



**Expo**

Exposition Metro Line  
Construction Authority

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BuildExpo.org

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**DATE: MARCH 2, 2006**

**TO: BOARD OF DIRECTORS**

**FROM: RICHARD D. THORPE**   
**CHIEF EXECUTIVE OFFICER**

**ACTION: RECEIVE AND FILE FY07 BUDGET PROCESS**

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**RECOMMENDATION**

Receive and File a report on the FY07 budget process, which includes returning to the Authority Board in April for review of the proposed FY07 budget, with final adoption by the Board in May.

**SUMMARY**

At the February meeting, the Chief Executive Officer notified the Board that the Authority would begin working with the MTA to develop a budget for FY07. Authority staff have been working closely with MTA staff to develop an overall budget number for FY07 staffing costs, utilizing both MTA and Authority staff for FY07, and construction costs based on the design-build contractor's schedule for this year.

Projected revenues and expenses for FY07 will be further defined over the next month and a detailed budget will be presented to the Authority Board for review at the April Board meeting. These numbers will include projected construction, real estate, utility relocation, MTA staff costs and Authority expenditures for FY07. The format will be similar to the FY06 budget approved by the Board in January. The Authority Board will be able to review the projected expenditures, ask questions, and provide input to Authority staff during the month of April.

Staff will bring a final budget to the Authority Board for approval at the May Board meeting. The Authority budget will be submitted to the MTA requesting that the MTA include the necessary level of funding in their FY07 budget. The MTA Board typically reviews the FY07 budget in May, with final approval in June.

Once the budget is approved by the MTA Board, the Authority's budget will become final.

### **DISCUSSION**

The FY07 budget currently under development will outline projected expenditures in major categories, including MTA and Authority staff and administration, design-build contract, real estate, utility relocation, third party and professional services costs. Staff is reviewing the Authority adopted FY06 budget and the design-build contract schedule as a basis for developing the FY07 budget.

As the MTA is responsible for providing funding for this project, and since the projected expenditures must be consistent with MTA's FY07 revenue projections and within the \$640 million total project budget, the Authority is working closely with the MTA to develop these numbers to fully fund anticipated expenses for FY07. Staff is also working closely with the cities and other agencies to develop accurate Third Party expenditures for FY07. The Authority Board will be able to review and provide input into the proposed budget after it is presented at the April Board meeting. The budget will also be posted on the [buildexpo.org](http://buildexpo.org) website for public review. The budget will then come before the Board for approval in May.

### **FINANCIAL IMPACT**

None

### **NEXT STEPS**

Staff will bring a proposed budget to the Authority Board for review at the April Board meeting and for final approval in May.

### **ATTACHMENT(S)**

None