

FY18 Budget Development Status Update

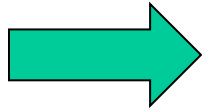
March 15, 2017

Finance, Budget & Audit Committee

Monthly Board Report – Receive & File

- February 2017:

- Budget Development Process and Schedule
- Outreach
- Sales Tax Revenue and CPI Assumptions



- March 2017:

- **Public Outreach addition: Telephone Town Hall on 3/28/2017**
- Fare Revenue Projections
- Metro Bus and Rail Service Levels
- Transit Projects and State of Good Repair (SGR)

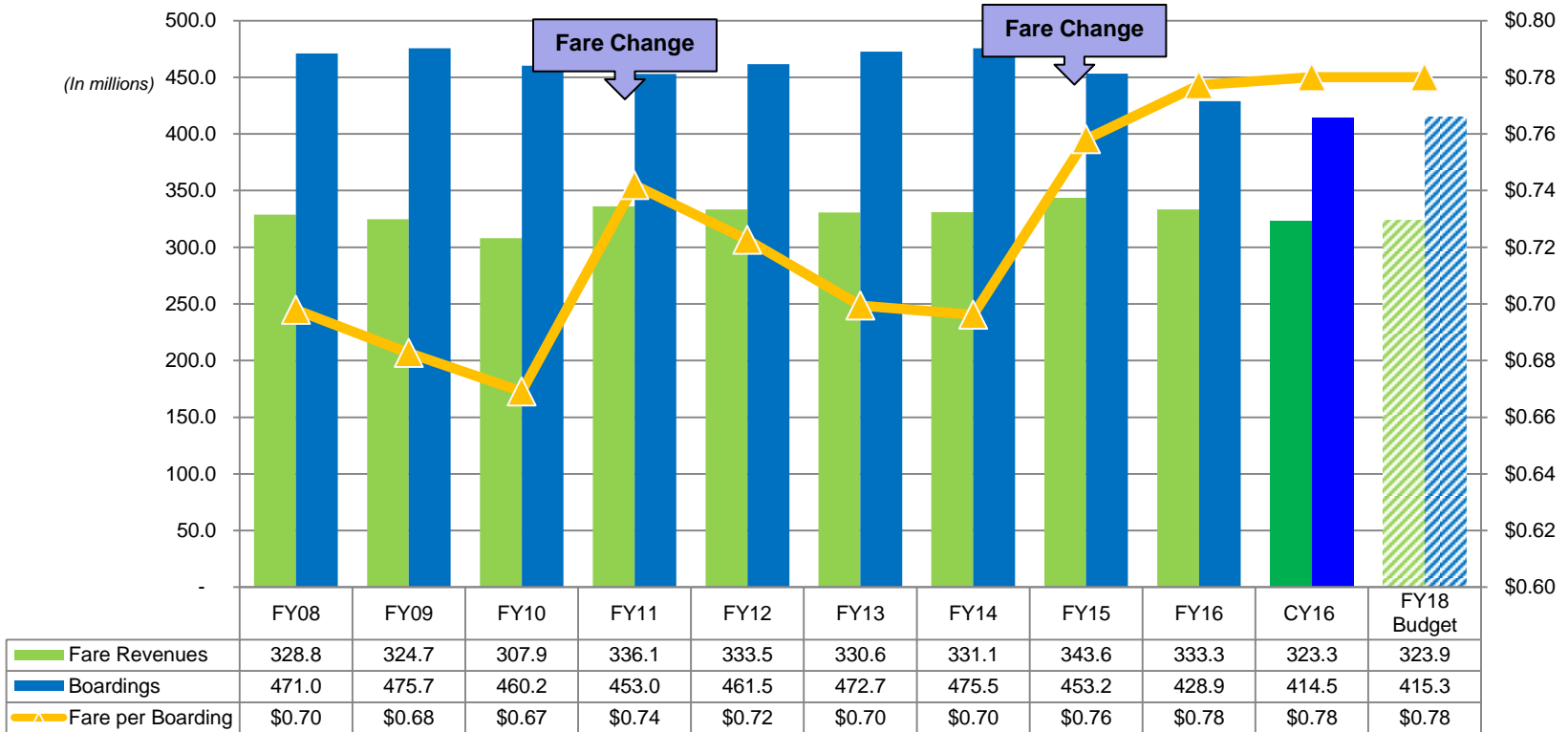
- April 2017:

- Preliminary FY18 Budget proposal, Revenue Update, Labor and Expense
- Outreach status update

- May 2017:

- Public Hearing: May 17
- Final Board Adoption: May 25

Fare Revenue and Boarding Trends



- Fare Revenue Budget = Fare Per Boarding * Boarding Estimate
- Fare per Boarding has stayed at \$0.78 since the last Fare Change in FY15 Q3
- Systemwide boardings are targeted to remain around CY 2016 levels with a 2% decrease in bus and 2% increase in rail compared to the 2016 calendar year.
- FY18 Fare Revenue Budget is estimated at targeted Budget \$323.9 million

Bus & Rail Service Levels

Bus Revenue Service Hours (RSH):

- No change in overall RSH from FY17 Budget of 7,005,960 RSH
- Right-size service, improve reliability in the Owl Network

Rail Revenue Vehicle Service Hours (RVSH):

- FY18 first year in which we can meet rail demand with new and existing rail vehicles on all rail lines since opening of Expo 2 and Foothill 2A extensions
- FY18 increases in service levels to accommodate rider demand and special events
- 9% increase in RVSH over currently-scheduled base service and 60% increase in special event service
- Continue to maximize revenue service while performing state of good repair work on the main lines

Rail Line	Weekdays	Weekend
Gold Line	<ul style="list-style-type: none"> • Increase all trains to 3 car consists • Currently 2/3 car consists 	<ul style="list-style-type: none"> • No change • Currently 2 car 12 min
Expo Line	<ul style="list-style-type: none"> • Increase all trains to 3 car consists • Currently 2/3 car 6 min (Peak) and 3 car consists 12 min (Midday) 	<ul style="list-style-type: none"> • 3 car/6 min headway for 8 months of the year • 2 car/6 min headway for 4 months of the year
Green Line	<ul style="list-style-type: none"> • Increase peak period headway to 6 min • Currently only peak of the peak hour is 6 min with rest of peak period at 7.5 min 	<ul style="list-style-type: none"> • No change
Blue Line	<ul style="list-style-type: none"> • No change 	<ul style="list-style-type: none"> • No change
Red/Purple Line	<ul style="list-style-type: none"> • No change 	<ul style="list-style-type: none"> • No change

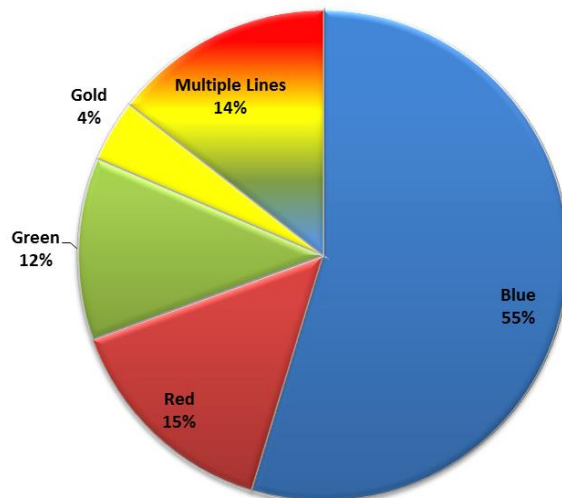
State of Good Repair (SGR)

(\$ IN MILLIONS)

SGR Category	FY17 Budget	FY18 Proposed	% of Total FY18 SGR	Year Over Year Change
Bus Acquisition	\$ 57.94	\$ 59.77	14%	3%
Bus Maintenance	25.95	31.92	7%	23%
Bus Facilities Improvements	17.83	20.98	5%	18%
Bus Subtotal	101.72	112.67	26%	11%
Rail Vehicle Acquisition	55.61	134.20	31%	141%
Rail Vehicle Maintenance	55.06	42.02	10%	-24%
Rail Facilities Improvements	26.81	9.15	2%	-66%
Wayside Systems	53.80	47.18	11%	-12%
Rail Subtotal	191.28	232.55	54%	22%
Non-Revenue Vehicles	8.68	8.06	2%	-7%
IT/Communications	13.13	17.08	4%	30%
Regional Transit Center, Station & Fare Collection	38.85	56.52	13%	45%
Other Subtotal	60.66	81.66	19%	35%
Total Proposed SGR Budget	\$ 353.66	\$ 426.88	21%	

- Total SGR FY18 Budget is 21% greater than FY17 Budget, with major increases in rail vehicle delivery
- 54% is allocated to Rail. Excluding Rail Vehicles, most budget goes to the oldest system, Blue Line
- Safety and security capital projects (\$40.5M) embedded throughout Bus and Rail Projects, including projects such as Blue Line pedestrian crossings improvements, bus safety barriers, and bus video monitors
- Regional Transit Center Enhancement includes the design phase of Rosa Park/Willowbrook Station, as well as Transit Passenger Information System (TPIS) on Silver Line Stops from El Monte Transit Center to Harbor Transit Center

Non Vehicle Rail SGR by Line



Metro Blue Line SGR

1	Description	Est Expd thru FY17	Proposed FY18	Future Forecast	Life of Project
2	Blue Line Corridor only Projects				
3	Metro Blue Line (MBL) Vehicle Maintenance	21,953,246	4,527,325	3,519,429	30,000,000
4	MBL Trackwork / Wayside Maintenance (incl safety efforts)	49,112,348	31,033,121	60,029,530	140,175,000
5	MBL Station Projects	27,401,912	-	5,550,888	32,952,800
6	MBL Division Projects	2,345,426	1,543,855	710,718	4,600,000
7	MBL Shop Equipment	1,096,920	-	1,103,080	2,200,000
8	PRE FY18 Completed / Closeout projects	101,249,095	-	13,091,003	120,919,309
9	Blue Line only Projects Subtotal	\$ 203,158,948	\$ 37,104,302	\$ 84,004,647	\$ 330,847,109
10	Multiple Line Rail Projects Blue Line portion Subtotal	\$ 352,061,803	\$ 132,879,225	\$ 244,939,080	\$ 733,320,307
11	System-Wide Projects Blue Line Portion Subtotal	\$ 62,462,068	\$ 3,631,720	\$ 10,476,161	\$ 76,721,396
12	Grand Total	\$ 617,682,820	\$ 173,615,247	\$ 339,419,888	\$ 1,140,888,811
	Note: Include projects active since 2010 only.				

- Since 2010, Metro has been actively maintaining SGR on the Blue Line by funding over \$1.14B total LOP
- At the conclusion of FY17, over \$617M will be invested on the Blue Line with \$203M directly within the corridor and \$414M on Blue Line related system improvements
- FY18 budget plans for an investment of \$173.6M for direct and indirect Blue Line SGR
 - Delivery of Light Rail Vehicles, Pedestrian Safety Enhancements
 - Over Head Catenary Replacement, Signal System Rehabilitation, Rail Track Replacements
 - Various Systemwide and Multi-Rail line projects to increase system reliability and safety
 - Digital Rail Radio Communications system, Fire Control Panel Upgrade and Transit Passenger Info System

Measure R/M Projects in EIR/EIS/PE

	Major Transit Planning Projects anticipated in FY18 (\$ in millions)	Ordinance	Sub Region	Ground breaking	Cost Est in 2015 \$
1	Eastside Light Rail Access	R	sg	2008	30.0
2	Crenshaw/LAX Light Rail Transit	R	sb	2011	2,058.0
3	Regional Connector:	R	sc	2012	1,750.8
4	Orange Line Improvements	M	sf	2019	286.0
5	BRT Connector Orange/Red Line to Gold Line	M	av / sf	2020	267.0
6	Vermont Transit Corridor	M	cc	2024	425.0
7	Westside Subway Extension Section 3	M / R	w	2018	1,980.4
8	Airport Metro Connector (& Accomodations)	M / R	sc	2018	581.0
9	Gold Line Foothill Extension 2B: (JPA)	M / R	sg	2019	1,097.0
10	San Fernando Valley East North/South Rapidways	M / R	sf	2021	1,331.0
11	West Santa Ana Branch Corridor	M / R	gc	2022	4,000.0
12	Sepulveda Pass Transit Corridor	M / R	sf / w	2024	5,934.0
13	Green Line Extension: to Crenshaw Blvd Torrance	M / R	sb	2026	891.0
14	Eastside Extension Phase II	M / R	gc / sg	2029	3,000.0
15	Total				\$ 23,601.23

- FY18 budget will include the EIR/EIS/PE planning stage of the above Measure R/M projects
- Planning expenditures through EIR/EIS/PE phase are generally in the range of 2% or less of a project cost estimate and typically take a few years ahead of final design and construction phase
- Measure M cost estimates are in 2015 dollars and will be updated to current dollars as project FFGA's or designs are refined for procurement



Transit Construction Projects

	Measure R Projects (\$ in millions)	Board Auth LOP	Est ITD \$ thru FY17	Est %ITD thru FY17	Proposed FY18	Est ITD % thru FY18	Est Prog % thru FY18	Target Rev Svc Date
1	Crenshaw/LAX Light Rail Transit	2,058.0	1,313.9		380.0			
2	Southwestern Maintenance Yard	157.0	78.9		46.4			
3	Crenshaw Projects	2,215.0	1,392.9	63%	426.3	82%	88%	Oct 2019
4	Regional Connector: Construction	1,750.8	805.5		201.0			
5	Regional Connector: Construction: Non-FFGA	40.0	33.0		0.8			
6	Regional Connector Projects	1,790.8	838.6	47%	201.9	58%	43%	Jul 2021
7	Westside Subway Purple Line Ext. Sect 1	2,773.9	1,112.0	40%	378.8	54%	35%	Nov 2023
8	Westside Subway PLE Sect 2	2,441.0	309.1	13%	267.5	24%		Aug 2025
9	Westside Subway PLE Sect 3 (est LOP)	2,500.0	63.8	3%	245.9	12%		TBD
10	WSE PLE Core Cap Enhanc @ Div 20	17.2	3.5		13.7			TBD
11	Westside Purple Line Projects	7,732.0	1,488.4		905.9			
12	Expo 1: Washington Siding	13.0	1.5		3.0			
13	Metro Orange Line Ext to Canoga: Closeout	215.6	144.2		0.2			
14	Gold Line Foothill Ext to Azusa 2A: Closeout	741.0	651.6		1.5			Mar 2016
15	Expo 2: Closeout	0.0	36.0		7.9			May 2016
16	Closeouts	969.6	833.3		12.6			
17	Grand Total Measure R	\$12,707.5	\$4,553.1		\$1,546.7			
	Measure M Projects (\$ in millions)	Bd Auth LOP			Proposed FY18			
18	Airport Metro Connector (New in FY18)	TBD	0.0	0	70.6			TBD
19	Foothill Extension 2B	TBD			22.0			TBD
20	Grand Total Measure M	TBD	0.0	0.0	92.6	TBD	TBD	

- Crenshaw/LAX plans for 88% Construction progress thru FY18 with an Oct-2019 Revenue Service Date
- Regional Connector recently increased its LOP to \$1,751M and is working to improve its reported 43% construction progress plan thru FY18
- Westside Purple Line Projects account for 58% (\$905.9M) of all Transit Construction in FY18 (\$1,546.7M)
- Airport Metro Connector begins design and construction work in FY18

