

## Attachment A: Metro Transit O&M - (Budget and Service Plan)

### Metro Transit: Operations & Maintenance Program Budget

The FY25 Preliminary Budget for Metro Transit program for bus, rail and Metro Micro is \$2.65 billion, an increase of 11.4% or \$272.4 million over FY24 Budget. The budget includes funds to support delivery of 8.8 million RSH to operate these services.

<b>Operations &amp; Maintenance (\$ in millions)</b>		<b>FY24 Budget</b>	<b>FY25 Preliminary</b>	<b>\$ Change</b>	<b>% Change</b>	<b>% of Total</b>
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	<b>Operations &amp; Maintenance Total</b>	<b>\$ 2,379.3</b>	<b>\$ 2,651.7</b>	<b>\$ 272.4</b>	<b>11.4%</b>	<b>100.0%</b>
5	<b>Cost per RSH</b>					
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%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

### Metro Transit Bus Budget

<b>Bus Operations &amp; Maintenance (\$ in Millions)</b>		<b>FY24 Budget</b>	<b>FY25 Preliminary</b>	<b>\$ Change</b>	<b>% Change</b>	<b>% of Total</b>
1	Labor	\$ 973.0	\$ 1,062.1	\$ 89.0	9.1%	60.5%
2	Workers Compensation	76.9	85.2	8.4	10.9%	4.9%
3	Parts & Supplies	78.5	95.9	17.4	22.1%	5.5%
4	Fuel/CNG	44.4	49.6	5.2	11.8%	2.8%
5	<b>Contract / Professional Services</b>					
6	Security and Law Enforcement Contract	66.0	78.0	12.0	18.2%	4.4%
7	Homeless Outreach	7.8	7.8	(0.0)	-0.2%	0.4%
8	Transit Ambassadors	4.0	4.0	-	0.0%	0.2%
9	Other Contract/Pro Svcs	113.3	137.3	24.0	21.2%	7.8%
10	<b>Contract / Professional Services Total</b>	<b>191.1</b>	<b>227.2</b>	<b>36.0</b>	<b>18.8%</b>	<b>12.9%</b>
11	Purchased Transportation	72.0	74.2	2.3	3.2%	4.2%
12	Insurance	23.5	25.2	1.8	7.5%	1.4%
13	Taxes	6.2	7.4	1.2	20.0%	0.4%
14	Other Operating Expenses	38.7	44.3	5.7	14.7%	2.5%
15	<b>Bus Total</b>	<b>\$ 1,504.2</b>	<b>\$ 1,671.2</b>	<b>\$ 166.9</b>	<b>11.1%</b>	<b>95.2%</b>
16	FTA Cost Allocations	28.8	83.6	54.8	190.4%	4.8%
17	<b>Grand Total</b>	<b>\$ 1,533.0</b>	<b>\$ 1,754.8</b>	<b>\$ 221.8</b>	<b>14.5%</b>	<b>100.0%</b>
18	<b>Bus Cost per RSH</b>	<b>\$ 215.3</b>	<b>\$ 245.2</b>	<b>\$ 29.8</b>	<b>13.9%</b>	

Note: Totals may not add up because of rounding.

## Labor Expenditures

The budget includes increased Operator staffing to run the service and additional staffing to support cleaning and other initiatives. This results in a total labor expenditure increase of 9.1%, or \$89.0 million, over the FY24 Budget.

## Workers Compensation, Parts & Supplies and Fuel Expenditures

The preliminary budget includes an additional \$8.4 million for Workers Compensation insurance, a 10.9% increase over FY24 Budget. There is a 22.1% increase in Parts and Supplies and an 11.8% surge in CNG fuel expenditures, attributed primarily to increases in preventive maintenance schedules and rising costs in the CNG fuel market due to inventory availability, transportation costs, and heightened service demands.

## Contracts/Professional Service Expenditures

The preliminary budget designates \$227.2 million for Service Contracts to facilitate the delivery of 7.16 million RSH, alongside increased funding for security contracts amounting to \$78 million, the Transit Ambassador program, and Homeless Outreach efforts. This represents a notable increase of \$36 million or 18.8% over the FY24 Budget. Expenditures also include maintenance increases for bus divisions and facilities \$15.2 million, and cleaning \$112 million.

Other Operating Expenses includes utilities, \$18.7 million, Building & Grounds, \$6.6 million and Subsidies, \$5.8 million.

## Metro Transit Rail Budget

In FY25, the Metro Rail program will undergo notable improvements in service frequency:

### Light Rail:

- A Line (Long Beach – Azusa) & E Line (Santa Monica – East LA):
  - Full year of the improved frequencies (8-min peak /10-minute off peak / weekends) implemented in December 2023
- C Line (Norwalk – Redondo Beach) and K Line (Expo/Crenshaw – Westchester/Veterans):
  - Continue 10-minute daytime all week frequency implemented in December 2023 until end of 2024.
  - At the end of 2024, launch new operating plan C Line (Norwalk – LAX), K Line (Expo/Crenshaw – Redondo Beach) with improved weekday peak frequency of 8 minute.

### Heavy Rail:

- B, D Lines (Union Station – North Hollywood & Wilshire/Western):
  - Implement 10-minute daytime all week frequency (increased from current 12- minute service implemented September 2023) as soon as new rail car fleet becomes available, expected end of 2024.

Additionally, there will be an increase in non-labor Expenditures for the two new stations along the K-Line: the new LAX/Metro Transit Center (AMC) and Aviation/Century Stations. Extra staff will be allocated to enhance cleanliness and safety measures as part of our Customer Experience initiatives. To fund these improvements, the estimated budget is \$855 million, representing a 6.1%, or \$48.8 million, increase over the FY24 Budget.

<b>Rail Operations &amp; Maintenance</b>		<b>FY24</b>	<b>FY25</b>	<b>\$</b>	<b>%</b>	<b>% of</b>
<b>(\$ in Millions)</b>		<b>Budget</b>	<b>Preliminary</b>	<b>Change</b>	<b>Change</b>	<b>Total</b>
1	Labor	\$ 388.1	\$ 416.0	\$ 27.9	7.2%	48.7%
2	Workers Compensation	17.8	18.7	0.8	4.6%	2.2%
3	Parts & Supplies	30.7	22.6	(8.2)	-26.6%	2.6%
4	Propulsion Power	47.2	45.9	(1.3)	-2.9%	5.4%
5	<b>Contract / Professional Services</b>					
6	Security and Law Enforcement Contract	156.9	162.4	5.5	3.5%	19.0%
7	Homeless Outreach	17.4	17.4	(0.0)	-0.2%	2.0%
8	Transit Ambassadors	16.0	16.0	-	0.0%	1.9%
9	Other Contract/Pro Svcs	49.1	56.3	7.2	14.7%	6.6%
10	<b>Contract / Professional Services Total</b>	<b>239.4</b>	<b>252.1</b>	<b>12.6</b>	<b>5.3%</b>	<b>29.5%</b>
11	Insurance	10.8	12.8	2.0	18.8%	1.5%
12	Taxes	1.8	1.9	0.1	5.2%	0.2%
13	Other Operating Expenses	38.5	33.8	(4.7)	-12.2%	3.9%
14	<b>Rail Total</b>	<b>\$ 774.4</b>	<b>\$ 803.7</b>	<b>\$ 29.3</b>	<b>3.8%</b>	<b>94.0%</b>
15	FTA Cost Allocations	31.9	51.4	19.5	61.2%	6.0%
16	<b>Grand Total</b>	<b>\$ 806.2</b>	<b>\$ 855.0</b>	<b>\$ 48.8</b>	<b>6.1%</b>	<b>100.0%</b>
17	<b>Rail Cost per RSH</b>	<b>\$ 535.4</b>	<b>\$ 609.4</b>	<b>\$ 74.0</b>	<b>13.8%</b>	

Note: Totals may not add up because of rounding.

### Labor Expenditures

The budget includes additional custodial staffing deployment to extend the current car cleaning regiment. The Room-to-Work program will continue into FY25, providing part-time custodial cleaning positions to unhoused individuals to clean facilities and vehicles. Additional TSOs are included to enhance customer safety and security. Funds are also allocated to support additional staffing for preventive maintenance work efforts. The labor cost increase to support these services amounts to 7.2%, or \$27.9 million, over the FY24 Budget.

### Workers Compensation, Parts & Supplies and Propulsion Power Expenditures

To maintain the new and existing fleets in optimal working condition, funds are allocated in Parts and Supplies for cleaning, corrective, and preventive maintenance. This budget amounts to \$22.6 million, reflecting a decrease of 26.6%, or \$8.2 million, from the FY24 Budget. This is attributed to cost-saving measures. Propulsion power expenditures are also decreasing by \$1.3 million based on current burn rates. The preliminary budget

also includes an additional \$0.8 million for Workers Compensation insurance, a 4.6% increase over FY24 Budget.

Contracts/Professional Service Expenditures

The preliminary budget for Service Contracts is set at \$252.1 million, encompassing enhanced cleaning and safety improvements for heightened security measures, the Transit Ambassador program, and homeless outreach initiatives.

Other operating costs, totaling \$33.8 million, represent a \$4.7 million, or 12.2% decrease from the FY24 Budget. These costs include utilities \$13.6 million, as well as lease and rental expenditures \$7.8 million.

Metro Micro

Metro Micro is a multi-year pilot program crafted to boost ridership by providing a ride-hail option for customers when navigating lower density areas of the region, as envisioned by NextGen. Although the pilot program is extended until September 2024, the preliminary budget allocates \$41.9 million to facilitate a full-year extension of the pilot, supporting the delivery of 271.4 thousand RSH.

	<b>Metro Micro</b>	<b>FY24</b>	<b>FY25</b>	<b>\$</b>	<b>%</b>	<b>% of</b>
	<b>(\$ in Millions)</b>	<b>Budget</b>	<b>Preliminary</b>	<b>Change</b>	<b>Change</b>	<b>Total</b>
1	Labor	\$ 20.2	\$ 21.3	\$ 1.2	5.7%	51.0%
2	Contract / Professional Services	15.1	15.2	0.1	0.9%	36.3%
3	Other Operating Expenses	4.8	5.3	0.5	10.1%	12.7%
4	<b>Metro Micro Total</b>	<b>\$ 40.1</b>	<b>\$ 41.9</b>	<b>\$ 1.8</b>	<b>4.4%</b>	<b>100.0%</b>
5	<b>Metro Micro \$/RSH</b>	<b>\$ 147.2</b>	<b>\$ 154.2</b>	<b>\$ 7.0</b>	<b>4.8%</b>	

Note: Totals may not add up due to rounding.

**Service Levels (Service Hours)**

**Revenue Service Hours**

		<b>FY24</b>	<b>FY25</b>	
<b>Mode</b>		<b>Actual</b>	<b>Preliminary</b>	<b>Change</b>
		(Year End Estimate)		
1	<b>Bus</b>			
2	Local & Rapid	6,220,331	6,450,805	230,474
3	J Line (Silver)	122,429	126,200	3,771
4	G Line (Orange)	93,299	99,631	6,332
5	Purchased Transportation	471,431	481,076	9,645
6	<b>Subtotal Bus</b>	<b>6,907,489</b>	<b>7,157,711</b>	<b>250,222</b>
7	<b>Rail</b>			
8	A Line (Blue)	475,104	498,386	23,282
9	K Line (Crenshaw/LAX) / C Line (Green)	166,029	233,502	67,473
10	E Line (Expo)	289,788	294,848	5,060
11	B Line (Red) / D Line (Purple)	274,090	376,288	102,198
12	<b>Subtotal Rail</b>	<b>1,205,011</b>	<b>1,403,023</b>	<b>198,012</b>
13	Metro Micro	272,239	271,440	(799)
14	<b>Total Revenue Service Hours</b>	<b>8,384,739</b>	<b>8,832,174</b>	<b>447,435</b>

**Pre - Revenue Service Hours**

		<b>FY24</b>	<b>FY25</b>	
<b>Mode</b>		<b>Actual</b>	<b>Preliminary</b>	<b>Change</b>
		(Year End Estimate)		
15	K Line (Crenshaw/LAX)	1,925	8,629	6,704
16	Purple Line Extension (Phase 1)	7,665	32,019	24,354
17	A Line to Pomona Extension	-	49,252	49,252
18	<b>Total Pre-Revenue Service Hours</b>	<b>9,590</b>	<b>89,900</b>	<b>80,310</b>
19	<b>Total Service Hours</b>	<b>8,394,329</b>	<b>8,922,074</b>	<b>527,745</b>