

FY07 Proposed Budget

Board Meeting

May 25, 2006



Metro

FY07 Budget Schedule

- **Tuesday, April 25th**
 - Distribution of Proposed Budget Documents
- **Monday, May 1st**
 - Board Staff Briefing
- **Tuesday, May 2nd**
 - Distribution of Proposed Budget to the Public
- **Monday, May 8th**
 - Board Workshop for Board of Directors
- **Wednesday, May 17th**
 - Finance and Budget Committee Meeting - Public Hearing
- • **Thursday, May 25th**
 - Board Meeting – Budget Adoption

Additional Reduction to FY07 Proposed Budget

	Action	Est. Savings (in millions)
1	Eliminate an additional 13 non-contract FTE's (a total reduction of 17 FTE's)	\$1.3
2	Reduce law enforcement contract	10.0
3	Cancel procurement of 40 hybrid sedans	1.1
4	Total Savings	\$12.4

- **Consolidate purchasing power with the cities and County of Los Angeles:**
 - Fuel
 - Health Care

FY07 Proposed Budget Expenditure by Program

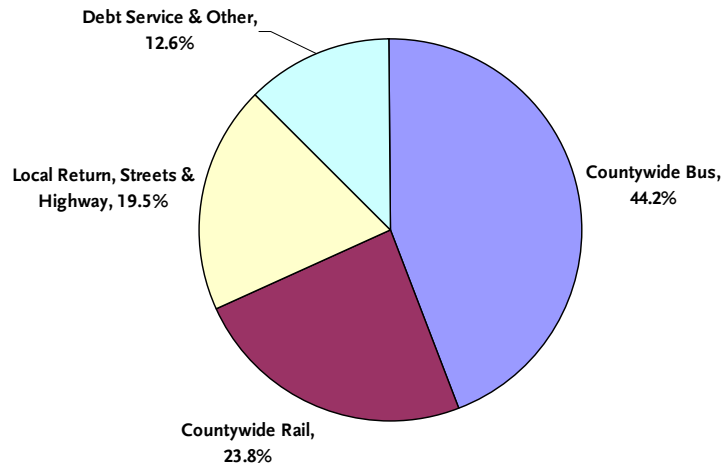
(Dollars in Millions)	FY03 Actual		FY04 Actual		FY05 Actual		FY06 Budget		FY07 Proposed	
1 Countywide Bus										
2 Metro Bus Operating & Capital	\$841.8	37.9%	\$857.0	37.8%	\$958.2	36.5%	\$992.4	34.8%	\$1,086.7	35.9%
3 Orange Line	32.2	1.4%	76.0	3.4%	119.8	4.6%	70.0	2.5%	14.7	0.5%
4 Metro Bus Subtotal	874.0	39.3%	933.0	41.1%	1,078.0	41.0%	1,062.4	37.2%	1,101.3	36.3%
5 Muni & Paratransit ⁽¹⁾	253.7	11.4%	240.9	10.6%	260.4	9.9%	230.1	8.1%	237.0	7.8%
6 Countywide Bus Subtotal	1,127.7	50.8%	1,173.9	51.8%	1,338.4	51.0%	1,292.5	45.3%	1,338.3	44.2%
7 Countywide Rail										
8 Metro Rail Operating, Capital & Construction	234.6	10.6%	237.2	10.5%	277.8	10.6%	337.0	11.8%	328.2	10.8%
9 LRT-Eastside/Expo	41.5	1.9%	43.2	1.9%	190.3	7.2%	273.0	9.6%	335.2	11.1%
10 Metro Rail Subtotal	276.1	12.4%	280.4	12.4%	468.1	17.8%	610.0	21.4%	663.5	21.9%
11 Metrolink	38.8	1.7%	39.6	1.7%	42.1	1.6%	57.9	2.0%	57.0	1.9%
12 Countywide Rail Subtotal	314.9	14.2%	320.0	14.1%	510.2	19.4%	667.8	23.4%	720.4	23.8%
13 Local Return, Streets & Highway	386.7	17.4%	396.4	17.5%	419.3	16.0%	519.0	18.2%	590.4	19.5%
14 Debt Service ⁽²⁾ & Other	392.3	17.7%	377.7	16.7%	358.7	13.7%	375.4	13.1%	381.8	12.6%
15 Total Expenditures	\$2,221.6	100.0%	\$2,268.0	100.0%	\$2,626.7	100.0%	\$2,854.8	100.0%	\$3,031.0 \$3,018.6	100.0%

(1) ASI Paratransit: federal amounts included in prior years have been excluded in FY06 and FY07 because ASI will receive federal funds directly.

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

Proprietary fund includes principal payments of \$19.8 million in FY03, \$16.3 million in FY04, \$12.0 million in FY05, \$12.0 million for FY06 and \$12.1 million in FY07.

Note: Totals may not add due to rounding.



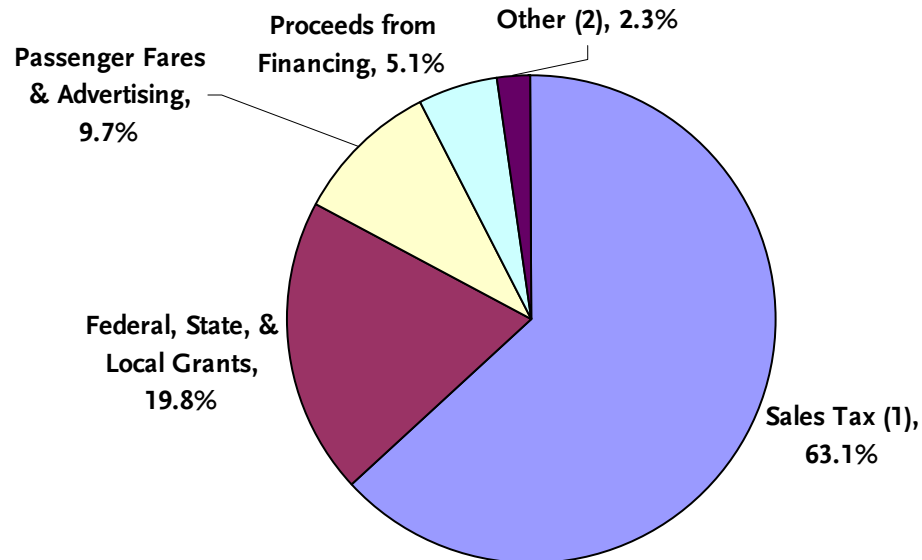
FY07 Proposed Budget Sources

(Dollars in Millions)		FY03 Actual		FY04 Actual		FY05 Actual		FY06 Budget		FY07 Proposed	
1	Sales Tax ⁽¹⁾	\$1,559.0	70.2%	\$1,514.0	66.8%	\$1,587.5	60.4%	\$1,686.1	59.1%	\$1,912.7	63.1%
2	Federal, State, & Local Grants	345.0	15.5%	377.2	16.6%	488.5	18.6%	602.3	21.1%	598.9	19.8%
3	Passenger Fares & Advertising	261.5	11.8%	233.4	10.3%	284.2	10.8%	289.9	10.2%	294.8	9.7%
4	Proceeds from Financing	-	0.0%	82.4	3.6%	185.6	7.1%	167.5	5.9%	155.7	5.1%
5	Other ⁽²⁾	56.1	2.5%	61.0	2.7%	80.8	3.1%	109.1	3.8%	69.0	2.3%
6	Total Funding Sources	\$2,221.6	100.0%	\$2,268.0	100.0%	\$2,626.7	100.0%	\$2,854.8	100.0%	\$3,018.6	100.0%

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

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

\$3,018.6



Where We are Today – FY07 Proposed Budget

	Amounts (in Millions)
1 Structural Deficit	(\$151)
2 Consent Decree Services	(27)
3 Tires Lease	(4)
4 Increases in Fuel	(14)
5 Subtotal	(196)
6 Board Approved Bus Buy Funding	45
7 Projected New Revenue Growth (Fares & STA)	24
8 Cost Cutting during FY07 Budget Process	15
9 Subtotal	(112)
10 Additional Cost Reduction	12
11 Total Surplus/(Deficit)	(\$100)

Estimated Ending FY07 Fund Balances

	(Dollars in Millions)	FY05 Actual	FY06 Estimated	FY07 Estimated	Bus Eligible (Y/N)
1	Proposition A:				
2	Administration	\$2.2	-	-	
3	Local Return	5.8	\$5.8	-	
4	Rail Set Aside	38.7	35.0	-	
5	Discretionary	39.0	2.5	-	
6	Incentive	19.3	19.3	\$18.8	Y
7	Interest	(2.9)	(1.3)	(0.1)	
8	Total Prop A	102.2	61.3	18.7	
9	Proposition C:				
10	Administration	1.1	-	-	
11	Local Return	4.9	4.9	-	
12	Commuter Rail	49.6	17.4	7.2	N
13	Discretionary	36.2	62.6	19.8 *	Y
14	FY07 Fuel Subsidy to Muni			(6.0)	
15	Additional FY07 Expense Reduction			12.4	Y
16	Street & Highways	88.2	58.9	-	
17	Security	5.5	3.6	3.6	Y
18	Interest	(9.9)	(2.3)	0.7	Y
19	Total Prop C	175.6	145.0	37.7	
20	Transportation Development Act:				
21	Administration	-	-	-	
22	Article 3	3.7	3.6	3.4	N
23	Article 4	4.6	11.3	-	
24	Article 8	1.8	1.6	1.0	N
25	Interest	3.4	-	-	
26	Total Transportation Development Act	13.4	16.6	4.4	
27	State Transit Assistance:				
28	Revenue Share	6.9	(2.4)	-	
29	Population Share	7.1	0.8	-	
30	Interest	-	-	0.5	Y
31	Total State Transit Assistance	14.0	(1.6)	0.5	
32	General Fund	88.4	53.2	58.9	Y
36	SAFE	29.0	23.9	10.7	N
37	Prop. A, C, TDA Administration	4.9	6.3	6.5	N
38	Total Fund Balances	\$427.6	\$304.7	\$137.4	

* Includes \$12.5 million for Eastside Enhancement project



Discussion