



Board Report

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REVISED
SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 19, 2015

Motion by:

Directors Antonovich, Najarian and Solis

November 19, 2015

Cost/Benefit Analysis for Metrolink Subsidy

It has been 9 years since the MTA board directed staff to conduct a cost/benefit study to determine how best to direct MTA's subsidy to Metrolink. The study was prompted by Metrolink's successful manipulation of frozen data from 1994 to 2004, that eventually raised the Los Angeles County share of the Metrolink budget to 60.7%, a disproportionate share of the 5-county JPA. As a result of the study, a change in the formula subsidy was approved by the participating entities in 2007 and has not been reviewed since.

The rising overhead costs due to additional layers/salaries and benefits, the failure to repay MTA the \$18 million loan, it is appropriate that the MTA board request staff for an updated cost/benefit study on behalf of Los Angeles County. The study will determine if funding would be better served improving service within the county. The analysis should include, but not be limited to, governance versus subsidy inequities, operating assumptions, the benefits of limiting subsidies to Los Angeles County, and innovative solutions to regional rail issues.

MOTION by Antonovich, Najarian and Solis that:

- A. The CEO assign staff to complete a comprehensive Cost/Benefit analysis for the Los Angeles County subsidy to Metrolink; and
- B. That until such analysis is completed and approved by the board, any and all funding requests from Metrolink that increase, or have the potential to increase the Metro contribution above the FY16 approved budget, or affect Los Angeles County residents/riders negatively, shall come to the MTA board for approval prior to Metrolink full board approval; and
- C. That the Chair of the MTA board create an ad hoc committee to convene, as required, to vote on Los Angeles County Metrolink issues and to direct the cost/benefit analysis. Said study shall include MTA staff, including, at a minimum, finance and innovation executives, to oversee a cost/benefit analysis to look at innovative ways the MTA can best serve the Los Angeles County

constituency; and

- D. That the ad hoc Metrolink committee be convened beginning January 2016; and
- E. That staff complete the cost/benefit analysis and report back to the board in March 2016.