

Fiscal Year 2025 Budget Development Status Update

Finance, Budget & Audit Committee

April 17th, 2024



FY25 Budget Development Monthly Update:

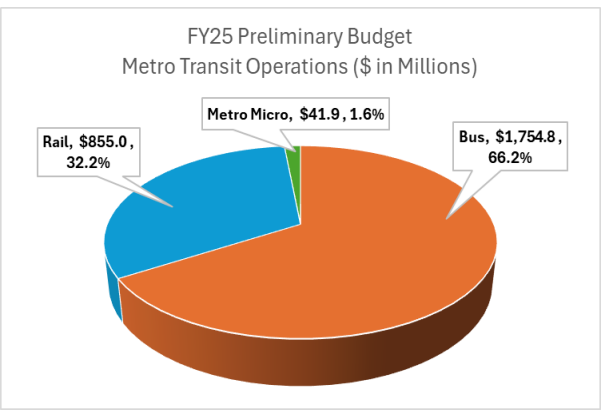
- **Metro Transit Program**
 - **Operations & Maintenance & Capital Improvement Program**
 - **Customer Experience: Station Initiative, Cleaning, Room to Work and Public Safety**
 - **General Planning & Programs**
 - **Congestion Management**
 - **Oversight & Administration**
-

Represent Approx. 40% of the annual budget

- **Early, Improved and Expanded Public Outreach**
- **Board Budget Workshop & Next Step**

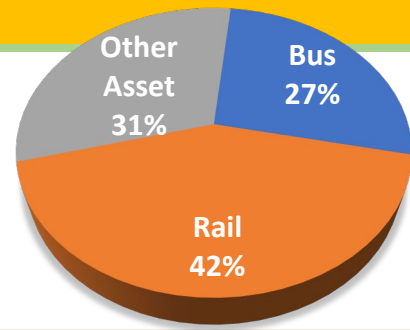
Agenda

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	



- O&M budget estimate is based on service level as measured in Revenue Service Hours (RSH):
 - Bus: 7.16 million RSH, 3.6% increase over FY24 est. actual
 - Rail: 1.4 million RSH, 16.4% increase over FY24 est. actual, plus 90k Pre-Rev testing hours for AMC, PLE 1 and Foothill ext.
 - Metro Micro: 271.7 thousand RSH
- Additionally, FY25 preliminary budget plans for further advancement of customer experience in Station Initiatives, Cleanliness, and Public Safety

Capital Improvement Program (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
Bus	\$ 135.2	141.7	\$ 6.4	4.8%	26.7%
Rail	230.0	225.7	(4.2)	-1.8%	42.5%
Other Asset Improvements	174.2	163.2	(10.9)	-6.3%	30.8%
CIP Subtotal	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%



- Capital Improvement Program: Reflect annual cashflow requirement to maintain, upgrade, & modernize infrastructure and peripheral systems to perform at optimal levels. Main priority is to continue procurement of 100 Zero Emissions Buses (ZEB) (\$34.6M) & assemble charging infrastructure (\$26.9M). Also focus on new rail vehicle procurement & refurbishment of existing vehicles



METRO TRANSIT OPERATIONS & MAINTENANCE (O&M) CAPITAL IMPROVEMENT PROGRAM (CIP) FY25 PRELIMINARY BUDGET

Station Experience

Expand Station Experience initiatives at Westlake/MacArthur Park to additional stations

- Includes improvements to lighting, ventilation, fare gates, cameras, elevators, & restrooms
- Next stations: Pershing Square, Compton, Firestone, Harbor Freeway, Norwalk, & Pico

Cleaning

- Daily Bus cleaning – 4 terminals, 7 days a week
- Daily Rail cleaning & end-of-line cleaning 7 days a week
- Custodial staff at 17 Rail station “hot spots”
- Facilities cleaning

Public Safety

Multi-layered approach

- Private and Metro Security Officers (53 additional TSO’s for weekend & late night coverage)
- Dedicated bus riding teams
- Transit Ambassadors
- Community Intervention Specialists (CIS)
- Homeless & mental health outreach

Room to Work Program

- Supports unhoused riders & other individuals with career opportunities in transportation
- Capacity for up to 50 part-time Custodians

Public Safety Deployment Dollars:

Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2 Homeless/Mental Health Outreach	25.2	25.2		
3 Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4 Private Security	43.5	43.6	0.1	0.3%
5 Law Enforcement	175.8	194.1	18.3	9.4%
6 Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

Cleaning Resources:

Area	FY24				FY25				(\$ in millions)			
	FTE	FTE	Change	% Change	Budget	Preliminary	\$ Change	% Change	Budget	Preliminary	\$ Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%				
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%				
Facilities	108	108	-	0.0%	30.5	29.9	(0.5)	-1.7%				
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%				
Stops	23	23	-	0.0%	4.3	4.3	0.0	0.8%				
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%				
Cleaning Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%				

CUSTOMER EXPERIENCE: STATION EXPERIENCE, CLEANING, & PUBLIC SAFETY

General Planning & Programs: \$228.8M

- Active Transportation, Bike & Other Studies (42%) \$95.8
- Property Mgmt (34%) \$76.8
- Financial, Grants Mgmt and Admin (21%) \$48.3
- Unsolicited Proposals, P3 (3%) \$7.9

- Program is to advance countywide mobility initiatives
- Budget is based on:
 - Federal or State regulatory requirement
 - Funding stipulations for grant or developer agreement
 - Sales tax ordinances

Congestion Management: \$124.4M

- Express Lanes (45%) \$55.5
- Freeway Service Patrol (33%) \$40.8
- Motorist Services (11%) \$14.1
- Rideshare Services (11%) \$14.0

- ExpressLane: operations, subsidies and I-10 expansion studies
- Freeway Service Patrol: new tow service contracts
- Motorist Services: LA SAFE, the Kenneth Hahn Call Box Program and SoCal 511 Traveler info sys
- Rideshare Services: Vanpool subsidy and services

Oversight & Adm: \$90.2M

- Ongoing Activities (66%) \$59.9
- Valuing Workforce (26%) \$23.3
- Customer Experience (5%) \$4.8
- Diversity, Equity, & Inclusion (3%) \$2.3

- About 1% of the FY25 preliminary budget
- EZBB cost controls for ongoing activities include legal services, ethics compliance, OIG services, regulatory environmental assessments, legally mandated financial and compliance audits

GENERAL PLANNING & PROGRAMS, CONGESTION MANAGEMENT, & OVERSIGHT & ADMINISTRATION FY25 PRELIMINARY BUDGET



Statistics



4,300+ Respondents, statistically significant sample size (over 2,200)



Average response of Metro Ridership captured in sample, unlikely to change with more responses



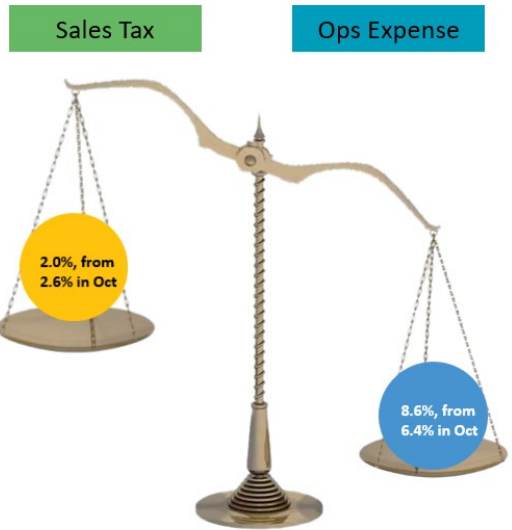
76% of budget item responses left unchanged when aggregated

*Responses to Date (April 12, 2024)

Demographics Mirror Ridership



Board Budget Workshop (3/29/2024)



Updated Ops Financial Outlook, Causes, Cost Incr, Revenue Opportunities

Four Areas of Metro Program Focus



- National Transit Trend
- Economic context
- Add'l info for policy



Next Step

- JAN**
 - Near-Term Update
 - FY24 EZBB
 - Prelim. Sales Tax & CPI Forecast
 - Public Outreach & Engagement
- FEB**
 - Sales Tax Forecast, Resources Assumptions
 - Cost Inflation Estimates
 - Other Expense Assumptions
- MAR**
 - Transit Infrastructure
 - Multimodal Hwy Investments
 - Regional Rail
 - Regional Allocations & Pass-Throughs
- APR**
 - Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
 - Congestions Management
 - Planning & Administration
- MAY**
 - Consolidated Agency-wide Expenses & FTEs
 - Proposed Budget Document
 - Public Hearing
 - Planned Board Adoption

WE ARE HERE