

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
MARCH 17, 2016****SUBJECT: FISCAL YEAR 2017 (FY17) BUDGET STATUS UPDATE****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE report on **Metro's FY17 Budget status update including service levels for Metro Bus and Rail and response to Board inquiries.**

**ISSUE**

This report includes service level assumptions for Bus and Rail in FY17. The service level assumption is one of the most critical cost drivers for the budget comprising of 25% of the total budget. During our budget update at the Executive Management Committee in February, the Board requested information on the capital improvements on the Blue Line as well as the public outreach activities surrounding the FY17 budget.

**DISCUSSION****Bus and Rail Service Levels**

Overall, bus and rail services will increase by 0.9% from the FY16 Budget to FY17 (see Attachment A). A major driver of the increase is due to the full-year operation of Gold Line Foothill Phase 2A to Azusa and Expo II extension to Santa Monica which is expected to increase ridership and expand the rail system within the county in both directions east and west by 17.6 miles.

**Bus Service**

The FY17 Budget includes 30,000 revenue service hours for the operation of the new Line 501 (NoHo to Pasadena) which was a board approved new service in October 2015. These additional hours will be offset by RAM service optimization for the enforcement of the Load Factor standards adopted in the FY16 Transit Service Policy.

Also there are items pending service council review and/or public hearings which will contribute to a -76,495 decrease in revenue service hours comprised of line and segment cancellations and all door

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boarding partially offset by reinvestment of cancelled lines. Overall, this will result in a -1.3% decrease in bus service hours from FY16.

### Rail Service

The FY17 Budget anticipates a 14.6% increase in rail services resulting from a full year operation of the Gold Line Foothill Phase 2A to Azusa and Expo II extension to Santa Monica. RAM rail initiatives for consistent headway to enable system connectivity represents a reduction of -53,800 revenue vehicle service hours.

### Blue Line Update

The February Executive Management Committee members requested additional FY17 budget details for the State of Good Repair allocation pertaining to the Blue Line. The Long Beach Blue Line is the oldest rail system in Metro's rail system at 26 years old. The Blue line budget allocation is determined based on the aging and utilization of the assets.

Staff continues to make the Blue Line state of good repair (SGR) efforts a top priority. The FY17 budget represents only a one-year cash flow of the total life of projects.

In total over \$1.1B is planned to be invested for Blue Line including projects that span multi rail lines as well as support and infrastructure such as technology, systems and customer support. Upon completion of these projects, a much improved customer experience is anticipated with enhanced safety improvements, refurbished stations, improved reliability and refinished artwork aesthetics for the benefit of our Blue Line patrons. Attachment B provides a listing of projects funded in FY17. (see Attachment B).

### Public Outreach

A comprehensive public outreach program for the FY17 budget is in place to ensure the greatest level of engagement from the public and key stakeholders. Using public forums, communication tools and technology advances, we have numerous options and opportunities for informing and engaging the public.

Soliciting meaningful input from the public and stakeholders is important. To ensure greater participation, the times and locations of public forums are being advertised through multiple channels, including the Metro website, "Take Ones" on board vehicles, newspaper advertising, message on hold, and Metro Briefs.

Budget workshops are scheduled in March and May with various groups to engage and solicit input.

- **Metro Service Councils** -Five Service Councils are located throughout the County to give residents more opportunities for input on service issues in their community. This is an ideal forum for obtaining direct and immediate feedback from our transit riders.

- **Citizens Advisory Council (CAC)** - The CAC represents a broad spectrum of interests and all geographic areas of the County. This group consults, obtains and collects public input on matters and concerns of the communities. This is an ideal forum to solicit feedback from the communities on various transit issues.
- **Technical Advisory Committee (TAC)** - The TAC represents key stakeholders that provide technical assistance in reviewing and evaluating various transportation proposals and alternatives within Los Angeles County. This group provides feedback from the communities they represent and offer insight to transit issues throughout the county, including funding, streets, freeways, and transit air quality improvements.
- **Bus Operations Subcommittee (BOS)** - The BOS represents the transit operators in LA County and offer input on all bus operations, capital and legislative issues. This forum allows for the input of transit riders throughout the county.
- **Public Hearing** - A public hearing on the FY17 Budget is scheduled May 18, 2016 for the Board to receive public comments. The general public is encouraged to attend and provide their comments.

While public workshops and forums are good for people who can afford the time to participate, other media channels are being used to further ensure participation and provide multiple opportunities for the public to learn about the FY17 budget and process:

- **The Source/EI Pasajero/Facebook/Twitter** - Staff is using Metro's Social Media outlets to inform the public throughout the budget development process. Three stories have already been posted to the Social Media accounts (stories on budget basics, the capital program, and the operating budget), and additional stories will follow with each budget update to the Board.
- **Podcast** - Staff will be recording and posting a podcast in late March-early April 2016 on various budget themes and issues.
- **Interactive Budget Tool** --- This will be an interactive application to engage the public on the budgeting process and creating financial transparency. This new interactive tool is not only a survey but a way to allow the public to provide feedback on their individual transit priorities. This website will be available as a link from our Metro.net page
- **Budget Website** - A Budget Website that can be accessed through Metro.net will provide the budget the budget process, budget details as it becomes available each month, and provide an opportunity for the public to comments.
- **E-mail** - [budgetcommentsmetro.net](http://budgetcommentsmetro.net) <<http://budgetcommentsmetro.net>> has been established to allow the public an opportunity to comment without having to attend a public forum.

The budget process is a dynamic process and this program aims to include participation throughout the process.

### **NEXT STEPS**

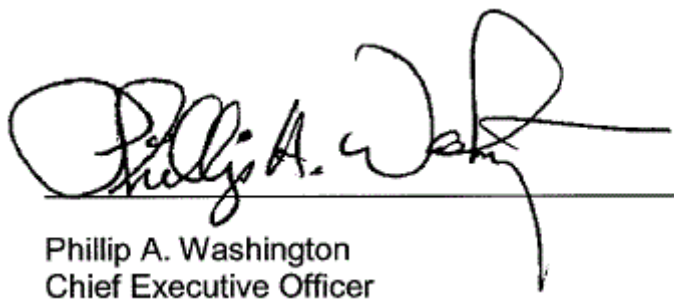
We will continue to update the Board, Board staff, and the general public via advisory committees in the coming weeks and report back to the Finance, Budget, and Audit Committee. (See Attachment C)

### **ATTACHMENTS**

- A. Service Summary
- B. Blue Line Capital Project Summary
- C. Budget Update Schedule

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