

ATTACHMENT A



MEMORANDUM

DATE: May 26, 2023

TO: Martin Erickson, *Executive Director, VCTC*
Darrell Johnson, *Chief Executive Officer, OCTA*
Anne Mayer, *Executive Director, RCTC*
Stephanie N. Wiggins, *Chief Executive Officer, Metro*
Dr. Raymond Wolfe, *Executive Director, SBCTA*

FROM: Darren M. Kettle, *Chief Executive Officer, SCRRA*

SUBJECT: SCRRA Request for Adoption of the Authority's FY 2023-24 (FY24) Budget

On May 26, 2023, the SCRRA Board approved the transmission of the Proposed FY24 Budget for your consideration and adoption. The Board further approved the transmission of the Four Forecast Operating Statement for years FY25, FY26 FY27 and FY28 for your review and programming.

The FY24 Budget Operating Revenue is projected to be \$52.8M while the Operating Expenses are projected to be \$303.4M. The total Operating Support requested from Member Agencies is \$250.7M. The FY23 Capital Program includes \$129.8M for State of Good Repair (SGR), and \$20.3M for New Capital.

We recognize that we will face continuing financial challenges as we navigate through the post-COVID "new normal", and the changes to commute patterns.

Our response will be robust and include such initiatives as

- Free Fares for all Students
- Intense pursuit of Non riders
- Fare structure study
- Driving awareness of Metrolink throughout the region
- Expansion of Corporate Programs

On the side of efficiency

- Implementation of Train Crews and Equipment Usage optimization, Schedule Integration, and Potential Rider studies.

Staff will continue monitoring Ridership, Farebox Revenues and Expenses very closely.

The Proposed FY24 Budget documentation, which was presented at the Board of Directors Meeting on May 26, 2023, is attached for your review. It includes:

- Board Item # 7B Approved at the Board of Director's Meeting on May 23, 2023
- Board item # 7B attachments, which includes:
 - Attachment A - Ridership Recovery Forecast



- Attachment B - FY24 Proposed Operating Budget with Comparison to FY23
- Attachment C - Historical Actual and Budgeted Operating Statements
- Attachment D - FY24 Proposed Operating Budget by Member Agency
- Attachment E - FY24 Proposed Operating Budget by Line
- Attachment F - History of Actual and Budgeted Operating Subsidy by Member Agency
- Attachment G - FY24 Proposed SGR Projects by Member Agency, Line, and Project Detail List
- Attachment H - FY24 Proposed New Capital by Member Agency, Line, and Project Detail List
- Attachment I - FY24 Proposed Capital Program Cashflow
- Attachment K - FY25 Forecasted Operating Budget
- Attachment L - FY26 Forecasted Operating Budget
- Attachment M - FY27 Forecasted Operating Budget
- Attachment N - FY28 Forecasted Operating Budget Detail List

Next Steps

May - June 2023	Staff present at Member Agencies' Committee and Board meetings as requested
June 23, 2023	Proposed FY24 Budget to SCRRA Board for Adoption

Thank you for your ongoing support and active participation in the development of the FY23 Proposed Budget. If you have any comments or concerns, please do not hesitate to contact me directly at (213) 452-0405. You may also contact Arnold Hackett, Chief Financial Officer at 213-452-0345.



metrolinktrains.com/meeting

ITEM ID: 2023-196-0

TRANSMITTAL DATE: May 19, 2023

MEETING DATE: May 26, 2023

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Proposed FY2023-2024 (FY24) Budget - Request to Transmit

Issue

The Southern California Regional Rail Authority (SCRRA) Joint Powers Authority (JPA) requires that the "Governing Board shall approve a preliminary administrative budget and capital improvement program for the succeeding fiscal year no later than May 1 of each year. The Board shall adopt a final budget no later than June 30 of each year...Decisions dealing with capital and operating fund allocations, as well as annual approval of each Member Agency's share of the Authority's annual budget, shall be approved by the Member Agencies themselves."

In response to staff's request, at the April 28th meeting the SCRRA Board of Directors approved a deferral of the transmittal of the FY24 Budget until May 26, 2023.

Recommendation

AUDIT AND FINANCE COMMITTEE RECOMMENDED (5-0) the Board approve t ransmitting the Proposed FY24 Budget for the consideration and adoption of the Member Agencies.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve.

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.
- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving.
- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California.

The FY24 Budget has been constructed to provide support to each of Metrolink's strategic goals.

Background

The process of constructing the Proposed FY24 Budget was presented with a number of unique challenges:

- External support for updating the Ridership/Revenue Forecast
- Collaboration with LOSSAN
- Arrow Service Budget Development
- Adjustments to Service Levels

A particular issue was that service levels required Member Agency consensus in order to produce a budget.

After many discussions with Member Agencies, it was decided that a majority preferred a budget reflecting current service levels, with the proposed understanding that those levels could be revisited for implementation with the standard October 2023 schedule revisions. Any revisions would require an amendment to the Proposed FY24 Budget.

FY24 Operating Budget as originally reviewed with Member Agencies and the MAAC was based on an increased level of service to pre-pandemic levels to begin in October. The budget which is proposed here is based on a current level of service for the entire Fiscal Year 2023-24.

On April 28, 2023, staff requested, and the Board approved, the deferral of the transmission of the Proposed FY24 Budget to the Member Agencies until May 26, 2023.

Discussion

Kickoff meetings for the FY24 Budget were conducted in early December 2022. Metrolink CEO guidance was provided that required an increase of not more than 5% for each department. The Budget requests were submitted and subsequently analyzed and reviewed by Budget staff. The CFO then held internal meetings with each department, and, subsequently, the Chief Executive Officer. The purpose of the meetings was to review the necessity for budget amounts requested taking into consideration such factors as:

- Overarching goal of safety, fiscal sustainability and operational efficiency;
- Consideration of the post pandemic changes to farebox revenue;
- Condition of Assets;
- Funding at a level which will meet the goals of the Authority;
- Contractual requirements;
- Historic levels of spending;
- Current levels of spending;
- Known adjustments for the forthcoming year;
- Projects to improve efficiencies and create savings in current and future years.

Internal meetings were concluded in early March. The CFO then conducted meetings with each of the Member Agency CFOs and staff in late March. The Proposed FY24 Budget was reviewed with the Member Agency Advisory Committee (MAAC) members on April 7th, and May 4, 2023.

An overview of the FY24 Proposed Budget for Operations and the Capital Program detailing the total request for support was reviewed with the Member Agencies' Chief Executive Officers during the April 2023 monthly meeting.

Foundation for Proposed FY24 Budget

The Proposed FY24 Budget provides funding to achieve:

Continued emphasis on safe operations

- Intraoperative Positive Train Control (PTC) updates and maintenance as the centerpiece of Metrolink's efforts.
- Grant funded efforts to reduce the number of trespasser injuries (GPS/Cameras).

Investment in existing and new assets to maintain a state of good repair

- Funding of critical rehabilitation projects.
- Funding for studies to improve maintenance efficacy and efficiency.

Increase of ridership and revenue

- Assistance for Low Income Riders (Grant)

- Programs for Students
- Programs to generate ridership for entertainment, day trips, shopping, etc.
- External study of Fare Structure

FY24 Operating Budget Assumptions:

- Service
 - Service at current service level
 - Addition of Codeshare North and South of Union Station (Pending agreement with LOSSAN)
- Revenue
 - Ridership and Revenue Forecast as provided by KPMG/Sperry Capital (Attachment A)
- Expense
 - Contractor increases only as mandated by agreements
 - 5% merit pool
 - No COLA
 - No New FTE Headcount
- Arrow as a separate budget funded by SBCTA
- Reporting
 - Monthly
 - Formal mid-year budget review

Operating Budget Details

Proposed Total Operating Revenues are \$52.8M and reflect a projected net decrease of \$13.7M or 20.7% from the FY23 Budget. The year-over-year changes are detailed below in the Operating Revenues section. Expenditures are \$303.4M and reflect an increase of \$7.1M or 2.4% higher than the FY23 Budget. Details of the year-over-year expense change are explained below in the Operating Expenditures section. The required Operating Support is \$250.7M and is an increase of \$20.9M, or 9.1% from the FY23 Budget. (see Attachment B for comparisons).

The Proposed FY24 Budget Operating Statement by detailed categories compared to the FY23 Budget, by Member Agency, by Line, and historically over the last five years are included as Attachments C, D, E, and F.

Discussion of Proposed FY24 Budget Operating Statement Operating Revenues

Operating Revenues include Farebox, Dispatching, and Maintenance-of-Way (MOW) Revenues, and Other Revenues, such as interest, scrap, other minor miscellaneous revenues. Operating Revenues are estimated to total \$52.8M for FY24, a decrease of \$13.7M or 20.7% compared to the FY23 Budget.

Farebox Revenue, which is the largest component of the Total Operating Revenue, is projected at \$37.2M, a decrease of \$13.9M or 27.2% compared to the FY23 Budget. Revenue budgets for both FY22 and FY23 were overly optimistic. Recognizing our difficulty in forecasting accurately in a totally restructured environment for public transportation, we

sought assistance from KPMG/Sperry Capital. The Proposed FY24 Budget is based on the forecast provided by KPMG/Sperry Capital. The comparisons between amounts used in the FY23 Budget which was produced in-house in November of 2021, and the new forecast can be seen on Attachment A. Subsidies add an additional \$3.1M to the Farebox amount.

Dispatching and MOW revenues from the freight railroads and Amtrak are based on existing agreements at the expected rate of usage. The budget of \$2.0M for Dispatching Revenue reflects a decrease of \$0.8M as compared to the FY23 Budget resulting from Amtrak service reduction. The MOW Revenue is \$12.9M reflecting an increase of \$1.1M, or 8.9% as compared to the FY23 Budget. Other Revenues are budgeted at \$0.7M.

Operating Expenditures

Operating Expenditures are presented in the following four categories: Train Operations, Maintenance-of-Way (MOW), Administration and Services, and Insurance. Comparisons are to the FY23 Budget.

The Train Operations component of the Operating budget contains those costs necessary to provide Metrolink commuter rail services across the six-county service area, which includes the direct costs of railroad operations, equipment maintenance, and required support costs. The Proposed FY24 Budget for expenditures related to Train Operations including contingency is \$171.6M an increase of 0.4% from the FY23 Budget

MOW expenditures are those costs necessary to perform the inspections and repairs needed to ensure reliable, safe, efficient operation of trains, and the safety of the public. The Proposed FY24 Budget amount for expenditures related to MOW is \$54.3M, an increase of 4.1% from the FY23 Budget.

Administration and Services include internal expenditures related to Train Operations. The Proposed FY24 Budget for expenditures related to Administration & Services is \$57.4M, an increase of 6.1% as compared to the FY23 Budget.

The Category of Insurance and Legal is \$20.0M for the Proposed FY24 Budget, a 5.4% increase from the FY23 Budget.

Overall, the total Proposed FY24 Budget for expenditures is \$303.4M, and has increased from the FY23 Budget by \$7.1M or 2.4%. The components of this change are as described below.

Total Train Operations have increased by \$0.7M or 0.4%. The primary drivers of this increase are:

- Train Operations Services have decreased \$4.8M or 9.4% as the result of the decision to remain at current service levels, while the FY23 Budget anticipated complete restoration of service;
- Equipment Maintenance increased by \$3.5M or 8.5%. The mechanical vendor has held their contract flat. The \$3.5M is an increase in the cost of parts for maintaining Rolling Stock. The F125 Locomotives are no longer under warranty;
- Fuel expense decreased by \$3.0M or 9.1% due to the worldwide price reductions in fuel;
- Security increased by \$0.8M or 4.9% due to increases by the Sheriff's Department;

- Utilities and Leases decreased by \$0.8M or 21.1% primarily as a result of telecom expense being moved to a systemwide expense category this year;
- Station Maintenance increased by \$3.0M or 139.3% due to increased Union Station Common Area Maintenance;
- Rail Agreements increased by \$1.4M or 25.9%, as a result of the AAR index driven by inflation to over 20%.

MOW has increased by \$2.1M or 4.1% from the FY23 Budget primarily as a result of the increase of the Herzog costs by \$2.5M or 7.2%, offset by a reduction in estimated Extraordinary Maintenance charges and the transfer of Holiday pay (\$0.3M) to an Indirect Administrative category.

Administration and Services have increased from FY23 Budget by \$3.3M or 6.1%. The primary drivers of this increase are:

- A decrease to Operations Salaries & Benefits for \$0.7M or 3.8%, as a result of the movement of Holiday pay to Indirect Administrative category;
- An increase to Operations Non-Labor Expense of \$0.8M or 7.1%, driven by \$1.3M for the New Mobile Ticketing System (Deferred from last year), offset by reductions to Hardware/Software purchases;
- An increase of \$3.1M or 14.4% in charges to Indirect Administrative costs is the result of:
 - \$1.0M telecom costs transferred to this category (offsetting decrease in utilities);
 - \$1.4M transfer of Holiday Pay to this category (offsetting decrease in Salaries and Wages for Operations and in MOW);
 - \$0.7M increase to Interns, Grads on Track, Job Core.

Total Insurance and Legal expense has increased by \$1.0M or 5.4% from the FY23 Budget,

- Property and Liability Insurance premiums are higher by \$0.8M or 4.7%
- Claims Administration is increased by \$0.3M

Member Agency Operating Support

Member Agency support is required to fund the difference between the total costs of operations and available revenues. The Proposed FY24 Budget estimates total Member Agency support is needed in the amount of \$250.7M, an increase of \$20.9M, or 9.1% more than the FY23 Budget.

The Budget Summary Comparison (Attachment F) includes a year-over-year comparison of net operating support by Member Agency. In response to Member Agency requests, this schedule reflects the FY24 Proposed member support in whole dollars which are required to create Member Agency Board requests.

ARROW Service Budget

At the request of the San Bernardino County Transportation Authority, staff will be submitting a request for a continuing appropriation resolution for approval to cover the 1st Quarter FY2024 expenses for Arrow Service. The Proposed FY24 Budget for Arrow Service will be submitted at a later date, to be determined.

Capital Program Budget

State of Good Repair (SGR)

The Proposed FY24 Proposed Budget was developed based on the Metrolink Rehabilitation Plan (MRP) which was created in fulfillment of the Transit Asset Management (TAM) requirement, and to address the Authority's SGR needs. The MRP addresses two critical elements:

- **Backlog:** Total cost of renovating all assets to achieve a current SGR
- **SGR:** Annual cost of keeping assets in a State of Good Repair

The FY24 budget request addresses only the SGR or annual cost of keeping assets in a State of Good Repair. The Proposed FY24 Budget does not address the current backlog which is estimated to be over \$768M.

The SGR authorization request for FY24 was identified as necessary investments to maintain a SGR. These projects total \$126.3M. The projects are presented by Member Agency, by Line, and by individual project with locations and descriptions in Attachment G.

New Capital

The New Capital authorization request for FY24 was identified as necessary for safe and efficient rail operations. These projects total \$20.9M. The projects are presented by Member Agency, by Line, and by individual project with locations and descriptions in Attachment H.

Multi-year Forecasts

Operating Budget Forecasts for FY25, FY26, FY27 and FY28 will be provided to the committee for their requested approval at the June 9, 2023 Committee Meeting. Upon Board approval, the FY25, FY26, FY27, and FY28 forecasted budgets will be provided to the Member Agencies for consideration and programming. The four- year forecasts will only be considered for adoption individually during the applicable year.

Upon approval by the Board, the Proposed FY24 Budget will be transmitted to Member Agencies for consideration and adoption.

Operating Budget Attachments

The attachments as listed below provide additional detail on the FY24 Proposed Budget for Operating as described:

- Attachment A - KPMG/Sperry Capital Ridership Forecast
- Attachment B - FY24 Proposed Operating Budget with Comparison to FY23
- Attachment C - Historical Actual and Budgeted Operating Statements
- Attachment D - FY23 Proposed Operating Budget by Member Agency
- Attachment E - FY23 Proposed Operating Budget by Line
- Attachment F - History of Actual and Budgeted Operating Support by Member Agency

Capital Program Budget Attachments

The attachments as listed below provide additional detail on the FY24 Proposed Budget for the Capital Program as described:

Attachment G - FY24 Proposed SGR Projects by Member Agency, Line, and Project Detail List
Attachment H - FY24 Proposed New Capital by Member Agency, Line, and Project Detail List
Attachment I - FY24 Proposed Capital Program Cashflow

Budget Impact

This report and the transmittal of the Proposed FY24 Budget has no impact on the FY23 Budget.

Next Steps

May-June, 2023: Staff presentations at Member Agencies' Committee and Board meetings, as requested

May 26: Board Approval for FY24 Budget transmittal to Member Agencies

June 9: Request AFCOM recommendation for adoption of FY24 Budget, approval of 4-year forecast and working capital policy, and continuing appropriation resolution for first quarter Arrow service FY24 Operating Budget

June 23 - Board Adoption of FY24 Budget, approval of 4-year forecast and working capital policy, and continuing appropriation resolution for first quarter Arrow service FY24 Operating Budget

Prepared by: Christine Wilson, Senior Finance Manager

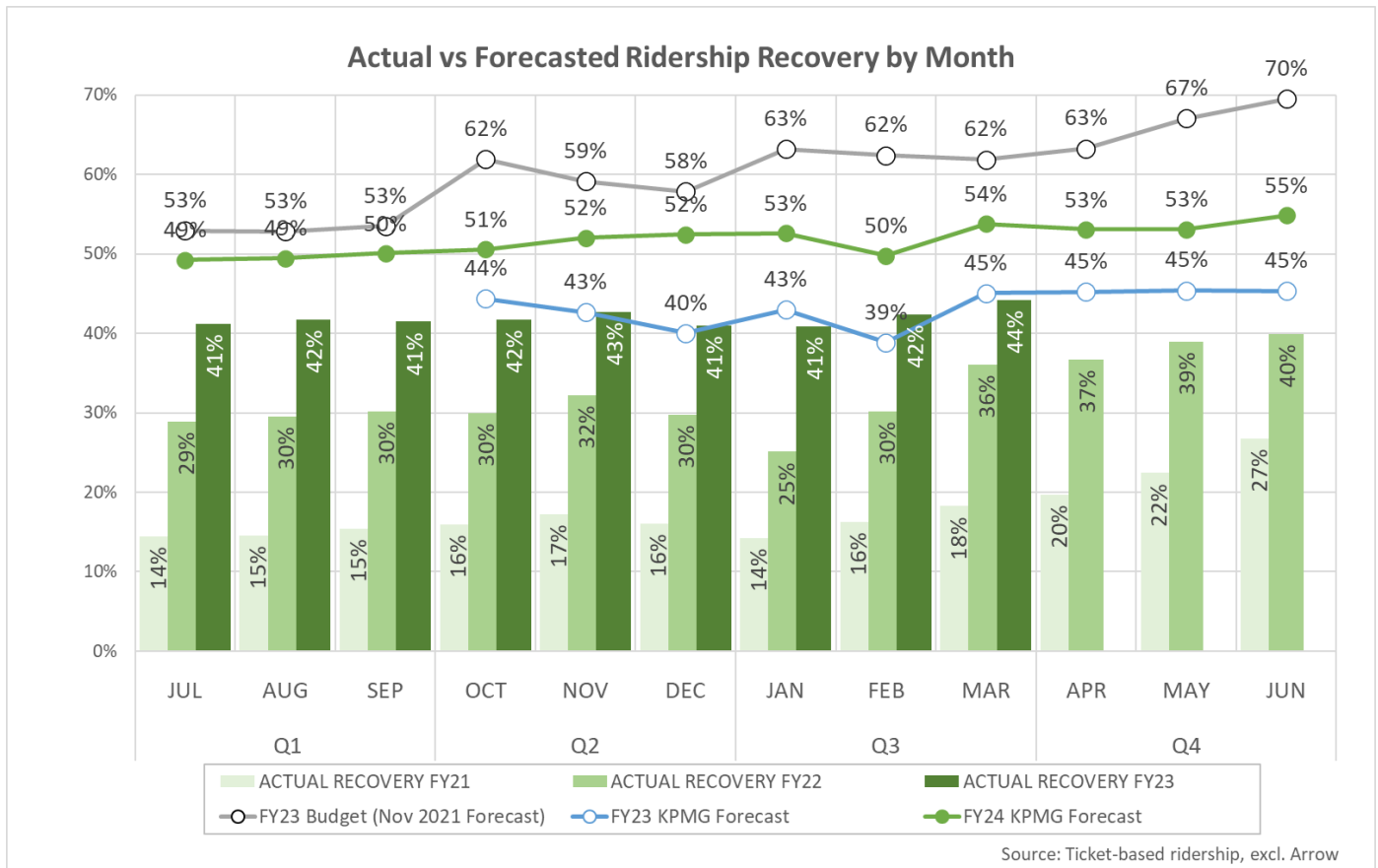
Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - Ridership Recovery Forecast](#)
[Attachment B - FY24 Proposed Operating Budget](#)
[Attachment C - Historical Actual and Budget](#)
[Attachment D - FY24 Proposed Operating Budget by Member Agency](#)
[Attachment E - FY24 Proposed Operating Budget by Line](#)
[Attachment F - History of Actual and Budgeted Operating Support](#)
[Attachment G - FY24 Capital Projects - SGR](#)
[Attachment H - FY24 Capital Projects - New Capital](#)
[Attachment I - FY24 Capital Projects - SGR and New Capital Cash Flow](#)
[Presentation - Proposed FY2023-2024 \(FY24\) Budget - Request to Transmit](#)

Ridership Recovery Forecast

Attachment A



FY24 Proposed Operating Budget

Attachment B

(\$000s)	FY 22-23 Amended Budget	FY 23-24 Proposed Budget	Variance FY23 Amended vs FY24 Proposed	
			\$ Variance	% Variance
Operating Revenue				
Farebox Revenue	47,085	34,138	(12,946)	-27.50%
Fare Reduction Subsidy	1,511	490	(1,020)	-67.54%
Other Train Subsidies	2,500	2,565	65	2.62%
Special Trains	-	-	-	n/a
Subtotal-Pro Forma FareBox	51,095	37,194	(13,901)	-27.21%
Dispatching	2,777	1,963	(814)	-29.32%
Other Revenues	773	691	(82)	-10.56%
MOW Revenues	11,879	12,932	1,053	8.86%
Total Operating Revenue	66,523	52,779	(13,744)	-20.66%
Operating Expenses				
<u>Operations & Services</u>				
Train Operations	51,345	46,530	(4,815)	-9.38%
Equipment Maintenance	41,054	44,560	3,506	8.54%
Fuel	32,716	29,743	(2,973)	-9.09%
Non-Scheduled Rolling Stock Repairs	100	100	-	0.00%
Operating Facilities Maintenance	2,218	2,244	26	1.18%
Other Operating Train Services	934	942	8	0.86%
Rolling Stock Lease	-	-	-	n/a
Security	15,738	16,513	774	4.92%
Public Safety Program	103	103	-	0.00%
Passenger Relations	1,911	2,021	110	5.77%
TVM Maintenance/Revenue Collection	5,365	5,342	(23)	-0.43%
Marketing	3,097	3,238	141	4.54%
Media & External Communications	372	322	(50)	-13.40%
Utilities/Leases	3,914	3,088	(826)	-21.11%
Transfers to Other Operators	3,276	3,269	(7)	-0.22%
Amtrak Transfers	824	1,185	362	43.94%
Station Maintenance	2,185	5,229	3,044	139.34%
Rail Agreements	5,305	6,680	1,375	25.92%
Holiday Trains	-	-	-	n/a
Special Trains	500	500	-	0.00%
Subtotal Operations & Services	170,958	171,611	652	0.38%
<u>Maintenance-of-Way</u>				
MoW - Line Segments	51,167	53,546	2,378	4.65%
MoW - Extraordinary Maintenance	1,048	794	(253)	-24.18%
Subtotal Maintenance-of-Way	52,215	54,340	2,125	4.07%
<u>Administration & Services</u>				
Ops Salaries & Benefits	17,903	17,221	(683)	-3.81%
Ops Non-Labor Expenses	11,983	12,830	848	7.08%
Indirect Administrative Expenses	21,546	24,658	3,112	14.44%
Ops Professional Services	2,685	2,717	32	1.20%
Subtotal Admin & Services	54,117	57,426	3,309	6.11%
Contingency	90	88	(3)	-2.78%
Total Operating Expenses	277,380	283,464	6,084	2.19%
<u>Insurance and Legal</u>				
Liability/Property/Auto	16,088	16,838	750	4.66%
Net Claims / SI	1,000	990	(10)	-1.00%
Claims Administration	1,856	2,146	290	15.62%
Subtotal Insurance and Legal	18,944	19,974	1,030	5.44%
Total Expense	296,324	303,438	7,114	2.40%
Loss / Member Support Required	(229,801)	(250,659)	(20,858)	9.08%

Numbers may not foot due to rounding

Historical Actual and Budgeted Operating Statements

Attachment C

(\$000s)	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Amended Budget	FY 23-24 Proposed Budget	Variance FY24 Proposed vs FY23 Amended	
						\$ Variance	% Variance
Operating Revenue							
Farebox Revenue	61,843	13,811	25,128	47,085	34,138	(12,946)	-27.50%
Fare Reduction Subsidy	1,090	164	689	1,511	490	(1,020)	-67.54%
AV Line Discount	-	-	(15)	-	-	-	n/a
Other Train Subsidies	-	2,306	2,365	2,500	2,565	65	2.62%
Special Trains	171	-	121	-	-	-	n/a
Subtotal-Pro Forma FareBox	63,104	16,256	28,288	51,095	37,194	(13,901)	-27.21%
Dispatching	2,300	2,079	2,155	2,777	1,963	(814)	-29.32%
Other Revenues	254	345	459	773	691	(82)	-10.56%
MOW Revenues	13,301	11,545	11,506	11,879	12,932	1,053	8.86%
Total Operating Revenue	78,958	30,225	42,407	66,523	52,779	(13,744)	-20.66%
Operating Expenses							
<u>Operations & Services</u>							
Train Operations	45,701	42,885	41,589	51,345	46,530	(4,815)	-9.38%
Equipment Maintenance	36,861	37,041	39,130	41,054	44,560	3,506	8.54%
Fuel	21,150	18,640	21,245	32,716	29,743	(2,973)	-9.09%
Non-Scheduled Rolling Stock Repairs	92	112	43	100	100	-	0.00%
Operating Facilities Maintenance	1,569	2,130	1,804	2,218	2,244	26	1.18%
Other Operating Train Services	863	945	520	934	942	8	0.86%
Rolling Stock Lease	231	230	-	-	-	-	n/a
Security	9,367	13,597	13,973	15,738	16,513	774	4.92%
Public Safety Program	55	64	14	103	103	-	0.00%
Passenger Relations	1,786	1,787	1,622	1,911	2,021	110	5.77%
TVM Maintenance/Revenue Collection	7,594	3,503	3,675	5,365	5,342	(23)	-0.43%
Marketing	1,359	2,092	2,646	3,097	3,238	141	4.54%
Media & External Communications	410	219	101	372	322	(50)	-13.40%
Utilities/Leases	2,762	2,899	2,913	3,914	3,088	(826)	-21.11%
Transfers to Other Operators	5,394	662	1,975	3,276	3,269	(7)	-0.22%
Amtrak Transfers	1,166	41	238	824	1,185	362	43.94%
Station Maintenance	1,980	1,960	1,984	2,185	5,229	3,044	139.34%
Rail Agreements	5,159	4,812	3,193	5,305	6,680	1,375	25.92%
Holiday Trains	57	-	-	-	-	-	n/a
Special Trains	524	-	74	500	500	-	0.00%
Subtotal Operations & Services	144,081	133,621	136,741	170,958	171,611	652	0.38%
<u>Maintenance-of-Way</u>							
MoW - Line Segments	43,375	43,756	49,740	51,167	53,546	2,378	4.65%
MoW - Extraordinary Maintenance	864	599	242	1,048	794	(253)	-24.18%
Subtotal Maintenance-of-Way	44,239	44,355	49,982	52,215	54,340	2,125	4.07%
<u>Administration & Services</u>							
Ops Salaries & Benefits	15,497	15,578	15,107	17,903	17,221	(683)	-3.81%
Ops Non-Labor Expenses	7,645	7,334	7,594	11,983	12,830	848	7.08%
Indirect Administrative Expenses	18,254	17,695	17,645	21,546	24,658	3,112	14.44%
Ops Professional Services	3,019	2,311	2,276	2,685	2,717	32	1.20%
Subtotal Admin & Services	44,415	42,917	42,622	54,117	57,426	3,309	6.11%
Contingency	11	-	-	90	88	(3)	-2.78%
Total Operating Expenses	232,745	220,893	229,344	277,380	283,464	6,084	2.19%
Insurance and Legal							
Liability/Property/Auto	9,870	12,447	12,857	16,088	16,838	750	4.66%
Net Claims / SI	2,303	1	(684)	1,000	990	(10)	-1.00%
Claims Administration	367	682	1,708	1,856	2,146	290	15.62%
Total Net Insurance and Legal	12,540	13,129	13,880	18,944	19,974	1,030	5.44%
Total Expense	245,285	234,023	243,224	296,324	303,438	7,114	2.40%
Non-Recurring Settlement Expense 1	-	3,234	-	-	-	-	n/a
Non-Recurring Settlement Expense 2	-	2,370	-	-	-	-	n/a
Loss / Member Support Required	(166,327)	(209,402)	(200,817)	(229,801)	(250,659)	(20,858)	9.08%
Member Support Payments	156,578	163,176	131,718	TBD	TBD	TBD	TBD
CARES Funding Utilized	9,748	46,226	66,491				
Refund of Remaining Carryforward	-	-	196				
Surplus / (Deficit)	-	-	(2,412)				

Numbers may not foot due to rounding

FY24 Proposed Operating Budget by Member Agency

Attachment D

(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	17,181	8,347	3,151	4,688	771	34,138
Fare Reduction Subsidy	293	-	-	197	-	490
Other Train Subsidies	2,565	-	-	-	-	2,565
Special Trains	-	-	-	-	-	-
Subtotal-Pro Forma FareBox	20,040	8,347	3,151	4,885	771	37,194
Dispatching	1,019	594	13	116	220	1,963
Other Revenues	344	150	73	88	35	691
MOW Revenues	6,811	3,047	880	1,766	427	12,932
Total Operating Revenue	28,215	12,138	4,117	6,855	1,454	52,779
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	25,174	9,227	4,409	5,606	2,114	46,530
Equipment Maintenance	21,813	10,129	5,091	5,414	2,112	44,560
Fuel	15,330	6,667	2,874	3,588	1,284	29,743
Non-Scheduled Rolling Stock Repairs	50	24	10	12	3	100
Operating Facilities Maintenance	1,129	534	232	271	78	2,244
Other Operating Train Services	468	130	112	157	75	942
Rolling Stock Lease	-	-	-	-	-	-
Security	8,581	3,437	1,766	1,903	825	16,513
Public Safety Program	49	18	15	11	10	103
Passenger Relations	980	526	182	284	48	2,021
TVM Maintenance/Revenue Collection	2,335	1,147	871	673	317	5,342
Marketing	1,605	787	301	462	84	3,238
Media & External Communications	153	56	48	34	32	322
Utilities/Leases	1,465	532	459	324	307	3,088
Transfers to Other Operators	1,746	821	236	359	108	3,269
Amtrak Transfers	485	543	-	-	157	1,185
Station Maintenance	3,135	718	354	742	281	5,229
Rail Agreements	1,973	1,825	1,608	373	902	6,680
Holiday Trains	-	-	-	-	-	-
Special Trains	238	99	56	72	36	500
Subtotal Operations & Services	86,710	37,220	18,625	20,284	8,772	171,611
<u>Maintenance-of-Way</u>						
MoW - Line Segments	29,835	10,521	3,380	6,802	3,008	53,546
MoW - Extraordinary Maintenance	465	114	76	85	55	794
Subtotal Maintenance-of-Way	30,300	10,635	3,456	6,886	3,063	54,340
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	8,169	2,980	2,555	1,810	1,707	17,221
Ops Non-Labor Expenses	6,368	2,567	1,563	1,475	858	12,830
Indirect Administrative Expenses	11,698	4,248	3,669	2,589	2,453	24,658
Ops Professional Services	1,289	468	404	285	270	2,717
Subtotal Admin & Services	27,523	10,264	8,191	6,160	5,289	57,426
<u>Contingency</u>	42	15	13	9	9	88
Total Operating Expenses	144,574	58,133	30,284	33,339	17,133	283,464
Insurance and Legal						
Liability/Property/Auto	8,473	4,009	1,740	2,030	585	16,838
Net Claims / SI	498	236	102	119	34	990
Claims Administration	1,080	511	222	259	75	2,146
Total Net Insurance and Legal	10,051	4,756	2,064	2,408	694	19,974
Total Expense	154,625	62,889	32,349	35,748	17,828	303,438
Loss/Member Support Required	(126,410)	(50,751)	(28,232)	(28,892)	(16,373)	(250,659)

FY24 Proposed Operating Budget by Line

Attachment E

(000's)	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Operating Revenue								
Farebox Revenue	9,818	2,017	5,881	2,201	7,597	3,400	3,225	34,138
Fare Reduction Subsidy	490	-	-	-	-	-	-	490
Other Train Subsidies	847	154	872	308	180	-	205	2,565
Special Trains	-	-	-	-	-	-	-	-
Subtotal-Pro Forma FareBox	11,155	2,171	6,753	2,509	7,776	3,400	3,430	37,194
Dispatching	367	434	292	2	842	6	19	1,963
Other Revenues	172	78	127	52	110	86	66	691
MOW Revenues	3,984	1,335	3,112	236	1,900	1,435	930	12,932
Total Operating Revenue	15,678	4,019	10,285	2,798	10,628	4,927	4,445	52,779
Operating Expenses								
<u>Operations & Services</u>								
Train Operations	12,064	5,473	10,155	3,033	6,575	5,062	4,167	46,530
Equipment Maintenance	10,420	4,886	8,336	2,831	7,371	5,917	4,800	44,560
Fuel	7,361	3,269	5,928	2,030	4,975	3,623	2,557	29,743
Non-Scheduled Rolling Stock Repairs	25	9	19	6	18	14	10	100
Operating Facilities Maintenance	558	200	425	128	403	305	225	2,244
Other Operating Train Services	299	125	136	113	72	92	105	942
Rolling Stock Lease	-	-	-	-	-	-	-	-
Security	3,625	1,657	3,789	1,295	2,400	2,118	1,628	16,513
Public Safety Program	15	17	19	15	10	13	14	103
Passenger Relations	604	124	351	90	402	283	167	2,021
TVM Maintenance/Revenue Collection	996	739	936	508	699	798	666	5,342
Marketing	992	216	534	159	629	413	296	3,238
Media & External Communications	47	54	58	48	31	39	45	322
Utilities/Leases	450	513	558	463	294	378	433	3,088
Transfers to Other Operators	723	282	651	278	929	166	239	3,269
Amtrak Transfers	-	415	-	-	771	-	-	1,185
Station Maintenance	1,608	816	1,024	412	842	8	518	5,229
Rail Agreements	-	902	-	2,186	1,054	1,148	1,391	6,680
Holiday Trains	-	-	-	-	-	-	-	-
Special Trains	110	76	80	69	84	67	15	500
Subtotal Operations & Services	39,897	19,772	32,998	13,665	27,560	20,443	17,276	171,611
<u>Maintenance-of-Way</u>								
MoW - Line Segments	15,629	8,067	12,907	1,177	7,319	5,054	3,392	53,546
MoW - Extraordinary Maintenance	174	120	126	110	134	107	23	794
Subtotal Maintenance-of-Way	15,804	8,187	13,034	1,287	7,453	5,160	3,415	54,340
<u>Administration & Services</u>								
Ops Salaries & Fringe Benefits	2,522	2,851	3,117	2,570	1,651	2,105	2,404	17,221
Ops Non-Labor Expenses	2,637	1,713	2,356	1,296	1,785	1,532	1,512	12,830
Indirect Administrative Expenses	3,598	4,098	4,453	3,694	2,345	3,016	3,455	24,658
Ops Professional Services	396	452	491	407	258	332	381	2,717
Subtotal Admin & Services	9,153	9,114	10,417	7,966	6,039	6,986	7,750	57,426
<u>Contingency</u>	13	15	16	13	8	11	12	88
Total Operating Expenses	64,867	37,088	56,464	22,931	41,061	32,600	28,454	283,464
Insurance and Legal								
Liability/Property/Auto	4,187	1,504	3,188	962	3,022	2,289	1,687	16,838
Net Claims / SI	246	88	187	57	178	135	99	990
Claims Administration	534	192	406	123	385	292	215	2,146
Total Net Insurance and Legal	4,967	1,784	3,781	1,141	3,585	2,715	2,001	19,974
Total Expense	69,833	38,872	60,246	24,072	44,645	35,315	30,455	303,438
Loss/Member Support Required	(54,156)	(34,853)	(49,961)	(21,274)	(34,018)	(30,388)	(26,010)	(250,659)

History of actual and budgeted Operating Support with variances of FY24 vs FY23

Attachment F

Support by Member Agency

	Total Support	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share
FY23 Amended Budget	\$229,800,737	\$117,951,427	\$45,988,164	\$25,890,809	\$25,224,743	\$14,745,594
FY24 Proposed Budget	\$250,658,883	\$126,410,472	\$50,750,849	\$28,231,763	\$28,892,306	\$16,373,492

Year-Over-Year Change	Total Support	METRO Share	OCTA Share	RCTC Share	SBCTA Share	VCTC Share
FY24 vs FY23						
\$ increase	\$20,858,146	\$8,459,046	\$4,762,685	\$2,340,955	\$3,667,563	\$1,627,899
% increase	9.1%	7.2%	10.4%	9.0%	14.5%	11.0%

Whole numbers are provided as requested by Member Agencies for their board approval and budget adoption.

FY24 Budget Summary

Summary of Support by Member Agency

FY24 Proposed Budget (Current)

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total Operating Support	\$ 250,658,882	\$ 126,410,472	\$ 50,750,849	\$ 28,231,763	\$ 28,892,306	\$ 16,373,492
Total Capital Support	\$ 147,160,000	\$ 73,274,847	\$ 29,673,025	\$ 15,691,304	\$ 18,053,872	\$ 10,466,952
SUB-TOTAL =	\$ 397,818,882	\$ 199,685,319	\$ 80,423,874	\$ 43,923,067	\$ 46,946,178	\$ 26,840,444
Working Capital Request	\$ 50,000,000	\$ 29,290,000	\$ 7,150,000	\$ 4,765,000	\$ 5,330,000	\$ 3,465,000
TOTAL =	\$ 447,818,882	\$ 228,975,319	\$ 87,573,874	\$ 48,688,067	\$ 52,276,178	\$ 30,305,444

FY23 Amended Budget

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total Operating Support	\$ 229,800,737	\$ 117,951,427	\$ 45,988,164	\$ 25,890,809	\$ 25,224,743	\$ 14,745,594
Total Capital Support	\$ 106,545,000	\$ 47,958,000	\$ 29,531,440	\$ 9,688,080	\$ 12,568,320	\$ 6,284,160
Working Capital Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL =	\$ 336,345,737	\$ 165,909,427	\$ 75,519,604	\$ 35,578,889	\$ 37,793,063	\$ 21,029,754

Variance

	TOTAL	METRO	OCTA	RCTC	SBCTA	VCTC
Total w/o Working Capital	\$ 61,473,145	\$ 33,775,892	\$ 4,904,270	\$ 8,344,178	\$ 9,153,115	\$ 5,810,690
variance	18.3%	20.4%	6.5%	23.5%	24.2%	27.6%
Total w/ Working Capital	\$ 111,473,145	\$ 63,065,892	\$ 12,054,270	\$ 13,109,178	\$ 14,483,115	\$ 9,275,690
variance	33.1%	38.0%	16.0%	36.8%	38.3%	44.1%

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FY24 Operating Budget

Summary of Support by Member Agency

FY24 Proposed Budget (CURRENT)

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Revenues	28,214,617	12,138,405	4,116,866	6,855,364	1,454,046	52,779,298
Total Expenses	154,625,089	62,889,254	32,348,629	35,747,670	17,827,538	303,438,180
FY24 Member Agency Support (Loss)	(126,410,472)	(50,750,849)	(28,231,763)	(28,892,306)	(16,373,492)	(250,658,882)

FY23 Amended Budget

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Revenues	33,640,404	16,195,954	5,872,140	9,013,543	1,801,441	66,523,481
Total Expenses	151,591,831	62,184,118	31,762,948	34,238,286	16,547,034	296,324,218
FY23 Member Agency Support (Loss)	(117,951,427)	(45,988,164)	(25,890,809)	(25,224,743)	(14,745,594)	(229,800,737)

Year-Over-Year Variance

	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenues	(5,425,787)	(4,057,549)	(1,755,274)	(2,158,179)	(347,395)	(13,744,183)
variance	-16.1%	-25.1%	-29.9%	-23.9%	-19.3%	-20.7%
Expenses	3,033,258	705,136	585,681	1,509,384	1,280,504	7,113,962
variance	2.0%	1.1%	1.8%	4.4%	7.7%	2.4%
Member Agency Support (increase) / decrease	(8,459,045)	(4,762,685)	(2,340,954)	(3,667,563)	(1,627,898)	(20,858,145)
variance	-7.2%	-10.4%	-9.0%	-14.5%	-11.0%	-9.1%

FY24 Operating Budget

Summary of Member Agency Support by Line

FY24 Proposed Budget (CURRENT)

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Total Operating Revenues	15,677,747	4,018,862	10,285,337	2,798,005	10,627,540	4,926,708	4,445,098	52,779,297
Total Expenses	69,833,421	38,871,891	60,245,890	24,071,887	44,645,408	35,314,956	30,454,727	303,438,180
FY24 Member Agency Support (Loss)	(54,155,674)	(34,853,029)	(49,960,553)	(21,273,882)	(34,017,868)	(30,388,248)	(26,009,629)	(250,658,883)

FY23 Amended Budget

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Total Operating Revenues	19,508,547	4,934,705	12,286,922	3,201,774	12,728,840	7,919,490	5,943,203	66,523,481
Total Expenses	66,439,127	37,378,986	59,156,166	23,717,633	44,676,744	35,279,114	29,676,450	296,324,218
FY23 Member Agency Support (Loss)	(46,930,580)	(32,444,281)	(46,869,244)	(20,515,859)	(31,947,904)	(27,359,623)	(23,733,247)	(229,800,737)

Year-Over-Year Variance

	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	IEOC	91/PVL	TOTAL
Operating Revenues variance	(3,830,800) -19.6%	(915,843) -18.6%	(2,001,585) -16.3%	(403,769) -12.6%	(2,101,300) -16.5%	(2,992,782) -37.8%	(1,498,105) -25.2%	(13,744,184) -20.7%
Expenses variance	3,394,294 5.1%	1,492,905 4.0%	1,089,724 1.8%	354,254 1.5%	(31,336) -0.1%	35,842 0.1%	778,277 2.6%	7,113,962 2.4%
Member Agency Support (increase) / decrease variance	(7,225,094) -15.4%	(2,408,748) -7.4%	(3,091,309) -6.6%	(758,023) -3.7%	(2,069,964) -6.5%	(3,028,625) -11.1%	(2,276,382) -9.6%	(20,858,146) -9.1%