



Board Report

File #: 2019-0198, File Type: Budget

Agenda Number: 37.

**BUDGET PUBLIC HEARING
FINANCE, BUDGET AND AUDIT COMMITTEE
MAY 15, 2019**

SUBJECT: FISCAL YEAR 2020 (FY20) BUDGET

ACTION: ADOPT THE FY20 BUDGET

RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY20 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net):
 - 1. AUTHORIZING \$7.2 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan;
 - 2. AUTHORIZING a total of 10,219 FTEs with 8,482 Represented FTEs and 1,737 Non-Represented FTEs which includes an increase of 45 Non-Represented FTEs;
 - 3. AUTHORIZING a 4% merit-based increase for Non-Represented wages which is in alignment with the Collective Bargaining Agreement with Metro's union groups;
 - 4. APPROVING the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million presented in Attachment A;
- B. AMENDING FY20 Proposed Budget document by increasing Bus service hours from 7,019,376 to 7,094,376, which is higher than FY19 service level of 7,014,606;
- C. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY20 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- D. AUTHORIZING the Non-Represented salary paygrade band to increase 2% to be more aligned with current market conditions.

ISSUE

California Public Utilities Code Section 130105 requires Metro to adopt an annual budget to manage the revenues and expenses of the agency's projects and programs. The budget is the legal authorization to obligate and spend funds and to implement Board policy. It includes all operating, capital, planning and programming, subsidy funds, debt service requirements, and general fund activities for the fiscal year. The legal level of control is at the fund level. Total annual expenditures cannot exceed the final appropriation by the Board at the fund level except for capital expenditures, which is authorized on a life-of-project basis.

Since February 2019, staff has provided monthly updates of the budget development status by program to the Board. Meanwhile, an extensive public outreach process was launched to communicate the budget proposal and to collect public comment as the budget development was in progress. On May 1, 2019, copies of the FY20 proposed budget in its entirety were made available to the public both electronically at www.metro.net <<http://www.metro.net>>, and in printed copies through the Records Management Center (RMC) at RMC@metro.net <<mailto:RMC@metro.net>> and on the plaza level of the Gateway building. The public hearing is scheduled for May 15, 2019. As of April 11, 2019, advanced public notification of this hearing was issued through advertisements posted in over eleven news publications, in different languages.

DISCUSSION

The proposed FY20 budget is balanced at \$7.2 billion, an increase of \$586.7 million or 8.9%, from the \$6.6 billion FY19 budget. This annual budget aligns resources in a fiscally responsible manner to achieve the following Metro Vision 2028 goals:

- Provide high-quality mobility options that enable people to spend less time traveling.
- Deliver outstanding trip experiences for all users of the transportation system.
- Enhance communities and lives through mobility and access to opportunity.
- Transform Los Angeles County through regional collaboration and national leadership.
- Provide responsive, accountable, and trustworthy governance within the LA Metro organization.

Metro Vision 2028 is Metro's big picture plan to improve mobility in Los Angeles County. The FY20 budget reflects these efforts through the plans, programs and services included in this budget.

In FY20, Metro is poised to lead the ongoing transformation of Los Angeles County, with a bold plan to push the region to new heights. This year, we will continue our rapid progress toward achieving the Metro Vision 2028, with multiple transit expansion projects in various stages of planning, groundbreaking, and construction. We are also focused on the transformation of our existing lines and facilities, as we move to integrating an electric bus fleet and complete the major rehabilitation efforts on the Blue Line, our oldest rail line.

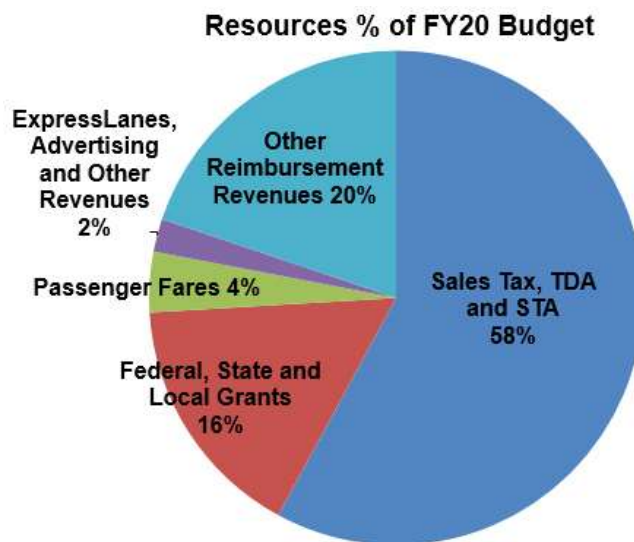
Resources Summary

The FY20 Proposed Budget ensures resources are available to meet the planned Metro program and project delivery for the coming fiscal year. Revenue projections take into account the current economic conditions, historical sales tax growth cycles, multiple accepted forecasting sources and recent transit system usage.

The total FY20 proposed budget planned resources is \$586.7 million or 8.9% greater than FY19.

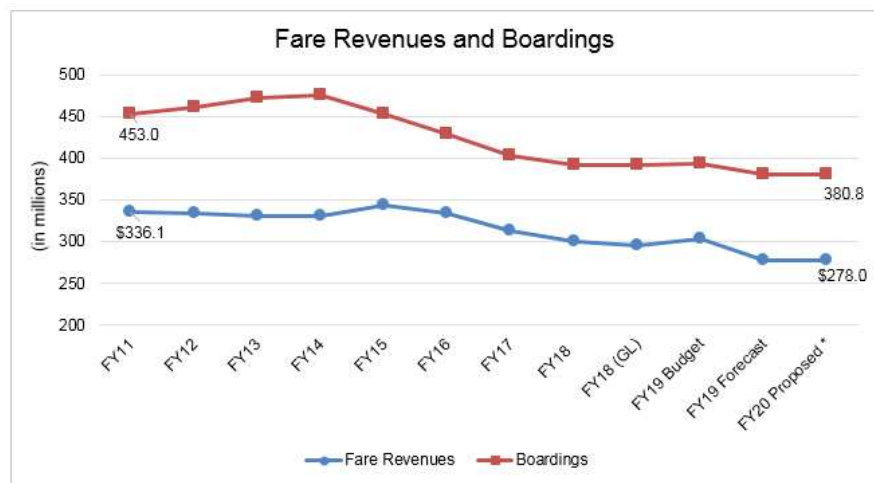
| | FY19 Budget | FY20 Proposed | \$ Change | % Change |
|--|-------------------|-------------------|-----------------|-------------|
| Resources (\$ in millions) | | | | |
| 1 Sales Tax, TDA and STA | \$ 3,980.2 | \$ 4,174.4 | \$ 194.2 | 4.9% |
| 2 Federal, State and Local Grants | 967.9 | 1,163.0 | 195.2 | 20.2% |
| 3 Passenger Fares | 302.6 | 284.5 | (18.1) | -6.0% |
| 4 ExpressLanes, Advertising and Other Revenues | 157.0 | 155.2 | (1.8) | -1.1% |
| 5 Other Reimbursement Revenues ⁽¹⁾ | 1,212.6 | 1,429.8 | 217.2 | 17.9% |
| Total Resources | \$ 6,620.2 | \$ 7,206.9 | \$ 586.7 | 8.9% |

⁽¹⁾ Includes Bond Proceeds, Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawdown and prior year commitment



- Local Sales Tax, including TDA, and STA, is the largest source of revenue at 58%. FY20 is estimated to increase \$194.2 million or 4.9% compared to FY19:
 - TDA, Propositions A, C, and Measures R and M sales tax is projected to increase by \$130.5 million or 3.4%.
 - STA and State Senate Bill 1 (SB1) increase by \$63.7 million or 35.0% based on State Controllers’ Office (SCO) estimates.

- Federal, State and Local Grants increase by \$195.2 million or 20.2%, reflecting related capital expense activity.
- Passenger Fare revenues decrease by \$18.1 million or 6.0% as the result of continued ridership decline. FY20 systemwide boardings are projected to be 380.8 million, based on FY19 Year to Date actual boardings. The chart below shows the historical Fare Revenues and Boardings from FY11 to FY20 Proposed.



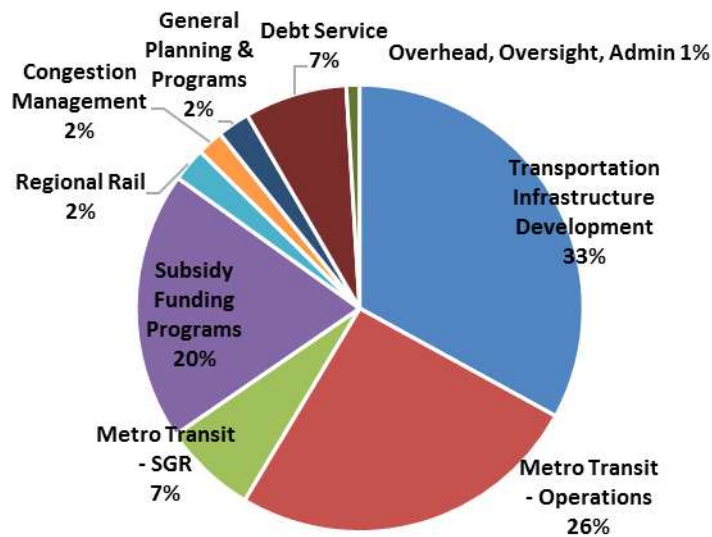
*Fare revenues do not include \$6.6 M revenues from TAP card sales.

- ExpressLanes, Advertising, and Other Revenues are decreasing \$1.8 million or 1.1% in total, primarily due to lowered toll violation fines.
- Other Reimbursement Revenues is \$217.2 million or 17.9% higher in total based on timing of project schedules. The total includes \$688.5 million capital project carryover in sales taxes and other revenues received and unspent in prior years. It also includes \$481.3 million bond proceeds and \$260.0 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan drawdowns which are backed by future expected sales tax revenues.

Expenditure Summary

The total budget increase from FY19 to FY20 is \$586.7 million or 8.9%, which is higher than the projected cost inflation of 2.28% Consumer Price Index (CPI), primarily due to the expansion of Transit and Highway infrastructure as well as keeping the existing system in a state of good repair.

| Expenditures by Program Type (\$ in Millions) | | FY19 Budget | FY20 Proposed | \$ Change | % Change |
|---|---|-------------------|-------------------|-----------------|-------------|
| 1 | Transportation Infrastructure Development | \$ 2,003.3 | \$ 2,378.4 | \$ 375.1 | 18.7% |
| 2 | Metro Transit - Operations, Maintenance and Regional Operating Services | 1,773.9 | 1,844.4 | 70.5 | 4.0% |
| 3 | Metro Transit - SGR & Other Asset Improvements | 534.2 | 492.0 | (42.2) | -7.9% |
| 4 | Subsidy Funding Programs | 1,330.6 | 1,404.7 | 74.1 | 5.6% |
| 5 | Regional Rail | 179.3 | 178.2 | (1.1) | -0.6% |
| 6 | Congestion Management | 128.3 | 135.8 | 7.5 | 5.8% |
| 7 | General Planning & Programs | 181.9 | 169.9 | (12.1) | -6.6% |
| 8 | Debt Service | 417.1 | 534.7 | 117.6 | 28.2% |
| 9 | Oversight & Administration | 71.5 | 68.8 | (2.7) | -3.8% |
| 10 | Total Expenditures | \$ 6,620.2 | \$ 7,206.9 | \$ 586.7 | 8.9% |



- Transportation Infrastructure Development is one of the key strategies to realize Metro Vision 2028. In FY20, an additional \$375.1 million, or 18.7% increase over FY19 will be dedicated to the expansion efforts; making it the largest share of the FY20 Proposed Annual Budget at 33%.
 - The expansion includes the planning and construction of the voter approved Measure R and M projects such as Westside Purple Line Extensions 1-3, Regional Connector, Gold Line Foothill Extension projects, and the completion of Crenshaw Line.
 - Highway projects will continue to support several Measure M and R Caltrans projects.
 - For Regional Rail, budget will proceed to support Metrolink.

- Metro Transit - Operations and Maintenance represents 26% of the budget, as one of the core Metro missions. Metro operates Bus and Rail transit systems as well as coordinates fare collection and customer information for the regional operators. The table below shows the budget by Bus, Rail, and Regional.

| (\$ in Millions) | FY19 Budget | FY20 Budget | \$ Change | % Change |
|------------------|-------------------|-------------------|----------------|-------------|
| Bus | \$ 1,225.4 | \$ 1,288.5 | \$ 63.0 | 5.1% |
| Rail | \$ 541.7 | \$ 537.0 | \$ (4.7) | -0.9% |
| Regional | \$ 6.8 | \$ 18.9 | \$ 12.1 | 178.8% |
| Total | \$ 1,773.9 | \$ 1,844.4 | \$ 70.5 | 4.0% |

For Regional, the increase is due to higher volumes of customer information calls for Regional Operators and the new regional Farebox replacement project.

The Proposed Budget is the direct result of the planned Bus and Rail service level with projected cost inflation. In FY20, Metro Transit program is requesting a \$70.5 million, or 4.0% increase from FY19.

Metro Bus Operations and Maintenance

Before the NextGen Bus Study is complete by the end of the year, FY20 proposed Bus Service level is higher than FY19 Revenue Service Hours (RSH). Metro’s proposed budget for the upcoming 2019 -2020 fiscal year was released last week. As part of the normal review process, Metro CEO Phil Washington added bus service hours to the number that was posted online- from 7,019,376 to 7,094,376. The added Bus service hours are for the busy 910 Silver Line and the popular 460 Bus between downtown L.A. and Anaheim, flexibility to add bus service for special events (Dodgers games, USC football, etc.), BRT electrification, bus shuttles during the ongoing work to modernize the Blue Line, and the extra day in 2020 (Feb. 29), which is a Leap Year.

FY20 budget reflects a cost increase of 5.1% due to the higher than anticipated cost increases in Parts/Supplies, Fuel and Contract/Professional Services reflected in the table below.

Bus Operations and Maintenance Expenditures by Type:

| Operations (\$ in millions) | FY19 Budget | FY20 Proposed | \$ Change | % Change | % of Total |
|---------------------------------|-------------------|-------------------|----------------|-------------|---------------|
| Labor & Fringe | \$ 919.9 | \$ 955.2 | \$ 35.2 | 3.8% | 74.1% |
| Parts & Supplies | 67.7 | 81.2 | 13.5 | 20.0% | 6.3% |
| Fuel | 27.4 | 31.1 | 3.7 | 13.4% | 2.4% |
| Other Operating Expenses | 44.0 | 35.1 | (8.9) | -20.3% | 2.7% |
| Contract / Professional Service | 95.7 | 114.8 | 19.1 | 20.0% | 8.9% |
| Purchased Transportation | 70.6 | 71.1 | 0.5 | 0.6% | 5.5% |
| Total Operations | \$ 1,225.4 | \$ 1,288.5 | \$ 63.0 | 5.1% | 100.0% |

The total Bus Operations and Maintenance budget is \$1.29 billion, a \$63.0 million or 5.1% increase from FY19. Labor and Fringe Benefits make up 74.1% of the total Bus budget, with the remainder of the categories at 25.9%. Labor and Fringe Benefit costs increased by 3.8%, mainly due to negotiated wage increases for the Represented staff and the proposed Non-Represented wage increases. Parts & Supplies usage is higher in FY20 to carry out maintenance campaigns such as re-tanking CNG buses to operate existing fleet longer before Board directed fleet electrification can be implemented. CNG fuel rate increases much higher because of the supply issues in the Pacific Region of the United States. Staff is looking into activating CNG price hedging program in the coming months. Contract/Professional Services increases are attributed to improved cleaning frequency needs at the operating facilities and transit centers.

Metro Rail Operations and Maintenance

Rail Revenue Vehicle Service Hour (RVSH) levels begins at the FY19 scheduling baseline and reflects adjustments based on current demand. Proposed Rail RVSH is 1,134,953, 68,278 below the FY19 scheduling baseline; representing an adjustment of 5.7%.

| Rail Service Level Profile | | RVSH |
|-----------------------------------|---|------------------|
| 1 | FY19 Scheduling Base | 1,203,231 |
| 2 | FY20 Adjustments | |
| 3 | Additional Service Deployment | 12,467 |
| 4 | Special Events | 14,041 |
| 5 | Other (Additional Day of Service for Leap Year & Other Minor Adjustments) | 12,442 |
| 6 | Off-peak Vehicle Deployments | (43,458) |
| 7 | Weekday Headway Change from 6 min & 7 min to 8 min Peak, 12 min Base | (36,506) |
| 8 | Weekend 20 min to 12 min beginning at 10 am, not 8 am | (18,985) |
| 9 | Service Impact of SGR Improvements | (8,279) |
| 10 | FY20 Proposed Budget | 1,134,953 |
| 11 | Change From FY19 Scheduling Base | (68,278) |
| 12 | % Change | -5.7% |

- Weekday peak hour frequencies for the Blue, Expo and Gold Lines would have trains running every eight minutes instead of the current every six minutes (Blue and Expo) or seven minutes (Gold). Average wait time increase of 60 seconds for Blue and Expo and 30 seconds for Gold. However, the capacity remains relatively unchanged due to keeping all Blue, Expo and Gold Line trains operating three cars for every train instead of the current mix of two-car and three-car trains. The peak service adjustment will improve on-time performance and reduce delays.
- On the Blue Line, every train would run every eight minutes during peak hours between 7th/Metro and Downtown Long Beach, instead of running every six minutes between 7th/Metro and Willow and every 12 minutes between Willow and Downtown Long Beach. Long Beach customers will experience significant improvements traveling between Downtown Los Angeles and Long Beach.
- Weekday mid-day frequencies on the Blue, Expo, Gold would remain every 12 minutes with two-car trains - which better meets the current demand. Operations will monitor the crowd level and add three car trains if needed.
- Weekend service on the Blue, Expo and Gold Lines would have trains running every 12 minutes between 10 a.m. and 8 p.m. and every 20 minutes outside those hours. Trains on these lines currently begin moving toward 12-minute service between 8 a.m. and 9 a.m. on weekends. This reflects current demand and gives Metro more time to do single-tracking maintenance work.
- Green Line service remains the same but extra hours have been added for the

Crenshaw/LAX Line opening toward the end of the fiscal year.

With the RVSH service adjustment, the total Rail Operations and Maintenance budget is \$0.54 billion, a \$4.7 million or 0.9% decrease from FY19. The table below identifies the changes.

Rail Operations and Maintenance Expenditures by Type:

| Operations (\$ in millions) | FY19 Budget | FY20 Proposed | \$ Change | % Change | % of Total |
|---------------------------------|-----------------|------------------|-----------------|--------------|---------------|
| Labor & Fringe | \$ 286.5 | \$ 287.5 | \$ 1.0 | 0.4% | 53.5% |
| Parts & Supplies | 23.2 | 23.2 | 0.0 | 0.2% | 4.3% |
| Propulsion Power | 39.1 | 37.4 | (1.7) | -4.3% | 7.0% |
| Other Operating Expenses | 20.8 | 18.4 | (2.4) | -11.7% | 3.4% |
| Contract / Professional Service | 172.1 | 170.4 | (1.6) | -1.0% | 31.7% |
| Total Operations | \$ 541.7 | \$ 537.0 | \$ (4.7) | -0.9% | 100.0% |

Labor and Fringe Benefits make up 53.5% of the total budget, with the remainder of the categories at 46.5%. Labor and Fringe Benefits costs are nominally increasing because of the negotiated wage increases for Represented staff and offset by a staffing adjustment due to the 68,278 RVSH decrease. The FTE reduction is coming from vacancies and attritions and will not impact current employees. Reductions in Propulsion Power, Contract / Professional Services, and Other Operating Expenses are driven by the decreased RVSH budgeted.

- Metro Transit - State of Good Repair (SGR) & Other Asset Improvements budget is planned at \$492.0 million, a decrease of 7.9%. SGR program budget is allocated to maintain Metro's Bus, Rail, and critical information systems. The \$492.0 million estimate is based on planned project activities; reflecting the cash flow required to complete FY20 milestones and deliverables such as electrical Bus Acquisition, charging station infrastructure, Midlife Refurbishments, Rail Acquisitions, and New Blue.
- Subsidy Funding Programs increases by \$74.1 million, or 5.6%, primarily due to growth in sales tax revenues.
- Regional Rail decreases by \$1.1 million, or 0.6% with continuing operating and capital support of the Metrolink commuter rail system and the Metro managed Regional Rail.
- Congestion Management is increasing by \$7.5 million, or 5.8%, primarily due to a service provider contract renewal rate change along with increased Planning Studies for I-105 and I-405.
- General Planning & Programs decreases by \$12.1 million or 6.6% due to cash flow

adjustments for Phase II ACE Grade Separation, Planning Studies for Measure R and M projects, Active Transportation Programs, Parking, and Union Station projects.

- Debt Service increases by \$117.6 million, or 28.2% primarily due to the TIFIA loan repayments and Prop C Series 2019-A/B bonds. In FY20, Crenshaw/LAX, Westside Purple Line Section 2 and the light rail vehicle procurement is anticipated to utilize debt proceeds.
- Oversight & Administration is decreasing by \$2.7 million or 3.8%, due to continued efforts to exercise fiscal responsibility in the support departments.

Full-Time Equivalent (FTE) Summary

The FY20 Proposed budget requests an authorization of 10,219 total FTEs. Represented FTEs are budgeted at 8,482 and Non-Represented FTEs are budgeted at 1,737. The FY20 Proposed budget includes an additional 45 Non-Represented FTEs and a decrease of 66 Represented FTEs. This is a net decrease of 21 FTEs through reduction of vacancies and attrition.

Total Non-Represented FTEs increase of 45 is primarily due to Metro Transit-Operations and Support, Metro Transit-State of Good Repair, MM/MR Support and Oversight, in addition to new initiatives and studies such as Vision 2028 Strategic Plan, Congestion Pricing, TNC, and Micro Transit. Metro departments support the overall agency goals and programs. The table below summarizes the requested Non-Represented FTEs by department.

| | <i>Non-Represented FTEs by Department</i> | FY19 Budget | FY20 Proposed | FTE Change |
|----|---|--------------|---------------|------------|
| 1 | Board of Directors | | | |
| 2 | County Counsel | 3 | 3 | 0 |
| 3 | Ethics Office | 6 | 6 | 0 |
| 4 | Inspector General | 21 | 21 | 0 |
| 5 | Office Of Board Secretary | 10 | 10 | 0 |
| 6 | Board of Directors | 40 | 40 | 0 |
| 7 | Chief Executive Office | 2 | 4 | 2 |
| 8 | Chief Policy Office | 6 | 7 | 1 |
| 9 | Communications | 146 | 149 | 3 |
| 10 | Congestion Reduction | 26 | 28 | 2 |
| 11 | Finance and Budget | 160 | 163 | 3 |
| 12 | Human Capital & Development | 106 | 106 | 0 |
| 13 | Information Technology | 102 | 107 | 5 |
| 14 | Management Audit Services | 26 | 27 | 1 |
| 15 | Office of Civil Rights | 15 | 16 | 1 |
| 16 | Office of Extraordinary Innovation | 12 | 17 | 5 |
| 17 | Operations | 303 | 311 | 8 |
| 18 | Planning and Development | 164 | 164 | 0 |
| 19 | Program Management | 281 | 291 | 10 |
| 20 | Risk/Safety and Asset Management | 105 | 105 | 0 |
| 21 | System Security and Law Enforcement | 20 | 22 | 2 |
| 22 | Vendor/Contract Management | 178 | 180 | 2 |
| 23 | Non-Represented Total | 1,692 | 1,737 | 45 |

Total Represented FTEs decrease of 66 is mostly due to service level assumptions and SGR Project Phase; the increase of 13 FTEs is for the 10 FTEs in Communications for the new customer care centers at The Bloc and Willowbrook/Rosa Parks station and for 3 FTEs in Human Capital & Development for property maintenance at East Portal. A summary of the requested Represented FTEs is shown in the table below.

| | <i>Represented FTEs by Department</i> | FY19 Budget | FY20 Proposed | FTE Change |
|----|---------------------------------------|--------------|---------------|-------------|
| 24 | Communications | 185 | 195 | 10 |
| 25 | Human Capital & Development | 116 | 119 | 3 |
| 26 | Finance and Budget | 69 | 69 | 0 |
| 27 | Information Technology | 51 | 51 | 0 |
| 28 | Operations | 7,771 | 7,692 | (79) |
| 29 | Risk/Safety and Asset Management | 2 | 2 | 0 |
| 30 | System Security and Law Enforcement | 189 | 189 | 0 |
| 31 | Vendor/Contract Management | 165 | 165 | 0 |
| 32 | Represented Total | 8,548 | 8,482 | (66) |

Labor Expense Summary

The proposed budget also requests a 4% Non-Represented (merit based) salary increase in line with the pre-negotiated Collective Bargaining Agreements with the Represented Union groups. The labor cost increase reflects the rising wage inflation and living wage standard, while attempting to keep up with the labor market contraction. Health/welfare benefits for represented employees are based on Collective Bargaining Agreements. Non-represented medical/dental benefits reflect the carrier contract rates previously approved by the Board.

Metro Non-Represented Salary Paygrade Bands Alignment

As the broader market continues to gain real wage increases, Metro proposes to also shift Non-Represented salary paygrade bands upward by 2% to stay externally competitive. External market data collected shows a median 2% increase for the Greater Los Angeles Area as well as for Government and Broader Public Sector companies in 2019. Salary structure alignments to the external market have not been done since 2016 and is recommended in 2019.

The Non-Represented salary paygrade bands adjustment of 2% does not change the individual Non-Represented employee wage automatically. The individual pay increase is linked to performance and calculated independently based on merit.

Life of Project (LOP) Budgets

Capital projects with LOP budget increases greater than \$1 million, and any new projects with LOP budgets in excess of \$5 million must be approved by the Board as separate Board actions.

Attachment A includes a detailed listing of new capital projects for FY20 with LOP in excess of \$5 million. These projects are included in the proposed FY20 budget.

Reimbursement Resolution

Per Federal tax law, bond proceeds can only be used for capital expenditures incurred after the issuance of bonds. Metro must pass a resolution indicating the intent to issue bonds at a later date in order to reimburse expenditures incurred prior to the bond issuance. See Attachment B for anticipated expenditures in the budget related to proceeds from future bond issuance.

Public Outreach

The mobility needs of the county are vast, varied and unique for each individual resident. Soliciting meaningful input from the public and stakeholders is helpful in developing the budget. The comprehensive outreach program for FY20 included many opportunities to provide feedback using different methods, through online tools, by email and telephone, in addition to many in-person public meetings. These meetings include Metro Service Councils, Citizens Advisory Council (CAC), Technical Advisory Committee, Bus Operations Subcommittee, Local Transit Systems Subcommittee, Streets & Freeways Subcommittee, and Policy Advisory Committee (PAC). A summary of public outreach efforts and comments received is shown in Attachment C.

Budget public outreach discussion can be very broad at times and does not replace additional program-specific outreach venues that occur throughout Metro. Specific venues are designed to share and discuss key initiatives, solicit public participation, and allow our customers to have several opportunities to share their direct views with project managers. This valuable feedback helps influence and shape Metro programs and budgets.

FINANCIAL IMPACT

The proposed FY20 budget (provided in a separate transmittal) at \$7.2 billion is balanced and appropriates the resources necessary to fund them. The proposed budget demonstrates Metro's ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from the state and federal governments and to administer regional transportation funding to local cities and municipal operators.

NEXT STEPS

Upon Board authorization and adoption of the FY20 budget, Metro will make funds available for the planned transit and transportation programs outlined in this document and be programmed to fund regional transit/transportation partnering agencies, cities and recipients.

Monitoring the FY20 budget performance will be a year-round ongoing effort. As part of the performance management process, Metro will monitor progress throughout the year relative to the Agency goals using measurements such as budget variance, Key Performance Indicators (KPIs) target achievement, Project Milestone achievement and cost savings and new revenue generation through the risk allocation matrix (RAM). This reinforces Metro's commitment to strategic monitoring

of performance and the improvement of accountability. In addition, continuous improvements will be implemented to the process and regular updates will be reported to the Board.

ATTACHMENTS

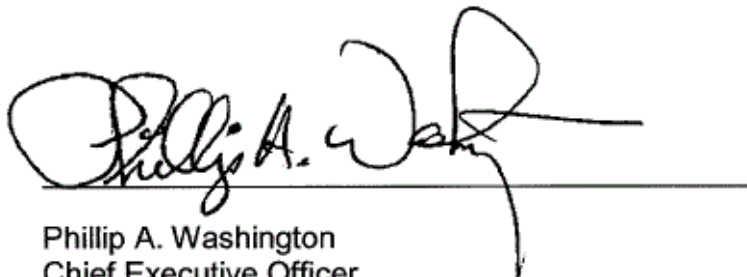
Attachment A - FY20 New Capital Projects

Attachment B - Reimbursement Resolution of Metro for FY20

Attachment C - FY20 Public Outreach

Prepared by: Office of Management & Budget Staff
Jang Bae, Senior Director, Finance, (213) 922-5570
Chris Gallanes, Executive Office, Finance (213) 922-4828
Melissa Wang, Senior Executive Officer, Finance, (213) 922-6024

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088
Phillip A. Washington, Chief Executive Officer, (213) 922-7555



Phillip A. Washington
Chief Executive Officer