carwash & Cleaning Platform, Division 20 Additional Vehicle Hoists, MBL Traction Power Substation Replacement, and several Rail Rehabilitation Projects including Subway Railcar Midlife Overhaul and Metro Rail Gating. In addition, the budget also includes environmental inspection and remediation activities for the various rail facilities, wayside systems upgrades, an rehabilitation projects.

Construction Project Management Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 1 Capital Development | 27 | 30 | 30 |
| 2 Project Support | 28 | 30 | 32 |
| 3 Project Administration | 33 | 33 | 32 |
| 4 Construction Project Management Total FTEs | 89 | 93 | 94 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 5 Capital Development | \$ 156,702 | \$ 126,669 | \$ 396,746 |
| 6 Project Support | 4,801 | 4,997 | 5,470 |
| 7 Project Administration | 92,938 | 214,054 | 215,487 |
| 8 Construction Project Management Total | \$ 254,440 | \$ 345,720 | \$ 617,704 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 9 Wages & Benefits | \$ 13,023 | \$ 13,043 | \$ 18,117 |
| 10 Acquisitions | 143,725 | 108,411 | 355,647 |
| 11 Services | 92,965 | 222,386 | 241,561 |
| 12 Material & Supplies | 1,132 | 1,723 | 2,220 |
| 13 Other Support | 3,595 | 157 | 159 |
| 14 Construction Project Management Total | \$ 254,440 | \$ 345,720 | \$ 617,704 |

Construction Project Management: Key Performance Indicators

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Manage capital projects to accomplish milestones according to plan. Division 21 Phase II Improvements: Complete body shop design and issue notice to proceed. | | | | Dec-09 |
| Division 20 Carwash & Cleaning Platform: Award contract and issue notice to proceed. | | | | Sep-09 |
| Subway Station Entrance Canopies: Award contract and issue notice to proceed for construction of canopies for 16 stations. | | | | Feb-10 |
| Division 20 Carwash & Cleaning Platform: Complete 40% construction. | | | | Jun-10 |
| Objective: Achieve Revenue Operating Service of the Metro Gold Line Eastside Extension Project Complete Pre-Revenue Operations | | | | Dec-10 |
| Objective: Provide a permanent vehicle parking facility near the Atlantic Station of the Metro Gold Line Complete construction of the Pomona/Atlantic Parking structure. | | | | Feb-10 |
| Objective: Procure the Preliminary Engineering Design Consultant for the Regional Connector Project Complete the Preliminary Design Scope of Services for the issuance of Request for Proposals. | | | | May-10 |
| Objective: Procure the Advanced Conceptual and Preliminary Engineering Design Consultant for the Crenshaw Corridor Project Complete the Advanced Conceptual and Preliminary Design Scope of Services for the issuance of Request for Proposals. | | | | Sep-09 |
| Objective: Initiate Construction of the MOL Extension Project 800119 Award and issue notice to proceed for construction contracts - Award and issue | | | | Dec-09 |
| Complete Right-of-Way Lease Terminations | | | | Dec-09 |
| Complete first construction contract - complete construction of North Parking | | | | Nov-09 |

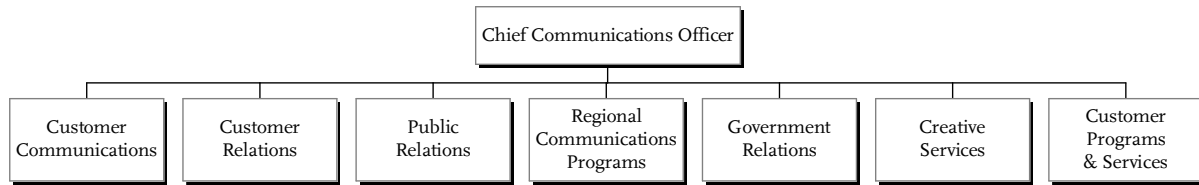
| Goal 4: Provide Leadership for the Region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Provide leadership in controlling costs and schedules for regionally significant projects and programs I-405 Car Pool Lane Project: commence final design and start construction mobilization. | | | | Oct-09 |
| I-405 Car Pool Lane Project: Complete design of major project elements. | | | | Jun-10 |
| I-405 Car Pool Lane Project: begin critical utility relocations | | | | Jun-10 |

Los Angeles County Metropolitan Transportation Authority
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| GOAL 8: Enhance a safety-conscious culture with employees, contractors, and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Ensure project safety and security requirements are met. | | | | |
| Promote injury free workplaces as demonstrated by injury rates at or below national averages. Compare Project injury incident rates to latest national published national averages on a monthly basis. | | | | |
| Injury Incidents Rate: | | | | 5.4 |
| Total Days Away Rate: | | | | 2.8 |
| Provide oversight of Construction Contractor activities to insure compliance with safety and security requirements. | | | | 95% |
| Document Construction Contractor injury data, addressing deficiencies revealed by the data. Metric is the percentage of projects tracked by the department. | | | | 95% |
| Ensure appropriate project safety and security requirements are included in each construction contract package through participation of Construction Safety Staff in the contract design process. | | | | 95% |
| Percentage of projects visited on a weekly or more frequent basis. | | | | 95% |
| Percentage of contractor safety report submittals reviewed in the time frame required by contract. | | | | 95% |

| GOAL 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Continue Sustainability Program | | | | |
| Complete agency-wide energy efficiency and renewal energy studies; and propose recommendations. | | | | Jun-10 |
| Complete FTA EMS pilot study at Red Line Yard. | | | | Jun-10 |
| Complete Climate Action Plan and begin planning for implementation. | | | | Mar-10 |
| Complete Water Action Plan and begin planning for implementation. | | | | Mar-10 |

Communications



Introduction

Communications is responsible for the strategic evaluation, development and implementation of agency-wide marketing, communications, interactive media, constituent, government, and media relations, and customer service.

Chief Communications Officer

The Chief Communications Officer oversees and directs the activities of the organization to increase awareness and support and to improve the public perception of Metro and its services. The goals are to increase patronage, attract discretionary riders and to generate revenue.

Customer Communications

Customer Communications promotes awareness and use of Metro programs, projects and services through informational materials, signage, advertising and corporate sales promotion. Working with the Service Sectors, 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, and current and potential riders. Their activities include: internal printing services, managing all purchased media as well as revenue contracts for advertising on the Metro bus and rail system, overseeing external website content and handling internal employee communications.

Customer Relations

Customer Relations is the communication link with customers and provides various options for the public to be served and heard. One-on-one regional transportation information is provided through 1-800-COMMUTE and 323.GOMETRO. Customers receive route, schedule and fare information for Metro services in addition to transit services for the adjacent four counties. Customers may also plan their own trip by utilizing Metro's Trip Planner located on the website at www.metro.net. This department also serves as the centralized contact point to handle and process customer complaints received via the telephone, email and over-the-counter. The unit also handles official correspondence written on behalf of Board members and Metro executive staff, manages customer response systems analysis, and operates the Metro Customer Information Distribution Center and Agency switchboard (Centrex) System.

Public Relations

Public Relations informs the public about Metro's activities by managing media relations, special events and cross promotions, production of Metro cable shows and videos, Metro Interactive Page on metro.net, commercial filming, the Metro Store, Metro Speakers Bureau and employee activities.

Regional Communications Programs

Regional Communications Programs provide a multitude of functions including external interface, research and program development. The group is responsible for public liaison and stakeholder programs throughout Los Angeles County to build support for broad agency objectives and specific initiatives through local governance, construction of major capital projects, management of outreach for corridor and project consensus, public campaigns for bus and rail safety education and service changes. Regional Communications Programs is also the primary governmental liaison to the cities and unincorporated areas of Los Angeles County. Another function performed by the group is to conduct research to gauge customer satisfaction, general public opinion on transportation services and feedback on new services implemented or under development. In addition, the group is responsible for developing and implementing new programs and services that enhance transportation options for Los Angeles County residents.

Government Relations

Government Relations serves as the principal liaison to all federal, state, and local elected officials, government agencies, and commissions. The department develops Metro's legislative goals and objectives, advances the policy agenda in Sacramento, Washington and city halls throughout Los Angeles County, and crafts and implements strategies to accomplish Metro's legislative priorities.

Creative Services

The Creative Services Department provides a range of services that ensure Metro's wide ranging communications are of the highest caliber quality and that they emphasize consistency, dependability, and professionalism. The department designs

and produces all public/customer information materials, signage/wayfinding, advertising campaigns, promotions, fleet graphics, events, schedules, publications, reports/plans, copywriting, illustration and photography. The department designs/develops all web/interactive/digital communications and is now rebuilding the website to improve user interface, functionality and ADA compliance. The department also oversees the implementation of the agency's well regarded public art program, manages the care and maintenance of the system's existing collection of over 200 public art works and directs a Docent Council of volunteers who provide over thousands of individuals with guided art tours annually. Over the past year the department has received over 25 national awards.

Customer Programs and Services

Customer Programs and Services operates Metro's four customer centers that serve over 600,000 patrons each year, bringing in \$32 million in pass and token sales. The department administers the reduced fare programs for students and riders with disabilities, manages the centralized lost and found operation, and oversees remaining paper fare media distribution to over 500 vendor outlets in Los Angeles County. The unit manages the Metro Passes by Mail program and e-commerce sales of passes online.

Significant Events in FY10

- Metro Communications, which led the effort in passing Measure R, must now focus on moving perceptions into reality by showcasing every advancement and accomplishment that was made possible by the measure's passage. Additionally, Metro Communications must aggressively

- seek out and lock in additional funding sources to ensure future expansion and operating plans and mitigate revenue losses stemming from the state budget crisis, which has yet to bottom out. ARRA funds are the primary target. Metro must establish long-term federal funding agreements to help accelerate existing rail expansion plans made possible by Measure R and to implement a new federally mandated and California supported high-speed rail program.
- Communications made impressive strides in growing Metro's discretionary ridership base, increasing it by over 50% in the last few years. Efforts must be stepped up to maintain this level of growth, especially given the condition of the local economy and the 12% unemployment rate burdening Los Angeles County. The working population is where Metro attracts 81% of its boardings. Communications will explore the concept of "Premium Service" to attract new and retain existing customers. This "Premium Service" concept may also be a means to improve Metro's fare structure and ailing passenger revenue stream.
 - New ridership opportunities also exist with the opening of the eastside rail extension of the Metro Gold Line and the introduction of vastly improved express service on the newly dubbed Silver Line dual-hub bus line. Communications will geographically target ridership opportunities on these segments as well as high-productivity corridors where new ridership and revenue growth can be achieved and capacity exists.
 - Communications will also target park and ride utilization with the goal of attracting patrons to underutilized lots and creating awareness of customer alternatives for overcrowded lots. Communications' efforts will leverage the planned improvements for several park and ride lots under the federally funded "ExpressLanes" congestion reduction demonstration project, and should serve to smooth demand and increase ridership.
 - Communications will continue to design and produce a wide range of public information materials and provide community outreach for:
 - Metro Orange Line Extension construction
 - "ExpressLanes" Congestion Reduction Demonstration project
 - I-405 HOV project
 - Westside Corridor Extension
 - I-710 Corridor Study
 - Crenshaw-Prairie Study
 - Gold Line Eastside Extension towards Whittier
 - Gold Line Extension towards Azusa
 - Regional Connector and Harbor Subdivision
 - Wilshire BRT
 - Regional 511 Traveler Information System
 - TAP
 - American Recovery and Reinvestment Act of 2009 (ARRA) advancements
 - and other agency programs upon authorization of funding.
 - Over 31,000 discretionary customers participate in Metro's business-to-business programs each year. Over 400 local employers representing over 11,000 employees subscribe to Metro's Annual or Business Pass Programs. When an employer subsidizes transit

by more than 50%, transit use in that same company increases by as much as 300%. Communications maintains an aggressive 20% account growth goal for these programs. In FY10 Communications is planning to roll out a new program that targets the area's largest employers. This program will guarantee companies achieve their AQMD air quality goals by providing companies a transit alternative that directly benefits their employees. This program, which will launch in the fourth quarter, should account for significant ridership and revenue growth.

- Rideshare is another area that deserves more attention in FY10. With billions spent on the regions HOV network, demonstrating a return on investment is critical to future efforts. About 22% of the county's commuters rideshare (by bus, van and auto) and studies have shown a correlation between HOV lanes and ridesharing. Metro should get credit for the millions upon millions of annual trips removed from our highways as a result of our HOV lane efforts. Communications will capture ridership and rideshare patterns and develop a plan for attracting new users of both HOV and the soon-to-be implemented ExpressLanes.
- With the decline of traditional media, Metro Communications is developing strategies to more aggressively push news out to the public. The cornerstone of this initiative is the redevelopment of Metro.net into a transportation news and information portal. Communications will leverage Metro's highly popular trip planner to attract new users and implement significant upgrades to the website to

improve functionality, offer interactive news and customer interface and provide real-time transit information to bring them back daily. With two-thirds of our customers accessing the internet and 90% owning cellular phones, a simultaneous push will exist to move web offerings further into the high-technology cellular world. This aggressive approach will improve customer service and could offer new revenue opportunities for Metro.

- Metro Communications developed the fastest growing vanpool program in the country. With over 800 vans, Metro's Vanpool program ranks second only to Seattle. Bringing in over \$8 million in new NTD revenue, Metro Vanpool serves as a positive revenue stream for the agency. Communications will work closely with its regional partners and area businesses to aggressively grow the Metro Vanpool Program and promote vanpool usage for purposes of reducing the number of single occupant vehicle commuter trips to generate new regional funds.
- While Communications has nearly doubled Metro's advertising revenue stream (budgeted to bring in \$25.7 million in FY10 alone), a new revenue opportunities exists in the form of improved billboard contract management. There is a potential, but controversial revenue opportunity to bring in several times the current revenue with the nearly 600 outdoor boards owned by Metro that Communications will be pursuing.
- In FY09 Metro Communications enrolled nine Los Angeles City Community College Campuses, El Camino College Compton Center, and

Cal State Dominguez Hills and re-enrolled Rio Hondo Community College, UCLA, in reduced-fare student pass programs. Metro and the Los Angeles Community College District (LACCD) have partnered to offer low-cost public transportation passes to nearly 30,000 college students, making it one of the largest such pass programs in the country. In one of the largest single agreements of its kind, Metro contracted to enroll all full-time students in all nine LACCD

campuses. This was done in addition to existing contracts with UCLA and other educational institutions. In FY10, Communications needs to set its sights on enrolling USC (especially with the coming of the Metro Expo Line) and also enroll the remaining schools in L.A. County. In addition, Metro must implement TAP with each of these new campuses to ensure smooth transition of the program and future growth.

Communications Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|------------------------------------|------------------------|------------------------|------------------------|
| 1 Chief Communication Officer | 8 | 7 | 7 |
| 2 Customer Communications | 29 | 31 | 31 |
| 3 Customer Relations | 103 | 104 | 104 |
| 4 Public Relations | 11 | 11 | 11 |
| 5 Regional Communication Program | 16 | 17 | 21 |
| 6 Government Relations | 7 | 7 | 7 |
| 7 Creative Services | 14 | 16 | 16 |
| 8 Customer Programs & Services | 28 | 28 | 28 |
| 9 Communications Total FTEs | 216 | 221 | 225 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 10 Chief Communication Officer | \$ 1,240 | \$ 5,330 | \$ 2,037 |
| 11 Customer Communications | 13,317 | 10,505 | 11,534 |
| 12 Customer Relations | 7,420 | 7,619 | 8,037 |
| 13 Public Relations | 2,354 | 2,567 | 2,525 |
| 14 Regional Communication Program | 7,685 | 9,000 | 9,380 |
| 15 Government Relations | 1,803 | 2,022 | 2,034 |
| 16 Creative Services | 3,182 | 4,879 | 4,850 |
| 17 Customer Programs & Services | 4,688 | 4,487 | 3,165 |
| 18 Communications Total | \$ 41,688 | \$ 46,410 | \$ 43,564 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 19 Wages & Benefits | \$ 19,672 | \$ 20,430 | \$ 22,300 |
| 20 Acquisitions | 2,816 | 276 | 711 |
| 21 Services | 12,285 | 18,865 | 10,694 |
| 22 Material & Supplies | 1,027 | 1,201 | 5,389 |
| 23 Other Support | 5,888 | 5,638 | 4,469 |
| 24 Communications Total | \$ 41,688 | \$ 46,410 | \$ 43,564 |

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Communications: Key Performance Indicators

| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Improve transit services | | | | |
| Number of active employer worksites using Metro Commute | 1,200 | 1,300 | 1,700 | 1,700 |
| Total number of Rideshare Incentive participants in LA County. | 25,000 | 30,000 | 30,000 | 30,000 |
| Total newspaper ad distribution (total distribution of newspapers that carried ad times # of ads run) | | | 114,000,000 | 114,000,000 |
| Passes sold monthly through employer accounts. | 13,000 | 14,000 | 15,000 | 15,000 |
| Total Metro Rewards members | | 64,000 | 79,000 | 89,000 |
| Average wait time on 1-800-COMMUTE (min:sec) ⁽¹⁾ | 2:13 | 1:58 | 2:00 | 3:30 |
| Number of calls answered in the Call Center | | 1,900,000 | 2,100,000 | 2,300,000 |
| Number of total Trip Planner transactions | | 50,000,000 | 66,600,000 | 90,000,000 |
| Number of all email subscribers | | | 6,727 | 8,000 |
| Value of positive news coverage in print and broadcast media, as equivalent value of advertising | \$6,000,000 | \$8,000,000 | \$9,000,000 | \$9,000,000 |
| Number of monthly metro.net visitors (excluding Trip Planner) | | | | 500,000 |
| Number of monthly metro.net page views (excluding Trip Planner) | | | | 2,000,000 |
| Number of people attending docent guided art tours | | | 2,312 | 2,500 |

(1) FY10 target is increased due to the unknown impact of increased "transit" calls once 511 is implemented)

| GOAL 2: Deliver quality capital projects on time and on budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Conduct construction mitigation and community outreach | | | | |
| Conduct a community mapping study of the adjacent right-of-way to the I-405 Sepulveda Pass widening project | | | 10 miles | 10 miles |
| Conduct business profiles along 4-mile Metro Orange Line Extension | | | | 4 miles |
| Number of construction mitigation meetings conducted on the I-405 Sepulveda Pass widening project with elected officials, property owner potentially affected by relocations, and interagency stakeholders | | | 100 | 100 |
| Number of construction briefings conducted (including prior distribution of construction notices) with stakeholders on Metro Orange Line Extension | | | | 36 |

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Expand revenue generation sources | | | | |
| Revenue generated from advertising. | \$17,872,065 | \$20,398,917 | \$23,250,000 | \$25,600,000 |
| Revenue generated from employer / business pass sales. | | \$13,000,000 | \$15,000,000 | \$16,000,000 |
| Revenue generated from institutional / college pass sales. | | \$1,200,000 | \$2,700,000 | \$2,800,000 |
| Revenue generated from pass and token sales at Customer Centers. | | | | \$32,000,000 |
| Revenue generated from film leasing. | \$550,000 | \$600,000 | \$350,000 | \$350,000 |
| Revenue generated from reported vanpool NTD data. | | | | \$8,300,000 |

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| GOAL 4: Provide Leadership for the Region's Mobility Agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Coordinate implementation of multi-modal transportation programs with partner agencies | | | | |
| Number of passenger miles traveled (PMT) by Vanpool participants in the Metro Vanpool/Rideshare Program. | 7,171,055 | 90,624,242 | 142,795,224 | 157,103,064 |
| Number of vanpools vehicles in the Metro Vanpool/ Rideshare Program operated in annual maximum service (VOMS). ⁽²⁾ | 327 | 615 | 834 | 917 |
| Number of vehicle revenue miles (VRM) operated by the Metro Vanpool/Rideshare Program. | 1,066,157 | 13,065,208 | 17,849,403 | 19,637,883 |
| Number of commuters registered in the Metro Vanpool Program. | | | | 8,200 |
| Objective: Provide Quality planning, programming and analysis for Los Angeles County projects and programs | | | | |
| Number of interagency and community meetings conducted in coordination with Caltrans on State Route 710 Geotech Study. | | 20 | 40 | 40 |
| Number of community participation programs and community meetings associated with facilitation of Congestion Reduction Demonstration Program and all corridor transit and highway including Crenshaw-Prairie, Canoga Transportation Corridor, Westside Extension, Regional Connector, Eastside Corridor Phase II, Harbor subdivision and I-710 EIR/EIS. | | 170 | 260 | 118 |
| Number of facilitated meetings and communications with City Managers and Community Relations Executives in 88 Cities, unincorporated LA County, Port of Los Angeles, Port of Long Beach, Southern California Association of Governments (SCAG) Southern California Air Quality and Management District (SCAQMD), Caltrans, and League of Cities. | | | | 264 |
| Number of constituents reached in a Countywide Stakeholder Network to communicate Metro initiatives and status of policy, programs and projects. | | | | 46,000 |

(2) Total number of Rideshare vanpools reported in previous adopted budget documents presented vanpools in the regional ride matching database. Beginning with the FY10 budget document, KPIs will only track Metro Vanpool Program vanpools.

| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Create a safety-conscious culture throughout Metro and its customers and business partners | | | | |
| Number of K-12 students receiving Rail Safety Orientation Tours. | 8,559 | 12,422 | 11,975 | 13,172 |
| Number of people reached through Metro Rail Safety presentations to students, businesses and community events. | 35,033 | 101,483 | 205,405 | 225,945 |

Economic Development



Introduction

Economic Development is responsible for the development, planning and implementation of new business opportunities which provide innovative transit solutions that improve transit connectivity within the region and significant increases in revenue to Metro.

New Business Development

New Business Development is responsible for the planning, development and management of private and public sector real estate development projects on Metro-owned property. The centerpiece of this department's efforts is its joint development program which focuses on transit-oriented development at or near Metro Rail and other fixed guideway stations. This program seeks to:

- promote and enhance transit ridership.
- reduce auto use and congestion through transit-linked development.
- enhance the land use and economic development goals of surrounding communities, while protecting Metro transportation corridors and environs.
- generate value to Metro based on fair market return on the public investment.

New Business Development also coordinates with local jurisdictions in station area land use planning in the interest of establishing development

patterns that enhance transit use. In addition, New Business Development is responsible for the coordination of the many elements necessary to prepare for implementation of the Congestion Mitigation Fee Project Identification (CMP) Program.

Real Estate Administration

The Real Estate Administration Department's mission is to provide high quality real estate services in the areas of appraisal, environmental investigations, acquisition, relocation services, and property management in a way that is fiscally responsible, customer focused, and responsive.

The Real Estate Administration Department has two functional units: Real Estate Services and Property Management. The Real Estate Services unit is responsible for the acquisition of all real property required for the construction and operation of Metro's administrative, bus and rail projects. This includes real property appraisals, Phase I and Phase II environmental site assessments, negotiations with sellers, and relocation assistance to occupants displaced by Metro projects in compliance with federal and/or state guidelines. The unit also disposes any surplus property no longer required for Metro purposes.

The Property Management unit manages Metro's real property that is not required for immediate transit use including short-term rental, licensing and permitting. The unit negotiates with property owners for leasing of property required for Metro's administrative and operational needs, and provides management services for the retail space, common areas/ transit center at Gateway, and manages right-of-way leases for the San Bernardino Association of Governments (SANBAG) and the Foothill Gold Line Construction Authority.

Universal Fare System /Transit Access Pass Regional Operations and Administration

The Universal Fare System (UFS) and Transit Access Pass (TAP) is a regional electronic smart card fare payment system that is now a US registered trademark, TAP®. TAP oversees the design, build, operation and maintenance of this new technology for Metro and 11 other Los Angeles County municipal operator participants. In addition to the acquisition of capital equipment, TAP is responsible for the operation of a regional customer service and financial clearinghouse. TAP has also begun preliminary analysis and discussions with interested third-parties for potential incorporation with Transit-Oriented-Development (TOD) projects and the use of this TAP smart card for parking and retail. TAP also oversees the system engineering, and implementation of the Metro Rail Gating project at all Metro Red Line stations and selected light rail stations.

Congestion Pricing

The Congestion Reduction Demonstration Initiative seeks to introduce tolling on carpool lanes on I-10 and I-110, known as ExpressLanes, as well as multmodal

improvements on the corridors, including new and expanded transit services. The aim of the program is to foster incentives for sustainable change that creates time savings, cost savings, reduces pollution, and effectively manages our current roadway network – basic essential elements of a green corridor.

The Congestion Reduction Demonstration Initiative will oversee the development, design and construction of the toll infrastructure, toll technology and operational improvements needed to complete the conversion of existing I-10 HOV & I-110 HOV lanes to ExpressLanes. The multimodal improvements will be implemented by other Metro departments and partnering agencies. Improvements include transit and highway components, with improved rail and bus facilities and services, parking infrastructure and management and transit signal priority. Projects also include enhancements to park-and-ride facilities, as well as improvements for access, capacity, and security at transit centers, bus stops, and rail stations along I-10 and I-110. The purchase of 57 buses for Metro and municipal transit operators with corresponding service expansions and improvement will provide new and enhanced transit service along the High Occupancy Toll Lane (HOT) corridors

Significant Events in FY10

- Award Toll System and Infrastructure Contract for the Congestion Reduction Project.
- Secure Board Approval and Adoption of the Congestion Reduction Toll Policy.
- Complete the Congestion Pricing Operating Plan for Los Angeles County.
- Convert remaining cities, colleges, students, and senior centers to TAP to

- support customer base and to increase TAP penetration
- Complete testing and installation of Metro rail gating and begin implementation of three phases to locking gates and TAP in/TAP out functionality.
- Complete integration of regional transit operators currently under contract with Cubic and work with other regional operators to develop solutions for the implementation of TAP.
- Explore non-transit application of TAP at TOD projects (parking, retail, etc)
- Complete the conversion of Metro pass products to TAP and continue with regional products such as EZ transit pass as solutions are identified.
- Implement VISA/TAP pre-paid demonstration project to assess potential for future revenue generation.
- Complete the construction of the joint development projects at the Hollywood and Vine Red Line Station.
- Execute ground leases for and commence construction on three joint development projects, including projects along the Gold Line's Eastside Extension at the southwest corner of 1st & Boyle and Chavez and Fickett.
- Enter into joint development agreements for three joint development projects, including the North Hollywood Red Line Station project.
- Enter into exclusive negotiation agreements for three joint development projects including the Sepulveda Orange Line Station park & ride lot.
- Generate \$2.9M in Joint Development revenue.
- Generate \$13.8M in revenue from the management of real estate assets.

Economic Development Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Congestion Reduction | - | 2 | 3 |
| 2 New Business Development | 7 | 7 | 7 |
| 3 Real Estate Administration | 20 | 20 | 20 |
| 4 TAP Operations | 9 | 9 | 10 |
| 5 Economic Development Total FTEs | 36 | 38 | 40 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 6 Congestion Reduction | \$ - | \$ - | \$ 16,333 |
| 7 New Business Development | 1,163 | 8,874 | 7,610 |
| 8 Real Estate Administration | 10,219 | 20,675 | 17,091 |
| 9 TAP Operations | 11,727 | 26,033 | 42,027 |
| 10 Economic Development Total | \$ 23,109 | \$ 55,582 | \$ 83,061 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 11 Wages & Benefits | \$ 3,304 | \$ 4,850 | \$ 5,213 |
| 12 Acquisitions | 5,240 | 24,071 | 39,043 |
| 13 Services | 12,269 | 20,335 | 28,118 |
| 14 Material & Supplies | 1,797 | 5,882 | 10,189 |
| 15 Other Support | 499 | 444 | 497 |
| 16 Economic Development Total | \$ 23,109 | \$ 55,582 | \$ 83,061 |

Economic Development: Key Performance Indicators

CONGESTION REDUCTION DEMONSTRATION PROJECT

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Utilize Integrated Project Management process to manage capital projects on-time and within budget | | | | |
| Provide monthly updates demonstrating Congestion Reduction Demonstration project meets major milestones | | | 6 | 11 |
| Award Toll System and Infrastructure Contract for the Congestion Reduction Project | | | | Mar-10 |
| Secure Board Approval and Adoption of the Congestion Reduction Toll Policy | | | | Sep-09 |
| Develop and implement the Congestion Reduction Marketing Plan | | | | Jun-10 |

| GOAL 4: Provide leadership for the region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Promote Transit Oriented Development projects , Congestion Reduction Demonstration Project and Regional TAP Programs | | | | |
| Complete the Congestion Pricing Operating Plan for LA County | | | | Dec-09 |

ECONOMIC DEVELOPMENT

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Increase TAP usage, sales and expand revenue generation sources | | | | |
| Generate lease-related revenue on TOD projects | \$1.6M | \$1.5 M | \$1.8M | \$2.9M |

| GOAL 4: Provide leadership for the region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Promote Transit Oriented Development projects , Congestion Reduction Demonstration project and Regional TAP Programs | | | | |
| Issue RFPs and execute Exclusive Negotiating Agreements for joint development projects | | | | 3 |
| Complete negotiations and execute joint development agreements for joint development projects | | 3 | 1 | 3 |
| Execute ground leases for and commence construction of joint development projects | | | 1 | 5 |
| Facilitate joint development and improvement of bus facility on the Caltrans property at Aviation Station | | | | Jun-10 |
| Complete easement agreement with Culver City to facilitate development on adjoining City property and improve parking and access for Expo patrons | | | | Jun-10 |

| GOAL 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Promote sustainability and "green" standards | | | | |
| Ensure all new joint development projects are constructed to LEED Silver or an appropriate equivalent standard | | | | 1 |

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REAL ESTATE ADMINISTRATION

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Increase TAP usage, sales and expand revenue generation sources | | | | |
| Generate lease-related revenue from Metro-owned sites managed by Real Estate Dept. | \$13.8M | \$16.3M | \$15.7M | \$13.8M |

TAP OPERATIONS

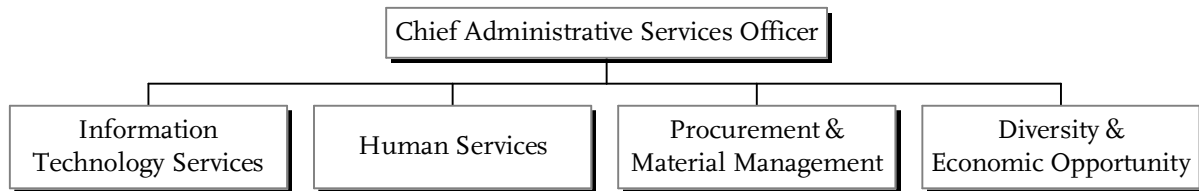
| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Provide efficient, effective, and safe transit services | | | | |
| Complete testing and installation of Metro rail gating and begin implementation of three phases to locking gates and TAP in/ TAP out functionality | | | | Jun-10 |
| Complete the conversion of Metro pass products to TAP and continue with regional products such as EZ transit pass as solutions are identified | | | | Jun-10 |

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Utilize Integrated Project Management process to manage capital projects on-time and within budget | | | | |
| Provide monthly Board update on TAP and Metro Rail Gating Projects at the Ops Committee to demonstrate projects meet major milestones | | | 11 | 11 |

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Increase TAP usage, sales and expand revenue generation sources | | | | |
| By FY2010 implement VISA/TAP pre-paid demonstration project to assess potential for future revenue generation | | | | Jun-10 |
| Convert remaining cities, colleges, students, and senior centers to TAP to support customer base and to increase TAP penetration | | | | Jun-10 |
| Convert Metro Mail customers to TAP for Metro products and continue with Regional products as EZ transit pass solutions are identified | | | | Jun-10 |

| GOAL 4: Provide leadership for the region's mobility agenda | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Promote Transit Oriented Development projects , Congestion Reduction Demonstration Project and Regional TAP Programs | | | | |
| Complete integration of regional transit operators currently under contract with Cubic and work with other regional operators to develop solutions for the implementation of TAP | | | | Jun-10 |
| Explore non-transit application of TAP at TOD projects (Parking, Retail) | | | | Jun-10 |

Administrative Services



Introduction

Administrative Services provides cross-functional administrative and technological support to Metro's core business units. This strategic business unit has Information Technology, Procurement and Material Management, Diversity/Economic Opportunity and Human Services including Human Resources, Organizational Development & Training, Employee and TCU Labor Relations and General Services. Each unit consists of departments and resources that serve all Metro operating units.

Information Technology Services

Information Technology Services (ITS) is responsible for the development, implementation, operation, maintenance, security and technical support of Metro's computer systems and integrated communications network. ITS is comprised of four units: Information Management, Operations and Service Delivery, Systems Architecture and Technology Integration, and Planning and Administration.

Information Management

Information Management provides system enhancements, development and production support for Metro's 140 business system applications. Mission critical systems include Financial Information System (FIS), Maintenance and Materiel Management (M3), Human Resources (HR), Payroll, Transit Operator

and Trends System (TOTS), Scheduling (HASTUS), Metro Trip Planner (TripMaster) and Electronic Content Management System (ECMS). Support duties include requirements analysis, application design, development, testing, and implementation, application upgrades and incident resolution.

Operations and Service Delivery

Operations and Service Delivery provides support for Metro desktop and kiosk workstations, Wide Area Network, the Board Room, electronic surveillance systems, PBX telephone systems, and audio visual services. The unit manages and operates the Help Desk and Computer Center Operations which includes over 3,200 desktop computers, 12,000 phone devices, and 2,100 telecommunications data line services.

Systems Architecture and Technology Integration

Systems Architecture and Technology Integration supports the activities associated with constructing, integrating and managing Metro's infrastructure for network, databases and data security.

Services include:

- Network Engineering which supports all data and voice network in the enterprise, wire and wireless networks.
- Database Management which supports all databases, Midrange servers and storage systems.

- Network Administration which supports all Windows Server operating systems and Enterprise Messaging systems.
- Systems Integration and Security Management which supports enterprise data and network security and the disaster recovery program.

Planning and Administration

Planning and Administration manages vendor contracts and licensing agreements, budget planning and performance analysis, administrative management reporting and personnel administration. Services include policy and procedure development and adherence, project management oversight and audit compliance.

Human Services

The Human Services unit is comprised of five departments: Administration, General Services, Human Resources, Organizational Development and Training and Employee & TCU Labor Relations. These functions support essential agency-wide activities and projects.

Administration

The Administration unit is responsible for the essential functions of ADA Compliance, agency-wide policy development and special agency-wide projects. The Executive Office provides leadership and management oversight of administrative services such as policy development, building management and ADA compliance, and chairs the Gateway Tactical Safety Committee and Pre-Qualification Appeals Panel, as well as the provision of staff for Metro's Accessibility Advisory Committee.

General Services

General Services is dedicated to providing a variety of essential and important services to all Metro departments. General Services provides USG facility and administrative services, including building management and maintenance, records management, mail services, travel coordination, copy services, and pest and rubbish oversight for Metro facilities. General Services is comprised of five operating functions: General Services Administration, Mail Services, Copy Services, Building Services, and the Records Management Center.

Employee and TCU Labor Relations

Employee and TCU Labor Relations provide the resources to manage Metro's Transportation Communications Union (TCU) labor agreement in a professional manner. The department negotiates and administers Metro's collective bargaining agreement with TCU, manages grievances arising out of interpretation and administration of the labor agreement, serves as advocate for Metro management during arbitrations related to the labor agreement, provides contract interpretation and due process advice to Metro management, and manages grievances of all non-represented employees.

Human Resources

Human Resources furnishes administration and guidance on all aspects of personnel management for Metro including recruitment and staffing, job classification and compensation, leave programs, drug and alcohol compliance programs, employee assistance program, violence prevention/threat management program, transportation subsidy/rideshare program, management of the Gateway Childcare Center outsourcing contract and automated recordkeeping.

Organizational Development and Training

The Organizational Development and Training (OD&T) department functions as the agency-wide internal consultant services unit whose purpose is to facilitate and integrate organizational best practices, increase individual and team performance, improve cycle time, increase financial and operational effectiveness, meet or exceed client/customer requirements and facilitate agency-wide strategic planning outcomes. OD&T designs and develops customized agency-wide employee, management and leadership development training programs to enhance the knowledge, skills and abilities of the workforce and prepares employees for the changing demands of the workplace.

Procurement and Material Management

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

Procurement and Material Management includes Material Management, Contract Administration, Client/Vendor Services, and Diversity and Economic Opportunity.

Material Management

Material Management plans, acquires, and controls inventory assets to deliver efficient and cost effective services that are responsive to client demands and expectations. Included are the accurate forecasting of mid to long term material requirements, the cost effective provisioning and acquisition of goods and services, inventory accounting, supply chain management, inventory storage, asset security and timely distribution of materials, parts and supplies.

Contract Administration

Contract Administration performs acquisition planning, coordinates pre-award actions to produce executable contracts and performs post-award contract administration. They also manage claims/change order processing / negotiation, and contract close-out. They also support the procurement of all non-inventory requirements and administers Metro's purchasing card program. Within Contract Administration, the Estimating unit develops independent cost estimates in support of establishing a fair and reasonable price for Metro's procurement transactions, including new procurements and contract modifications. They also provide support in performing price analysis, cost analysis, value engineering review and contract price negotiations.

Client Vendor Services

Client/Vendor Services oversees and manages the administrative processes and business information systems in support of Procurement and Material Management and its clients. This includes the following:

- Operation of the Automatic Storage and Retrieval System (40,000 random storage locations).
- Maintenance and Material Management System (M3).
- TransportMax.
- Support of the Purchase Order Module of the Financial Information System.
- 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.
- Planning and deployment of major systems, such as M3, Electronic Content Management System (ECMS), FIS 11i, Internet Procurement,

Internet Supplier Portal, Purchasing Intelligence, e-Marketplace and TransportMax.

Diversity and 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 opportunity 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.

Significant Events for FY10

Information Technology Services

- Provide infrastructure support for Gold Line, Expo Line, Orange Line, Union Division, and Artesia Freeway capital improvement projects.
- Upgrade Board Room Audio Visual Systems to replace the existing aging equipment with current standard technologies to support the various communication modes, such as video streaming over the network, and to expand the communication reception to accommodate overflow into other conference rooms.
- Transit Operator Activity Scheduling and Tracking (TOAST) Project: Metro will migrate from a paper-based

computer assisted system to a real-time automated solution for transit operator scheduling. The result will be resource efficiency and better regulatory compliance.

- Implement Metro Applicant Tracking Systems, a web-based system, to automate the recruitment and selection process for job applicants.
- Provide employee self-service and additional security features for the Oracle Human Resources and Financial system to include electronic Personnel Action Forms (PAF), W4 changes, self service for 401K and 457K plans, and implement Oracle Tablespace to encrypt sensitive data within the applications.
- Upgrade Fleetwatch, the fuel management system, to version 3.0 to support JX-55 hub technology.
- Implement Electronic Content Management System (ECMS) upgrade to comply with state regulations regarding records retention and privacy.
- Implement Call Parrot to Rail and Bus Operations to augment telephone call recordings and provide self-management capabilities.
- Complete pilot project to digitize signature filing for Form 700.
- Implement process to electronically transmit benefit enrollment data to insurance carriers.
- Conduct the agency's annual disaster recovery test.
- Replace the Computer Center Uninterrupted Power Supply (UPS) system to replace the current obsolete one to reduce the threat of a power failure and to ensure continued operations of the agency's mission critical business applications.
- Install 250 workstations to replace aged or malfunctioning equipment.

- Upgrade 3,200+ workstations to Window 7, and Office 2007.
- Increase data network communications bandwidth threefold for Bus & Rail locations from 3 megabits/second to 10 megabits/second.
- Implement wireless network management system to strengthen the control and security over the agency's wireless network communications infrastructure.
- Move to State of California Master Services Agreement (CalNET 2) for telecommunications services for all AT&T services.
- Implement Agency Policy IT7, IT Standards Compliance and Asset Management.

Human Services

Administration

- Continue two ADA programs to expand training to increase mobility aimed at older and disabled adults. The first program, the Wheelchair Marking and Tether Strap program is to increase safety of riders who use wheelchairs. The second program is to increase mobility of senior citizens.
- Manage the administrative policy review process. Develop new policies and update existing ones.

Employee and TCU Labor Relations

- Design and build system enhancements for employee record keeping and grievance tracking.
- Negotiate successor contract with Transportation Communications Union (TCU).
- Resolve outstanding labor issues from prior contract through labor/management committee.

General Services

- Expand recycling program to reduce and/or divert the amount of waste going to landfills throughout Metro as a sustainability and cost savings measure.
- Install waterless urinals, flush valves for toilets, hands free water faucets and hand dryers in USG restrooms as a sustainability and cost savings measure.
- Execute new contract to provide data room/computer equipment cleaning services. Included are 2nd floor security control room, data center, data center administrative offices, telephone switch room including internet connections, and 6th floor Advanced Transportation Management System (ATMS) computer rooms including equipment that monitors and tracks all buses in service.
- Complete procurement and implement new multi-year security system maintenance, repair and upgrade contract for proprietary computerized integrated security system including card readers, duress alarms, surveillance cameras and motion sensors throughout Metro facilities.
- Clean Gateway headquarters building exterior and interior windows and pressure wash building exterior to remove grime and buildup and prevent deterioration of stone and grout.
- Obtain Board approval to revise the Records Management Policy incorporating new legal requirements on electronic records.
- Develop procedures and design and implement a database system to manage DVR records for internal and external public records requests.

- Complete upgrade of the Enterprise Content Management System (ECMS) Document Imaging System.
- Commence procurement for new lease and maintenance contract of multi-function copiers.

Human Resources

- Continue the Bus Operator Bridge program.
- Manage non-occupational leaves of absence in compliance with state law, human resources policy and collective bargaining agreements to support employee needs and minimize lost work time.
- Implement new applicant tracking system.
- Conduct Bus operator recruitment activities to maintain efficient manpower for bus service delivery.
- Develop and implement web-based W-4 self-service process.
- Automate Personnel Action Form (PAF) processing.

Organizational Development and Training

- Conduct agency-wide training on Vista, Microsoft Office 2007, Shared Point and ECMS in conjunction with ITS implementation.
- Conduct agency-wide computer training to comply with ADA Document Compliance mandate.
- Implement agency-wide Champions for Change Sustainability Program to help sustain the environment through energy efficiency and reduction of greenhouse gas emissions.
- Continue on-site college programs (i.e. Cal Poly Pomona MBA, Cal State Long Beach MPA, San Jose Mineta Institute MBA, East Los Angeles College AA) and establish a Bachelor Degree in Business Administration with

University of La Verne and Certification Programs with UC Irvine.

- Expand the existing PACE undergraduate program (i.e. East Los Angeles College and Mission Hills) to include other Metro locations.
- Facilitate and partner with TCU representatives and Metro Management to develop a training program for custodians, store clerks and store keepers.

Procurement and Material Management

- Implement the Material Cost Saving Initiative.
- Complete user training and initial roll-out of M3 Image Manager.
- Execute material provisioning plans for the Bus Midlife Project and Bus Engine Replacement Program.
- Conclude bus division material usage and inventory reorder point update project.
- Perform and fulfill Federal Transit Administration (FTA) required Equipment Asset Inventory cycle and deliver results to Accounting Department.
- Remove and sell obsolete inventory resulting from the retirement of the vehicles manufactured by TMC (Transportation Manufacturing Corporation).
- Implement capital Warehousing Improvement projects for Divisions 3, 7 and 9.
- Issue contract to build the 490 Bauchet Facility capital project.
- Expand Metro P-Card (Purchase-card) Program through “method of payment” project. Convert existing agency contracts and consolidate small purchases into master agreements that will use P-Card as a method of payment which will provide for greater

economies of scale and maximize efficiency.

- Update Project Management Training.
- Revise Procurement Policy Manual.
- Publish Procurement Instructions and Procedures Update.
- Award contract to develop and define business requirements for a contract management system.
- Manage the contract in coordination with CalTrans, for the I-405 Sepulveda Pass Widening Project.
- Provide ongoing procurement support for the UFS Gating Project to include support for equipment lease, station infrastructure modifications and long term system support and maintenance agreement.
- Close out contract for L.A. congestion pricing operating plan in support of 2010 Federal congestion pricing requirements.

- Issue Countywide Metro Rapid Signal Priority Expansion contract which will implement wireless signal technologies to support Metro Rapid operations along the Manchester, Garvey-Chavez and Atlantic corridors.

Diversity and Economic Opportunity

- Oversee the conclusion of the disparity study. The results will be used to make adjustments to Metro's Disadvantaged Business Enterprise (DBE) program.
- Implement a Metro Jobs Local Hire program that will promote employment and job training opportunities in Los Angeles County on large construction projects executed with federal stimulus funds.
- Reduce Small Business Certification backlog and minimize the processing time for certification reviews.

Administrative Services Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 1 Information Technology Services | 130 | 130 | 130 |
| 2 Human Services | 152 | 152 | 152 |
| 3 Procurement & Material Management | 228 | 228 | 229 |
| 4 Diversity & Economic Opportunity | 22 | 22 | 22 |
| 5 Administrative Services Total FTEs | 532 | 532 | 533 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 6 Information Technology Services | \$ 24,604 | \$ 24,954 | \$ 25,792 |
| 7 Human Services | 21,427 | 23,288 | 23,231 |
| 8 Procurement & Material Management | 31,069 | 28,338 | 28,643 |
| 9 Diversity & Economic Opportunity | 2,348 | 2,995 | 2,484 |
| 10 Administrative Services Total | \$ 79,448 | \$ 79,575 | \$ 80,149 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 11 Wages & Benefits | \$ 50,088 | \$ 54,075 | \$ 54,642 |
| 12 Acquisitions | 1,733 | 3,403 | 3,226 |
| 13 Services | 8,679 | 10,074 | 10,350 |
| 14 Material & Supplies | 10,820 | 5,478 | 5,186 |
| 15 Other Support | 8,128 | 6,546 | 6,746 |
| 16 Administrative Services Total | \$ 79,448 | \$ 79,575 | \$ 80,149 |

Administrative Services: Key Performance Indicators

DIVERSITY & ECONOMIC OPPORTUNITY

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Create level playing field for small businesses to compete fairly on Metro procurements and evaluate shared responsibility in meeting annual goal. | | | | |
| Review and evaluate all projects over 25K for construction and 40K for services and commodities to identify Prime and Subcontract opportunities for certified firms that participate in Metro's DBE, SBE and M/WBE small business programs. Assist Metro in creating a level playing field for small businesses in efforts to meet its annual small business goals. | 100% | 100% | 100% | 100% |

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Track all certified payroll reports to identify wage underpayments on Metro contracts per Federal and State regulations. | | | | |
| Monitor certified payroll reports to identify prevailing wage underpayments submitted by contractors on Metro Public Works projects per Federal and State regulations. | 100% | 40% | 100% | 100% |

| GOAL 7: Maintain open lines of communication | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Administer a timely and effective EEO complaint processing program in order to resolve discrimination complaints. | | | | |
| Provide thorough and prompt processing of all internal discrimination complaints within 90 days to increase customer service to Metro employees. | 86 Days | 115 Days | 90 Days | 90 Days |
| Objective: Maximize contracting opportunities for small and minority owned firms. | | | | |
| Process completed small business certification applications from Metro's designated CUCP area within 90 days of receiving all required documentation. | 100% | 82% | 100% | 100% |
| Process completed small business certification applications received from other certifying agencies within Southern California CUCP area within 90 days of receiving all required documentation. | | 75% | 100% | 100% |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

HUMAN SERVICES

| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Efficiently and effectively operate service. | | | | |
| Conduct Accessibility Advisory Committee meetings. | | 9 | 9 | 10 |
| Provide disability awareness training classes to Metro employees. | | 8 | 8 | 8 |

| GOAL 5: Develop an effective and efficient workforce | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Invest in employee Development | | | | |
| Client satisfaction rating for Training & Development sessions (1 to 5 scale) | 4.59 | 4.58 | 4.6 | 4.6 |
| Cost per training participant | \$24.03 | \$29.31 | \$24.27 | \$26.16 |
| Employees completing formal in-house training ⁽¹⁾ | 7,187 | 6,128 | 6,000 | 5,000 |
| Objective: Provide efficient and effective customer service to internal and external customers while being fiscally responsible. | | | | |
| Percent of Copy Center jobs delivered on-time | 97% | 100% | 100% | 100% |
| Percent of externally-generated tracked packages delivered within six hours | 99% | 99% | 99% | 100% |
| Percent of internally-generated, tracked packages delivered within 12 hours of pickup | 98% | 100% | 100% | 100% |
| Percent of mail distributions completed on-time | 98% | 99% | 99% | 100% |
| Percent of public record requests provided in compliance with policies | 99% | 100% | 99% | 100% |
| Percent of staff record requests provided in compliance with policies | 99% | 100% | 100% | 100% |
| Percent of work order satisfaction surveys completed favorably with a response of "satisfied" or greater. | | | 95% | 95% |
| Objective: Provide efficient and effective customer service to internal and external customers. | | | | |
| Provide interpretation and application of TCU Labor Agreement and employee relations specific non-contract policies with a turnaround not to exceed one business day. | 100% | 100% | 100% | 100% |
| Respond to TCU grievances within contract time limits and non-contract hearings. | 100% | 100% | 100% | 100% |
| Objective: Provide excellent customer service to library patrons with fast response to requests, current information and up-to-date research materials. | | | | |
| Percent of newly-acquired research materials catalogued and shelved within 5 days of receipt | 95% | 95% | 89% | 95% |
| Percent of reference and research questions answered within 48 hours | 95% | 95% | 95% | 95% |
| Number of documents downloaded from web pages for research needs | 3,000 | 3,000 | 117,107 | 3,000 |
| Percent of MTA Board adopted policies summarized and published within 30 days of adoption | 95% | 95% | 90% | 95% |
| Objective: Develop and maintain an effective employee recruitment and retention program. | | | | |
| Average number of work days from assignment of requisition for non-contract positions to candidate certification to hiring department | | | | 25 |
| Average number of work days from candidate certification to job offer/resolution of requisition for non-contract positions | | | | 15 |
| Hire required number of Bus Operators | 0 | 0 | 840 | 720 |
| Installation of new Applicant Tracking Management System (ATMS), a 12-month budgeted capital project | 0% | 0% | 100% | 100% |
| Maintain existing turnover rate at a level of 8% or less (excluding RIFs). | 9% | 8% | 8% | 8% |
| Minimize total number of employees on leave of absence | 570 | 565 | 560 | 560 |

(1) Number of employees in training expected to decline consistent with reduced FY10 recruitment targets.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

HUMAN SERVICES (continued)

| GOAL 7: Maintain open lines of communication | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Provide efficient and effective customer service to internal and external customers while being fiscally responsible. | | | | |
| Review all administrative policies every two years from date of last review. | n/a | 100% | 100% | 100% |

| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Promote and provide a safe environment for all occupants of Gateway Headquarters | | | | |
| Percent of custodial safety related trouble calls responded to and completed within 30 minutes of notification | | 100% | 100% | 100% |
| Percent of safety related trouble calls documented and notified appropriate personnel within 30 minutes. | 100% | 100% | 100% | 100% |

INFORMATION & TECHNOLOGY SERVICES

| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Complete all ITS Work Order tickets promptly, professionally, and courteously. | | | | |
| Customer service survey average score | 4.55 | 4.60 | 4.63 | 4.65 |
| Objective: Maintain mission critical application availability to the agency. | | | | |
| System uptime | 99.5% | 99.5% | 99.6% | 99.6% |

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Meet or better the capital project schedule adherence target | | | | |
| Schedule Performance status | 95.8% | 98.0% | 98.0% | 98.0% |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

PROCUREMENT & MATERIAL MANAGEMENT

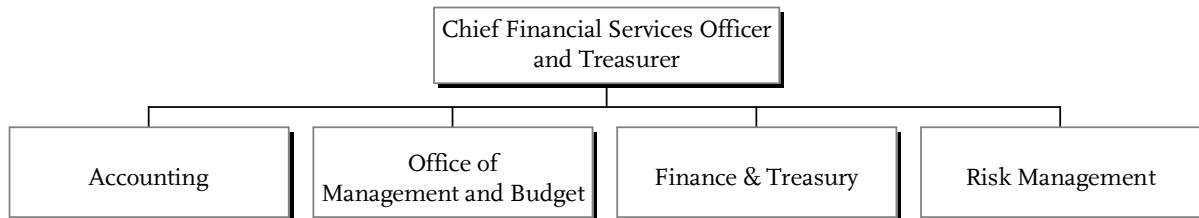
| GOAL 1: Improve transit services | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Acquire and deliver cost effective materials, parts and supplies | | | | |
| Quarterly average No-Stock Hold as a percent of active fleet. | 0.1% | 0.6% | <1.0% | <1.0% |

| GOAL 2: Deliver quality capital projects on time and within budget | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Utilize Integrated Project Management process to manage capital projects to bring projects in on-time and on-budget | | | | |
| Percentage of cost estimates that are at or below the Estimating Department's stated standard cycle time (16 work days for estimate deliverables with a threshold of \$2M and under & 30 work days for estimate deliverables over \$2M) ⁽¹⁾ | 80% | 75% | 96% | 80% |

(1) The FY10 target is lower than FY09 results because the FY10 workload is expected to include more design-build estimates, which are more time consuming than design-bid-build estimates.

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Continue to improve the procurement process | | | | |
| Average inventory material procurement cycle time (days) | 9.07 | 8.82 | 9 | 9 |
| Average non-inventory material/services procurement cycle time for IFB (days) | 26 | 26 | 26 | 26 |
| Average non-inventory material/services procurement cycle time for RFP (days) | 45 | 45 | 45 | 45 |
| Client Feedback (scale: 1-low to 3-high) | 2 | 2 | 2.5 | 2.6 |
| Percentage of invoices paid within 30 days | 98% | 95% | 98% | 98% |

Financial Services



Introduction

Financial Services provides cross-functional administrative and financial services to support Metro's core business units.

Accounting

Accounting prepares financial reports used to support Metro's financial and compliance accounting, reporting and auditing requirements, bonds and debt issues, funding partners' grant billings and reporting needs, and various management financial analyses. The department accounts for all financial transactions relating to Metro's capital and operating projects, capital assets, sales tax revenues and subsidies, fare media, payroll, accounts payable, and accounts receivable transactions and maintain its financial information systems.

Office of Management and Budget

The Office of Management and 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.

Finance and Treasury

Finance and Treasury forecasts and concentrates cash, overseeing day-to-day liquidity management, directs the investment of available cash and debt proceeds, and administers the issuance and ongoing management of debt and leasing transactions. Additionally, Finance and Treasury includes the Revenue Administration Unit and Pension and Benefits. The Revenue Administration unit collects and deposits fare revenue, inspects and monitors fare collection facilities, equipment, and procedures with law enforcement to counteract counterfeit fare media, and maintains Ticket Vending Machine (TVM) collection equipment, Stand Alone Validators and Hand Held Units. The Pension and Benefits unit administers all facets of group health and welfare plans, pension plans, 401 (k) and 457 deferred compensation plans and unemployment insurance. The department also provides retirement and financial counseling programs for employees.

Risk Management

Risk Management is responsible for protecting Metro's assets through the identification, management, and control of insurable and transferable risks. These responsibilities include the 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; risk financing procedures; and the recovery of self-insured expenditures for damage to Metro property or for medical malpractice.

Significant Events in FY10

Accounting

- Implement all Measure R project accounting, auditing, reporting and billing requirements
- Support the development of processes and procedures for TAP implementation
- Process improvement of Accounts Payable document imaging system; software and hardware upgrade.
- Process improvement of P-Card Program utilizing Oracle FIS.

Finance and Treasury

- No “new money” debt issuance is planned during the fiscal year. Sufficient bond proceeds are currently available to meet the FY10 bond proceeds funding requirements of the Metro Gold Line Eastside Extension, the Metro Exposition Line and other capital projects.
- Under the Natural Gas Hedging Program, periodically enter into hedges to stabilize costs for portions of the FY11 and FY12 gas purchases. Hedging reduces the potential for large cost variances related to changes in the rate per therm. Hedging of FY10 pricing was previously completed.
- Pursue opportunities to increase investment returns on certain restricted bond proceeds and other invested amounts, as well as to refund certain long-term bonds to reduce debt service.

- Complete the restructuring of the remaining \$390 million of Auction Rate Bonds and Variable Rate Demand Bonds to reduce increased interest cost resulting from the ongoing financial crisis.
- Install Ticket Vending Machines (TVM’s) at future Metro Gold Line Eastside Extension Rail stations.
- Fare restructuring will result in fewer one-dollar bills collected and “sold” to the contracted vendor.
- Decrease overtime costs in FY10 by 5% compared to FY09.
- Conduct operational review at various operating divisions to ensure that revenue collection procedures and policies are being followed.
- Provide support for the implementation of the Universal Fare System (UFS) Transit Access Pass (TAP).
- Implement wellness program for Non Contract, AFSCME and Expo Light Rail employees.
- Conduct process improvement review of benefits administration to maximize Oracle Advanced Benefits capabilities.
- Invest short-term cash portfolio, including Measure R receipts, to ensure excess funds earn interest income and to provide liquidity for daily working capital needs.
- Provide support for implementation of Payment Network check processing on PL/PD payments.
- Provide revenue collection and maintenance support for the newly opened Metro Gold Eastside Extension TVMs, Stand Alone Validator and Fare gates.
- Initiate Vending of TAP Cards on Ticket Vending Machines.
- Provide Support for the implementation of the Universal Fare System Transit Access Pass.

- Work in concert with the Los Angeles Sheriff's Department to reduce fare evasion.
- Support the installation of fare collection devices for the Expo Line.

Office of Management and Budget

- Redesign the Capital Program Analysis System to a web-based data management system to provide greater access to all users.
- Refine ten-year forecast models to include more detail related to non-enterprise fund activities.
- Implement additional components in the integrated performance monitoring management system (CEO's Scorecard).
- Improve capital projects management to improve annual cash flow projections.
- Facilitate the CEO's Independent Review Panel's assessment of the FY10 budget, including a 5% and 20% reduction scenario exercise.

Risk Management

- Continue expansion of paperless processing of Workers' Compensation claims through the Workers' Compensation Claims System (iVOS).
- Complete the integration of the new general liability claims system (RiskMaster).
- Develop and market public agency limitations for third party lawsuits.
- Update the Risk Management intranet web page to enhance and streamline communications with departments.
- Implement an e-billing system for Workers' Compensation medical providers.
- Ensure compliance with Medicare reporting requirements for Workers' Compensation and Liability medical costs.

Financial Services Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Accounting | 78 | 79 | 79 |
| 2 Office Of Management & Budget | 19 | 20 | 20 |
| 3 Finance & Treasury | 65 | 64 | 66 |
| 4 Risk Management | 61 | 60 | 58 |
| 5 Financial Services Total FTEs | 223 | 223 | 223 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 6 Accounting | \$ 9,804 | \$ 10,557 | \$ 10,069 |
| 7 Office Of Management & Budget | 2,377 | 2,592 | 2,633 |
| 8 Finance & Treasury | 301,107 | 369,947 | 451,420 |
| 9 Risk Management | 7,961 | 10,480 | 8,183 |
| 10 Financial Services Total | \$ 321,248 | \$ 393,575 | \$ 472,305 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 11 Wages & Benefits | \$ 9,571 | \$ 13,772 | \$ 14,466 |
| 12 Acquisitions | 4 | 74 | 74 |
| 13 Services | 17,796 | 29,390 | 33,219 |
| 14 Material & Supplies | 13,567 | 15,927 | 14,778 |
| 15 Insurance | - | 6,226 | 3,668 |
| 16 Subsidies | 6,748 | 9,500 | 9,500 |
| 17 Other Support | - | 726 | 735 |
| 18 Debt | 273,562 | 317,959 | 395,865 |
| 19 Financial Services Total | \$ 321,248 | \$ 393,575 | \$ 472,305 |

Financial Services: Key Performance Indicators

ACCOUNTING

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------|
| Objective: Conduct monthly performance monitoring reviews to assess financial performance | | | | |
| Complete FTA Quarterly Financial Report submittals by target # of days (45 days at regular quarter and 60 days at year end) | 45/60 | 45/60 | 45/60 | 45/60 |
| Complete month-end financial closing within target # of days or less | 6 | 6 | 6 | 6 |
| Pay approved Expense Reports from submittal date within 5 business days | 5 | 6 | 5 | 5 |
| Pay target % of invoices or more within 30 days from the invoice date | 94% | 96% | 95% | 95% |
| Process paychecks, including special checks issued, with target % of errors or less | 1.0% | 0.7% | 0.8% | 0.8% |
| Submit A133 Single Audit Report on time | Date Due:3/07 Submitted: 3/07 | Date Due:3/08 Submitted: 3/08 | Date Due:3/09 Submitted: 3/09 | Date Due: 3/10 |
| Submit accurate grant billings within target # of days from month end | 6.2 | 6 | 6 | 6 |
| Submit CAFR report on time | Date Due:12/06 Submitted: 12/06 | Date Due:12/07 Submitted: 12/07 | Date Due:12/08 Submitted: 12/08 | Date Due: 12/09 |
| Submit State Controller's Report (Planning) on time | Date Due:11/06 Submitted: 11/06 | Date Due:11/07 Submitted: 11/07 | Date Due:11/08 Submitted: 11/08 | Date Due: 10/09 |
| Submit State Controller's Report (Operations) on time | Date Due:11/06 Submitted: 11/06 | Date Due:11/07 Submitted: 11/07 | Date Due:11/08 Submitted: 11/08 | Date Due: 10/09 |
| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | | | | |
| Objective: Create a safety conscious culture throughout Metro and its customers and business partners | | | | |
| Performed target # programs to promote safety and reduce injuries in the department (per year) | 3 | 4 | 4 | 4 (per year) |
| Send all employees to Safety Training as required | 100% | 100% | 100% | 100% |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

TREASURY

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Manage treasury and revenue programs to ensure liquidity and maximize income to meet Metro's fiscal obligations. | | | | |
| # of Metro Rail fare inspections conducted in conjunction with LASD to promote proper fare payment. | | 24 | 24 | 24 |
| % of bond proceeds investments reviewed each quarter and adjusted as appropriate. | 100% | 100% | 100% | 100% |
| % of deliverable items provided in compliance with covenants related to debt and lease agreements. | 100% | 100% | 100% | 100% |
| Install all TVM's at future Metro Gold Line eastside Extension Rail Stations | | | | 100% |
| % of Positive Pay Exceptions resolved within 4 hours of notification. | 100% | 100% | 100% | 100% |
| % of system hours TVMs are out of service each quarter. | 4% | 2% | 2% | 2% |
| % Reduction in revenue processing related overtime. | | | | 5% |
| Operating Fund portfolios total return will equal or exceed the market weighted composite index of the 91 day T-Bill and the Merrill Lunch 1-3 year Govt/Corp Index. | >= 1.0 | < 1.0 | >= 1.0 | >=1.0% |
| Objective: Reduce department cost and enforce revenue compliance procedures. | | | | |
| # of fare inspections conducted in conjunction with LASD to promote proper fare payment | n/a | 24 | 24 | 24 |

| GOAL 5: Develop an effective and efficient workforce | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Ensure that employee pension, retirement savings and benefit programs are managed responsibly to provide for the health and long term well being of Metro's workforce. | | | | |
| % of 401(k)/457 enrollment/payroll deductions and changes processed within the pay period submitted | 100% | 100% | 100% | 100% |
| % of Health and Welfare and benefit plan premiums paid by established timeframe | 100% | 100% | 100% | 100% |
| % of Retirement Applications processed within 30 days of receiving all required documentation | 98% | 98% | 98% | 98% |

OFFICE OF MANAGEMENT & BUDGET

| GOAL 3: Exercise fiscal responsibility | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Lead the authority in the development of the annual budget. | | | | |
| Earn the Government Financial Officers Association Distinguished Budget Presentation Award. | Yes | Yes | Yes | Yes |
| Objective: Manage the approved budget. | | | | |
| Percent of budget expended (budget to actual) | 80% | 84% | 80% | 80% |
| Percent of sales tax and fare revenue collected (forecast to actual) | 102.6% | 99.6% | 95.0% | 100.0% |
| Objective: Implement an integrated performance monitoring management system. | | | | |
| Number of new key performance indicators added to Metro Scorecard | 7 | 2 | 2 | 2 |

| GOAL 5: Develop an effective and efficient workforce | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|------------------------|------------------------|---------------------------|------------------------|
| Objective: Invest in employee development. | | | | |
| Percent of OMB staff members who have attended at least one training class in the fiscal year | 100% | 100% | 100% | 100% |

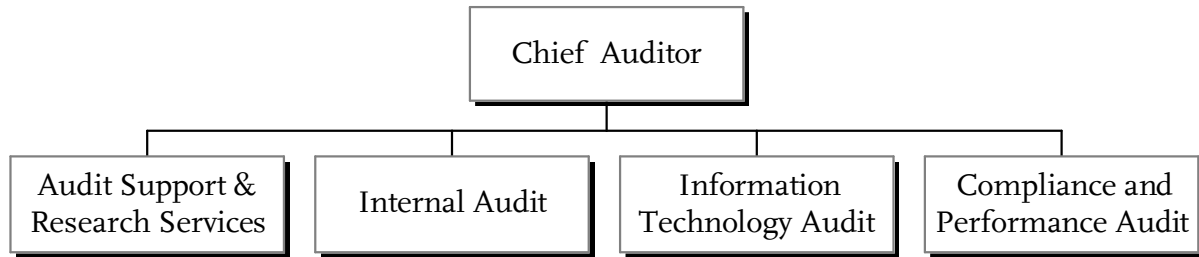
Los Angeles County Metropolitan Transportation Authority
FY10 Budget

RISK MANAGEMENT

| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|------------------------|------------------------|---------------------------|------------------------|
| Objective: Protecting the assets of the Public by identifying, evaluating and responding to the risk exposures of Metro | | | | |
| Number of new reported Workers' Compensation claims ⁽¹⁾ | 1,121 | 1,103 | 901 | 1,000 |
| Number of new Workers' Compensation claims per 200,000 exp. hours (1) | 12.58 | 12.31 | 10.02 | 11.12 |
| Total number of lost work days (1) | 55,452 | 57,862 | 52,249 | 55,000 |
| Number of lost work days per 200,000 exp. hours (1) | 622 | 646 | 581 | 612 |
| Number of new bus traffic accident claims | 2,156 | 2,050 | 2,127 | 2,000 |
| Number of new bus traffic accident claims per 100K hub miles | 2.03 | 1.98 | 2.10 | 1.98 |
| Workers' Compensation Subrogation Recoveries (1) | \$425,741 | \$542,181 | \$518,475 | \$150,000 |
| Public Liability/Property Damage Subrogation Recoveries (1) | \$743,684 | \$1,213,191 | \$1,578,304 | \$350,000 |
| Workers' Compensation Chargeback per 100 employees (1) | \$562,436 | \$476,100 | \$471,633 | \$502,841 |

(1) Performance in FY09 has exceeded expectations and outperformed industry trends. FY10 targets have been set more conservatively.

Management Audit Services



Introduction

Management Audit Services (Management Audit) provides highly reliable, independent, objective assurance and consulting services designed to add value and improve Metro's operations. The department assists the CEO and his management team with a systematic, disciplined approach to evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

Management Audit:

- Evaluates internal controls throughout the agency.
- Conducts compliance reviews to applicable laws and regulations.
- Reviews financial and management data for accuracy, completeness and reliability.
- Conducts performance audits of operations and processes to ensure agency resources are managed economically, efficiently, and effectively.
- Performs management control self assessments (CSA).
- Performs contract and contract change order audits as required by law and Board-adopted policy.
- Performs audits of grantees in accordance with grants and Memorandums of Understanding (MOU).

- Pre-qualifies vendors in compliance with law and Board-adopted policy.
- Tracks and resolves all external and internal audit findings as required by OIG policy, Generally Accepted Government Auditing Standards (GAGAS), and International Standards for the Professional Practice of Internal Auditing (IIA Standards).
- Conducts assurance services in compliance with GAGAS, IIA Standards, and Information Systems Auditing Standards.

Management Audit adheres to the following professional standards and codes when completing its assurance and advisory services:

- Government Auditing Standards promulgated by the Comptroller General of the United States;
- International Professional Practices Framework and Code of Ethics promulgated by the Institute of Internal Auditors; and
- Information Systems Auditing Standards promulgated by the Information Systems Audit and Control Association.

Chief Auditor

The Chief Auditor oversees and directs all audits, advisory services, contractor pre-qualification determinations and audit follow-up services of Management Audit. Another function of the Chief Auditor is to

implement a Quality Assurance and Improvement Program as required by Auditing Standards. In addition, the Chief Auditor is required to develop comprehensive, cost effective training programs to comply with Auditing Standards.

Audit Support and Research Services

Audit Support and Research Services is responsible for administration, financial management, budget coordination, pre-qualification, audit follow-up, and resolution tracking.

Internal Audit

This unit is primarily responsible for all audits for Finance, Bus Operations, Rail Operations, and Communications. This unit provides assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance.

Program effectiveness audits focus on assessing the extent organizational goals and objectives are being achieved. Economy and efficiency audits combine financial information with information about outputs or the results achieved to determine cost effectiveness. Internal control audits assess the processes and procedures for planning, organizing, directing, and controlling program operations and management's system for measuring, reporting, and monitoring program performance. Compliance audits ensure that regulatory or legislative requirements are adequately addressed by management.

This unit also provides CSA services to the agency. The focus of these services is to

document the procedures as they currently exist and identify the risks associated with these procedures.

Additionally, technical assistance in various areas of expertise is provided to management in the form of consulting engagements.

Information Technology Audit

Information Technology (IT) Audit has two functions. One is to review IT Systems for adequate controls, effective performance and accuracy, and integrity of the data. The other is to provide support services to other auditors to meet auditing standards requirements when reliance needs to be placed on IT systems.

IT Audit objectives include providing assurance that internal controls in the automated processing environment are working properly, and that the data processed through IT systems is accurate, complete and reliable. In addition, IT auditors are required to evaluate risks and relevant controls in the automated environment in compliance with regulations such as Health Insurance Portability and Accountability Act (HIPAA), Sarbanes-Oxley Act and Privacy Act.

Compliance and Performance Audit

This unit is primarily responsible for all audits in Administrative Services, Construction, Real Estate & Development, and Planning. Similar to the Internal Audit group, this unit provides assurances to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance.

In addition, the Contract Audit function reviews costs proposed or incurred on contracts and change orders to provide recommendations of a fair and reasonable price to Contract Administrators.

Also, the Grants Audit function reviews costs associated with MOUs under the Call for Projects program to promote compliance with terms and conditions of the MOU and help ensure costs billed are allocable to the MOU.

Compliance audits ensure that regulatory or legislative requirements are adequately addressed by management. This unit also provides CSA services to the agency. The focus of these services is to document the procedures as they currently exist and identify the risks associated with these procedures. Additionally, technical assistance in various areas of expertise is provided to management in the form of consulting engagements.

Significant Events in FY10

- Complete the fifth agency-wide risk assessment to identify the significant strategic, operational, compliance and financial areas of agency risk. This process helps us to prioritize audit resources to ensure effective and efficient auditing services.
- Submit annual audit plan to Executive Management and the Board for input and approval, identifying all planned

audits, control self-assessments and known consulting engagements.

- Continue to internally develop leading edge practices in auditing. As part of that effort, Management Audit actively participates in numerous professional organizations.
- Complete an Internal Quality Self Assessment. The self assessment is mandatory to comply with auditing standard requirements. It provides good feedback on areas where we can improve so that we provide excellent services to the agency.
- Expand our continuous auditing efforts into more high risk areas. Currently we have five areas completed and we have three more areas that are either under development or will be started in FY10.
- Perform an overall assessment of the Pre-Qualification process to identify ways to streamline or improve the process. Pre-qualification has been in place for 12 years and the process has not been re-assessed since the pre-qualification requirement was included in the Administrative Code in the 2004 revision.
- Host the FY10 Audit Training Forum. These training forums offer high quality professional education on relevant issues to auditors.

Management Audit Services Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Chief Auditor | 5 | 5 | 5 |
| 2 Audit Support & Research Services (ASRS) | 3 | 2 | 2 |
| 3 Internal Audit | 9 | 8 | 8 |
| 4 IT Audit | 5 | 4 | 4 |
| 5 Compliance Audit | 6 | 9 | 9 |
| 6 Management Audit Total FTEs | 28 | 28 | 28 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 7 Chief Auditor | \$ 1,096 | \$ 1,047 | \$ 2,278 |
| 8 Audit Support & Research Services (ASRS) | 250 | 362 | 237 |
| 9 Internal Audit | 849 | 920 | 928 |
| 10 IT Audit | 419 | 429 | 419 |
| 11 Compliance Audit | 1,079 | 1,263 | 1,365 |
| 12 Management Audit Total | \$ 3,693 | \$ 4,020 | \$ 5,227 |

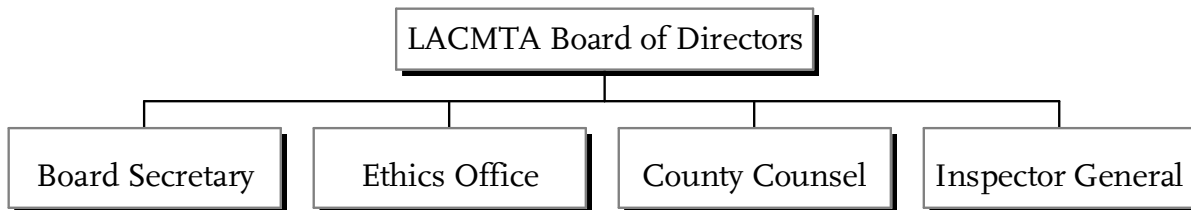
| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 13 Wages & Benefits | \$ 2,961 | \$ 3,129 | \$ 3,150 |
| 14 Services | 628 | 838 | 2,025 |
| 15 Material & Supplies | 69 | 11 | 11 |
| 16 Other Support | 35 | 42 | 42 |
| 17 Management Audit Total | \$ 3,693 | \$ 4,020 | \$ 5,227 |

Management Audit Services: Key Performance Indicators

MANAGEMENT AUDIT SERVICES KEY PERFORMANCE INDICATORS

| | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|----------------|----------------|-------------------|----------------|
| GOAL 3: Exercise fiscal responsibility | | | | |
| Objective: Ensure appropriate and effective controls are in place. | | | | |
| Percentage of internal audit recommendations implemented | 83% | 48% | 70% | 90% |
| Percentage of costs questioned, sustained | 70% | 0% | 0% | 70% |
| Percentage of audit plan completed | 80% | 91% | 90% | 90% |

Board of Directors



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.

Board Secretary

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

Ethics Office

The Ethics Office advises the Board of Directors, executive management, and staff on ethics in decision making, financial disclosure, and conflict of interest issues. It also administers the Metro's Statement of Economic Interest Disclosure and Lobby Registration reporting programs, parking citation appeal hearings, and conducts ethics training.

The Ethics Office researches state laws and regulations governing campaign contributions, fund raising activities, gifts, ethics compliance, government employee

conduct, and lobby regulations. The Ethics Officer updates codes of conduct.

The Ethics Office consults with management on policies and serves as the impartial 2nd level hearing officer for all of Metro's monthly parking citation appeals, acts as Metro's Disadvantaged Business Enterprise Reconsideration Officer and Economic Development Department Hearing Officer, and receives and directs customer complaint calls for proper handling to ensure we are responsive. The Ethics Office acts as an intake unit for reports of wrongdoing and forwards such matters to the appropriate offices.

County Counsel

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

County Counsel provides legal advice to the Metro Board and management 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 and regulations relating to the many activities of Metro.

County Counsel also provides advice to Metro staff regarding contracts, procurements, real estate, personnel and employment matters. County Counsel represents Metro in litigation and

arbitration matters, and oversees legal services provided by outside law firms.

Inspector General

The Office of Inspector General (OIG), which was created as part of the legislation that also created the Metro, reports directly to the Board. The OIG:

- strives to assure integrity;
- promotes economy, effectiveness and efficiency;
- safeguards public resources;
- provides service to our customers.

The OIG conducts independent audits, reviews, analyses, and inspections of operational performance and effectiveness as well as of the accuracy of financial data and information systems.

The OIG is also responsible for detecting, investigating, deterring, and preventing fraud, waste, and a buse 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.

Board of Directors Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Board of Directors & Board Secretary | 11 | 11 | 11 |
| 2 Ethics Office | 7 | 7 | 7 |
| 3 County Counsel | 4 | 4 | 4 |
| 4 Inspector General | 23 | 21 | 21 |
| 5 Board of Directors Total FTEs | 45 | 43 | 43 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 6 Board of Directors & Board Secretary | \$ 1,492 | \$ 1,373 | \$ 1,382 |
| 7 Ethics Office | 568 | 777 | 785 |
| 8 County Counsel | 9,668 | 16,879 | 15,068 |
| 9 Inspector General | 2,588 | 3,082 | 2,931 |
| 10 Board of Directors Total | \$ 14,315 | \$ 22,111 | \$ 20,166 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 11 Wages & Benefits | \$ 4,288 | \$ 4,871 | \$ 4,513 |
| 12 Acquisitions | 3 | - | - |
| 13 Services | 9,843 | 16,971 | 15,370 |
| 14 Material & Supplies | 75 | 105 | 104 |
| 15 Other Support | 105 | 164 | 179 |
| 16 Board of Directors Total | \$ 14,315 | \$ 22,111 | \$ 20,166 |

Board of Directors: Key Performance Indicators

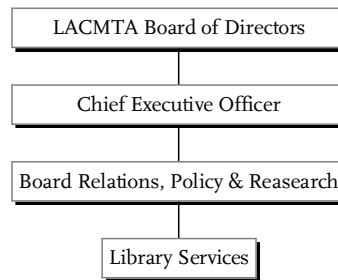
Ethics Office

| | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|--|----------------|----------------|-------------------|----------------|
| GOAL 3: Exercise fiscal responsibility | | | | |
| Objective: Process quarterly and annual Lobbyist filings promptly. Percent of all Lobbyist Registration filings received by the due date that are processed within 15 days of receipt to comply with the law for Lobbying regulations. | 100% | 100% | 100% | 100% |
| GOAL 5: Develop an effective and efficient workforce | | | | |
| Objective: To promote compliance with Ethics related laws and the MTA Code of Conduct to demonstrate integrity. Percent of annual Statement of Economic Interest forms received by 4/1 that are processed by 4/7 to comply with the law for Board and Sector Council Members, employees and consultants. | 100% | 100% | 100% | 100% |
| GOAL 6: Secure local, state and federal funding | | | | |
| Objective: Provide monthly conflict reports. Percent of all Monthly Conflict Reports distributed within two days after receipt of a Board Agenda. | 100% | 100% | 100% | 100% |
| GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers | | | | |
| Objective: Perform 2nd Level Parking Citation Hearings. Percent of monthly administrative hearing opinions on parking citation appeals issued by Metro Sheriff's Department processed within 5 days after the hearings. | 100% | 100% | 100% | 100% |

Office of Inspector General

| | FY07 Actual | FY08 Actual | FY09 Estimated | FY10 Target |
|---|----------------|----------------|-------------------|----------------|
| GOAL 3: Exercise fiscal responsibility | | | | |
| Objective: Ensure that adequate internal controls and management oversight is in place Number of audit reports issued Percentage of audits completed according to audit plan | 12 67% | 14 85% | 15 80% | 15 90% |
| GOAL 5: Develop an effective and efficient workforce | | | | |
| Objective: Promote integrity, economy, effectiveness, and protection of public resources. Number of investigation, inspection, and review cases opened Percentage of investigation, inspection, and review cases completed | 102 84% | 135 93% | 142 96% | 125 95% |

Office of the Chief Executive Officer



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

The Office of the Chief Executive Officer oversees key programs and initiatives, emphasizes a customer focus, ensures a commitment to safety, and allocates

resources efficiently. It works with staff, elected officials, and the community to bring consensus on key projects while at the same time improving the mobility and livability within Los Angeles County. The Office of the Chief Executive Officer also provides policy recommendations, research, advice, and counsel in the development of strategies and the resolution of complex political, business, and governmental issues. The Office serves as a liaison between Metro's Board of Directors and executive management.

Office of the Chief Executive Officer Reports

| Department FTEs | FY08 Budget | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Chief Executive Office | 1 | 1 | 2 |
| 2 Board Relation, Policy, Research & Library Service | 10 | 10 | 10 |
| 3 Office of Chief Executive Office Total FTEs | 11 | 11 | 12 |

| Expenditures (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 4 Chief Executive Office | \$ 509 | \$ 508 | \$ 879 |
| 5 Board Relation, Policy, Research & Library Service | 1,566 | 1,951 | 1,988 |
| 6 Office of Chief Executive Office Total | \$ 2,075 | \$ 2,459 | \$ 2,868 |

| Expenditure Types (\$ in thousands) | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 7 Wages & Benefits | \$ 1,678 | \$ 1,718 | \$ 2,126 |
| 8 Acquisitions | 8 | - | - |
| 9 Services | 281 | 620 | 620 |
| 10 Material & Supplies | 14 | 18 | 18 |
| 11 Other Support | 95 | 103 | 103 |
| 12 Office of Chief Executive Office Total | \$ 2,075 | \$ 2,459 | \$ 2,868 |

VII. Appendix

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Appendix 1: 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 1st to June 30th. The annual budget is comprised of an operating budget, the capital program, subsidies to other agencies, and debt programs.

The budget is comprised of three 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 (sales tax) administration, and other General Fund activities. The Agency Fund includes Benefit Assessment Districts.

The operating budget provides a summary of the planned revenues and expenses 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 capital budget process is 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. Providing flexible funding over the life of a project authorizes staff to re-appropriate unexpended revenues and expenses from the prior year.

Metro's annual budget includes 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 Stability Policy, the annual budget is adopted before July 1st to define the legal level of expenditures/expenses for the fiscal year. Budgeting for the fiscal year is divided into four phases: (1) budget formulation and preparation, (2) budget reviews, (3) budget adoption, and (4) budget implementation. (See Appendices 2 and 3)

Budget Formulation and Preparation

- Initial planning, development of assumptions, preparation of instructions and training materials began in December after a mid-year review of the FY09 budget.
- Departments completed and submitted a budget planning document in mid-January describing scenarios for potential 5% and 10% reductions, as well as the impact of those reductions on the departments' work programs.
- FY10 budget system training classes were held with departments in late January 2009.
- Departments submitted their FY10 budget requests in early February, using FY09 as a baseline.
- 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.
- The CEO reviewed department budget requests as well as 5% and 10% reduction scenarios with SBU Chiefs in early March. Following these meetings the CEO gave SBU Chiefs direction to modify budget requests.

- Departments revised budget requests based on direction from Executive Management, and submitted revisions to OMB in mid-march.

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 December 2008.
- Project and department level reviews of budget requests were completed in March 2009.
- Briefings regarding SBU and system-wide budgets were provided to Board deputies, individual board members, and Bus Sector Governance Councils in April 2009.

Budget Adoption

- The budget document was released to the Board of Directors and public on May 4, 2009.
- A workshop was held for the Board of Directors on May 13, 2009.
- The public hearing was held on May 20, 2009, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Program were adopted at the May 28, 2009 meeting of the Board of Directors.

Budget Implementation

- The FY10 Budget was implemented on July 1, 2009.
- 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 Executive Management to the Board of Directors. These reports

monitor financial performance and ensure compliance with the approved budget.

Budget Basis

Metro 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 Fund and a collection of special revenue funding sources collectively known as the Special Revenue Fund. 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 its 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 others. Metro uses fiduciary funds to account for these assets. Benefit Assessment District (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 in Los Angeles County.

The Exposition Metro Line Construction Authority (Expo) is an independent agency created by State legislation to administer the design and construction contracts awarded to build the Exposition light rail line. For budgeting purposes all revenues and expenditures for Expo are included in the Capital Program budget.

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 Stability Policy, 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 Metro's source of authority to make changes is rooted in disclosure on financial policy as stated in Metro'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 for any project whose life-of-project budget is over \$1 million must be approved by the Board. The CP budget process was completed as part of the FY10 budget process. Project managers analyze the status of their funded projects (re-forecasting schedules, costs, etc.). They also 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;

- estimates the operating impact of the capital investment (including cost increases).

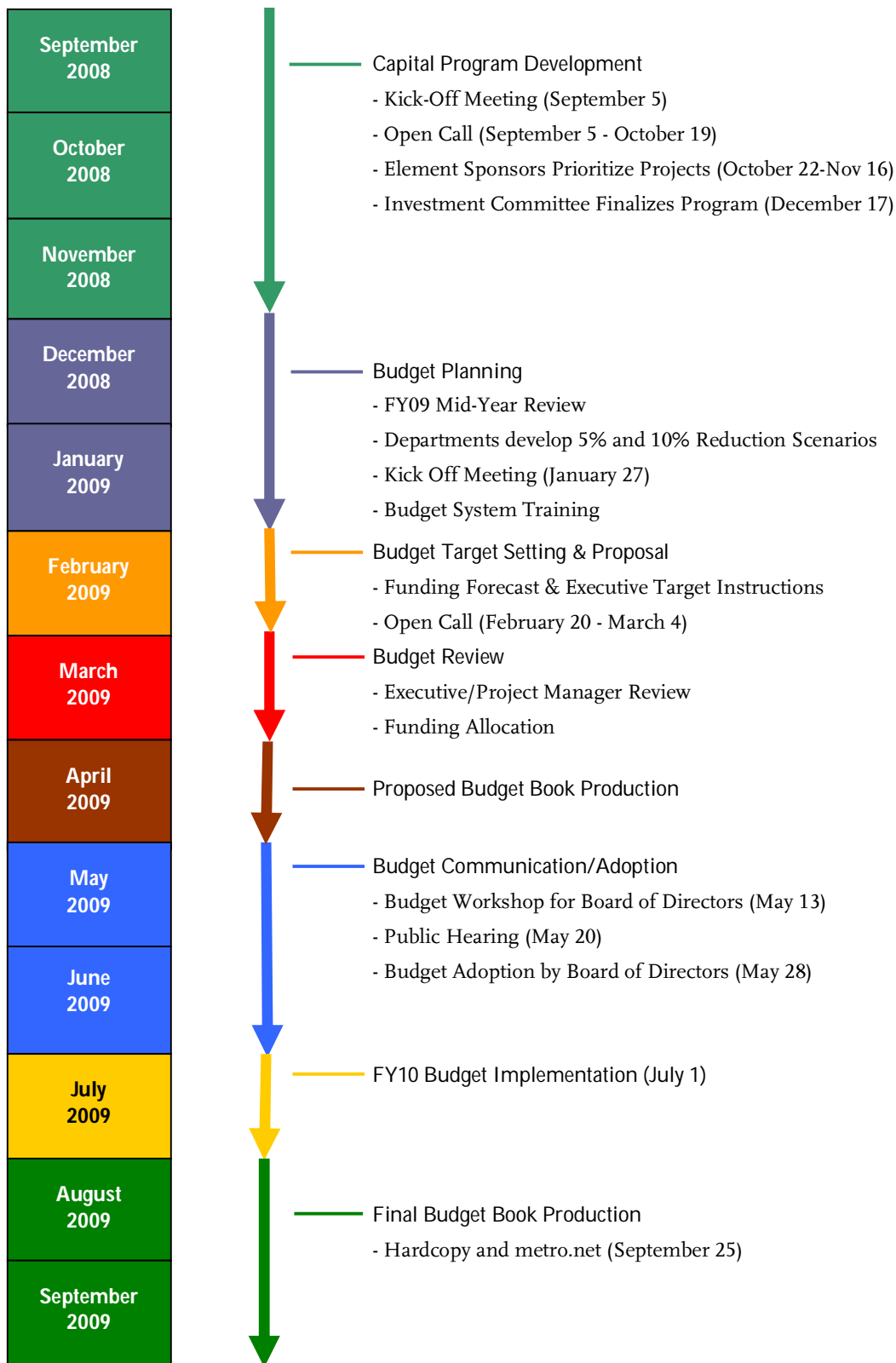
The CP budget is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gather project information (current and new projects) and submit the information to OMB in the first quarter of the current fiscal year. OMB compiles the information and disseminates the information to Element Sponsors (department executive officers, or deputy executive officers, 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 submitted the approved CP budget to Metro's Board of Directors for review and adoption in the fourth quarter of FY09 as part of the FY10 budget process.

Metro FY10 Budget Development Schedule

Key events and dates in the budget development cycle



Appendix 2: Financial Stability Policy Development

The Board shall review and approve an update to the financial policies each year as part of the annual budget and financial planning process.

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 policies may be amended or waived by the Board on a case-by-case basis.

The Financial Stability Policy shall be divided into three sections: Goals, Strategies, and General Fiscal Policies. The purpose of the policy is to ensure that Metro prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.

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.
- 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.

Also included in the policy are Business Planning Parameters and Debt Financial Standards. 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.

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.

Application

This policy applies to all Metro financial plans.

3.0 Responsibilities

1.0 Procedures

- 1.1 The Management Team will review each of the policy areas annually.
- 1.2 Metro’s performance against the financial policies shall be measured and reported to the CEO

- 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.

4.0 Flowchart

Not applicable.

5.0 Reference

- 5.1 Metro Debt Policy
- 5.2 Metro Investment Policy

6.0 Attachments

None

7.0 Procedure History

- 7.1 Initial Action – February 2002
Adoption of this policy supersedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:

- Fin 1 Fiscal Policies (General)
- Fin 2 Budget Preparation and Approval
- Fin 3 Budgetary Controls
- Fin 4 Budget Amendments and Adjustments

- Fin 5 Fiscal Monitoring and Reporting
- Fin 6 Funds Programmed to Other Agencies
- Fin 7 Contingency Fund
- Fin 8 Chart of Accounts
- Fin 9 Revenue Policies

Adoption of Financial Stability Policy – January 2008.

At its January 24, 2008 meeting, the Board adopted the Financial Stability Policy and also directed staff to indicate that the Short Range Transportation Plan will be updated at least once every five years. FY10 Business Planning Parameters were included as part of the FY10 Budget Adoption.

FY10 sales tax forecasts are based on current year actuals and a UCLA economic forecast update. FY09 Sales Tax Revenues were reforecast in the FY09 Third Quarter Financial Performance Report presented to the June Finance and Budget Committee on June 17, 2009.

Appendix 3: Financial Stability Policy

Policy Statement

Metro has an important responsibility to the taxpayers of Los Angeles County to prudently manage its long and short-term finances. In time of economic change and uncertainty, it is especially important for Metro to ensure its ability to deliver safe, quality and reliable transportation services that are based upon a strong and stable financial foundation.

The Financial Stability Policy is divided into three sections: Goals, Strategies, and General Fiscal Policies. Additional financial guidance is found in the Business Planning Parameters and Debt Parameters. The purpose of the policy is to ensure that Metro prudently manages its financial affairs, establishes appropriate cash reserves, limits the level of debt that may be incurred, ensures that the debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace and to provide management with a framework for developing the upcoming year's budget and other longer range financial plans and establishing future business targets for management to achieve.

Financial Goals

- G1. Maintain public safety on Metro's bus and rail system as the top priority.
- G2. Maintain an operating and capital financial base that is sufficient to deliver safe, quality transportation improvements and transit service efficiently and

cost-effectively to meet the levels of demand.

- G3. Continuously improve productivity.
- G4. Establish and maintain General Fund balances equal to 5% of the operating budget to ensure that Metro can adjust to economic downturns, extraordinary cost increases and other financial emergencies.
- G5. Maintain the highest possible credit rating and reputation for prudent financial management.

FY09-10 Financial Strategies

- S1. Metro gives top priority to funding of public safety on Metro's bus and rail system. Present the details of the safety and security budget to the Board of Directors for separate approval at the time of annual budget adoption.
- S2. Adjust transit operating expenses as needed to reflect changes in service demand, technology, productivity and revenue availability.
- S3. Endeavor to keep growth in regional bus and rail operating expenses (as measured by growth in bus and rail operating cost per vehicle service hour) at or below the rate of inflation. The proposed budget presented to the Board for adoption will include a summary of actions taken or proposed to reduce expenditures.
- S4. New programs proposed for Board adoption will include a cost recovery analysis to determine the cost of

- implementing the program in measurable terms.
- S5. Departments who provide services to the public or outside entities will perform a cost recovery analysis during the fiscal year budget process and make the information available as part of budget adoption.
- S6. Any capital project savings above \$200,000 must return to the Board for approval prior to the reprogramming or transfer of funds to other projects or programs.
- S7. Implement technology and productivity advancements designed to reduce or avoid increasing operational costs.
- S8. Explore greater efficiency, effectiveness and ways to increase ridership.
- S9. Work to increase and optimize ridership on Metro's system through partnerships that foster transit-oriented development and improve access to the system.
- S10. Regularly review productivity improvement programs and results as part of the annual budget process.
- S11. Adopt an annual budget that includes an allocation to capital programs adequate to meet annual baseline reinvestment needs for projects and programs which are essential to ensure system performance.
- S12. Pursue grant funding for capital projects pursuant to the priorities as addressed in the Long Range Transportation Plan, Short Range Transit Plan, and Five-Year Capital Improvement Program.
- S13. Use debt financing prudently to leverage local, regional, state and

- federal funding for major cyclical capital investments, such as, transit vehicles, facilities, fare collection equipment, and train control renovation and replacement.
- S14. Increase revenue from other sources such as advertising, parking, concessions, and joint development while meeting customer needs and providing safe, reliable service.

General Fiscal Policies

- F1. 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.
- F2. An independent certified public accounting firm shall perform an examination of Metro'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 Metro 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.
- F3. 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 officials empowered to open, close, or authorize changes to accounts and authorizes the officials to designate individuals as Official Signatories for financial accounts.
- F4. The policies and procedures described herein shall be known as the Financial Stability Policy and shall supersede all other financial policies previously adopted by the Board.
- F5. An annual actuarial analysis shall be performed on all Metro's self-administered retirement plans. Metro shall make annual contributions that, when combined with employee contributions, fund actuarially computed costs as they accrue.
- F6. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, Metro 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 of 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.
- F7. 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.
- F8. 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 a subsequent budget cycle in accordance with their ordinance designations.
- F9. The fiscal year shall end on June 30 of each year. By January of each fiscal year, the Board shall review and approve the Financial Stability Policy that will be used by management as a framework for developing the following year's budget and will establish the Business Planning Parameters including farebox recovery ratio, sales tax growth assumptions, and other key performance measurement goals to provide detailed guidance for development of the upcoming annual budget. The Board shall approve the budget by June 30 of each fiscal year. Budget amendments approved by the Board at the time of or prior to budget adoption shall be incorporated into the final budget document with no further Board approval required.
- F10. 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 the Financial Strategies Section of the Financial Stability Policy, previously Board adopted longer-term plans such as the Long Range Transportation Plan and the Short Range Transit Plan. Appropriations for the operating budget lapse at the end of one year. Appropriations for the capital budgets are approved on a life-of-project basis. Any allocations of one-time revenues to any program or project will be identified for the Board at the time of budget adoption or budget change and will only be recommended after considering the alternatives of reducing the level of service, reducing the cost per unit of service, reducing the scope of capital projects, deferring capital projects and/or raising fares. Any requests for project or program funding after annual budget adoption will be referred to the appropriate Board committee for Board review and recommendation. 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.
- F11. A regional long-range (covering at least 20 years) transportation plan for Los Angeles County shall be adopted 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.
- F12. At least once every five years, a Short Range Transportation Plan (SRTP) for Los Angeles County may be developed and adopted. The SRTP identifies priorities for implementing major capital projects in the near term (usually over a five or six year period), and identifies project implementation schedules and available funding.
- F13. A cost-effective system of internal control to adequately safeguard assets shall be maintained. 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 prior to the adoption of the annual budget. The Board's Executive Management and Audit Committee (EMAC), as the audit committee will provide input and approve the audit plan. Furthermore, completed internal audits will be submitted to the Board under separate cover as they are distributed to the Chief Executive Officer. 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, the Institute of

- Internal Auditors Standards for the Professional Practice of Internal Auditing and Information Systems Audit and control Association Information Systems Auditing Standards, where appropriate. These recommendations, management's action plans and progress toward implementation will be periodically reported to the Board under separate cover.
- F14. The Board will review and update the Debt Policy annually 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 us by the financial marketplace.
- F15. Retiree Medical Liabilities - The Government Accounting Standards Board has adopted Statement #45 (GASB 45) that is effective for Metro's fiscal year ending June 30, 2008. As defined in the standard, a significant liability recognizing the past and future costs of providing medical and related benefits, other than pensions, to its retirees is required to be recorded. Annually, the actuarially required contribution (ARC) is required to be recorded as an expense. The ARC recognizes the cost of the retiree benefits earned by current employees during the period and amortization of the unfunded past liabilities. GASB 45 does not mandate an entity's approach to setting aside cash to provide the future benefits. It is Metro's policy to fully fund the ARC, i.e., set aside and

restrict the cash. However, since this amount is significantly greater than the current amount needed for these expenditures on the "pay as you go" basis, a separate discussion of this issue will be brought to the Board in setting the upcoming parameters for each upcoming budget year. A greater accounting liability will result when setting aside less cash than the ARC amount. The ARC will be recognized as an expense in the financial accounting system as required by GASB 45.

Financial Standards - FY2009-2010 Business Planning Parameters

- B1. Sales tax revenue forecasts shall be based on the 20 year historical growth in Los Angeles County taxable sales unless the Board determines that management discretion is required. The adopted sales tax revenues forecast for Prop A, Prop C and TDA sales tax revenues will be \$1,540.7 million, a decrease of 5% from the FY09 forecasted revenues. Measure R is forecast to provide \$361.2 million in new revenues. The agency's forecast is consistent with the February 2009 UCLA forecast and with the actual receipts to-date during FY09. Measure R forecasted revenues are based on partial year receipts due to State Board of Equalization remittance procedures.
- 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 to maintain financial viability.
- B3. The farebox recovery ratio assumed for the FY10 budget is 26.8%) with a fare revenue per boarding of \$0.67 (excluding the Metrolink reimbursement).
- B4. The Board desires to steadily improve service efficiency over time. For Metro's directly 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 during the annual budget process.
- B5. Service planning assumptions for bus operations will be based upon demonstrated needs by and approved by the Board. Ridership is expected to grow in FY10 by 2.0% for all modes, with 1.3% fewer bus boardings and 19.0% more rail boardings (including the Eastside Extension ridership) than the FY09 budget,
- B6. Staffing for FY10, measured in FTEs, will be held at the FY09 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 Program covers Metro's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities and is included in each annual budget. The Capital Program 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 prior to inclusion in the annual budget. 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. Metro 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.

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

Appropriation

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. Measure R allows up to one and one-half percent (1.5%) of the gross sales tax revenues in any year to be used for administration of the sales tax revenue. All sales tax funds are deposited initially into the various special revenue funds then transferred to the funds designated for expenditure. The Administrative Fund is within the Special Revenue Fund. Administrative Funds are 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.

Eligible Uses

Administrative activities include the planning, management, execution, use and conduct of the

projects and programs funded by Prop A and Prop C.

Prop A and C administrative funds may not be used for operating or building the transit system or regional programs that are operations-related.

Following are 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 Metro elect 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 Metro's projects and programs indirectly such as internships, career development, training programs, etc.
- Transportation planning activities including bus, rail, highway and other surface transportation modes.
- Consent decree oversight.

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

Uses of Measure R funds are described in detail in Section IV, p. 20.

Financial Standards - Debt

- D1. We 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.
- 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. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D4. 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.

- D5. Metro 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 PI rating on other short-term debt, and, if necessary, to secure credit enhancement from financial institutions with a rating of "AA" or better.
- D6. 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.

Complete details of Metro's Debt Policy can be found at:
http://www.metro.net/about_us/finance/debt.htm

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Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Appendix 4: Debt Service Schedule

Budgeted Debt

| Transaction Name | Principal Adjustments | | | | |
|--|-----------------------|---------------------------------|--------------------|-------------------|------------------------------|
| | Initial PAR Value | Principal Balance As of 6/30/09 | Principal Pmt FY10 | Accreted Interest | Principal Bal. as of 6/30/10 |
| 1 1991-B Refunding | 281,425,000 | 39,795,000 | 19,270,000 | - | 20,525,000 |
| 2 1992-A Refunding | 98,700,000 | 36,600,000 | 8,300,000 | - | 28,300,000 |
| 3 1999-A Forward Refunding | 160,205,000 | 124,365,000 | 8,600,000 | - | 115,765,000 |
| 4 1999-B New Money | 150,340,000 | 23,535,000 | 3,050,000 | - | 20,485,000 |
| 5 1999-C Refunding | 170,495,000 | 166,735,000 | 3,450,000 | - | 163,285,000 |
| 6 2001-A New Money | 55,685,000 | 13,110,000 | 1,225,000 | - | 11,885,000 |
| 7 2001-B Refunding | 191,215,000 | 178,235,000 | 150,000 | - | 178,085,000 |
| 8 2003-A Forward Refunding | 273,505,000 | 214,185,000 | 12,720,000 | - | 201,465,000 |
| 9 2003-B Refunding | 243,795,000 | 243,635,000 | - | - | 243,635,000 |
| 10 2005-A New Money | 242,795,000 | 227,765,000 | 5,275,000 | - | 222,490,000 |
| 11 2005-B Refunding | 43,655,000 | 29,000,000 | 7,485,000 | - | 21,515,000 |
| 12 2007-A Refunding | 46,635,000 | 46,635,000 | 65,000 | - | 46,570,000 |
| 13 2008-A Refunding | 263,075,000 | 263,075,000 | 1,450,000 | - | 261,625,000 |
| 14 2008-B Refunding | 26,075,000 | 26,075,000 | 550,000 | - | 25,525,000 |
| 15 Prop A Commercial Paper | 350,000,000 | 163,123,000 | 6,104,000 | - | 157,019,000 |
| 16 Debt Overhead Costs | - | - | - | - | - |
| 17 Prop A Debt Sub-Total | 2,597,600,000 | 1,795,868,000 | 77,694,000 | - | 1,718,174,000 |
| 18 1993-A Refunding | 204,095,000 | 193,210,000 | 1,320,000 | - | 191,890,000 |
| 19 1998-A Refunding | 219,710,000 | 203,995,000 | 16,625,000 | - | 187,370,000 |
| 20 1999-A New Money | 124,805,000 | 102,705,000 | 3,210,000 | - | 99,495,000 |
| 21 2000-A New Money | 161,995,000 | 15,390,000 | 3,570,000 | - | 11,820,000 |
| 22 2003-A Refunding | 94,840,000 | 50,730,000 | 9,410,000 | - | 41,320,000 |
| 23 2003-B Refunding | 170,775,000 | 167,300,000 | 400,000 | - | 166,900,000 |
| 24 2003-C Refunding | 221,850,000 | 211,500,000 | 9,200,000 | - | 202,300,000 |
| 25 2004-A New Money | 176,345,000 | 164,285,000 | 3,630,000 | - | 160,655,000 |
| 26 2006-A Refunding | 129,385,000 | 128,720,000 | 290,000 | - | 128,430,000 |
| 27 2008-A Refunding | 128,745,000 | 128,745,000 | - | - | 128,745,000 |
| 28 Prop C Commercial Paper | 150,000,000 | 115,618,000 | 3,085,000 | - | 112,533,000 |
| 29 Debt Overhead Costs | - | - | - | - | - |
| 30 Prop C Debt Sub-Total | 1,782,545,000 | 1,482,198,000 | 50,740,000 | - | 1,431,458,000 |
| 31 2000 Breda Lease (Norwest) | 64,882,355 | 46,214,601 | 5,037,694 | - | 41,176,907 |
| 32 2000 Breda Lease (CIBC) | 13,780,433 | 9,521,137 | 400,138 | - | 9,120,999 |
| 33 2000 Breda Lease (Comerica) | 87,396,529 | 62,322,159 | 6,756,740 | - | 55,565,419 |
| 34 2001 Agilent Lease | 264,054,348 | 50,052,685 | - | 3,135,887 | 53,188,572 |
| 35 2001 Comerica Lease | 75,742,288 | 102,298,955 | 49,661,539 | 5,345,140 | 57,982,557 |
| 36 2002 Textron Lease | 114,779,263 | 23,434,007 | - | 1,444,030 | 24,878,036 |
| 37 2002 Philip Morris Lease | 384,088,739 | 339,843,797 | - | 16,531,038 | 356,374,835 |
| 38 2002 First Hawaiian Lease | 65,774,837 | 85,162,754 | 2,535,893 | 5,332,288 | 87,959,150 |
| 39 2003 Fleet Lease | 89,632,800 | 114,611,542 | 3,307,713 | 7,380,264 | 118,684,093 |
| 40 Capitalized Leases | 96,848,132 | 7,736,274 | 2,602,961 | - | 5,133,313 |
| 41 Solar Panel Lease | 16,462,634 | 11,204,234 | 1,102,062 | - | 10,102,172 |
| 42 Debt Overhead Costs | - | - | - | - | - |
| 43 Other Debt Sub-Total | 1,273,442,359 | 852,402,145 | 71,404,740 | 39,168,647 | 820,166,052 |
| 44 2005 Capital Grant Revenue | 264,885,000 | 132,460,000 | - | - | 132,460,000 |
| 45 Grant Revenue Debt Sub-Total | 264,885,000 | 132,460,000 | - | - | 132,460,000 |
| 46 2003 Workers Comp | 88,485,000 | 26,995,000 | 13,200,000 | - | 13,795,000 |
| 47 2004-A Refunding (USG) | 197,050,000 | 179,775,000 | 4,850,000 | - | 174,925,000 |
| 48 General Revenue Debt Sub-Total | 471,270,000 | 206,770,000 | 18,050,000 | - | 188,720,000 |
| 49 Enterprise Fund Debt Total | 6,389,742,359 | 4,469,698,145 | 217,888,740 | 39,168,647 | 4,290,978,052 |
| 50 2002-A CRA Redevelopment Refunding | 20,920,000 | 17,805,000 | 640,000 | - | 17,165,000 |
| 51 2007-B CRA Housing Refunding | 8,615,000 | 7,960,000 | 370,000 | - | 7,590,000 |
| 52 Prop A General Fund Debt Total | 29,535,000 | 25,765,000 | 1,010,000 | - | 24,755,000 |
| 53 Metro Debt Total | 6,419,277,359 | 4,495,463,145 | 218,898,740 | 39,168,647 | 4,315,733,052 |
| 54 2001-A Bnft Assmt. Dist. A1 Refunding | 42,465,000 | 21,070,000 | 21,070,000 | - | - |
| 55 2001-A Bnft Assmt. Dist. A2 Refunding | 6,705,000 | 1,100,000 | 1,100,000 | - | - |
| 56 Agency Fund Total | 49,170,000 | 22,170,000 | 22,170,000 | - | - |
| 57 Total | 6,468,447,359 | 4,517,633,145 | 241,068,740 | 39,168,647 | 4,315,733,052 |

Footnotes

- (1) - Interest expense is calculated using a 3.5% interest rate
- (2) - Interest expense is calculated using a 3.5% interest rate for tax-exempt notes and a 4.5% interest rate for taxable notes
- (3) - The interest expense budgeted for the 2005 Capital Grant Revenue Bonds is net of earnings from the Debt Service Reserve Fund. The principal payment is not included in the budget because it is paid from FFGA grant receipts.
- (4) - Debt service for the 2004 Union Station Gateway bonds is treated as rent and reimbursed to the Enterprise Fund through the overhead allocation process.

Note: Totals may not add due to rounding.

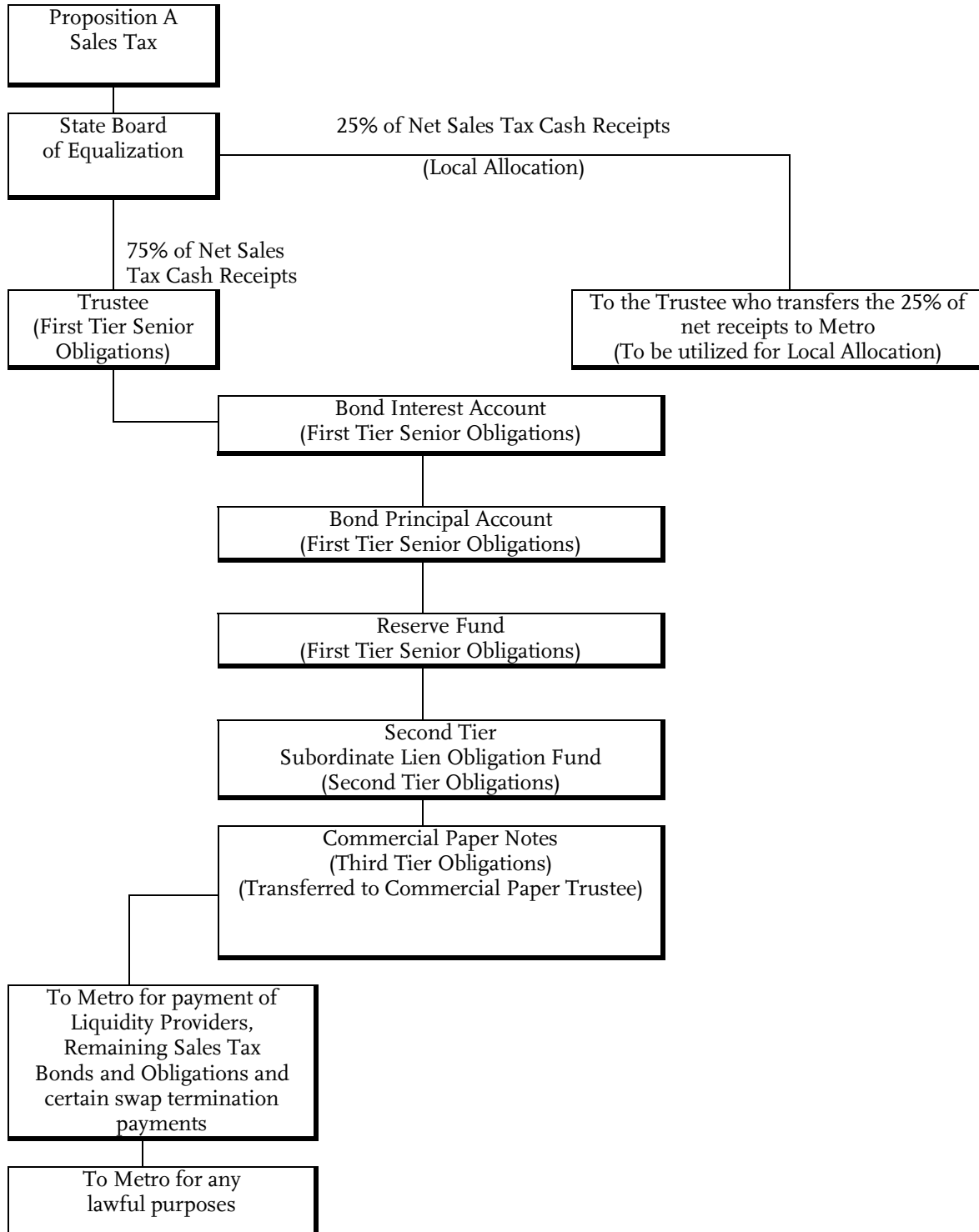
Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| | Principal | Interest | Total D/S P&I | Misc. Fees | Total D/S Expense | Enterprise Fund | General Fund | Agency Fund | Foot Notes |
|----|-------------|-------------|------------------|-------------|----------------------|--------------------|-----------------|----------------|---------------|
| 1 | 19,270,000 | 1,334,126 | 20,604,126 | | 20,604,126 | 20,604,126 | - | - | |
| 2 | 8,300,000 | 2,507,380 | 10,807,380 | 305,000 | 11,112,380 | 11,112,380 | - | - | |
| 3 | 8,600,000 | 5,834,850 | 14,434,850 | 7,500 | 14,442,350 | 14,442,350 | - | - | |
| 4 | 3,050,000 | 929,586 | 3,979,586 | 244,141 | 4,223,727 | 4,223,727 | - | - | |
| 5 | 3,450,000 | 8,070,386 | 11,520,386 | 7,500 | 11,527,886 | 11,527,886 | - | - | |
| 6 | 1,225,000 | 527,182 | 1,752,182 | 151,799 | 1,903,981 | 1,903,981 | - | - | |
| 7 | 150,000 | 9,347,026 | 9,497,026 | 7,500 | 9,504,526 | 9,504,526 | - | - | |
| 8 | 12,720,000 | 9,850,394 | 22,570,394 | (1,080,919) | 21,489,475 | 21,489,475 | - | - | |
| 9 | - | 11,301,750 | 11,301,750 | (661,280) | 10,640,470 | 10,640,470 | - | - | |
| 10 | 5,275,000 | 10,886,782 | 16,161,782 | (465,534) | 15,696,248 | 15,696,248 | - | - | |
| 11 | 7,485,000 | 1,075,750 | 8,560,750 | (414,105) | 8,146,645 | 8,146,645 | - | - | |
| 12 | 65,000 | 2,326,888 | 2,391,888 | (200,717) | 2,191,171 | 2,191,171 | - | - | |
| 13 | 1,450,000 | 12,729,359 | 14,179,359 | 1,359,711 | 15,539,070 | 15,539,070 | - | - | |
| 14 | 550,000 | 1,113,526 | 1,663,526 | (48,760) | 1,614,766 | 1,614,766 | - | - | |
| 15 | 6,104,000 | 3,848,180 | 9,952,180 | 653,504 | 10,605,684 | 10,605,684 | - | - | (1) |
| 16 | - | - | - | 427,000 | 427,000 | 427,000 | - | - | |
| 17 | 77,694,000 | 81,683,165 | 159,377,165 | 292,340 | 159,669,505 | 159,669,505 | - | - | |
| 18 | 1,320,000 | 15,648,630 | 16,968,630 | 4,237,500 | 21,206,130 | 21,206,130 | - | - | |
| 19 | 16,625,000 | 2,818,926 | 19,443,926 | 5,000 | 19,448,926 | 19,448,926 | - | - | |
| 20 | 3,210,000 | 4,642,888 | 7,852,888 | 5,000 | 7,857,888 | 7,857,888 | - | - | |
| 21 | 3,570,000 | 591,000 | 4,161,000 | 194,730 | 4,355,730 | 4,355,730 | - | - | |
| 22 | 9,410,000 | 2,145,038 | 11,555,038 | 7,500 | 11,562,538 | 11,562,538 | - | - | |
| 23 | 400,000 | 8,251,536 | 8,651,536 | 1,355,895 | 10,007,431 | 10,007,431 | - | - | |
| 24 | 9,200,000 | 9,876,286 | 19,076,286 | 2,582,777 | 21,659,063 | 21,659,063 | - | - | |
| 25 | 3,630,000 | 7,724,592 | 11,354,592 | (164,991) | 11,189,601 | 11,189,601 | - | - | |
| 26 | 290,000 | 5,877,650 | 6,167,650 | (103,250) | 6,064,400 | 6,064,400 | - | - | |
| 27 | - | 6,114,160 | 6,114,160 | (155,736) | 5,958,424 | 5,958,424 | - | - | |
| 28 | 3,085,000 | 2,773,315 | 5,858,315 | 561,500 | 6,419,815 | 6,419,815 | - | - | (2) |
| 29 | - | - | - | 323,000 | 323,000 | 323,000 | - | - | |
| 30 | 50,740,000 | 66,464,021 | 117,204,021 | 8,848,925 | 126,052,946 | 126,052,946 | - | - | |
| 31 | 5,037,694 | 5,142,814 | 10,180,508 | - | 10,180,508 | - | - | - | |
| 32 | 400,138 | 380,913 | 781,051 | - | 781,051 | - | - | - | |
| 33 | 6,756,740 | 6,937,152 | 13,693,892 | - | 13,693,892 | - | - | - | |
| 34 | - | - | - | - | - | - | - | - | |
| 35 | 49,661,539 | - | 49,661,539 | - | 49,661,539 | - | - | - | |
| 36 | - | - | - | - | - | - | - | - | |
| 37 | - | - | - | - | - | - | - | - | |
| 38 | 2,535,893 | - | 2,535,893 | - | 2,535,893 | - | - | - | |
| 39 | 3,307,713 | - | 3,307,713 | - | 3,307,713 | - | - | - | |
| 40 | 2,602,961 | 209,005 | 2,811,966 | - | 2,811,966 | 2,811,966 | - | - | |
| 41 | 1,102,062 | 432,393 | 1,534,455 | - | 1,534,455 | 1,534,455 | - | - | |
| 42 | - | - | - | 1,000,000 | 1,000,000 | - | - | - | |
| 43 | 71,404,740 | 13,102,277 | 84,507,017 | 1,000,000 | 85,507,017 | 4,346,421 | - | - | |
| 44 | - | 4,940,248 | 4,940,248 | (882,196) | 4,058,052 | - | - | - | (3) |
| 45 | - | 4,940,248 | 4,940,248 | (882,196) | 4,058,052 | - | - | - | |
| 46 | 13,200,000 | 629,052 | 13,829,052 | 146,402 | 13,975,454 | 13,975,454 | - | - | |
| 47 | 4,850,000 | 8,413,893 | 13,263,893 | 1,071,404 | 14,335,297 | - | - | - | (4) |
| 48 | 18,050,000 | 9,042,945 | 27,092,945 | 1,217,806 | 28,310,751 | - | - | - | |
| 49 | 217,888,740 | 175,232,656 | 393,121,396 | 10,476,875 | 403,598,271 | 304,044,326 | - | - | |
| 50 | 640,000 | 902,316 | 1,542,316 | 3,500 | 1,545,816 | - | 1,545,816 | - | (5) |
| 51 | 370,000 | 349,338 | 719,338 | 15,000 | 734,338 | - | 734,338 | - | (5) |
| 52 | 1,010,000 | 1,251,654 | 2,261,654 | 18,500 | 2,280,154 | - | 2,280,154 | - | |
| 53 | 218,898,740 | 176,484,310 | 395,383,050 | 10,495,375 | 405,878,425 | 304,044,326 | 2,280,154 | - | |
| 54 | 21,070,000 | 421,400 | 21,491,400 | 32,183 | 21,523,583 | - | - | 21,523,583 | (6) |
| 55 | 1,100,000 | 22,550 | 1,122,550 | 13,593 | 1,136,143 | - | - | 1,136,143 | (6) |
| 56 | 22,170,000 | 443,950 | 22,613,950 | 45,776 | 22,659,726 | - | - | 22,659,726 | |
| 57 | 241,068,740 | 176,928,260 | 417,997,000 | 10,541,151 | 428,538,151 | 304,044,326 | 2,280,154 | 22,659,726 | |

(5) - Debt service is paid from Prop A 35% Sales Tax Revenue and is to be reimbursed from net revenues of the project.

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

**Proposition A Sales Tax
 Flow of Funds**



Tests for Issuance of Additional Proposition A Bonds

First Tier Senior Prop A Bonds

These bonds have the highest level of security for all Prop A debt. The debt service is paid on these bonds before the Prop A receipts can be used for any other purpose.

- For 12 consecutive months out of the 15 months immediately preceding the issuance of new bonds, 35% of Prop A revenues collected must equal at least 115% of the maximum annual debt service for all First Tier Senior Prop A Bonds (including the new bond issue)

Second Tier Prop A Obligations

These obligations have the second highest level of security for Prop A debt. Metro is obligated to make payments under a swap agreement for Prop A that are on a parity with Second Tier Prop A obligations. Metro also has housing bonds and redevelopment bonds that are second tier Prop A obligations.

- For 12 consecutive months out of the 15 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, including the new bonds. In addition, for 12 consecutive months out of the 15 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.

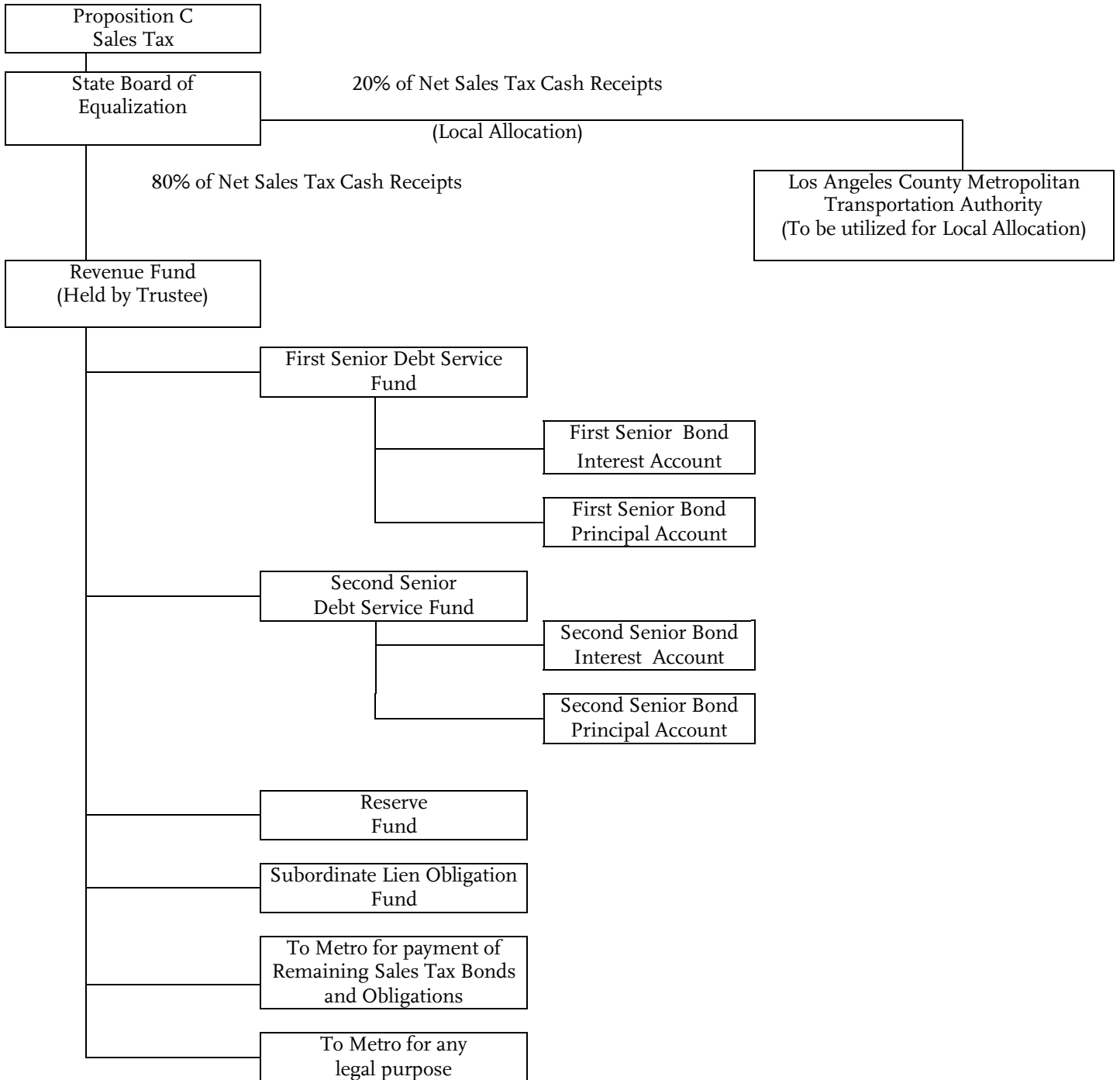
Third Tier Prop A Obligations

- The Prop A commercial paper is a third tier Prop A obligation. Before any new issuance, the additional bonds test requires that 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 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.

Fourth Tier Prop A Obligations

- For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Fourth 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.

**Proposition C Sales Tax
 Flow of Funds**



Tests for Issuance of Additional Proposition C Bond

First Senior Prop C Bonds

These bonds have the highest level of security of all Prop C debt. Metro does not have any first senior Prop C debt outstanding.

- 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

The Second Senior Prop C bonds have the second highest level of security of all Prop C debt. The majority of Prop C debt is issued as Second Senior Prop C debt. Metro also is obligated to make payments under two swap agreements that are on a parity with the Second Senior Prop C bonds.

- For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, 80% of all 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

- The Prop C commercial paper is a subordinate lien Prop C obligation. Prior to any additional issuance, the test requires that for 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds or debt obligations, 80% of all Prop C revenues collected must equal at least 125% 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.

Second Subordinate Lien Prop C Obligations

- 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.

Tests for Issuance of Additional General Revenue Bonds

In addition to Prop A and Prop C secured debt, Metro can issue general revenue bonds that are secured by the general revenues and remaining sales tax (both Prop A and Prop C) available after paying the debt service for the Prop A and Prop C debt obligations. General Revenues include all fare box revenues and fees and advertising revenues together with the interest income from those revenues. Metro has two general revenue bonds outstanding as of June 30, 2009. These bonds do not have debt service coverage requirements but do have an additional bonds test that must be met at the time of issuing new bonds. For 12 consecutive months out of the 18 consecutive months

immediately preceding the issuance of new general revenue bonds, the general (pledged) revenues and remaining sales taxes collected must equal at least 300% of maximum annual debt service for all general revenue bonds that will be outstanding immediately following the issuance of the new bonds

Tests for Issuance of Measure R Bonds

Under the Ordinance authorizing Measure R, Metro is authorized to issue limited tax bonds, payable from and secured by Measure R Sales Tax Revenues, to finance any program or project in the Measure R Expenditure Plan. The issuance of debt secured by Measure R will require a resolution of the Board. No Measure R debt has been authorized at this time.

Appendix 5: Revenue Detail – FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|--|--|--|--|
| <i>Sales Tax Revenues</i> | | | |
| Proposition A | \$673.7 million in available revenues include \$57.0 million in carryover balance \$616.7 million in new sales tax. \$670.0 million programmed. | The FY10 sales tax forecast is based on FY08 actual escalated by -5% for FY09 and -5% for FY010. | All areas of budget-operations, debt service, general fund, planning projects, rail construction, and subsidies. |
| Proposition C | \$1,036.3 million in available revenues include \$422.4 million in carryover balance and \$616.9 million in new sales tax. \$922.7 million programmed. | The FY10 sales tax forecast is based on FY08 actual escalated by -5% for FY09 and -5% for FY10. | All areas of budget-operations, debt service, general fund, planning projects, bus procurement, and subsidies. |
| Measure R | \$361.2 million in revenues is from new sales tax. \$154.3 million programmed. | The FY10 sales tax forecast is based on historical record of Prop C quarterly collections in FY91. | Operations, planning projects, rail expansion and subsidies. |
| Transportation Development Act (TDA) | \$429.6 million in revenues include \$122.3 million in carryover balance and \$307.3 million in new sales tax. \$341.9 million programmed. | The FY10 sales tax forecast is based on FY08 actual escalated by -5% for and -5% for FY10. | Metro bus operations, local match to capital projects, subsidies to municipal bus operators. |
| State Transit Assistance (STA) | \$25.2 million in revenues include \$25.2 million in carryover balance and \$0.0 million in new sales tax. \$1.8 million programmed. | No new sales tax forecast for FY10. | Metro bus operations, local match to capital projects, subsidies to municipal bus operators. |
| <i>Intergovernmental Revenues</i> | | | |
| <i>Local Funds</i> | | | |
| City of Los Angeles | \$12.0 million in new revenues. \$12.0 million programmed. | Based on project costs. | \$9.2 million for Expo. Light Rail Corridor – Phase I. \$2.8 million for I-710 EIR/EIS. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|--|---|--|--|
| <i>State Funds</i> | | | |
| STIP(State Transportation Improvement program Fund) | \$143.4 million in new revenues. \$143.4 million programmed. | Based on LA County's share of federal and state fuel tax revenue. | Light Rail Vehicle Fleet Enhancement & Expo. Phase I. |
| SHA (State highway Account) | \$0.5 million in new revenues. \$0.5 million programmed. | Based on LA County's share of federal and state fuel tax revenue. | Pedestrian & bicycle linkage plan and Examine Transit stations for transit oriented development. |
| Traffic Congestion Relief (TCRP) Program | \$106.1 million in new revenues. \$106.1 million programmed. | Awarded by state legislature. | Bus Purchase, Red Line Westside extension & Expo. LR. Related project. |
| STIP – (PPM) Planning, Programming and Monitoring | \$7.0 million in new revenues. \$7.0 million programmed. | Based on state formula. | Labor related grants for Countywide Planning Projects. |
| (FSP) Freeway Service Patrol State Grant | \$10.2 million in new revenues. \$10.2 million programmed. | Allocated by state legislature. | Free tow truck service on freeways during weekdays peak hours and weekends on selected freeways. |
| Prop 1B State Infrastructure Bonds | \$128.0 million in new revenues. \$128.0 million programmed. | Allocated by state legislature. | Expo Phase II, Orange Line extension, MRL station gating, Union Division project, Bus Midlife programs and acquisition of 45 foot composite buses. |
| State Other | \$19.5 million in new revenues. \$19.5 million programmed. | Funding provided by project partners (Caltrans, GCCOG, POLA, and POLB) on reimbursement basis. | I405 Car Pool Lane and I-710 EIR/EIS corridor project. Subsidy other Agencies. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|--|---|---|---|
| <i>Federal Revenues</i> | | | |
| Section 5309 [3] Capital – New Starts | \$41.3 million in new revenues. \$41.3 million programmed. | Based on full funding grant agreement. | Metro Gold Line Eastside Extension project. |
| Section 5309 [3] Fixed Guideways | \$37.9 million in new revenues. \$37.9 million programmed. | Based on FTA’S capital program formula and grants awarded. | Preventive maintenance for all rail lines. |
| Section 5309 [3] Bus Capital | \$82.0 million in new revenues. \$82.0 million programmed. | Based on grants awarded. | Preventive maintenance for all buses and Regional Grantee-FTA. |
| Federal Section 5307 [9]. Preventive Maintenance and Capital | \$162.2 million new revenues. \$162.2 million programmed. | Preventive Maintenance funds appropriated by Congress annually and allocated on Urbanized Area Formula basis. Capital projects are based on grants awarded. | \$103.9 million for bus preventive maintenance, \$43.2 million for Congestion Reduction Demonstration Projects (CRDP), \$10.3 million for bus engine replacement projects and \$4.9 million for bus purchase. |
| FTA Grant – CMAQ | \$87.1 million new revenues. \$87.1 million programmed. | Awarded in Regional Transit Alternatives Analysis (RTAA) or other Board action. | \$11.7 million for Metro Gold Line. \$46.0 million for 45-foot composite buses purchase. \$14.7 million for Metro Rapid Bus Phase II. And \$14.7 million for I-10 and I-110 CRDP. |
| Federal TEA | \$0.3 million new revenues. \$0.3 million programmed. | Based on grant awarded and Board adopted funding plan. | Bicycle lockers/racks for MTA. |
| FTA Grant 5340 Growing States and High Density States Formula | \$6.7 million in new revenues. \$6.7 million programmed. | Funds appropriated by congress annually and allocated based on population. | Rail Preventive Maintenance. |
| Federal – Homeland Security | \$1.6 million new revenues. \$1.6 million programmed. | Based on grants awarded. | Bus and Rail security enhancements. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|---|---|--|--|
| Job Access Reverse Commute | \$6.2 million in new revenues. \$6.2 million programmed. | Based on FTA formula. | Rideshare service. |
| New Freedom S5316, S5317 | \$4.8 million in new revenues. \$4.8 million programmed. | Based on grants awarded. | Coordinate Human Services transportation plan. |
| American Recovery and Reinvestment Act of 2009 and Federal Funding. | \$253.8 million in new revenues. \$253.8 million programmed. | Based on grants awarded. | \$191.5 million for 1405 car pool lane. \$18.6 million contract services bus buy. \$24.3 million for bus midlife program, \$19.5 million for various bus and rail capital projects. |
| Federal Other | \$81.8 million in revenues. \$81.8 million programmed. | Based on congressional approval and discretionary grant awarded. | \$79.5 million for 1405 car pool lane and \$2.3 million other transit, highway planning and Metro sponsored projects. |
| <i>Investment Income Revenues</i> | | | |
| Prop A Interest | \$24.3 million in available revenues include \$23.7 in carryover funds and \$0.6 million in new revenues. \$19.7 programmed. | Based on conservative estimates to reflect current conditions. | \$14.3 millions in bus operations and \$5.4 millions subsidy. |
| Prop C Interest | \$44.1 million in available revenues includes \$42.9 million in carryover funds and \$1.2 million in new revenues. \$34.7 programmed. | Based on conservative estimates to reflect current conditions. | \$25.2 millions in bus operations and \$9.5 millions subsidy. |
| Measure R | \$0.0 million carryover funds. \$0.0 million programmed. | Based on conservative estimates to reflect current conditions. | N/A in FY10. |
| TDA Interest | \$7.7 million carryover funds. \$7.7 million programmed. | Based on conservative estimates to reflect current conditions. | Formula subsidy. |
| STA Interest | \$1.3 million carryover revenues. \$0.0 million programmed. | Based on conservative estimates to reflect current conditions. | Formula subsidy. |
| General Fund Interest Revenue | \$2.2 million in new revenue. \$0.0 million carryover fund. \$0.0 million programmed. | Based on conservative estimates to reflect current conditions. | N/A in FY10. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|---|--|---|--|
| Service Authority for Freeway Emergencies (SAFE) – Interest revenue | \$0.6 million in new revenues. \$0.6 million programmed. | Based on conservative estimates to reflect current conditions. | Call box maintenance. |
| Interest Revenues (EF) | \$0.5 million in new revenues. \$0.5 million programmed. | Based on conservative estimates to reflect current conditions. | Bus operations. |
| <i>Lease and Rental</i> | | | |
| Lease and Rental | \$77.2 million in available revenue includes \$60.7 million in carryover balance and \$16.5 million in new revenues. \$10.0 million programmed. | Based on current property management leases. | Property management, Joint Development projects, Eastside mitigation revolving loan, economic development. |
| <i>License and Fines</i> | | | |
| Service Authority for Freeway Emergencies (SAFE) | \$32.4 million in available revenues including \$26.8 million in carryover balance and \$6.0 million in new revenues. \$15.0 million programmed. | Estimated revenues are generated from a \$1.0 annual registration fee on vehicles in LA County. | Call boxes maintenance upkeep and freeway service patrol. |
| HOV Lanes Fines | \$2.2 millions in revenues including \$1.7 millions in carryover balance and \$0.5 million in new revenues. \$0.5 million programmed. | Based on State Highway Operations Dept. estimate of anticipated funds. | Freeway Service Patrol (FSP) program. |
| <i>Other Revenues</i> | | | |
| Parking Fees – USG Building | \$1.7 million in new revenues. \$0.0 programmed. | Estimated revenue is based on Real Estate Administration analysis. | Reserved for joint development use. |
| Joint Development | \$2.9 million in new revenues. \$2.9 programmed. | Based on project schedule anticipated revenue for FY10. | Reserved for joint development use. |
| Sales Leaseback | \$27.4 million in carryover balance. \$0.0 in new revenues. \$0.0 million programmed. | No new anticipated revenue in FY10. | Bus or Rail operating capital. |
| Employee Activities | \$1.5 million in revenues including \$0.8 million in carryover balance and \$0.8 million in new revenues. \$0.7 million programmed. | Based on revenues from Employee Center and Metro logo merchandise sale. | Employee activities related projects. |
| Miscellaneous Other | \$0.0 million in new revenue. \$0.0 programmed. | Based on labor reimbursement from PBLCA, City of LA and Sanbag. | N/A in FY10. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|-----------------------------------|---|---|---|
| General Fund. | \$68.9 million in available revenues including \$58.4 million in carryover balance and \$10.5 in new revenues. \$10.2 million programmed. | CNG credits. | Bus operations. |
| FAU Cash | \$0.0 million in carryover balance. \$0.0 million programmed. | No new revenues in FY10. Previous grant awards. | N/A in FY10. |
| Ridesharing Funds | \$0.0 million in carryover and \$0.0 programmed. | No new revenues in FY10. Previous grant awards. | Rideshare related services. |
| Air Quality Mgmt District (AQMD). | \$0.0 million in new revenues. \$0.0 programmed. | Based on grants awarded. | Bus Midlife Program |
| Benefit Assessment District (BAD) | \$22.8 million in new revenues. \$22.8 million programmed. | Commercial property assessment to equal annual debt service expenditures. | Financing reimbursements for Benefit Assessment (BAD) debt service. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|--|---|--|--|
| EZ Pass Program | \$10.1 million in new revenues. \$10.1 million programmed. | Based on growing participation. | \$8.0 million EZ Pass Program subsidy, \$1.5 million Metrolink pass-through and \$0.6 million EZ Pass program administration expenses. |
| <i>Operating Revenues</i> | | | |
| Fare Box Revenues- Passenger fares | \$332.5 million in new revenues. \$332.5 million programmed. | Expected FY10 boarding at \$0.67 per boarding. | Bus and rail operations. |
| Hollywood Bowl Shuttle. | \$0.3 million in new revenues. \$0.3 million programmed | Based on Regional Transportation Planning and Development estimate. | Bus and rail operations. |
| Metrolink Interagency Agreement | \$4.8 million in new revenues. \$4.8 million programmed. | Expected FY10 boarding at \$0.65 per boarding. | Bus and rail operations. |
| Advertising | \$25.6 million in new revenues. \$25.6 million programmed. | Based on contract. | Bus and Rail operations. |
| <i>Non – Operating Revenues</i> | | | |
| Bus Parts/Scrap Sales | \$0.6 million in new revenues. \$0.6 million programmed. | Based on expected sale of salvaged bus parts and non-revenue vehicles. | Bus operations. |
| County Buy-down | \$0.5 million in new revenues. \$0.5 million programmed. | Based on Customer Service Department revised cash flow assumption. | Bus operations. |
| Filming Fees | \$0.4 million in new revenues. \$0.4 million programmed. | Based on filming activity trends in LA. | Bus operations. |
| Prior year surplus | \$31.6 million in new revenues. \$31.6 million programmed. | Based on FY08 surplus. | Bus and rail operations. |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Fund Type | Revenues | Assumptions | Application/Uses |
|--|--|---|-----------------------------------|
| Proceed from sales of surplus property | \$0.0 million in new revenues. \$0.0 million programmed. | Based on expected sale of excess real-estate. | N/A in FY10. |
| Miscellaneous/ DWP Settlement | \$8.2 million in new revenues. \$8.2 million programmed. | Historical experience and special circumstance. | Bus operations. |
| <i>Other Financing Sources</i> | | | |
| Proposition A 35% Rail Bonds | \$7.9 million in bond financing. \$7.9 million programmed. | Based on Board adopted funding plan. | Subway Railcar Midlife Overhaul. |
| Proposition A 40% Discretionary Bonds | \$0.0 million in bond financing. \$0.0 million programmed. | Based on Board adopted funding plan. | N/A in FY10. |
| Proposition C 25% Street and Hwys Bonds | \$0.0 million bond financing. \$0.0 million programmed. | Based on Board adopted funding plan. | N/A in FY10. |
| Proposition C 40% Disc. Bonds | \$0.0 million bond financing. \$0.0 million programmed. | Based on Board adopted funding plan. | N/A in FY10. |
| General Revenue Bonds | \$0.0 million General Revenue Bonds (leftover from USG). \$0.0 million programmed. | Based on Board adopted funding plan. | Gateway Headquarters Improvement. |

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Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Appendix 6: Summary of Revenues and Carryover by Source

| Revenue Source | FY08 | | | FY09 | | | | FY10 | | | |
|--|--------------------|--------------|--------------|--------------------|--------------|--------------|--------------|--------------------|--------------|--------------|--------------|
| | Prior Year Balance | Actual | Total | Prior Year Balance | New Revenues | Total | Programmed | Prior Year Balance | New Revenues | Total | Programmed |
| 1 Sales Tax Revenues | | | | | | | | | | | |
| 2 Proposition A | | | | | | | | | | | |
| 3 Administration | \$ 5,575 | \$ 34,162 | \$ 39,737 | \$ 21,938 | \$ 35,022 | \$ 56,959.83 | \$ 49,062 | \$ 14,949 | \$ 30,836 | \$ 45,785 | \$ 45,786 |
| 4 Local Return (25%) | - | 162,296 | 162,296 | (0) | 166,355 | 166,355 | 166,354 | - | 146,472 | 146,472 | 146,472 |
| 5 Rail - Set Aside (35%) | 114,484 | 227,215 | 341,698 | 79,558 | 232,898 | 312,455 | 275,594 | 24,602 | 205,061 | 229,663 | 229,663 |
| 6 Discretionary (95% of 40%) | 152,463 | 246,690 | 399,153 | 67,845 | 252,860 | 320,705 | 266,333 | 4,790 | 222,638 | 227,428 | 225,903 |
| 7 Incentive (5% of 40%) | 21,182 | 12,984 | 34,166 | 19,755 | 13,308 | 33,063 | 25,735 | 12,831 | 11,718 | 24,549 | 24,549 |
| 8 Total proposition A | 293,704 | 683,346 | 977,050 | 189,095 | 700,444 | 889,539 | 783,078 | 57,173 | 616,725 | 673,898 | 672,373 |
| 9 | | | | | | | | | | | |
| 10 Proposition C | | | | | | | | | | | |
| 11 Administration | 2,117 | 10,253 | 12,370 | 962 | 10,509 | 11,471 | 11,471 | (0) | 9,253 | 9,253 | 9,253 |
| 12 Local Return (20%) | - | 134,655 | 134,655 | (0) | 138,016 | 138,016 | 138,016 | - | 121,527 | 121,527 | 121,527 |
| 13 Security (5%) | 7,610 | 33,664 | 41,274 | 7,168 | 34,504 | 41,672 | 31,866 | 7,282 | 30,382 | 37,664 | 37,364 |
| 14 Commuter Rail (10%) | 58,644 | 67,328 | 125,972 | 68,541 | 69,008 | 137,549 | 104,011 | 33,991 | 60,763 | 94,755 | 94,427 |
| 15 Streets & Highways (25%) | 260,820 | 168,319 | 429,139 | 219,251 | 172,520 | 391,771 | 254,125 | 140,005 | 151,908 | 291,913 | 291,913 |
| 16 Discretionary (40%) | 55,441 | 269,311 | 324,752 | 240,708 | 276,032 | 516,740 | 288,741 | 238,890 | 243,053 | 481,943 | 355,215 |
| 17 Total proposition C | 384,631 | 683,530 | 1,068,161 | 536,631 | 700,588 | 1,237,219 | 828,230 | 420,169 | 616,886 | 1,037,054 | 909,701 |
| 18 | | | | | | | | | | | |
| 19 Measure R | | | | | | | | | | | |
| 20 Administration (1.5%) | - | - | - | - | - | - | - | - | 5,419 | 5,419 | 2,617 |
| 21 Local Return (15%) | - | - | - | - | - | - | - | - | 53,374 | 53,374 | 53,374 |
| 22 Transit Capital - New Rail/Brt (35%) | - | - | - | - | - | - | - | - | 124,540 | 124,540 | 15,153 |
| 23 Transit Capital - Commuter Rail (3%) | - | - | - | - | - | - | - | - | 10,675 | 10,675 | 10,675 |
| 24 Transit Capital - Metro Rail (2%) | - | - | - | - | - | - | - | - | 7,117 | 7,117 | - |
| 25 Highway Capital (20%) | - | - | - | - | - | - | - | - | 71,166 | 71,166 | 16,771 |
| 26 Operations "New Rail" (5%) | - | - | - | - | - | - | - | - | 17,791 | 17,791 | - |
| 27 Operations "Bus" Countywide(20%) | - | - | - | - | - | - | - | - | 71,166 | 71,166 | 52,367 |
| 28 Total Measure R | - | - | - | - | - | - | - | - | 361,248 | 361,248 | 150,958 |
| 29 | | | | | | | | | | | |
| 30 Transportation Development Act - TDA | | | | | | | | | | | |
| 31 Administration | - | 6,000 | 6,000 | - | 6,000 | 6,000 | 6,000 | - | 6,000 | 6,000 | 6,000 |
| 32 Article 3 - (2%) | 18,868 | 6,691 | 25,559 | 18,573 | 6,921 | 25,494 | 7,042 | 17,882 | 6,027 | 23,909 | 5,790 |
| 33 Article 4 - (92.68%) | 143,259 | 309,457 | 452,716 | 159,874 | 318,827 | 478,701 | 352,543 | 99,879 | 277,644 | 377,523 | 315,735 |
| 34 Article 8 - (5.32%) | 2,568 | 18,400 | 20,968 | 6,543 | 20,295 | 26,838 | 20,650 | 4,516 | 17,674 | 22,190 | 17,032 |
| 35 Total TDA | 164,695 | 340,548 | 505,244 | 184,991 | 352,043 | 537,034 | 386,234 | 122,277 | 307,345 | 429,622 | 344,557 |
| 36 | | | | | | | | | | | |
| 37 State Transit Assistance - STA | | | | | | | | | | | |
| 38 Revenue Share - PUC 99314 | - | 27,580 | 27,580 | 23,355 | 49,182 | 72,537 | 49,182 | 25,164 | - | 25,164 | 280 |
| 39 Population Share - PUC 99313 | - | 33,906 | 33,906 | 21,082 | 41,713 | 62,795 | 62,795 | 0 | - | 0 | - |
| 40 Total STA ⁽¹⁾ | - | 61,486 | 61,486 | 44,437 | 90,895 | 135,332 | 111,977 | 25,164 | - | 25,164 | 280 |
| 41 Total Sales Tax | 843,030 | 1,768,910 | 2,611,941 | 955,154 | 1,843,970 | 2,799,124 | 2,109,520 | 624,783 | 1,902,204 | 2,526,987 | 2,077,869 |
| 42 | | | | | | | | | | | |
| 43 Intergovernmental | | | | | | | | | | | |
| 44 Local Funds | | | | | | | | | | | |
| 45 City of LA. | - | - | - | - | 2,170 | 2,170 | 2,170 | - | 9,231 | 9,231 | 9,231 |
| 46 Other/Local ⁽²⁾ | - | 6,977 | 6,977 | - | 12,310 | 12,310 | 12,310 | - | 2,975 | 2,975 | 2,975 |
| 47 Total local funds | - | 6,977 | 6,977 | - | 14,480 | 14,480 | 14,480 | - | 12,206 | 12,206 | 12,206 |
| 48 State Funds | | | | | | | | | | | |
| 49 State Regional STIP | - | 51,375 | 51,375 | - | 179,867 | 179,867 | 179,867 | - | 142,942 | 142,942 | 142,942 |
| 50 State Highway Account | - | - | - | - | 952 | 952 | 952 | - | 453 | 453 | 453 |
| 51 TCRP, AB 2928 (St. Traffic Cong Relief Prg) | - | 56,381 | 56,381 | - | 38,436 | 38,436 | 38,436 | - | 106,381 | 106,381 | 106,381 |
| 52 STIP - PPM | - | 11,812 | 11,812 | - | 9,525 | 9,525 | 9,525 | - | 6,919 | 6,919 | 6,919 |
| 53 Freeway Service Patrol - State/Local Grant | - | - | - | - | 10,200 | 10,200 | 10,200 | - | 8,200 | 8,200 | 8,200 |
| 54 State - Homeland Security | - | - | - | - | - | - | - | - | - | - | - |
| 55 Prop 1B State Infrastructure Bond | - | 160,993 | 160,993 | 52,623 | 156,036 | 208,660 | 156,036 | - | 127,968 | 127,968 | 127,968 |
| 56 State Other/STIP Rideshare | - | 11,010 | 11,010 | - | - | - | - | - | 19,511 | 19,511 | 19,511 |
| 57 Total state funds | - | 291,571 | 291,571 | 52,623 | 395,016 | 447,639 | 395,016 | - | 412,374 | 412,374 | 412,374 |
| 58 Federal Funds | | | | | | | | | | | |
| 59 Federal Section 5309 [3] Capital - New Starts | - | 36,532 | 36,532 | - | 70,971 | 70,971 | 70,971 | - | 41,279 | 41,279 | 41,279 |
| 60 Federal Section 5309 [3] Fixed Guideways | - | 42,544 | 42,544 | - | 54,078 | 54,078 | 54,078 | - | 37,900 | 37,900 | 37,900 |
| 61 Federal Section 5309 [3] Bus Facilities | - | 3,420 | 3,420 | - | 136,832 | 136,832 | 136,832 | - | 86,129 | 86,129 | 86,129 |
| 62 Federal Section 5307 [9] | - | 233,995 | 233,995 | - | 19,969 | 19,969 | 19,969 | - | 168,251 | 168,251 | 168,251 |
| 63 Congestion Mitigation & Air Quality - CMAQ | - | 49,503 | 49,503 | - | 85,929 | 85,929 | 85,929 | - | 88,493 | 88,493 | 88,493 |
| 64 Federal TEA | - | - | - | - | 475 | 475 | 475 | - | - | - | - |
| 65 ARRA | - | - | - | - | - | - | - | - | 257,095 | 257,095 | 257,095 |
| 66 Federal STP | - | - | - | - | - | - | - | - | - | - | - |
| 67 Growing State Rail Prev. Maint. Sec. 5340 | - | - | - | - | 7,071 | 7,071 | 7,071 | - | 7,462 | 7,462 | 7,462 |
| 68 Federal Homeland Security | - | - | - | - | 5,920 | 5,920 | 5,722 | - | 1,554 | 1,554 | 1,554 |
| 69 Job Access Reverse Commute (JARC) S3035 | - | - | - | - | 2,386 | 2,386 | 2,386 | - | 6,209 | 6,209 | 6,209 |
| 70 New Freedoms S5316, S5317 | - | - | - | - | 73 | 73 | 73 | - | 4,812 | 4,812 | 4,812 |
| 71 Federal Other | - | 10,884 | 10,884 | - | 14,866 | 14,866 | 14,866 | - | 81,819 | 81,819 | 81,819 |
| 72 Total federal funds | - | 376,877 | 376,877 | - | 398,570 | 398,570 | 398,372 | - | 781,004 | 781,004 | 781,004 |
| 73 Total Intergovernmental | - | 675,425 | 675,425 | 52,623 | 808,065 | 860,689 | 807,867 | - | 1,205,585 | 1,205,585 | 1,205,585 |
| 74 Balance to following page | \$ 843,030 | \$ 2,444,335 | \$ 3,287,366 | \$ 1,007,777 | \$ 2,652,035 | \$ 3,659,812 | \$ 2,917,387 | \$ 624,783 | \$ 3,107,789 | \$ 3,732,572 | \$ 3,283,454 |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Revenue Source | FY08 | | | FY09 | | | | FY10 | | | |
|---|--------------------|--------------|--------------|--------------------|--------------|--------------|--------------|--------------------|--------------|--------------|--------------|
| | Prior Year Balance | Actual | Total | Prior Year Balance | New Revenues | Total | Programmed | Prior Year Balance | New Revenues | Total | Programmed |
| 75 Balance from previous page | \$ 843,030 | \$ 2,444,335 | \$ 3,287,366 | \$ 1,007,777 | \$ 2,652,035 | \$ 3,659,812 | \$ 2,917,387 | \$ 624,783 | \$ 3,107,789 | \$ 3,732,572 | \$ 3,283,454 |
| 76 Investment Income | | | | | | | | | | | |
| 77 Prop A Interest | 11,001 | 11,514 | 22,515 | 22,515 | 1,200 | 23,715 | - | 23,715 | 600 | 24,315 | 19,670 |
| 78 Prop C Interest | 19,258 | 22,811 | 42,068 | 41,400 | 2,342 | 43,742 | 811 | 42,931 | 1,171 | 44,102 | 34,699 |
| 79 TDA Interest | 8,349 | 9,047 | 17,396 | 16,396 | - | 16,396 | 8,705 | 7,691 | - | 7,691 | 7,691 |
| 80 STA Interest | - | 3,875 | 3,875 | - | 400 | 400 | 400 | - | - | - | - |
| 81 Prop 1B Interest | - | 760 | 760 | - | - | - | - | - | - | - | - |
| 82 TCRP - MTA | - | 12,188 | 12,188 | - | - | - | - | - | - | - | - |
| 83 General Fund - Unrestricted | - | 3,944 | 3,944 | - | 1,651 | 1,651 | - | 3,113 | 1,171 | 4,284 | - |
| 84 Employee Activity | - | 32 | 32 | - | - | - | - | - | - | - | - |
| 85 Sales Leaseback | - | 1,332 | 1,332 | - | 598 | 598 | - | - | 358 | 358 | - |
| 86 Right of way lease revenues | - | 2,274 | 2,274 | - | 814 | 814 | - | - | 618 | 618 | - |
| 87 SAFE - Interest Revenue | - | 1,785 | 1,785 | - | 700 | 700 | 700 | - | 580 | 580 | 580 |
| 88 HOV Lanes Fines | - | 62 | 62 | - | - | - | - | - | - | - | - |
| 89 FAU Cash Interest | - | 292 | 292 | - | 50 | 50 | - | - | 25 | 25 | - |
| 90 Rideshare | - | 75 | 75 | - | - | - | - | - | - | - | - |
| 91 Interest Earned on Debt Service Funds | - | 10,038 | 10,038 | - | - | - | - | - | - | - | - |
| 92 Interest revenues Transit Operations | - | 1,135 | 1,135 | - | 500 | 500 | 500 | - | 525 | 525 | 525 |
| 93 Interest Earned on Capital Projects Fund/ISF | - | 2,700 | 2,700 | - | - | - | - | - | - | - | - |
| 94 Total investment income | 38,608 | 83,862 | 122,470 | 80,311 | 8,255 | 88,566 | 11,116 | 77,450 | 5,048 | 82,498 | 63,165 |
| 95 Lease and Rental | | | | | | | | | | | |
| 96 SAFE | 35,729 | 7,750 | 43,479 | 36,432 | 7,000 | 43,432 | 17,053 | 26,380 | 8,000 | 34,380 | 16,975 |
| 97 HOV Lanes Fines | 1,028 | 657 | 1,685 | 1,747 | 500 | 2,247 | 500 | 1,747 | 500 | 2,247 | 500 |
| 98 Total license and fines | 75,365 | 92,269 | 167,634 | 118,490 | 15,755 | 134,245 | 28,669 | 105,577 | 13,548 | 119,125 | 80,640 |
| 99 Other | | | | | | | | | | | |
| 100 General Fund revenues | | | | | | | | | | | |
| 101 Parking Fees - USG Building (6110) | - | - | - | - | - | - | - | - | - | - | - |
| 102 Prpty Mgmt Rental (6110) | 44,383 | 11,148 | 55,531 | - | - | - | - | 60,650 | 16,528 | 77,178 | 9,988 |
| 103 Ground Lease (6110) | - | 1,793 | 1,793 | 52,844 | 18,459 | 71,302 | 10,652 | - | - | - | - |
| 104 Joint Development (6110) | - | 184 | 184 | - | - | - | - | - | - | - | - |
| 105 Sales Leaseback (2105) | 28,379 | - | 28,379 | 27,351 | - | 27,351 | - | 27,351 | - | 27,351 | - |
| 106 Employee Activities (2110) | 523 | 741 | 1,264 | 693 | 762 | 1,455 | 661 | 794 | 762 | 1,556 | 712 |
| 107 Miscellaneous other (2105) | - | 173 | 173 | - | - | - | - | - | - | - | - |
| 108 Miscellaneous other (6110) | - | 928 | 928 | - | - | - | - | - | - | - | - |
| 109 Miscellaneous other (2115) | - | 456 | 456 | - | - | - | - | - | - | - | - |
| 110 Surplus Property | - | - | - | - | - | - | - | - | - | - | - |
| 111 Cafeteria, Vending at station | - | - | - | - | - | - | - | - | - | - | - |
| 112 General Fund/CNG Credit (2115) | 71,268 | 23,904 | 95,172 | 58,294 | 20,607 | 78,901 | 20,518 | 58,383 | 10,516 | 68,899 | 10,200 |
| 113 Total General Fund Revenues | 144,553 | 39,326 | 183,879 | 139,182 | 39,828 | 179,010 | 31,831 | 147,178 | 27,806 | 174,984 | 20,900 |
| 114 FAU Cash | 6,944 | 2 | 6,946 | 4,914 | - | 4,914 | 5,832 | (918) | - | (918) | - |
| 115 Ridesharing | 1,519 | - | 1,519 | 1,558 | - | 1,558 | 1,558 | - | - | - | - |
| 116 AQMD | - | - | - | - | 3,164 | 3,164 | 3,164 | - | - | - | - |
| 117 Benefit Assessment District | - | - | - | - | 23,089 | 23,089 | 23,089 | - | 22,786 | 22,786 | 22,786 |
| 118 EZ Pass Program | - | 8,205 | 8,205 | - | 10,086 | 10,086 | 10,086 | - | 10,076 | 10,076 | 10,076 |
| 119 Total other | 8,463 | 8,208 | 16,670 | 6,472 | 36,339 | 42,811 | 43,729 | (918) | 32,861 | 31,943 | 32,861 |
| 120 Operating revenues: | | | | | | | | | | | |
| 121 Fare Box Revenues - Passenger fares | - | 325,740 | 325,740 | - | 323,360 | 323,360 | 323,360 | - | 332,454 | 332,454 | 332,454 |
| 122 Route subsidies - Hollywood Bowl shuttle | - | 243 | 243 | - | 350 | 350 | 350 | - | 250 | 250 | 250 |
| 123 Metrolink | - | 3,015 | 3,015 | - | 3,087 | 3,087 | 3,087 | - | 4,830 | 4,830 | 4,830 |
| 124 Advertising | - | 20,653 | 20,653 | - | 23,590 | 23,590 | 23,590 | - | 25,600 | 25,600 | 25,600 |
| 125 Total operating revenues | - | 349,651 | 349,651 | - | 350,387 | 350,387 | 350,387 | - | 363,134 | 363,134 | 363,134 |
| 126 Non-operating revenues | | | | | | | | | | | |
| 127 Other: | | | | | | | | | | | |
| 128 Warranty Claims | - | (73) | (73) | - | - | - | - | - | - | - | - |
| 129 Prior Year (FY08) EF Surplus | - | - | - | - | - | - | - | - | 31,600 | 31,600 | 31,600 |
| 130 Filming Fees | - | 576 | 576 | - | 550 | 550 | 550 | - | 350 | 350 | 350 |
| 131 County Buy down | - | 597 | 597 | - | 462 | 462 | 462 | - | 462 | 462 | 462 |
| 132 Rental - Bldg/Other | - | 1,507 | 1,507 | - | - | - | - | - | - | - | - |
| 133 Proceeds from Sales of Surplus Property | - | 670 | 670 | - | 544 | 544 | 544 | - | 566 | 566 | 566 |
| 134 Miscellaneous | - | 4,132 | 4,132 | - | 667 | 667 | 667 | - | 8,176 | 8,176 | 8,176 |
| 135 Total other | - | 7,409 | 7,409 | - | 2,223 | 2,223 | 2,223 | - | 41,154 | 41,154 | 41,154 |
| 136 Total non-operating revenue | - | 7,409 | 7,409 | - | 2,223 | 2,223 | 2,223 | - | 41,154 | 41,154 | 41,154 |
| 137 Total Revenues | 1,071,411 | 2,941,197 | 4,012,608 | 1,271,922 | 3,096,567 | 4,368,488 | 3,374,226 | 876,620 | 3,586,292 | 4,462,912 | 3,822,144 |
| 138 Other financing Sources | | | | | | | | | | | |
| 139 Proceeds from financing | | | | | | | | | | | |
| 140 Proposition A Rail Bonds/CP | - | - | - | - | 27,709 | 27,709 | 27,709 | - | 7,916 | 7,916 | 7,916 |
| 141 Proposition A Disc Bonds/CP | - | - | - | - | - | - | - | - | - | - | - |
| 142 Proposition Commuter Rail Bond/CP | - | - | - | - | - | - | - | - | - | - | - |
| 143 Proposition C Discretionary Bonds/CP | - | - | - | - | - | - | - | - | - | - | - |
| 144 Proposition C St & Hwys Bonds/CP | - | - | - | - | - | - | - | - | - | - | - |
| 145 Bridge/FFGA Financing Bonds | - | - | - | - | - | - | - | - | - | - | - |
| 146 General Revenue Bond | - | - | - | - | - | - | - | - | - | - | - |
| 147 Total proceeds from financing | - | - | - | - | 27,709 | 27,709 | 27,709 | - | 7,916 | 7,916 | 7,916 |
| 148 Proceeds from refunding bonds | - | - | - | - | - | - | - | - | - | - | - |
| 149 Total other financing sources | - | - | - | - | 27,709 | 27,709 | 27,709 | - | 7,916 | 7,916 | 7,916 |
| 150 Total revenues and carryovers | \$ 1,071,411 | \$ 2,941,197 | \$ 4,012,608 | \$ 1,271,922 | \$ 3,124,276 | \$ 4,396,197 | \$ 3,401,935 | \$ 876,620 | \$ 3,594,208 | \$ 4,470,828 | \$ 3,830,060 |

NOTE: Intergovernmental funds are on reimbursement basis; therefore, no prior year ending fund balances are assumed.

(1) State Sales Tax

(2) Includes non-cash items

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Appendix 7: Propositions A, C & TDA Admin Expenditures & Funding

| Project/Task Name | Revenue Source | | | | | | FY10 Total Allocation |
|---|----------------|--------------|-----------|------------------------------|---------------------------------|---------------------|-----------------------|
| | Prop A Admin | Prop C Admin | TDA Admin | TDA Planning and Programming | PPM <1> (Planning & Monitoring) | Federal & Other <2> | |
| 1 Available funds | 45,785,349 | 9,253,288 | 3,044,802 | 2,955,198 | 5,829,255 | 2,104,676 | 68,972,567 |
| 2 | | | | | | | |
| 3 100002-Governmental/Oversight | | | | | | | |
| 4 General Oversight | 24,272,613 | - | - | - | - | - | 24,272,613 |
| 5 Legal Expenses | 180,000 | - | - | - | - | - | 180,000 |
| 6 Transportation Foundation | 30,220 | - | - | - | - | - | 30,220 |
| 7 Treasury Oversight | 1,248,199 | - | - | - | - | - | 1,248,199 |
| 8 Total Project 100002 | 25,731,032 | - | - | - | - | - | 25,731,032 |
| 9 | | | | | | | |
| 10 100012-Prop A & C Audit | | | | | | | |
| 11 Prop A & C Audit | 58,685 | 58,685 | - | - | - | - | 117,370 |
| 12 Total Project 100012 | 58,685 | 58,685 | - | - | - | - | 117,370 |
| 13 | | | | | | | |
| 14 100050-Administration-Special Revenue Planning | | | | | | | |
| 15 G & A Costs | 3,705,929 | - | - | - | - | - | 3,705,929 |
| 16 Total Project 100050 | 3,705,929 | - | - | - | - | - | 3,705,929 |
| 17 | | | | | | | |
| 18 100060-Admin-General Planning | | | | | | | |
| 19 G & A Costs | 7,086,970 | - | - | - | - | - | 7,086,970 |
| 20 Total Project 100060 | 7,086,970 | - | - | - | - | - | 7,086,970 |
| 21 | | | | | | | |
| 22 400231-Diesel Mechanical Rail Unit (DMU) Tech Feasibility | | | | | | | |
| 23 DMU Tech Feasibility Study | - | 52,731 | - | - | - | - | 52,731 |
| 24 Total Project 400231 | - | 52,731 | - | - | - | - | 52,731 |
| 25 | | | | | | | |
| 26 402130-Disparity Study-Contracting | | | | | | | |
| 27 Disparity Study-Contracting | - | 100,000 | - | - | - | - | 100,000 |
| 28 Total Project 402130 | - | 100,000 | - | - | - | - | 100,000 |
| 29 | | | | | | | |
| 30 405510-Other Planning and Programming - Admin. | | | | | | | |
| 31 Consolidated Audit Services | - | - | 50,945 | - | - | - | 50,945 |
| 32 Triennial Audit Management | - | - | 865,795 | - | - | - | 865,795 |
| 33 Call / MOU Technical Support | 131,985 | 262,201 | 392,417 | - | - | - | 786,604 |
| 34 Prop A/C Administration | 155,147 | 155,147 | - | - | - | - | 310,294 |
| 35 Grants Administration | - | - | 1,191,186 | - | - | - | 1,191,186 |
| 36 TDA Article 3 & 8 | - | - | 142,819 | - | - | - | 142,819 |
| 37 TIP Administration | - | - | - | - | 1,082,843 | - | 1,082,843 |
| 38 STIP PPM | - | - | - | - | 1,006,272 | - | 1,006,272 |
| 39 Government Coordination / Outreach. | 859,818 | 49,046 | - | - | - | - | 908,864 |
| 40 Bus System Improvements Plan | 220,109 | - | - | - | - | - | 220,109 |
| 41 Station Planning/Joint Develop | - | 213,593 | - | - | - | - | 213,593 |
| 42 Bike Parking Racks & Lockers | 326,650 | - | - | - | - | - | 326,650 |
| 43 Art Program | 114,336 | - | - | - | - | - | 114,336 |
| 44 Public Outreach | 16,186 | - | - | - | - | - | 16,186 |
| 45 General Planning | - | - | - | - | 1,360,884 | - | 1,360,884 |
| 46 Public Private Partnerships (PPP) | - | - | - | - | 1,059,581 | - | 1,059,581 |
| 47 General Commuter Program | - | 3,389 | - | - | - | - | 3,389 |
| 48 Increase customer awareness Program | 1,997,485 | - | - | - | - | - | 1,997,485 |
| 49 Total Project 405510 | 3,821,717 | 683,376 | 2,643,164 | - | 4,509,580 | - | 11,657,836 |

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Project/Task Name | Revenue Source | | | | | | FY10 Total Allocation |
|-------------------|---|--------------|-----------|------------------------------|---|---------------------|-----------------------|
| | Prop A Admin | Prop C Admin | TDA Admin | TDA Planning and Programming | PPM <1> (Planning and Programming Monitoring) | Federal & Other <2> | |
| 50 | | | | | | | |
| 51 | <u>405511-Transit Planning - Admin.</u> | | | | | | |
| 52 | | | | 281,747 | | | 281,747 |
| 53 | 111,033 | | | | | | 111,033 |
| 54 | | | | | 795,848 | | 795,848 |
| 55 | 284,425 | | | | | | 284,425 |
| 56 | 92,244 | 92,244 | 92,244 | | | | 276,731 |
| 57 | | | 229,395 | | | | 229,395 |
| 58 | | 234,500 | | | | | 234,500 |
| 59 | 1,103,719 | | | | | | 1,103,719 |
| 60 | 108,501 | 555,170 | | | | | 663,670 |
| 61 | 331,616 | | | | | | 331,616 |
| 62 | | 8,697 | | 1,246,864 | | | 1,255,561 |
| 63 | 8,450 | | | | | | 8,450 |
| 64 | | 15,643 | | | | | 15,643 |
| 65 | 35,550 | | | | | | 35,550 |
| 66 | | | | | 74,131 | | 74,131 |
| 67 | 6,942 | | | | | | 6,942 |
| 68 | | | | | 449,697 | | 449,697 |
| 69 | 680,966 | 4,500 | | 846,586 | | 1,208,000 | 2,740,052 |
| 70 | 2,763,446 | 910,754 | 321,638 | 2,375,198 | 1,319,676 | 1,208,000 | 8,898,711 |
| 71 | | | | | | | |
| 72 | <u>405514-Wilshire Bus Lane Project</u> | | | | | | |
| 73 | 830,359 | | | | | | 830,359 |
| 74 | 830,359 | | | | | | 830,359 |
| 75 | | | | | | | |
| 76 | <u>405548-Congestion Pricing</u> | | | | | | |
| 77 | | 1,112,065 | | | | 896,676 | 2,008,741 |
| 78 | | 1,112,065 | | | | 896,676 | 2,008,741 |
| 79 | | | | | | | |
| 80 | <u>405551-California High Speed Rail Project</u> | | | | | | |
| 81 | | 176,072 | | | | | 176,072 |
| 82 | | 176,072 | | | | | 176,072 |
| 83 | | | | | | | |
| 84 | <u>407001-SR91 / I-605 Corridor</u> | | | | | | |
| 85 | | 350,000 | | | | | 350,000 |
| 86 | | 350,000 | | | | | 350,000 |
| 87 | | | | | | | |
| 88 | <u>410053-TDA Subsidy (SCAG & LA County Auditor / Controller)</u> | | | | | | |
| 89 | | | 80,000 | 580,000 | | | 660,000 |
| 90 | | | 80,000 | 580,000 | | | 660,000 |
| 91 | | | | | | | |
| 92 | <u>460232-Eastside Extension Phase II</u> | | | | | | |
| 93 | | 5,809,605 | | | | | 5,809,605 |
| 94 | | 5,809,605 | | | | | 5,809,605 |
| 95 | | | | | | | |
| 96 | <u>609911-Transit Academy/TOPS</u> | | | | | | |
| 97 | 44,435 | | | | | | 44,435 |
| 98 | 44,435 | | | | | | 44,435 |
| 99 | | | | | | | |
| 100 | <u>610340-Investment & Debt Management</u> | | | | | | |
| 101 | 1,742,776 | | | | | | 1,742,776 |
| 102 | 1,742,776 | | | | | | 1,742,776 |
| 103 | | | | | | | |
| 104 | 45,785,348 | 9,253,288 | 3,044,802 | 2,955,198 | 5,829,255 | 2,104,676 | 68,972,567 |
| 105 | | | | | | | |
| 106 | | | | | | | |
| 107 | | | | | | | |

Notes:

<1> Some projects that use the PPM Revenue Source are not reflected on this chart since the projects do not contain any A & C, and TDA Administration Expenditures and Funding. Other PPM funded projects are 405522 Highway Planning and 405544 Mobility & Air Quality; these projects are not shown above.

<2> Federal & Other Revenue Source include Federal Grants matched by local funds and also some State funds. Also, Federal & Other Revenue Source include some PC40%.

Appendix 8: Activity Based Bus Cost Model

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|-----------------------------------|-----------------------|-----------------|-----------------------|-----------------|---------------------|----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| 1 Wages & Benefits | \$ 352,371,625 | \$ 49.87 | \$ 346,371,262 | \$ 49.88 | \$ (6,000,363) | \$ 0.01 |
| 2 Services | 56,036 | 0.01 | 49,736 | 0.01 | (6,299) | - |
| 3 Materials & Supplies | 219,760 | 0.03 | 213,796 | 0.03 | (5,964) | - |
| 4 Training | 5,785,648 | 0.82 | 5,955,578 | 0.86 | 169,931 | 0.04 |
| 5 Control Center | 8,172,003 | 1.16 | 8,235,987 | 1.19 | 63,983 | 0.03 |
| 6 Scheduling & Planning | 3,862,409 | 0.55 | 3,846,059 | 0.55 | (16,350) | 0.01 |
| Sub-Total | 370,467,481 | 52.43 | 364,672,420 | 52.52 | (5,795,062) | 0.08 |
| Division Maintenance | | | | | | |
| 11 Wages & Benefits | 121,107,158 | 17.14 | 121,895,412 | 17.55 | 788,254 | 0.41 |
| 12 Fuel | 66,715,791 | 9.44 | 64,130,083 | 9.24 | (2,585,708) | (0.21) |
| 13 Materials & Supplies | 37,146,308 | 5.26 | 40,624,732 | 5.85 | 3,478,423 | 0.59 |
| 14 Fueling Contractor Reimb. | (2,412,333) | (0.34) | (2,084,536) | (0.30) | 327,797 | 0.04 |
| 15 Services | 120,925 | 0.02 | 187,009 | 0.03 | 66,085 | 0.01 |
| Sub-Total | 222,677,849 | 31.52 | 224,752,700 | 32.37 | 2,074,851 | 0.85 |
| RRC Regular Maintenance | | | | | | |
| 19 Wages & Benefits | 6,865,136 | 0.97 | 7,070,895 | 1.02 | 205,759 | 0.05 |
| 20 Materials & Supplies | 2,521,643 | 0.36 | 2,553,336 | 0.37 | 31,692 | 0.01 |
| 21 Maintenance Services | 232,288 | 0.03 | 195,026 | 0.03 | (37,262) | - |
| Sub-Total | 9,619,067 | 1.36 | 9,819,257 | 1.41 | 200,190 | 0.05 |
| RRC Preventive Maintenance | | | | | | |
| 25 Power Plant Assembly | 4,838,250 | 0.68 | 4,716,476 | 0.68 | (121,775) | (0.01) |
| 26 Accident Repair | 2,018,980 | 0.29 | 2,010,490 | 0.29 | (8,490) | - |
| 27 Wheelchair Lifts | 168,153 | 0.02 | 174,155 | 0.03 | 6,001 | 0.00 |
| 28 Painting | 949,116 | 0.13 | 862,578 | 0.12 | (86,538) | (0.01) |
| 29 Windows | 20,362 | 0.00 | 20,362 | 0.00 | - | 0.00 |
| Sub-Total | 7,994,861 | 1.13 | 7,784,059 | 1.12 | (210,801) | (0.01) |
| Other Maintenance | | | | | | |
| 33 Maintenance Support | 12,997,309 | 1.84 | 12,868,790 | 1.85 | (128,518) | 0.01 |
| 34 Non-Revenue Vehicles | 5,411,808 | 0.77 | 5,652,282 | 0.81 | 240,474 | 0.05 |
| 35 Facilities Maintenance | 39,091,071 | 5.53 | 38,437,477 | 5.54 | (653,594) | 0.00 |
| 36 Training | 1,690,475 | 0.24 | 1,690,463 | 0.24 | (13) | 0.00 |
| Sub-Total | 59,190,663 | 8.38 | 58,649,012 | 8.45 | (541,651) | 0.07 |
| Sub-Total Maintenance | \$ 299,482,441 | \$ 42.39 | \$ 301,005,028 | \$ 43.35 | \$ 1,522,587 | \$ 0.96 |

Note: RSH = Revenue Service Hour
Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|------------------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| 41 Other Operating Costs | | | | | | |
| 42 Transit Security | 20,305,320 | \$ 2.87 | \$ 20,070,467 | \$ 2.89 | \$ (234,853) | 0.02 |
| 43 General Managers | 15,325,490 | 2.17 | 15,705,891 | 2.26 | 380,401 | 0.09 |
| 44 Revenue | 16,900,130 | 2.39 | 18,422,483 | 2.65 | 1,522,353 | 0.26 |
| 45 Service Development | 6,611,768 | 0.94 | 6,485,454 | 0.93 | (126,315) | (0.00) |
| 46 Safety | 1,605,912 | 0.23 | 1,383,841 | 0.20 | (222,071) | (0.03) |
| 47 Casualty & Liability | 57,322,588 | 8.11 | 54,975,735 | 7.92 | (2,346,853) | (0.20) |
| 48 Workers' Comp | 39,508,798 | 5.59 | 40,279,640 | 5.80 | 770,842 | 0.21 |
| 49 Transitional Duty Program | 2,185,358 | 0.31 | 2,185,490 | 0.31 | 132 | 0.01 |
| 50 Utilities | 8,437,282 | 1.19 | 9,345,895 | 1.35 | 908,613 | 0.15 |
| 51 Other Metro Operations | 8,929,478 | 1.26 | 8,363,998 | 1.20 | (565,480) | (0.06) |
| 52 Building Costs | 14,043,952 | 1.99 | 11,183,339 | 1.61 | (2,860,613) | (0.38) |
| 53 Copy Services | 994,630 | 0.14 | 877,721 | 0.13 | (116,909) | (0.01) |
| 54 Sub-Total | 192,170,706 | 27.20 | 189,279,955 | 27.26 | (2,890,751) | 0.06 |
| 55 Support Department Costs | 51,632,301 | 7.31 | 50,104,300 | 7.22 | (1,528,002) | (0.09) |
| 58 Total Local & Rapid | 913,752,930 | 129.33 | 905,061,702 | 130.34 | (8,691,227) | 1.02 |
| 59 Revenue Service Hours | 7,065,394 | | 6,943,692 | | (121,702) | |
| 61 Purchased Transportation | | | | | | |
| 62 Contracted Service | 41,728,593 | 75.56 | 44,053,228 | 79.46 | 2,324,635 | 3.90 |
| 63 Security | 1,657,493 | 3.00 | 1,602,526 | 2.89 | (54,967) | (0.11) |
| 64 Administration | 1,039,054 | 1.88 | 952,766 | 1.72 | (86,289) | (0.16) |
| 65 Sub-Total | 44,425,140 | 80.44 | 46,608,520 | 84.07 | 2,183,380 | 3.62 |
| 66 Revenue Service Hours | 552,249 | | 554,419 | | 2,170 | |
| 68 Total Excluding Debt | 958,178,070 | \$ 125.78 | 951,670,222 | \$ 126.92 | (6,507,848) | \$ 1.14 |
| 69 Revenue Service Hours | 7,617,643 | | 7,498,111 | | (119,532) | |
| 71 Enterprise Fund Debt | | | | | | |
| 72 Principal | 12,715,000 | | 13,200,000 | | 485,000 | |
| 73 Interest | 1,316,394 | | 765,954 | | (550,440) | |
| 74 Administration | 9,500 | | 9,500 | | (0) | |
| 75 Sub-Total | 14,040,894 | | 13,975,454 | | (65,440) | |
| 77 Total Cost | \$ 972,218,964 | \$ 125.78 | \$ 965,645,676 | \$ 126.92 | \$ (6,573,288) | \$ 1.14 |

Appendix 9: Activity Based Orange Line Cost Model

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|------------------------------------|----------------------|------------------|----------------------|------------------|---------------------|-----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| Wages & Benefits | \$ 4,464,521 | \$ 43.96 | \$ 4,424,482 | \$ 43.56 | \$ (40,038) | \$ (0.39) |
| Control Center | 263,746 | 2.60 | 279,019 | 2.75 | 15,273 | 0.15 |
| Sub-Total | 4,728,267 | 46.56 | 4,703,502 | 46.31 | (24,765) | (0.24) |
| Division Maintenance | | | | | | |
| Wages & Benefits | 1,810,466 | 17.83 | 1,847,913 | 18.20 | 37,447 | 0.37 |
| Fuel | 1,155,568 | 11.38 | 1,292,743 | 12.73 | 137,175 | 1.35 |
| Materials & Supplies | 1,227,251 | 12.08 | 1,362,769 | 13.42 | 135,518 | 1.33 |
| Fueling Contractor Reimb. | (92,666) | (0.91) | (58,909) | (0.58) | 33,757 | 0.33 |
| Sub-Total | 4,100,619 | 40.38 | 4,444,516 | 43.76 | 343,898 | 3.39 |
| Other Maintenance | | | | | | |
| Facilities Maintenance | 2,853,509 | 28.10 | 3,429,816 | 33.77 | 576,307 | 5.67 |
| Sub-Total | 2,853,509 | 28.10 | 3,429,816 | 33.77 | 576,307 | 5.67 |
| Sub-Total Maintenance | 6,954,128 | 68.47 | 7,874,332 | 77.53 | 920,204 | 9.06 |
| Other Operating Costs | | | | | | |
| Transit Security | 6,740,466 | 66.37 | 6,648,409 | 65.46 | (92,056) | (0.91) |
| General Managers | 691,540 | 6.81 | 698,617 | 6.88 | 7,077 | 0.07 |
| Revenue | 1,153,874 | 11.36 | 1,816,141 | 17.88 | 662,267 | 6.52 |
| Casualty & Liability | 946,870 | 9.32 | 853,054 | 8.40 | (93,816) | (0.92) |
| Workers' Compensation | 545,936 | 5.38 | 581,674 | 5.73 | 35,738 | 0.35 |
| Transitional Duty Program | 58,840 | 0.58 | 19,863 | 0.20 | (38,977) | (0.38) |
| Utilities | 149,514 | 1.47 | 44,082 | 0.43 | (105,432) | (1.04) |
| Other Metro Operations | 136,202 | 1.34 | 9,886 | 0.10 | (126,316) | (1.24) |
| Building Costs | 229,223 | 2.26 | 200,452 | 1.97 | (28,771) | (0.28) |
| Copy Services | 16,348 | 0.16 | 15,715 | 0.15 | (633) | (0.01) |
| Sub-Total | 10,668,814 | 105.05 | 10,887,895 | 107.21 | 219,081 | 2.16 |
| Support Department Costs | 642,444 | 6.33 | 592,462 | 5.83 | (49,982) | (0.49) |
| Total Cost | \$ 22,993,652 | \$ 226.40 | \$ 24,058,191 | \$ 236.88 | \$ 1,064,539 | \$ 10.48 |
| Total Revenue Service Hours | 101,561 | | 101,561 | | - | |

Note: Totals may not add due to rounding.

Appendix 10: Activity Based Blue Line Cost Model

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|------------------------------------|----------------------|------------------|----------------------|------------------|---------------------|----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| Wages & Benefits | 8,284,332 | \$ 36.92 | \$8,407,352 | \$ 37.96 | \$ 123,020 | \$ 1.04 |
| Materials & Supplies | 32,784 | 0.15 | 29,300 | 0.13 | (3,484) | (0.0) |
| Other | 7,910 | 0.04 | 6,058 | 0.03 | (1,852) | (0.01) |
| Control Center | 1,606,079 | 7.16 | 1,592,013 | 7.19 | (14,066) | 0.03 |
| Sub-Total | 9,931,106 | 44.26 | 10,034,723 | 45.31 | 103,617 | 1.05 |
| Maintenance | | | | | | |
| Vehicle Maintenance | | | | | | |
| Wages & Benefits | 11,558,257 | 51.51 | 11,629,399 | 52.51 | 71,142 | 1.00 |
| Materials & Supplies | 3,959,773 | 17.65 | 3,015,892 | 13.62 | (943,881) | (4.03) |
| Other | 2,000 | 0.01 | 5,000 | 0.02 | 3,000 | 0.01 |
| Services | 20,528 | 0.09 | 1,000 | 0.00 | (19,528) | (0.09) |
| Sub-Total | 15,540,559 | 69.26 | 14,651,291 | 66.15 | (889,268) | (3.11) |
| Wayside Maintenance | | | | | | |
| Wages & Benefits | 6,613,600 | 29.48 | 6,696,850 | 30.24 | 83,250 | 0.76 |
| Materials & Supplies | 877,828 | 3.91 | 883,869 | 3.99 | 6,041 | 0.08 |
| Services | 620,974 | 2.77 | 627,619 | 2.83 | 6,645 | 0.07 |
| Propulsion Power | 6,870,937 | 30.62 | 7,016,705 | 31.68 | 145,768 | 1.06 |
| Other | 6,640 | 0.03 | 4,815 | 0.02 | (1,825) | (0.01) |
| Sub-Total | 14,989,979 | 66.81 | 15,229,859 | 68.77 | 239,881 | 1.96 |
| Other Maintenance | | | | | | |
| Maintenance Support | 18,383 | 0.08 | 17,863 | 0.08 | (520) | (0.00) |
| Non-Revenue Vehicles | 353,948 | 1.58 | 334,761 | 1.51 | (19,187) | (0.07) |
| Facilities Maintenance | 1,515,880 | 6.76 | 1,405,590 | 6.35 | (110,290) | (0.41) |
| Sub-Total | 1,888,211 | 8.42 | 1,758,214 | 7.94 | (129,998) | (0.48) |
| Sub-Total Maintenance | 32,418,748 | 144.49 | 31,639,364 | 142.86 | (779,384) | (1.63) |
| Other Operating Costs | | | | | | |
| Transit Security | 12,789,681 | 57.00 | 12,382,720 | 55.91 | (406,962) | (1.09) |
| General Manager | 369,153 | 1.65 | 380,196 | 1.72 | 11,043 | 0.07 |
| Revenue | 1,409,426 | 6.28 | 2,190,175 | 9.89 | 780,749 | 3.61 |
| Service Development | 491,758 | 2.19 | 640,879 | 2.89 | 149,121 | 0.70 |
| Safety | 970,248 | 4.32 | 931,495 | 4.21 | (38,753) | (0.12) |
| Casualty & Liability | 2,344,594 | 10.45 | 2,032,413 | 9.18 | (312,181) | (1.27) |
| Workers' Comp | 1,240,466 | 5.53 | 1,240,788 | 5.60 | 322 | 0.07 |
| Transitional Duty Program | 85,188 | 0.38 | - | 0.00 | (85,188) | (0.38) |
| Utilities | 541,295 | 2.41 | 387,040 | 1.75 | (154,255) | (0.66) |
| Other Metro Operations | 132,340 | 0.59 | 70,934 | 0.32 | (61,406) | (0.27) |
| Building Costs | 634,203 | 2.83 | 787,570 | 3.56 | 153,367 | 0.73 |
| Copy Services | 62,004 | 0.28 | 65,229 | 0.29 | 3,225 | 0.02 |
| Sub-Total | 21,070,355 | 93.91 | 21,109,438 | 95.31 | 39,083 | 1.41 |
| Support Department Costs | 5,636,310 | 25.12 | 5,449,656 | 24.61 | (186,653) | (0.51) |
| Total Cost | \$ 69,056,519 | \$ 307.78 | \$ 68,233,181 | \$ 308.09 | \$ (823,338) | \$ 0.31 |
| Total Revenue Service Hours | 224,373 | | 221,473 | | (2,900) | |

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

Appendix 11: Activity Based Green Line Cost Model

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|------------------------------------|----------------------|------------------|----------------------|------------------|---------------------|-----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| Wages & Benefits | \$ 5,275,778 | \$ 60.13 | \$ 5,452,915 | \$ 62.15 | \$ 177,137.46 | \$ 2.02 |
| Materials & Supplies | 33,067 | 0.38 | 33,067 | 0.38 | - | - |
| Other | 6,473 | 0.07 | 6,473 | 0.07 | - | - |
| Control Center | 1,766,227 | 20.13 | 1,739,705 | 19.83 | (26,522) | (0.30) |
| Sub-Total | 7,081,545 | 80.71 | 7,232,161 | 82.43 | 150,616 | 1.72 |
| Maintenance | | | | | | |
| Vehicle Maintenance | | | | | | |
| Wages & Benefits | 5,546,186 | 63.21 | 5,436,681 | 61.96 | (109,505) | (1.25) |
| Materials & Supplies | 1,670,146 | 19.03 | 1,666,369 | 18.99 | (3,777) | (0.04) |
| Other | 1,040 | 0.01 | 2,500 | 0.03 | 1,460 | 0.02 |
| Services | 10,264 | 0.12 | 2,500 | 0.03 | (7,764) | (0.09) |
| Sub-Total | 7,227,636 | 82.37 | 7,108,050 | 81.01 | (119,586) | (1.36) |
| Wayside Maintenance | | | | | | |
| Wages & Benefits | 6,282,998 | 71.61 | 6,258,945 | 71.33 | (24,053) | (0.27) |
| Materials & Supplies | 389,319 | 4.44 | 397,985 | 4.54 | 8,666 | 0.10 |
| Services | 277,864 | 3.17 | 284,509 | 3.24 | 6,645 | 0.08 |
| Propulsion Power | 4,212,918 | 48.02 | 4,360,821 | 49.70 | 147,903 | 1.69 |
| Other | 6,048 | 0.07 | 4,223 | 0.05 | (1,825) | (0.02) |
| Sub-Total | 11,169,147 | 127.30 | 11,306,484 | 128.86 | 137,337 | 1.57 |
| Other Maintenance | | | | | | |
| Maintenance Support | 12,662 | 0.14 | 12,322 | 0.14 | (340) | - |
| Non-Revenue Vehicles | 345,865 | 3.94 | 327,017 | 3.73 | (18,848) | (0.21) |
| Facilities Maintenance | 1,860,736 | 21.21 | 2,173,673 | 24.77 | 312,937 | 3.57 |
| Sub-Total | 2,219,263 | 25.29 | 2,513,012 | 28.64 | 293,750 | 3.35 |
| Sub-Total Maintenance | 20,616,045 | 234.96 | 20,927,546 | 238.52 | 311,500 | 3.55 |
| Other Operating Costs | | | | | | |
| Transit Security | 6,886,409 | 78.49 | 6,704,610 | 76.41 | (181,799) | (2.07) |
| General Manager | 336,590 | 3.84 | 335,237 | 3.82 | (1,353) | (0.02) |
| Revenue | 1,212,646 | 13.82 | 1,927,706 | 21.97 | 715,060 | 8.15 |
| Service Development | 289,112 | 3.30 | 489,901 | 5.58 | 200,789 | 2.29 |
| Safety | 371,257 | 4.23 | 357,364 | 4.07 | (13,893) | (0.16) |
| Casualty & Liability | 235,396 | 2.68 | 257,508 | 2.93 | 22,112 | 0.25 |
| Workers' Comp | 830,465 | 9.46 | 813,064 | 9.27 | (17,401) | (0.20) |
| Transitional Duty Program | 71,898 | 0.82 | - | 0.00 | (71,898) | (0.82) |
| Utilities | 315,002 | 3.59 | 297,375 | 3.39 | (17,627) | (0.20) |
| Other Metro Operations | 82,710 | 0.94 | 44,585 | 0.51 | (38,125) | (0.43) |
| Building Costs | 435,356 | 4.96 | 542,423 | 6.18 | 107,067 | 1.22 |
| Copy Services | 42,706 | 0.49 | 44,994 | 0.51 | 2,289 | 0.03 |
| Sub-Total | 11,109,547 | 126.62 | 11,814,766 | 134.66 | 705,220 | 8.04 |
| Support Department Costs | 3,937,616 | 44.88 | 3,844,171 | 43.81 | (93,445) | (1.07) |
| Total Cost | \$ 42,744,753 | \$ 487.17 | \$ 43,818,643 | \$ 499.41 | \$ 1,073,890 | \$ 12.24 |
| Total Revenue Service Hours | 87,741 | | 87,741 | | - | |

Note: Totals may not add due to rounding.

Appendix 12: Activity Based Gold Line Cost Model

| Activities | FY09 Budget | | FY10 Adopted | | Inc/(Dec) | |
|------------------------------------|----------------------|------------------|----------------------|------------------|----------------------|-------------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| Wages & Benefits | \$ 5,304,382 | \$ 64.28 | \$8,275,270 | \$ 59.24 | \$ 2,970,889 | \$ (5.05) |
| Materials & Supplies | 32,741 | 0.40 | 54,674 | 0.39 | 21,934 | (0.01) |
| Other | 36,895 | 0.45 | 61,612 | 0.44 | 24,717 | (0.01) |
| Control Center | 1,492,571 | 18.09 | 1,883,725 | 13.48 | 391,154 | (4.60) |
| Sub-Total | 6,866,589 | 83.22 | 10,275,282 | 73.55 | 3,408,693 | (9.66) |
| Maintenance | | | | | | |
| Vehicle Maintenance | | | | | | |
| Wages & Benefits | 5,114,623 | 61.98 | 5,773,428 | 41.33 | 658,805 | (20.66) |
| Materials & Supplies | 1,050,404 | 12.73 | 2,012,018 | 14.40 | 961,614 | 1.67 |
| Other | 1,040 | 0.01 | 929 | 0.01 | (111) | (0.01) |
| Services | 10,264 | 0.12 | 2,505 | 0.02 | (7,759) | (0.11) |
| Sub-Total | 6,176,332 | 74.85 | 7,788,880 | 55.75 | 1,612,549 | (19.10) |
| Wayside Maintenance | | | | | | |
| Wages & Benefits | 6,794,729 | 82.35 | 9,081,946 | 65.01 | 2,287,216 | (17.34) |
| Materials & Supplies | 594,700 | 7.21 | 1,261,991 | 9.03 | 667,291 | 1.83 |
| Services | 535,972 | 6.50 | 851,572 | 6.10 | 315,600 | (0.40) |
| Propulsion Power | 2,411,907 | 29.23 | 3,972,217 | 28.43 | 1,560,310 | (0.80) |
| Other | 5,923 | 0.07 | 7,048 | 0.05 | 1,125 | (0.02) |
| Sub-Total | 10,343,231 | 125.35 | 15,174,773 | 108.62 | 4,831,542 | (16.73) |
| Other Maintenance | | | | | | |
| Maintenance Support | 12,497 | 0.15 | 15,695 | 0.11 | 3,198 | (0.04) |
| Non-Revenue Vehicles | 345,632 | 4.19 | 239,374 | 1.71 | (106,258) | (2.48) |
| Facilities Maintenance | 1,509,959 | 18.30 | 1,631,521 | 11.68 | 121,562 | (6.62) |
| Sub-Total | 1,868,088 | 22.64 | 1,886,590 | 13.50 | 18,502 | (9.13) |
| Sub-Total Maintenance | 18,387,650 | 222.84 | 24,850,244 | 177.88 | 6,462,593 | (44.96) |
| Other Operating Costs | | | | | | |
| Transit Security | 9,610,864 | 116.47 | 14,167,130 | 101.41 | 4,556,265 | (15.06) |
| General Manager | 337,595 | 4.09 | 373,206 | 2.67 | 35,611 | (1.42) |
| Revenue | 1,244,171 | 15.08 | 1,908,661 | 13.66 | 664,490 | (1.42) |
| Service Development | 382,345 | 4.63 | 292,070 | 2.09 | (90,275) | (2.54) |
| Safety | 371,309 | 4.50 | 707,423 | 5.06 | 336,114 | 0.56 |
| Casualty & Liability | 1,048,936 | 12.71 | 681,220 | 4.88 | (367,716) | (7.84) |
| Workers' Comp | 824,572 | 9.99 | 1,126,111 | 8.06 | 301,538 | (1.93) |
| Transitional Duty Program | 88,459 | 1.07 | - | 0.00 | (88,459) | (1.07) |
| Utilities | 475,488 | 5.76 | 579,126 | 4.15 | 103,638 | (1.62) |
| Other Metro Operations | 74,840 | 0.91 | 53,479 | 0.38 | (21,360) | (0.52) |
| Building Costs | 428,522 | 5.19 | 690,305 | 4.94 | 261,784 | (0.25) |
| Copy Services | 42,150 | 0.51 | 57,314 | 0.41 | 15,164 | (0.10) |
| Sub-Total | 14,929,252 | 180.93 | 20,636,044 | 147.72 | 5,706,793 | (33.21) |
| Support Department Costs | 4,031,686 | 48.86 | 5,878,739 | 42.08 | 1,847,053 | (6.78) |
| Total Cost | \$ 44,215,177 | \$ 535.84 | \$ 61,640,309 | \$ 441.23 | \$ 17,425,132 | \$ (94.61) |
| Total Revenue Service Hours | 82,515 | | 139,701 | | 57,186 | |

Note: Totals may not add due to rounding.

Appendix 13: Activity Based Heavy Rail Cost Model

| Activities | FY09 Budget | | FY10 Budget | | Inc/(Dec) | |
|------------------------------------|----------------------|------------------|----------------------|------------------|-----------------------|----------------|
| | Dollars | \$/RSH | Dollars | \$/RSH | Dollars | \$/RSH |
| Transportation | | | | | | |
| Wages & Benefits | \$ 8,242,802 | \$ 30.63 | \$ 7,941,937 | \$ 30.89 | \$ (300,865) | \$ 0.26 |
| Materials & Supplies | 39,633 | 0.15 | 33,797 | 0.13 | (5,835) | (0.02) |
| Other | 6,473 | 0.02 | 6,058 | 0.02 | (415) | - |
| Control Center | 1,674,005 | 6.22 | 1,663,320 | 6.47 | (10,685) | 0.25 |
| Sub-Total | 9,962,913 | 37.02 | 9,645,113 | 37.51 | (317,800) | 0.49 |
| Maintenance | | | | | | |
| Vehicle Maintenance | | | | | | |
| Wages & Benefits | 11,519,123 | 42.80 | 11,773,969 | 45.79 | 254,846 | 2.99 |
| Materials & Supplies | 2,262,885 | 8.41 | 3,184,500 | 12.38 | 921,615 | 3.98 |
| Services | 30,796 | 0.11 | 75,000 | 0.29 | 44,204 | 0.18 |
| Other | 8,540 | 0.03 | 7,604 | 0.03 | (936) | - |
| Sub-Total | 13,821,345 | 51.36 | 15,041,073 | 58.50 | 1,219,728 | 7.14 |
| Wayside Maintenance | | | | | | |
| Wages & Benefits | 15,284,253 | 56.79 | 14,776,950 | 57.47 | (507,303) | 0.68 |
| Materials & Supplies | 1,183,002 | 4.40 | 1,167,130 | 4.54 | (15,872) | 0.14 |
| Services | 1,648,171 | 6.12 | 1,645,962 | 6.40 | (2,209) | 0.28 |
| Propulsion Power | 9,346,573 | 34.73 | 8,884,635 | 34.55 | (461,938) | (0.18) |
| Other | 9,608 | 0.04 | 7,384 | 0.03 | (2,225) | (0.01) |
| Sub-Total | 27,471,607 | 102.08 | 26,482,061 | 102.99 | (989,546) | 0.91 |
| Other Maintenance | | | | | | |
| Maintenance Support | 23,282 | 0.09 | 21,869 | 0.09 | (1,413) | (0.00) |
| Non-Revenue Vehicles | 360,275 | 1.34 | 339,766 | 1.32 | (20,508) | (0.02) |
| Facilities Maintenance | 5,414,992 | 20.12 | 5,476,221 | 21.30 | 61,229 | 1.18 |
| Sub-Total | 5,798,549 | 21.55 | 5,837,856 | 22.70 | 39,308 | 1.16 |
| Sub-Total Maintenance | 47,091,501 | 174.98 | 47,360,990 | 184.19 | 269,489 | 9.21 |
| Other Operating Costs | | | | | | |
| Transit Security | 18,982,030 | 70.53 | 18,028,085 | 70.11 | (953,945) | (0.42) |
| General Manager | 398,559 | 1.48 | 475,174 | 1.85 | 76,615 | 0.37 |
| Revenue | 1,626,081 | 6.04 | 2,595,014 | 10.09 | 968,932 | 4.05 |
| Service Development | 462,531 | 1.72 | 368,281 | 1.43 | (94,250) | (0.29) |
| Safety | 466,921 | 1.73 | 473,148 | 1.84 | 6,226 | 0.11 |
| Casualty & Liability | 3,410,576 | 12.67 | 2,478,090 | 9.64 | (932,487) | (3.04) |
| Workers' Comp | 1,573,869 | 5.85 | 1,528,338 | 5.94 | (45,531) | 0.10 |
| Transitional Duty Program | 95,373 | 0.35 | - | 0.00 | (95,373) | (0.35) |
| Utilities | 584,280 | 2.17 | 507,572 | 1.97 | (76,708) | (0.20) |
| Other Metro Operations | 179,612 | 0.67 | 99,347 | 0.39 | (80,264) | (0.28) |
| Building Costs | 805,278 | 2.99 | 966,620 | 3.76 | 161,341 | 0.77 |
| Copy Services | 78,526 | 0.29 | 79,859 | 0.31 | 1,333 | 0.03 |
| Sub-Total | 28,663,636 | 106.51 | 27,599,527 | 107.34 | (1,064,109) | 0.83 |
| Support Department Costs | 6,434,268 | 23.91 | 5,896,138 | 22.93 | (538,130) | (0.98) |
| Total Cost | \$ 92,152,318 | \$ 342.42 | \$ 90,501,767 | \$ 351.97 | \$ (1,650,551) | \$ 9.55 |
| Total Revenue Service Hours | 269,123 | | 257,128 | | (11,995) | |

Note: Totals may not add due to rounding.

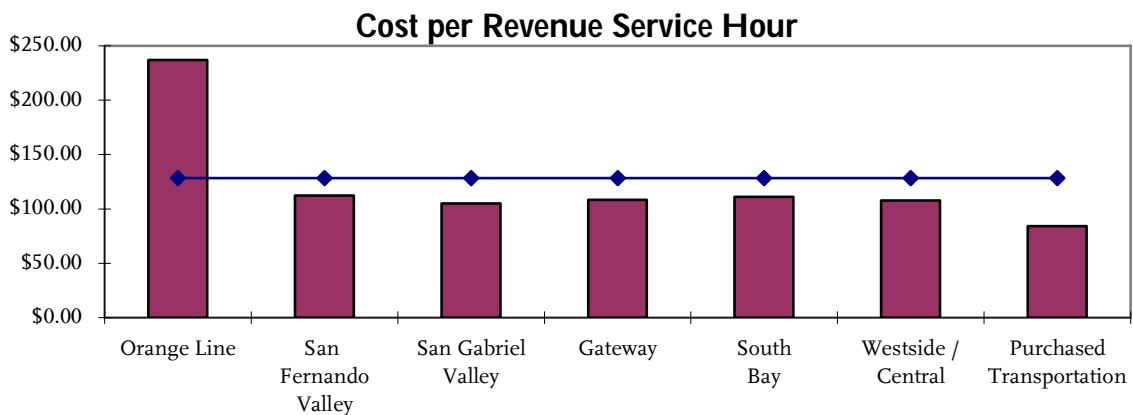
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Appendix 14: Bus Operating Statistics

| | Orange Line | San Fernando Valley | San Gabriel Valley | Gateway Cities |
|------------------------------------|-------------|---------------------|--------------------|----------------|
| Boardings (000) | 7,793 | 58,747 | 64,366 | 75,391 |
| Revenue Service Hours (000) | 102 | 1,220 | 1,404 | 1,281 |
| Revenue Service Miles (000) | 1,619 | 17,447 | 17,761 | 14,875 |
| Hub Miles (000) | 1,775 | 19,863 | 19,723 | 17,048 |
| Boardings Per Revenue Service Hour | 76.7 | 48.1 | 45.8 | 58.9 |
| Passenger Miles (000) | 43,086 | 211,217 | 245,993 | 288,130 |
| Vehicles | 34 | 461 | 475 | 459 |
| Cost Per Revenue Service Hour | \$236.88 | \$112.15 | \$105.16 | \$108.35 |
| Cost Per Passenger Mile | \$0.56 | \$0.65 | \$0.60 | \$0.48 |
| Cost Per Boarding | \$3.09 | \$2.33 | \$2.29 | \$1.84 |
| Subsidy Per Boarding | \$2.37 | \$1.59 | \$1.56 | \$1.11 |
| Subsidy Per Passenger Mile | \$0.43 | \$0.44 | \$0.41 | \$0.29 |
| Fare Recovery Ratio | 21.6% | 28.6% | 29.1% | 36.2% |
| Fare Revenue per Boarding | \$0.67 | \$0.67 | \$0.67 | \$0.67 |

Notes: Totals may not add due to rounding.

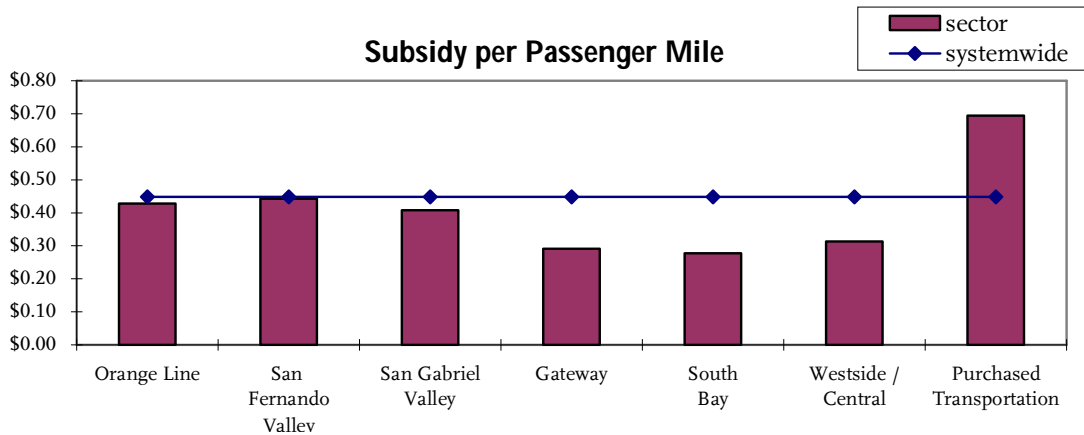
Fare Revenue per Boarding does not include Metrolink reimbursement.



Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| | South Bay | Westside/ Central | Purchased Transportation | Systemwide * |
|------------------------------------|-----------|----------------------|-----------------------------|--------------|
| Boardings (000) | 87,597 | 91,441 | 15,969 | 401,304 |
| Revenue Service Hours (000) | 1,402 | 1,637 | 554 | 7,600 |
| Revenue Service Miles (000) | 17,921 | 18,941 | 7,690 | 96,254 |
| Hub Miles (000) | 20,953 | 21,601 | 9,653 | 110,615 |
| Boardings Per Revenue Service Hour | 62.5 | 55.9 | 28.8 | 52.8 |
| Passenger Miles (000) | 334,780 | 349,469 | 51,426 | 1,524,100 |
| Vehicles Operated | 504 | 576 | 181 | 2,690 |
| Cost Per Revenue Service Hour | \$111.21 | \$107.61 | \$84.07 | \$128.39 |
| Cost Per Passenger Mile | \$0.47 | \$0.50 | \$0.91 | \$0.64 |
| Cost Per Boarding | \$1.78 | \$1.93 | \$2.92 | \$2.43 |
| Subsidy Per Boarding | \$1.06 | \$1.20 | \$2.24 | \$1.70 |
| Subsidy Per Passenger Mile | \$0.28 | \$0.31 | \$0.69 | \$0.45 |
| Fare Recovery Ratio | 37.5% | 34.6% | 22.9% | 27.4% |
| Fare Revenue per Boarding | \$0.67 | \$0.67 | \$0.67 | \$0.67 |

* 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.



Appendix 15: Modal Operating Statistics

| Bus excluding Orange Line | | | FY08 | FY09 | FY10 | Inc/(Dec) |
|----------------------------------|---------------------------------|--------------|---------------|---------------|---------------|------------------|
| | | Notes | Actual | Budget | Budget | Budget |
| 1 | Fares (\$000) | | \$ 262,336 | \$ 264,368 | \$ 262,459 | \$ (1,909) |
| 2 | Other Operating Revenue (\$000) | | \$ 19,132 | \$ 21,834 | \$ 24,098 | \$ 2,264 |
| 3 | Expenses (\$000) | (1) | \$ 871,647 | \$ 958,178 | \$ 951,670 | \$ (6,508) |
| 4 | Boardings (000) | | 380,065 | 399,299 | 393,530 | (5,769) |
| 5 | Farebox Recovery Ratio | | 30.1% | 27.6% | 27.6% | 0.0% |
| 6 | Vehicle Service Hours (000) | (2) | 7,502 | 7,618 | 7,498 | (120) |
| 7 | Cost Per Hour | | \$ 116.19 | \$ 125.78 | \$ 126.92 | \$ 1.14 |
| 8 | Cost Per Passenger Mile | | \$ 0.61 | \$ 0.65 | \$ 0.64 | \$ (0.01) |
| 9 | Vehicle Service Miles (000) | (2) | 88,740 | 96,070 | 94,634 | (1,436) |
| 10 | Passenger Miles (000) | (3) | 1,418,339 | 1,473,507 | 1,481,529 | 8,022 |
| 11 | Fare Revenue Per Boarding | | \$ 0.69 | \$ 0.66 | \$ 0.67 | \$ 0.01 |
| 12 | Subsidy Per Boarding | | \$ 1.55 | \$ 1.68 | \$ 1.69 | \$ 0.01 |
| 13 | Subsidy Per Passenger Mile | | \$ 0.42 | \$ 0.46 | \$ 0.45 | \$ (0.01) |
| 14 | Vehicles Operated | | 2,206 | 2,213 | 2,213 | - |

| Orange Line | | | FY08 | FY09 | FY10 | Inc/(Dec) |
|--------------------|---------------------------------|--------------|---------------|---------------|---------------|------------------|
| | | Notes | Actual | Budget | Budget | Budget |
| 15 | Fares (\$000) | | \$ 4,984 | \$ 4,875 | \$ 5,198 | \$ 323 |
| 16 | Other Operating Revenue (\$000) | | \$ - | \$ 365 | \$ 411 | \$ 46 |
| 17 | Expenses (\$000) | (1) | \$ 20,424 | \$ 22,994 | \$ 24,058 | \$ 1,065 |
| 18 | Boardings (000) | | 7,456 | 7,352 | 7,793 | 441 |
| 19 | Farebox Recovery Ratio | | 24.4% | 21.2% | 21.6% | 0.4% |
| 20 | Vehicle Service Hours (000) | (2) | 97 | 102 | 102 | - |
| 21 | Cost Per Hour | | \$ 211.19 | \$ 226.40 | \$ 236.88 | \$ 10.48 |
| 22 | Cost Per Passenger Mile | | \$ 0.47 | \$ 0.53 | \$ 0.56 | \$ 0.02 |
| 23 | Vehicle Service Miles (000) | (2) | 1,542 | 1,619 | 1,619 | - |
| 24 | Passenger Miles (000) | (3) | 43,810 | 43,086 | 43,086 | - |
| 25 | Fare Revenue Per Boarding | | \$ 0.67 | \$ 0.66 | \$ 0.67 | \$ 0.01 |
| 26 | Subsidy Per Boarding | | \$ 2.07 | \$ 2.41 | \$ 2.37 | \$ (0.05) |
| 27 | Subsidy Per Passenger Mile | | \$ 0.35 | \$ 0.41 | \$ 0.43 | \$ 0.02 |
| 28 | Vehicles Operated | | 28 | 28 | 28 | - |

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY10 Budget

| Light Rail ⁽⁴⁾ | Notes | FY08 Actual | FY09 Budget | FY10 Budget | Inc/(Dec) Budget |
|----------------------------------|--------------|------------------------|------------------------|------------------------|-----------------------------|
| 29 Fares (\$000) | | \$ 29,592 | \$ 27,486 | \$ 33,183 | \$ 5,697 |
| 30 Other Revenue (\$000) | | - | 180 | 282 | 102 |
| 31 Expenses (\$000) | (1) | \$ 144,594 | \$ 156,016 | 173,692 | \$ 17,676 |
| 32 Boardings (000) | | 43,123 | 41,455 | 49,752 | 8,297 |
| 33 Farebox Recovery Ratio | | 20.5% | 17.6% | 19.1% | 1.5% |
| 34 Vehicle Service Hours (000) | (2) | 375 | 395 | 449 | 54 |
| 35 Cost Per Hour | | \$ 385.16 | \$ 395.35 | \$ 386.92 | \$ (8.43) |
| 36 Cost Per Passenger Mile | | \$ 0.47 | \$ 0.53 | \$ 0.49 | \$ (0.04) |
| 37 Vehicle Service Miles (000) | (2) | 8,913 | 9,394 | 13,514 | 4,121 |
| 38 Passenger Miles (000) | | 306,648 | 292,298 | 354,755 | 62,457 |
| 39 Fare Revenue Per Boarding | | \$ 0.69 | \$ 0.66 | \$ 0.67 | \$ 0.01 |
| 40 Subsidy Per Boarding | (3) | \$ 2.67 | \$ 3.10 | \$ 2.82 | \$ (0.28) |
| 41 Subsidy Per Passenger Mile | (3) | \$ 0.38 | \$ 0.44 | \$ 0.40 | \$ (0.04) |

| Heavy Rail ⁽⁵⁾ | Notes | FY08 Actual | FY09 Budget | FY10 Budget | Inc/(Dec) Budget |
|----------------------------------|--------------|------------------------|------------------------|------------------------|-----------------------------|
| 42 Fares (\$000) | | \$ 31,843 | \$ 26,631 | \$ 31,614 | \$ 4,983 |
| 43 Other Revenue (\$000) | | 1,345 | 4,648 | 5,889 | 1,241 |
| 44 Expenses (\$000) | (1) | \$ 89,211 | \$ 92,153 | \$ 90,502 | \$ (1,652) |
| 45 Boardings (000) | | 43,585 | 40,166 | 47,400 | 7,234 |
| 46 Farebox Recovery Ratio | | 35.7% | 28.9% | 34.9% | 6.0% |
| 47 Vehicle Service Hours (000) | (2) | 265 | 269 | 257 | (12) |
| 48 Cost Per Hour | | \$ 336.63 | \$ 342.42 | \$ 351.97 | \$ 9.55 |
| 49 Cost Per Passenger Mile | | \$ 0.41 | \$ 0.48 | \$ 0.38 | \$ (0.10) |
| 50 Vehicle Service Miles (000) | (2) | 6,003 | 6,112 | 5,897 | (214) |
| 51 Passenger Miles (000) | | 217,965 | 190,788 | 236,999 | 46,211 |
| 52 Fare Revenue Per Boarding | | \$ 0.73 | \$ 0.66 | \$ 0.67 | \$ 0.01 |
| 53 Subsidy Per Boarding | (3) | \$ 1.29 | \$ 1.52 | \$ 1.12 | \$ (0.40) |
| 54 Subsidy Per Passenger Mile | (3) | \$ 0.26 | \$ 0.32 | \$ 0.22 | \$ (0.10) |

(1) Expenses exclude regional costs and debt.

(2) Reflect revenue vehicle hours & miles.

(3) Subsidy equals expenses less fares and other operating revenue.

(4) Light Rail includes the Blue, Green and Gold Lines.

(5) Heavy Rail includes the Red and Purple Lines.

Appendix 16: 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 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 business 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, Expenses and Changes in Retained Earnings
For The Years Ending June 30, 2008, 2009 and 2010.**

(\$ in millions)

| PTSC Only | FY08 Actual | FY09 Budget | FY10 Budget |
|--|------------------------|------------------------|------------------------|
| 1 Revenue: | | | |
| 2 Reimbursement for Support Services | \$ 190.4 | \$ 222.0 | \$ 228.5 |
| 3 Total Revenue | 190.4 | 222.0 | 228.5 |
| 4 | | | |
| 5 Operating Expenses: | | | |
| 6 Salaries, Wages & Fringe | 190.2 | 221.7 | 228.2 |
| 7 Services, Leases, Taxes & Misc | 0.2 | 0.3 | 0.3 |
| 8 Total Expenses | 190.4 | 222.0 | 228.5 |
| 9 | | | |
| 10 Increase(Decrease) in Retained Earnings | - | - | - |
| 11 | | | |
| 12 Retained Earnings - Beginning of Year | - | - | - |
| 13 | | | |
| 14 Retained Earnings - End of Year | \$ - | \$ - | \$ - |

Appendix 17: Agency Funds

The Agency Fund is used to report Benefit Assessment financial activity.

A Benefit Assessment is a fee levied to pay for 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. A Benefit Assessment District (BAD) is a limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.

Two Benefit Assessment Districts 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.

- Benefit Assessment District A1 includes the downtown area of Los Angeles. The boundary is set at one-

half mile from the centers of the Metro Red Line Union, Civic Center, Pershing Square, and 7th Street Metro Stations.

- Benefit Assessment District A2 includes the MacArthur Park area. The boundary is set at one-third mile from the center of the Westlake/MacArthur Park Station.

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

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2008, 2009 and 2010

| (\$ in millions) | | Benefit Assessment District | | |
|--------------------|-----------------------------------|-----------------------------|----------------|----------------|
| | | FY08 Actuals | FY09 Budget | FY10 Budget |
| Agency Fund | | | | |
| 1 | Revenue: | | | |
| 2 | Other | \$ 22.5 | \$ 23.1 | \$ 22.8 |
| 3 | Total Revenues | 22.5 | 23.1 | 22.8 |
| 4 | | | | |
| 5 | Expenditures: | | | |
| 6 | Debt and Interest Expenditures | 22.2 | 22.9 | 22.7 |
| 7 | Operating Expenditures | 0.2 | 0.2 | 0.1 |
| 8 | Total Expenditures | 22.5 | 23.1 | 22.8 |
| 9 | | | | |
| 10 | Net Change in Fund Balances | - | - | - |
| 11 | | | | |
| 12 | Fund Balances - Beginning of Year | - | - | - |
| 13 | | | | |
| 14 | Fund Balances - End of Year | \$ - | \$ - | \$ - |

Appendix 18: Exposition Metro Line Construction Authority

The Exposition Metro Line Construction Authority was created by the State Legislature under Public Utilities Code Section 132600, et seq. for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Exposition Metro Light Rail project from the Metro Rail Station at 7th Street and Flower Street in the City of Los Angeles to downtown Santa Monica.

The Authority is governed by a board consisting of seven voting members, who are appointed as follows: 1) two members appointed by the City Councils of the Cities of Santa Monica and Culver City, 2) two members appointed by the Los Angeles County Board of Supervisors, 3) one member appointed by Metro, and 4) two members appointed by the City Council of the City of Los Angeles. The CEO of Metro also serves as an ex officio, non-voting member.

**Statement of Revenues, Expenditures and Changes in Fund Balances
For The Years Ending June 30, 2008, 2009, and 2010.**

(\$ in millions)

| Exposition Metro Line Construction Authority | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 1 Revenue: | | | |
| 2 Intergovernmental Revenue | \$ 87.9 | \$ 223.5 | \$ 221.6 |
| 3 Total Revenue | 87.9 | 223.5 | 221.6 |
| 4 | | | |
| 5 Expenditures: | | | |
| 6 Expo & Metro Staff & Administration | 4.8 | 1.6 | 6.4 |
| 7 Land, Building & Equipment Acquisition | 3.4 | 12.6 | 9.1 |
| 8 Design/Build Contract | 79.7 | 209.3 | 206.1 |
| 9 Total Expenditures | 87.9 | 223.5 | 221.6 |
| 10 | | | |
| 11 Increase(Decrease) in Retained Earnings | - | - | - |
| 12 | | | |
| 13 Retained Earnings - Beginning of Year | - | - | - |
| 14 | | | |
| 15 Retained Earnings - End of Year | \$ - | \$ - | \$ - |

Note: FY10 Budget is composed of Phase I \$188.1 million and Phase II \$33.5 million.
Funding for all Exposition projects is provide from Metro.

Appendix 19: Service Authority for Freeway Emergencies

The Los Angeles County Service Authority for Freeway Emergencies (SAFE) was established in Los Angeles County in 1988. SAFE is a separate legal authority created under state law and is responsible for providing motorist aid services in Los Angeles County. SAFE currently operates, manages and/or funds:

- The Los Angeles County Kenneth Hahn Call Box System
- #399 – Mobile Call Box program
- The Metro Freeway Service Patrol
- The Motorist Aid and Traveler Information System (MATIS)

In FY10, SAFE will continue the operation and management of the call box system

and the #399 program. SAFE will also continue its funding of the expansion of the Metro FSP program.

During FY10 the Motorist Aid and Traveler Information System (MATIS) will become fully operational. MATIS consolidates all call center operations, provides Metro FSP fleet monitoring services and provides comprehensive traveler information services via the web and phone (511).

SAFE receives its funding from a dedicated \$1 surcharge assessed on each vehicle registered within Los Angeles County. SAFE's annual budget is developed and approved separately from Metro's budget by the SAFE Board of Directors.

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2008, 2009 and 2010**

(\$ in millions)

| Service Authority for Freeway Emergencies | FY08 Actual | FY09 Budget | FY10 Budget |
|---|------------------------|------------------------|------------------------|
| 1 Revenue: | | | |
| 2 Investment Income | \$ 1.8 | \$ 0.7 | \$ 0.6 |
| 3 Licenses and Fines | 7.8 | 7.0 | 8.0 |
| 4 Total Revenues | 9.6 | 7.7 | 8.6 |
| 5 Expenditures: | | | |
| 6 Services | 6.3 | 12.8 | 12.6 |
| 7 Operating Expenditures | 0.9 | 2.9 | 3.0 |
| 8 Total Expenditures | 7.2 | 15.8 | 15.6 |
| 9 Excess (Deficiency) of Revenue Over Expense Before Transfers | 2.4 | (8.1) | (7.0) |
| 10 Other Financing Sources (Uses) | | | |
| 11 Operating Transfers In | - | | - |
| 12 Operating Transfer Out | (1.7) | (2.0) | (2.0) |
| 13 Total Other Financing and Sources (Uses) | (1.7) | (2.0) | (2.0) |
| 14 Fund Balances - Beginning of Year | 35.7 | 36.4 | 26.4 |
| 15 Fund Balances - End of Year | \$ 36.4 | \$ 26.4 | \$ 17.4 |

Appendix 20: Metro's Clientele

| Demographic Profile of Metro Bus Riders by Sector* | | | | | | |
|---|--------------|---------------------|--------------------|--------------|-----------|----------|
| Characteristic | Metro System | San Fernando Valley | San Gabriel Valley | West Central | South Bay | Gateway |
| Gender (Percent): | | | | | | |
| 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 (Percent): | | | | | | |
| 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 Metro 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%) walks to their final destination.
- Most riders (82%) use Metro 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.

| Demographic Profile of Metro Rail Riders by Line* | | | | |
|--|-----------|-----------|----------|------------|
| Characteristic | All Lines | Blue Line | Red Line | Green Line |
| Gender (Percent): | | | | |
| - 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 (Percent): | | | | |
| - 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 of \$25,000 per year and the Blue Line the lowest at \$17,000 per year.
- Latinos are the largest ethnic group of riders (41%), with only small variations by line. Caucasian 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 Caucasian 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 Caucasian 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%) walks 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 10% in the first nine months of FY06 compared to the same period in FY05. Boardings rose 15% on the Green Line and 13% on the Blue Line. Bus boardings, including the Orange Line, increased 8%.

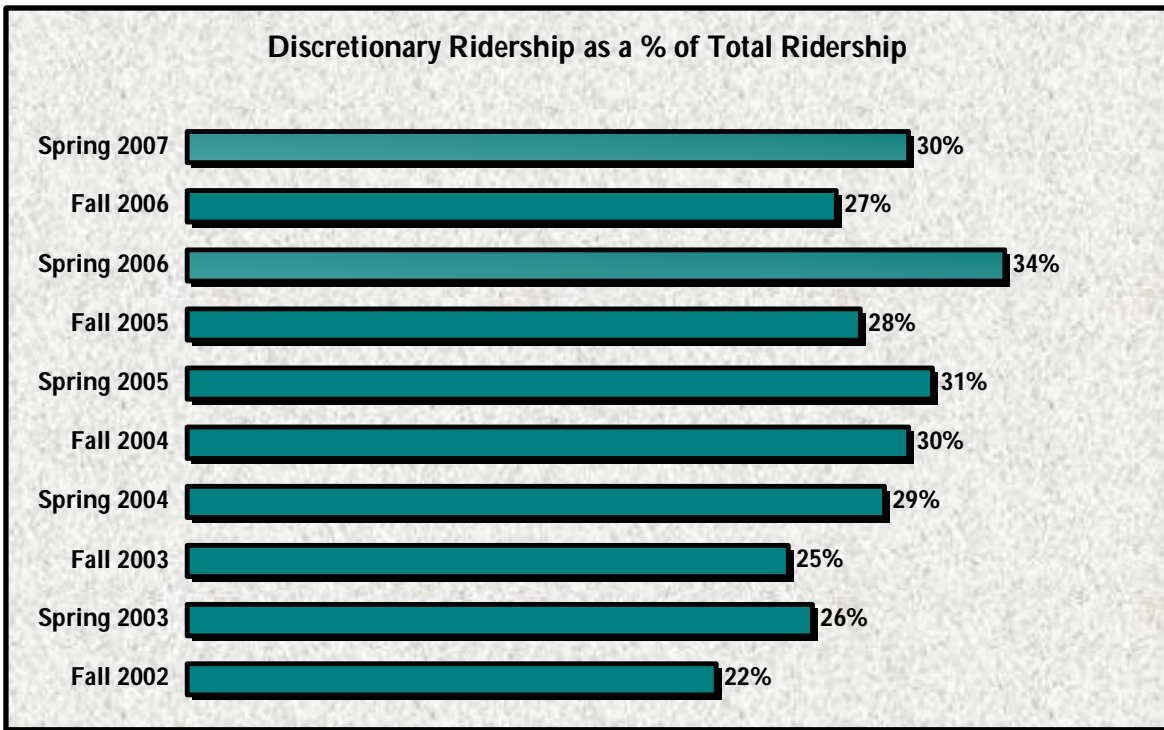
Customer Satisfaction Survey – Bus



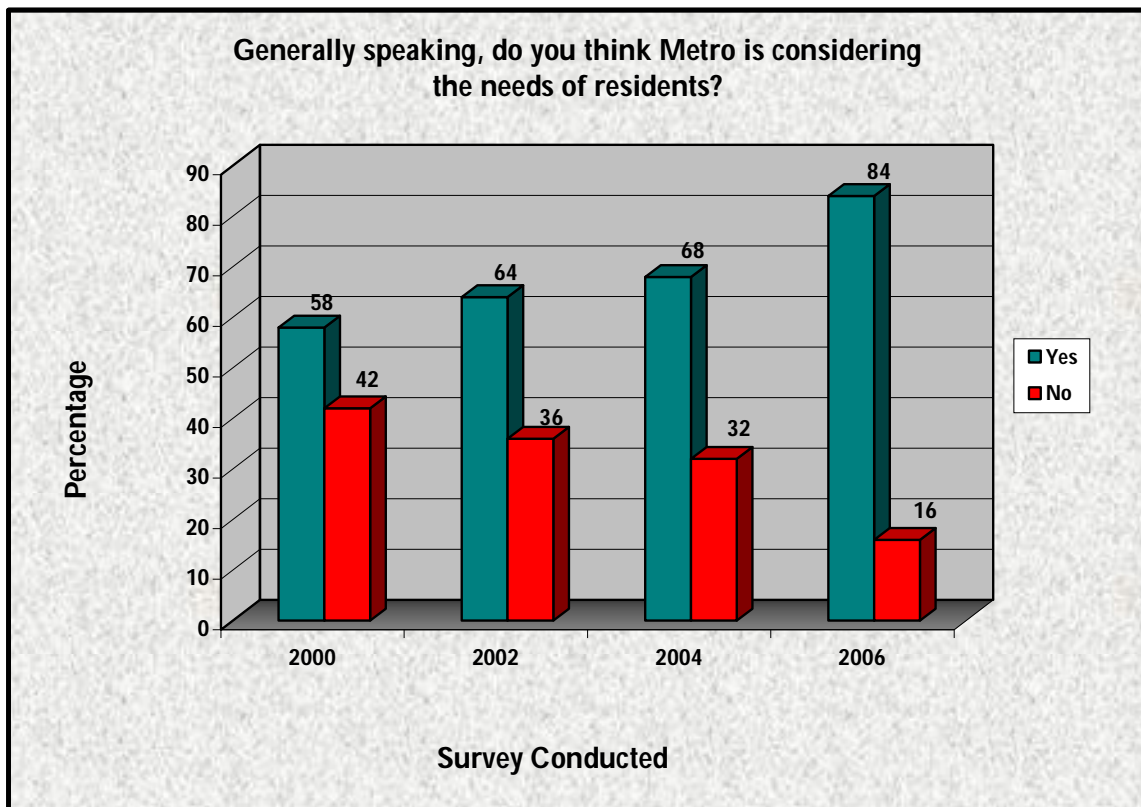
Customer Satisfaction Survey – Rail



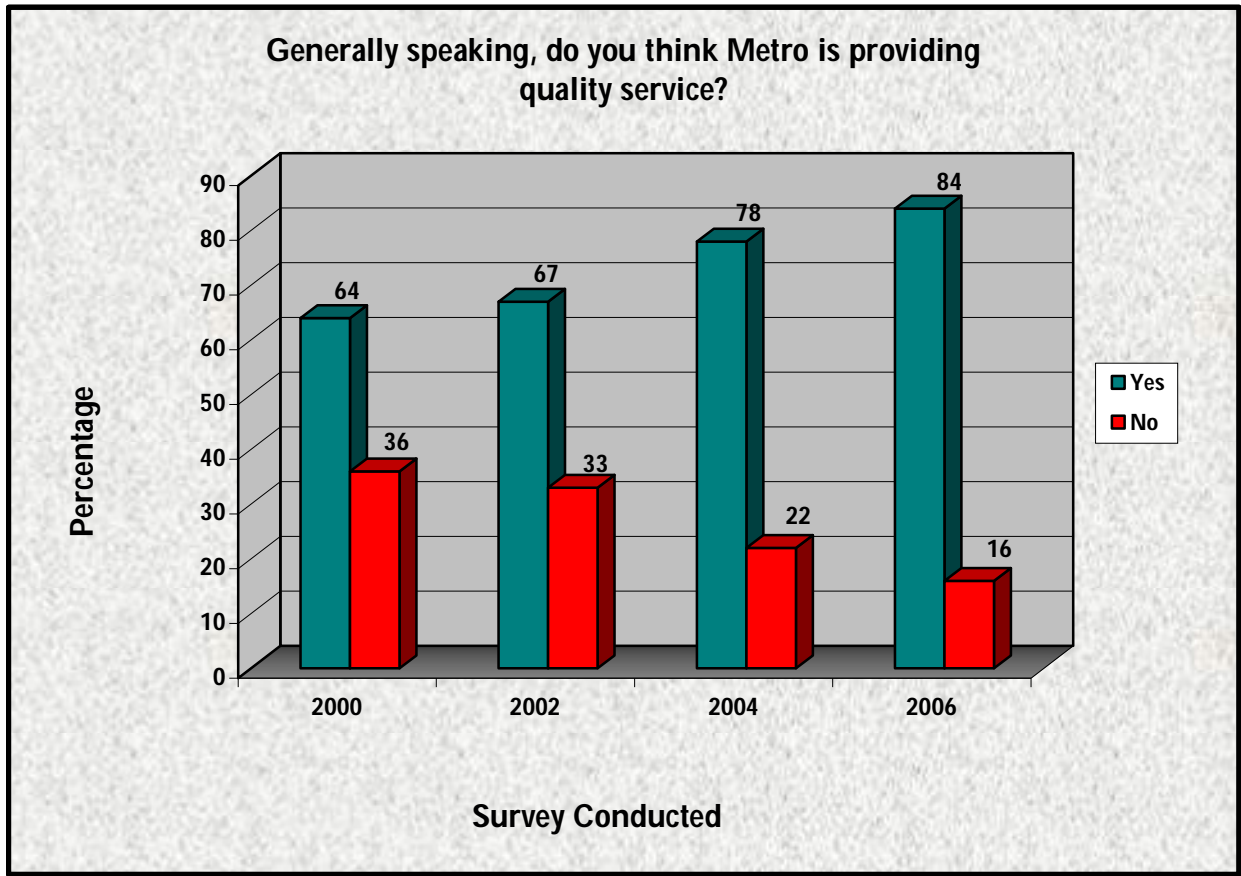
Discretionary Ridership Survey



Needs of Residents Survey



Service Quality Survey



Appendix 21: Demographics, Statistics, and Economic Outlook

Location

Los Angeles County is located in Southern California and is included in Southern California Association of Governments (SCAG) which functions as the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles.¹ (See map on page VII-70.)

Cities in Los Angeles County

Cities in the county include: Agoura Hills, Alhambra, Arcadia, Artesia, Avalon, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Beverly Hills, Bradbury, Burbank, Calabasas, Carson, Cerritos, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Duarte, El Monte, El Segundo, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Industry, Inglewood, Irwindale, La Canada-Flintridge, La Habra Heights, La Mirada, La Puente, La Verne, Lakewood, Lancaster, Lawndale, Lomita, Long Beach, Los Angeles, Lynwood, Malibu, Manhattan Beach, Maywood, Monrovia, Montebello, Monterey Park, Norwalk, Palmdale, Palos Verdes Estates, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Fe Springs, Santa Monica, Sierra Madre, Signal Hill, South El Monte, South Gate, South Pasadena, Temple City, Torrance, Vernon, Walnut, West Covina, West Hollywood, Westlake Village and Whittier.

Land Area

The geography of Los Angeles County covers 4,084 square miles, and had a January, 2009 population of 10.4 million (10,393,185). California is the nation's most populous state 38,292,687 and about 27% of the state's population lives in Los Angeles County. The County's population could make it close to the eighth largest state in the nation, comparable to Michigan.²

Geography

Land area: 4,084 square miles

Unincorporated area: 2,638 square miles

Flat land: 1,741 square miles

Mountains: 1,875 square miles

Hills: 246 square miles

Islands: 129 square miles

Mountain valleys: 59 square miles

Marsh land: 28 square miles

Mainland coast: 75 miles

Note: Santa Catalina and San Clemente Islands are part of Los Angeles County (71.96 and 57.17 square miles respectively).³

Altitude

Lowest point: 9 feet below sea level at Wilmington

Highest point: 10,080 feet above sea level atop Mt. San Antonio⁴

Transportation

Los Angeles County has a varied, extensive transportation network. It has the Los Angeles International Airport, plus three other commercial airports: Bob Hope Airport in Burbank, Palmdale Regional

Airport, and Long Beach Airport. The county is serviced by the ports of Los Angeles, Long Beach, and Port Hueneme. And there is an array of mass transit options: various bus operators, Amtrak, Metrolink commuter rail, and Metro Rail subway and light rail. (See Air & Rail Transportation Map on page VII-71.) Major rail freight service is provided by the Burlington Northern Santa Fe and Union Pacific railroads. Los Angeles County also has its world famous freeway system.

Roadway miles (excluding freeways) in Los Angeles County are as follows:

City roadways: 17,021 miles

County roadways: 2,967 miles

State highways: 865 miles

Total: 20,853 miles⁵

Demographics:

Population of Los Angeles County (January 2009)

Total in Los Angeles County: 10,393,185

Largest City (Los Angeles): 4,065,585

Living within cities (88 cities): 9,301,207

Living in unincorporated areas: 1,091,978⁶

(See Population Distribution Map on page VII-72.)

Language Diversity

As of 2006, 56% or about 5.2 million people in Los Angeles County speak a language other than English at home as compared to 19.7% for the U.S. as a whole (population: age 5 years and over).⁷

Average Household Income

Median household income is estimated at \$48,451 as of 2006 Census Data (in 2006 inflation-adjusted dollars) for Los Angeles County residents.⁸

Poverty in Los Angeles County

1.6 million Los Angeles County residents, about 15% of residents, have a household income in the poverty range. Average poverty thresholds are dependent on the number of persons per household: 1 person under \$10,295 ranging up to 9 people or more under \$41,588.⁹

The poverty rate of Los Angeles County is 24% (about 652,752) for children or about one out of every four children under 18 years of age is living in a household with an income within the poverty threshold.¹⁰

“In 2007, the Los Angeles Homeless Services Authority (LAHSA) counted 73,702 homeless persons in Los Angeles County (including the 68,608 persons in the Los Angeles Continuum of Care (CoC) and 5,094 persons in the cities of Pasadena, Glendale, and Long Beach). On an annual basis, this means that approximately 141,737 residents of the Los Angeles County Continuum of Care area are homeless at some point over the course of the year. Over 80% were living in Los Angeles County when they became homeless.”¹¹

Local Economy of Los Angeles County

The “new economy” of Los Angeles County is often 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.

Economic Strength in the Los Angeles County Region

Major Industries

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 largest, based on value of two-way trade. International trade activity, as measured by two-way trade value," The Los Angeles Customs District retained its number one ranking in the U.S. in trade value in 2008 with an increase of 2.5 percent to \$356.1 billion. However, the number two district New York saw a more robust gain of 9.3 percent to \$353.6 billion. The number of containers handled at the ports of Los Angeles and Long Beach in 2008 totaled 14.3 million TEUs, a decline of 8.5 percent. New York, the nation's second largest port, saw a modest drop of 0.6 percent to 5.3 million TEUs. Despite the decline in container traffic in 2008, the Los Angeles/Long Beach port complex was able to maintain its number five ranking among the world's top ports." (Wednesday, May 13, 2009 "LAEDC Report Sees Continued Unfavorable Trends for Southern California's Important International Trade Industry in 2009) "Key measures of activity will decline again in 2009, but a modest recovery will get underway in 2010, according to the LAEDC" Major investments are being made in port and transportation facilities and there are also multiple foreign trade zone designations.

Employment Levels

Total civilian labor force (calculated by place of residence) as of May 2009 was 4,968,100, a 0.5% increase or 23,300 persons. Total civilian employment as of May 2009 (preliminary data not adjusted for seasonality) was 4,403,800. Total employment for all industries counted was 3,934,400, a decrease of -0.4% from the previous year. Farm jobs totaled 7,700. Non-farm jobs totaled 4,926,700. (Note: Industry employment is by place of work; excludes self-employed individuals,

unpaid family workers, household domestic workers, and workers on strike.)¹²

The gross product of Los Angeles County in 2009 was \$513.60 billion, a nominal GDP 1.1% increase 2007-2008 change and a real GDP 0.7% increase 2007-2008, which would make it the 19th largest national economy in the world if the County were a country. This ranking dropped from 17th in 2006 to 18th in 2007 and 19th in 2008. ¹³

Los Angeles County has a diverse economic base and is the largest major manufacturing center in the U.S. on the basis of employment, with 401,500 workers in this activity in May 2009, a decrease of -8.4% from the previous year. The largest manufacturing components are split between durable goods and nondurable goods jobs.

224,200 durable goods jobs, including:

- Computer and Electronic Product Manufacturing with 51,600 jobs.
- Fabricated Metal Products with 45,100 jobs.
- Transportation Equipment Manufacturing with 48,100 jobs.

177,300 nondurable goods jobs, including:

- Apparel Manufacturing with 49,600 jobs.
- Food Manufacturing with 39,600 jobs.
- Chemical Manufacturing with 20,200 jobs.

Other leading industries in Los Angeles County are in Service Jobs providing 3,394,000 jobs, a -3.5% reduction including:

- Trade, Transportation and Utilities with 765,400 jobs.
- Government jobs are 616,400.

- Professional Services and Business Services with 551,400 jobs.
- Educational and Health Services with 516,300 jobs (an increase of 2.4% from previous year).
- Leisure and Hospitality with 384,800 jobs.
- Financial Activities and Real Estate with 224,800 jobs.
- Information with 195,600 jobs. Included in Information is Motion Picture and Sound Recording with 122,200 jobs and Broadcasting in Radio, TV, and Cable (except Internet) with 35,200 jobs.
- Other Services include 142,600 jobs.

(See County-to-County Commuting Maps on page VII-73.)

Major Employers in Los Angeles County

This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2009 2nd Edition.

- American Honda Motor Co Inc
- BP-ARCO
- California State Univ-Northridge
- Century Plaza Towers
- Children's Hospital
- CINTAS the Uniform People
- Hawaiian Gardens Casino
- Kaiser Permanente
- Long Beach Memorial Hospital
- Los Angeles County Fire Dept.
- Los Angeles Police Department
- Nestle Confection & Snacks
- Pomona Valley Hosp Med Ctr
- Pro Parts (Automobile)
- Ready Pac Produce
- Six Flags Magic Mountain Inc.

- Sony Pictures Entertainment
- UCLA
- VA Greater Los Angeles Health
- Walt Disney Co.
- Women & Children's Hospital

Employment and Wages

Unemployment rate and labor force (not seasonally adjusted) for Los Angeles County as of June, 2008 is as follows:

Labor force: 4,920,800

Employed: 4,573,000

Unemployed: 347,800

“The seasonally adjusted unemployment rate in Los Angeles County increased to 11.6 percent in May 2009 from the rate of 7.1 percent one year ago in June, 2008.

The California seasonally adjusted unemployment rate was 11.5 percent in May 2009, and 7.0 percent a year ago in June 2008. The comparable estimates for the nation were 9.4 percent in May 2009, and 5.5 percent in May 2008.”¹⁴

Education

Higher and specialized education is a strength of Los Angeles County with about 200 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 medical schools, two dental schools, and two eye institutes, as well as specialized research and treatment facilities such as the City of Hope.

Change in Size of School Age Population¹⁵

**Los Angeles County Education Public School Enrollment
By Ethnic Group, K-12**

| | 1990 | | 1999-2000 | | 2008-2009 | | 2000-2009 |
|---------------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|
| | number | percent | number | percent | number | percent | % change |
| Total Enrollment | 1,406,718 | 100.00% | 1,650,948 | 100.00% | 1,632,191 | 100.00% | -1.14% |
| Asian | 117,012 | 8.32% | 130,959 | 7.93% | 126,129 | 7.7% | -3.69% |
| African American | 173,308 | 12.32% | 188,100 | 11.39% | 154,574 | 9.5% | -17.82% |
| Filipino | 25,766 | 1.83% | 31,232 | 1.89% | 38,571 | 2.4% | 23.50% |
| Hispanic or Latino | 729,157 | 51.83% | 966,699 | 58.55% | 1,021,960 | 62.6% | 5.72% |
| American-Indian or Alaska-Native | 4,064 | 0.29% | 4,929 | 0.30% | 4,547 | 0.3% | -7.75% |
| Pacific Islander | 7,226 | 0.51% | 8,021 | 0.49% | 7,278 | 0.4% | -9.26% |
| Other (multiple answer/ no answer) | | | 3,010 | 0.18% | 33,075 | 2.0% | 998.84% |
| White (not Hispanic) | 350,185 | 24.89% | 317,998 | 19.26% | 246,057 | 15.1% | -22.62% |

Culture and Recreation

Metro provides transportation services to many cultural destinations, including museums, gardens, beaches, harbors and parks. There are numerous performing arts centers, theatres, forums, and halls. Los Angeles County also has many sporting events and is home to world-renowned teams. Metro also offers art tours of the art work at its rail stations.¹⁶

Healthcare

Metro transports its customers to a large number of hospitals and other medical facilities. Although the number of emergency rooms has been reduced in recent years in Los Angeles County due to financial and other problems, U.S. News and World Reports has released its 2009-10 Honor Roll and the news is that University of California at Los Angeles (UCLA) Ronald Reagan Medical Center, Los Angeles is ranked third overall in the USA. Please see U.S. News and World Report (July 15, 2009) for a more complete list of hospitals in the competition and the resulting honor roll.

Public Safety

Metro bus and train operators do their best to avoid traffic accidents driving through one of the most congested service areas in the USA with one of the highest crime indicators: One of every five motor vehicles stolen in the USA occurs in California.

Metro coordinates with city, county and regional response teams and emergency preparedness officials. When an emergency occurs, the LA County Sheriff takes the lead for response and manages the emergency operations center with Metro as an active participant. Assessments and directions are conducted and given through the Sheriff to Metro and other entities such as first responders. The Sheriff's office also coordinates all public sector/municipalities response efforts. In the event of an incident, Metro takes the lead in assisting the Sheriff's office with regard to public transit services: to offset service interruptions as well as maintain service in all unaffected areas.¹⁷

All emergency preparedness is coordinated by the County and the State. There is a regional operation for the State Office of Emergency Services and the county operates an office of emergency management. Most entities within the county integrate their emergency planning into what is coordinated by the county.

**Crimes and Crime Rates
By Category and Crime
Los Angeles County
Compared to California State 18**

| Category/Crime | County 2007 | State 2007 | % of State |
|---------------------|----------------|---------------|---------------|
| Violent Crimes | 63,397 | 191,493 | 33% |
| Homicide | 863 | 2,258 | 38% |
| Forcible Rape | 2,285 | 9,047 | 25% |
| Robbery | 27,680 | 70,702 | 39% |
| Aggravated Assault | 32,569 | 109,486 | 30% |
| Property Crimes | 177,823 | 681,235 | 26% |
| Burglary | 55,014 | 237,759 | 23% |
| Motor Vehicle Theft | 59,684 | 220,126 | 27% |
| Total Larceny-Theft | 151,425 | 654,481 | 23% |
| Over \$400 | 63,125 | 223,350 | 28% |
| \$400 and Under | 88,300 | 431,131 | 20% |
| Arson | 3,753 | 11,400 | 33% |

Demographic Factors that Affect Current and Future Levels of Service

Population Growth

Today more than 10 million people call Los Angeles County home, residing in 88 cities and in approximately 140 unincorporated areas.

Los Angeles County's population equals about 27% of the State of California. From 2008 to 2009, California's population grew 1.08%; Los Angeles County's population grew by 0.89%.

**Population Estimates with Annual Percent Change
January 1, 2008 and 2009 ¹⁹**

| State/County | Total Population | | Percent Change |
|--------------|------------------|------------|-------------------|
| | 1/1/2008 | 1/1/2009 | |
| California | 37,883,992 | 38,292,687 | 1.08% |
| Los Angeles | 10,301,658 | 10,393,185 | 0.89% |

LA County Economic Outlook

According to the most current Los Angeles Economic Development Corporation Forecast of July, 2009, the economy is expected to be impacted both by positive forces and negative forces for 2009 into 2010. "Home values continue to fall due to the on-going mortgage crisis. Retailing is dampened by the sluggish economy. The entertainment industry is still being affected by labor problems..." According to an LAEDC News Release, July 22, 2009, "LAEDC Report Says U.S., California, and Southern California recession to bottom by year-end 2009, recovery to begin in 2010."²⁰

Regional industries with favorable outlooks for 2009 include the healthcare services sector, private education, major public and private construction projects. A variety of ongoing major construction projects will continue in 2009, including several terminal expansion projects under way at the two ports (Ports of Long Beach and Los Angeles); plus highway and transit projects funded in whole or in part by Measure R, the County's new half-cent sales tax. Continuing challenges for Los Angeles County from 2009 into 2010 include: international trade; manufacturing employment; tourism; new home construction; the nonresidential real estate sector; local government finance."²⁰

Los Angeles (August 26, 2009) - Screen Actors Guild announced that members have approved a two-year successor contract to its Basic Cable Live Action agreement by a vote of 93.71% percent to 6.29% percent. The agreement is effective

retroactive to June 10, 2009 and will expire concurrently with the Guild's Theatrical Motion Picture and Television agreements on June 30, 2011.²¹

Economist Jerry Nickelsburg of the UCLA Anderson Forecast predicts, “The Los Angeles economy continued down the steep slope of this recession in the first quarter. Exports declined precipitously affecting manufacturing, logistics and tourism. Imports continued to be negative as consumption, while stabilizing, did not turn the corner. And the housing market is now waiting out the recession before turning...What will lead L.A. out of this recession is a recovery in U.S. consumption and investment. Then retail and wholesale trade employment will begin to recover and the concomitant increased U.S. imports will generate demand for logistics employees. The other service industries including business support services, technical and scientific services, and finance will follow soon thereafter...Mar 2009 UCLA Anderson Los Angeles County Forecast” Riding Down a Big Wave: The Los Angeles County Report, First Quarter 2009 Update, April 2009”²²

Metro has been fully engaged in addressing traffic congestion, which has been a long acknowledged problem and has become a more prominent issue. At the end of 2008, Los Angeles County had 7,498,722 registered vehicles and 5,978,101 registered driver licenses.²³

Local Transportation History

Los Angeles County has been served by public transit for nearly 130 years. During this time, at least 220 private and public companies have operated systems that have included horse cars, cable cars, incline railways, steam trains, electric streetcars, interurban cars, trolley buses,

and gas or diesel powered buses. The major players are noted below.

By 1933, Pacific Electric and Los Angeles Railway had included bus passenger service, but patronage of rail and bus had been crippled by the advent of the automobile, which resulted in even larger decline in the later forties and fifties. One reason noted for the change to buses was a serious drought in 1924 which caused a power shortage and required Pacific Electric to limit electric trolley service. Various independent bus companies came into being with the intention of competing with the existing system. A history of bus service in the county follows:

| | |
|----------------|--|
| 1922-1939 | Motor Transport Company |
| 1923-1949 | LA CBD & Westside Lines |
| 1920's | Original Stage Line Los Angeles-San Fernando |
| 1920's | Pasadena Ocean Park State Line |
| 1920's | Studio Bus line (Hollywood-Culver City) |
| 1930 | Los Angeles Motor Bus Company |
| 1930's-1954 | Asbury Rapid Transit System |
| 1945 | Los Angeles Transit Lines |
| 1953-1958 | Metropolitan Coach Lines |
| 1951-1964 | Los Angeles Metropolitan Transit Authority Acquisitions: Crosstown Suburban Bus Lines (1961), Foster Transportation Co (1962), Riverside City Lines (1963), Glendale City Lines (1962) |
| 1964-1993 | Southern California Rapid Transit District Acquisitions: Pasadena City Lines (1940-67), Inglewood City Lines (1942-67), Blue & White Bus Company (1967-1971), Eastern City Transit (1949-1971), San Pedro Motor Bus Assn. (1961-1973), Highland Transit - San Pedro (1938-1972), San Pedro Transit Lines (1961-1973), Western Greyhound Lines - Long Beach to Santa Monica (1923-1974), Ontario-Upland Bus Lines (1928-1973), Pomona Valley Municipal Transit System (1966-1972) |
| 1976-1993 | Los Angeles County Transportation Commission |
| 1993 - present | Los Angeles County Metropolitan Transportation Authority (Metro) |

In 1973, the State of California formed county public transportation agencies for Orange (OCTD now OCTA), Riverside

(RTA) and San Bernardino (OmniTrans) Counties, giving local control to their populations.²⁴

The Street Railway History of Los Angeles ²⁵

Los Angeles has a rich history of local public transportation based on street railways, including many predecessors of Metro as detailed below.

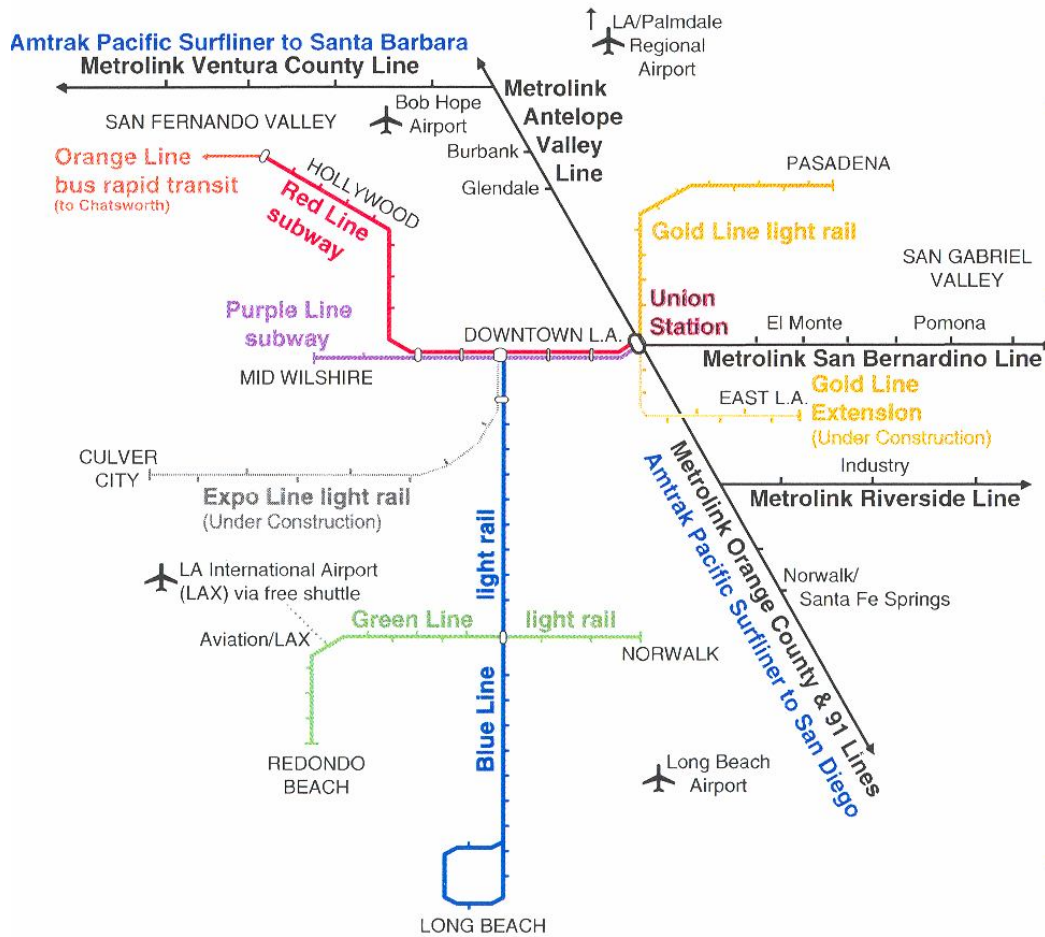
- 1873 Spring and Sixth Street Railroad Co.
- 1885-1889 Second Street Cable Railroad
- 1886 Pasadena Street Railroad Co.
North Fair Oaks Avenue Line (horsecar)
- 1886-1888 Colorado Street Railway Co.
East Colorado Street Line (horsecar), South Loop Line (horsecar)
- 1886-1898 Temple Street Cable Railway
- 1886-1894 Los Angeles Electric Railway (Pico Electric Railway), Electric Rapid Transit Co., The Belt Line Railway Co.
- 1886-1894 Los Angeles and Pacific Railway
(Los Angeles Ostrich Farm Railway Co., Los Angeles County Railway Co.)
- 1886-1901 Santa Ana, Orange and Tustin Street Railway Co., The Santa Ana and Orange Motor Co., The International Railway Co.
- 1886-1911 Riverside and Arlington
(Crescent City Railway Co., Hall's Addition Railway Co., Riverside Railway Co., San Bernardino Interurban Railway Co.)
- 1887-1893 City Railway Co. of Pasadena
North Fair Oaks Avenue Line
- 1887-1893 San Gabriel Valley Rapid Transit Railroad
- 1888 Highland Railroad Co.
North Lake Avenue Line, North Loop Line, Arroyo Seco Line
- 1888 West Second Street Cable Railway
- 1888 Pacific Railway Co.
- 1889-1896 Los Angeles Cable Railway Co., Pacific Railway Co.
- 1890-1895 Los Angeles Consolidated Electric Railway Co. - LACE
- 1891 West Pasadena Railway Co.
West Colorado and Orange Grove Avenue Line
- 1893-1938 Pasadena and Mount Wilson Railway, Pasadena and Mount Lowe Railway, Pacific Electric Mt. Lowe Division
- 1894-1902 Pasadena and Los Angeles Electric Railway, Los Angeles and Pasadena Electric Railway Co.

- 1895-1910 Los Angeles Railway Co.
- 1895-1903 Los Angeles Traction Co.
- 1897-1902 Los Angeles and Pasadena Electric Railway, Pasadena Electric
- 1896-1911 Los Angeles Pacific
- 1899-1953 Pacific Electric
- 1899-1903 Redlands Street Railway
- 1901-1908 Playa Del Rey Incline
- 1901-1911 Los Angeles and Redondo
- 1901-1969, Angels Flight
- 1996-2001, 2007-
- 1903-1910 Los Angeles Inter-Urban Railway (The Los Angeles and Glendale Electric Railway Co., The Los Angeles Traction Co.)
- 1903-1911 Redlands Central Railway
- 1903-1911 San Bernardino Valley Traction Co.
- 1904-1943 Court Flight
- 1904-1918 Santa Catalina Incline Railway
- 1921-1923 (Island Mountain Railway)
- 1909-1919 Los Angeles and Mt. Washington Incline Railway
- 1909-1930 Glendale and Montrose
(Glendale and Eagle Rock)
- 1910-1912 Laurel Canyon Utilities Co.
- 1910-1929 Santa Monica—Ocean Park—Venice Electric Tram
- 1910-1945 Los Angeles Railway Corporation - LARy
- 1916-1953 White Bus Lines, Motor Transit Co., Pacific Electric Motor Transit Lines
- 1917-1918 Montecito Railroad Co.
- 1923-1949 Los Angeles Motor Bus Co., Los Angeles Motor Coach Co.
- 1945-1958 Los Angeles Transit Lines - LATL
- 1953-1958 Metropolitan Coach Lines - MCL, Asbury Rapid Transit (1954-on)
- 1958-1963 Los Angeles Metropolitan Transit Authority - LAMTA
- 1963-1993 Southern California Rapid Transit District (No rail operations until Blue Line.)
- 1993-on Los Angeles County Metropolitan Transportation Authority - LACMTA - Metro
- 1999-on Los Angeles to Pasadena Blue Line Construction Authority on to Montclair

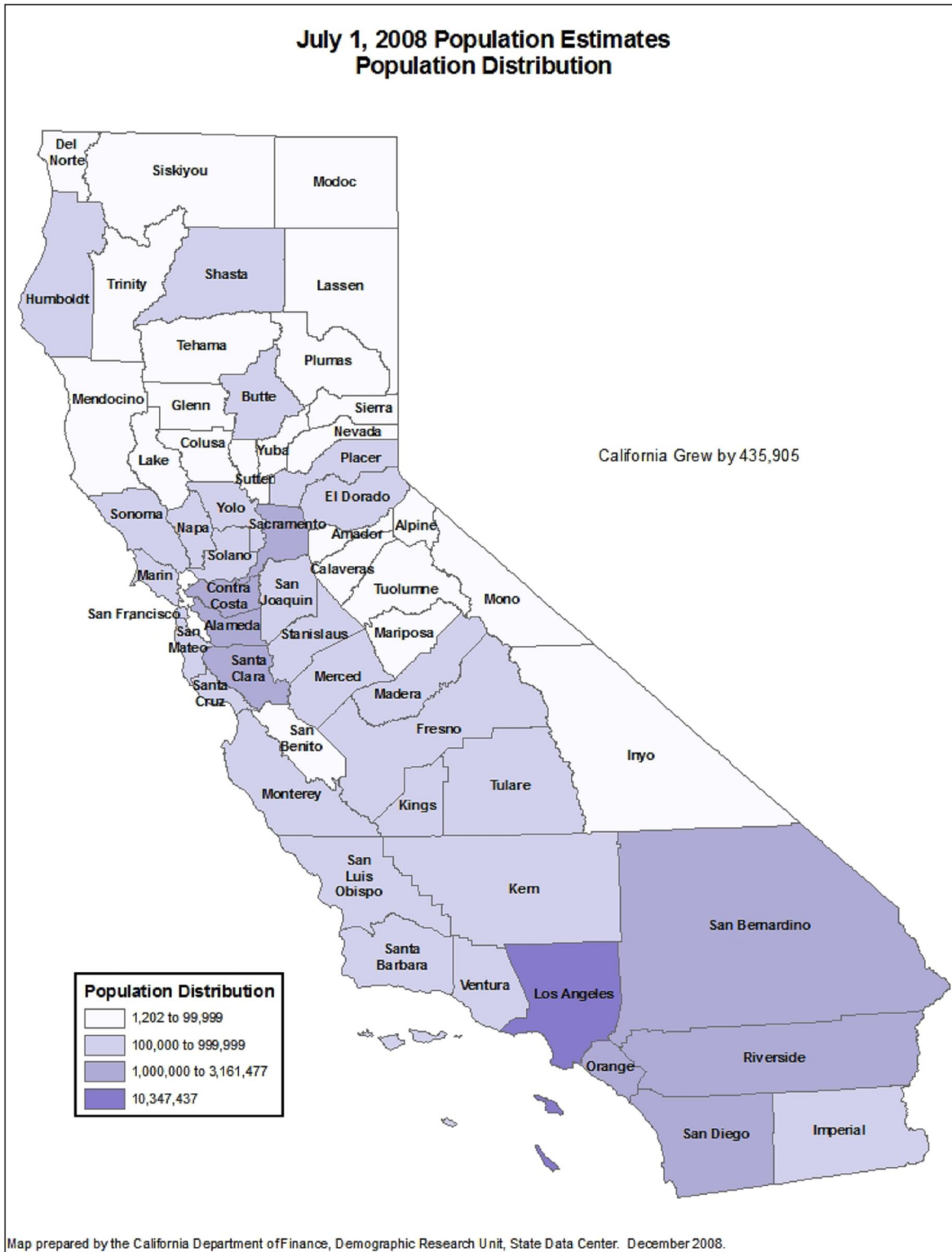
Map of Los Angeles County



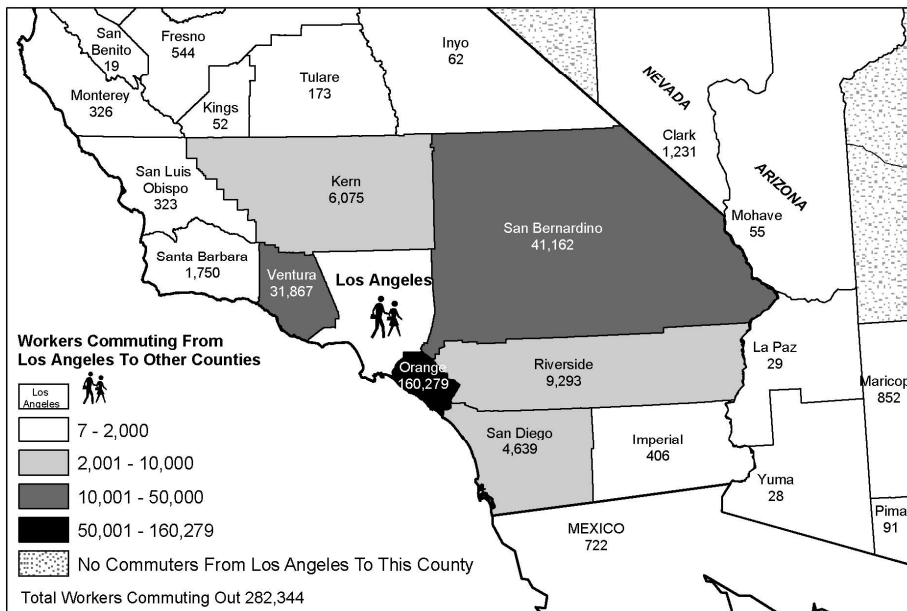
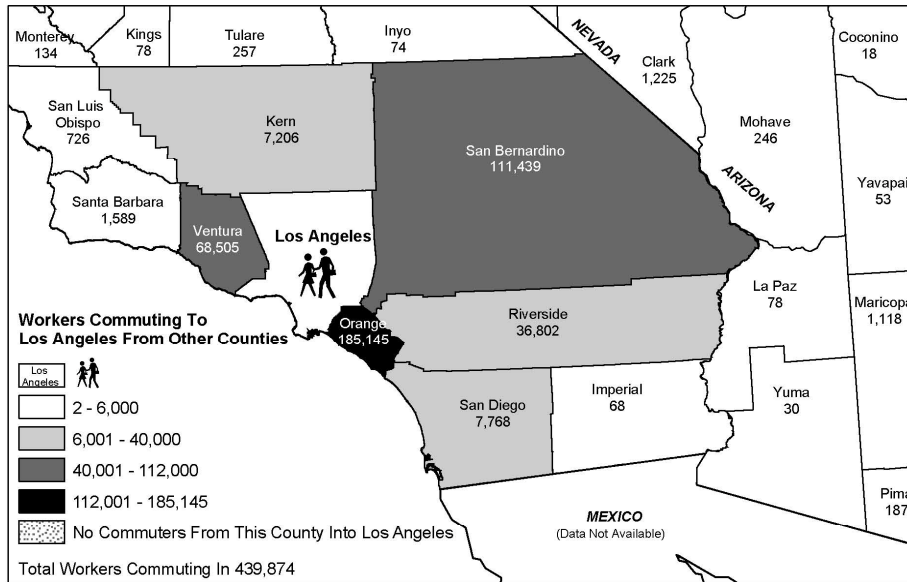
Los Angeles County Air & Rail Transportation Map



Source: Los Angeles County Economic Development Corp. (LAEDC) 2007 "L.A. in Five Minutes" Los Angeles County Air & Rail Transportation Map: LACMTA, Metrolink, and Amtrak.



Los Angeles County-to-County Commuting



Total Workers That Live And Work In Los Angeles 3,576,406 Data Source: U.S. Census 2000

Cartography by
 Current Economic Statistics Group
 Labor Market Information Division
 California Employment Development Department
 www.labormarketinfo.edd.ca.gov
 June 2006

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E-1 population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2008 and 2009. Sacramento, California, May 2009.
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Appendix 22: GFOA Award



Metro has received the Distinguished Budget Presentation Award for 12 consecutive years.

VIII. Glossary

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Explanation of Terms

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| AA | Alternatives analysis. A detailed study and assessment of the various options available for the purpose of selecting one for implementation. An alternatives analysis is required if funds are sought for capital-intensive major transportation projects. |
| ABC Cost Models | 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 cost models recognize the causal relationships of cost drivers to activities. |
| Accrual Basis | Method of accounting that recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows. |
| Actuarial Analysis | Analysis completed and submitted by an individual versed in the collection and interpretation of numerical data (especially someone who uses statistics to calculate insurance premiums). |
| ADA | Americans with Disabilities Act. A comprehensive civil rights measure signed into law on July 1990 to ensure persons with disabilities receive equal access to transportation and other services. |
| Additional Bonds Test Covenants | A computation required to be made, typically pursuant to the bond indenture, prior to the issuance of new bonds in order to assure existing bondholders there will be adequate revenues available to pay debt service following issuance of the new bonds. |
| AFSCME | American Federation of State, County and Municipal Employees. The union representing maintenance and transportation supervisors. |
| Agency Fund | Fund used to report Benefit Assessment financial activity. See also Benefit Assessment. |
| Alternative Fuels | Low-polluting fuels that are used to propel a vehicle instead of high-sulfur diesel or gasoline. Examples include methanol, ethanol, propane or compressed natural gas, liquid natural gas, low-sulfur or "clean" diesel and electricity. |
| Amortization | Process of decreasing or accounting for an amount over a period of time. |
| Appropriation | Federal budgetary term that refers to an act of Congress that permits federal agencies to incur obligations and make payments out of the Treasury for specified purposes. |

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| AQMD | Air Quality Management District. Officially called the South Coast AQMD - the air pollution control agency for the four-county region including Los Angeles and Orange counties and parts of Riverside and San Bernardino counties. The AQMD sets extensive requirements on employers for ride sharing encouragement. |
| Articulated Bus | Extra long (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. |
| ASI | Access Services, Inc. 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 over 200 different social service and public paratransit operators. |
| At-Grade | At natural ground level when describing transitways or streets; the intersecting transitways and streets are at the same elevation and actually intersect (i.e. grade crossings that are not separated). |
| ARRA | American Recovery & Reinvestment Act [Pub. L. 111-5] became a U.S.A. law on February 17, 2009. ARRA includes appropriations and tax law changes to support government wide efforts to stimulate the economy. Goals of the statute include the preservation or creation of jobs and the promotion of an economic recovery, as well as the investment in transportation, environmental protection and other infrastructure providing long-term economic benefits. (Source FTA (Federal Transit Administration) U.S. Department of Transportation) |
| ATMS | 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. |
| ATU | Amalgamated Transit Union. The union representing mechanics and other maintenance employees. |
| ATVC | 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. |
| BAD | Benefit Assessment District. A limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system. |

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| Balanced Budget Definition | <p>A budget is balanced when total current expenditures are equal to total revenues. ... An entity has a budget surplus if expenditures are less than revenues. It has a budget deficit if expenditures are greater than revenues. (Source: http://www.answers.com/topic/balanced-budget-2)</p> <p>“...A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means. At a minimum, balance should be defined to ensure that a government’s use of resources for operating purposes does not exceed available resources over a defined budget period. A more stringent definition requires that a government maintain a balance between operating expenditures and operating revenues over the long term, not just during the current operating period. This latter definition of balance is referred to as structural balance, and is the goal of this practice...” <u>A Framework for Improved State and Local Government Budgeting</u>, National Advisory Council on State and Local Budgeting, Government Finance Officers Association (GFOA), June 1999, 2nd printing.</p> |
| Benefit Assessment | <p>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.</p> |
| Benefit Assessment District Debt | <p>Bonds issued through either of two special benefit assessment districts formed to assess property taxes on commercial and industrial properties within the districts. Bonds funded by the property taxes were issued to provide funds to partially fund the construction of Metro Redline subway stations in the districts.</p> |
| BIAS | <p>Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and justify those requests.</p> |
| Big Rig | <p>Common reference to a commercial semi truck, tractor-trailer, or eighteen-wheeler used to haul freight on public highways.</p> |
| Bikeway | <p>Any road, street, path, or way that is specifically designated in some manner as being open to bicycle travel, regardless of whether such facilities are designated for exclusive use of bicycles or are to be shared with other vehicles or pedestrians.</p> |
| Boardings | <p>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.</p> |
| Bond | <p>Interest-bearing promise to pay a specified sum of money on a specified date.</p> |

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| Bond Indenture | A legal agreement between Metro and a bond trustee. The indenture pledges certain revenues as security for the repayment of the debt and sets forth the responsibilities of Metro and the trustee as well as the rights of the bond holders. |
| Bond Resolution | A written document adopted by the Metro Board authorizing the issuance of bonds and execution of related agreements and facilities. |
| BRT | Bus rapid transit. Bus service operated on exclusive rights-of-way (busway) and on short stretches of street lanes designated for bus use. |
| BSIP | Bus Service Improvement Program. Program to provide additional buses on existing lines to relieve overcrowding. |
| Budget | Plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels. |
| Busway | A roadway reserved for buses only. It may be grade separated or a signal controlled roadway. |
| CAFR | Comprehensive Annual Financial Report. LACMTA's annual financial statements. |
| California Transportation Commission (CTC) | The Commission is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California. |
| Caltrans | 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. |
| Capital Asset | Property, facility or equipment whose cost exceeds \$5,000 per unit and has a useful life greater than one year. Capital asset costs include installation cost, delivery cost, sales and use taxes, staff training costs, and general & administrative overhead costs. |
| Capital Expenditure | Acquisition of a capital asset. |

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| Capital Program | Portfolio of capital projects and their funding. The Capital Program is a financial plan of proposed capital projects, their costs, and schedules. The Capital Program is designed to meet Metro infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of Metro and is updated annually as part of the OMB budget process. The current year of the Capital Program is authorized with approval of the operating budget; however, life-of-project costs are presented to the Board of Directors to acknowledge that approval of the fiscal year's expenditures provides for multi-year project approval. |
| Capital Project | Defined scope of work to build, acquire, or renovate physical assets, to add value, or to significantly increase the asset's useful life. |
| Capital Planning and Analysis System | Database program for storage and management of the Capital Program. |
| Carpool | Arrangement in which two or more people share the use, cost, or both of traveling in privately owned automobiles between fixed points on a regular basis. |
| Carpool Lane | A highway or street lane intended primarily for carpools, and other high-occupancy-vehicle, either all day or during specified periods. |
| Cash Basis | 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. |
| Catellus Development Group | Business unit of ProLogis Inc. that specializes in large-scale development projects involving residential, retail and office facilities. |
| CEQA | California Environmental Quality Act. A statute that requires all jurisdictions in the State of California to evaluate the extent of environmental degradation posed by a proposed development or project. |
| CFP | Call for projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues. |
| Chief Officers | The Chief Executive Officer's direct reports. |

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| Cityride | <p>Program offered by the City of Los Angeles Department of Transportation.</p> <p>Cityride is a program for individuals in the City of Los Angeles, aged 65 or older and for qualified disabled persons. A Cityride registrant may purchase a book of transit scrip once quarterly and use them to obtain discounts on taxi, and/or Cityride Dial-A-Ride services. The transit scrip will expire on June 30th of each year.</p> |
| CMAQ | <p>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.</p> |
| Commercial Paper | <p>Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility.</p> |
| Composite Bus | <p>Composite bus. Transit buses built using a lightweight composite structure. These buses are approximately 5,000 pounds lighter than conventional transit buses, with expected reduced brake wear and improved fuel economy.</p> |
| Congestion Pricing | <p>Transportation planning strategy which includes tolls for driving in traffic-choked urban areas and other means of promoting carpooling, bicycling or mass transit use to reduce traffic congestion.</p> |
| Congestion Relief Demonstration Project (CRDP) | <p>There are several capital projects funded with CRDP funds in the FY10 budget book. The titles of the affected projects include "CRDP".</p> |
| Contingency | <p>Amount that is included in the baseline project budget estimate to cover additional project execution costs which may include: uncertainties in the design; changes in construction technology; changes in site conditions; schedule changes; changes in specifications; changes in economic conditions (construction, equipment, etc.); and changes in safety and regulatory requirements.</p> |
| Contract Services | <p>Metro department responsible for the Purchased Transportation, Motorist Services, and Paratransit programs.</p> |
| Corridor | <p>Defined metropolitan area considered for significant transportation projects such as highway improvements, bus transitways, light rail lines, bikeways, etc.</p> |
| Covenants | <p>Contractual obligations in the bond indenture, bond resolution, or other contracts and agreements that constitute promises to perform certain actions or comply with certain requirements.</p> |

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| CP&D | Countywide Planning and Development. The Metro strategic business unit responsible for providing 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. |
| CPI | Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living. |
| CPUC | 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. |
| CTSA | Consolidated Transportation Services Agency. Metro has been designated as the CTSA for Los Angeles County to coordinate all paratransit services to ensure compliance with the Americans with Disabilities Act (ADA). |
| DBE | Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women. |
| Debt Coverage | The ratio of revenues available to pay debt service, divided by the debt service to be paid over a period of time, such as a fiscal year. |
| Debt Program | Activities related to current and planned debt service requirements and their funding. |
| Debt Service | Repayment of the principal and/or interest on debt. |
| Defeased Lease | Lease for which all the scheduled rental payments and the purchase option payment are fully funded from amounts provided at the lease closing. The invested amounts are held by the lease trustee and applied to make the scheduled payments. |
| DEIS | Draft Environmental Impact Statement. A detailed informational document that presents an analysis of all reasonable alternatives to resolve a transportation need, the probable environmental effects and mitigation measures for significant effects. |
| Department of Homeland Security | Federal government department established to provide the unifying core for the vast national network of organizations and institutions involved in efforts to secure the nation. |
| Depreciation | Allocation of the cost of an asset over its useful life. |
| Direct Cost | Cost that is identifiable with a specific product, function, or activity. |
| Direct Labor | Normal time plus overtime. |

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| Discretionary Ridership | The estimated number of rides taken by people using a public transportation system in a given time period that otherwise could have used non-public transportation means (i.e., private automobile). |
| EEO/AA | Equal Employment Opportunity/Affirmative Action. Federal laws prohibiting job discrimination. |
| EIR | Environmental Impact Report. A detailed statement prepared under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a project and discussing ways to avoid or mitigate the effects. |
| EIS | 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. |
| EMP | Emergency Management Panel. Command panel installed on a wall in public areas of each passenger rail station for coordination of fire/rescue and emergency response forces. |
| Encumber | To reserve funds so the funds cannot be used for another purpose or project. |
| Encumbrances | Commitments related to unperformed contracts for goods or services. |
| Enterprise Fund | Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting. Includes related capital and debt activity. |
| Executive Investment Committee | Comprised of the Chief Executive Officer and his direct reports. The committee's purpose is to approve and monitor the Capital Program. |
| Executive Management Team | Comprised of the Chief Executive Officer and his direct reports. |
| Exposition Metro Line Construction Authority | Authority established by the State Legislature for oversight and management of final design and construction of the Exposition Light Rail Transit Project. |
| EZ Pass | 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. |

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| FAP | Formula Allocation Procedure. FAP is the adopted method for allocation of federal, state, and local transit operating subsidies to Los Angeles County bus operators. The current formula allocates funds as follows: 50% based on vehicle service miles and 50% based on “fare units.” Allocations are made using audited performance data. |
| Fare | The price paid to ride public transportation such as a bus or train. |
| Fare Media | Monthly passes, weekly passes, day passes, pass stamps, municipal transfers, and tokens. |
| Farebox Recovery Ratio | Farebox revenue divided by operating costs. |
| FASB | 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. |
| Fiduciary Funds | Financial resources held or managed in an agent or fiduciary capacity. |
| First Tier Senior Prop A Bonds | Bonds that are paid first from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the bulk of our Prop A bonds. |
| First Senior Prop C Bonds | Bonds that are paid first from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee. No bonds are outstanding in this lien. |
| FIS | Financial Information System. Metro’s automated, integrated financial accounting and control system. |
| Fiscal Year | The period at the end of which a governmental agency determines its financial position and results of operations. Metro’s fiscal year begins July 1 and ends June 30 of the following calendar year. |
| Fixed Assets | Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. |
| Fixed Guideway System | 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. |
| FlyAway | Scheduled daily bus service from Union Station, Westwood, or Van Nuys to Los Angeles International Airport provided by Los Angeles World Airports. |

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| Freeway | Highway with full control of access, with all cross roads grade-separated, and interchanged with major cross roads. Accommodates heavy traffic volumes at high speed. |
| FSP | Metro Freeway Service Patrol. Funded by Metro, these contracted towing services remove stalled vehicles from peak period congested freeways. The service is managed by Metro in conjunction with the California Highway Patrol and Caltrans. |
| FTA | Federal Transit Administration. The Federal government, through the FTA, provides financial assistance to develop new transit systems and improve, maintain, and operate existing systems. |
| FTE | 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 0.5 of a full-time position. |
| Full Funding Grant Agreement | The federal government's commitment to support a transit project over the course of several fiscal years, contingent upon the availability of funds. |
| Function | Activity or a group of related activities for which the reporting unit is responsible. |
| Fund | 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. |
| Fund Balance | Fund equity in governmental funds - the difference between fund assets and liabilities. |
| FY | 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. |
| GAAP | Generally Accepted Accounting Principles. A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB). |
| GASB | 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. |
| General Fund | Fund used to account for those financial resources that are not required to be accounted for in any other fund. |

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| General Relief Token Program (GR) | Metro program that provides tokens for transportation of homeless/indigent persons. |
| Governmental Funds | 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. |
| Grade Crossing | Physical arrangement of two transportation routes where there is possible physical interference between vehicles on each route. For example, a railroad crossing at street that requires the automobiles to stop to let a train pass. |
| Grantee | Metro or other party, if specifically described as such, in its role as a recipient of an outside source of funds, usually Federal funding. |
| Guideway | Facility housing a transit system, either a subway tunnel, at-grade trackway or busway, or aerial structure. Also see fixed guideway. |
| Headway | The amount of time separation between scheduled vehicles traveling on the same route and in the same direction. |
| Heavy Rail | High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded. |
| Hedging | Any method of minimizing the risk of price change (for example, hedged variable rate debt or fuel contract hedging). |
| HIPPA | Health Insurance Portability and Accountability Act. A Federal law that allows persons to qualify immediately for comparable health insurance coverage when they change their employment status. Establishes a set of national standards for the protection of certain health information. |
| HOV | High occupancy vehicle lanes or carpool lanes on freeways dedicated for use by vehicles with multiple occupants. |
| Hub Miles | 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. |
| Hybrid Vehicle | Vehicle that combines two or more sources of power that can directly or indirectly provide propulsion power, so as increase efficiency and thereby reduce emissions. A hybrid vehicle uses a mixture of technologies such as internal combustion engines, electric motors, gasoline, compressed natural gas, and batteries. |
| IFB | Invitation for bids. An advertised competitive solicitation for fixed price bids. Awards are made to the responsive, responsible bidder that submits the lowest price. |

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| Immediate Needs Transportation Program | <p>Program started after the Los Angeles riots to distribute taxi vouchers and bus tokens in Los Angeles County. The Immediate Needs Transportation Program (INTP) provides subsidized taxi service and/or a transit subsidy for Los Angeles County residents with limited resources who have a transportation need and no other resources to meet that need.</p> <p>The service is made available throughout Los Angeles County via a wide range of not-for-profit and government agencies that distribute taxi coupons, transit tokens and/or scrip to their clients. Metro provides funding for this program.</p> |
| Indirect Cost | <p>Cost that is not identifiable with a specific product, function, or activity.</p> |
| Infrastructure | <p>The fixed components of a transit system, such as rights-of-way, tracks, signal equipment, stations, park-and-ride lots, bus stops, and maintenance facilities.</p> |
| ITS | <p>Information Technology Services. The department that provides the computer services function at Metro.</p> |
| iVOS | <p>Internet enabled, web based updated predecessor VOS - Valley Oaks System. Tracking system used for Workers' Compensation claims.</p> |
| JARC | <p>Job Access/Reverse Commute Grant Program. A program enacted through the Personal Responsibility and Work Reconciliation Act of 1996 that provides transportation access to suburban employment for urban residents.</p> |
| Joint Development | <p>Projects that combine public and private resources to build mixed use development around transit station areas.</p> |
| JPA | <p>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.</p> |
| Key Performance Indicators (KPI) | <p>Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.</p> |
| LACMTA | <p>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.</p> |
| LADOT | <p>Los Angeles Department of Transportation. The City of Los Angeles operates the second largest fleet of buses in Los Angeles County next to LACMTA.</p> |

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| Lease | Contract, written or oral, by which possession of land and/or building space is given by owner (lessor) to another (tenant) for a specified period of time (lease term) and for a specified consideration (rent). |
| Lien | Claim by one person (lien holder) on the property of another as security for money owed. First lien holders get paid first if the property is foreclosed. Subordinate (secondary) lien holders generally follow in order of the recording of their liens. |
| Life-Of-Project | Schedule and total expenditures approved by the Board of Directors for a capital project. |
| Light Rail | Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line (catenary). |
| LOA | Letter of agreement. A written agreement. |
| Local Return | Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements. |
| Long-Term Debt | Financial obligations lasting over one year. For example, debt obligations such as bonds and notes which have maturities greater than one year are considered long-term debt. |
| LRT | Light rail transit. Modern-day term for a streetcar-type of transit operation. |
| L RTP | Long Range Transportation Plan. A 25-year plan for multi-modal transportation needs of Los Angeles County. |
| LRV | Light rail vehicle. Electrically propelled passenger carrying rail vehicle. |
| M3 | Maintenance and 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. |
| MATIS | Motorist Aid and Traveler Information System. A new system that consolidates all call center operations, provides Metro Freeway Service Patrol fleet monitoring services and offers traveler information services via the world-wide web and telephone (511). |

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| Measurable and Available | Revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities. |
| Measurable Terms | Quantifiable in dollars and cents. |
| Measure R | <p>In November 2008, Measure R was approved by an amazing two-thirds majority, committing a projected \$40 billion to traffic relief and transportation upgrades throughout Los Angeles county over the next 30 years. Measure R went into effect July 1, 2009.</p> <p>Measure R will help fund dozens of critical transit and highway projects, create more than 210,000 new construction jobs and infuse an estimated \$32 billion back into the local economy, according to estimates by the nonprofit Los Angeles County Economic Development Corporation.</p> <p>Measure R is also known as Ordinance # 08-01 or the Traffic Relief and Rail Expansion Ordinance. This Ordinance provides for the establishment and implementation of a retail transactions and use tax at the rate of one-half of one percent (.5%) for a period of thirty (30) years and an expenditure plan.</p> <p>Measure R Preamble: Mobility in Los Angeles County is a necessity and requires an aggressive, responsible and accountable plan to meet the transportation needs of its more than 10 million residents.</p> <ol style="list-style-type: none">1. Rail Expansion: Expand the county's Metro rail system, including direct airport connection2. Local Street Improvements: Synchronize signals, fill potholes, repair streets, and make neighborhood streets and intersections safer for drivers, bicyclists, and pedestrians in each community3. Traffic Reduction: Enhance safety and improve flow on L.A. County freeways and highways4. Better Public Transportation: Make public transportation more convenient and affordable - especially for seniors, students, disabled and commuters5. Quality Of Life: Provide alternatives to high gas prices, stimulate the local economy, create jobs, reduce pollution and decrease dependency on foreign oil |
| Measure R Bonds | Under the Ordinance authorizing Measure R, Metro is authorized to issue limited tax bonds, payable from and secured by Measure R Sales Tax Revenues, to finance any program or project in the Measure R Expenditure Plan. The issuance of debt secured by Measure R will require a resolution of the Board. No Measure R debt has been authorized at this time. |

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| Metro | Preferred nickname for and reference to the Los Angeles County Metropolitan Transportation Authority (LACMTA). |
| Metro.net | Metro provides transit services and Agency information as a resource to the public and transit customers in Southern California via the internet at www.metro.net . |
| Metro Blue Line | Long Beach-Los Angeles Light Rail Transit Project. A 22-mile light rail line constructed by Metro. The line opened for service July 14, 1990. |
| Metro Connections | Project to restructure Los Angeles County's current grid-based bus system to a system that focuses on providing high-speed connections within a network of major activity centers throughout the county. |
| Metro Exposition Line | Culver City-Los Angeles light rail transit project. An 8.6-mile light rail line currently under construction. |
| Metro Gold Line | Union Station-Pasadena Light Rail Transit Project. A 13.7-mile light rail line constructed by the Metro Blue Line Construction Authority. The line opened for revenue service July 28, 2003. |
| Metro Gold Line Eastside Extension | 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 late 2009. |
| Metro Green Line | Norwalk-Redondo Beach Light Rail Transit Project. A 20-mile light rail line constructed by Metro on the median of the I-105 freeway. The line opened for service August 12, 1995. |
| Metro Orange Line | 14-mile Metro Rapidway operating on a dedicated right-of-way between the North Hollywood Metro Rail Station and Warner Center in Woodland Hills. The line opened October 29, 2005. |
| Metro Purple Line | Union Station-Wilshire/Western Station subway line (formerly a branch of the Metro Red Line). |
| Metro Rapid | Bus service on arterial streets with several attributes to improve service operating speeds including traffic signal priority, level boarding and alighting with low floor buses, fewer stops, and active management of service operation. |
| Metro Red Line – Segment I | Segment I of the Metro Rail project constructed by Metro from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993. |
| Metro Red Line – Segment II | Segment II includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996, and Wilshire/Vermont north to Hollywood/Vine, which opened for service in June 1999. |

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| Metro Red Line – Segment III | Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000. |
| Metro Silver Line | El Monte express busway. |
| Metrolink | Regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992. |
| MetroMail | Metro program where customers can purchase monthly passes, pass stamps, and tokens through the US mail. |
| MIS | Major Investment Study. The study is required by the FTA to obtain federal funds for any major capital improvement. |
| Mission Statement | Brief statement that summarizes an organization’s purpose, intent, and commitment. |
| Mobility 21 | Coalition of transportation providers, business leaders, elected officials, local municipalities, and academia and labor representatives that meet to develop solutions to the transportation issues facing Los Angeles County. |
| Mode | Particular form of transportation identified by the vehicle or mode used, i.e., bus, light rail, heavy rail, car, bike, or foot. |
| Modified Accrual Basis | Method of accounting that recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under modified accrual accounting, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. |
| MOSIP | Municipal Operator Service Improvement Program. 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. |
| MOU | Memorandum of Understanding. A formal contractual agreement between two or more public agencies. |
| MTA | Metropolitan Transportation Authority. Also known as LACMTA or Metro. |
| Multi-County Goods Movement Action Plan | Multi-county plan to develop a consensus strategy and plan to sustain and develop an integrated goods movement system that facilitates the transportation of goods, improves the environment, fosters economic development and sustains efforts to develop more livable and healthy communities. |
| Multimodal | Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems. |

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| Municipal Operator | City or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district. |
| Non-Revenue Vehicles | Vehicles that do not carry fare-paying passengers. |
| NTD | National Transit Database. A database consisting of financial and operational information for over 600 U.S. transit agencies that receive FTA Section 5307 grants. |
| Objective | Time-phased measurable accomplishment required realizing the successful completion of a strategic goal. |
| OMB | Office of Management and Budget. Metro department that develops and coordinates the agency budget activities. |
| Operating Budget | Funds allocated for normal Metro operations, such as employee salaries, rentals, power and fuel. Excludes funds allocated for capital and fiduciary activities. |
| Operating Expenses | All expenses pertaining to the normal operation of the agency, with the exception of capital expenditures, interest expenses and non-recurring losses. |
| Operating Fund | Funds allocated for normal MTA operations, such as employee salaries, rentals, power and fuel. |
| Operating Fund Portfolio | Collection of investments held to fund ongoing Metro operations. |
| Overhead | Expenses not directly chargeable to a particular program, which support multiple programs of Metro. |
| Overhead Catenary | Overhead contact wire system that supplies power from a central power source to a rail vehicle or trolley bus. |
| P-Card | Metro's Purchase Card Program is designed to streamline and simplify the requisitioning, purchase and payment process for small dollar transactions. The P-Card may be used to purchase goods and limited services in person, over the phone or on the internet. |
| Paratransit | 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). |
| Passenger Miles | The cumulative distance ridden by passengers. |
| Performance Indicators | Specific quantitative and qualitative measure of work performed as an objective of specific departments or programs. |

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| Performance Measures | Data collected to determine how effective or efficient a department or program is in achieving its objectives. |
| Preliminary Engineering | The engineering and architectural services necessary to develop the information required for commencing final design of a capital project. |
| Pre-Qualification Program | Program that assures that Metro enters into contracts only with qualified firms. |
| Program | Group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible. |
| Prop A | Proposition A is a sales tax initiative approved by the Los Angeles County voters in 1980. The proposition established a one-half cent sales tax to be used for public transportation purposes. |
| Prop C | Proposition C is a sales tax initiative approved by the Los Angeles County voters in 1990. The proposition established a one half-cent sales tax to be used for public transportation purposes. |
| Proprietary Fund | 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. |
| PTSC | Public Transportation Services Corporation. Created by the LACMTA in December 1996, the PTSC is a non-profit public benefit corporation organized under the laws of the State of California. |
| Quadrant Gate | Specialized type of gate at a grade crossing designed to enhance public safety. |
| Purchased Transportation | Metro operated bus lines that are contracted to private transportation companies. These companies provide maintenance and operations services for these lines comparable to those provided by Metro operating divisions. |
| Recognized | To realize revenues in the accounting period in which they arise and measure them at their fair value on the date that they arise. |
| Recorded | Documented or booked. |
| Revenue Service Hours (RSH) | Total number of scheduled hours that a bus or train is in service. This total excludes hours spent traveling to and from storage facilities and during other non-service travel. Also referred to as Revenue Vehicle Service Hours (RVSH). |
| Revenue Service Miles | Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel. |
| Revenue Vehicle | Vehicles that carry fare-paying passengers. |

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| Revenue Vehicle Miles | Total miles traveled by a revenue vehicle used to provide public transportation. Excludes miles spent traveling to and from storage facilities and on other non-service travel. |
| RFP | Request for proposal. The competitive proposal method of procurement. Award is made on a negotiated fixed price or cost reimbursement basis. |
| Right-Of-Way | Land or rights to land use held for transit operations or for public way. For rail operations, the designated area of main line and the yard within fences or medians. |
| RiskMaster | General liability claims system for Risk Management. |
| ROD | Revenue operations date. The date revenue operations begin. |
| Rotable | A component or part that can be repaired and returned to service multiple times, i.e. alternators, generators, transmissions, radiators, blowers, etc. |
| RTAA | Regional Transit Alternatives Analysis. A projection that identifies future funding availability. |
| SAFE | 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. |
| SAFETEA-LU | The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was enacted August 10, 2005, as Public Law 109-59. TEA-21 authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009. |
| Safety's First Program | Safety's First is the name of Metro's agency-wide safety program. The goal of the program is to cut employee on-the-job injury claims by making Metro workplaces safer for all employees. |
| SANBAG | San Bernardino Associated Governments. The council of governments and transportation planning agency for San Bernardino County. |
| Sarbanes-Oxley Act of 2002 | Legislation that established new or enhanced standards for all U.S. public company boards, management, and public accounting firms. The directive raised the standards of corporate transparency and accountability. |
| SBE | Small Business Enterprise. Businesses in which more than 50% of the business is owned and operated primarily by socially or economically disadvantaged individuals. |

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| SBU | Strategic Business Unit. Metro is organized into eleven strategic business units: Metro Bus Operations, Metro Rail Operations, Countywide Planning and Development, Construction Project Management, Communications, Administrative Services, Financial Services, Economic Development, Management Audit Services, Office of the CEO, and Board of Directors. |
| SCADA | 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.). |
| SCAG | 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. |
| Scorecard | 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. |
| Scrip | <p>The Immediate Needs Transportation Program (INTP) provides subsidized taxi service and/or a transit subsidy for Los Angeles County residents with limited resources who have a transportation need and no other resources to meet that need.</p> <p>The service is made available throughout Los Angeles County via a wide range of not-for-profit and government agencies that distribute taxi coupons, transit tokens and/or scrip to their clients. Metro provides funding for this program.</p> |
| SCRRA | Southern California Regional Rail Authority. A joint powers authority including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink. |
| Second Tier Prop A Bonds | Bonds that are paid second from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the LACRA Grand Central Square bond issues. |
| Second Senior Prop C Bonds | Bonds that are paid second from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee. This lien includes all of our Prop C bonds. |

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| Senior Management Team | Comprised of the Chief Executive Officer, his direct reports, and their direct reports. |
| Service Sector | 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. |
| SHORE | Support for Homeless Re-entry Program. Metro provides bus tokens to Los Angeles County shelters and missions. |
| Short-Term Debt | Financial obligations lasting one year or less. For example, T-bills and commercial papers are considered short-term debt since their maturities are typically shorter than one year. |
| Smart Card | Thin plastic card the size of a credit card with an embedded microprocessor. At Metro, the cards will be used as fare media – see TAP. |
| Socially or Economically Disadvantaged Individuals | Any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, Women, or any found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards of the USDOT 49 CFR Part 26. |
| Soundwall | Wall built on a freeway or other roadway intended to alleviate vehicle noise from residential, recreational, retail or commercial developments. |
| Special Revenue Fund | Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes. |
| Spillover | Potential source of additional revenue that applies when the growth in sales tax revenue on all sales (including gas) exceeds the growth in sales tax revenue on all sales (excluding gas). |
| S RTP | 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. |
| STA | State Transit Assistance fund. Used to account for the revenue from the sales tax on gasoline used for transit purposes. The STA fund was created as an amendment to the Transportation Development Act of 1976. |

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| STIP | State Transportation Improvement Program. The California Transportation Commission (CTC) adopted this program that serves as the primary vehicle for programming funds for highway projects. |
| Strategic Goal | Broad statement of direction in which planning or action is aimed representing an ideal end that Metro wishes to attain. |
| Strategic Plan | Program or method worked out beforehand for the accomplishment of Metro goals and objectives. |
| Subordinate Lien Prop C Obligations | Obligations that are paid third from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee. |
| Sustainability | Sustainable transportation is safe, high quality, and accessible to all; ecologically sound; economical; and a positive contributor to regional development. Specific goals for sustainable transportation include improved service quality and quality of access to goods and services, safety, improved air quality, noise reduction, improved water quality, protection of habitat and open space, historic preservation, reduced carbon emissions, increased social equity, economic development, and a satisfying quality of life, plus local goals consistent with the overall objective. (U.S. Department of Transportation, Federal Highway Administration) (ecology) a means of configuring civilization and human activity so that society, its members and its economies are able to meet their needs and express their greatest potential in the present, while preserving biodiversity and natural ecosystems, planning and acting for the ability to maintain these ideals in the very long term. |
| TAP | 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. |
| TCU | Transportation Communications Union. The union representing selected clerical office employees, telephone information clerks, custodial staff, and stores personnel. |
| TDA | Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to Metro for its transportation planning activities. |
| TDI | Transportation Development and Implementation. |
| TDM | Transportation Demand Management. Demand based techniques for reducing traffic congestion, such as ridesharing programs and flexible work schedules enabling employees to commute to and from work outside of peak hours. |

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| TEA-21 | Transportation Equity Act for the 21st Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21st Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next six years. This Act was replaced by SAFETEA-LU. |
| Teamsters | International Brotherhood of Teamsters (IBT). Union representing security guards. |
| Third Tier Prop A Obligations | Obligations that are paid third from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the Prop A commercial paper program. |
| Ticket Vending Machine | Vending machines located at transit station entrances for the purchase of tickets. Also referred to as a TVM. |
| TIP | Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit systems. |
| TOAST | Transit Operator Activity Scheduling and Tracking system. The new automated bus and rail operator assignments and scheduling system designed to replace TOTS in 2009. |
| TOTS | Transit Operating and Trend System. A system that collects and reports bus operator salary and hours data. |
| Trackway | Heavy or light rail right-of-way. |
| TransitSafe | Web-based Incident and Accident Tracking system that will capture information for the entire Metro. |
| TransportMAX | Internet-based, integrated procurement tool that provides public transportation agencies the ability to reduce procurement processing time and costs and at the same time create an effective audit trail for their online transactions. |
| Trustee | A commercial bank that serves as an independent third party administering the bond indenture between Metro and the bondholders. The trustee holds the cash and investments from the bond sale as well as receives and disburses the revenues used to pay the debt service on the bonds. |
| UCLA | University of California, Los Angeles. |
| UFS | 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. |
| Unencumber | Release of a commitment related to contracts for goods or services that were not performed or were completed with leftover committed funds. |

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| Unincorporated Area | Land not governed by a local authority. Land within a county, but not within an incorporated city. Public services such as fire, water, and police are often provided by the county. |
| Unlinked Passenger Trip | The boarding of one passenger on a transit vehicle in revenue service. |
| Unreserved Designated Fund Balances | Funds designated for a specific project that have not been encumbered. |
| USDOT | United States Department of Transportation. A Federal department responsible for ensuring a fast, safe, efficient, accessible and convenient national transportation system. |
| UTU | United Transportation Union. Union representing bus and rail operators and other operations employees. |
| Vanpool | Group of people who share the use and cost of van transportation between designated origins and destinations on a regular basis, for example, daily trip to work. The van may be privately owned, leased from a public or private company, or provided by the employer. The driver is usually a member of the group. |
| Wage Expense | Normal time, overtime and paid time off (vacation, sick leave, jury duty, etc.). |
| Wayside System | System for automatically controlling train movement, enforcing train safety, and directing train operations by computers. |
| Zero-Based Budgeting | Process justifying an overall budget or individual budgeted items each fiscal year rather than incorporate proposed changes from a previous budget. |

IX. Abbreviations

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Abbreviations

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| AA | Alternatives analysis |
| ABC | Activity-based costing |
| ABS | Automatic Bidding System |
| ACS | Transit Track system |
| ADA | Americans with Disabilities Act |
| AFSCME | American Federation of State, County, and Municipal Employees |
| ARC | Actuarial Required Contributions |
| AQMD | Air Quality Management District |
| ASI | Access Services, Inc. |
| ATMS | Advanced Transportation Management System |
| ATMS | Applicant Tracking Management System |
| ATU | Amalgamated Transit Union |
| ATVC | Advanced Technology Vehicle Consortium |
| BAD | Benefit Assessment District |
| BIAS | Budget Information Analysis System |
| BOC | Bus Operations Control |
| BROC | Bus and Rail Operations Control Center |
| BRT | Bus Rapid Transit |
| BSIP | Bus Service Improvement Program |
| CAFR | Comprehensive Annual Financial Report |
| Caltrans | California Department of Transportation |
| CAP | Cost Allocation Plan |
| CEO | Chief Executive Officer |
| CEQA | California Environmental Quality Act |

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| CFP | Call for Projects |
| CHP | California Highway Patrol |
| CIS | Customer Information System |
| CMAQ | Congestion Mitigation and Air Quality |
| CMP | Congestion Mitigation Fee Project Identification |
| CNG | Compressed natural gas |
| CP | Capital Program |
| CPAS | Capital Planning and Analysis System |
| CP&D | Countywide Planning and Development |
| CPI | Consumer Price Index |
| CPUC | California Public Utilities Commission |
| CRDP | Congestion Relief Demonstration Project |
| CSA | Control Self Assessment |
| CSP | Certified Safety Professional |
| CTC | California Transportation Commission |
| CTSA | Consolidated Transportation Services Agency |
| CY | Calendar Year |
| DBE | Disadvantaged Business Enterprise |
| DEIS | Draft Environmental Impact Statement |
| DMU | Diesel Mechanical Rail Unit Technical Feasibility Study |
| DVR | Digital Video Recorder |
| ECMS | Electronic Content Management System |
| EEO/AA | Equal Employment Opportunity/Affirmative Action |
| EF | Enterprise Fund |
| EIR | Environmental Impact Report |

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| EIS | Environmental Impact Statement |
| EMAC | Executive Management and Audit Committee |
| EMP | Emergency Management Panel |
| Expo | Exposition Metro Line Construction Authority |
| ERV | Security HiRail Emergency Response Vehicle |
| FAP | Formula Allocation Procedure |
| FASB | Financial Accounting Standards Board |
| FFGA | Full Funding Grant Agreement |
| FFY | Federal Fiscal Year (October 1 to September 30) |
| FIS | Financial Information System |
| FSP | Freeway Service Patrol |
| FTA | Federal Transit Administration |
| FTE | Full time equivalent |
| FY | Fiscal year |
| GAAP | Generally Accepted Accounting Principles |
| GAGAS | Generally Accepted Government Auditing Standards |
| GASB | Governmental Accounting Standards Board |
| GF | General Fund |
| GPS | Global positioning system |
| GR | General Relief Token Program |
| HCNG | Hydrogen-Compressed Natural Gas |
| HIPAA | Health Insurance Portability and Accountability Act |
| HOV | High occupancy vehicle |
| IBT | International Brotherhood of Teamsters |
| IFB | Invitation for bids |

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| INTP | Immediate Needs Transportation Program |
| ITS | Information Technology Services |
| iVOS | Workers' Compensation claims system |
| JARC | Job Access/Reverse Commute Grant Program |
| JPA | Joint Powers Authority |
| KPI | Key Performance Indicator |
| LACMTA | Los Angeles County Metropolitan Transportation Authority |
| LADOT | Los Angeles Department of Transportation |
| LASD | Los Angeles Sheriffs Department |
| LAUSD | Los Angeles Unified School District |
| LAWA | Los Angeles World Airports |
| LEED | The Leadership in Energy and Environmental Design Green Building Rating System, developed by the U.S. Green Building Council (USGBC) |
| LOA | Letter of agreement |
| LOP | Life of project |
| LRT | Light rail transit |
| LRTP | Long Range Transportation Plan |
| LRV | Light rail vehicle |
| M3 | Maintenance and Material Management System |
| MAS | Management Audit Services |
| MATIS | Motorist Aid and Traveler Information System |
| MBL | Metro Blue Line |
| Metro | Los Angeles County Metropolitan Transportation Authority |
| MGL | Metro Gold Line |
| MGLEE | Metro Gold Line Eastside Extension |

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| MIP | Metro Intern Program |
| MIS | Major Investment Study |
| MOSIP | Municipal Operator Service Improvement Program |
| MOU | Memorandum of Understanding |
| MOW | Maintenance of Way |
| MRL | Metro Red Line |
| MTA | Metropolitan Transportation Authority |
| NC | Non-Contract |
| NTD | National Transit Database |
| OAB | Oracle Advanced Benefit System |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| PBLCA | Pasadena Blue Line Construction Authority |
| PBX | Private Branch Exchange telephone systems |
| PERS | California Public Employees Retirement System |
| PGL | Pasadena Gold Line |
| PLC | Programmable Logic Controller |
| PRMA | PTSC-MTA Risk Management Authority |
| Prop A | Proposition A |
| Prop C | Proposition C |
| PTSC | Public Transportation Services Corporation |
| RFP | Request for Proposal |
| RFS | Rail Fleet Services |
| ROC | Rail Operations Control |
| RRC | Regional Rebuild Center |

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| RSH | Revenue service hours |
| RSM | Revenue service miles |
| RTAA | Regional Transit Alternatives Analysis |
| RVSH | Revenue vehicle service hours |
| SAFE | Service Authority for Freeway Emergencies |
| SAFETEA-LU | Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users |
| SANBAG | San Bernardino Associated Governments |
| SBE | Small Business Enterprise |
| SBU | Strategic Business Unit |
| SCADA | Supervisory Control and Data Acquisition system |
| SCAG | Southern California Association of Governments |
| SCRRA | Southern California Regional Rail Authority |
| SHORE | Support for Homeless Re-entry Program |
| SRF | Special Revenue Fund |
| S RTP | Short Range Transportation Plan |
| STA | State Transit Assistance Fund |
| STIP | State Transportation Improvement Program |
| TAP | Transit Access Pass |
| TCAP | Transportation Career Academy Program |
| TCU | Transportation Communications Union |
| TDA | Transportation Development Act |
| TDM | Transportation Demand Management |
| TEA-21 | Transportation Equity Act for the 21 st Century |
| TIP | Transportation Improvement Program |

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| TOAST | Transit Operator Activity Scheduling and Tracking system |
| TOD | Transit Oriented Development |
| TOTS | Transit Operating and Trend System |
| TSE | Transit Systems Engineering |
| TVM | Ticket vending machine |
| UCLA | University of California, Los Angeles |
| UFS | Universal Fare System |
| UNIX | Universal Network Information Exchange |
| USDOT | United States Department of Transportation |
| USG | Union Station Gateway |
| UST | Underground storage tank |
| UTU | United Transportation Union |
| VOS | Valley Oaks System |
| WE | Wage expense |

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Understandability & Usability

Standards for understandability and usability are adhered to consistently throughout the document.

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