

ATTACHMENT A

Economic Sector Model & Sales Tax Growth Trend Analysis

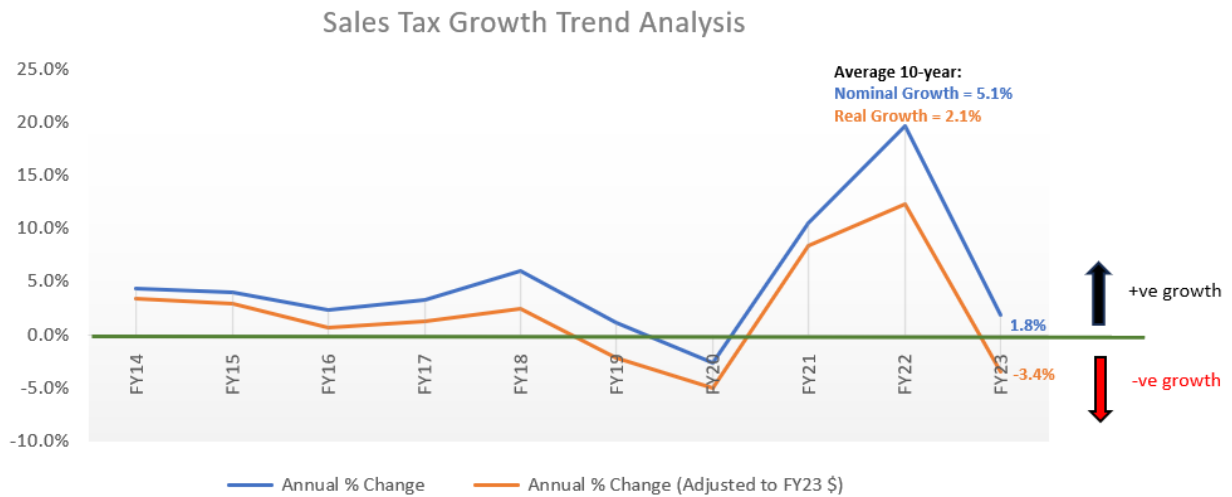
Economic Sector Model Categories

Metro's Economic Sector model categories and estimated percentages of local sales tax receipts in FY24 and FY25.

Economic Sector and Sub-Sector	Percentage of Sales Tax Revenues	
	FY24	FY25
General Retail	30.1%	29.9%
Apparel Stores	5.2%	5.2%
Department Stores	7.0%	6.9%
Furniture/Appliance Stores	3.3%	3.3%
Drug Stores	1.2%	1.2%
Recreational Product Stores	0.7%	0.7%
Florists/Nurseries	0.3%	0.3%
Online Sales and Miscellaneous Retail	12.3%	12.3%
Food Products	19.3%	19.5%
Restaurants	14.3%	14.5%
Food Markets	3.7%	3.7%
Liquor Stores	0.7%	0.7%
Food Processing Equipment	0.6%	0.6%
Transportation	20.3%	20.4%
Auto Parts/Repairs	2.4%	2.5%
Auto Sales - New	9.5%	9.6%
Auto Sales - Used	1.3%	1.3%
Service Stations	6.6%	6.5%
Miscellaneous Vehicle Sales	0.5%	0.5%
Construction	8.2%	8.2%
Building Materials - wholesale	4.8%	4.8%
Building Materials - retail	3.4%	3.4%
Business To Business	18.3%	18.3%
Office Equipment	2.7%	2.7%
Electronic Equipment	1.0%	1.0%
Business Services	1.5%	1.5%
Energy Sales	1.5%	1.5%
Chemical Products	0.8%	0.8%
Heavy Industry	3.2%	3.2%
Light Industry	4.0%	4.0%
Leasing	3.4%	3.4%
Biotechnology	0.1%	0.1%
I.T. Infrastructure	0.2%	0.2%
Green Energy	0.1%	0.1%
Miscellaneous	3.8%	3.8%
Health & Government	1.7%	1.8%
Miscellaneous Other	2.0%	2.0%

Sales Tax Growth Trend Analysis

As displayed in the table below, a significant amount of Metro's sales tax revenue growth in the past decade is primarily due to inflation rather than real economic growth. After adjusting for inflation, the ten-year average growth is reduced from 5.1% (nominal) to 2.1% (real). In FY23, for instance, the inflation-adjusted year-over-year growth is negative at -3.4% despite a nominal growth of 1.8%.



Attachment A: Metro Transit O&M - (Budget and Service Plan)

Metro Transit: Operations & Maintenance Program Budget

The FY25 Preliminary Budget for Metro Transit program for bus, rail and Metro Micro is \$2.65 billion, an increase of 11.4% or \$272.4 million over FY24 Budget. The budget includes funds to support delivery of 8.8 million RSH to operate these services.

Operations & Maintenance (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2	Rail	806.2	855.0	48.8	6.1%	32.2%
3	Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4	Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5	Cost per RSH					
6	Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7	Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8	Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

Metro Transit Bus Budget

Bus Operations & Maintenance (\$ in Millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Labor	\$ 973.0	\$ 1,062.1	\$ 89.0	9.1%	60.5%
2	Workers Compensation	76.9	85.2	8.4	10.9%	4.9%
3	Parts & Supplies	78.5	95.9	17.4	22.1%	5.5%
4	Fuel/CNG	44.4	49.6	5.2	11.8%	2.8%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	66.0	78.0	12.0	18.2%	4.4%
7	Homeless Outreach	7.8	7.8	(0.0)	-0.2%	0.4%
8	Transit Ambassadors	4.0	4.0	-	0.0%	0.2%
9	Other Contract/Pro Svcs	113.3	137.3	24.0	21.2%	7.8%
10	Contract / Professional Services Total	191.1	227.2	36.0	18.8%	12.9%
11	Purchased Transportation	72.0	74.2	2.3	3.2%	4.2%
12	Insurance	23.5	25.2	1.8	7.5%	1.4%
13	Taxes	6.2	7.4	1.2	20.0%	0.4%
14	Other Operating Expenses	38.7	44.3	5.7	14.7%	2.5%
15	Bus Total	\$ 1,504.2	\$ 1,671.2	\$ 166.9	11.1%	95.2%
16	FTA Cost Allocations	28.8	83.6	54.8	190.4%	4.8%
17	Grand Total	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	100.0%
18	Bus Cost per RSH	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes increased Operator staffing to run the service and additional staffing to support cleaning and other initiatives. This results in a total labor expenditure increase of 9.1%, or \$89.0 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Fuel Expenditures

The preliminary budget includes an additional \$8.4 million for Workers Compensation insurance, a 10.9% increase over FY24 Budget. There is a 22.1% increase in Parts and Supplies and an 11.8% surge in CNG fuel expenditures, attributed primarily to increases in preventive maintenance schedules and rising costs in the CNG fuel market due to inventory availability, transportation costs, and heightened service demands.

Contracts/Professional Service Expenditures

The preliminary budget designates \$227.2 million for Service Contracts to facilitate the delivery of 7.16 million RSH, alongside increased funding for security contracts amounting to \$78 million, the Transit Ambassador program, and Homeless Outreach efforts. This represents a notable increase of \$36 million or 18.8% over the FY24 Budget. Expenditures also include maintenance increases for bus divisions and facilities \$15.2 million, and cleaning \$112 million.

Other Operating Expenses includes utilities, \$18.7 million, Building & Grounds, \$6.6 million and Subsidies, \$5.8 million.

Metro Transit Rail Budget

In FY25, the Metro Rail program will undergo notable improvements in service frequency:

Light Rail:

- A Line (Long Beach – Azusa) & E Line (Santa Monica – East LA):
 - Full year of the improved frequencies (8-min peak /10-minute off peak / weekends) implemented in December 2023
- C Line (Norwalk – Redondo Beach) and K Line (Expo/Crenshaw – Westchester/Veterans):
 - Continue 10-minute daytime all week frequency implemented in December 2023 until end of 2024.
 - At the end of 2024, launch new operating plan C Line (Norwalk – LAX), K Line (Expo/Crenshaw – Redondo Beach) with improved weekday peak frequency of 8 minute.

Heavy Rail:

- B, D Lines (Union Station – North Hollywood & Wilshire/Western):
 - Implement 10-minute daytime all week frequency (increased from current 12- minute service implemented September 2023) as soon as new rail car fleet becomes available, expected end of 2024.

Additionally, there will be an increase in non-labor Expenditures for the two new stations along the K-Line: the new LAX/Metro Transit Center (AMC) and Aviation/Century Stations. Extra staff will be allocated to enhance cleanliness and safety measures as part of our Customer Experience initiatives. To fund these improvements, the estimated budget is \$855 million, representing a 6.1%, or \$48.8 million, increase over the FY24 Budget.

Rail Operations & Maintenance		FY24	FY25	\$	%	% of
(\$ in Millions)		Budget	Preliminary	Change	Change	Total
1	Labor	\$ 388.1	\$ 416.0	\$ 27.9	7.2%	48.7%
2	Workers Compensation	17.8	18.7	0.8	4.6%	2.2%
3	Parts & Supplies	30.7	22.6	(8.2)	-26.6%	2.6%
4	Propulsion Power	47.2	45.9	(1.3)	-2.9%	5.4%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	156.9	162.4	5.5	3.5%	19.0%
7	Homeless Outreach	17.4	17.4	(0.0)	-0.2%	2.0%
8	Transit Ambassadors	16.0	16.0	-	0.0%	1.9%
9	Other Contract/Pro Svcs	49.1	56.3	7.2	14.7%	6.6%
10	Contract / Professional Services Total	239.4	252.1	12.6	5.3%	29.5%
11	Insurance	10.8	12.8	2.0	18.8%	1.5%
12	Taxes	1.8	1.9	0.1	5.2%	0.2%
13	Other Operating Expenses	38.5	33.8	(4.7)	-12.2%	3.9%
14	Rail Total	\$ 774.4	\$ 803.7	\$ 29.3	3.8%	94.0%
15	FTA Cost Allocations	31.9	51.4	19.5	61.2%	6.0%
16	Grand Total	\$ 806.2	\$ 855.0	\$ 48.8	6.1%	100.0%
17	Rail Cost per RSH	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes additional custodial staffing deployment to extend the current car cleaning regiment. The Room-to-Work program will continue into FY25, providing part-time custodial cleaning positions to unhoused individuals to clean facilities and vehicles. Additional TSOs are included to enhance customer safety and security. Funds are also allocated to support additional staffing for preventive maintenance work efforts. The labor cost increase to support these services amounts to 7.2%, or \$27.9 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Propulsion Power Expenditures

To maintain the new and existing fleets in optimal working condition, funds are allocated in Parts and Supplies for cleaning, corrective, and preventive maintenance. This budget amounts to \$22.6 million, reflecting a decrease of 26.6%, or \$8.2 million, from the FY24 Budget. This is attributed to cost-saving measures. Propulsion power expenditures are also decreasing by \$1.3 million based on current burn rates. The preliminary budget

also includes an additional \$0.8 million for Workers Compensation insurance, a 4.6% increase over FY24 Budget.

Contracts/Professional Service Expenditures

The preliminary budget for Service Contracts is set at \$252.1 million, encompassing enhanced cleaning and safety improvements for heightened security measures, the Transit Ambassador program, and homeless outreach initiatives.

Other operating costs, totaling \$33.8 million, represent a \$4.7 million, or 12.2% decrease from the FY24 Budget. These costs include utilities \$13.6 million, as well as lease and rental expenditures \$7.8 million.

Metro Micro

Metro Micro is a multi-year pilot program crafted to boost ridership by providing a ride-hail option for customers when navigating lower density areas of the region, as envisioned by NextGen. Although the pilot program is extended until September 2024, the preliminary budget allocates \$41.9 million to facilitate a full-year extension of the pilot, supporting the delivery of 271.4 thousand RSH.

Metro Micro (\$ in Millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Labor	\$ 20.2	\$ 21.3	\$ 1.2	5.7%	51.0%
2 Contract / Professional Services	15.1	15.2	0.1	0.9%	36.3%
3 Other Operating Expenses	4.8	5.3	0.5	10.1%	12.7%
4 Metro Micro Total	\$ 40.1	\$ 41.9	\$ 1.8	4.4%	100.0%
5 Metro Micro \$/RSH	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up due to rounding.

Service Levels (Service Hours)

Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
1	Bus			
2	Local & Rapid	6,220,331	6,450,805	230,474
3	J Line (Silver)	122,429	126,200	3,771
4	G Line (Orange)	93,299	99,631	6,332
5	Purchased Transportation	471,431	481,076	9,645
6	Subtotal Bus	6,907,489	7,157,711	250,222
7	Rail			
8	A Line (Blue)	475,104	498,386	23,282
9	K Line (Crenshaw/LAX) / C Line (Green)	166,029	233,502	67,473
10	E Line (Expo)	289,788	294,848	5,060
11	B Line (Red) / D Line (Purple)	274,090	376,288	102,198
12	Subtotal Rail	1,205,011	1,403,023	198,012
13	Metro Micro	272,239	271,440	(799)
14	Total Revenue Service Hours	8,384,739	8,832,174	447,435

Pre - Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
15	K Line (Crenshaw/LAX)	1,925	8,629	6,704
16	Purple Line Extension (Phase 1)	7,665	32,019	24,354
17	A Line to Pomona Extension	-	49,252	49,252
18	Total Pre-Revenue Service Hours	9,590	89,900	80,310
19	Total Service Hours	8,394,329	8,922,074	527,745

Attachment A

Transit Infrastructure Development (TID) Projects

TID Projects in Construction Phase:

- *Airport Metro Connector*

The Airport Metro Connector is a station hub at Aviation Bl / 96th Street on the Crenshaw/LAX Transit line which will allow riders to transfer quickly from the Metro network to the LAX Automated People Mover. This station hub will include the light rail station, bus plaza, bicycle parking, customer service center, and passenger pick-up and drop-off area. FY25 preliminary budget of \$143.5 million supports construction activities and system integration.

- *D Line (Purple) Extension*

This project encompasses three sections of the D (Purple) Line subway extension, expanding westward from the current terminus at Wilshire / Western station, and collectively adding seven new stations. The FY25 preliminary budget of \$691.7 million supports the ongoing progress of tunneling, station box, and trackwork construction activities along the 9.1-mile extension, as well as system integration for Sections 1 and 2. The Revenue Service Dates for Sections 1, 2, and 3 are slated for 2025, 2025, and 2027, respectively. Additionally, the Division 20 Portal Widening project involves the construction of a new turnback facility to accommodate the headway requirements for the entire D Line.

- *East San Fernando Valley LRT*

The East San Fernando Valley LRT project spans a total of 9.2 miles with 14 stations, extending northward from the G Line Van Nuys station to the Sylmar/San Fernando Metrolink station. This project is divided into two segments, with the first interim operating segment (IOS) covering a 6.7-mile stretch from the G Line Van Nuys station to San Fernando Road in Pacoima. The most advanced design phase has been completed and will be further developed using the Progressive Design Build delivery method, for which the contract has been awarded. The preliminary budget of \$280.2 million supports right-of-way acquisition and construction activities.

- *G Line (Orange) BRT Improvements*

The G (Orange) Line BRT Improvements will provide better transit service in the San Fernando Valley area with grade separations on major streets, better signal priority

technology, electric bus connectivity and four-quad gating system for faster trips. The Metro Board has selected the Valley Transit Partners – a Joint Venture of Stacy and Witbeck, Inc., Flatiron West, and Modern Railway Systems as the contractor for this project. FY25 preliminary budget of \$105.9 million supports property acquisitions, early site work and potholing, and construction activities beginning 2024.

- *L Line (Gold) Foothill Extension*

The L (Gold) Line Foothill Extension will provide 12.3 miles of new rail to the east beyond the current end point of the L Line in Azusa, adding six stations. The preliminary budget of \$146.7 million supports improvements to Azusa Depot, retaining wall work, and heavy construction activities beyond Azusa. Design of the extension is substantially complete. A targeted Substantial Completion of the extension to Pomona is planned for 2025, and an extension to Montclair is planned by 2028.

- *North Hollywood to Pasadena BRT Connector*

Metro is planning Bus Rapid Transit (BRT) to connect the cities of Los Angeles (North Hollywood and Eagle Rock communities), Burbank, Glendale, and Pasadena. Environmental review was completed in 2022 and a budget of \$113.9 million will support final design and construction activities.

TID Projects in Planning Phase:

The Planning Studies FY25 preliminary budget of \$394.2 million supports conceptual engineering, environmental clearance, and right-of-way acquisition on MR and MM projects.

- *E Line Light Rail Transit Phase 2*

This project plans for an extension of the Metro L Line (Gold) east through the cities of Commerce, Montebello, Pico Rivera, Santa Fe Springs, and Whittier. The draft environmental impact report was released in June 2022 and work is proceeding on the final environmental impact report and conceptual engineering. The FY25 budget request is for \$44.8 million.

- *Sepulveda Transit Corridor*

The project aims to improve transit between the San Fernando Valley and the Westside. Currently in the environmental review phase, Metro is collaborating with private-sector design teams on high-quality transit alternatives. The FY25 budget of \$165.6M supports technical studies, including a Draft Environmental Impact Report (DEIR) expected in late 2024/early 2025, a Planning and Environmental Linkages (PEL) study engaging federal agencies early, and an Environmental Impact Statement (EIS) addressing transportation needs comprehensively.

- *Southeast Gateway Line*

The Southeast Gateway Line, a new light rail transit route linking southeast LA County to downtown Los Angeles, underwent a renaming campaign initiated by Metro in August 2023. This effort aimed to capture community input and align the project's name with the character, culture, and experiences of the communities it serves. As a result, the project has been officially renamed the Southeast Gateway Line. The FY25 budget of \$136.5 million supports essential planning activities, including EIS/EIR, right-of-way acquisition or relocation, community outreach, and more.

- *North San Fernando Valley BRT*

Metro is proposing to implement improvements to the bus network in the north San Fernando Valley to provide higher-quality services and transit infrastructure. These improvements reimagine the existing network to better serve customers and complement those in the NextGen Bus Plan occurring in other parts of Metro's network, but are planned to be funded using Measure M funds, as an alternative to a single-line BRT project following outreach and evaluation of alternatives. The project has filed a notice of exemption. The FY25 budget is divided into two parts: \$2.0 million allocated to TID program for support of preliminary engineering and stakeholder engagement, and an additional \$20.6 million designated to support NextGen bus improvements, which are included in other programs.

						Life of	Ordinance
Program	Project	Expenditure thru FY23	FY24 Budget	FY25 Preliminary	Project Budget	Start Date (Fiscal Year)	
1	Transit Construction						
2	A Line (Gold) Foothill Extension 2A & 2B	\$ 1,801.7	\$ 214.8	\$ 146.7	\$ 2,331.8	2010	
3	Airport Metro Connector	507.7	174.7	143.5	898.6	2010	
4	E Line (Expo) LRT	2,291.7	6.0	3.0	2,301.0	2010	
5	K Line (Crenshaw/LAX) Light Rail Transit ⁽¹⁾	2,688.7	342.9	21.2	2,739.5	2010	
6	D Line (Purple) Extension ⁽²⁾	6,265.0	1,059.3	691.7	10,030.8	2013	
7	East San Fernando Valley LRT ⁽³⁾	132.3	285.6	280.2	496.9	2013	
8	Regional Connector	1,737.9	18.8	37.7	1,829.1	2014	
9	G Line (Orange) BRT ⁽³⁾	61.8	74.5	105.9	149.7	2019	
10	North Hollywood to Pasadena BRT Connector	16.2	60.7	113.9	-	2020	
11	Rail & Bus Operations Control Center Upgrade	-	3.1	16.5	-	N/A	
Transit Construction Subtotal		\$ 15,503.0	\$ 2,240.3	\$ 1,560.3	\$ 20,777.2		
12	Transit Planning						
13	Eastside Access ⁽⁴⁾	\$ 39.3	\$ 5.3	\$ 0.6	\$ 29.7	2010	
14	Southeast Gateway Line	77.6	37.9	136.5	-	2015	
15	North San Fernando Valley BRT	8.0	3.3	2.0	-	2019	
16	Countywide BRT Planning	0.1	3.0	2.4	-	2020	
17	E Line Eastside LRT Phase 2	56.7	22.1	44.8	-	2022	
18	Sepulveda Corridor	130.9	71.2	165.6	-	2024	
19	Vermont Transit Corridor	5.3	6.4	20.1	-	2024	
20	C Line Extension to Torrance	30.1	43.8	57.7	-	2026	
21	K Line Northern	26.4	18.6	8.2	-	2041	
22	SGV Feasibility Study	2.9	1.9	1.0	-	N/A	
Transit Planning Subtotal		\$ 377.3	\$ 213.5	\$ 439.0	\$ 29.7		
23	Program Support/Admin						
		-	19.7	22.5	-		
24	Grand Total	\$ 15,880.3	\$ 2,473.5	\$ 2,021.7	\$ 20,806.9		
North San Fernando Valley BRT Improvements ⁽⁵⁾		-	17.5	20.6	-		

Notes: Totals may not add due to rounding

(1) K Line expenditure through FY23 reflects dispute settlement, while budget resides in FY24 .

(2) D Line (Purple) Extension includes all three sections, Division 20 Portal Widening & other supporting projects.

(3) LOP budget for East San Fernando LRT & G (Orange) Line BRT is for pre-construction phase only.

(4) LOP budget of \$29.7M is for Eastside Access Phase 3 only; other numbers include all three phases.

(5) Components of the NSFV are reflected in Highway Multimodal Development & Capital Improvement Programs.

ATTACHMENT B

FY25 Proposed Budget - Public Engagement and Outreach Forums

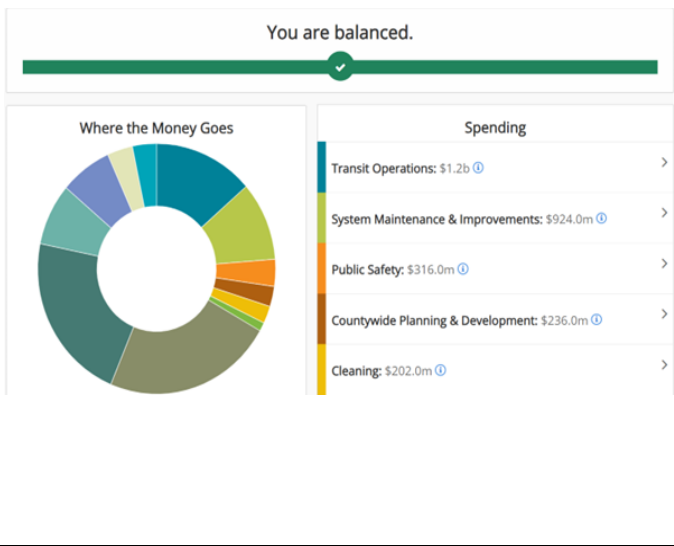
- Public Outreach and Stakeholder Engagement Efforts - Below are preliminary statistics comparing FY24 to FY25 budget outreach efforts. The statistics illustrate the increase in public participation from last year from the My Metro Budget Activity, Budget Outreach Stakeholder Meetings, and the Telephone Town Halls.

My Metro Budget Activity			
Preliminary Data: December 2023 – Jan 25, 2024			
Statistics	FY24	FY25	Change
Respondents	1,200+	2,800+	1,600+
Comments	2,200+	2,300+	100+
Average time spent	18.25 min	20.6 min	2.35 min +
Budget Outreach Stakeholder Meetings			
Meetings	17	27	10+
Telephone Town Hall			
Statistic	Mar 2023	Oct 2023	Change
Max listeners on call	500+	3600+	2100+

- Regional Service Councils FY25 Budget Briefings - Metro’s five Service Councils are located throughout the County to allow residents more opportunities for input on service issues in their communities. Budget Briefings for all five Service Councils will be scheduled in February and April 2024, which serve to inform service council members, as well as provide a platform to solicit feedback from the public about their transit needs.
- Social Media Campaign - Staff will be using Metro's social media outlets to inform the public about the FY25 Proposed Budget and how they can provide feedback on the proposed budget. Metro will be utilizing Instagram posts/stories, organic and paid Facebook posts/ads with videos, Next Door announcements and X (formerly Twitter) posts.

My Metro Budget Activity

The "My Metro Budget" activity (<https://mybudget.metro.net/>) is an educational platform to receive valuable feedback from the public. Users can click on a plus or minus button to add or subtract funds from budget items to reallocate to services that align with their priorities. The tool launched in December 2023 through Metro's Community Relations Newsletter and marketing e-blasts. Participation this year has already exceeded last year's.



Marketing cards



The distribution of physical marketing cards with quick-response (QR) codes via Metro station staff continues. Furthermore, OMB is collaborating with Metro groups such as the Women & Girls Governing Council (WGCC), Metro Youth Council (MYC), Low Income Fare is Easy (LIFE) Program, On the Move Riders Program, GoPass participants, and other groups within Metro to expand involvement this year. Introductory information presentations and a live demo have been delivered to these groups to help them better understand the activity and how they can help. The QR codes have been instrumental in reaching EFCs and currently My Metro Budget responses for FY25 are 38% EFC. Additionally, OMB is working with TAP to distribute My Metro Budget via an over 250,000-person email list and with the physical marketing cards with QR codes via the TAP vendor network. Paid and organic social media posts through the Meta platform (Instagram and Facebook) are being used to reach specific demographics with an engaging marketing video. The responses and feedback from all groups will offer valuable perspectives to the departments on the optimal structuring of Metro's FY25 Budget.

Email

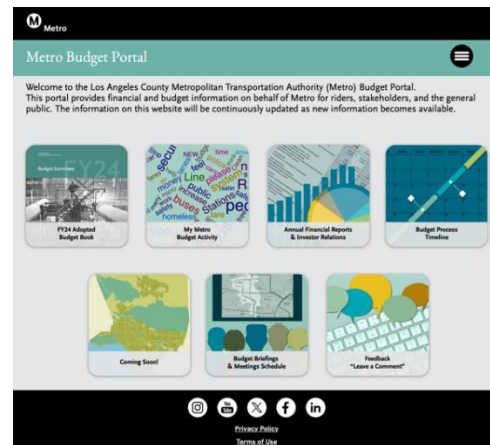


budgetcomments@metro.net

budgetcomments@metro.net has been established to allow the public an opportunity to comment outside of a public setting.

- Telephone Town Hall (TTH) Meetings - CEO Stephanie Wiggins, Second Vice Chair and Mayor Fernando Dutra, Director Kathryn Barger, and Senior Leadership Team (SLT) members participated in the Telephone Town Hall meeting on October 19, 2023 which had over 3,600 listeners on the call at one point in time. This is nearly seven times the max number of listeners than the previous March 2023 Telephone Town Hall. Metro dialed out to over 100,000 residents of LA County and engaged customers with a new and enhanced web page for registration that goes live on the budget portal when the promotion for the event begins. An additional Telephone Town Hall is scheduled for April 2024. A pre-registration form will be sent prior to the event to engage customers early and allow for the submission of questions. Continuous marketing efforts via social media and eblasts are scheduled to be promoted closer to the event. Metro riders, stakeholders, and the public will be encouraged to voice their opinions regarding the FY25 Budget.

- Finance and Budget Portal - The redesigned Budget portal can be accessed through www.budget.metro.net and provides regular updates on the budget process, budget details as they become available each month, and offers an opportunity for the public to provide their comments. The website will include information on schedules of stakeholder meetings and forums for the public to fully engage in the budget process.



- Internal and External Stakeholder Meetings - Stakeholders range from jurisdictions and other public agencies that receive funding from Metro to community groups and other organizations throughout Los Angeles County that promote and/or rely on Metro services. Meetings and forums will be scheduled in February through May 2024. These meetings include and are not limited to a Public Hearing, Metro Regional Service Councils, Council of Governments (COGS), Citizens Advisory Councils (CAC), Policy Advisory Committee (PAC), Technical Advisory Committee (TAC), Bus Operators Subcommittee, (BOS), Local Transit Systems Subcommittee (LTSS), Streets and Freeways Subcommittee, Aging, Disability and Transportation Network (ADTN), Accessible Advisory Committee (AAC), Valley Industry Commerce Association (VICA) and other community group meeting as requested.
- Public Hearing - A public hearing on the FY25 Proposed Budget will be held on May 15, 2024 and the public is encouraged to participate and provide their

comments on the proposed budget to the Board. Notices of the public hearing will follow the most up-to-date statutory requirements (multiple languages, published in multiple newspapers), continuous marketing efforts (social media and eblasts), internal and external stakeholder meetings, etc.

Attachment B

Highway Multimodal Development

The Highway Multimodal Development Program continues to evolve, as legacy expansion projects move towards completion or undergo rescoping with robust community participation, new ExpressLanes advance through the design and implementation phase, and multimodal components are integrated into freeway and street projects.

The Highway Multimodal Development Program differs from the Transit Construction Program in that completed projects represent non-Metro owned capital assets despite similarities in delivery and construction phases. For most Highway projects, Metro oversees the planning and early engineering phases, then transitions the project to Caltrans to execute right-of-way acquisitions and construction. Upon completion, Highway projects are capitalized as a Caltrans asset with Caltrans assuming primary responsibility for operations and maintenance.

The FY25 preliminary Highway Multimodal Development budget of \$602.9 million represents a \$0.7 million or 0.1% increase over the FY24 Budget. This essentially flat year-over-year level of funding support features substantial budget increases for bus-only lane implementation, enhancements to bus stop shelters throughout LA County, as well as funds to support I-105 ExpressLanes project construction phase. Ongoing support for the SR-57/SR-60 confluence project construction is partially offset by decreases in funding support for the I-5 North (North County) as that project advances towards completion, as well as decreases driven by re-forecasting across multiple projects based on historical spend rates.

Highway Multimodal Development					
Project (\$ in millions)	Exp thru FY23	FY24 Budget	FY25 Preliminary	Subregion	
1 MR/MM Projects					
2 Countywide Soundwall Constructions	\$ 136.8	\$ 22.7	\$ 29.1	sc	
3 High Desert Corridor (environmental)	37.2	0.1	-	nc	
4 Highway Demand Based Program (SG)	-	0.1	0.1	sg	
5 Highway Efficiency Program	11.9	6.2	1.6	av, lvm, nc	
6 Highway Operational Improvements in Arroyo Verdugo Subregion	59.1	7.5	5.0	av	
7 Highway Operational Improvements in Las Virgenes/Malibu Subregion	129.7	3.0	2.1	lvm	
8 I-105 ExpressLane from I-405 to I-605	47.6	81.1	128.6	sc	
9 Sepulveda Pass Transit Corridor (Ph 1 - I-405 ExpressLane)	15.4	9.0	7.6	sf	
10 Interstate 405, I-110, I-105 and SR-91 Ramp & Interchange Improvements (South)	193.8	53.5	30.6	sb	
11 I-5 Capacity Enhancement from SR-134 to SR-170	197.2	12.5	4.4	av, sf	
12 I-5 Carmenita Road Interchange Improvement	23.5	0.6	-	gc	
13 Interstate 5 Capacity Enhancement from I-605 to Orange County Line	138.2	20.1	12.0	gc	
14 Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truc)	199.1	105.2	52.5	nc	
15 Interstate 5/St. Route 14 Capacity Enhancement (North County)	2.8	3.5	1.0	nc	
16 Interstate 605 corridor "Hot Spot" Interchanges (Gateway Cities)	213.0	89.5	109.4	gc	
17 Interstate 710 South and/or Early Action Projects (Gateway Cities)	180.1	23.7	38.4	gc	
18 South Bay Highway Operational Improvements	0.4	10.0	0.5	sb	
19 SR-57/SR-60 Interchange Improvements	111.5	66.2	87.5	sg	
20 SR-71 Gap from I-10 to Rio Rancho Road (Southern Segment)	50.1	25.0	20.0	sg	
21 *SR-71 Gap from I-10 to Rio Rancho Road (Northern Segment)	-	-	10.0	sg	
22 SR-710 N Corridor Mobility Improvements	3.1	12.7	4.8	av, cc, sg	
23 State Route 138 Capacity Enhancements (North County)	72.8	10.0	5.0	nc	
24 SR-14 Safety Improvements	0.0	-	4.0	nc	
25 Transportation System and Mobility Improvement Program (South Bay)	37.8	19.5	5.5	sb	
26 MR/MM Projects Total	\$ 1,861.2	\$ 581.7	\$ 559.7		
27 Other					
28 Caltrans Property Maintenance	\$ 11.1	\$ 1.2	\$ 1.3		
29 Highway Planning	155.3	4.5	3.1		
30 I-210 Barrier Replacement	15.0	2.2	1.7		
31 I-405 Carpool Lane	1,456.7	0.5	0.5		
32 NextGen Bus Lanes	7.5	12.2	36.6		
33 Total Highway Multimodal Development	\$ 3,506.8	\$ 602.3	\$ 603.0		

* new project number for SR-71 northern segment will be approved following budget approval

Subregion Key
AV = Arroyo Verdugo
CC = Central City
GC = Gateway Cities
LVM = Las Virgenes-Malibu
NC = North County
SB = South Bay
SC = System Connectivity
SF = San Fernando

Attachment B: Station Experience and Cleaning Initiatives

The FY25 Preliminary Budget includes \$255.4 million for comprehensive cleaning and Station Experience initiatives, reflecting a 14.4% increase or \$32.2 million over FY24.

(\$ in Millions) Area	FY24 FTE	FY25 FTE	Change	% Change	FY24 Budget	FY25 Preliminary	Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%
Facilities	108	108	0	0.0%	30.5	29.9	(0.5)	-1.7%
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%
Stops	23	23	0	0.0%	4.3	4.3	0.03	0.8%
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%
Cleaning & Station Experience Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%

Note: Totals may not add up due to rounding.

Bus Cleaning

The FY25 Proposed Budget outlines a comprehensive plan for daily bus cleaning across four terminals, operating seven days a week. The terminals slated for cleaning include Terminal 17 (Maple Lot), Terminal 19 (El Monte), Terminal 26 (Washington/Fairfax), and Terminal 28 (18th St).

End of Line Rail Car Cleaning

The current coverage, a single shift over 5 days, will be expanded to include 7-day coverage at 9 terminuses. This expansion ensures thorough cleaning of rail cars during revenue service and at rail yards. Advanced deep-cleaning protocols will be used to elevate cleaning standards.

Transit Centers and Rail Station Cleaning

This expansion is aimed at optimizing maintenance campaigns and promptly addressing issues. An initiative seeking to enrich the overall customer experience by fostering a pleasant and secure environment for passengers while ensuring streamlined operations, Metro will also proceed with Phase 3 of the Hot Spot cleaning initiative, which involves deploying extra custodial staff alongside supervisors to 17 stations. The stations slated for this enhancement include Compton, Downtown Long Beach, Firestone, Slauson, Norwalk, Harbor Freeway, Sierra Madre Villa, Lake, Soto, Allen, Mariachi, Downtown Santa Monica, Harbor Gateway Transit Center (J/Silver Line), PCH (J/Silver Line), 37th St/USC (J/Silver Line), Terminal 19 (El Monte Transit Center), and Terminal 27 (LAX Transit Center).

Facilities Cleaning

One of the customers' first perceptions of the Metro system is the condition of its facilities. They must be kept clean and well maintained. Metro's facilities maintenance team and contractors perform a varied range of essential tasks, including graffiti control and abatement, pest, and bird control, weed control, power sweeping, and trash and vegetation removal. To ensure alignment with Agency goals and objectives, these

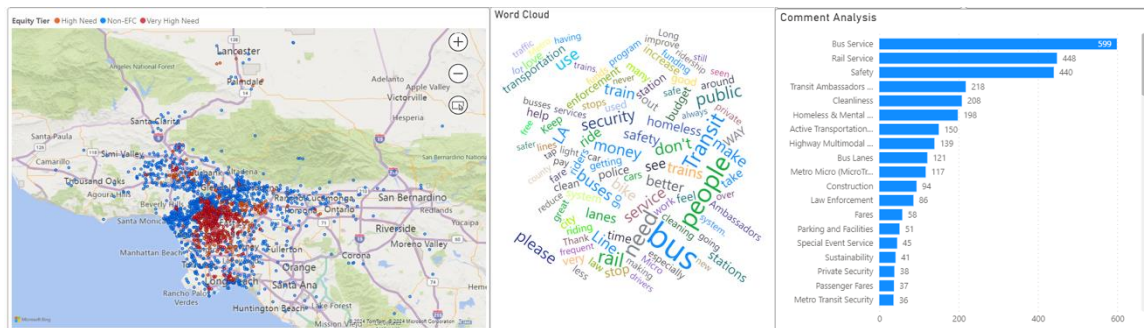
efforts are continually assessed to determine the benefits of performing them in-house (insource) or outsource to outside contractors. This decision is based on various qualitative and quantitative factors using decision support tools that ascertain the most efficient and optimal use of resources. It contributes adherence to expenditure affordability thresholds. A majority of these factors are listed in more detail below.

Qualitative Factors:	Quantitative Factors:
<ul style="list-style-type: none">• Alignment with Agency goals and objectives• Capacity and skill sets required to perform the service in-house• Frequency of service performed• Benefits of being able to control quality of work• Labor, supply chain, and other market/economic conditions• Equipment resource constraints• Contract termination considerations• Ability to create outsource to insource transition plans	<ul style="list-style-type: none">• Direct labor fixed and variable hourly rate and overhead rate impact• Management and supervisory expenditure assessment• Recruitment, and training costs for Metro staff• Capital outlays (e.g. equipment) necessary to support the activity• Contract termination/cancellation fees• Procurement expenditures for outsourced contract• DEOD compliance

Attachment C

My Metro Budget activity

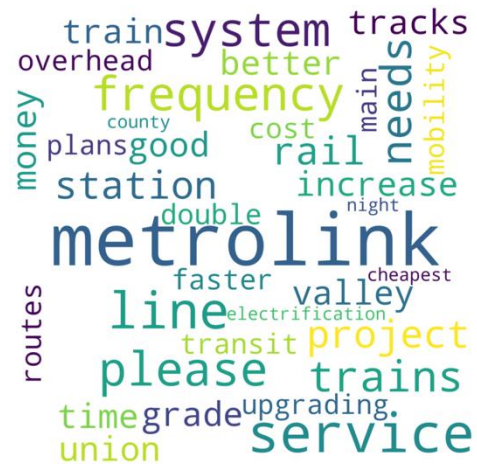
There is still time remaining to participate and leave feedback with the My Metro Budget activity. Similar to last year, Metro is committed to incorporating these valuable budget responses and comments into the formulation of the FY25 Budget. To facilitate a comprehensive review and evaluation process, OMB staff have developed an interactive dashboard. This tool enables filtering of comments based on cabinet, region, and demographics, in addition to word clouds that highlight popular themes for distinct groups and sectors. The dashboard also includes detailed demographic and geographic information to pinpoint the origins and equity needs of respondents behind the comments.



My Metro Budget Activity Comments

Comments – Regional Rail

This is a word cloud for comments related to Regional Rail. Our recent feedback analysis revealed three prominent themes emerging from customer comments: increasing service frequency, improving Union Station frequency, and expanding track improvement projects.



Increasing Service Frequency: A substantial number of customers expressed their need for more frequent train services during peak hours to accommodate daily commutes and travel plans effectively.









Improving Union Station Frequency: Numerous comments highlighted the need to enhance train frequencies at Union Station to address congestion and delays during peak hours.

Expanding Track Improvement Projects: Customer feedback emphasized the importance of investing in track improvement projects to address issues such as maintenance requirements, aging infrastructure, and congestion.



Metro

Public Outreach & Stakeholder Engagement Calendar

October 2023	November 2023	December 2023	January 2024
<ul style="list-style-type: none"> > CEO's Telephone Town Hall > Over 3,600 participants 	<ul style="list-style-type: none"> > Launch My Metro Budget Activity Available in 9 language 	<ul style="list-style-type: none"> > Community group engagement – My Metro Budget Physical Marketing Cards to: <ul style="list-style-type: none"> * Metro Station Staff * Metro Micro * GoPass * LIFE * On The Move Riders Program * Metro Youth Council * Women & Girls Governing Council * TAP Vendors 	<ul style="list-style-type: none"> > Social Media Launch of My Metro Budget Activity > Outreach to Equity Focus Communities, and Metro Groups 
<ul style="list-style-type: none"> > Regional Service Councils – Briefings in all Regions + San Gabriel Valley + San Fernando + South Bay Cities + Westside Cities + Gateway Cities > Accessibility Advisory Committee > Metro Youth Council 	<ul style="list-style-type: none"> > Community Advisory Committee 	<ul style="list-style-type: none"> > CEO's Telephone Town Hall > San Gabriel Valley COG > Bus Operators Subcommittee > Streets & Freeways > Community Advisory Council > Gateway Cities COG > Telephone Town Hall + Westside Cities COG 	<ul style="list-style-type: none"> > Regional Service Councils, Briefing > Technical Advisory Committee > Valley Industry & Commerce Association > Local Transit Systems Subcommittee > Accessibility Advisory Committee > San Gabriel Valley COG > Budget Public Hearing 

WE ARE HERE

> Note: Updated as additional meetings are scheduled.
 > Ongoing Public Participation



Attachment C: Metro Transit Capital Improvement Projects Details

Metro Transit : Capital Improvement Program (CIP)

To provide world class bus and rail service is to keep assets and infrastructure in a state of good repair through CIP program. Projects within the CIP focus on keeping the system assets safe and reliable to ensure Board approved service levels are delivered. CIP program is designed to replace assets that have met or exceeded their useful life, or to propose additions for service expansion and enhancement.

Capital Category (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 70.1	\$ 48.3	\$ (21.8)	-31.1%	9.1%
2 Fleet Maintenance	44.1	48.6	4.5	10.1%	9.2%
3 Facilities Improvements	21.0	44.8	23.8	113.0%	8.4%
4 Bus Subtotal	\$ 135.2	\$ 141.7	\$ 6.4	4.8%	26.7%
5 Fleet Procurement	\$ 32.8	\$ 59.8	\$ 27.1	82.5%	11.3%
6 Fleet Maintenance	136.2	94.0	(42.2)	-31.0%	17.7%
7 Facilities Improvements	8.7	8.8	0.0	0.5%	1.7%
8 Wayside Systems	52.3	63.2	10.9	20.8%	11.9%
9 Rail Subtotal	\$ 230.0	\$ 225.7	\$ (4.2)	-1.8%	42.5%
10 Regional and Hubs	\$ 34.0	\$ 42.3	\$ 8.3	24.3%	8.0%
11 Technology	66.0	72.1	6.1	9.2%	13.6%
12 Non MR/MM Major Construction	61.5	39.9	(21.6)	-35.1%	7.5%
13 Non-Revenue Vehicles	12.7	9.0	(3.7)	-29.3%	1.7%
14 Other Asset Improvements Subtotal	\$ 174.2	\$ 163.2	\$ (10.9)	-6.3%	30.8%
15 Total Proposed CIP Budget	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%

Bus Program

Fleet Procurement, Fleet Maintenance, and Facilities Improvements make up \$141.7 million, 26.7% of the total CIP budget.

Bus – Fleet Procurement

Metro is continuing its pursuit of a truly sustainable bus fleet. The Board has adopted a goal of converting Metro's entire fleet of buses from Compressed Natural Gas (CNG) to Zero Emission electric Buses (ZEB). This is an ambitious goal considering Metro has the second largest bus fleet in the United States, and places high mileage and vehicle performance demand on its 2,300 buses.

Electric and ZEB technology is still in the development stage. Metro will partner with electric bus manufacturers to test, develop, and improve electric bus technology to the point of full technological maturity. The FY25 Budget represents a step towards realizing this goal. Approximately \$48.3 million, 9.1% of the CIP budget is allocated for these efforts. Although this is a decrease from the FY24 Budget, it reflects the availability of vehicles and the early stage of charging infrastructure development.

Metro anticipates completed deliveries of 100 forty-foot BEB buses and finalizing payment for prior procurements of 40' and 60' ZEB and CNG buses. Metro is investing approximately \$27.0 million into BEB charging infrastructure from the Fleet Procurement category and the Facilities Improvements category. Placement of new electric charging equipment and infrastructure will occur at stations on the J Line (Silver) alignment, as well as operating divisions.

Bus - Fleet Maintenance

Bus fleet maintenance projects represent \$48.6 million, 9.2% of the CIP budget. Bus maintenance projects include bus midlife refurbishment and integrated engine replacement. Midlife refurbishment ensures that our buses are operational for their designated useful life, which includes structural integrity checks and change-out of critical system components. The refurbishment program also consists of installation of live view security monitors, fare box upgrades, and upgraded ADA wheelchair securement equipment. All buses scheduled for midlife refurbishment are based on bus age, revenue service miles, and reliability measurements of each bus series.

Bus - Facilities Improvements

Bus facilities improvements make up \$44.8 million, 8.4% of the CIP budget. These projects include electric charging infrastructure, development of master plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade and maintain facilities. Upgrades include regulatory compliance mandates, such as replacement of underground fuel storage tanks, roofs, building ventilation, upgrade of fire alarm systems, and bus division pavement replacement. This is an increase of \$23.8 million from last year, almost entirely related to electric charging infrastructure placement.

Rail Program

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$225.7 million, 42.6% of the CIP budget.

Rail - Fleet Procurement

Light and heavy rail vehicle procurement is allocated \$59.8 million, 11.3% of the CIP budget. It is dedicated to vehicle deliveries for both rail expansion and existing vehicle replacement. Light Rail Vehicle (LRV) deliveries are in the final stage of production and delivery. Staff will focus on closing out production. A new Heavy Rail Vehicle (HRV) procurement was initiated this year that includes the purchase of 64 vehicles with delivery by mid-2025, 30 for replacement of A650 vehicles and 34 for the Purple Line Extension (PLE), Section 1. Of the 64 vehicles, 6 are anticipated to be delivered in FY24. This is a major milestone in the process of replacing the original B (Red) Line cars that began service in 1992. These new vehicles will replace the existing vehicles and will have many amenities that will enhance the transit customer experience. The intent is to procure an additional 182 vehicles for PLE Sections 2 & 3, system service expansion, and replacement of the existing 74 A650 vehicles.

Rail - Fleet Maintenance

Rail Vehicle Maintenance projects are allocated \$94.0 million, 17.7% of the CIP budget. This is a decrease of 31.0% from \$136.2 million last year predominantly due to the P2550 mid-life project nearing its completion. Vehicle subsystem overhaul will include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems,

The heavy rail vehicle midlife modernization consists of the change out of critical system components to extend the vehicle useful life on B Line (Red) vehicles. Vehicles scheduled for midlife will be sent offsite and be brought back for testing, inspection, and final acceptance to improve operational reliability.

Rail - Facilities Improvements

Rail facilities improvements projects make up \$8.8 million, 1.7% of the CIP budget. Projects are slated to maintain existing rail facilities with mandated regulatory upgrades such as station/facility fire control panel installation, platform gate replacement, various lighting retrofits, roof replacements, ventilation, HVAC system repairs, pavement replacement, elevator modernization, and art projects.

Rail - Wayside Systems

Wayside system improvements make up \$63.2 million, 11.9% of the CIP budget. Projects include the on-going replacement of the Supervisory Control and Data Acquisition (SCADA) system, as well as track system replacement, Overhead Catenary System (OCS) inspection/refurbishment, train control track circuits, tunnel corrosion mitigation, replacement of old wood track ties with composite ties, and replacement of mainline fasteners and many other maintenance projects.

Other Asset Improvements

Other Asset Improvements total \$163.2 million, 30.7% of the CIP budget. These projects are slated for regional construction improvements, replacement of maintenance vehicles/equipment, and technology upgrades. Metro will be making significant investments in track and tunnel intrusion technology, enhanced CCTV systems, and improvements to signage and wayside throughout the system, along with projects to enhance the station experience. It will also include Traction Power Substation (TPSS) improvements for operational support, and technology upgrades for agency IT infrastructure and customer support systems. A significant technology project is continuing efforts with development and integration of the Enterprise Asset Management System (EAMS). Significant investments will also be made in Transit Signal Priority (TSP) and Bus Mobile Validators (BMV) for all door boarding, as a part of NextGen. There will also be the TAP Salesforce User Interface improvements. Rail to Rail project work is nearing completion. Its FY25 Budget has led to the overall decrease in Non-MR/MM Major Construction Expenditures.

Attachment D: Total Bus Investments

Total Bus Investment in FY25 Preliminary Budget

Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY25 Budget includes \$2.2 billion in bus investments as shown in the table below.

	Bus Investments (\$ in thousands)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 598,941.1	\$ 663,983.8	\$ 65,042.7	10.9%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, & Fuel	426,720.9	528,803.6	102,082.7	23.9%	
4	Cleanliness	107,918.4	112,048.5	4,130.2	3.8%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 95,269.5	\$ 112,812.8	\$ 17,543.3	18.4%	
7	Transit Ambassador Program	4,000.0	4,000.0	-	0.0%	
8	Homeless Outreach	7,827.7	7,808.2	(19.6)	-0.2%	
9	Public Safety Subtotal	\$ 107,097.2	\$ 124,621.0	\$ 17,523.7	16.4%	
10	Other Operating and Support					
11	Workers Compensation	\$ 76,870.9	\$ 85,232.3	\$ 8,361.4	10.9%	
12	PLPD	33,145.5	44,661.3	11,515.9	34.7%	
13	Customer Care Call Center	52,096.1	62,520.8	10,424.7	20.0%	
14	Supply Chain, Warehouse & Inventory Management	58,265.9	58,678.0	412.1	0.7%	
16	Purchased Transportation	71,966.7	74,245.3	2,278.6	3.2%	
15	Other Operating and Support Subtotal	\$ 292,345.0	\$ 325,337.7	\$ 32,992.6	11.3%	
17	Operations & Maintenance Subtotal	\$ 1,533,022.7	\$ 1,754,794.6	\$ 221,772.0	14.5%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 9,280.9	\$ 1,660.4	\$ (7,620.5)	-82.1%	\$ 18,100.0
21	Camera Bus Lane Enforcement	\$ 2,085.0	\$ 2,500.0	\$ 415.0	19.9%	\$ 11,000.0
20	Transit Signal Priority	\$ 10,242.4	\$ 3,538.5	\$ (6,703.9)	-65.5%	\$ 25,620.0
22	NextGen Bus Priority Lanes	\$ 5,590.0	\$ 4,758.6	\$ (831.4)	-14.9%	\$ -
23	NextGen Curb Improvements	\$ 2,000.0	\$ 8,100.4	\$ 6,100.4	305.0%	\$ -
24	NextGen Bus Stops and Shelters	10,400.0	16,372.1	5,972.1	57.4%	-
25	Bus Termini and Layover Improvement	-	3,000.0	3,000.0	100.0%	-
26	NextGen Bus Speed and Reliability	9,994.5	4,666.7	(5,327.8)	-53.3%	-
27	NextGen Subtotal	\$ 49,592.7	\$ 44,596.8	\$ (4,996.0)	-10.1%	\$ 54,720.0

Table Continues on next page.

Bus Investments (Continued) (\$ in thousands)		FY24	FY25	\$	%	Life Of Project
		Budget	Preliminary	Change	Change	
28	Bus Fleet Procurement					
29	40' Battery Electric Zero Emission Buses	\$ 56,487.8	\$ 41,758.9	\$ (14,728.9)	-26.1%	\$ 163,534.0
30	40' Compressed Natural Gas Buses	4,752.3	691.6	(4,060.7)	-85.4%	420,913.3
31	60' Battery Electric Zero Emission Buses	4,625.1	2,067.3	(2,557.8)	-55.3%	80,003.3
32	60' Battery Electric Zero Emission Buses - Grant Funded	2,683.3	679.3	(2,004.0)	-74.7%	5,109.5
33	60' Compressed Natural Gas Buses	1,519.5	435.4	(1,084.1)	-71.3%	149,311.4
34	40' Battery Electric Zero Emission Buses & En-Route Charging Infrastructure	-	1,500.0	1,500.0	100.0%	-
35	Battery Electric Buses & Chargers	-	1,142.0	1,142.0	100.0%	-
36	Bus Fleet Procurement Subtotal	\$ 70,068.0	\$ 48,274.4	\$ (21,793.6)	-31.1%	\$ 818,871.6
37	Bus Facilities Improvements					
38	Bus Division Improvements IV	\$ 4,109.9	\$ 4,590.3	\$ 480.4	11.7%	\$ 28,000.0
39	Division 1 Street Closure	4,623.4	1,892.2	(2,731.2)	-59.1%	9,500.0
40	Metro G Line (Orange) Reclaimed Water Project	-	92.2	92.2	100.0%	655.4
41	Electric Bus Charging Infrastructure J (Silver) Line	8,569.8	17,135.8	8,566.0	100.0%	50,000.0
42	Division 8 Charging Infrastructure	-	8,000.0	8,000.0	100.0%	65,131.1
43	Resilience Charging System	-	5,000.4	5,000.4	100.0%	22,447.9
44	Division Zero Emission Bus Infrastructure Transition	-	2,000.0	2,000.0	100.0%	-
45	Environmental Compliance Capital Project (FY23-FY27)	2,996.6	4,907.7	1,911.1	63.8%	35,000.0
46	Fire Alarm Panel Replacement Throughout Metro Facilities	734.7	1,174.4	439.7	59.8%	3,474.0
47	Bus Facilities Improvements Subtotal	\$ 21,034.4	\$ 44,792.9	\$ 23,758.5	113.0%	\$ 175,734.3
48	Bus Fleet Maintenance					
49	Bus Engine Replacements	\$ 2,660.8	\$ 3,206.0	\$ 545.3	20.5%	\$ 13,518.0
50	New Flyer/EI Dorado Bus Midlife	40,482.5	43,388.5	2,906.0	7.2%	205,000.0
51	Bus Maintenance Equipment Acquisition	1,000.0	1,000.0	-	0.0%	3,900.0
52	Collision Avoidance Demo	-	1,028.0	1,028.0	100.0%	-
53	Bus Fleet Maintenance Subtotal	\$ 44,143.2	\$ 48,622.6	\$ 4,479.3	10.1%	\$ 218,518.0
54	Regional & Hubs					
55	Passenger Screen-Facility Hardening	\$ 1,400.0	\$ 78.5	\$ (1,321.5)	-94.4%	\$ 3,448.8
56	Validators For Muni Buses	500.0	2,922.1	2,422.1	484.4%	4,912.0
57	Patsaouras Bus Plaza Station Improvements	38.6	15.0	(23.6)	-61.2%	50,913.0
58	Bus Division Improvements V	-	2,818.0	2,818.0	100.0%	-
59	Adopt - a - Stop	150.0	150.0	-	0.0%	-
60	Bus Stop Lighting	1,000.0	340.0	(660.0)	-66.0%	-
61	Regional & Hubs Subtotal	\$ 3,088.6	\$ 6,323.7	\$ 3,235.0	104.7%	\$ 59,273.8
62	Technology					
63	Advanced Transportation Management System II (ATMS) Replacement	797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
64	Technology Subtotal	\$ 797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
65	Non MR/MM Major Construction					
66	Rosa Parks/Willowbrook Station	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
67	Non MR/MM Major Construction Subtotal	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
68	Bus Capital Improvements Subtotal	\$ 140,393.3	\$ 159,559.6	\$ 19,166.3	13.7%	\$1,517,746.1
69	Transit Construction					
70	G Line (Orange) Bus Rapid Transit (BRT) Improvements	\$ 74,569.2	\$ 106,818.5	\$ 32,249.3	43.2%	\$ 149,683.0
71	North Hollywood to Pasadena BRT Connector	60,708.0	114,411.5	53,703.5	88.5%	-
72	Transit Construction Subtotal	\$ 135,277.2	\$ 221,230.0	\$ 85,952.8	63.5%	\$ 149,683.0
73	Transit Planning					
74	Countywide BRT Planning	\$ 2,999.8	\$ 2,401.7	\$ (598.1)	-19.9%	\$ -
75	North San Fernando Valley BRT	3,364.3	2,047.0	(1,317.2)	-39.2%	-
76	San Gabriel Valley (SGV) Feasibility Study	1,933.9	955.7	(978.2)	-50.6%	-
77	Vermont Transit Corridor	6,416.6	20,100.1	13,683.5	213.3%	-
78	Other Bus Planning & Studies	1,572.7	37.0	(1,535.7)	-97.6%	-
79	Transit Planning Subtotal	\$ 16,287.3	\$ 25,541.6	\$ 9,254.3	56.8%	
80	Bus Transit Construction & Planning Subtotal	\$ 151,564.5	\$ 246,771.6	\$ 95,207.1	62.8%	\$ 149,683.0
81	LIFE Program/Bus	\$ 25,398.5	\$ 27,101.2	\$ 1,702.7	6.7%	
82	Bus Investments Total	\$1,899,971.7	\$ 2,232,823.8	\$332,852.1	17.5%	\$1,722,149.1

Note: Totals may not add up because of rounding.

Attachment E: Early, Improved & Expanded Public Engagement Update

Telephone Town Hall

Metro will be holding its second and final Telephone Town Hall for the FY25 Budget development process on April 16, 2024. A unique virtual forum, Telephone Town Hall meetings are particularly beneficial for residents who would not typically have time to attend a regular public meeting or who cannot participate online.

During the previous Telephone Town Hall on October 23, 2023, a crucial platform for dialogue between Metro and the community, valuable input concerning various aspects of Metro's services was solicited. Key areas of concern included frequency and dependability, station and vehicle cleanliness, as well as safety and security matters across our system.

Metro board members and senior leaders diligently listened to these concerns, providing immediate responses during the event. In dedicating additional time for public participation, there was a more comprehensive exchange of ideas between community members and organizational representatives. This open dialogue not only fosters transparency but also helps identify areas for improvement in services, ensuring that the needs and expectations of riders continue to be met.

My Metro Budget Activity – Update

The My Metro Budget activity continues to remain open for public budget feedback. This year base participation has over tripled with over 4,200 responses and over 3,400 comments. Partnerships between Metro departments and groups were instrumental in achieving these results. An innovative interactive dashboard developed by the Office of Management and Budget (OMB) team now enables users to filter comments from the community by EFC, Metro Micro, and other regions along with demographic information. This powerful tool generates word clouds, allowing staff to effortlessly identify top concerns raised by Metro's constituents from the comments received.

The distribution of this dashboard to various departments has proven invaluable as it informs decision-making processes for the upcoming FY25 Budget. By harnessing the collective insights of community feedback, we can prioritize resources and allocate funds effectively to address the most pressing needs and concerns throughout the organization.

Fiscal Year 2025 Budget Development Status Update

Finance, Budget & Audit Committee

April 17th, 2024



FY25 Budget Development Monthly Update:

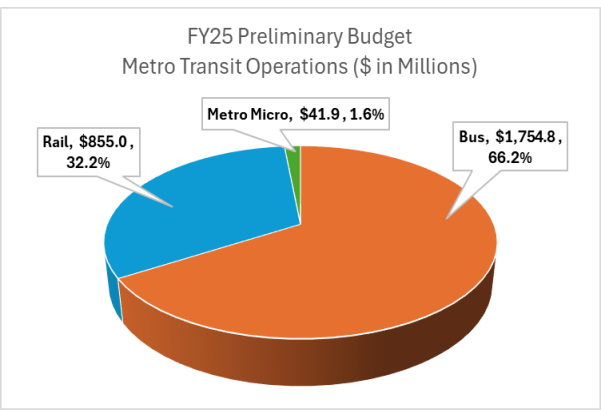
- **Metro Transit Program**
 - **Operations & Maintenance & Capital Improvement Program**
 - **Customer Experience: Station Initiative, Cleaning, Room to Work and Public Safety**
- **General Planning & Programs**
- **Congestion Management**
- **Oversight & Administration**

Represent Approx. 40% of the annual budget

- **Early, Improved and Expanded Public Outreach**
- **Board Budget Workshop & Next Step**

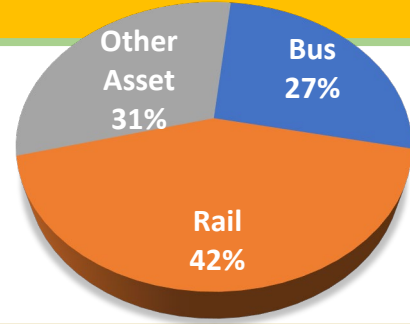
Agenda

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	



- O&M budget estimate is based on service level as measured in Revenue Service Hours (RSH):
 - Bus: 7.16 million RSH, 3.6% increase over FY24 est. actual
 - Rail: 1.4 million RSH, 16.4% increase over FY24 est. actual, plus 90k Pre-Rev testing hours for AMC, PLE 1 and Foothill ext.
 - Metro Micro: 271.7 thousand RSH
- Additionally, FY25 preliminary budget plans for further advancement of customer experience in Station Initiatives, Cleanliness, and Public Safety

Capital Improvement Program (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
Bus	\$ 135.2	141.7	\$ 6.4	4.8%	26.7%
Rail	230.0	225.7	(4.2)	-1.8%	42.5%
Other Asset Improvements	174.2	163.2	(10.9)	-6.3%	30.8%
CIP Subtotal	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%



- Capital Improvement Program: Reflect annual cashflow requirement to maintain, upgrade, & modernize infrastructure and peripheral systems to perform at optimal levels. Main priority is to continue procurement of 100 Zero Emissions Buses (ZEB) (\$34.6M) & assemble charging infrastructure (\$26.9M). Also focus on new rail vehicle procurement & refurbishment of existing vehicles



METRO TRANSIT OPERATIONS & MAINTENANCE (O&M) CAPITAL IMPROVEMENT PROGRAM (CIP) FY25 PRELIMINARY BUDGET

Station Experience

Expand Station Experience initiatives at Westlake/MacArthur Park to additional stations

- Includes improvements to lighting, ventilation, fare gates, cameras, elevators, & restrooms
- Next stations: Pershing Square, Compton, Firestone, Harbor Freeway, Norwalk, & Pico

Cleaning

- Daily Bus cleaning – 4 terminals, 7 days a week
- Daily Rail cleaning & end-of-line cleaning 7 days a week
- Custodial staff at 17 Rail station “hot spots”
- Facilities cleaning

Public Safety

Multi-layered approach

- Private and Metro Security Officers (53 additional TSO’s for weekend & late night coverage)
- Dedicated bus riding teams
- Transit Ambassadors
- Community Intervention Specialists (CIS)
- Homeless & mental health outreach

Room to Work Program

- Supports unhoused riders & other individuals with career opportunities in transportation
- Capacity for up to 50 part-time Custodians

Public Safety Deployment Dollars:

Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2 Homeless/Mental Health Outreach	25.2	25.2		
3 Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4 Private Security	43.5	43.6	0.1	0.3%
5 Law Enforcement	175.8	194.1	18.3	9.4%
6 Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

Cleaning Resources:

Area	FY24				FY25				(\$ in millions)			
	FTE	FTE	Change	% Change	Budget	Preliminary	\$ Change	% Change	Budget	Preliminary	\$ Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%				
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%				
Facilities	108	108	-	0.0%	30.5	29.9	(0.5)	-1.7%				
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%				
Stops	23	23	-	0.0%	4.3	4.3	0.0	0.8%				
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%				
Cleaning Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%				

CUSTOMER EXPERIENCE: STATION EXPERIENCE, CLEANING, & PUBLIC SAFETY

General Planning & Programs: \$228.8M

- Active Transportation, Bike & Other Studies (42%) \$95.8
- Property Mgmt (34%) \$76.8
- Financial, Grants Mgmt and Admin (21%) \$48.3
- Unsolicited Proposals, P3 (3%) \$7.9

- Program is to advance countywide mobility initiatives
- Budget is based on:
 - Federal or State regulatory requirement
 - Funding stipulations for grant or developer agreement
 - Sales tax ordinances

Congestion Management: \$124.4M

- Express Lanes (45%) \$55.5
- Freeway Service Patrol (33%) \$40.8
- Motorist Services (11%) \$14.1
- Rideshare Services (11%) \$14.0

- ExpressLane: operations, subsidies and I-10 expansion studies
- Freeway Service Patrol: new tow service contracts
- Motorist Services: LA SAFE, the Kenneth Hahn Call Box Program and SoCal 511 Traveler info sys
- Rideshare Services: Vanpool subsidy and services

Oversight & Adm: \$90.2M

- Ongoing Activities (66%) \$59.9
- Valuing Workforce (26%) \$23.3
- Customer Experience (5%) \$4.8
- Diversity, Equity, & Inclusion (3%) \$2.3

- About 1% of the FY25 preliminary budget
- EZBB cost controls for ongoing activities include legal services, ethics compliance, OIG services, regulatory environmental assessments, legally mandated financial and compliance audits

GENERAL PLANNING & PROGRAMS, CONGESTION MANAGEMENT, & OVERSIGHT & ADMINISTRATION FY25 PRELIMINARY BUDGET



Statistics



4,300+ Respondents, statistically significant sample size (over 2,200)



Average response of Metro Ridership captured in sample, unlikely to change with more responses



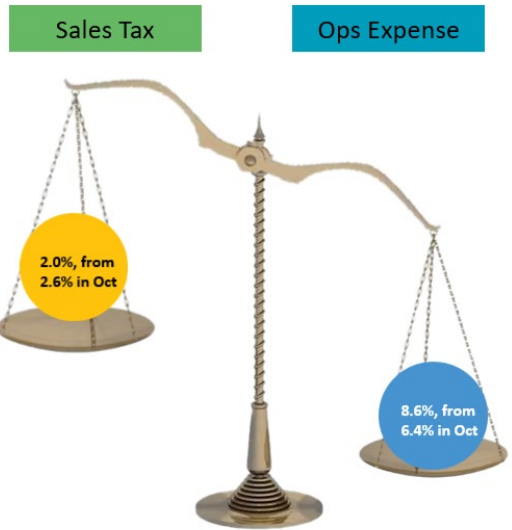
76% of budget item responses left unchanged when aggregated

*Responses to Date (April 12, 2024)

Demographics Mirror Ridership



Board Budget Workshop (3/29/2024)



Updated Ops Financial Outlook, Causes, Cost Incr, Revenue Opportunities

Four Areas of Metro Program Focus



- National Transit Trend
- Economic context
- Add'l info for policy

Next Step

- JAN**
 - Near-Term Update
 - FY24 EZBB
 - Prelim. Sales Tax & CPI Forecast
 - Public Outreach & Engagement
- FEB**
 - Sales Tax Forecast, Resources Assumptions
 - Cost Inflation Estimates
 - Other Expense Assumptions
- MAR**
 - Transit Infrastructure
 - Multimodal Hwy Investments
 - Regional Rail
 - Regional Allocations & Pass-Throughs
- APR**
 - Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
 - Congestions Management
 - Planning & Administration
- MAY**
 - Consolidated Agency-wide Expenses & FTEs
 - Proposed Budget Document
 - Public Hearing
 - Planned Board Adoption

WE ARE HERE

FY25 Budget Development Monthly Update

- Transit Infrastructure Development
- Multimodal Highway Development
- Regional Rail
- Regional Allocations & Pass Throughs

Represent Approx. 60% of the annual budget

Finance, Budget and Audit Committee

March 20th, 2024

Transit Infrastructure Development (\$2.0B)

Planning

\$439.0M

C Line Ext. to Torrance	\$ 57.7
Countywide BRT Planning	\$ 2.4
E Line Eastside LRT Phase 2	\$ 44.8
Eastside Access	\$ 0.6
K Line Northern	\$ 8.2
North SFV BRT	\$ 2.0
Sepulveda Corridor	\$165.6
SGV Feasibility Study	\$ 1.0
Southeast Gateway Line	\$136.5
Vermont Transit Corridor	\$ 20.1

In Construction

\$977.0M

D Line (Purple) Ext. Sec. 2 &3	\$460.6
East San Fernando Valley LRT	\$280.2
G Line (Orange) BRT	\$105.9
NoHo to Pasadena BRT	\$113.9
Rail & Bus Ops Control Center	\$ 16.5

Nearing Completion

\$521.3M

Airport Metro Connector	\$143.5
A Line (Gold) Ext. to Pomona	\$146.7
D Line (Purple) Ext. Section 1	\$231.1



- \$61.9M budget for closeout projects such as K Line (Crenshaw/LAX), Regional Connector, etc.

- FY25 Budget of \$2.0B reflects a -\$451.8M or -18.3% reduction from FY24.
- Transit Construction totaling \$1,560.3M is decreasing due to the nearing completion of several projects has led to a reduction in cash flow requirements, and newer projects have not yet progressed to major construction phase
- Planning & studies totaling \$439.0M is increasing by \$225.5M, 105.6%, to support Southeast Gateway Line & other transit planning projects.

Multimodal Highway Program (\$602.9M)



Bus Improvements

\$36.6M

+\$24.4m (199.3%)



Capacity Improvements

\$126M

-\$59.4m (-32.0%)



Express / HOV Improvements

\$143.5M

+\$38.5m (36.6%)



General Planning

\$3.2M

-\$1.4m (-30.0%)



Local Subregional Improvements

\$263.2M

-7.9m (-2.9%)



Traffic Noise Reduction & Property Maintenance

\$30.4M

+6.6m (28.4%)

Overview:

- FY25 Preliminary \$ Highway Budget is essentially flat compared to FY24
- Investments in Bus-Only Lanes and NextGen Bus Initiative is 200% higher than FY24
- Decrease in Capacity Improvement investments construction continues for legacy projects
- Increase in ExpressLanes investments driven by the I-105 ExpressLanes project

Regional Rail (\$56.7M)



Link Union Station:

- Value engineering
- Procure CM/GC contract

\$10.4M

-\$86m (-89.2%)



Grade Separation Projects:

- Rosecrans: closeout activities
- Doran St: procure construction contract

\$13.8M

-\$23m (-62.7%)



Double Tracking Projects:

Brighton to Roxbury and Lone Hill to CP White in final design, transition to construction

\$13.4M

-\$2.6m (-16.2%)



High Desert Corridor Rail Service Plan and Other Metro Regional Rail Projects

\$19.1M

+\$10m (116.6%)



Metrolink's FY25 Budget is still under development and will be available upon receipt

Currently In Development

Overview:

- Double Tracking and Grade Separation projects transitioning from Final Design to Construction Phase
- High Desert Corridor finalizing Service Development Plan and proceeding with preliminary design
- Metrolink's operating budget is still under development and will be brought forward for Board approval when finalized.

Regional Allocations & Pass Throughs (\$1.98B)



Local Agencies
Local Return & TDA
3 & 8

\$921.4M
-\$40.8m (-4.2%)



Regional Transit
Municipal & Local
Operator Funds &
Access Services

\$735.6M
-\$45.7m (-5.8%)



Major Projects
Alameda Corridor II,
AV Metrolink Line,
ITC, Sankofa Park

\$181.5M
+\$17.2m (10.5%)



Other Local Programs
Call for Projects,
ATP-Transit, CRD
Toll, Federal Pass-
Thru, TOD Grants

\$82.1M
-\$5.0m (-5.8%)



Regional Federal Grants
JARC, New Freedom,
5310, STPL Exchange

\$23.8M
-6.6m (-21.7%)




Fare Assistance
LIFE

\$34.3M
+1.8m (5.5%)

Overview:


- FY25 budget of \$1.98B reflects a -\$79.1M or -3.8% reduction from FY24
- Primarily tied to sales tax projections – FY25 revenues lower than FY24 Budget
- Metro as County Transportation Agency allocates resources to local agencies to implement projects
 - 89% passed through (transit agencies & local jurisdictions per Fed/State law & Board policy)
 - 11% for Access Services & LIFE Program
- Final Access Services & Transit Fund allocations will be presented to Board for action in June

FY25*



4,100+ Respondents

+2,900 increase




3,400+ Comments

+1,200 increase



20 min average time spent on activity

+1.75 min increase



45% EFC Response Rate

+1% increase

*Responses to Date (Mar 11, 2024)

***FY25 collection period:
December 2023 - May 2024**

Public Outreach & Stakeholder Engagement Calendar

October 2023	November 2023	December 2023	January 2024
<ul style="list-style-type: none"> > CEO's Telephone Town Hall > <i>Over 3,600 participants</i> 	<ul style="list-style-type: none"> > Launch My Metro Budget Activity > <i>Available in 9 languages</i> 	<ul style="list-style-type: none"> > Community group engagement – My Metro Budget Physical Marketing Cards to: <ul style="list-style-type: none"> * Metro Station Staff * Metro Micro + GoPass + LIFE + On The Move Riders Program + Metro Youth Council + Women & Girls Governing Council + TAP Vendors 	<ul style="list-style-type: none"> > Social Media Launch of My Metro Budget Activity > Outreach to Equity Focus Communities, and Metro Groups 
<ul style="list-style-type: none"> > Regional Service Councils – Briefings in all Regions <ul style="list-style-type: none"> + San Gabriel Valley + San Fernando + South Bay Cities + Westside Cities + Gateway Cities > Accessibility Advisory Committee > Metro Youth Council 	<p style="background-color: #f4a460; color: white; border-radius: 50%; padding: 5px; display: inline-block;">WE ARE HERE</p> <ul style="list-style-type: none"> > Community Advisory Committee 	<ul style="list-style-type: none"> > CEO's Telephone Town Hall > San Gabriel Valley COG > Bus Operators Subcommittee > Streets & Freeways > Community Advisory Council > Gateway Cities COG + Westside Cities COG 	<ul style="list-style-type: none"> > Regional Service Councils, Briefing > Technical Advisory Committee > Valley Industry & Commerce Association > Local Transit Systems Subcommittee > Accessibility Advisory Committee > San Gabriel Valley COG > Budget Public Hearing 

> Note: Updated as additional meetings are scheduled.
> Ongoing Public Participation



Schedule & Next Steps



- Near-Term Update
- FY24 EZBB
- Prelim. Sales Tax & CPI Forecast
- Public Outreach & Engagement



- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates
- Other Expense Assumptions



- Transit Infrastructure
- Multimodal Hwy Investments
- Regional Rail
- Regional Allocations & Pass-Throughs



- Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
- Congestion Management
- Planning & Administration



- Consolidated Agency-wide Expenses & FTEs
- Proposed Budget Book
- Public Hearing
- Board Adoption

FY25 Budget Development Status Update

Finance, Budget & Audit Committee Meeting

February 14th, 2024



Metro

Metro's Major Resources



- Metro heavily relies on sales taxes, typically two-thirds of Metro's resources.



- Metro's local sales tax ordinances: voter approved directives on how each sub-fund should be spent
 - Propositions A & C
 - Measures R & M



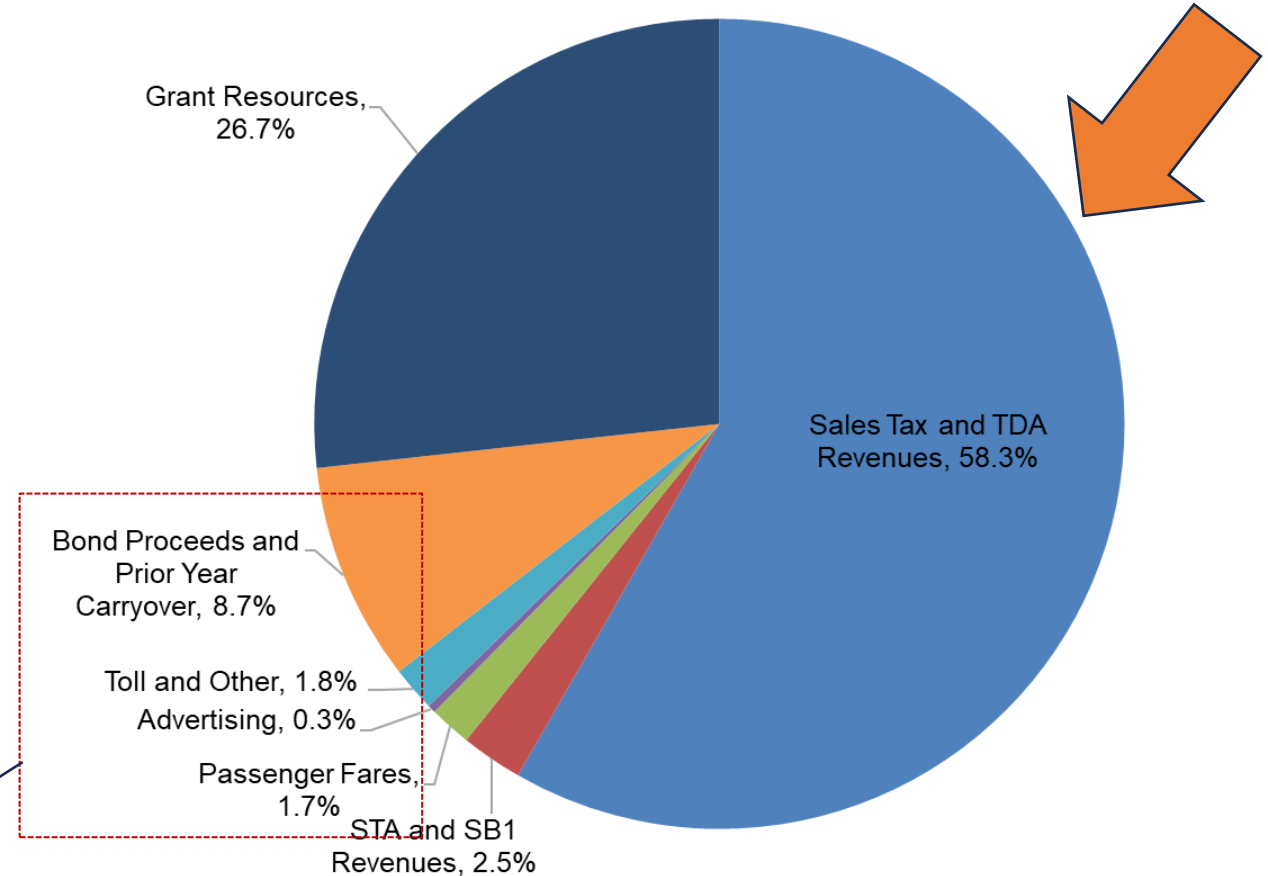
- Focus on forecasting sales tax revenues (primary revenue source)

Board Policy



Metro

FY24 Resources



**For illustrative purposes, FY24 Reforecast is being shown as Grants & Bond Proceeds are still underdevelopment.*

FY25 Resources Summary



- FY25 Sales tax revenue increased 2.0% (\$1.13 billion to \$1.15 billion per ordinance in FY25).



- STA and SB1 will be updated in mid-February 2024.



- Passenger fares estimated at \$172.5 million (preliminary). FY24 estimated actuals at \$164.3M.



- Advertising revenue projected at \$27.2 million (preliminary).



- Toll and Other revenue estimates projected to increase due to increased toll usage and fine revenue.

Resources (\$ in Millions)	FY24 Reforecast	FY25 Assumption	% Change
1 Sales Tax and TDA Revenues	\$ 5,098.5	\$ 5,202.0	2.0%
2 STA and SB1 Revenues	214.6	236.9	10.4%
3 Passenger Fares	146.8	172.5	17.5%
4 Advertising	27.7	27.2	-1.6%
5 Toll and Other	156.3	167.5	7.1%
6 Subtotal Resources	\$ 5,643.9	\$ 5,806.1	2.9%
7 Grant Resources	2,338.9	TBD	
8 Bond Proceeds and Prior Year Carryover	764.2	TBD	
9 Total Resources	\$ 8,747.1	TBD	



- Grant Resources: FY25 estimates are TBD
- Bond Proceeds and Prior Year Carryover:
 - Debt will be used as a last resort and will be determined as budget is developed
 - Prior year carryover will adhere to funding eligibility



Cost Inflation – Consumer Price Index (CPI)

Annual Change in Consumer Price Index (CPI)

Forecast Source	FY19	FY20	FY21	FY22	FY23	FY24 Reforecast	FY25 Preliminary
1 Actual	3.40%	2.48%	1.98%	6.54%	5.43%	2.15% ⁽¹⁾	
2 Metro	2.25%	2.28%	2.30%	2.00%	3.30%	3.71%	3.00% ⁽²⁾
3 UCLA	2.42%	2.60%	2.19%	1.68%	3.78%	3.71%	3.82%
4 Beacon Economics	2.15%	1.83%	2.30%	2.07%	3.86%	2.36%	2.32%

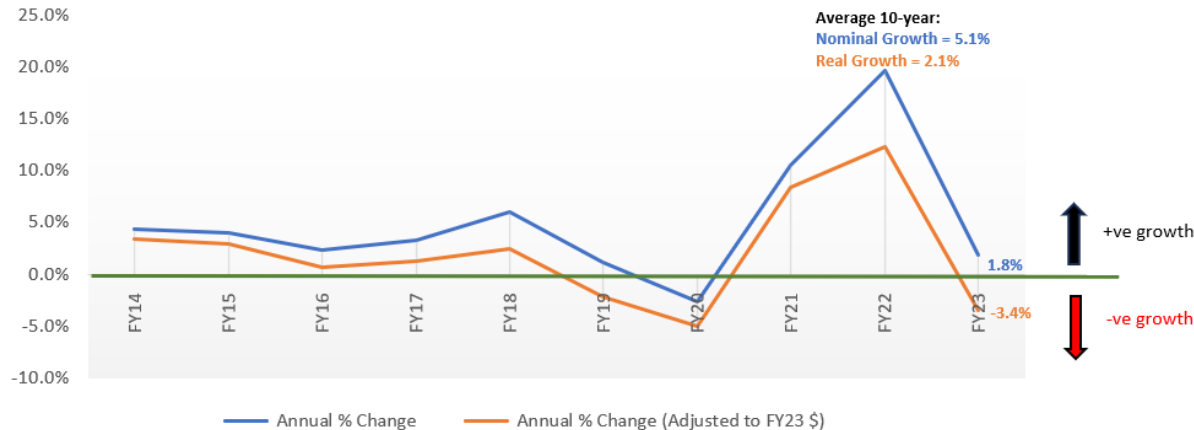


⁽¹⁾ Reforecasted figure based on FY24 YTD actual. FY24 Adopted Budget is 3.71%.

⁽²⁾ FY25 preliminary assumption.

- Inflation is still high but cooling.
- Forecasting Agencies CPI range: **2.32%-3.82%**
- CPI impacts sales tax revenues and project delivery costs for Metro.
- Sales tax growth in past decade is primarily due to inflation.

Sales Tax Growth Trend Analysis



CONCLUSION

- Metro FY25 projects: **3.0% CPI** (Within range of forecasting agencies)
- CPI of 3.0% is outpacing the projected sales tax revenue growth of 2.0%

FY24



1,200+ Respondents



2,200+ Comments



18.25 Min. Average Time Spent on Activity



44% EFC Response Rate

FY25*



2,900+ Respondents

+1,700 increase



2,400+ Comments

+200 increase



20 Min. Average Time Spent on Activity

+1.75 min increase



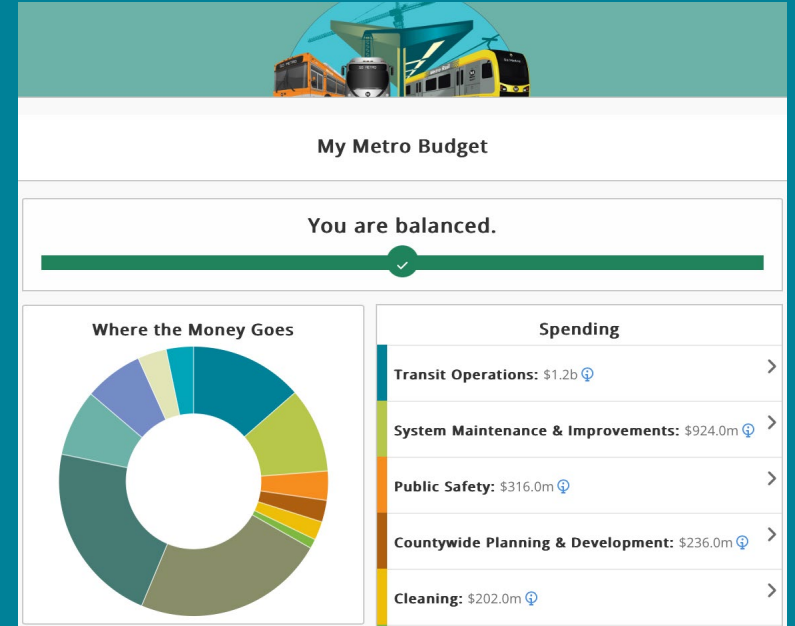
45% EFC Response Rate

+1% increase

*Responses to Date

**FY24 Collection period:
November 2022 - May 2023**

***FY25 Collection period:
December 2023 - January 2024**



***Engagement at the base level increased early, still collecting feedback**

Schedule & Next Steps



- Near-Term Update
- EZBB Attainments and Efforts Underway
- FY25 EZBB Development Process and Schedule
- Public Outreach and Engagement



- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates



- Transit Infrastructure
- Multimodal Hwy Investments
- Regional Rail
- Regional Allocations & Pass-Throughs



- Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
- Congestions Management
- Planning & Administration



- Consolidated Agency-wide Expenses & FTEs
- Proposed Budget Book published on April 30th, 2024
- Public Hearing on May 15th, 2024
- Final Board Adoption on May 23rd, 2024

FY25 Budget Development Update

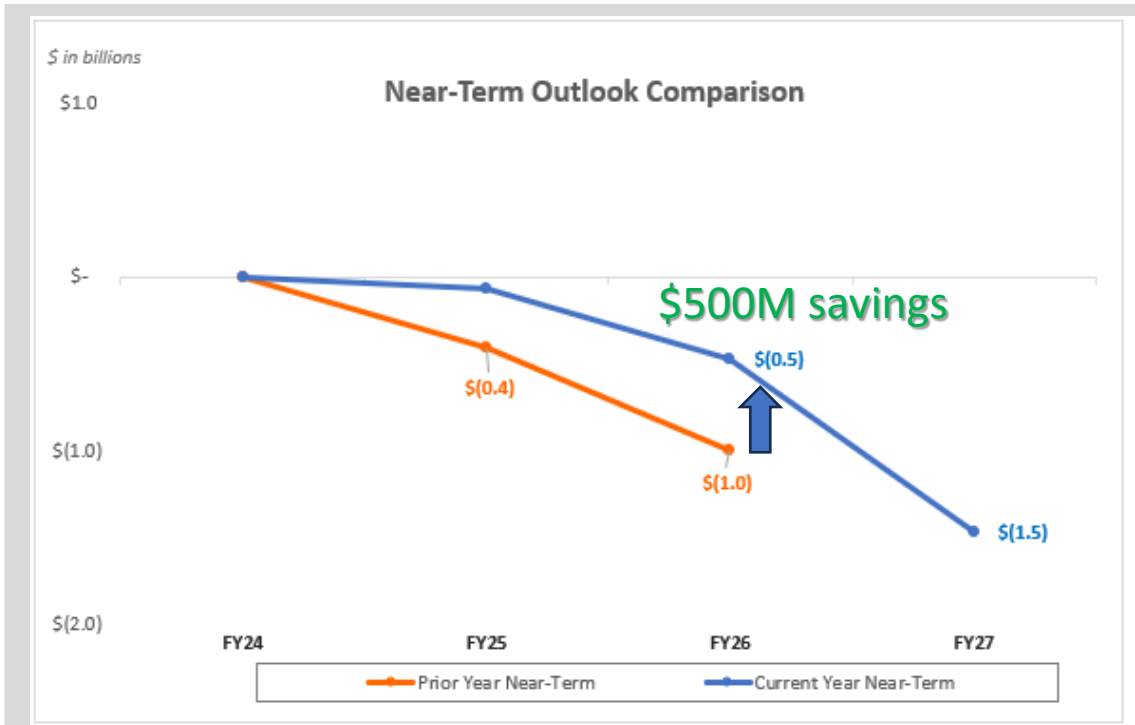
- Near-Term Outlook Update
- EZBB Efforts Underway
- Public Outreach & Next Steps

Finance, Budget & Audit Committee

January 17, 2024

Update to Near-Term Outlook and Financial Challenges Ahead

Metro's Objective: Develop a balanced, Board priority-driven FY25 Budget proposal for adoption in May 2024



Reduced FY26 cumulative deficit by \$500M through:

- ✓ Higher revenues realized in FY23 than anticipated
- ✓ Optimizing cash flow
- ✓ Cost control through tangible EZBB savings

- Although the FY26 outlook has improved from twelve months ago, a financial deficit (operating and capital) remains at \$1.5 billion by FY27
 - Metro Transit Operations (\$555M) due to growing transit costs
 - Metro Transit Capital Improvement Program (CIP) (\$915M) due to electrification efforts
- Financial Challenges persist due to:
 - Exhaustion of one-time federal stimulus funding that was used to balance budgets the last three years
 - Operating costs projected to grow faster than operating revenues
- Long term sustainability remains a concern as the financial gap is anticipated to exacerbate beyond FY27
- Through the Equitable Zero-Based Budgeting (EZBB) process, continuous cost control actions are still necessary and relevant to mitigate early

EZBB Attainments and Efforts Underway

- Metro continues to utilize the EZBB process to strengthen cost controls and balance the budget by:
 1. Reviewing the Near-Term Economic factors (controllable and non-controllable)
 2. Breaking down the cost drivers by urgency and root cause, and create tailored-made cost mitigation plans
 3. Instilling a priority-driven zero-based review based on milestone achievements and program/project performance (i.e., evaluation of Bike program and Metro Micro in the annual budget development)
 4. Sharing the financial risk and responsibility with CEO/Cabinet and Board of Directors through innovative cost control solutions such as:



- ✓ Rail line service restructure at C and K line to enhance rider travel experience, generating an estimated \$10 million savings, reinvested to improve cleaning and safety
- ✓ Next Gen service improvement with no additional bus fleet or capital costs, creating significant savings
- ✓ North San Fernando Valley BRT improvement to the rider experience on seven existing transit lines
- ✓ Early Intervention Team (EIT) objective to stay close to initial life of project (LOP)

WE ARE HERE



October 2023

- > **CEO's Telephone Town Hall**
Over 3,600 participants

November 2023

- > Launch My Metro Budget Activity
Available in 9 language

December 2023

- > Community group engagement – My Metro Budget physical marketing cards to:
- > GoPass, LIFE, On The Move Riders Program, Metro Youth Council, Metro Station Staff

January 2024

- > Social Media launch of My Metro Budget Activity
- > Outreach to Equity Focus Communities

February 2024

- > Regional Service Councils – Budget Briefings in all Regions

March 2024

- > **CEO's Telephone Town Hall**
- > Community Advisory Committee (TBD)

April 2024

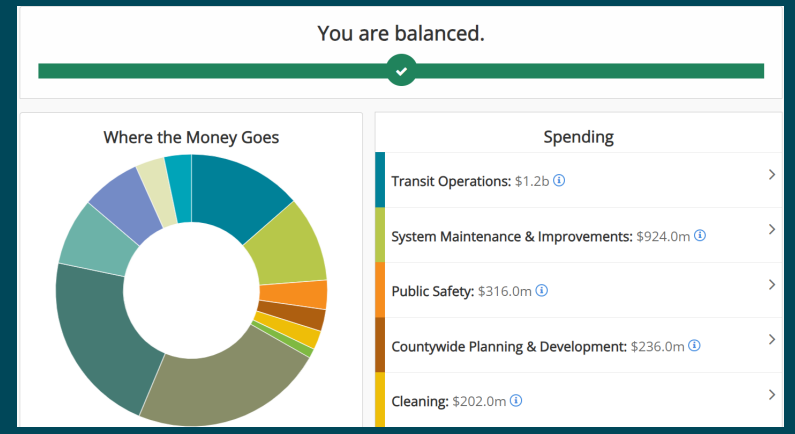
- > San Gabriel Valley COG
- > Bus Operators Subcommittee
- > Regional Service Councils, Budget Briefing
- > Streets & Freeways
- > Community Advisory Council (TBD)
- > Gateway Cities COG
- > Westside Cities COG

May 2024

- > Technical Advisory Committee
- > Valley Industry & Commerce Association
- > Local Transit Systems Subcommittee
- > Accessibility Advisory Committee
- > San Gabriel Valley COG
- > **Budget Public Hearing**

Enter to win a \$50 gift card or a TAP card with one year of free rides by helping Metro shape its budget!

Visit mybudget.metro.net/card or scan the QR code below to participate by the end of May 2024.



> Note: Updated as additional meetings are scheduled.
 > Ongoing Public Participation



Schedule & Next Steps



- Near-Term Update
- EZBB Attainments and Efforts Underway
- FY25 EZBB Development Process and Schedule
- Public Outreach and Engagement



- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates



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