

Los Angeles County Metropolitan Transportation Authority

ADOPTED BUDGET

FY2009

July 1, 2008 – June 30, 2009



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2008-2009
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FY09 Budget



Los Angeles County Metropolitan Transportation Authority
Office of Management and Budget
One Gateway Plaza
Los Angeles, CA 90012-2952



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**I. Description of Metro
and Strategic Plan**



Message from the Chief Executive Officer

The Fiscal Year 2009 budget continues to move Metro forward with many new transportation improvements and plans for the future, in spite of a continuing rise in the cost of providing transportation services without notable increases in transportation funding. This balanced budget funds programs that will improve bus and rail trip speeds and passenger capacity to attract and accommodate ridership growth. Other priorities in this budget are to adopt a 30-year Long Range Transportation Plan and complete construction of a new light rail extension of the Metro Gold Line to the east side of Los Angeles.

The \$3.4 billion FY09 adopted budget is \$268 million or 8.5% more than the FY08 budget. The increase is primarily due to increased transportation subsidies to the 88 cities in the County and unincorporated areas of Los Angeles County, as well as to paratransit services, Metrolink Commuter rail, and the municipal bus operators.

The Capital Program has increased with the construction of the Expo Light Rail line and the beginning of a new program to begin mid-life rehabilitation of the Metro Blue Line. We are continuing to buy new CNG fueled high capacity buses and expect to receive 130 new buses in this fiscal year and an additional 130 in FY10.

These new buses will be put into service to complete the "New Service Program," a program of 28 Rapid Bus lines throughout the county. The final six lines operated by Metro will complete their first full year of operation this fiscal year along some of Los Angeles County's heaviest traveled transportation corridors. Three additional lines will be put into service by municipal operators before June 2009. By then, 500 Rapid buses will be in operation, serving 28 transit corridors, covering 420 route miles, reaching 35 cities throughout Los Angeles County, and the County of Los Angeles.

U.S. Department of Transportation recently awarded Metro a grant of \$210.6 million in bus and bus facilities funds to advance a comprehensive program of expanded transit services, tolling, and technology. This demonstration project is designed to reduce congestion at peak periods on the most heavily traveled freeways. The State Legislature must give its approval in FY09, before Metro can begin to implement changes to Interstate-10 and Interstate-110.

The FY09 budget includes more than \$600 million for highway and other regional transportation programs such as construction of freeway carpool lanes, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles and other transportation programs.

Additional initiatives new to the FY09 budget and requiring additional staffing include the opening of the Metro Gold Line Eastside extension, extensive safety training for the community along the new rail line, increasing bus and rail ridership and a commitment to be a regional leader in environmental sustainability.

Although the FY09 budget is balanced, revenues remain an on-going concern for improving transportation in the region. The State of California continues to struggle with an operating deficit which could impact FY09 and future funding for Metro. We have kept operating

costs low in FY09 (primarily through a fuel hedging program); however, the rising cost of gasoline and natural gas is a major concern for all transit providers. A large portion of the Metro budget funding is provided by sales tax; unfortunately the forecast for sales tax growth is the lowest it has been in the last six years.

Looking ahead, we are seriously short on funding to fully implement the Long Range Transportation Plan which calls for construction of dozens of new street and highway public transportation projects to meet the County's mobility needs by the year 2030. The rising price for gasoline is pushing more people toward public transit; it is imperative that affordable transit options be available to all who desire them.

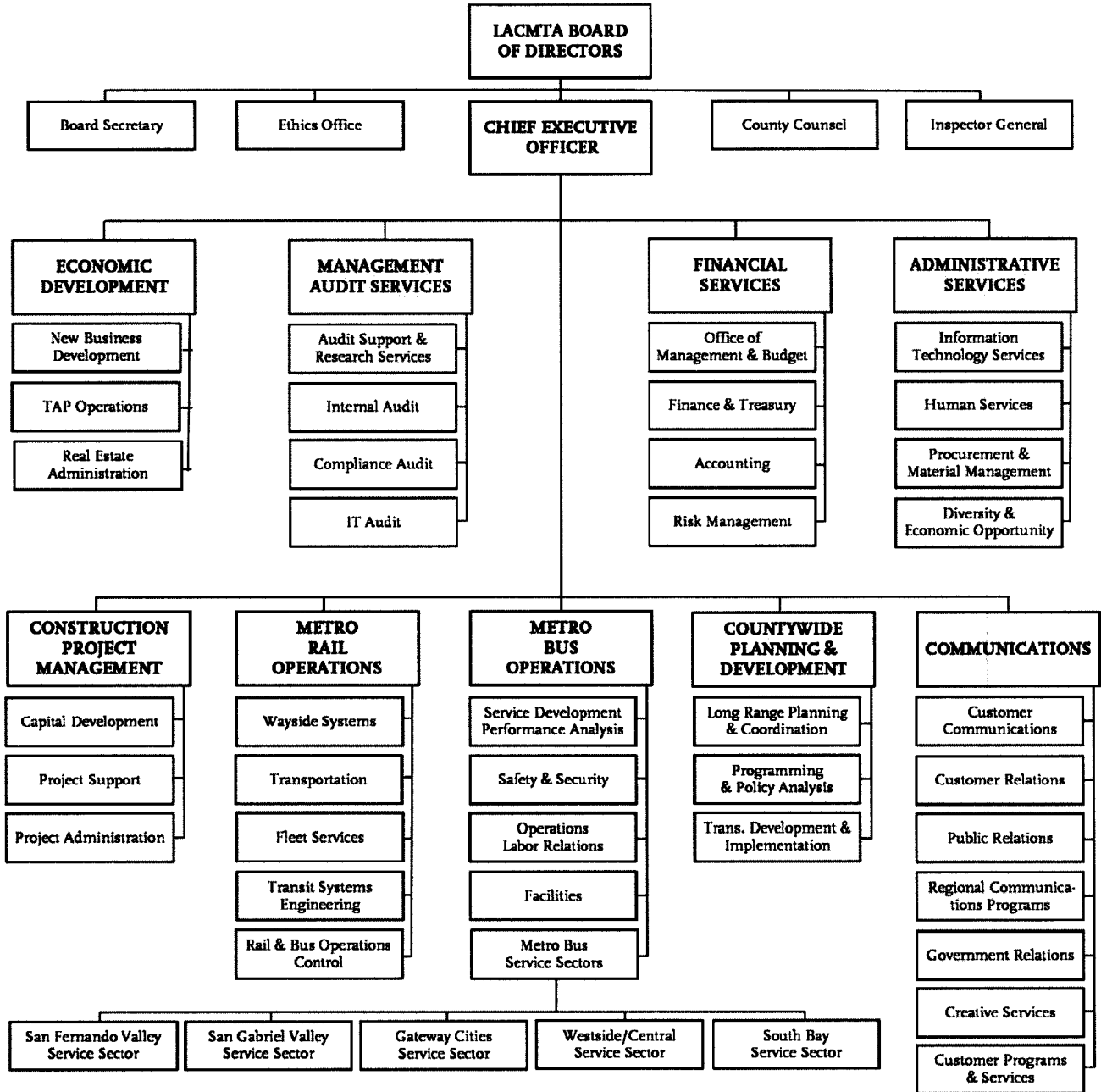
This is an exciting time for public transportation in Los Angeles County. With the demand for improvements so pervasive, we are seeing a coalition of business, labor, environmental, and community organizations supporting efforts to raise more money to improve our highway and transportation infrastructure. Metro is prepared to meet the challenges and offer the public a service that costs them less, and moves them faster.

Sincerely,



Roger Snoble
Metro CEO

Los Angeles County Metropolitan Transportation Authority Organization Chart



Metro Board of Directors



Pam O'Connor
Board Chairwoman
City Council Member
City of Santa Monica

Chairwoman O'Connor has served on the Santa Monica City Council since 1994 and has served three terms as mayor. She is a member of the SCAG Regional Council and is on the Board of Directors of the Local Government Commission. She also serves on committees for the League of California Cities and the National League of Cities. Chairwoman O'Connor works as a private consultant, specializing in historic preservation. She has worked throughout Southern California on projects, including the rehabilitation of Los Angeles' City Hall and on numerous buildings at UCLA and USC. Chairwoman O'Connor earned a B.S. degree in journalism from Southern Illinois University and holds masters' degrees in historic preservation planning and in technology management from Eastern Michigan University.



Antonio Villaraigosa
Board 1st Vice Chairman
Mayor, City of Los Angeles

Board 1st Vice Chairman Antonio Villaraigosa was elected the 41st Mayor of Los Angeles in 2005. Previously, he represented the 14th District on the City Council and served on the Metro Board of Directors. Prior to his election to the City Council, Mayor Villaraigosa was elected to the California State Assembly, serving as Democratic Whip, Majority Leader and Speaker of the Assembly. Mayor Villaraigosa has earned a reputation as a national leader for his bold programs to address education, public safety, transportation and other challenges facing Los Angeles. He has also taken great strides to encourage fiscal responsibility throughout City government, reducing the deficit and working to balance the budget during his years in office.



Don Knabe
Board 2nd Vice Chairman
LA County Supervisor
4th Supervisorial District

Board 2nd Vice Chairman Don Knabe is a member of the Los Angeles County Board of Supervisors representing the Fourth District. Supervisor Knabe was elected to the Board in 1996 and reelected twice since. He is a White House appointee to the State and Local Elected Officials Senior Advisory Committee to the Homeland Security Advisory Council. Supervisor Knabe is a former Mayor and Councilman of the City of Cerritos. He is a recognized leader in regional transportation, serving on the Board of Directors for Metro, Metrolink, and the Alameda Corridor Transportation Authority. He is the immediate past Chairman and Member of the Southern California Regional Airport Authority and a Member of the Southern California Association of Governments Aviation Task Force. Supervisor Knabe holds a bachelor's degree in business administration from Graceland College.



Michael Antonovich
LA County Supervisor
5th Supervisorial District

Supervisor Antonovich is a member of the Los Angeles County Board of Supervisors and represents the Fifth Supervisorial District. Supervisor Antonovich was reelected to his seventh four-year term in 2004. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1969 to 1972. Supervisor Antonovich has held teaching positions with the Los Angeles Unified School District, California State University Los Angeles and Pepperdine University. In addition to his distinguished career in public service, he maintains an active role in community activities. Supervisor Antonovich holds a bachelor of arts degree and master's degree from California State University, Los Angeles.



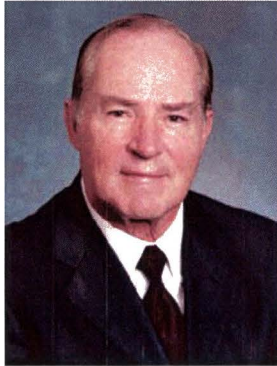
Yvonne Brathwaite Burke
LA County Supervisor
2nd Supervisorial District

Supervisor Burke is the Los Angeles County Supervisor for the Second Supervisorial District, having been elected in 1992 and reelected in 1996, 2000, and 2004. Supervisor Burke served as a member of Congress from 1972 to 1978, and as a State Assemblywoman from 1966 to 1972. She has served on numerous boards, including the University of California Board of Regents, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), and Chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Supervisor Burke received a B.A. degree in political science from the University of California, Los Angeles, and a J.D. from the University of Southern California School of Law.



John Fasana
City Council Member
City of Duarte

Councilman Fasana has served on the Duarte City Council since 1987, and served as Mayor in 1990, 1997 and 2004. He has represented thirty San Gabriel Valley cities on the Los Angeles County Metropolitan Transportation Authority Board since its inception in 1993 and served as Metro Board Chair during the 2001-2002 fiscal year and is currently a member of the Executive Management and Audit Committee and the Construction Committee. Councilman Fasana also serves as Chair of the San Gabriel Valley Council of Governments Transportation Committee, and represents seven cities on the Foothill Transit Executive Board. He has 26 years of service with Southern California Edison and is a graduate of Whittier College with a bachelor of arts degree in business administration.



David Fleming
Lawyer, Latham & Watkins
City of Los Angeles
Mayor Appointee

Director Fleming initiated charter reform in the City of Los Angeles. In 1997, he and Mayor Riordan co-chaired a voters' initiative to reform LA City government, culminating in the creation of a citizens' Charter Reform Commission which drafted the new charter that was adopted in 1999. In 2003, he was appointed a trustee of the James Madison Foundation by President George W. Bush. Director Fleming is currently the Chair of the LA Area Chamber of Commerce and on the Board of the MTA. He is a past chairman of the LA Economic Development Corporation, a past Vice-Chairman of the California Transportation Commission, a former commissioner on the LA City Ethics Commission and a former President of the LA City Board of Fire Commissioners. Director Fleming graduated from UCLA Law School and is a member of the California State Bar.



Richard Katz
Past member, CA State Assembly
City of Los Angeles
Mayor Appointee

Director Katz served on the State Water Resources Control Board from 2001-2006. He served Governor Davis as his Senior Advisor on Energy and Water and led negotiations on the landmark Colorado River Agreement with the Federal Government, California Water Agencies, and the six other states. Director Katz served 16 years in the State Legislature beginning in 1980 including a term as the Democratic Leader. For 10 years, Director Katz chaired the Assembly Transportation Committee. He authored Proposition 111 to raise money for mass transit/highways and created the Congestion Management Program. Director Katz now resides in Sherman Oaks and owns a private consulting practice.



Bonnie Lowenthal
City Council Member
City of Long Beach

Councilwoman Lowenthal was elected to represent the First District of the City of Long Beach in 2001. She previously served two terms on the Long Beach Board of Education. Councilwoman Lowenthal currently chairs the City's Housing and Neighborhoods Committee, Elections Oversight Committee and is Vice Chair of the State Legislation Committee. She is the Long Beach representative on the Alameda Corridor Transportation Authority. She also serves as Vice-Chair of the SCAG – Transportation and Communications Committee, and is the Metro representative on the AQMD Mobile Source Review Committee. Councilwoman Lowenthal holds a BS from the University of Wisconsin and an MS in Community and Clinical Psychology from CSULB.



Gloria Molina
LA County Supervisor
1st Supervisorial District

Director Molina serves on the LA County Board of Supervisors representing the First District. She was first elected to this office in March 1991 and re-elected in 1994, 1998 and 2002. Prior to her election to the Board of Supervisors, Director Molina served as State Assemblywoman for the 56th District from 1982 to 1987. In 1987, she was elected to the LA City Council, where she represented the First District until 1991. Before her election to public office, Director Molina served in the Carter White House and subsequently in the San Francisco Department of Health and Human Services. She remains active in community issues through her memberships with numerous civil rights organizations. Director Molina attended East L.A. College and Rio Hondo College.



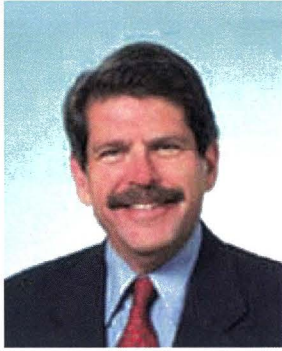
Ara Najarian
City Council Member
City of Glendale

Councilman Najarian was elected to the Glendale City Council in April 2005 and is currently serving as mayor. Before being elected to the city council, he was an elected member of the Glendale Community College Board of Trustees. He served 7 years on the Glendale Transportation and Parking Commission and served two of those years as Chairman. Councilman Najarian is currently Vice Chair of the Glendale Redevelopment Agency and is the Past Chair of the Glendale Housing Authority. He has been an attorney in private practice for 20 years. Councilman Najarian attended Occidental College where he received a BA in Economics and later earned his JD from USC School of Law.



Bernard Parks
City Council Member
City of Los Angeles
City of Los Angeles
Mayor Appointee

Councilman Parks is serving his second term on the LA City Council representing the Eighth Council District. He is Chair of the Budget and Finance Committee and sits on the Claims Board, Ad Hoc Stadium Committee, Board of Referred Powers and the Transportation Committee where he serves as Vice Chair. He was appointed to the Metropolitan Transportation Authority Board of Directors by Mayor Villaraigosa. Councilman Parks sits on the Exposition Light Rail Line Construction Authority Board of Directors, and the Regional Council of the Southern California Association of Governments. He spent 38 years as a police officer and became Chief of Police in 1997. Under Chief Parks, homicides fell by 45%, rape assault dropped by nearly 20% and robbery declined by over 45%. Councilman Parks received his BS degree from Pepperdine University and his MS in Public Administration from the University of Southern California.



Zev Yaroslavsky
LA County Supervisor
3rd Supervisorial District

Supervisor Yaroslavsky, a past chairman of the Metro Board of Directors, is a member of the Los Angeles County Board of Supervisors representing the Third Supervisorial District. He was elected to the office in November 1994 and re-elected three times, most recently in 2006. Supervisor Yaroslavsky is recognized as a leader on fiscal, health care, transportation, cultural and environmental matters. He is also regarded as the County's fiscal watchdog, insisting that it lives within its means. He previously served as a member of the Los Angeles City Council between 1975 and 1994. The Los Angeles native earned his bachelor's degree in history and economics from UCLA in 1971 and a master's degree in history in 1972.



Douglas Failing
Ex-officio Member
Appointed by Governor

Director Failing is the District Director of the California Department of Transportation and is responsible for the day-to-day operation of the nearly 2,600 Caltrans employees serving District 7, which includes Los Angeles and Ventura Counties. Prior to his appointment in June 2002, he served as District 7's Chief Deputy District Director. Director Failing has also represented Caltrans on the Alameda Corridor Transportation Authority Governing Board. He is a Registered Civil Engineer in the State of California and was an Executive Board member of the Institute for the Advancement of Engineering (IAE) and past president of the IAE – College of Fellows. Director Failing earned his bachelor of science degree in civil engineering from Michigan Technological University.

Metro Profile

The Los Angeles County Metropolitan Transportation Authority (LACMTA), or Metro, was formed in 1993 to plan, coordinate, design, build, and operate the public transportation system for the region. Metro's employees are proud to:

- Operate the second largest bus system in the United States, providing over 97 million vehicle service miles annually with an average of 1.2 million boardings per weekday.
- Operate three light rail lines and one heavy rail line with about 300,000 boardings per weekday.
- Administer and distribute transportation funds for all Los Angeles County transit providers.
- Develop and construct Rapid Bus lines and fixed guideways for buses and multi-passenger vehicles.
- Construct new light and heavy rail lines.
- Provide highway construction funding and traffic flow management.
- Promote the use of public transit services and rideshare programs.

Metro headquarters and the Gateway Transit Center are located adjacent to historic Union Station. The Gateway Transit Center links Los Angeles County with neighboring counties in Southern California by providing easy connections for commuters to Metro Bus and Rail, Metrolink (commuter rail) and Amtrak (intercity rail).

Metro is governed by a Board of Directors with 13 voting members and one non-voting member. The Board of Directors is constituted as follows:

- The five members of the Los Angeles County Board of Supervisors.

- The Mayor of the City of Los Angeles and three mayoral appointees.
- Four members appointed by the Los Angeles County City Selection Committee.
- One non-voting member appointed by the Governor.

Five legally separate entities which are integrated into Metro's operations and financial reporting are also included in the annual budget presentation that follows. These "blended component" units are:

- the Public Transportation Services Corporation (PTSC),
- two Benefit Assessment Districts (BAD),
- the Exposition Metro Line Construction Authority (Expo), and
- the Service Authority for Freeway Emergencies (SAFE)

Please see Appendices 16 through 19 for detailed financial statements.

The annual budget and additional information about the organization, programs, and services at Metro can be found on its website: www.metro.net

Brief History of Metro

1871 – Los Angeles grants operational franchises for horse drawn streetcar railways.

1951 – Los Angeles Chamber works with the state legislature to form the Los Angeles Metropolitan Transit Authority (LAMTA).

1957 – Legislature gives LAMTA authority to purchase and operate privately owned bus lines through sale of revenue bonds.

1964 – Southern California Rapid Transit District (SCRTD) was formed to deliver mass rapid transit system, acquire property by eminent domain, levy taxes with voter approval, issue bonds and create Benefit Assessment Districts.

1976 – Los Angeles County Transportation Commission (LACTC) formed by legislature as new oversight organization for planning and funding mass transit.

1993 – SCRTD and LACTC merged to form the Los Angeles County Metropolitan Transportation Authority (Metro).

Los Angeles County Profile

Los Angeles County in California is the most populous county in the United States with an estimated population of 10.4 million. The county seat is the city of Los Angeles. The county is home to 88 incorporated cities and many unincorporated city-like areas. As of 2008, the county's population is larger than the populations of 42 states, ranking just behind Ohio, and is home to over a quarter of all California residents. In addition, if the county were a nation, it would be the 18th largest economy in the world.

Please see Appendix 21 for a more detailed description of the demographics for Los Angeles County.

Strategic Planning Process Update

As part of the strategic planning process for FY08, the CEO requested that every Chief Officer continue to be key owners for each strategic goal and suggested that they update Metro's strategic goals for FY09. In addition, Metro's Communications Department identified the CEO's Top Ten Directives for FY08, which will continue to be aligned to the agency's strategic goals and objectives. Each Chief Officer was asked to work with Metro's Organizational Development & Training Department (OD&T) to determine and identify FY09 strategic goals, objectives, and strategies. Further, the Office of Management and Budget (OMB) requested that each strategic goal has one or more objectives and defined key performance indicators, which have been aligned to improve overall operational performance.

Metro's Chief Officers reaffirmed their commitment to continuous improvement of an efficient and effective transportation system for Los Angeles County and agreed to report on their respective strategic business unit(s) accomplishments during the CEO's weekly staff meeting(s). This offered an opportunity for the CEO to hear first-hand the strategic business unit's accomplishments, challenges and opportunities and enabled the senior

management team an opportunity to work in an open and collaborative manner as a cross-functional and integrated team.

The updated FY09 Metro Strategic Performance Plan will continue to be used as the basis for agency-wide direction, decisions and activities. The strategic plan is an "evolving plan" and not a rigid or fixed document. Each strategic goal has an established outcome or key performance indicator and performance measures that have been aligned to key management owners and team support partners for improved management accountability, productivity, and organizational performance. Key performance indicators are included in the Strategic Business Units section.

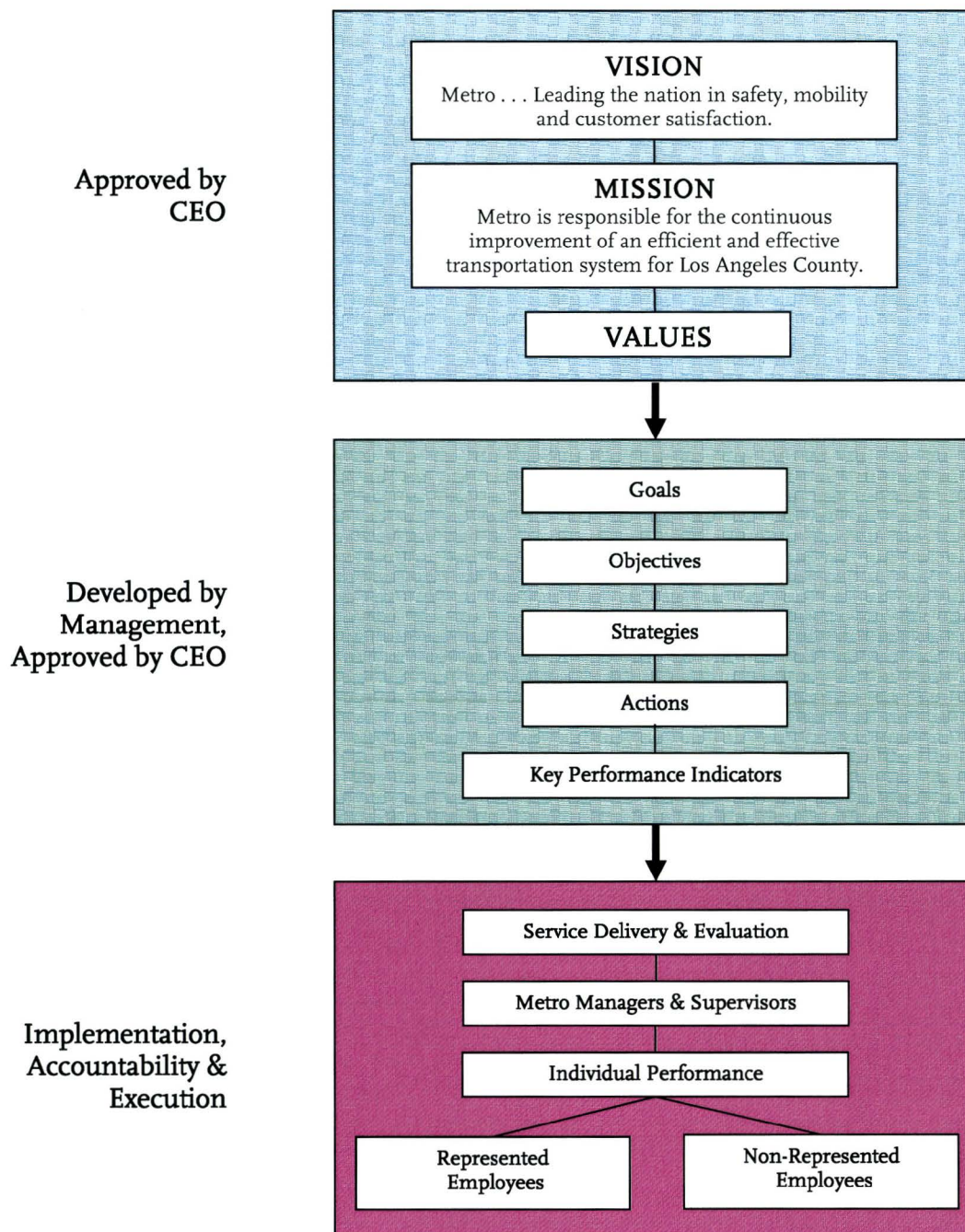
OMB has developed a balanced scorecard to monitor, track and measure the achieved key performance indicators, which permits management an opportunity to realign the strategic goals, objectives and strategies.

The programs and resources listed in the agency-wide strategic plan will be realigned annually, based on budget allocations and projections as part of Metro's Long and Short Range Transportation Plans.

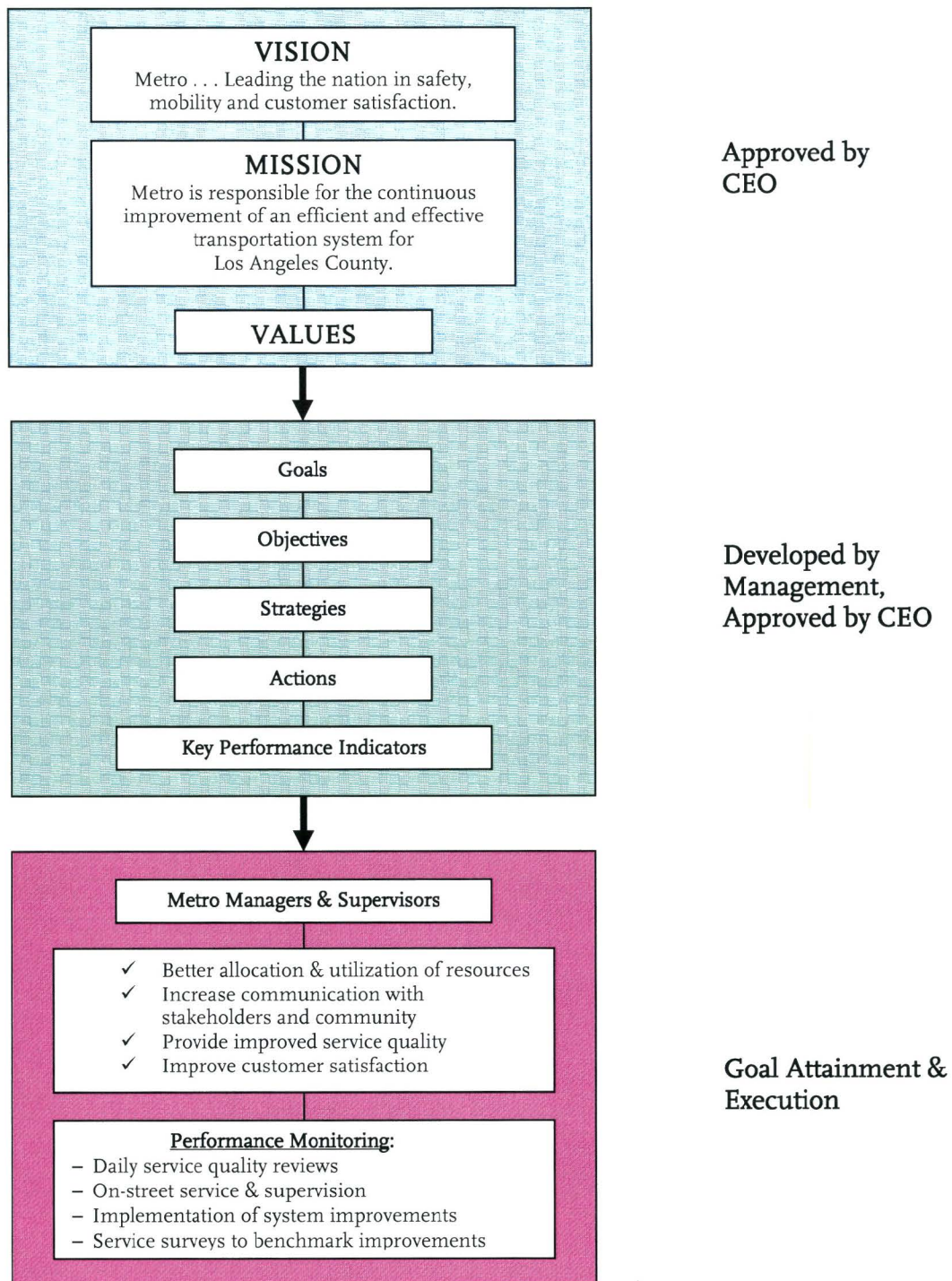
Strategic Plan FY09

Vision	Metro . . . leading the nation in safety, mobility and customer satisfaction!
Mission	Metro is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County.
Core Business Goals	<p>Goal 1: Improve transit services</p> <p>Goal 2: Deliver quality capital projects on time and within budget</p> <p>Goal 3: Exercise fiscal responsibility/maximize agency resources</p> <p>Goal 4: Provide leadership for the region's mobility agenda</p> <p>Goal 5: Develop an effective and efficient workforce</p> <p>Goal 6: Secure local, state and federal funding</p> <p>Goal 7: Maintain open lines of communication</p> <p>Goal 8: Enhance a safety-conscious culture with employees, contractors and customers</p> <p>Goal 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions</p>
Values	<p><u>Safety</u> Safety's 1st for our customers, employees and business partners. Accidents and injuries are preventable.</p> <p><u>Employees</u> Employees are our most valuable resource and are to be treated with mutual respect and provided opportunities for professional development.</p> <p><u>Fiscal Responsibility</u> Individually and as a team, we are accountable for safeguarding and wisely spending taxpayer dollars entrusted to Metro.</p> <p><u>Integrity</u> We rely on the professional ethics and honesty of every Metro employee.</p> <p><u>Innovation</u> Creativity and innovative thinking are valued and new ideas are welcomed.</p> <p><u>Customer Satisfaction</u> We strive to exceed the expectations of our customers.</p> <p><u>Teamwork</u> We actively seek to blend our individual talents in order to be the best in the nation.</p>

How the Strategic Plan Impacts Metro Employees – Ongoing



How the Strategic Plan Impacts Metro Customers – Ongoing



Communication Plan (Model) - Ongoing

Overall, Metro seeks to be a leader in the transportation industry. This requires the continuous commitment, energy and hard work of every Metro employee.

The agency-wide Communication Plan (model) promotes and fosters open communication and provides employees an opportunity to discuss the strategic direction of the agency and help improve communication with customers, employees, business partners and/or stakeholders.

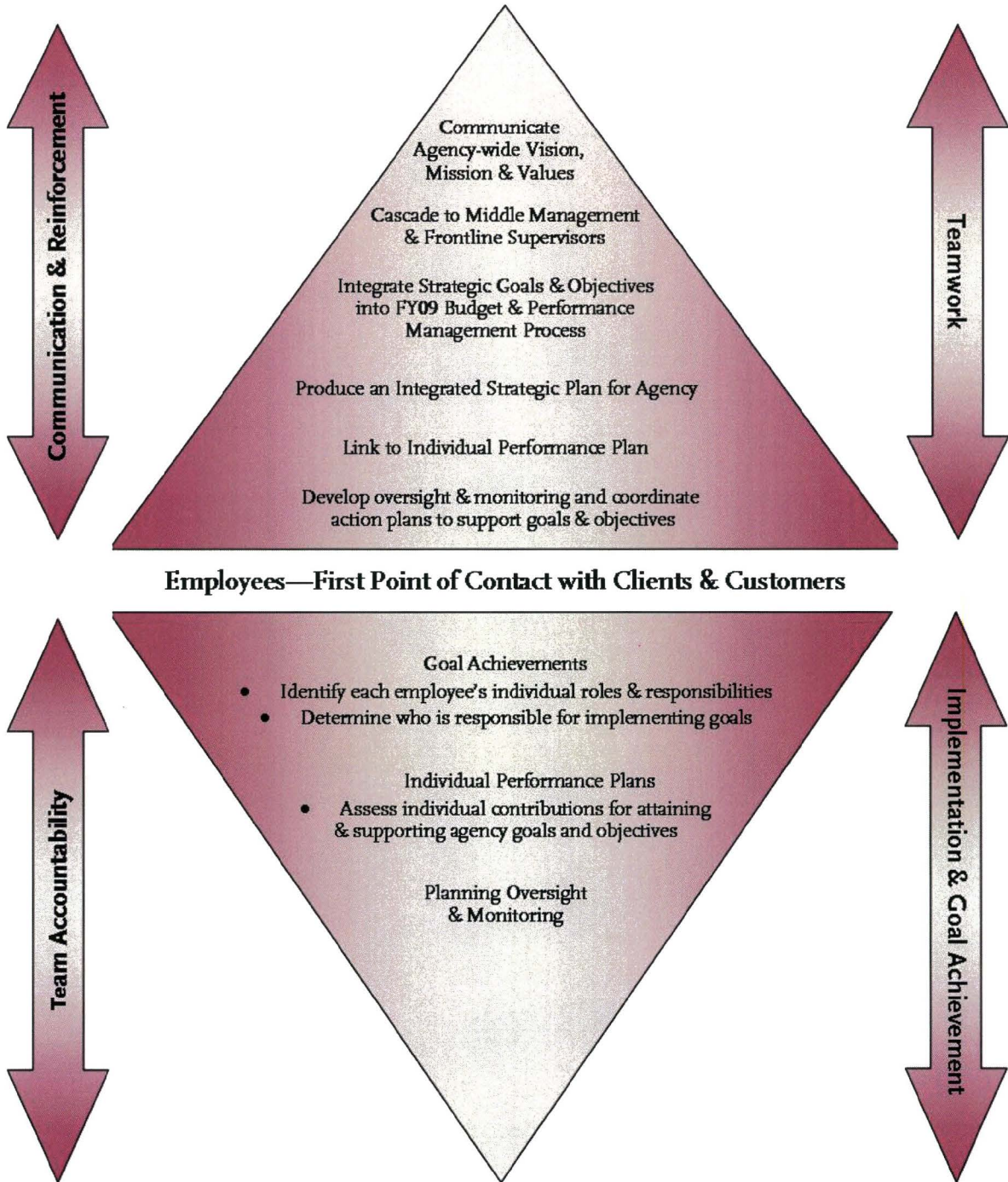
The success of the Strategic Plan can only be achieved through agency-wide communication and implementation. Therefore it is imperative that the Communication Plan involves every Metro employee. The Communications Department will continue to develop marketing and promotional materials to reinforce the vision, mission, core values, goals and new strategic direction of the

agency. This offers every employee an opportunity to personally commit to implementing the strategic plan.

Every organizational unit's goals, objectives and KPIs are to be integrated and aligned to support the agency-wide Strategic Plan. In addition, the Metro Long-Range Transportation Plan (LRTP) has been aligned to include the short and long range Los Angeles County transportation program planning and project initiatives. All Metro strategic goals and objectives will be updated to address the new transportation direction as recommended by the Sustainability Summit and the Mobility 21 Coalition.

The diagram on the following page outlines the Leadership Model to cascade and communicate the Strategic Plan agency-wide.

Practicing Leadership Model



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Key Performance Indicators and the Agency Scorecard

Like many of today's leading businesses, Metro tracks its Key Performance Indicators (KPIs) throughout the year to ensure services are provided at the proposed levels and within the approved budgets.

Metro has been using the CEO's Scorecard to track a selection of KPIs since FY04. This desktop data-mining tool has provided Metro management with timely performance data for a wide variety of agency-critical areas.

In order to give management rapid information, indicators are tracked at frequent intervals. Labor costs are reported at the end of each biweekly pay period, workers' compensation claims are tracked weekly. All other indicators are reported monthly.

The Scorecard compares current year performance to prior year performance in terms of effectiveness and efficiency of service delivery. Each indicator identifies the measurement of output to be monitored. The indicators also provide nominal values both of input and of output to measure productivity. Efficiency of the operation is measured by the cost per unit of output. Both productivity and efficiency are compared to the targets set during the budget process.

The Scorecard allows management to "drill down" to the mode and cost center levels to better understand how individual organizational units are performing. By doing so, all outcomes can be evaluated, best practices identified, and practices leading to poor outcomes corrected. Because safety is Metro's top priority, there are five safety related indicators. The Scorecard reports bus accidents per

100,000 hub miles and per 100,000 vehicle hours. The frequency of bus accidents has declined and is expected to continue to decline.

The Scorecard also reports Workers' Compensation claims per 200,000 hours of exposure, the number of open Workers' Compensation claims, and lost work days paid. Both KPIs measuring Workers' Compensation claims have continued to improve.

The Scorecard contains fare revenue, boardings, and fare revenue per boarding. As expected, the FY08 fare increase resulted in substantially higher revenue per boarding. Revenue per boarding is expected to decline slightly in FY09 as more regular passengers shift from day passes to pre-paid passes.

The Scorecard shows wage cost – base wages, overtime and non-work time – for Metro's three largest represented labor groups. The cost is measured against the vehicle hours for transportation-related activities and hub miles for maintenance-related activities. A vehicle hour is defined as the time an operator is "behind the wheel" including layover and deadhead time. A hub mile represents the odometer readings.

The scorecard tracks the dollars spent on natural gas fuel (CNG), the amount of CNG used, and the hub miles powered by natural gas. Management can tell if variances result either from using more CNG or from the price of CNG. It also allows management to see if fuel usage variances are caused by the number of miles traveled or changes in operating efficiency.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

One of Metro's significant labor costs is for personnel on long term leave. The Scorecard includes an indicator showing the number of employees by type of leave and cost center.

Vendors are major stakeholders in Metro. Therefore, Metro tracks whether or not invoices are paid on time. The scorecard allows each major business unit to monitor timely invoice payment.

	Key Performance Indicator	FY07 Actual	FY08 Estimate ⁽¹⁾	FY09 Target ⁽²⁾
1	Operator Wage Expense per Vehicle Hour ⁽³⁾	\$ 30.65	\$ 29.92	\$ 32.90
2	ATU Sector Wage Expense per Hub Mile ⁽⁴⁾	\$ 0.82	\$ 0.87	\$ 0.93
3	ATU Non-Sector Wage Expense per Hub Mile	\$ 0.17	\$ 0.20	\$ 0.23
4	AFSCME Transportation Wage Expense per Vehicle Hour ⁽⁵⁾	\$ 2.71	\$ 2.75	\$ 2.90
5	AFSCME Maintenance Wage Expense per Hub Mile	\$ 0.07	\$ 0.07	\$ 0.07
6	AFSCME Non-Sector Wage Expense per Vehicle Hour	\$ 1.39	\$ 1.42	\$ 1.60
7	CNG Cost per Hub Miles	\$ 0.46	\$ 0.50	\$ 0.54
8	Fare Revenue (thousands)	\$ 286,247	\$ 329,157	\$ 326,447
9	Boardings (thousands)	495,513	474,229	488,272
10	Fare Revenue per Boarding ⁽⁶⁾	\$ 0.58	\$ 0.70	\$ 0.66
11	Bus Accidents per 100,000 Hub Miles	3.7	3.5	3.5
12	New Weekly Workers' Compensation Claims per 200,000 Exposure Hours	12.50	12.44	12.44
13	Month Ending Open Workers' Compensation Claims	2,180	1,947	1,904
14	Lost Work Days per Month	4,621	4,927	4,673
15	On-Time Bill Payment	94%	94%	94%
16	Leave of Absence	573	571	560

⁽¹⁾ FY08 full-year actuals not available as of publication date.

⁽²⁾ FY09 targets may be revised due to changes in budgets and resource allocations.

⁽³⁾ Wage expense = wages, overtime and non-work time.

⁽⁴⁾ ATU is the Amalgamated Transit Union. This group represents maintenance employees such as mechanics and service attendants.

⁽⁵⁾ AFSCME is the American Federation of State, County and Municipal Employees. This group represents first line supervisors in transit operations.

⁽⁶⁾ Excludes Metrolink reimbursement.

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II. Budget Highlights



About the Budget

This budget document has been adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all government and proprietary funds. In accordance with Governmental Accounting Standards Board Statement No. 34 (*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*), all financial information is consolidated into either business-type activities or governmental activities.

Examples of business-type activities at Metro include transit operating and capital costs, infrastructure construction, and debt activities. These activities constitute the Enterprise Fund.

Examples of governmental activities are subsidies Metro provides to other agencies, the regional planning and programming of funds, and functions of the Metro Board of Directors. These activities are reported in the Governmental Fund, which includes both the Special Revenue Fund and the General Fund. The Enterprise Fund, General Fund, and Special Revenue Fund are classified as major funds as defined by the Governmental Accounting Standards Board Statement (GASB) No. 34.

The budget document is consistent with the agency’s Comprehensive Annual Financial Report (CAFR) except that depreciation and amortization are not budgeted.

The detailed budgeting process and guiding financial policies are included in Appendices 1 through 3.

Developing the Budget

Metro began the process of developing the FY09 budget immediately after adoption of the FY08 budget. The first step in the process was to revise the Ten-Year Forecast using known parameters and future assumptions agreed to by Executive Management. The Ten-Year Forecast included revenue and expense forecasts and trend analysis for all funds and major programs. The Ten-Year Forecast identified potential situations where deficits might be experienced and the trends indicated that expenses will be increasing at a greater rate than revenues.

As part of its continuous review of budget variances, Metro identified additional assumptions that needed to be modified, such as fuel prices, negotiated union wages and benefits, and fare revenues.

After analyzing all of the forecast information, Metro assigned targets to each department and held the department manager responsible for meeting the target. Simultaneously, Metro aggressively pursued additional federal, state and local revenue and grants.

The FY09 budget was eventually balanced through a combination of expense reductions, fare revenue increases and various one time revenue solutions.

See Appendix 1 for a detailed discussion of Metro’s budget process.

Budget Controls

The legal level of budgetary control is at the fund level. Comprehensive multi-year plans are adopted when major capital projects are approved which provide project-length budgetary control of capital project funds. The portion of costs expected to be incurred on each project

during the fiscal year is included in annual appropriations. Metro maintains an encumbrance-based accounting system as another tool of budgetary control.

Budget Planning

Metro's annual budget is consistent with the agency's long-term vision as described in its two principal planning documents:

The 2003 Short Range Transportation Plan for Los Angeles County (SRTP) focuses on the phasing of transportation improvements through 2009. It relies on performance-based modeling to identify the best solution for each mobility challenge.

The 2001 Long Range Transportation Plan for Los Angeles County (LRTP) looks ahead at transportation needs over the next twenty-five years, from 2001 through 2025. It is the blueprint for implementing future transportation improvements for Los Angeles County.

Changes in Staff Levels

The FY09 budget funds 9,143 full-time equivalent positions (FTEs) which is an increase of 50 FTEs from the previous year. Metro added 35 FTEs for Metro Rail Operations to increase service and to begin pre-revenue activities on the Metro Gold Line Eastside Extension. New positions have been added in Construction Project Management to oversee the I-405 Car Pool Lane, the new sustainability projects, and to provide adequate construction safety support to rail and bus capital projects. This budget also added four FTEs to the Communications SBU for the new Ridership Plan and Safety Outreach for the Metro Gold Line Eastside Extension (MGLEE).

Changes in Fund Equity Balances

Business-Type Activities

Annually, revenue sources are used to balance the Enterprise Fund operating and capital budgets as well as debt commitments. For FY09, Metro expects to receive an increase of \$48.6 million in State Transit Assistance (STA) bus revenues. This additional STA revenue will be combined with \$20.4 million of fuel credits derived from compressed natural gas purchases to help offset the operating deficit. Capital expenditures are funded with a mix of federal, state and local resources, plus \$47.7 million of prior year TDA reserves.

Governmental Activities

In FY09, the Special Revenue Fund is budgeted to expend \$218.0 million of fund balances. These fund balances are generated by sales tax revenues collected in years past that are now being budgeted to support a variety of capital and planning projects including: ADA paratransit subsidies, Metrolink commuter rail subsidies, light rail construction activities, new bus acquisitions, bus mid-life rehabilitation, Freeway Service Patrol, and HOV lanes funding.

Refer to Appendix 7 for detailed information concerning Propositions A & C and TDA Administration uses.

FY09 Budget Highlights and Major Budget Assumptions

Metro Bus and Rail -- FY09 Target Service Levels

Mode		Revenue Service Hours (000)	Change from FY08
Metro Bus	• Metro Operated	7,065	-0.8%
	• Orange Line	102	0.0%
	• Purchased Transportation	552	0.4%
	• Total Metro Bus	7,719	-0.7%
Metro Rail	• Blue Line	224	1.5%
	• Green Line	88	-0.5%
	• Gold Line	83	11.9%
	• Red Line	269	0.5%
	• Total Metro Rail	664	2.0%
Total		8,383	-0.5%

- Continue to increase the fleet of high capacity buses.
- Continue implementation of Metro Connections program to improve service between major activity centers.
- Continue natural gas hedging program to substantially reduce risk of price fluctuations.
- Complete the Consent Decree “New Service Plan” as it relates to Metro Operated Rapid Bus Service with the implementation of six new Rapid Bus lines:
 1. Atlantic Boulevard
 2. San Fernando Road / Lankershim Boulevard
 3. San Fernando Road South
 4. Pico Boulevard
 5. Manchester Boulevard
 6. Central Avenue
- Attain New Service Plan “peak seat” requirements.
- Increase rail service by 13,114 revenue vehicle service hours primarily due to additional service on the Metro Gold Line. Both the frequency of the trains and the number of cars per train will increase during high demand periods.
- Continue implementation of Universal Fare System (UFS) allowing seamless countywide travel using smartcard technology.
- Continue to improve Homeland Security activities.
- Maintain cash, pass and token prices at the July 2007 level resulting in a fare per boarding of \$0.66 (excluding the Metrolink reimbursement).
- Fully implement “SmartDrive” (incident based surveillance system) on buses system-wide to reduce accidents, improve safety, and enhance operator training.
- Implement the MATIS information system, a comprehensive motorist aid system that will establish a regional 511 traveler information system for Los Angeles County.
- Expand the Big Rig Towing Service, previously introduced to the I-710 Freeway to include the I-91 Freeway.

- Continue participation in the “bridge” training program to improve operator hiring potential.
- Begin pre-revenue activation activities for the implementation of the Metro Gold Line Eastside Extension, including testing trains, hiring personnel, and community outreach.

Capital Program

The Capital Program budgeting process commenced in September 2007 with an agency-wide Call for Projects. The proposed program of projects was adopted by the Executive Investment Committee in December 2007 and was included in the annual budget process.

Capital projects are funded in agency-wide priority using criteria developed by Metro: safety, customer improvements, previously committed, and mandated. Although all capital projects receive an annual appropriation, capital projects are controlled by the life-of-project budget which must be approved by the Board. Revenues in the Capital Program are a combination of grants and local funds. Highlights of the FY09 major Capital Program include:

- Continue construction of the Gold Line Eastside Extension with the expected completion date at the end of FY09.

- Continue construction of the Expo Light Rail Line.
- Begin a major bus mid-life overhaul program rebuilding 188 buses and installing new engines in an additional 200 buses.
- Acquire equipment for a regional clearinghouse service center will continue. This clearinghouse will process all fare transactions and properly distribute the revenues to Metro and its municipal partners.
- Continue installing fare gates at various rail stations.
- Renovate various bus operating division facilities.
- Replace two CNG fueling stations.
- Procure new Expo/Blue Line light rail vehicles.
- Overhaul heavy rail subway cars.

Refer to Section V for a detailed discussion of the Capital Program.

Other Budget Highlights and Assumptions

- Sales tax revenues programmed to be spent are \$2.184 billion in total.
- Salaries will increase according to union contracts for represented employees and at 4% for non-represented employees.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Summary of Resources

(\$ in millions)		FY05 Actual		FY06 Actual		FY07 Actual		FY08 Budget		FY09 Budget	
1	Sales Tax, STA & TDA ⁽¹⁾	\$1,587.5	60.4%	\$1,430.2	56.0%	\$1,763.7	64.7%	\$1,927.2	63.1%	\$2,184.0	64.1%
2	Federal, State, & Local Grants	488.5	18.6%	702.8	27.4%	509.7	18.7%	676.6	19.3%	748.1	22.0%
3	Passenger Fares & Advertising	284.2	10.8%	297.8	11.6%	304.5	11.2%	341.1	10.9%	350.4	10.3%
4	Net Proceeds from Financing	185.6	7.1%	42.6	1.7%	93.2	3.4%	96.6	3.1%	27.7	0.8%
5	Other ⁽²⁾	80.8	3.1%	85.3	3.3%	53.8	2.0%	99.1	3.6%	97.9	2.9%
6	Total Funding Sources	\$2,626.7	100.0%	\$2,558.7	100.0%	\$2,724.9	100.0%	\$3,140.6	100.0%	\$3,408.1	100.0%

Summary of Expenses/Expenditures by Program

(\$ in millions)		FY05 Actual		FY06 Actual		FY07 Actual		FY08 Budget		FY09 Budget	
7											
8	Countywide Bus										
9	Metro Bus										
10	Operating	\$780.0	29.7%	\$839.5	32.8%	\$894.9	32.8%	\$928.2	27.2%	\$987.9	29.0%
11	Capital	178.2	6.8%	151.4	5.9%	154.9	5.7%	211.1	6.2%	216.1	6.3%
12	Bus Rapid Transit	119.8	4.6%	27.6	1.1%	14.6	0.5%	11.4	0.3%	9.2	0.3%
13	Metro Bus Subtotal	1,078.0	41.0%	1,018.5	39.8%	1,064.3	39.1%	1,150.8	33.8%	1,213.2	35.6%
14	Municipal Operator and										
15	Para transit Programs	260.4	9.9%	242.2	9.5%	280.9	10.3%	257.2	7.5%	328.2	9.6%
16	Countywide Bus Subtotal	1,338.4	51.0%	1,260.7	49.3%	1,345.2	49.4%	1,408.0	44.8%	1,541.4	45.2%
17	Countywide Rail										
18	Metro Rail										
19	Operating	207.2	7.9%	214.0	8.4%	228.1	8.4%	238.2	7.6%	248.8	7.3%
20	Capital	22.5	0.9%	35.4	1.4%	11.2	0.4%	28.0	0.9%	38.8	1.1%
21	Rail Rehabilitation	-	0.0%	-	0.0%	-	0.0%	1.0	0.0%	25.6	0.8%
22	Rail Construction	48.1	1.8%	26.5	1.0%	19.7	0.7%	42.5	1.4%	77.6	2.3%
23	LRT-Eastside/Expo	190.3	7.2%	156.3	6.1%	230.1	8.4%	360.2	11.5%	341.7	10.0%
24	Metro Rail Subtotal	468.1	17.8%	432.2	16.9%	489.1	17.9%	669.9	21.3%	732.4	21.5%
25	Metrolink	42.1	1.6%	45.5	1.8%	44.2	1.6%	58.5	1.9%	60.2	1.8%
26	Countywide Rail Subtotal	510.2	19.4%	477.7	18.7%	533.3	19.6%	728.4	23.2%	792.6	23.3%
27	Sales tax return to local										
28	jurisdictions	280.7	10.7%	288.3	11.3%	295.9	10.9%	301.6	9.6%	304.4	8.9%
29	Streets and Highways and	138.7	5.3%	191.7	7.5%	179.0	6.6%	303.5	9.7%	330.8	9.7%
30	Other Planning										
31	Debt Service ⁽³⁾	286.9	10.9%	287.6	11.2%	312.3	11.5%	308.5	9.8%	321.0	9.4%
32	Other Governmental ⁽⁴⁾	71.8	2.7%	52.8	2.1%	59.2	2.2%	90.6	2.9%	118.0	3.5%
33	Total Expenditures	\$2,626.7	100.0%	\$2,558.7	100.0%	\$2,724.9	100.0%	\$3,140.6	100.0%	\$3,408.1	100.0%

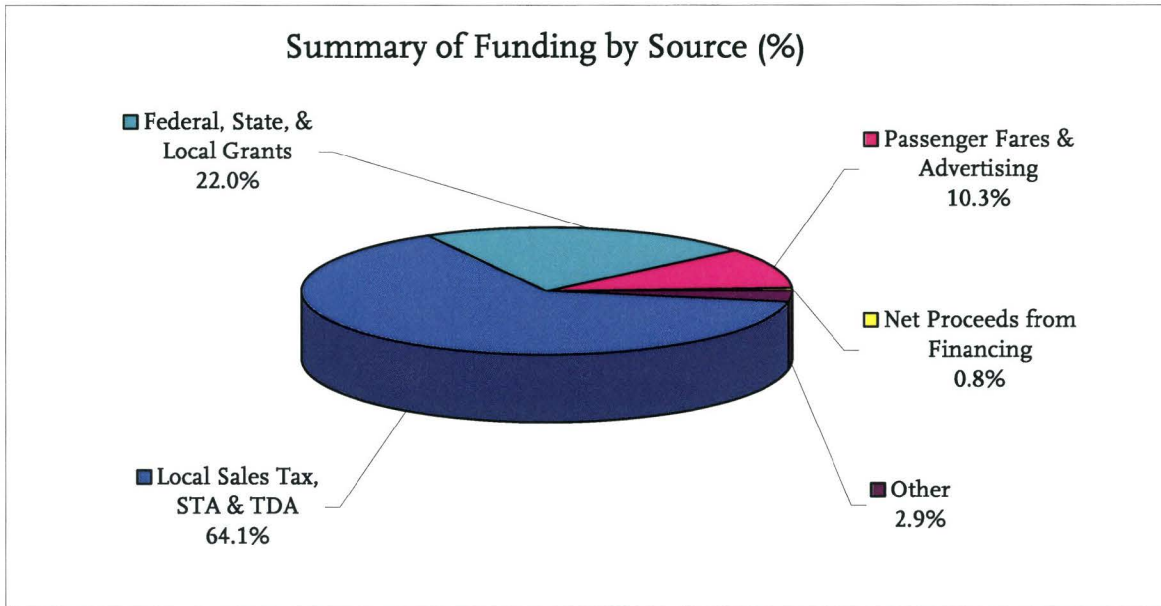
⁽¹⁾ Sales tax category includes use of carryover balances.

⁽²⁾ Includes CNG fuel credits, lease revenue, and other General Fund components plus Benefit Assessment District (BAD) resources, SAFE resources, and investment revenues.

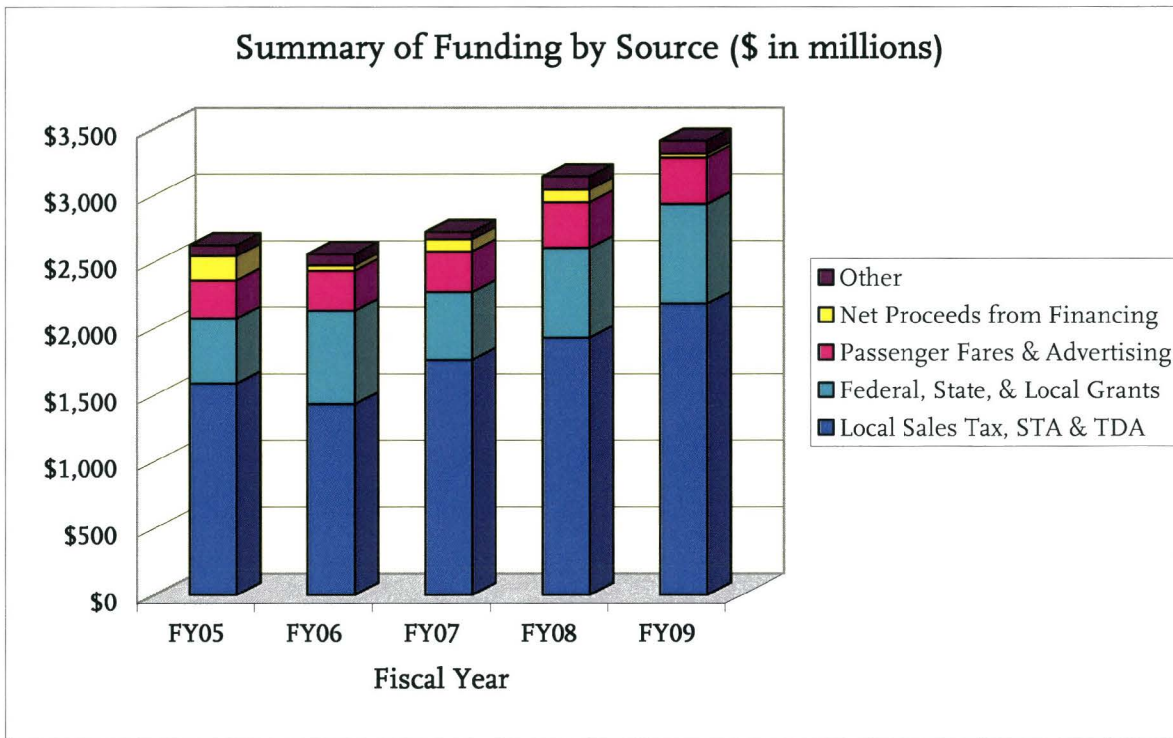
⁽³⁾ Includes principal liability payments and Benefit Assessment District debt payments, but excludes the following items included in the Debt Service schedule: 1) USG Building (General Revenue Bonds) debt service, 2) Capital Grant bond repaid from FTA grant with full funding agreement, and 3) defeased lease payments.

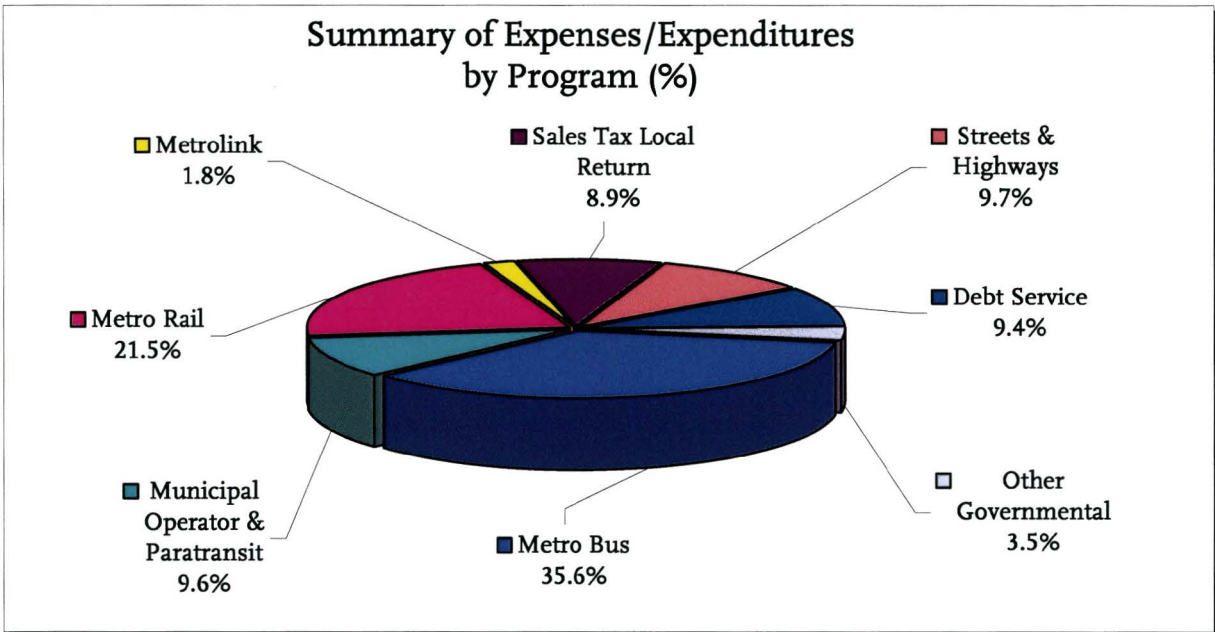
⁽⁴⁾ General Fund Others, General Fund Property Management, Rideshare Service, & Regional EZ Pass.

Note: Totals may not add due to rounding.

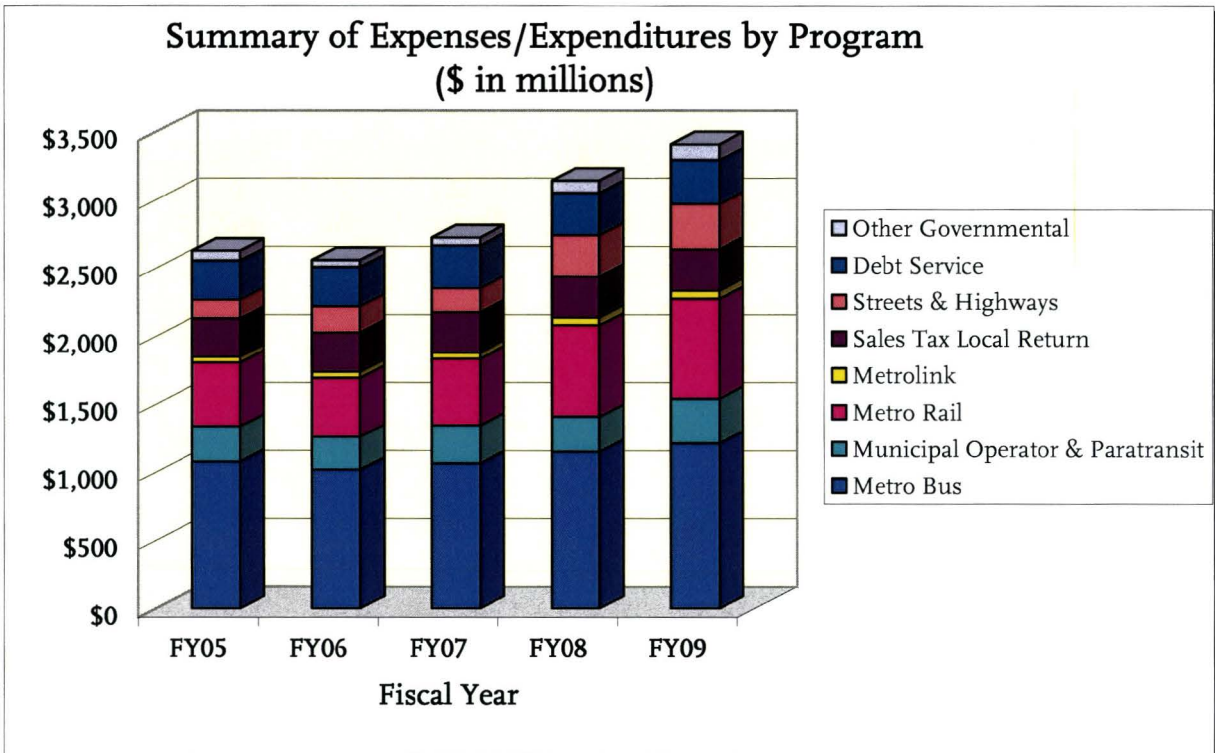


Note: Percentages may not add to 100% due to rounding.





Note: Percentages may not add to 100% due to rounding.



Enterprise Fund Summary of Revenues and Expenses

Statement of Revenues and Expenses For the Years Ending June 30, 2007, 2008, and 2009

(\$ in millions)

Enterprise Fund Summary	FY07 Actual	FY08 Budget	FY09 Budget
1 Operating revenues:			
2 Passenger fares	\$ 286.2	\$ 321.5	\$ 326.4
3 Route subsidies	0.3	0.3	0.4
4 Advertising	18.0	19.3	23.6
5 Total operating revenues	304.5	341.1	350.4
6 Operating expenses, excluding depreciation:	1,123.0	1,166.6	1,236.9
7 Operating loss	(818.5)	(825.5)	(886.5)
8 Operating subsidies and grants (other expenses):			
9 Local operating grants	0.1	-	-
10 Federal operating grants	185.1	200.0	213.4
11 Interest revenues	11.8	0.5	0.5
12 Debt (expense)	(7.1)	(14.1)	(14.0)
13 Gain (loss) on disposition of fixed assets	1.3	3.0	-
14 Other revenue	5.9	2.7	2.2
15 Total operating subsidies and grants (other expenses)	197.1	192.0	202.1
16 Gain (loss) before debt and capital items	(621.4)	(633.5)	(684.4)
17 Debt service & capital grants / contributions:			
18 Local			
19 Capital	2.1	11.3	11.2
20 Debt service other revenues	-	2.3	2.2
21 Proceeds from financing	51.7	96.6	27.7
22 State - capital	81.7	264.5	275.9
23 Federal - capital	211.4	128.9	148.7
24 Total debt service & capital grants / contributions	346.9	503.6	465.7
25 Capital program:			
26 Operating capital	166.0	240.2	305.4
27 Major construction	264.4	408.3	403.5
28 Total capital program	430.4	648.5	708.9
29 Debt service expenses:*			
30 Interest expense	144.5	146.2	152.5
31 Principal payments	132.3	121.2	127.1
32 Services	3.8	2.2	2.2
33 Total debt service expenses	280.6	269.5	281.8
34 Transfers In	985.6	1,047.9	1,209.5
35 Net surplus (deficit)	\$ -	\$ -	\$ -

* Excludes defeased leases and includes non-cash items.

Note: Totals may not add due to rounding.

Governmental Funds Summary of Revenues and Expenditures

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ending June 30, 2007, 2008 and 2009

(\$ in millions)

Governmental Funds - Summary	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Sales tax	\$ 1,908.4	\$ 1,797.9	\$ 1,980.2
3 Intergovernmental grants	351.1	63.5	114.6
4 Investment income	49.6	11.0	10.3
5 Net decline in fair value of investments	1.3	-	-
6 Lease and rental	11.3	14.6	18.5
7 Licenses and fines	8.2	7.5	7.5
8 Other	26.7	21.4	21.4
9 Total Revenues	2,356.6	1,915.8	2,152.4
10 Expenditures:			
11 Subsidies	754.5	848.5	942.0
12 Operating Expenditures	105.6	168.2	199.1
13 Debt and interest expenditures			
14 Interest and fiscal charges	1.4	1.5	1.5
15 Bond principal & commercial paper retirement	0.8	0.8	0.8
16 Total expenditures	862.3	1,019.0	1,143.3
17 Transfers In	57.8	77.3	68.5
18 Transfers Out	(1,046.2)	(1,109.2)	(1,288.0)
19 Proceeds from Financing	44.2	-	-
20 Net change in fund balances	550.0	(135.0)	(210.4)
21 Fund balances - beginning of year	906.6	1,456.6	1,321.6
22 Fund balances - end of year	\$ 1,456.6	\$ 1,321.6	\$ 1,111.2

Note: Totals may not add due to rounding.

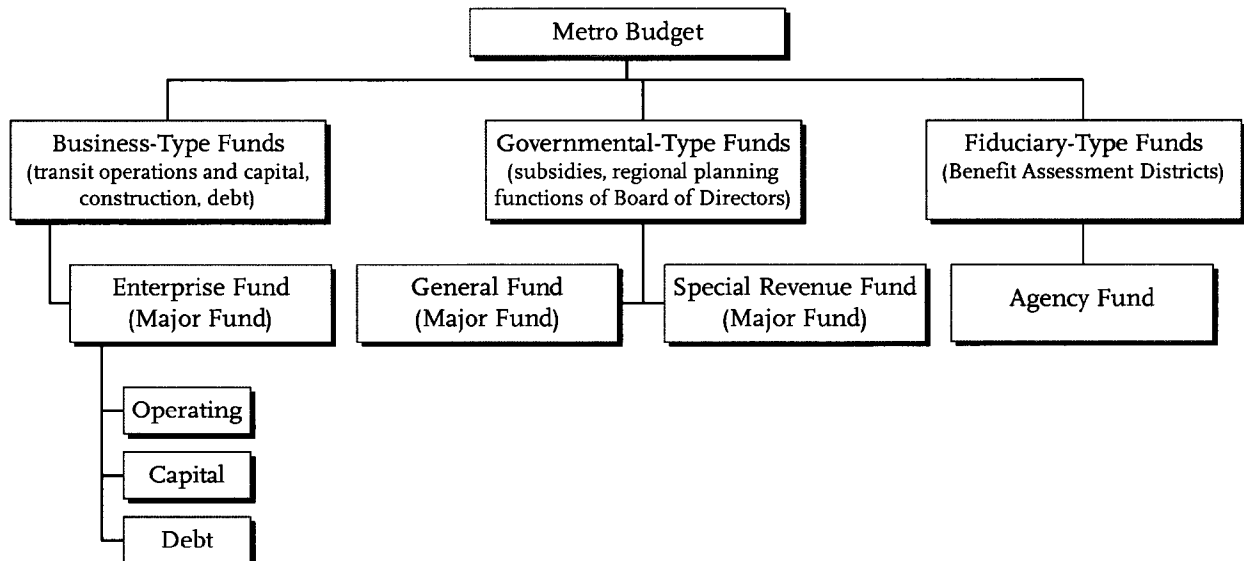
Financial Structure Comparison to Organizational Structure

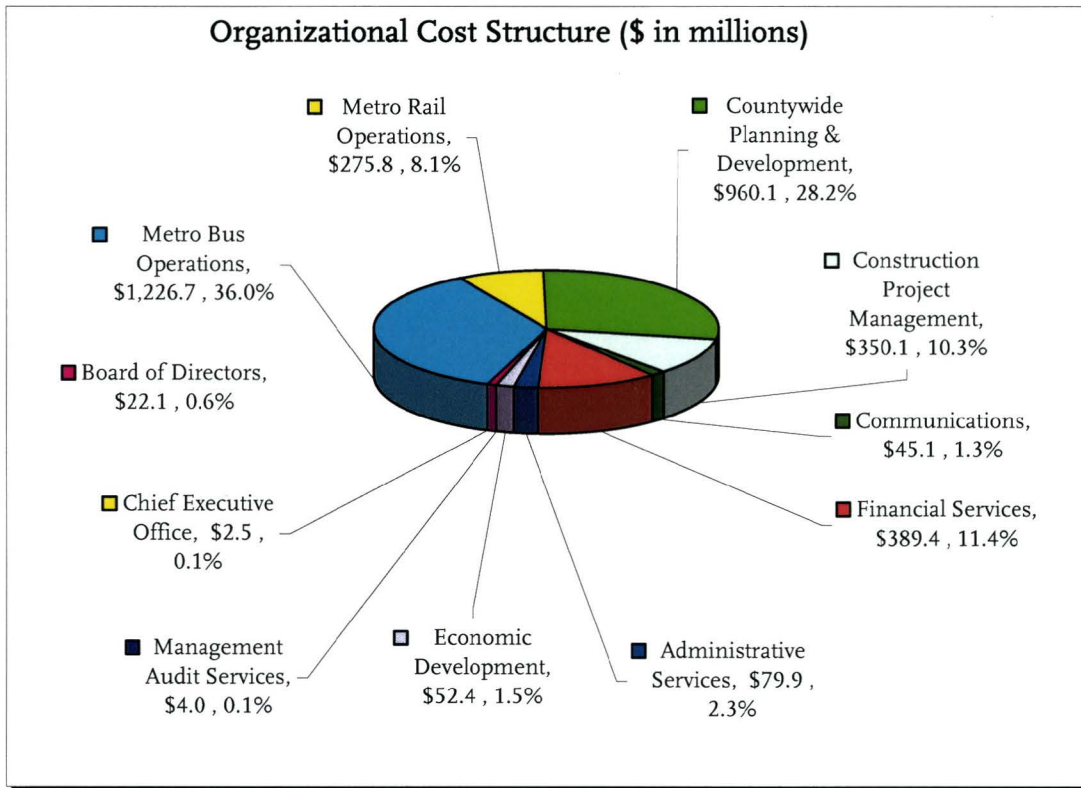
The table below shows how cost by fund discussed in the Financial Details section (Section IV) relates to cost by Strategic Business Unit discussed in the Strategic Business Units section (Section VI). Total

cost in the two sections match since they represent two ways of sorting the same detail. The chart below shows how the funds are structured.

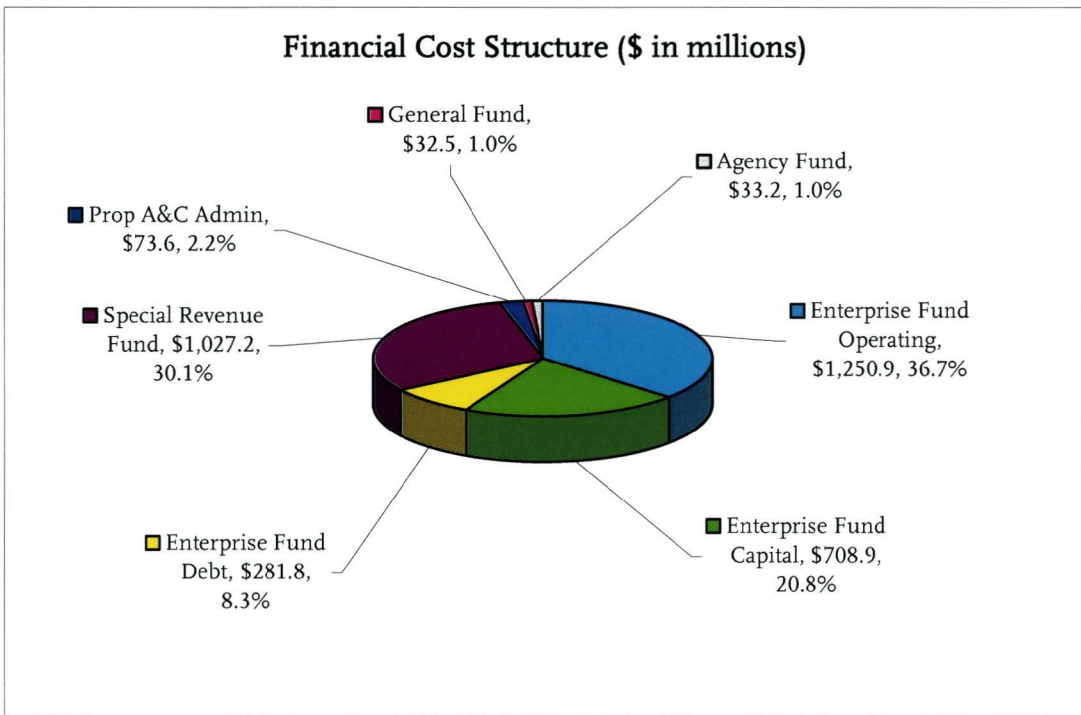
Strategic Business Unit	Business-Type			Governmental-Type			Fiduciary	All Types
	Enterprise Fund Operating ⁽¹⁾	Enterprise Fund Capital	Enterprise Fund Debt	Special Revenue Fund ⁽²⁾	Prop A & C Admin ⁽³⁾	General Fund ⁽²⁾	Agency Fund ⁽⁴⁾	Metro Total
1 Metro Bus Operations	\$ 945.5	\$ 196.5	\$ 3.1	\$ 78.3	\$ 1.6	\$ 1.7	\$ -	\$ 1,226.7
2 Metro Rail Operations	162.3	113.4	-	-	-	0.1	-	275.8
3 Countywide Planning & Development	-	0.1	-	925.5	27.7	6.6	0.2	960.1
4 Construction Project Management ⁽⁵⁾	2.4	327.1	-	18.8	1.3	0.5	-	350.1
5 Communications	23.1	4.0	-	0.8	8.5	8.7	-	45.1
6 Economic Development	10.3	31.2	-	0.2	0.4	10.3	-	52.4
7 Administrative Services	62.1	11.8	-	1.0	5.0	-	-	79.9
8 Financial Services	43.1	20.5	278.7	10.9	10.7	2.6	22.9	389.4
9 Management Audit Services	0.7	-	-	0.4	2.9	-	-	4.0
10 Board of Directors	1.4	4.3	-	1.4	13.0	2.0	-	22.1
11 Chief Executive Office	-	-	-	-	2.5	-	-	2.5
12 Metro Total	\$ 1,250.9	\$ 708.9	\$ 281.8	\$ 1,037.3	\$ 73.6	\$ 32.5	\$ 23.1	\$ 3,408.1

- (1) Includes \$14.0 million of debt expense in the Other Expenses section of the financial statements.
- (2) Excludes interfund subsidies shown in the financial statements (SRF: \$1264.3 million; GF: \$23.7 million).
- (3) Included in Special Revenue Fund financial statement.
- (4) Includes Benefit Assessment Districts
- (5) Includes Exposition Metro Line Construction Authority.





Note: Percentages may not add to 100% due to rounding.

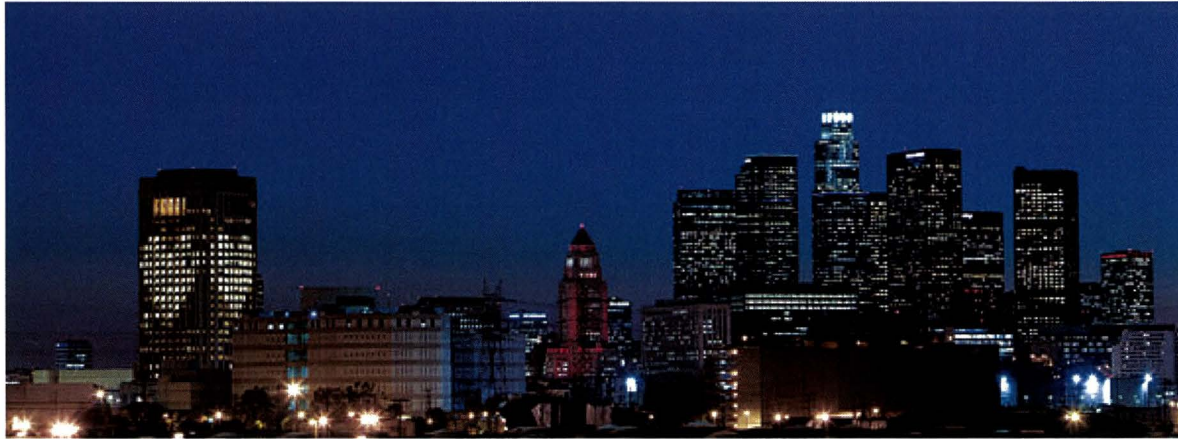


Note: Percentages may not add to 100% due to rounding.

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III. Customer Services

Customer Services



Introduction

Metro is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 10.4 million people – about 27.4% of California's residents – live, work, and play within its 1,433-square-mile service area.

Los Angeles differs from many metropolitan areas in that people here travel in all directions. They do not travel primarily between the suburbs and a central business district. There are many centers of employment, recreation and residence. This lack of a clearly identifiable commute pattern, combined with being one of the most densely populated urban areas in the country, makes the task of planning transportation for Los Angeles County extremely complex.

Our Challenge

While often viewed by the public as solely a transit operator, Metro is also charged with planning for a countywide transportation system that meets the needs of all of the traveling public

including those who travel by streets and highways, public transit, and even those who bicycle and walk.

Metro Long and Short Range Transportation Plans

Metro's efforts in FY09 will be directed to putting into place the next pieces of the transportation puzzle formulated in the twenty-five year Long Range Transportation Plan (LRTP) adopted by the Metro Board of Directors in 2001 and a more detailed Short Range Transportation Plan (SRTP) adopted in 2003. The LRTP will be updated in FY09 and extend through 2030.

In formulating the transportation plans, Metro staff employed the most sophisticated computer modeling techniques available to examine a large array of transportation options and funding scenarios. The Metro Board consulted with representatives from many different organizations – academics, business and community leaders, labor leaders, environmentalists, government officials, and transit users – and held numerous public outreach meetings. (See Appendix 20 for client survey results.)

Customer Services

Metro provides a wide range of customer services designed to increase mobility and the quality of life throughout Los Angeles County. These services include bus and rail operations, ridesharing services, freeway services, and transit information.

In addition to operating its own service, Metro funds the following 16 municipal bus operators:

- Antelope Valley Transit
- Arcadia Transit
- Beach Cities Transit
- Claremont Dial-A-Ride
- Commerce Municipal Bus Lines
- Culver City Bus Lines
- Foothill Transit
- Gardena Municipal Bus Lines
- La Mirada Transit
- Long Beach Transit
- Los Angeles Department of Transportation (LADOT)
- Montebello Bus Lines
- Norwalk Transit System
- Santa Clarita Transit
- Santa Monica Big Blue Bus
- Torrance Transit

Metro also funds a wide array of transportation projects including bikeways and pedestrian facilities, local roads and highway improvements, goods movement, Metrolink, ADA paratransit service transportation and the popular Freeway Service Patrol and Freeway Call Boxes program.

Recognizing that no one form of transportation can solve our urban congestion problems, Metro's multimodal approach uses a variety of transportation alternatives to meet the needs of the highly diverse populations in the region. The "M" logo used throughout the Metro

System is the public symbol of this fully coordinated network.

Metro's approximately 9,000 employees are dedicated to providing the very best customer service. These employees work in a wide variety of technical specialties and services including Metro Bus and Metro Rail operators and mechanics, construction engineers, safety inspectors, transportation planning professionals and customer information agents.

Customer Service Facts You Might Not Know

- Metro's investments in new services and system improvements are proving timely given the rapid increase in fuel prices that make public transportation an attractive alternative for more and more commuters.
- In the last year, Metro has changed out 984 displays in bus stations, rail stations and rail cars to provide more customer friendly transit information.

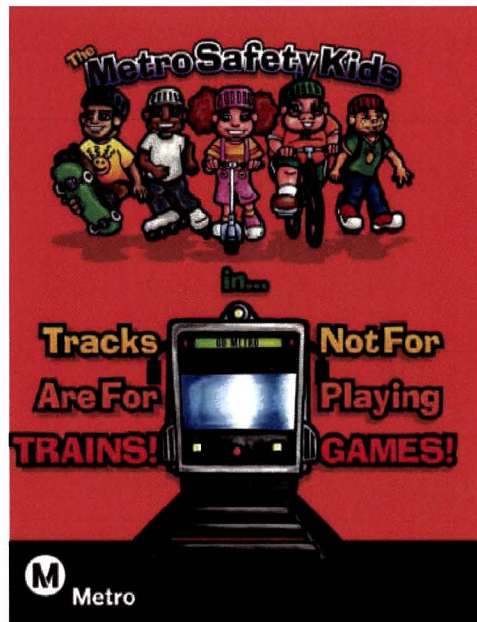


- Metro security has been bolstered using several grants. The U.S. Department of Homeland Security provided funding for improved security. Metro received a \$5.4 million FY09 Homeland Security grant used for a wide range of transit security measures, including adding high-tech surveillance equipment, strengthening the bus and rail system against explosive attacks, preparedness

training, equipment purchases, and training exercises.



- Metro teaches safety at schools by delivering safety presentations via a 4-D (3-D projection plus surround sound) 'Metro Experience' mobile theater to over 200,000 students, teachers and parents each year, providing teaching aids such as the "Metro Safety Kids" fun activity book for elementary school children, and conducting Safety Education Tours. Since the transit safety group began its training program, it has trained over 3 million students.





- Los Angeles County currently has 1,252 miles of bike paths, including 251 miles of off-street, exclusive bike paths, which Metro plans to increase to 500 miles. There are also 481 miles of designated on-street bike lanes, which Metro's strategic bike plan envisions tripling, and 520 miles of bike routes marked by signage.



- As part of this program, Metro has placed 285 bike lockers and 400 racks capable of holding a total of 800 bicycles at Metro Rail and Metrolink stations throughout the county.



- Metro runs extra trains and buses to accommodate large crowds at special events such as Hollywood's Santa Parade, the Tournament of Roses Festivities, the LA Marathon and even all night on New Year's Eve.



- Metro commissions artists to incorporate art into a wide array of transportation projects throughout Los Angeles County. From bus stops to rail stations, streetscapes to bus interiors, construction fences to poetry works, art creates a sense of place and engages transit riders. One half of one percent (0.5%) of rail construction cost is allocated to the creation of original art works.





- Metro is heavily involved in hundreds of local events and community activities such as Gifts for Skid Row Kids, Meals for Homebound Seniors, and many, many more.



Metro Bus



Overview

Over 406 million passengers will board Metro buses and will travel in excess of 1.5 billion miles. Metro will operate over 2,200 peak-hour buses on an average weekday.

Bus Service Facts You Might Not Know

- Metro Bus will procure up to 130 new high capacity buses and debut eight new Metro Rapid lines.
- Large capacity vehicles have improved productivity. Metro is able to carry more people on its buses thanks to the new 46-seat NABI 45-foot Compo-Bus. These buses are significantly lighter, than a conventional steel-framed bus.



- The new 60-foot articulated compressed natural gas (CNG) buses seat 50% more passengers than a standard 40-foot bus.

- Metro boasts the largest clean-air fleet in the nation. Clean running CNG powered buses account for nearly all of the buses in the fleet.



- Sleek designs and vibrant colors highlight one of the most modern fleets on the road today. Color scheme features red for Rapid buses, blue for express buses, and orange for Local buses.

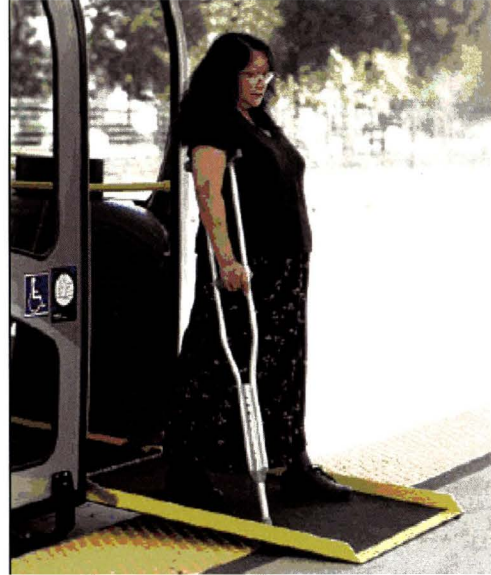


- FlyAway buses travel from Union Station to LAX in 45 minutes or less and utilize high-occupancy vehicle lanes on the I-110 and I-105 Freeways,

providing a significant time savings over driving alone to the airport in rush-hour traffic. The FlyAway buses operate twenty-four hours a day, seven days a week and average in excess of 700 passengers daily. Inexpensive, secure underground parking is available at Union Station.



- Metro's decentralized community approach with five local service sectors brings operating decisions closer to its customers.
- Reports of graffiti on the fleet continue to go down. A combination of Metro's "zero tolerance" policy and aggressive law enforcement have contributed to the improvement.
- Metro is as close to being 100% ADA compliant as an agency can get. All bus lines are accessible with wheelchair lifts or ramps. All stops are now announced through an automated audio system. The rail system is equipped for passengers with hearing, mobility and visual impairments. In addition, Metro is the primary funding partner of Access Services, Inc. – a regional paratransit service provider.



- Metro is doing its part to ensure that customers have a pleasant travel experience. The Metro Clean team is hard at work every day scouring buses, bus stops, and areas surrounding Metro facilities to make them more inviting for transit riders.



- Metro contracted with Transit TV to provide this popular customer amenity. The TVs provide news, sports and entertainment on board the bus fleet. Surveys indicate that nearly 9 out of 10 customers prefer riding with the TVs onboard.



Metro Rapid

Recent studies of public bus transportation in Los Angeles have shown that half the time a bus is in service it is stopped either at a traffic signal or at a bus stop to board patrons. To improve bus speeds, the Metro Rapid Program was introduced in June 2000. Through system integration of bus signal priority, low floor buses, headway rather than timetable-based schedules, and fewer stops, passenger travel times have been reduced by as much as 29%.

When completed in 2009, the Metro Rapid New Service Plan will operate 700+ vehicles over a network of 450 miles of Metro Rapid service, complementing light and heavy rail transit throughout Los Angeles County.



Metro Rapid has seven attributes which, when implemented as one program, provide fast, frequent bus service.



Key Metro Rapid Attributes:

- Simple route layout: Makes it easy to find, use and remember.
- Frequent service: Buses arrive as often as every 3-10 minutes during peak commuting times.
- Fewer stops: Stops spaced about $\frac{3}{4}$ of a mile apart, like rail lines, at most major transfer points.
- Level boarding: Low-floor buses speed-up dwell times.
- Bus priority at traffic signals: New technology reduces traffic delay by extending the green light or shortening the red light to help Metro Rapid get through intersections.
- Color-coded buses and stops: Metro Rapid's distinctive red paint makes it easy to identify Metro Rapid stops and buses.
- Enhanced stations: Metro Rapid stations provide information, lighting, canopies and "Next Trip" displays.

Metro Orange Line

This bus only transitway and bike path is a 14-mile route through the San Fernando Valley, running east and west between North Hollywood Metro Rail Station and Warner Transit Center. Ridership continues to increase far in excess of original projections.

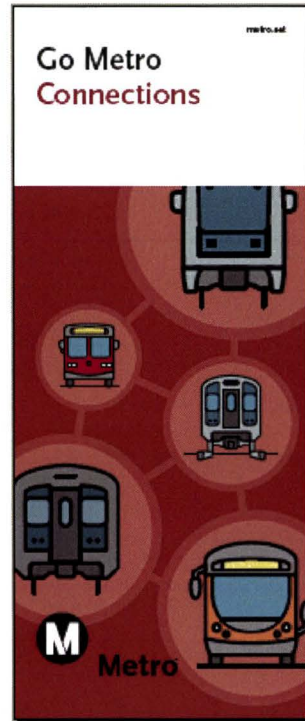


Metro Connections

In the fall of 2003, Metro began a bus system restructuring known as Metro Connections. The intent of Metro Connections is to move Metro's predominately downtown Los Angeles-focused grid system to a hybrid grid and center-based bus service delivery, which will better reflect the region's multiple activity centers and destinations. In addition, restructuring seeks to more effectively utilize and integrate the varied strengths of each of the region's many service providers.

The key themes of the Metro Connections Project are:

- Faster, high-speed, point-to-point destination-based service.
- Increased use of the region's high-capacity, high-speed rail and transit way system.
- Improved regional service coverage and connectivity.
- Upgraded inter-community and local service.
- Coordinated, convenient connections between services.
- Customer service improvements designed to enhance the quality and convenience of the travel experience.



Metro Rail



Overview

Metro Rail has designed, built and now operates over 146 miles of track. Metro Rail will add 24 new light rail vehicles for a total of 246 rail cars to serve over 82 million passenger boardings at 65 stations and provide approximately 500 million miles of transportation for Metro passengers.

Metro Rail prides itself in maintaining a modern, clean fleet of rail cars and clean, modern, safe rail stations.



Rail Service Facts You Might Not Know

- Metro Rail will provide approximately 664,000 revenue service hours.



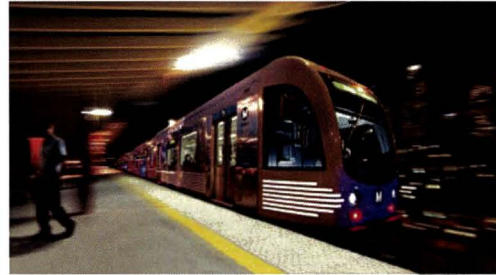
- Transportation to and from each Metro Rail station is available from Metro Bus and community bus lines. Connections can also be made to Metrolink commuter rail service and Amtrak at Union Station.



- Extension of the Gold Line is currently nearing completion. The \$898.8 million Metro Gold Line Eastside Extension adds a six-mile extension from Union Station to Atlantic Boulevard with eight stations along the route, including 1.8-mile twin tunnels. The line is slated to open in the summer of 2009.



- The first phase of the Expo Light Rail line will run 8.6 miles from downtown Los Angeles to Culver City and be completed sometime in the summer of 2010 at a cost of \$862.3 million.



- Installation has begun on a new electronic signage system for Metro's subway stations that replaces the tickertape-style displays installed when the system opened. The \$2.2 million installation of the Transit Passenger Information System (TPIS) will provide 350 46-inch monitors that display up-to-date information specific for each station. Monitors are being installed on station platforms and mezzanines.



- Metro is a primary funding partner for Metrolink, Southern California's 388 mile commuter rail system that includes seven routes encompassing 55 stations and handles over 43,000 passengers daily.



Transportation Services

Service Authority for Freeway Emergencies

- The Los Angeles County Service Authority for Freeway Emergencies (SAFE) is responsible for providing motorist aid services throughout Los Angeles County.
- SAFE is responsible for the operation and maintenance of the Kenneth Hahn Call Box System, which consists of 3,093 call boxes installed throughout the County. The call boxes provide motorists roadside assistance.
- SAFE is also responsible for maintaining the #399 Mobile Call Box program, which allows motorists to utilize their cell phones to request assistance.

Metro Freeway Service Patrol

- Metro, in partnership with the California Department of Transportation (Caltrans) and the California Highway Patrol (CHP), manages the largest fleet of tow and service trucks in the country. This service is known as the Los Angeles County Metro Freeway Service Patrol (FSP).
- The Freeway Service Patrol aids over 300,000 stranded motorists a year. A fleet of 152 Metro-funded tow trucks assists stranded motorists on over 450 miles of Los Angeles County freeways. The program, operated by SAFE, assists motorists to keep traffic moving and reduce congestion. The service includes free Big Rig Tow Service for trucks traveling along the Long Beach Freeway. Service is being expanded to include the I-91 Freeway in FY09.



- Over 70% of motorists needing assistance wait less than five minutes. Tow truck operators change flat tires, fill radiators, tape leaky hoses, and provide jump-starts and gasoline or, when necessary, tow the vehicle to a safe location off the freeway.



Paratransit Services

- Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. In addition, ASI improves the quality and effectiveness of transportation services to the elderly and to persons with disabilities through coordination with social service agencies and other charitable organizations.



- Paratransit ridership in Los Angeles County is projected to increase by an average of at least 3% per year for the next five years.

High Occupancy Vehicles Lanes

- The High Occupancy Vehicle (HOV) lane system extends to over 482 lane miles on fourteen freeway corridors. The network is one of the largest HOV systems in the country.



- Caltrans estimates that nearly 750,000 people use the HOV lanes every day in Los Angeles County. By the year 2030, 160 lane-miles of HOV lanes will be added to the L.A. County freeway system.

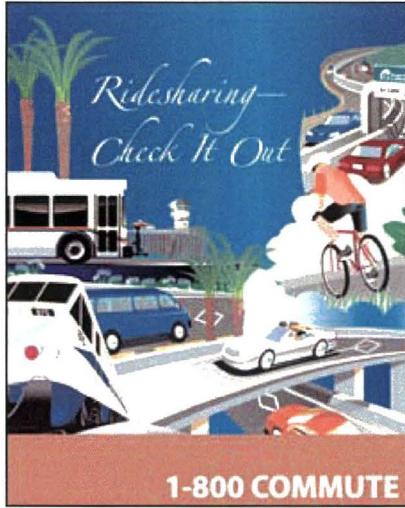
Rideshare Program

- Los Angeles County is at the forefront of innovations and efforts to battle traffic and smog. Thousands of worksites throughout the region offer rideshare programs to their employees to reduce the number of cars on the road.

- Since FY03, Metro has been directly operating the countywide rideshare services. In addition, Metro has been working closely with four neighboring county transportation agencies to provide several regional commuter programs.



- The new services that have been initiated since establishment of the Metro-operated rideshare program include: (1) state-of-the art web-based regional rideshare matching software and database, (2) online ridematch services for individual commuters and employers to match their employees, (3) a restructured employer commute assistance outreach program for more cost effective operations, (4) two new annual employer pass programs to help introduce commuters to transit, (5) a revamped rideshare incentive program that has vastly increased participation, and (6) a regional commute assistance website, CommuteSmart.info, and an e-newsletter, CommuteSmart.news.
- An important regional Guaranteed Ride Home program began operation last year. The program assists commuters who need to get home due to emergency.
- The number of registered carpoolers continues to rise, with carpool registrations growing from 38,803 in FY02 to over 113,875.



Vanpool Program

- The new Metro Vanpool Program has grown from 325 vans in FY07 to 621 vans by the end of FY08. In FY09, Metro expects the program to increase to 801 vans, the equivalent of 11.9 million passenger miles per year, removing 7,209 single-occupancy cars from the region's highways.



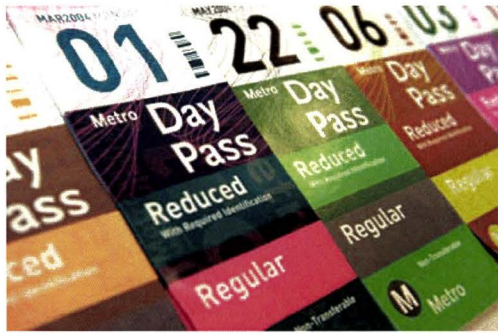
1-800-COMMUTE

- Through 1-800-COMMUTE, a statewide toll-free number, callers can access Metro information for personal transit assistance seven days a week. Callers are given route, schedule, and fare information for all public transportation providers serving the County. Rideshare assistance is also available.



Reduced Fare Program

- The Reduced Fare Program enables eligible customers to ride the Metro System at a significantly reduced price with a current monthly stamp affixed to a valid ID card. Personalized ID cards are provided to eligible full-time college or vocational students, seniors and disabled customers.
- Students in grades K through 12 participate in the reduced fare program by using a photo-less Student Fare Card, which is valid for one school year. The cards are available at Metro Customer Centers, by mail, and through participating LAUSD and Pasadena Unified schools.
- College and vocational Student ID cards are valid for an academic term.
- Persons 62 years and older qualify for a senior ID Card. Senior ID cards are made at Customer Centers, the San Fernando Valley Sector Office and some Senior Centers.
- Personalized ID cards for riders with disabilities are issued for various time periods based on the individual's disability.
- All other Reduced Fare applications are available at Metro Customer Centers, by mail, or on-line at Metro's website: www.metro.net/reducedfares.



MetroMail Program

- The MetroMail Program provides customers with the convenience of purchasing monthly passes, stamps and tokens through the mail. Various individuals, companies, schools, non-profit organizations and government agencies use this service. They submit the MetroMail Order Form along with the appropriate payment, and the fare media is sent in a timely manner via mail or UPS. MetroMail Order Forms are available on metro.net.



E-Commerce On-Line Pass Program

- For added convenience, Metro and EZ transit passes can be purchased on-line with a credit card. Orders can be placed at metro.net/passes and will be shipped before the first of the following month.

Metro Customer Centers

- The four Metro Customer Centers located in Los Angeles served over

550,000 customers last year, selling Metro passes and tokens and EZ transit passes; accepting Reduced Fare applications from college/vocational students and customers with disabilities; issuing Student Fare Cards and Senior ID cards; answering customers' questions; displaying rail/bus schedules, maps and brochures; distributing special promotional information; and providing vendor pick up and exchange services. The Centers also support the Los Angeles County subsidy program by processing certifications and selling county fare media to the general public, students (grades K-12 and college/vocational), seniors and passengers with disabilities who reside in eligible unincorporated areas of the County. Some locations also sell fare media for Foothill Transit and the Los Angeles Department of Transportation and participate in the Cityride Scrip redemption program.



- The Metro Lost and Found service is located at the Wilshire Customer Center. This operation receives, processes and returns claimed articles and disposes of unclaimed items. The number and variety of items left on buses and trains is staggering. For example, the center receives an average of 10-12 bikes per day. Customer Center and Lost and Found information is available on metro.net.



Metro Pass and Token Sales Vendor Network

- The Metro Pass and Token Sales Vendor Network includes over 600 locations where patrons can purchase Metro passes and tokens and EZ regional transit passes, which can be used on participating transit bus services. Vendors are located throughout the Los Angeles County area; a complete list of sales outlets is provided on metro.net.



- Metro also offers a program for Non-Profit Community groups to support the community and transit services. Once approved, these groups may purchase discounted Metro passes and tokens and pass those savings on to their members. Applications are available on metro.net under Support Your Community.

metro.net

- metro.net is Metro's presence on the world wide web. It offers an interactive trip planner, ride matching and comprehensive transit service information for the entire Southern

California region, including maps of public transit throughout Los Angeles County.

- metro.net is accessible from anywhere in the world 24 hours a day. The website receives over 55 million hits per month. The site also affords customers the convenience of purchasing fare media, reserved parking spaces at rail stations, or Metro apparel and merchandise online. Complete information regarding Metro's other transportation services and projects are available as well. (<http://www.metro.net>)

A screenshot of the METRO TRIP PLANNER ADVANCED web interface. It features input fields for "From" and "To", a "When" dropdown set to "Today", radio buttons for "Leave At" and "Arrive by", time selection fields for "Hour" and "Minute", and "AM" and "PM" options. A "Fare Type" dropdown is set to "Regular". A red "PLAN TRIP" button is at the bottom.

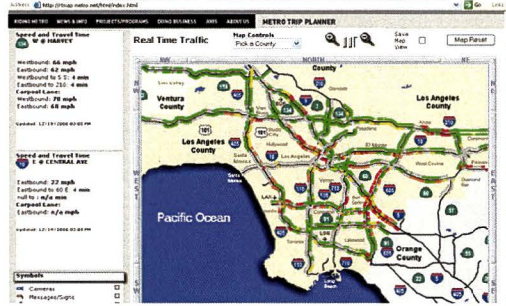
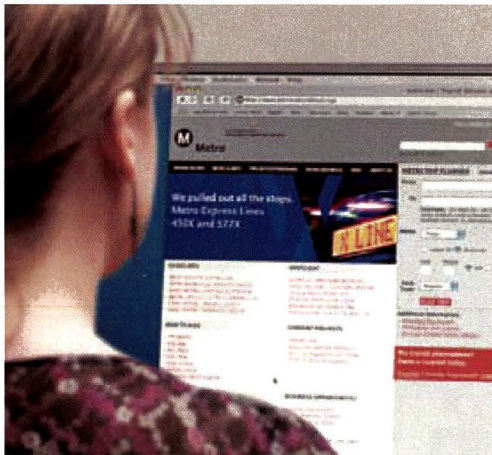
What Our Passengers Think

- Metro trains and buses continue to receive high marks for innovation, as well as for quality of essential services.
- Customers recognize Metro's efforts to increase service by adding new rapid bus routes and new rail lines.
- Safety remains an important issue with riders. Additional personnel, increased training and sophisticated equipment have succeeded in raising the comfort level of our riders.

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- Metro's website, www.metro.net, is easy to use. In addition to planning trips, it provides real time traffic information.



- Metro has continued its efforts to clean up graffiti as soon as it appears. The effort has been noticed by the majority of riders.

See Appendix 20 for additional information about Metro's riders and their opinions of the service Metro provides.

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**IV. Financial Details
by Fund**

Business-Type Activities

Enterprise Fund

Business-type activities are budgeted in the Enterprise Fund in a manner similar to the way they are handled in the private sector. The business-type activities included within the Enterprise Fund are Metro Bus, contracted bus service, Metro Rail, and regional activities. In addition, the Enterprise Fund records capital and debt service activities related to transit operations. The Enterprise Fund is a major fund as defined by Governmental Accounting Standards Board Statement No. 34.

Expenses

The Enterprise Fund budget of \$2,241.6 million is composed of \$1,250.9 million operating expenses, \$708.9 million for capital projects and \$281.8 million for debt service activities. These are discussed in more detail later in this section. Approximately 63% of the Enterprise Fund operating expense is for labor and fringe benefits. Fuel and materials represent another 15% of expenses, with the remainder being comprised of contracted services (4%), security (6%),

casualty and liability (5%), and other expenses (7%). Please see Appendices 8 through 13 for more detailed discussion on Activity Based Cost by Mode.

Revenues

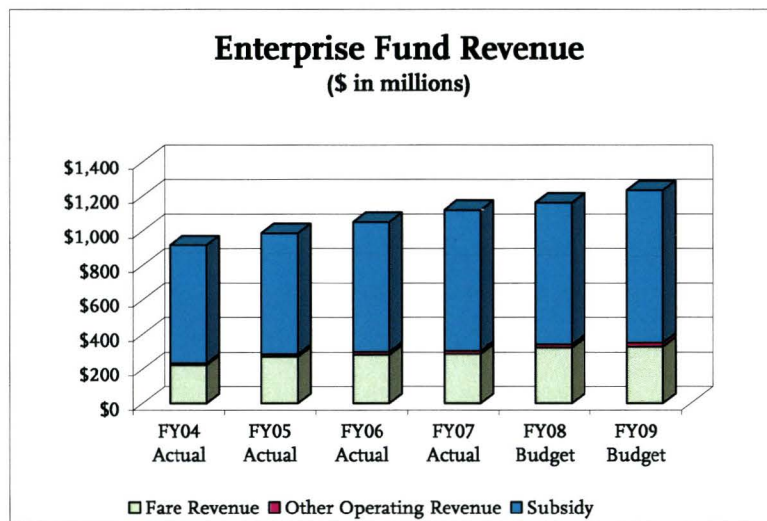
Bus and rail operating revenues consist of 28% farebox revenues and 72% subsidies from federal, state, and local grants. Grant revenues are assumed to increase according to state and federal appropriation levels.

Local Transportation Subsidies

Transfers of sales tax and other revenues from the Governmental Funds to the Enterprise Fund are as follows (\$ in millions):

General Fund	\$ 20.4
Proposition A	407.9
Proposition C	273.9
TDA	299.9
STA	184.7
TCRP	<u>22.7</u>
Total	<u>\$1,209.5</u>

All transfers are made in accordance with enabling legislation.



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Service Levels by Mode

Revenue Service Hours

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	7,124,394	7,065,394	(59,000)
Orange Line	101,561	101,561	-
Purchased Transp	550,011	552,249	2,238
Subtotal Bus	7,775,966	7,719,204	(56,762)
Rail			
Blue Line	221,031	224,373	3,342
Green Line	88,167	87,741	(426)
Gold Line	73,715	82,515	8,800
Heavy Rail	267,725	269,123	1,398
Subtotal Rail	650,638	663,752	13,114
Totals	8,426,604	8,382,956	(43,648)

Cost Per Revenue Service Hour

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	\$120.80	\$129.60	\$8.80
Orange Line	\$242.93	\$228.61	(\$14.32)
Purchased Transp	\$69.64	\$80.43	\$10.79
Subtotal Bus	\$118.78	\$127.38	\$8.60
Rail			
Blue Line	\$305.00	\$308.66	\$3.66
Green Line	\$454.29	\$488.28	\$33.99
Gold Line	\$565.44	\$537.03	(\$28.41)
Heavy Rail	\$333.22	\$343.44	\$10.22
Subtotal Rail	\$366.35	\$374.90	\$8.55
Combined	\$137.89	\$146.98	\$9.09

Revenue Service Miles

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	87,209,951	88,441,559	1,231,608
Orange Line	1,619,412	1,619,412	-
Purchased Transp	7,628,790	7,659,832	31,042
Subtotal Bus	96,458,153	97,720,803	1,262,650
Rail			
Blue Line	4,858,623	4,896,673	38,050
Green Line	2,705,572	2,644,697	(60,875)
Gold Line	1,653,458	1,852,465	199,007
Heavy Rail	6,258,413	6,111,751	(146,662)
Subtotal Rail	15,476,066	15,505,586	29,520
Totals	111,934,219	113,226,389	1,292,170

Cost Per Revenue Service Mile

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	\$9.87	\$10.35	\$0.48
Orange Line	\$15.24	\$14.34	(\$0.90)
Purchased Transp	\$5.02	\$5.80	\$0.78
Subtotal Bus	\$9.58	\$10.06	\$0.48
Rail			
Blue Line	\$13.88	\$14.14	\$0.26
Green Line	\$14.80	\$16.20	\$1.40
Gold Line	\$25.21	\$23.92	(\$1.29)
Heavy Rail	\$14.25	\$15.12	\$0.87
Subtotal Rail	\$15.40	\$16.05	\$0.65
Combined	\$10.38	\$10.88	\$0.50

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Boardings (000s)

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	373,474	383,331	9,856
Orange Line	6,611	7,352	741
Purchased Transp	15,170	15,969	798
Subtotal Bus	395,256	406,651	11,395
Rail			
Blue Line	24,458	24,823	365
Green Line	10,736	10,897	160
Gold Line	5,651	5,736	84
Heavy Rail	39,575	40,166	591
Subtotal Rail	80,421	81,621	1,201
Totals	475,677	488,272	12,595

Cost Per Boarding

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	\$2.30	\$2.39	\$0.09
Orange Line	\$3.73	\$3.16	(\$0.57)
Purchased Transp	\$2.52	\$2.78	\$0.26
Subtotal Bus	\$2.34	\$2.42	\$0.08
Rail			
Blue Line	\$2.76	\$2.79	\$0.03
Green Line	\$3.73	\$3.93	\$0.20
Gold Line	\$7.38	\$7.73	\$0.35
Heavy Rail	\$2.25	\$2.30	\$0.05
Subtotal Rail	\$2.96	\$3.05	\$0.09
Combined	\$2.44	\$2.52	\$0.08

Passenger Miles (000s)

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	1,379,038	1,422,081	43,043
Orange Line	46,280	43,086	(3,194)
Purchased Transp	49,911	51,426	1,515
Subtotal Bus	1,475,229	1,516,593	41,364
Rail			
Blue Line	181,650	182,450	800
Green Line	70,887	68,322	(2,565)
Gold Line	41,820	41,527	(293)
Heavy Rail	198,786	190,788	(7,998)
Subtotal Rail	493,142	483,086	(10,056)
Totals	1,968,371	1,999,679	31,308

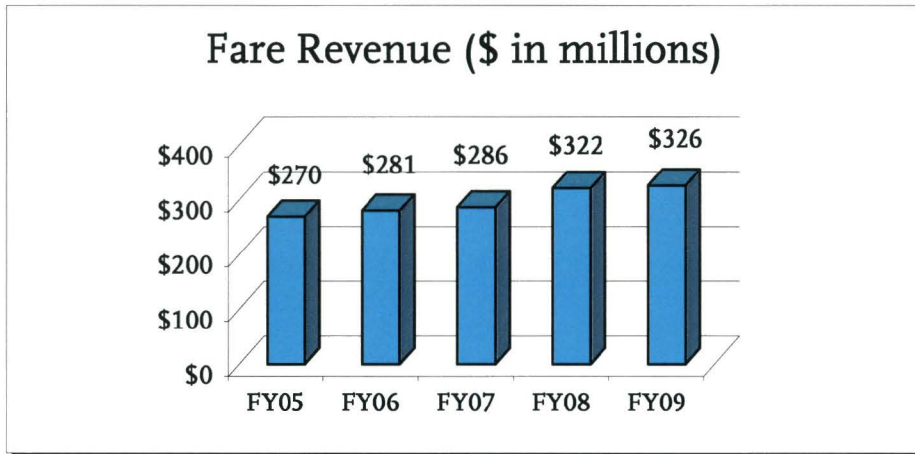
Cost Per Passenger Mile

Mode	FY08	FY09	Inc/(Dec)
Bus			
Local & Rapid	\$0.62	\$0.64	\$0.02
Orange Line	\$0.53	\$0.54	\$0.01
Purchased Transp	\$0.77	\$0.86	\$0.09
Subtotal Bus	\$0.63	\$0.65	\$0.02
Rail			
Blue Line	\$0.37	\$0.38	\$0.01
Green Line	\$0.57	\$0.63	\$0.06
Gold Line	\$1.00	\$1.07	\$0.07
Heavy Rail	\$0.45	\$0.48	\$0.03
Subtotal Rail	\$0.48	\$0.52	\$0.04
Combined	\$0.59	\$0.62	\$0.03

Fare Revenue

The chart below depicts actual passenger fare revenue received in FY05 through FY07, plus budgeted receipts for FY08 and FY09. Fare revenue in FY09 is projected to grow by 1.5% due to increase in boardings. Fare revenue is allocated

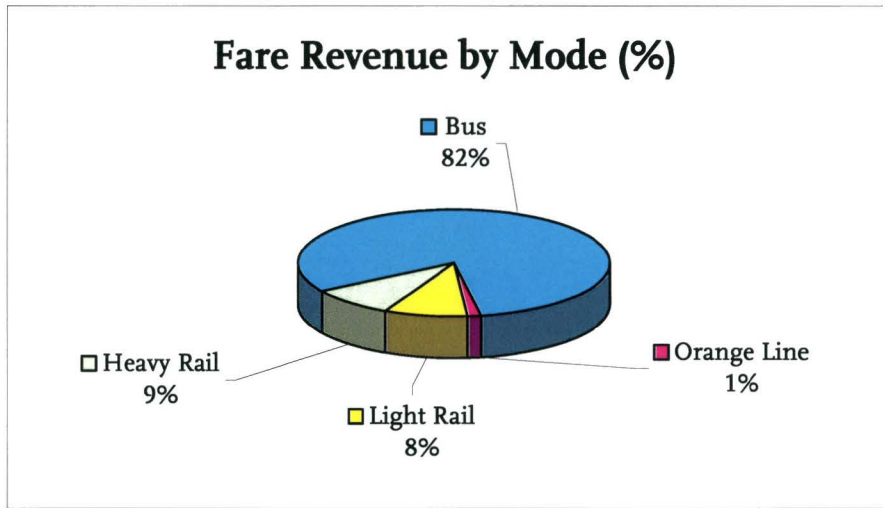
among modes and lines according to ridership estimates for each line. Fare revenues are assumed to be \$0.66 per boarding (excluding Metrolink reimbursement).



Fare Revenue by Mode

The chart below illustrates the distribution of the estimated FY09 fare revenue by mode. As shown on the graph, most of

Metro's fare revenue is attributed to bus operations.



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Los Angeles County Metropolitan Transportation Authority
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Enterprise Fund

(\$ in millions)

Enterprise Fund by Mode	Bus Rapid Transit			Bus			Light Rail		
	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget
1 Operating revenues:									
2 Passenger fares	\$ 3.3	\$ 4.4	\$ 4.9	\$ 238.4	\$ 261.4	\$ 264.9	\$ 20.8	\$ 27.3	\$ 27.7
3 Route subsidies	-	-	-	0.3	0.3	0.4	-	-	-
4 Advertising	-	-	0.5	17.8	19.0	20.8	0.1	-	-
5 Total operating revenues	3.3	4.4	5.3	256.5	280.6	286.1	20.9	27.3	27.7
6									
7 Operating expenses, excluding depreciation:	17.9	22.5	23.2	874.3	901.4	960.5	142.5	149.1	156.5
8									
9 Operating loss	(14.6)	(18.1)	(17.9)	(617.8)	(620.8)	(674.4)	(121.6)	(121.8)	(128.8)
10									
11 Operating subsidies and grants (other expenses):									
12 Local operating grants	-	-	-	0.1	-	-	-	-	-
13 Federal operating grants	12.3	13.7	4.6	123.8	139.9	148.2	30.3	27.2	36.1
14 Interest revenues	-	-	-	11.8	0.5	0.5	-	-	-
15 Debt (expense)	-	-	-	(7.1)	(14.1)	(14.0)	-	-	-
16 Gain (loss) on disposition of fixed assets	-	-	-	1.3	3.0	-	-	-	-
17 Other revenue	-	-	-	5.9	2.6	2.1	-	0.1	0.1
18 Total operating subsidies and grants (other expenses)	12.3	13.7	4.6	135.8	131.8	136.7	30.3	27.3	36.1
19									
20 Gain (loss) before debt and capital items	(2.3)	(4.4)	(13.3)	(482.0)	(489.0)	(537.7)	(91.3)	(94.5)	(92.7)
21									
22 Debt service & capital grants / contributions:									
23 Local									
24 Capital	1.7	0.1	0.1	0.4	-	3.2	-	11.2	8.0
25 Debt service grants/other revenues	-	-	-	-	0.3	0.3	-	1.7	1.6
26 Proceeds from financing	5.8	10.9	-	17.7	8.6	-	25.6	64.6	2.7
27 State - capital	-	-	-	-	50.0	13.5	81.7	214.5	262.4
28 Federal - capital	1.6	0.4	0.2	58.4	42.8	83.0	149.4	83.6	65.4
29 Total debt service & capital grants / contributions	9.1	11.4	0.3	76.5	101.7	100.0	256.7	375.6	340.2
30									
31 Capital program:									
32 Operating capital	-	-	-	154.9	209.4	216.1	7.0	17.7	39.2
33 Major construction	14.7	15.0	9.2	-	-	-	247.4	380.8	391.3
34 Total capital program	14.7	15.0	9.2	154.9	209.4	216.1	254.4	398.5	430.5
35									
36 Debt service expenses:(1)									
37 Interest expense	-	-	-	11.3	11.9	12.3	99.0	99.5	104.3
38 Principal payments	1.0	-	-	54.5	12.0	12.0	60.0	80.3	84.8
39 Services	-	-	-	0.3	0.3	0.4	2.7	1.5	1.5
40 Total debt service expenses	1.0	-	-	66.1	24.2	24.7	161.7	181.3	190.7
41									
42 Transfers In	8.9	7.9	22.2	626.5	620.8	678.5	250.7	298.7	373.7
43									
44 Net surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Excludes defeased leases and includes non-cash items.
Note: Totals may not add due to rounding

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

	Heavy Rail			Non-Modal Regional			Total		
	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget
1									
2	\$ 23.7	\$ 28.4	\$ 29.0	\$ -	\$ -	\$ -	\$ 286.2	\$ 321.5	\$ 326.4
3	-	-	-	-	-	-	0.3	0.3	0.4
4	0.1	0.3	2.3	-	-	-	18.0	19.3	23.6
5	23.8	28.7	31.3	-	-	-	304.5	341.1	350.4
6									
7	85.6	89.3	92.4	2.7	4.2	4.3	1,123.0	1,166.6	1,236.9
8									
9	(61.8)	(60.6)	(61.1)	(2.7)	(4.2)	(4.3)	(818.5)	(825.5)	(886.5)
10									
11									
12	-	-	-	-	-	-	0.1	-	-
13	18.7	19.2	24.6	-	-	-	185.1	200.0	213.4
14	-	-	-	-	-	-	11.8	0.5	0.5
15	-	-	-	-	-	-	(7.1)	(14.1)	(14.0)
16	-	-	-	-	-	-	1.3	3.0	-
17	-	0.1	0.1	-	-	-	5.9	2.7	2.2
18	18.7	19.2	24.7	-	-	-	197.1	192.0	202.1
19									
20	(43.1)	(41.4)	(36.4)	(2.7)	(4.2)	(4.3)	(621.4)	(633.5)	(684.4)
21									
22									
23									
24	-	-	-	-	-	-	2.1	11.3	11.2
25	-	0.2	0.2	-	-	-	-	2.3	2.2
26	2.6	12.5	25.0	-	-	-	51.7	96.6	27.7
27	-	-	-	-	-	-	81.7	264.5	275.9
28	2.0	2.1	-	-	-	-	211.4	128.9	148.7
29	4.6	14.8	25.2	-	-	-	346.9	503.6	465.7
30									
31									
32	4.1	13.1	50.1	-	-	-	166.0	240.2	305.4
33	2.3	12.5	2.9	-	-	-	264.4	408.3	403.5
34	6.4	25.6	53.1	-	-	-	430.4	648.5	708.9
35									
36									
37	34.2	34.7	35.9	-	-	-	144.5	146.2	152.5
38	16.8	28.9	30.3	-	-	-	132.3	121.2	127.1
39	0.8	0.4	0.3	-	-	-	3.8	2.2	2.2
40	51.8	64.0	66.5	-	-	-	280.6	269.5	281.8
41									
42	96.7	116.2	130.7	2.8	4.2	4.3	985.6	1,047.9	1,209.5
43									
44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Program

The Capital Program includes projects to improve infrastructure, acquire equipment, and construct new bus and rail transportation facilities. The Capital Program is developed concurrently and approved with the operating budget. The Capital Program is discussed in greater detail in Section V.

Capital Program activity is budgeted in the Enterprise Fund.

Revenues

Revenues for the Capital Program are primarily from intergovernmental grants for infrastructure improvements and equipment acquisition projects (capital projects) and a combination of intergovernmental grants and long-term

debt for the major bus and rail projects. The Capital Program reflects cost estimates and implementation plans for projects based on agency priorities as established by the Executive Investment Committee. Funding is allocated based on plans and schedules to provide resources for project implementation.

Expenditures

Capital Program expenditures are comprised of direct project costs for the acquisition, expansion and rehabilitation of infrastructure and capital assets as well as staff necessary for successful design, construction, acquisition, and implementation. Expenditures also include all administrative costs to support the projects.

Debt Program

Debt service activity is recorded in the Enterprise, General and Agency Funds and is detailed in Appendix 4.

Total Metro outstanding debt is \$4.4 billion. The Agency Fund accounts for another \$43.5 million in Benefit Assessment District debt. No debt issuance is planned for FY09.

Metro has refunded more than \$4.5 billion of its long-term debt to achieve debt service savings. Those savings exceed \$313 million on a present value basis and \$433 million on a cash basis.

Revenues

Annual revenue budgeted for the payment of debt service consists primarily of local sales tax receipts from Proposition A and Proposition C. Additional sources of debt repayment include federal grants, monies previously set aside pursuant to lease/leaseback transactions, and other miscellaneous revenue receipts.

Commercial paper is issued to provide interim funding for capital expenditures prior to the issuance of long-term bonds. If deemed appropriate during the fiscal year, long-term bonds may be issued. Otherwise, long-term bonds are anticipated to be issued in subsequent fiscal periods to retire the commercial paper and provide permanent, long-term financing.

Expenditures

The total FY09 debt service requirement is \$408.2 million; \$383.1 million is related to Transit Operations activities. The remaining \$25.1 million is budgeted in the General and Agency funds. See the FY09 Debt Service Schedule for further detail.

Debt Limitations/Use Restrictions

Metro issues additional debt consistent with the Board-adopted multi-year Capital Program. Revenues are allocated in accordance with the applicable ordinances, legislation, and planning processes.

Although Metro's bonds are not subject to California constitutional debt limitations, Metro has contractual covenants as part of its bond indentures that limit the issuance of additional debt. The additional bond covenants restrict the percentage amount of specific revenue sources that may be used to service debt. These covenants provide protection to bondholders by limiting the amount of additional bonds that may be issued.

Metro has been assigned high credit ratings on its bonds as a result of having sound security provisions in the bond indentures, properly managing its finances, and pledging sales tax revenues to repay the bonds. Moody's Investors Service, Standard & Poor's, and Fitch Ratings have assigned ratings to Metro's Prop A senior lien sales tax revenue bonds of Aa3, AAA, and AA-, respectively, and A1, AA, and AA-, respectively, to Metro's Prop C second senior sales tax revenue bonds.

Debt Policy

Metro's debt policy establishes guidelines for the issuance and management of the agency's debt. The priorities are as follows:

- Achieve the lowest cost of capital.
- Maintain a prudent level of financial risk.
- Preserve future financial flexibility.
- Maintain strong credit ratings and good investor relations.

- Ensure that local, emerging and disadvantaged business enterprise investment banking and financial firms will be considered for, and utilized in, lead and senior management roles when appropriate.

The policy calls for a capital plan of at least five years to be developed annually. The plan must indicate its debt service requirements and the effect on the agency's debt burden.

The policy prescribes that long-term debt should be used to finance essential capital facilities, projects and certain equipment where it is cost-effective and fiscally prudent. Long-term debt may not be used to fund any operational activities.

Lease financing should be used when it is advantageous to do so either financially or operationally.

Short-term debt is permissible as interim funding as long as it is replaced by permanent funding. The level of unhedged variable rate debt is limited to 20% of all outstanding debt. The

corresponding limit for the total of hedged and unhedged variable rate debt is 50%.

The policy sets target and maximum amounts of revenue that can be dedicated to debt service as percentages of the respective revenue sources. Details are shown in Appendix 4.

Issuance of long-term debt secured by Prop A and Prop C sales tax revenues is also limited by additional bond test covenants. Prior to the issuance of new bonds secured by Prop A and Prop C sales tax revenues, Metro must demonstrate that sales tax revenue collected for a certain period prior to the issuance of the new bonds is sufficient to provide minimum debt service coverage levels for all debt service, including debt service related to the new bonds.

Impact on Operations

All debt issuance is considered and included in the Short and Long Range Transportation Plans so that impacts on bus and rail operating funding are negligible or non-existent.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

FY09 Debt Service Coverage Ratios

(\$ in millions)	FY07 Actual	FY08 Budget	FY09 Budget	Foot- notes
1 Proposition A:				
2 Net Sales Tax Revenue	\$ 514.7	\$ 520.6	\$ 525.3	1
3 First Tier Senior Lien Annual Debt Service	\$ 140.5	\$ 144.5	\$ 149.4	2
4 First Tier Senior Lien Debt Service Coverage	3.66x	3.60x	3.52x	4
5				
6 Residual Net Sales Tax Revenue	\$ 374.2	\$ 376.2	\$ 375.9	
7 First Tier Second Senior Lien Annual Debt Service	\$ 5.7	\$ -	\$ -	2
8 First Tier Second Senior Lien Annual Debt Service Coverage	3.52x	N/A	N/A	4
9				
10 Residual Net Sales Tax Revenue	\$ 368.5	\$ 376.2	\$ 375.9	
11 Second Tier Annual Debt Service	\$ 4.6	\$ 2.3	\$ 2.3	2
12 Second Tier Debt Service Coverage	3.41x	3.55x	3.46x	4
13				
14				
15 Proposition C:				
16 Net Sales Tax Revenue	\$ 549.0	\$ 555.4	\$ 560.5	1
17 Second Senior Lien Annual Debt Service	\$ 100.5	\$ 100.2	\$ 108.8	3
18 Second Senior Lien Annual Debt Service Coverage	5.46x	5.54x	5.15x	4
19				
20				
21 General Revenue:				
22 Pledged Revenue	\$ 298.0	\$ 347.0	\$ 357.1	
23 Annual Debt Service	\$ 24.5	\$ 24.5	\$ 28.3	
24 Debt Service Coverage	12.16x	14.16x	12.64x	4

Footnotes:

- 1 - Sales tax revenue net of required allocations to local governments for transit purposes and less the administrative fee paid to the State Board of Equalization.
- 2 - Net Proposition A Sales Taxes is first applied to pay debt service on the First Tier Senior Lien Bonds. Remaining unapplied Proposition A Sales Taxes revenues are next applied to pay debt service on the First Tier Second Senior Lien Bonds and then the Second Tier Bonds.
- 3 - Net Proposition C Sales Taxes is first applied to pay debt service on the First Senior Lien Bonds. Metro has no First Senior Lien Bonds outstanding as of August 1, 2007. Remaining unapplied Proposition C Sales Taxes revenues are next applied to pay debt service on the Second Senior Lien Bonds.
- 4 - Coverage is as of June 30, 2008. The bond indentures do not impose any minimum coverage requirement.

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

FY09 Debt Service Requirements

	Principal	Interest	Foot- notes
1 Proposition A:			
2 FY09 Projected	74,717,000	86,782,662	1
3 FY10 Projected	78,154,000	76,951,919	1
4 FY11 Projected	82,118,000	72,658,916	1
5 FY12 Projected	86,004,000	68,348,307	1
6 FY13 Projected	90,342,000	63,922,149	
7 Total	411,335,000	368,663,953	1
9 Proposition C:			
10 FY09 Projected	50,583,000	66,707,953	1
11 FY10 Projected	50,740,000	62,684,130	1
12 FY11 Projected	53,080,000	56,221,833	1
13 FY12 Projected	55,355,000	51,616,238	1
14 FY13 Projected	58,000,000	49,318,145	1
15 Total	267,758,000	286,548,299	1
17 General Revenue:			
18 FY09 Projected	17,190,000	11,068,914	
19 FY10 Projected	18,050,000	6,753,176	
20 FY11 Projected	19,020,000	5,941,197	
21 FY12 Projected	5,650,000	5,743,391	
22 FY13 Projected	6,075,000	5,530,705	
23 Total	65,985,000	35,037,383	
25 Grant Revenue:			
26 FY09 Projected	47,750,000	6,385,557	2
27 FY10 Projected	76,135,000	11,452,383	
28 FY11 Projected	114,905,000	8,071,450	
29 FY12 Projected	-	-	
30 FY13 Projected	-	-	
31 Total	238,790,000	25,909,390	
33 Special Revenue:			3
34 FY09 Projected	21,365,000	1,289,813	
35 FY10 Projected	22,170,000	443,950	
36 FY11 Projected	-	-	
37 FY12 Projected	-	-	
38 FY13 Projected	-	-	
39 Total	43,535,000	1,733,763	
41 Capitalized Leases:			
42 FY09 Projected	2,792,013	319,953	
43 FY10 Projected	2,602,961	209,005	
44 FY11 Projected	2,313,235	123,731	
45 FY12 Projected	1,990,257	55,362	
46 FY13 Projected	829,825	11,230	
47 Total	10,528,291	719,281	
49 Other Debt:			4
50 FY09 Projected	14,214,519	3,872,932	
51 FY10 Projected	67,699,716	12,460,880	
52 FY11 Projected	83,325,832	5,444,047	
53 FY12 Projected	50,333,029	5,763,262	
54 FY13 Projected	11,002,219	6,060,643	
55 Total	\$ 226,575,316	\$ 33,601,763	

Footnotes:

- 1 - Includes projected debt service for the Commercial Paper programs and General Fund debt.
 - 2 - Interest expense for the Grant Revenue Bonds is net of capitalized interest and earnings from the Debt Service Reserve Fund.
 - 3 - The Special Revenue debt service is solely an obligation of two Benefit Assessment Districts and is paid from assessments levied within each District.
 - 4 - Other Debt represents outstanding leveraged leases. Principal and interest payments for the leveraged leases are made from restricted funds on deposit, not from future revenues.
 5. The schedule excludes miscellaneous fees representing fees, discount/premium amortization.
- Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Governmental Activities

Governmental activities are budgeted in the Governmental funds comprised of the Special Revenue Fund and the General Fund. They consist of Metro's non-proprietary activities. The Special Revenue Fund budget includes the administration of special transportation programs and the pass-through funding to other agencies in Los Angeles County. Most of the General Fund budget is made up of Metro's non-capital real estate

activities. For FY09, the aggregate of all individual funds comprising the Special Revenue Fund is expected to decrease by \$217 million representing approximately 18% of the total fund balance. This change is primarily related to current year use of prior year revenue allocations in Propositions A and C, and TDA funds to fund various capital and planning projects – please refer to page II-2 for additional information.

Statement of Revenues, Expenditures and Changes in Fund Balances

(\$ in millions)

Governmental Funds	Governmental Funds						Total		
	Special Revenue Fund			General Fund			FY07 Actual	FY08 Budget	FY09 Budget
	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget			
1 Revenue:									
2 Sales tax	\$ 1,908.4	\$ 1,797.9	\$ 1,980.2	\$ -	\$ -	\$ -	\$ 1,908.4	\$ 1,797.9	\$ 1,980.2
3 Intergovernmental grants	349.6	51.7	111.9	1.5	11.7	2.7	351.1	63.5	114.6
4 Investment income	42.2	6.9	5.9	7.4	4.1	4.3	49.6	11.0	10.3
5 Net decline in fair value of investments	1.1	-	-	0.2	-	-	1.3	-	-
6 Lease and rental	-	-	-	11.3	14.6	18.5	11.3	14.6	18.5
7 Licenses and fines	7.8	7.0	7.0	0.5	0.5	0.5	8.2	7.5	7.5
8 Fuel tax credit and others	-	-	-	26.7	21.4	21.4	26.7	21.4	21.4
9 Total Revenues	2,309.1	1,863.6	2,105.1	47.5	52.2	47.4	2,356.6	1,915.8	2,152.4
10									
11 Expenditures:									
12 Subsidies	754.5	848.5	942.0	-	-	-	754.5	848.5	942.0
13 Operating Expenditures	92.9	139.7	168.8	12.8	28.5	30.3	105.6	168.2	199.1
14 Debt and interest expenditures									
15 Interest and fiscal charges	-	-	-	1.4	1.5	1.5	1.4	1.5	1.5
16 Bond principal & commercial paper retirement	-	-	-	0.8	0.8	0.8	0.8	0.8	0.8
17 Total expenditures	847.4	988.2	1,110.8	15.0	30.8	32.5	862.3	1,019.0	1,143.3
18									
19 Transfers In	47.9	71.0	53.1	9.8	6.3	15.4	57.8	77.3	68.5
20 Transfers (out)	(1,041.8)	(1,062.5)	(1,264.3)	(4.5)	(46.6)	(23.7)	(1,046.2)	(1,109.2)	(1,288.0)
21 Proceeds from Financing	44.2	-	-				44.2	-	-
22									
23 Net change in fund balances	512.1	(116.1)	(216.9)	37.9	(18.9)	6.5	550.0	(135.0)	(210.4)
24									
25 Fund balances - beginning of year	790.4	1,302.5	1,186.4	116.2	154.1	135.2	906.6	1,456.6	1,321.6
26									
27 Fund balances - end of year	\$ 1,302.5	\$ 1,186.4	\$ 969.5	\$ 154.1	\$ 135.2	\$ 141.7	\$ 1,456.6	\$ 1,321.6	\$ 1,111.2

Note: Totals may not add due to rounding.

Special Revenue Fund

The Special Revenue Fund (SRF) accounts for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or major capital projects) that are earmarked for specified purposes. The SRF reflects Metro's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County. This includes sales tax revenues such as Propositions A & C and TDA and STA funds.

Revenue

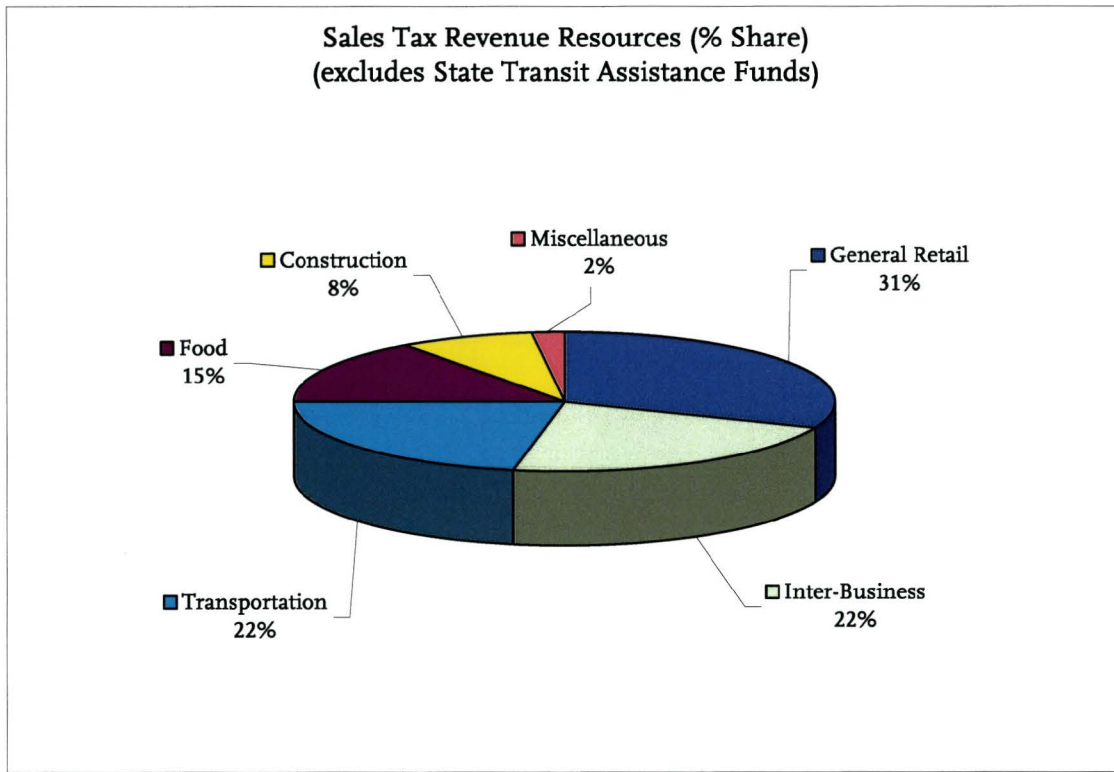
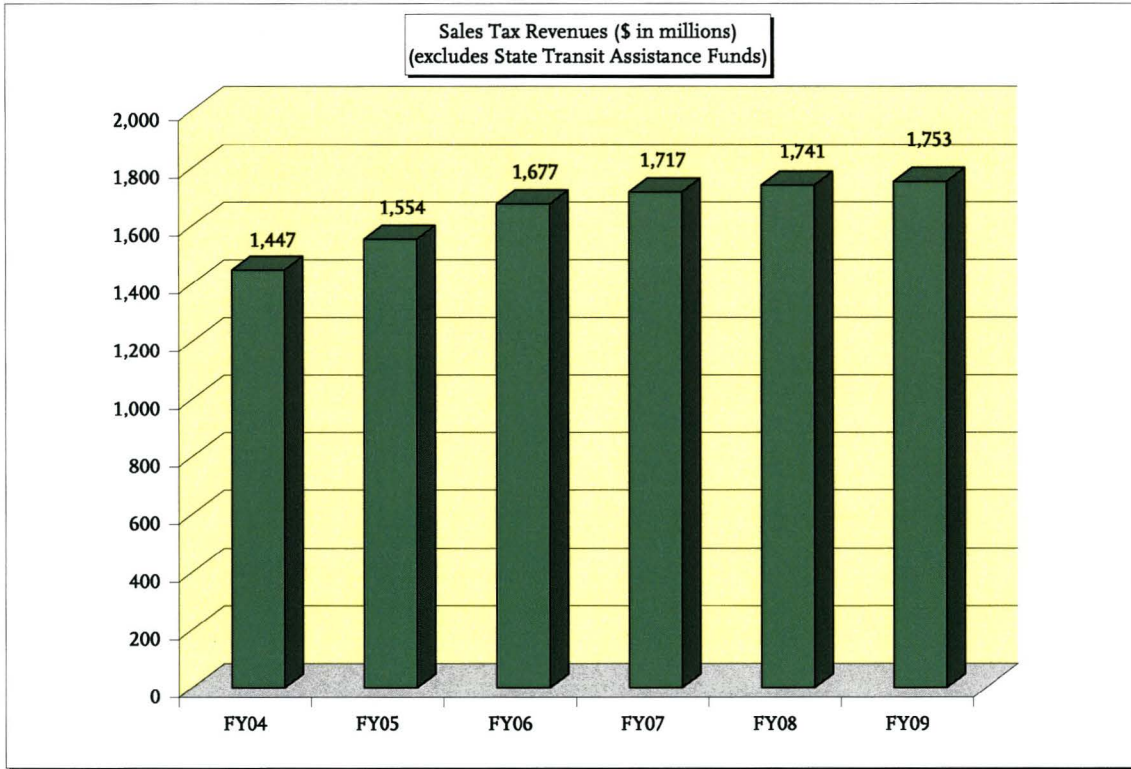
The primary source of revenue is Proposition A sales tax, Proposition C sales tax, Transportation Development Act (TDA) sales tax, and State Transit

Assistance (STA) sales tax on gasoline. Other sources include Service Authority for Freeway Emergencies (SAFE), Congestion Mitigation and Air Quality (CMAQ), and other funds used to account for programs with dedicated revenue. Sales tax revenues are assumed to increase by 0.7% over the FY08 adopted budget. This growth assumption is based on the UCLA Anderson School's sales tax forecast dated January 2008.

Expenditures

Laws, ordinances, or grants that created these funds designate their use. Regional programs detailed in the following section account for 85% of Special Revenue expenditures. The remaining 15% goes for SAFE, FSP, other contracts, administrative costs and labor.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget



Description of Revenue

Proposition A Sales Tax

Revenue is generated from a 0.5% sales tax in Los Angeles County pursuant to the Prop A Ordinance of 1980 that specifies funds must be used exclusively to improve transit in Los Angeles County.

Metro is responsible for administering Prop A funds and the interest earned. Metro uses 5% of the Prop A funds it receives for administration. The remaining 95% of Prop A is apportioned as follows:

- 25% Local Return.
- 35% Rail Development Program.
- 40% Discretionary.

Proposition C Sales Tax

Revenues are generated from Los Angeles County's 0.5% sales tax for "public transit purposes" pursuant to the Prop C Ordinance of 1990. Eligible uses are:

- The maintenance, improvement and expansion of public transit.
- Congestion reduction.
- Increase of mobility.

Metro uses 1.5% of overall funds for administrative purposes. The remaining 98.5% is apportioned as follows:

- 5% Rail and Bus Security.
- 10% Commuter Rail/Transit Centers.
- 20% Local Return.
- 25% Transit-Related Highway Improvements.
- 40% Discretionary.

Transportation Development Act

Revenues are derived from 0.25% of the 7.25% retail sales tax collected statewide. The 0.25% is returned by the State Board of Equalization proportionally to each county based on their tax collections.

TDA Article 4: Public Transportation Systems

Up to 92% of total TDA funds are allocated as Article 4 funds to transit operators. Allocation is subject to the Formula Allocation Procedure (based on vehicle service miles and fare revenue). Metro also receives TDA Article 3 and Article 8 for distribution. See Pg. IV-23 for more detail.

State Transit Assistance

State Transit Assistance (STA) revenues derive from sales and use taxes on diesel fuel and gasoline as follows:

- 4.75% sales tax on diesel fuel.
- 4.75% sales tax on \$0.09 of the gasoline state excise tax on gasoline.
- "Spillover" is a potential source of additional revenue that applies when the growth in sales tax revenue on all sales including gas exceeds the growth in sales tax revenue on all sales excluding gas.

STA Population Share

STA funds are allocated 50% to counties based on the ratio of each county's population to the state's population. These funds can be used for transit operations or roads. Metro has chosen to allocate its population share completely to Metro Rail Operations.

STA Operator Revenue Share

The remaining 50% of STA funds is allocated to counties based on the ratio of the total transit operator's revenues to the total revenues of transit operators in the state. These funds can be used for transit operations or capital. Metro allocates to itself and other regional bus operators according to the Board-approved Formula Allocation Procedure (FAP). See Appendices 5 and 6 for a detailed discussion of revenue sources and the allocation of funds.

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Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Special Revenue Fund

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ending June 30, 2007, 2008 and 2009

(\$ in millions)

Special Revenue Funds	Proposition A & C, TDA Administration			Proposition A			Proposition C			Transportation Devel. Act		
	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:												
2 Sales tax	\$ -	\$ -	\$ -	\$ 686.2	\$ 694.2	\$ 700.4	\$ 686.3	\$ 694.3	\$ 700.6	\$ 344.9	\$ 352.4	\$ 352.0
3 Intergovernmental grants	4.5	3.6	10.4	-	-	-	14.0	31.4	50.3	-	-	-
4 Investment income	0.3	-	-	8.8	1.2	1.2	18.3	2.3	2.3	8.7	1.0	-
5 Net (decline) in fair value of investment	0.1	-	-	0.3	-	-	0.9	-	-	-	-	-
6 Licenses and fines	-	-	-	-	-	-	-	-	-	-	-	-
7 Total revenues	4.9	3.6	10.4	695.3	695.4	701.6	719.5	728.0	753.2	353.6	353.4	352.0
8												
9 Expenditures:												
10 Subsidies	0.3	0.9	1.4	252.3	256.3	307.4	354.8	452.4	481.5	115.3	113.8	109.3
11 Operating Expenditures	40.2	49.6	72.2	-	-	-	40.9	65.7	70.8	-	-	-
12 Total expenditures	40.5	50.4	73.6	252.3	256.3	307.4	395.7	518.0	552.3	115.3	113.8	109.3
13												
14 Transfers In	47.8	59.4	51.7	-	-	-	-	5.9	0.4	-	0.6	0.6
15 Transfers Out	-	(3.9)	(4.2)	(304.9)	(596.2)	(442.3)	(337.9)	(145.0)	(295.7)	(232.1)	(245.1)	(305.9)
16 Proceeds from Financing	-	-	-	-	-	-	44.2	-	-	-	-	-
17												
18 Net change in fund balance	12.2	8.7	(15.6)	138.1	(157.1)	(48.1)	30.1	70.9	(94.4)	6.2	(4.9)	(62.4)
19												
20 Fund balance - beginning of year	0.0	12.3	21.0	166.6	304.7	147.6	358.1	388.3	459.2	166.9	173.0	168.1
21												
22 Fund balance - end of year	\$ 12.3	\$ 21.0	\$ 5.4	\$ 304.7	\$ 147.6	\$ 99.5	\$ 388.3	\$ 459.2	\$ 364.8	\$ 173.0	\$ 168.1	\$ 105.7

* Other includes regional EZ Transit Pass Program, Regional Grantee-FTA, EXPO Phase II, Metro Sponsored CFP, and TCRP.

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

	State Transit Assistance			SAFE			Other*			Total		
	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget	FY07 Actual	FY08 Budget	FY09 Budget
1												
2	\$ 191.1	\$ 57.1	\$ 227.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,908.4	\$ 1,797.9	\$ 1,980.2
3	-	-	-	-	-	-	331.1	16.7	51.2	349.6	51.7	111.9
4	4.1	1.7	1.7	1.7	0.7	0.7	0.5	-	-	42.1	6.9	5.9
5	-	-	-	0.1	-	-	-	-	-	1.2	-	-
6	-	-	-	7.8	7.0	7.0	-	-	-	7.8	7.0	7.0
7	195.2	58.7	228.8	9.5	7.7	7.7	331.6	16.7	51.2	2,309.1	1,863.6	2,105.1
8												
9												
10	26.3	11.3	30.4	-	-	-	5.6	13.9	11.9	754.5	848.5	942.0
11	-	-	-	3.9	16.6	15.8	7.9	7.9	10.1	92.9	139.7	168.8
12	26.3	11.3	30.4	3.9	16.6	15.8	13.5	21.7	22.0	847.4	988.2	1,110.8
13												
14	-	-	-	-	-	-	0.1	5.0	0.3	47.9	71.0	53.1
15	(164.4)	(69.2)	(184.7)	(2.4)	(3.0)	(2.0)	-	-	(29.6)	(1,041.8)	(1,062.5)	(1,264.3)
16										44.2	-	-
17												
18	4.5	(21.8)	13.7	3.2	(11.9)	(10.1)	318.2	(0.0)	(0.1)	512.1	(116.1)	(216.9)
19												
20	65.6	70.1	48.3	32.5	35.7	23.8	0.7	319.0	319.0	790.4	1,302.5	1,186.4
21												
22	\$ 70.1	\$ 48.3	\$ 62.0	\$ 35.7	\$ 23.8	\$ 13.7	\$ 319.0	\$ 319.0	\$ 318.9	\$ 1,302.5	\$ 1,186.4	\$ 969.5

Regional Programs

Metro provides funding directly to projects through grants of local funds or indirectly through allocated federal or state grants. Local funds consist mainly of Proposition A and Proposition C funds which are disbursed by Metro to agencies based on an approved spending plan. Federal and state grant funds are programmed or allocated by Metro and disbursed directly by the granting agency or disbursed by Metro to the grantee or recipient. The recipient agency is responsible for

administering and managing the federal or state grant.

The FY09 Budget for local funding commitments to the Call for Projects (CFP) reflects current year cash flow. Funding for all other local programs, including Municipal Operator programs, Access Services, Inc. (ASI), Proposition A Incentive, Local Return, and Metrolink, reflects the FY09 programmed amounts.

Regional Subsidy Program Budget Summary

FY09 Budget

(\$ in thousands)

Funding Category	Transit Operator Programs			ADA/Accessibility Funding Program	CFP Projects & Programs	Other Local Projects	Commuter Rail & Intercity Rail	Other Planning Projects	FY09 Budget
	(1)	(2)	(3)				(4)		
1 Prop A - Local Return 25%	\$ -	\$ -	\$ 166,354	\$ -	\$ -	\$ -	\$ -	\$ -	166,354
2 Prop A - Discretionary 95% of 40%	264,520								264,520
3 Prop A - Incentive 5% of 40%				25,663					25,663
4 Prop C - Local Return 20%					138,016				138,016
5 Prop C - Security 5%	31,883								31,883
6 Prop C - Commuter Rail 10%					10,825		60,160		70,985
7 Prop C - Streets & Hwys 25%					163,861			90	163,951
8 Prop C - Discretionary 40%	98,335	34,179	5,503	10,400					148,417
9 Other (Federal, State, Local, FAU Cash, & CMAQ)			12,813	2,982				700	16,495
10 Other (EZ Pass)				9,500					9,500
11 Admin (Prop A, C, TDA)								1,307	1,307
12 TDA	333,099		27,692						360,790
13 STA Revenue Share Formula	125,202								125,202
14 Total	\$ 853,039	\$ 59,842	\$ 525,063	\$ 22,882	\$ 60,160	\$ 2,097			\$ 1,523,083

NOTES:

- 1) Increase in FY09 formula-allocated funding primarily relates to increased STA estimate from State Controller - \$125.2M compared to \$67.2M in FY08 (\$45.6 base plus mid-year Board amendments for \$21.6M).
- 2) Transit Operator Programs' total includes Prop 1B "bridge" funding.
- 3) Transit Operator Programs' total includes MOSIP funds.
- 4) Commuter Rail & Intercity Rail reflects Metro's share of Metrolink's operating and capital costs.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Regional Subsidy Program Budget Detail

FY09 Budget

(\$ in thousands)

Regional Fund Description		FY07 Actual	FY08 Budget	FY09 Budget
1	Transit Operator Programs			
2	Formula Allocated Funds (1)	\$ 618,313	\$ 632,193	\$ 689,190
3	Transit Security	32,633	32,977	31,883
4	BSIP & MOSIP Programs (2)	32,844	71,248	76,867
5	Foothill Mitigation	7,672	9,827	11,483
6	Transit Service Expansion	6,264	6,436	6,554
7	FY07 Fuel Inflation allocation	5,984	-	-
8	Base Bus Restructuring	3,910	3,369	3,431
9	Prop 1B Equivalent Municipal Operators - Security (3)	-	-	2,972
10	Prop 1B Equivalent for Municipal Operators - PTMISEA (3)	-	-	23,840
11	FY08 LADOT Adjustment	-	-	6,819
12	Transit Operator Programs total	707,621	756,050	853,039
13	ADA/Accessibility Funding Programs			
14	ASI - Access Services, Inc.	25,059	28,070	34,179
15	Proposition A Incentive programs	12,440	18,132	25,663
16	ADA Accessibility Funding Programs total	37,498	46,202	59,842
17	CFP Projects and Programs			
18	Proposition A and C Local Return	295,874	301,644	304,370
19	Call for Projects & Rapid Bus	107,491	181,796	193,002
20	TDA Bikeways/Transit/Streets & Hwys Pgms	24,754	27,768	27,692
21	CFP Projects and Programs total	428,120	511,208	525,063
22	Other Local Projects			
23	Immediate Needs	4,044	9,950	5,000
24	SHORE/General Relief Tokens	1,721	400	400
25	Regional Grantee-FTA	5,847	5,367	2,982
26	EZ Pass Program	6,292	8,500	9,500
27	Rider Relief	-	-	5,000
28	Miscellaneous Other Local Projects	-	186	-
29	Other Local Projects total	17,903	24,403	22,882
30	Commuter Rail & Intercity Rail Programs			
31	Metrolink	34,110	54,479	60,135
32	Intercity Rail	25	25	25
33	Commuter Rail & Intercity Rail Programs total	34,135	54,504	60,160
34	Other Planning Projects			
35	Other P&P Planning	60	-	-
36	Transit Planning	37	-	-
37	Pedestrian Bikeway Enhancements & Rideshare Svcs	14	-	-
38	SFV North-South MRT	-	900	700
39	Misc Other Planning Projects/Studies	180	875	1,397
40	Other Planning Projects total	291	1,775	2,097
41	Total Metro Funded Programs	\$ 1,225,568	\$ 1,394,141	\$ 1,523,083

NOTES:

- (1) Increase in FY09 formula-allocated funding primarily relates to increased STA estimate from State Controller.
- (2) BSIP/MOSIP funds for FY07 do not include Metro's allocation of Prop C 40% funds.
- (3) Prop 1B Equivalent for Municipal Operators Security and for Public Transportation Modernization, Improvements, and Service Enhancement Act (PTMISEA) funds for both FY08 and FY09 are budgeted in FY09.

Regional Programs Descriptions

Transit Operator Programs

Transit Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 95% and 40% Discretionary, to Metro Operations and 16 transit service providers in Los Angeles County. These funds are allocated based on formulas prescribed by Metro's Policies and Procedures and approved by the Board of Directors.

In addition, operators receive Proposition C 40% Discretionary funds under seven programs approved by the Metro Board of Directors as follows:

- Foothill Mitigation Program.
- Transit Service Expansion.
- Discretionary Base Bus Restructuring.
- Bus Service Improvement Plan (BSIP) including Overcrowding Relief.
- Municipal Operator Service Improvement Program (MOSIP).
- Proposition C 5% Security.
- Proposition 1B Transit Modernization and Security.

ADA/Accessibility Funding Programs

Metro contracts with Access Services, Inc., (ASI) to provide complementary paratransit services for persons with disabilities who cannot use fixed route buses and trains, enabling the County's fixed route operators to be fully compliant with ADA requirements. ASI is also the Consolidated Transportation Services Agency (CTSA) for Los Angeles County, responsible for improving mobility options and for coordinating specialized transportation.

Incentive Programs

The Proposition A 5% of 40% Discretionary Incentive program provides

support to local transit operators within Los Angeles County for the provision of public and private paratransit service. The FY09 Incentive Program also includes \$12 million for the second year of a multi-year call for projects program for the local transit operators.

Propositions A and C Local Return

The Proposition A 25% and Proposition C 20% ordinances require that each of the 88 cities and Los Angeles County receives a direct share, based on population, of the total Proposition A and Proposition C sales tax revenues. Known as "local return," these funds must be used to support transit needs or other transportation related projects including paratransit and fixed route service, street and road maintenance (Prop C only) on streets heavily used by transit, and other transit-related improvements.

Transportation Improvement Program Call for Projects

The Transportation Improvement Program (TIP) Call for Projects (CFP) is a biennial process for allocating selected federal, state and local transportation funds to cities in Los Angeles County, Los Angeles County, municipal transit operators, joint power authorities, and other public agencies. After Metro establishes funding estimates, eligible organizations submit project applications for review.

Metro staff evaluates the merits of each submittal and develops a priority ranking based on a scoring system adopted by Metro's Board of Directors. Metro's Board of Directors reviews the staff recommendations and adopts a multi-year funding program. After adoption by its Board of Directors, Metro allocates funding based on project cash flow plans

and secures written agreements with successful project sponsors.

TDA Article 3 and Article 8

TDA Article 3 funds are allocated to all cities and the unincorporated areas of Los Angeles County based on population. TDA Article 3 funds may be used for pedestrian and bicycle facilities, including retrofitting facilities, to comply with the Americans with Disabilities Act (ADA). TDA Article 8 funds may be used for transit and paratransit.

If Metro finds that all transit needs in the jurisdiction have been met, Article 3 and 8 funds may be used for the development, construction, and maintenance of local streets and roads. Eligible claimants for TDA Article 8 funds include the cities of Avalon, Lancaster, Palmdale, and Santa Clarita, and the unincorporated areas of Los Angeles County.

Other Local Programs

Metro provides funding for Support for Homeless Re-Entry (SHORE), the Immediate Needs Transportation Program and the Rider Relief Program.

EZ Transit Pass Program

The EZ Transit Pass Program is a regional pass program that allows patrons to transfer among various transit providers. The program provides seamless travel for patrons who use the EZ transit pass to access different transit systems.

Metro administers the program by collecting all revenues and distributing them to the participating operators upon receipt of their requests for reimbursement.

Regional Commuter Rail Program

Metrolink is a regional passenger rail system which links downtown Los Angeles to the four surrounding counties and the Antelope Valley. Average passenger trip length is 37 miles.

Construction, operation, and maintenance of the Metrolink fleet, right-of-way, and facilities are performed by the Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA). Metro and the other four county members of the JPA provide funding, in combination with passenger fares, state and federal grants, and other operating revenue.

General Fund

The General Fund includes activities associated with government that are not legally or otherwise required to be accounted for in another fund.

The General Fund provides legal services, planning and joint development programs, and Metro rideshare communication activities with constituents and customers. The General Fund is also used for revenues not attributable to other funds, such as sales-leaseback and filming on non bus and rail operating Metro owned property.

Revenues

The primary sources of revenue to the General Fund are HOV fines, interest income, employee activities, and Federal, State, and Local grants. Metro also collects rental and lease revenue on owned property and generates revenue from property management functions provided by the Real Estate Department. Revenues collected from non-recurring sources such as CNG fuel credits also are recorded in the General Fund.

Expenditures

Budgeted General Fund expenditures in FY09 include legal services, employee activities, bikeway and pedestrian planning studies, joint development, rideshare services, Homeland Security programs, and debt expenditures and retirement. Expenditures associated with property management activities that are not directly attributable to transit operations or construction efforts are also included in the General Fund.

For FY09, Metro's Board authorized the use of \$20.4 million worth of CNG fuel credits from the General Fund to be applied to the Enterprise Fund to retain bus service originally slated to be eliminated. For FY10, the Metro Board of Directors has already approved an additional fare increase to help reduce the need for one time revenues to balance the budget.

Statement of Revenues, Expenditures and Changes in Fund Balances

(\$ in millions)

General Fund	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Intergovernmental grants	\$ 1.5	\$ 11.7	\$ 2.7
3 Investment income	7.4	4.1	4.3
4 Net decline in fair value of investments	0.2		
5 Lease and rental	11.3	14.6	18.5
6 Licenses and fines	0.5	0.5	0.5
7 Fuel tax credit and others	26.7	21.4	21.4
8 Total Revenues	47.5	52.2	47.4
9 Expenditures:			
10 Operating Expenditures	12.8	28.5	30.3
11 Debt and interest expenditures	1.4	1.5	1.5
12 Bond principal & commercial paper retirement	0.8	0.8	0.8
13 Total expenditures	15.0	30.8	32.5
14 Transfers In	9.8	6.3	15.4
15 Transfers Out	(4.5)	(46.6)	(23.7)
16 Net change in fund balance	37.9	(18.9)	6.5
17 Fund balances - beginning of year	116.2	154.1	135.2
18 Fund balances - end of year	\$ 154.1	\$ 135.2	\$ 141.7

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Fund Balances

For The Year Ending June 30, 2009

(\$ in millions)

Fund	FY09 Estimated Ending Fund Balance	Fund Balance Designations	FY09 Estimated Available Fund Balance
1 Special Revenue Funds:			
2 Proposition A:			
3 Administration	\$ -	\$ -	\$ -
4 Local Return	-	-	-
5 Rail Set Aside	36.9	36.9 ⁽¹⁾	-
6 Discretionary	45.4	45.4 ⁽²⁾	-
7 Incentive	3.8	-	3.8
8 Interest	13.4	-	13.4
9 Proposition C:			
10 Administration	-	-	-
11 Local Return	-	-	-
12 Commuter Rail	10.4	-	10.4
13 Discretionary	235.0	70.8 ^{(2) (3)}	164.2
14 Street & Highways	90.7	90.7 ⁽⁴⁾	-
15 Security	6.4	6.4 ⁽⁵⁾	-
16 Interest	22.2	-	22.2
17 Transportation Development Act:			
18 Administration	-	-	-
19 Article 3	18.3	18.3 ⁽²⁾	-
20 Article 4	86.2	86.2 ⁽²⁾	-
21 Article 8	0.9	0.9 ⁽²⁾	-
22 Interest	0.3	-	0.3
23 State Transit Assistance:			
24 Revenue Share	29.5	29.5 ⁽²⁾	-
25 Population Share	29.9	-	29.9
26 Interest	2.6	-	2.6
27 SAFE	13.7	13.7 ⁽⁶⁾	-
28 Prop. A, C, TDA Administration	5.3	-	5.3
29 General Fund:			
30 Sales/leaseback	25.7	-	25.7
31 Right-of-Way Lease	55.7	-	55.7
32 Interest	8.4	-	8.4
33 Employee Activities	0.7	-	0.7
34 General	51.2	-	51.2
35 Other:			
36 Special Revenue Other	318.9	318.9 ⁽⁷⁾	-
37 Debt Service	1,007.5	1,007.5 ⁽⁸⁾	-
38 Benefit Assessment Districts	84.6	84.6 ⁽⁸⁾	-
39 Pension Plans (Jointly Administered)	711.1	711.1 ⁽⁸⁾	-

⁽¹⁾ Designated - Metro Rail Rehabilitation project.

⁽²⁾ Designated - amounts owed to other operators.

⁽³⁾ Designated - existing Metro Capital Obligations.

⁽⁴⁾ Designated - Long Range Plan and Call for Projects

⁽⁵⁾ Designated - Board approved Security Reserve.

⁽⁶⁾ Designated - future SAFE obligations.

⁽⁷⁾ Designated - TCRP fund balance which must be used for State approved capital projects.

⁽⁸⁾ Designated - existing obligations.

Note: Totals may not add due to rounding.

Program Description

A capital expenditure is any acquisition or construction project that has a value of \$2,500 or greater and a useful life of more than one year. The Capital Program (CP) is a financial plan of proposed capital projects, their costs, and schedules. The CP is designed to meet Metro's infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of Metro and is updated annually. Appropriations for the capital plan are approved on a life-of-project basis and thus do not lapse at the end of the fiscal year.

The Capital Program provides for the acquisition, construction, reconstruction, purchase of initial fixtures and equipment, renovation, rehabilitation, and replacement of facilities with a life expectancy of at least one year and any related costs for land acquisitions, land improvements, design, feasibility studies, engineering studies and engineering. It includes projects which are, or will become, the property of Metro.

Capital projects are planned and executed in phases. The project development phase identifies project requirements and defines the project work scope. This includes preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, and assessment of alternatives.

The design phase includes professional consultant activities, legal and technical documentation, environmental clearance, constructability review, data collection,

advertising, assessment of alternatives related to project design, construction management services, and bid reviews.

The property acquisition phase includes the purchase of land, easements, and rights-of-way. This also includes negotiating the purchase price, surveys, appraisals, environmental audits, permits, legal costs, maps, charts, and other costs.

The construction phase includes: project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspection, testing, and permitting.

Metro's capital projects for FY09 are grouped into thirteen elements that are discussed in the following pages.

Each element is managed by a subject matter expert known as an "Element Sponsor." The Element Sponsors are responsible for validating project need, approving the scope, ranking the projects and monitoring the project managers to ensure project completion on schedule and within budget. The annual and life-of-project (LOP) budgets for each project are shown in the Capital Projects List beginning on page V-5.

Funding

The Capital Program is funded primarily with federal, state and local grants. Additionally, Metro finances a portion of the capital projects with debt and short-term financing.

Major Construction Projects

The major construction projects (non-routine) are those projects that add new infrastructure to the region. The FY09 Construction Program includes funds for construction of the Metro Gold Line Eastside Extension, construction of the Metro Expo Line, acquisition of light rail vehicles for Expo and the Blue Line, overhaul of Red Line subway cars, and close out activities for the Orange Line and the Canoga Station Park and Ride facility.

Metro Gold Line Eastside Extension

This project will connect East Los Angeles with downtown Los Angeles. The corridor will extend 6 miles from Union Station to the intersection of Beverly and Atlantic Boulevards. It will operate at-grade for 4.3 miles and through tunnels in Boyle Heights for 1.7 miles. Revenue operation is projected to begin in FY10. The total cost of the project is \$898.8 million.

In FY09, the project team will achieve substantial completion of the Metro Gold Line Eastside Extension Project. This includes completion of trackwork installation along the guideway, structural construction of eight stations and two portals, systems equipment installation, completion of systems testing, and the start of pre-revenue testing.

Expo Light Rail Transit Project

The Expo Light Rail line will travel along the right-of-way between downtown Los Angeles and Culver City. It will share track and two stations (7th Street/Metro Center and Pico) with the Metro Blue Line as it leaves downtown Los Angeles. It will then travel along the Exposition right-of-way to the current terminus at

Washington/National. Eight new stations will be constructed. The light rail line project will be approximately 8.6 miles in length and will parallel the heavily congested I-10 freeway. The cost of the project to Culver City is \$862.3 million and revenue operation is projected to begin in 2011. Estimated travel time from downtown Los Angeles to Culver City is under 30 minutes.

The FY09 schedule includes completion of final design, trench construction and wall installation, track installation, street improvements, construction of the La Brea Overpass, construction of the Ballona Creek Vehicle Bridge, realignment of National Boulevard in Culver City, and construction of stations.

Expo Light Rail and Metro Blue Line Light Rail Vehicle Project

Primary activities for FY09 focus on obtaining Board approval to award a contract for 50 light rail vehicles.

Metro Red Line Heavy Rail Subway Vehicle Mid-Life Refurbishment

The Metro Red Line Heavy Rail Subway Vehicle Mid-Life Refurbishment activities include issuing the Request for Proposal/ Invitation for Bid (RFP/IFB), evaluating the proposals, and obtaining Board approval. The total cost to rehabilitate 104 rail cars is \$202 million.

Rail Vehicle Maintenance

The FY09 Rail Vehicle Maintenance program includes upgrading the signaling systems on the P2000 light rail vehicles.

Infrastructure Improvement and Acquisition Capital Projects

The infrastructure improvement and acquisition projects are categorized by the following elements: Bus Acquisition, Bus Facilities Improvements, Bus Maintenance, Rail Facilities Improvements, Rail Vehicle Maintenance, Rail Rehabilitation, Wayside Systems, IT/Communications, Non-Revenue Vehicles, Warehouse Projects, Security Projects, and Other Capital Projects.

Bus Acquisitions

Metro will acquire the first 130 of 260 CNG 45' composite buses and six hybrid gasoline-electric articulated buses. The total cost to purchase 260 45' composite buses is \$179 million. Additionally, Metro will retrofit four vehicles with hydrogen-compressed natural gas (HCNG) engines. Metro will also acquire 53 new CNG buses for \$18.6 million, which will be operated by contract service providers.

Bus Facilities Improvements

Projects include construction work at bus divisions to replace and refurbish equipment and facilities, expansion of buildings and facilities, replacement of CNG fueling stations, and continuing projects for replacing two storage tanks.

Bus Maintenance

Projects include rebuilding 188 CNG buses which have reached their mid-life and installing new engines in 200 buses.

Rail Facilities Improvements

Projects cover facility expansion, safety improvements, security projects, and support equipment.

Wayside Systems

Projects include upgrading of stations and operating facilities, safety improvements, and maintenance and refurbishment of traction power, signals, facilities and track.

Rail Rehabilitation

Projects include the Metro Rail Gating project, replacing Metro Blue Line power substations, replacing Metro Blue Line overhead catenary wire, and modernization of elevators and escalators at the Civic Center station.

IT/Communications

Projects include development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include replacement of work stations, upgrading Metro's web infrastructure, and technology upgrades. Development of the Transit Operator Activity Scheduling and Tracking (TOAST) for tracking operator payroll will continue in FY09.

Non-Revenue Vehicles

Projects include purchase of replacement and expansion vehicles to support bus and rail operations and general Metro functions.

Warehouse Projects

Projects include upgrading materials handling systems and constructing storage facilities at one bus and one rail division.

Security Projects

Projects include installation of Metro Gold Line passenger information systems, a disaster recovery system for the ATMS system, and a second phase of upgrading Metro Red Line bridge and tunnel protection measures.

Other Capital Projects

Other Capital projects for FY09 include the Universal Fare System (UFS) and the Regional Service Center and Clearinghouse project, a project to improve Regional Rail System Signage, and a project to implement a document imaging system.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Capital Program List

(\$ in thousands)		Expected Expenditures Through FY08	FY09	FY10 and Future	Life of Project	New
Project Title	CP#					
1 Bus Acquisition						
2	ATV Bus Purchase (Hybrid Vehicles)	200044	\$ 2,237	\$ 2,338	\$ 27	\$ 4,603
3	45-Foot Composite Buses	201013	-	89,141	89,989	179,130 Y
4	HCNG Demonstration Project	201033	398	604	256	1,258
5	Hybrid Articulated Bus Demonstration	201049	-	165	35	200 Y
6	Contract Services Bus Buy	201054	-	18,600	-	18,600 Y
7 Bus Acquisition Total			2,635	110,849	90,307	203,791
9 Bus Facilities Improvements						
10	Union Division (T31 - Formerly Division 10 Expansion)	202001	1,697	3,250	-	4,947
11	RRC General Building Modifications	202006	687	431	-	1,118
12	In-ground Bus Hoist Replacement	202007	6,509	1,772	-	8,281
13	Temple & Beaudry Layover Facility	202016	465	121	1,106	1,692
14	Division 7 Facility Improvements	202017	4,772	328	-	5,100
15	Division 2 Maintenance - Maintenance Bldg. Modernization	202018	1,624	26	-	1,650
16	El Monte Transit Station Enhancements	202021	9	106	-	115
17	FY09 UST Replacement	202028	-	1,531	-	1,531 Y
18	FY09 Bus Facility Contingency Projects	202038	-	1,200	-	1,200 Y
19	FY07 Bus Division Maintenance Equip.	202041	688	1,055	412	2,155
20	FY09 Bus Division Maintenance Equipment	202043	-	2,200	-	2,200 Y
21	FY09 Replace Bus Div. Emergency Generators	202048	-	1,900	-	1,900 Y
22	FY09 HVAC Replacement Program All Divisions	202063	-	1,350	-	1,350 Y
23	GCSS Norwalk 605 Station Expansion Project	202096	-	169	1,059	1,228 Y
24	Installation and Upgrades/Modifications of Fire Alarm Systems at Multiple Divisions	202107	-	351	-	351 Y
25	Division 10 - CNG Fueling Facility	202138	-	1,272	10,401	11,673 Y
26	Division 18 - CNG Fueling Facility	202139	-	1,105	9,995	11,100 Y
27	Metro Art Enhancements	202166	434	181	-	615
28	Division 5, 10, & 18 Renovations	202181	11,999	6,334	-	18,333
29	In-ground Bus Hoist Replacement -- Phase II	202203	1,402	2,850	120	4,372
30	Articulated Bus Facility Modifications -- Phase II	202204	2,593	787	-	3,380
31	Alternate Division Site Study	202220	75	900	-	975
32	ATMS Upgrade	202232	1,774	4,737	5,596	12,107
33	Division 1, 3, 8, 9 and 15 Renovations	202239	6,831	6,874	15	13,720
34	Division 6 Improvement Project (Phase I)	202245	250	726	3	979
35	Bauchet Street Storage and Facilities Maintenance Structure	202246	1,210	1,139	10,576	12,925
36	Metro Orange Line Passenger Amenities	202249	100	514	-	615
37	Division 2 Reconstruction Master Plan	202251	-	267	33	300
38	MSSC Solar Energy and Electricity Conservation	202252	31	1,264	19,848	21,143
39	Div. 1 Environmental Mitigations for Central Hotel	202253	65	363	22	450
40	Division 3 Master Plan Phases II-IV	202260	-	2,794	10,406	13,200 Y
41	Solar Powered Enhanced Bus Stop Lighting	202261	-	735	15	750 Y
42 Bus Facilities Improvements Total			43,214	48,633	69,607	161,454

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Capital Program List (cont'd)

(\$ in thousands)		Expected Expenditures Through FY08	FY09	FY10 and Future	Life of Project	New
43	Bus Maintenance					
44	FY09 Bus Midlife Program	203006	\$ -	\$ 24,294	\$ -	\$ 24,294 Y
45	FY09 Replace Central Maintenance Shop Equipment	203012	-	1,550	-	1,550 Y
46	110 CMS Engine Replacement Program - FY09	203016	-	7,146	-	7,146 Y
47	Bus Maintenance Total		-	32,990	-	32,990
48						
49	IT/Communications					
50	FY09 Application Platform Upgrade	207020	-	658	-	658 Y
51	FY09 Computer Equipment Technology Refresh Program	207025	-	1,904	-	1,904 Y
52	Simulcast Security Radio System Upgrade	207033	-	494	823	1,318 Y
53	Customer Center Security & Information Enhancements	207048	131	211	-	342
54	Remote Storage for Disaster Recovery	207053	576	184	23	783
55	Transit Operator Activity Scheduling and Tracking	207061	5,037	2,587	57	7,681
56	ATMS Pink Letter Enhancements	207063	27	185	-	212
57	Loc 29 Cash Counting Security CCTV Replacement	207074	-	243	-	243 Y
58	Web Infrastructure Upgrade	207085	-	655	2,441	3,096 Y
59	Applicant Tracking System	207087	-	384	-	384 Y
60	Board Room AV System Upgrade	207090	-	131	1,201	1,332 Y
61	Procurement Contract Management System	207096	-	164	2,100	2,263 Y
62	IT/Communications Total		5,771	7,800	6,645	20,216
63						
64	Non-Revenue Vehicles					
65	FY07 Bus System Support Replacement Non-Revenue Vehicles	208006	85	1,343	1,521	2,950
66	FY07 Rail Support Replacement Non Revenue Vehicles	208016	69	578	288	934
67	Replacement Bus System Non-Revenue Sedans	208045	-	1,221	1,458	2,680 Y
68	Replacement Bus System Non-Revenue Medium Duty Vehicles	208047	-	546	545	1,090 Y
69	Expansion Rail System Non-Revenue Medium Duty Vehicles	208048	-	253	252	506 Y
70	Replacement Bus System Non-Revenue Heavy Duty Vehicles	208049	-	989	1,226	2,215 Y
71	Expansion Rail System Non-Revenue Heavy Duty Vehicles	208050	-	631	868	1,499 Y
72	Replacement Bus System Non-Revenue Equipment	208051	-	476	713	1,188 Y
73	Replacement Metro Rail Experience Vehicle Combo	208054	-	775	773	1,548 Y
74	Replacement Rail System Non-Revenue Heavy Duty Crane Truck	208055	-	130	130	261 Y
75	Expansion Rail System Non-Revenue Heavy Duty Step Van	208056	-	149	147	296 Y
76	Expansion Rail System Non-Revenue Heavy Duty Crew Cab	208057	-	107	162	270 Y
77	Replacement Light Rail Medium Duty Non-Revenue Vehicles	208061	-	91	91	183 Y
78	Replacement Light Rail Heavy Duty Non-Revenue Vehicles	208062	-	1,183	1,183	2,365 Y
79	Replacement Light Rail Non-Revenue Equipment	208063	-	87	87	174 Y
80	Replacement Heavy Rail Medium Duty Non-Revenue Vehicles	208064	-	27	27	54 Y
81	Replacement Heavy Rail Non-Revenue Equipment	208065	-	30	30	59 Y
82	Non-Revenue Vehicles Total		154	8,616	9,501	18,271
83						
84	Other Capital Projects					
85	Universal Fare Collection System	200225	94,397	3,210	-	97,607
86	Regional Service Center and Clearinghouse	200351	15,526	4,546	-	20,072
87	Regional Rail Signage System Improvements	204020	-	836	1,395	2,231 Y
88	ECMS - Document Imaging System	210086	-	926	160	1,087 Y
89	Replacement Revenue Processing Equipment	210098	-	78	75	154 Y
90	Other Capital Projects Total		109,923	9,597	1,631	121,150

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

(\$ in thousands)		Expected Expenditures Through FY08	FY09	FY10 and Future	Life of Project	New
Project Title	CP#					
91	Rail Facilities Improvements					
92	ROC Reconfiguration	\$ 2,175	\$ 3,212	\$ -	\$ 5,387	
93	Metro Subway Stations Entrance Canopies	1,473	2,477	2,636	6,586	
94	Division 11 Improvements	16,791	605	-	17,396	
95	Vermont/Santa Monica Sta. Underground Water Mitigation	785	470	28	1,283	
96	FY09 Rail Facility Improvements Contingency Projects	-	2,100	-	2,100	Y
97	MRL Seg-2 & 3 Station PLC and EMP Upgrade	795	331	-	1,126	
98	Division 22 Improvements - Phase II	3,530	1,365	-	4,895	
99	Completion of Metro Blue Line Art Program	560	374	-	934	
100	Completion of Metro Green Line Art Program	29	141	-	170	
101	Division 20 Carwash & Cleaning Platform	1,188	2,212	12,000	15,400	
102	Division 21 Improvements - Phase II	2,742	1,266	992	5,000	
103	Division 20 Additional Vehicle Hoists	991	3,259	-	4,250	
104	Division 22 Spray Paint Booth	154	171	-	324	
105	Vermont / Beverly MRL Station Double Pump System Installation	14	59	-	73	
106	Division 20 HVAC - Phase II	-	312	-	312	
107	UPS System & Backup Generator for Loc 61 - Bldg A	-	375	-	375	
108	MRL Fall Protection Gear Installation	-	183	317	500	Y
109	Bicycle Lockers and Racks for Metro Rail Stations	-	283	1,067	1,350	Y
110	Rail Facilities Improvements Total	31,226	19,194	17,040	67,460	
111						
112	Rail Rehabilitation					
113	Subway Railcar Midlife Overhaul	4,421	25,000	172,579	202,000	
114	Metro Rail Gating	1,000	11,000	9,000	21,000	
115	MBL Traction Power Sub-Stations Rehabilitation	-	967	81,233	82,200	Y
116	MBL OCS Rehabilitation	-	965	12,035	13,000	Y
117	MBL TWC Rehabilitation	-	300	1,450	1,750	Y
118	MBL & MRL Switch Machines Rehabilitation	-	503	772	1,275	Y
119	MBL Signal System Rehabilitation	-	291	244	535	Y
120	MGL Central ATC Computer System Rehabilitation	-	666	84	750	Y
121	MGL Fibermux Communication System Rehabilitation	-	285	325	610	Y
122	MRL Segment 2/3 Remote Terminal Units Rehabilitation	-	421	119	540	Y
123	MRL Yard Genralogic System Rehabilitation	-	355	1,145	1,500	Y
124	Escalator/Elevator Modernizatn Program - Civic Center Station	-	2,709	9,291	12,000	Y
125	7th/Metro Station Egress	-	4,900	-	4,900	Y
126	Rail Rehabilitation Total	5,421	48,362	288,277	342,060	
127						
128	Rail Vehicle Maintenance					
129	P2000 Vehicle Signaling Package Upgrade	\$ 1,081	\$ 750	\$ 1,533	\$ 3,364	
130	FY09 RFS Tools & Equipment	-	488	-	488	Y
131	Rail Vehicle Maintenance Total	1,081	1,238	1,533	3,852	

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Capital Program List (cont'd)

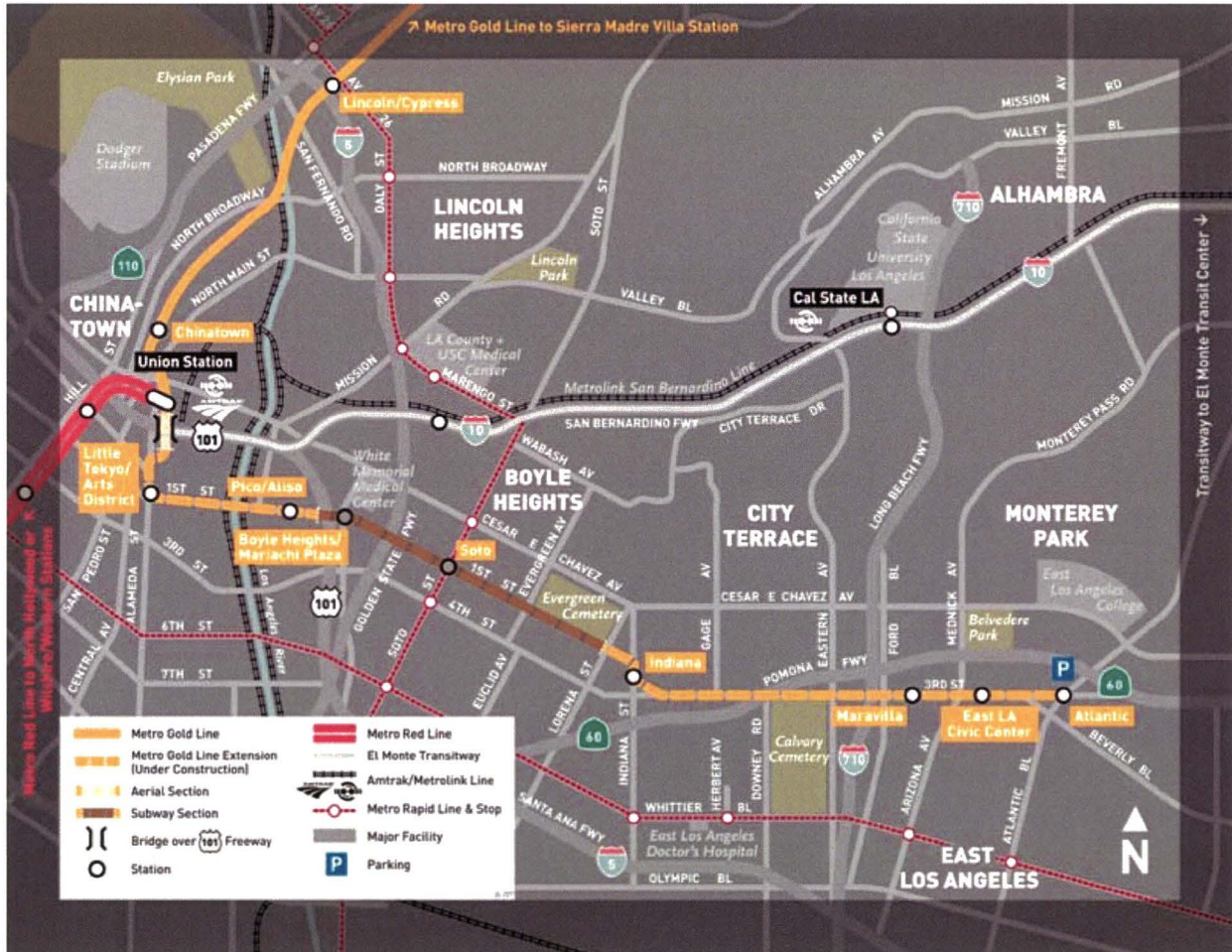
(\$ in thousands)		Expected Expenditures Through FY08	FY09	FY10 and Future	Life of Project	New
Project Title	CP#					
132 Security						
133	ATMS Bus GPS for LASD Dispatch-ROC (DHS)	202209	104	169	27	300
134	MRL Variable Message Sign Upgrade (DHS)	204062	2,203	249	-	2,452
135	ROC Security Enhancements (DHS)	204063	119	229	-	348
136	MGL Transit Passenger Information Systems (DHS - FY2007 TSGP)	212001	-	1,300	975	2,275 Y
137	MRL Bridges and Tunnels Protection Project Phase II (DHS)	212002	-	800	600	1,400 Y
138	ATMS Disaster Recovery System (DHS - FY2007 TSGP)	212003	-	1,615	170	1,785 Y
139	Bus Facilities CCTV System Installation - Phase II (DHS - FY2007 TSGP)	212004	-	315	90	405 Y
140	Intelligent Video Upgrade (DHS - FY2007 TSGP)	212005	-	434	300	734 Y
141	High Rail Emergency Response Vehicle	210079	92	113	35	240
142	Security Control Center Upgrade	210100	-	856	-	856 Y
143 Security Total			2,518	6,080	2,197	10,795
144						
145 Warehouse						
146	Division 3 Replace Warehouse Facility	209027	1,557	47	-	1,604
147	Covered Awning for Wayside Systems Warehouse	209038	-	311	16	327 Y
148	Green Line Material Storage Building and Offices	209042	-	326	866	1,192 Y
149	Hazardous Container - Division 20	209043	-	70	-	70 Y
150	Vertical Carousel - Blue Line Warehouse	209045	-	258	-	258 Y
151	Division 9 Warehouse Improvements	209047	-	640	250	890 Y
152	Install A/C Unit at Loc 61 - Stores Bldg B	209056	-	35	-	35 Y
153	Safety Improvements at the Central Warehouse Facility	209058	-	271	74	345 Y
154	ASRS UPS Replacement Project	209059	-	97	-	97 Y
155 Warehouse Total			1,557	2,054	1,206	4,817
156						
157 Wayside Systems						
158	Fiber Optic Rail Communication System	205001	1,733	1,278	-	3,011
159	Rail Communication Systems Upgrade	205005	1,635	534	163	2,332
160	MBL Grade Crossing Improvements	205006	4,947	2,289	3,364	10,600
161	Light Rail Train Tracking Improvements	205014	669	287	-	956
162	MRL Seg-1 Remote Terminal Unit (RTU) Upgrade	205017	2,188	457	-	2,645
163	FY09 Wayside Systems Tools and Equipment	205022	-	500	-	500 Y
164	FY09 Wayside Systems Contingency Projects	205032	-	2,100	-	2,100 Y
165	New PGL Traction Power Sub-Stations	205034	7,849	852	-	8,701
166	MRL Signal System Upgrade	205037	391	347	-	738
167	System-Wide Elevator/Escalator System Monitoring	205039	-	320	-	320 Y
168	SCADA Interface for PGL UPS Alarms	205047	9	21	-	30
169	EXPO/Blue Line Junction Betterment	205060	-	200	-	200
170	MBL LED "TRAIN" Street Crossing Signs Installation	205065	-	122	1,778	1,900 Y
171	MBL Wayside Communication Enclosures Installation	205069	-	207	200	406 Y
172	SONET Fiber Optic Cable Transmission System Installation	205076	-	516	784	1,300 Y
173 Wayside Systems Total			19,421	10,029	6,290	35,739

Los Angeles County Metropolitan Transportation Authority
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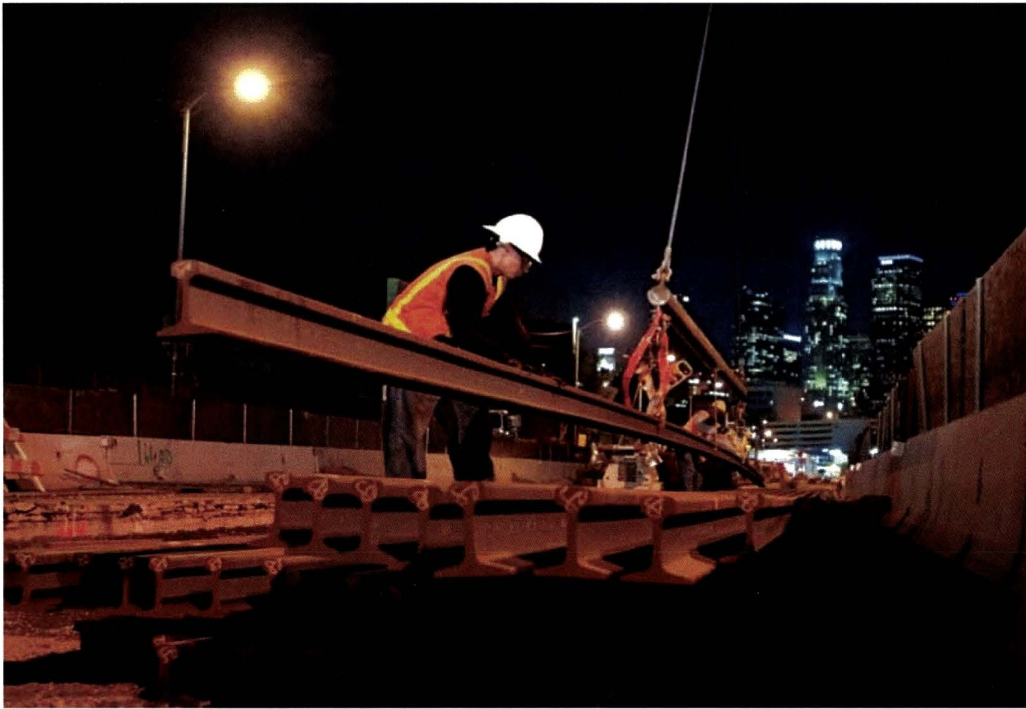
(\$ in thousands)		Expected Expenditures Through FY08	FY09	FY10 and Future	Life of Project	New
Project Title	CP#					
174	Major Construction					
175	Expo/Blue Line Light Rail Vehicle Procurement	\$ 1,101	\$ 17,999	\$ 155,400	\$ 174,500	
176	Metro Gold Line Eastside Extension	753,692	106,893	38,229	898,814	
177	SFV East-West Bikeway Project	10,017	311	309	10,638	
178	Lankershim Depot Restoration Project	439	2,878	283	3,600	
179	Light Rail Vehicle Fleet Enhancement	81,010	33,952	37,957	152,919	
180	MGL Eastside Extension Enhancements	23,149	15,684	3,784	42,617	
181	Pasadena Gold Line Closeout	1,524	1,182	23	2,729	
182	MRL Seg. 2 Closeout	12,437	2,381	489	15,307	
183	MRL Segment 3 North Hollywood Closeout	2,178	555	906	3,639	
184	Orange Line Close-out	-	6,046	2	6,048	Y
185	Expo Light Rail Line *	270,479	215,579	376,242	862,300	
186	Major Construction Total	1,156,027	403,460	613,625	2,173,111	
187	Capital Program Grand Total	\$ 1,378,947	\$ 708,901	\$ 1,107,857	\$ 3,195,707	

* CP 890001 includes Metro costs for CP 800113 - Exposition Light Rail Line

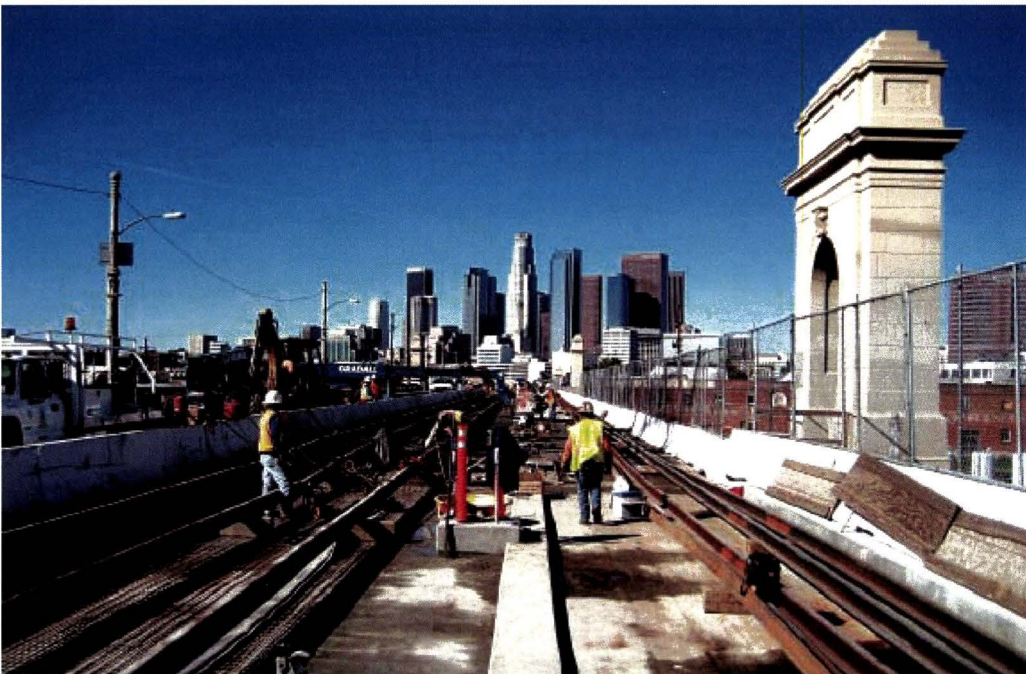
Gold Line Eastside Extension Project



Gold Line Eastside Extension Project – Route Map



Gold Line Eastside Extension: Building a Better LA



1st Street Bridge Construction



Roof Rebar Installation at Boyle/Heights Mariachi Plaza Station



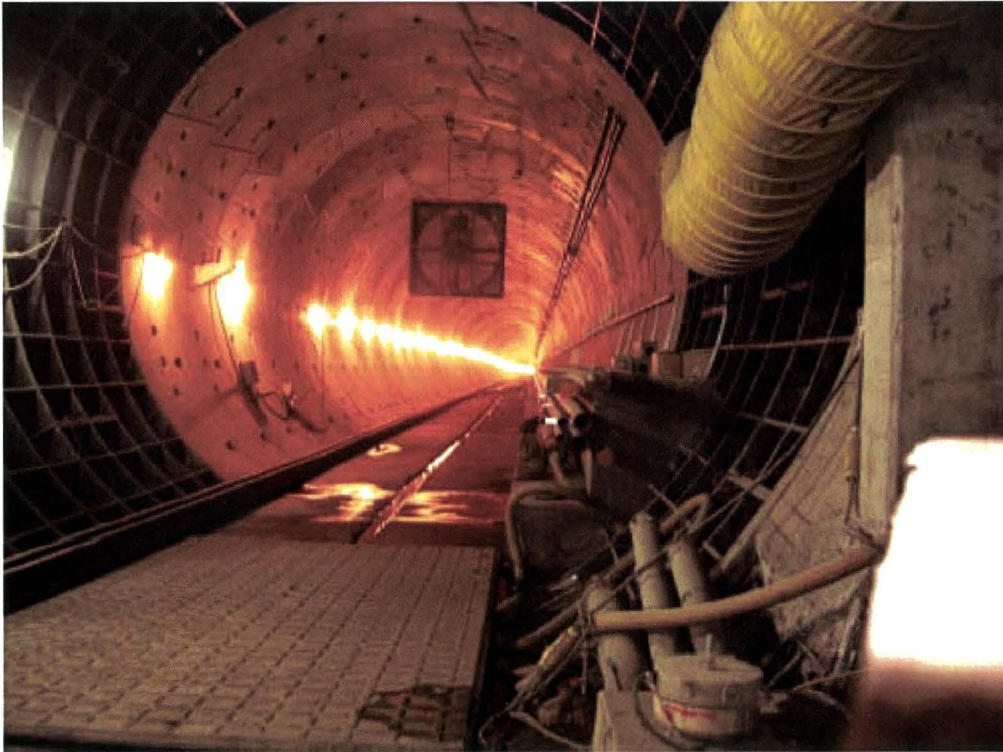
Construction of Boyle Heights Mariachi Plaza Station



Boyle Heights Mariachi Plaza Station Mezzanine Level



Soto Station Construction



Westbound Tunnel Looking East of Soto Station



Installation of LTV Blocks within the Tunnels Prior to Rail Installation



Guideway Construction on the US 101 Freeway Bridge Overcrossing



Earth Backfill over the Underground Structures



Gold Line Eastside Extension – Project Rendering: Little Tokyo/Arts District Station



Gold Line Eastside Extension – Project Rendering: Pico Aliso Station



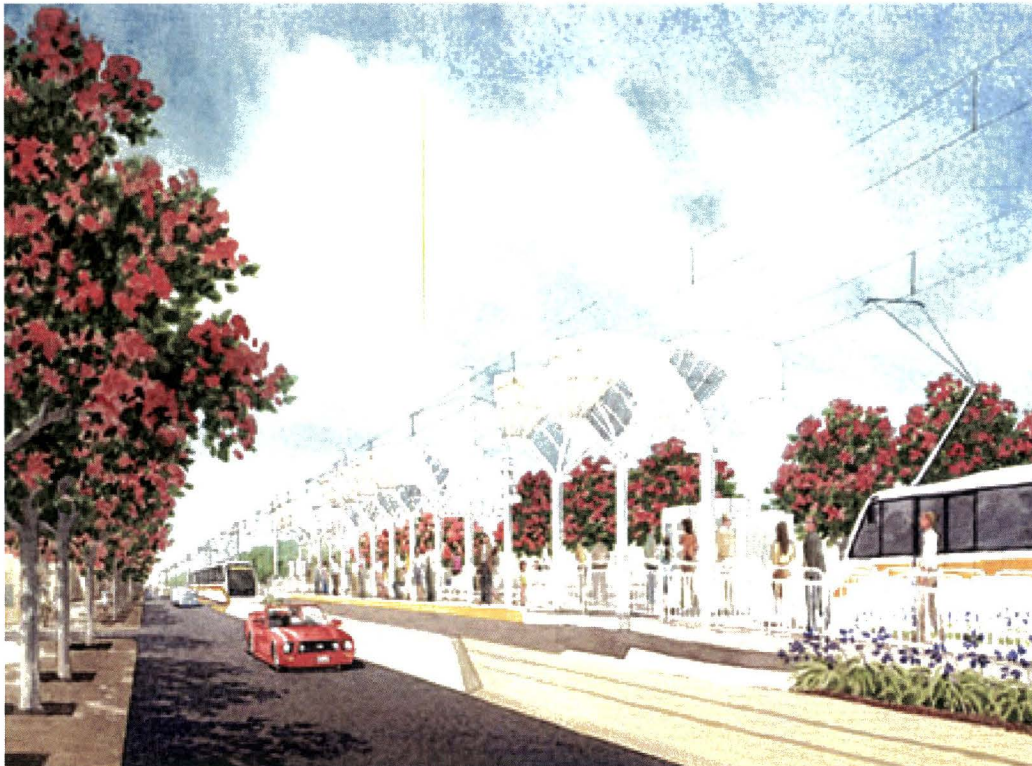
Gold Line Eastside Extension – Project Rendering: Mariachi Plaza Station



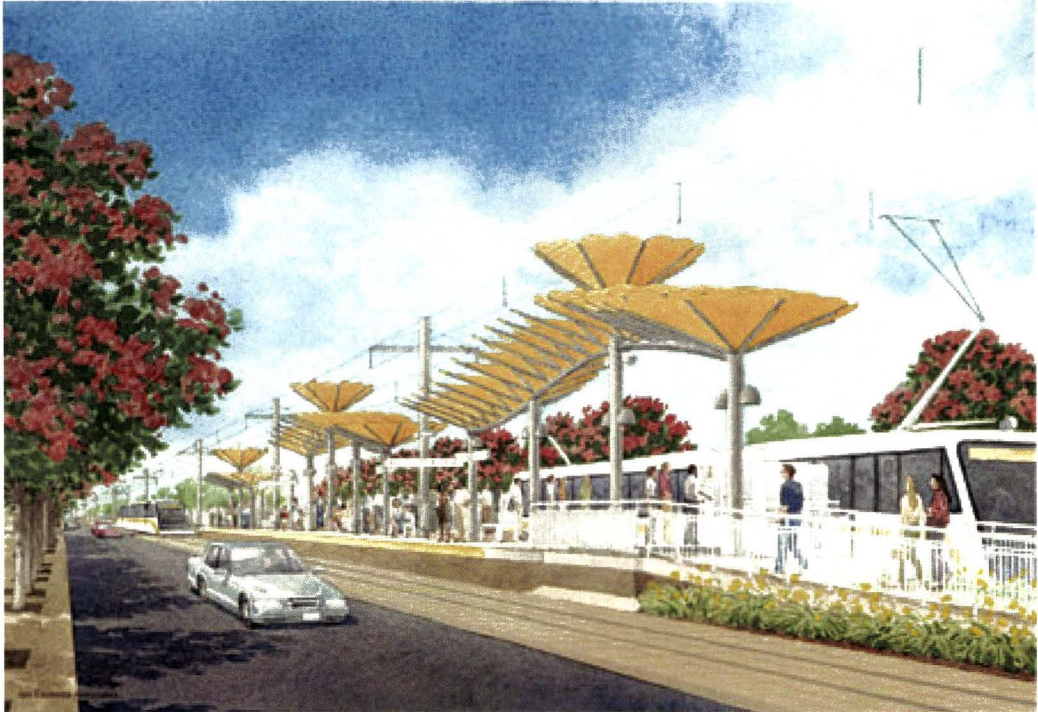
Gold Line Eastside Extension – Project Rendering: Soto Station



Gold Line Eastside Extension – Project Rendering: Indiana Station



Gold Line Eastside Extension – Project Rendering: Maravilla Station



Gold Line Eastside Extension – Project Rendering: East LA Civic Center Station



Gold Line Eastside Extension – Project Rendering: Atlantic Station

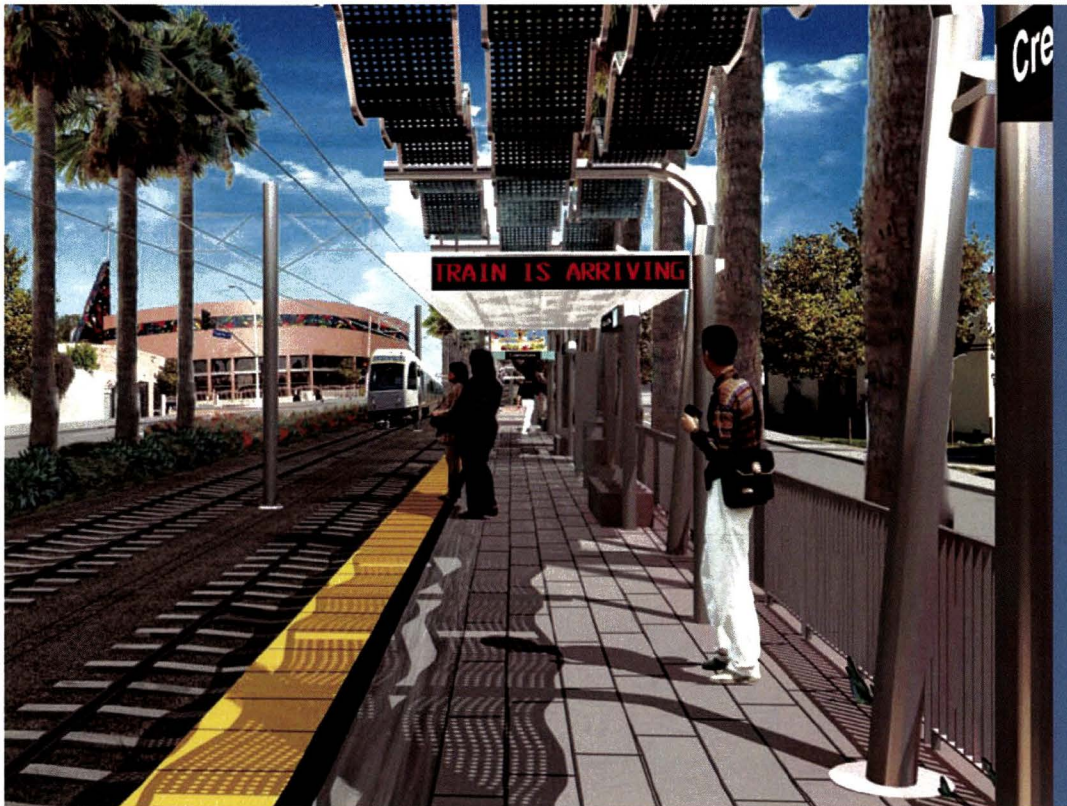
Expo Light Rail Transit Project



Expo LRT Project - Route Map



Trousdale Station Rendering



Crenshaw Station Rendering



Vermont Station Rendering

Capital Project Operating Impact Assessment

Capital projects in the FY09-13 capital plan with a life-of-project (LOP) cost in excess of \$5.0 million have been reviewed to determine the cost impact on Metro operations. The operating cost impact assessment considers costs and/or savings related to ongoing operations, power requirements, maintenance labor and materials, training, and security.

Projects which replace existing facilities or equipment often do not change the cost of operations over the life of the asset. Functionally equivalent replacements generally require the same levels of energy to operate equipment, maintenance activities, training, and security. In those instances where a replacement asset involves a higher or lower cost to operate than the asset being replaced, the cost or savings are identified.

The cost of operations of major construction projects such as bus corridors and rail corridors is based on service levels when complete. Once in full operation, such projects will be operated at a specific level of revenue service hours. The cost of operation is based on the cost per hour times the annual revenue service hours to be operated. In instances where a new project duplicates existing service, the duplicated service has been excluded from the operating cost impact.

Some projects must be monitored after implementation to determine annual operating cost impacts. In these instances future budgets will contain operating cost impacts based on data for a full fiscal year of operations

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

FY09-13 Capital Projects with Potential Operating Cost Impacts

Element	CP#	Title	Description of cost impacts or savings	Annual amount of cost or (saving)
Bus Facilities Improvements	202007	In-Ground Bus Hoist Replacement	No additional costs will be incurred.	\$0
Bus Facilities Improvements	202017	Division 7 Facility Improvements	No additional costs will be incurred by this project.	\$0
Bus Facilities Improvements	202138	Div 10 CNG Fueling Facility	Annual savings resulting from updated & more cost efficient equipment replacing outdated equipment. Assuming public-private partnership leaseback structure will result in reduced maintenance repair related costs	(\$250,000)
Bus Facilities Improvements	202139	Div 18 CNG Fueling Facility	Annual savings resulting from updated & more cost efficient equipment replacing outdated equipment. Assuming public-private partnership leaseback structure will result in reduced maintenance repair related costs	(\$250,000)
Bus Facilities Improvements	202181	Divisions 5, 10, and 18 Renovations	Annual savings may be realized due to operational efficiencies created by division improvements.	\$0
Bus Facilities Improvements	202232	ATMS Upgrade	Additional costs for training, inventory, facility rental, energy, and maintenance activities.	\$118,000
Bus Facilities Improvements	202239	Div. 1, 3, 8, 9, and 15 Renovations	Annual savings may be realized due to operational efficiencies created by division improvements.	\$0
Bus Facilities Improvements	202246	Bauchet Street Storage and Facilities Structure	Annual savings may be realized due to operational efficiencies created by division improvements. However, increased labor costs may offset such savings.	\$0
Bus Facilities Improvements	202252	MSSC Energy Efficiency Project	Savings may be realized due to reduced electrical consumption and energy efficiencies created by division improvements such as solar panels, light controls, etc.	(\$125,000)
Bus Facilities Improvements	202260	Division 3 Master Plan Phase II-IV	Savings may be realized due to operational efficiencies created by division improvements upon construction completion of the Master Plan.	\$0
Bus Maintenance	203006	FY09 Bus Midlife Program	The Bus Mid-Life program is a proactive plan to replace major components before they reach failure mileage. The consolidated replacement and repair program minimizes out of service time by avoiding reactive major component replacement due to catastrophic failure. Prevents maintenance costs from increasing with age.	\$0
Bus Maintenance	203015	FY09 RRC Engine Replacement Program	The RRC Engine Replacement Program is a proactive plan to replace bus engines prior to their failure. The program prevents major negative impacts on bus service and the public caused by a significant, unmanageable number of buses out of service with a failed engine. No additional operating costs or savings will be incurred by this project	\$0
IT / Communications	207061	Transit Operator Activity Scheduling and Tracking	Three data technicians have been hired to support this project.	\$300,000
Major Construction	800088	Metro Gold Line Eastside Extension	Project operating cost is based on the first full year of operation following completion.	\$15,352,000
Major Construction	800114	SFV E-W Bikeway Project	The operating impact of this project is included in the Metro Orange Line.	\$0

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Element	CPF	Title	Description of cost impacts or savings	Annual amount of cost or (savings)
Major Construction	800151	LRV Fleet Enhancement Project	These rail cars will be assigned to the Metro Gold Line and will replace existing vehicles which will be reallocated to the rail lines as maintenance spares. Included in Eastside Extension and Gold Line operating costs.	See project # 800088
Major Construction	800288	Metro Gold Line Eastside Extension Enhancements	The operating impact of this project is included in the Metro Gold Line Eastside Extension project (800088). Included in Eastside Extension operating costs.	See project # 800088
Major Construction	890001	Exposition Light Rail Line	Project operating cost is based on the first full year of operation following completion.	\$36,700,000
Other Capital Projects	200225	Universal Fare Collection System	Contracted maintenance is part of the original contract cost. Eleven Service Attendants have been added to maintain equipment	\$1,100,000
Other Capital Projects	200351	Regional Service Center and Clearinghouse	Operating cost estimates will be developed during project specification.	Estimated \$6 million
Rail Facilities Improvements	204004	ROC Reconfiguration	Savings may be realized due to decreased building maintenance costs and improved efficiency, including a 50% reduction in annual lighting costs. New furniture may reduce Workers Compensation claims by approximately \$100,000.	(\$100,000)
Rail Facilities Improvements	204006	Metro Red Line Station Canopies	The completion of this project could reduce maintenance costs, including maintenance man-hours and expensive escalator parts to repair 22 entrance escalators. Without canopy protection, the average annual saving on repair cost is about \$170,000 (i.e., \$20k for hiring pumping service, \$100k for repair equipment due to water damage, and \$50k for subsequent repair). The majority of escalators is currently 16 years old. The average life expectancy of inner escalator is between 25 and 30 years. Without canopies, the escalators start to fail after 12 years of service per our maintenance contractor. The total savings with canopy protection for the last 16 years would be \$170,000/yr x 16 years=\$2,720,000. The replacement cost for each escalator is around \$700,000. Replacing 22 escalators is around \$15,400,000. The annual saving over 16 years would be \$962,500. The combined annual saving would be \$1,132,500.	(\$1,132,500)
Rail Facilities Improvements	204009	Division 11 Improvements	The maintenance and utility costs of operating the expanded shops will likely be offset by a savings in labor due lower wait times for shop space and easier/faster access to the rail cars during nightly cleaning operations.	\$0
Rail Facilities Improvements	204047	Division 20 Carwash and Cleaning Platform	This project will improve the overall operational efficiency by building an additional platform (as well as extending the existing platform and upgrading the existing car wash). This will allow more cars to be cleaned in a shorter amount of time, providing access for a greater number of Service Attendants at any given time.	\$0
Rail Facilities Improvements	204053	Division 21 Improvements - Phase II	The current facility does not provide the minimum of amenities to support the revenue fleet size required for the current Gold-Line Phase-I and Eastside extension projects. An example is brake overhauls, since the existing shop does not properly support an exchange process to transport rail cars to another location to perform the work costs \$5,500 each way in shipping fees. Based on required OEM equipment cycles to properly maintain equipment, shipping savings alone will exceed \$500,000 on an annual basis.	(\$500,000)
Rail Facilities Improvements	210094	Rail Gating Project	Upon completion the cost of maintaining the rail gating system will include maintenance services, parts and equipment, and customer service functions.	\$4,100,000
Wayside Systems	205006	Metro Blue Line Crossing Improvements	Operational cost savings are based on the estimated maintenance costs required to maintain the existing grade crossings without necessary upgrades, performing only temporary repairs and taking into consideration estimated labor, parts, material and operational impacts. Historically these types of temporary maintenance repair costs escalate exponentially with age.	(\$150,000)

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

FY09-13 Capital Projects with Potential Operating Cost Impacts (cont'd)

Element	CP#	Title	Description of cost impacts or savings	Annual amount of cost or (savings)
Wayside Systems	205034	Four PGL Traction Power Substations	Unquantifiable savings anticipated due to operational efficiencies. The two new Traction Power Substations will ensure the capability of the system to increase service schedule headways and will enhance reliability and efficiency of PGL traction system. Estimated annual operational cost increase \$125,000 due to the additional energy costs and maintenance labor requirements.	\$125,000
Rail Rehabilitation	211001	MBL Traction Power Substation Replacement	This project will reduce scheduled and unscheduled maintenance costs due to replacement of life-expired equipment and replacement with equipment that requires less maintenance.	(\$100,000)
Rail Rehabilitation	211002	MBL OCS Rehabilitation	This project will reduce unscheduled emergency repair costs due to replacement of life-expired equipment and correction of existing installation problems.	(\$10,000)
Rail Rehabilitation	211010	Elevator Escalator Modernization Program	Savings may be realized due to operational efficiencies and reduced maintenance and repair related cost as a result of the design modifications.	(\$25,000)



Metro Summary Description

Metro is organized into eleven Strategic Business Units (SBUs):

- Metro Bus Operations
- Metro Rail Operations
- Countywide Planning & Development
- Construction Project Management
- Communications
- Economic Development
- Administrative Services
- Financial Services
- Management Audit Services
- Board of Directors
- Office of the CEO

Metro transit services are managed by two separate SBUs. Metro Bus Operations is responsible for providing bus service on over 200 routes.

Metro Rail Operations is responsible for providing light rail and subway service on five rail lines.

Countywide Planning and Development is responsible for programming and administering federal, state, and local transportation funds, and planning and coordinating transportation services and infrastructure improvements throughout Los Angeles County.

Construction Project Management is responsible for providing the engineering and construction oversight for major construction projects and Metro Rail facilities improvements.

Communications is responsible for the strategic evaluation, development, and implementation of agency-wide marketing and communications programs.

Economic Development is responsible for developing new business opportunities, managing Metro real estate, and implementing the county-wide fare collection system.

Administrative Services, which is comprised of Information Technology Services, Procurement and Material Management, Human Services, and Diversity and Economic Opportunity, provides essential administrative support to the entire organization.

Financial Services, which includes Accounting, Finance/Treasury, Office of Management and Budget, and Risk Management, provides financial support to the entire organization.

Management Audit Services provides the CEO and the executive management team with independent internal audit and business and technology risk consulting services.

The Board of Directors establishes Metro policies and approves appropriations. The Board also manages or supervises Board meetings and Board committee meetings, ethics and lobby registration programs, the Inspector General, and legal counsel.

The Office of the CEO coordinates and oversees key programs and provides support to the Board of Directors.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Summary of FY09 Budgeted FTEs by Department

	FY07 Budget	FY08 Budget	FY09 Adopted	Change from FY08
1 Metro Bus Operations				
2 San Fernando Valley Service Sector	1,117	1,117	1,112	(5)
3 San Gabriel Valley Service Sector	1,073	1,084	1,110	26
4 Gateway Cities Service Sector	1,033	1,056	1,040	(16)
5 South Bay Service Sector	1,178	1,171	1,164	(8)
6 West Side/Central Service Sector	1,308	1,315	1,320	5
7 Contract Services	4	6	6	-
8 Central Maintenance	335	374	374	-
9 Service Development Performance Analysis	62	59	59	-
10 Manpower System & Support	17	16	18	2
11 Operations Central Instruction	97	96	96	-
12 Safety & Security	111	116	116	-
13 Facilities	159	159	160	1
14 Vehicle Technology	16	17	17	-
15 Operations Labor Relations	13	17	18	1
16 Motorist Services	9	8	8	-
17 Metro Bus Operations Total	6,532	6,611	6,617	6
18				
19 Metro Rail Operations				
20 Rail General Manager	11	10	10	-
21 Transportation	336	339	346	7
22 Wayside Systems	388	386	406	20
23 Fleet Services	346	345	347	2
24 Transit Systems Engineering	28	25	31	6
25 Rail & Bus Operations Control	76	77	77	-
26 Metro Rail Operations Total	1,185	1,182	1,217	35
27				
28 Countywide Planning & Development				
29 Chief Planning Officer	4	3	4	1
30 Long Range Planning & Coordination	22	23	23	-
31 Transportation Dev. & Implementation	57	59	59	-
32 Programming & Policy Analysis	31	33	33	-
33 Countywide Planning & Development Total	114	118	119	1
34				
35 Construction Project Management				
36 Capital Development	26	28	30	2
37 Project Support	27	29	30	1
38 Project Administration	33	32	33	1
39 Construction Project Management Total	86	89	93	4
40				
41 Communications				
42 Chief Communication Officer	7	8	8	-
43 Customer Communications	30	30	31	1
44 Customer Relations	103	103	103	-
45 Public Relations	11	11	11	-
46 Regional Communication Program	18	16	17	1
47 Government Relations	6	7	7	-
48 Creative Services	14	14	16	2
49 Customer Programs & Services	28	28	28	-
50 Communications Total	217	217	221	4

Los Angeles County Metropolitan Transportation Authority
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	FY07 Budget	FY08 Budget	FY09 Adopted	Change from FY08
51 Economic Development				
52 New Business Development	7	7	7	-
53 Real Estate Administration	20	20	20	-
54 TAP Operations	3	9	9	-
55 Economic Development Total	30	36	36	-
56				
57 Administrative Services				
58 Information Technology Services	130	130	130	-
59 Human Services	153	152	152	-
60 Procurement & Material Management	223	229	229	-
61 Diversity & Economic Opportunity	22	22	22	-
62 Administrative Services Total	528	533	533	-
63				
64 Financial Services				
65 Accounting	78	79	79	-
66 Office of Management & Budget	19	20	20	-
67 Finance & Treasury	62	64	64	-
68 Risk Management	61	60	60	-
69 Financial Services Total	220	223	223	-
70				
71 Management Audit Services				
72 Chief Auditor	4	5	5	-
73 Audit Support & Research Services (ASRS)	3	3	3	-
74 Internal Audit	10	8	8	-
75 IT Audit	4	4	4	-
76 Compliance Audit	7	8	8	-
77 Management Audit Services Total	28	28	28	-
78				
79 Board of Directors				
80 Board of Directors & Board Secretary	11	11	11	-
81 Ethics Office	7	7	7	-
82 County Counsel	4	4	4	-
83 Inspector General	23	23	23	-
84 Board of Directors Total	45	45	45	-
85				
86 Chief Executive Office				
87 Chief Executive Office	1	1	1	-
88 Board Relation, Policy, Research & Library Service	10	10	10	-
89 Chief Executive Office Total	11	11	11	-
90				
91 Agency Total	8,995	9,093	9,143	50

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Summary of FY09 Budget by Department

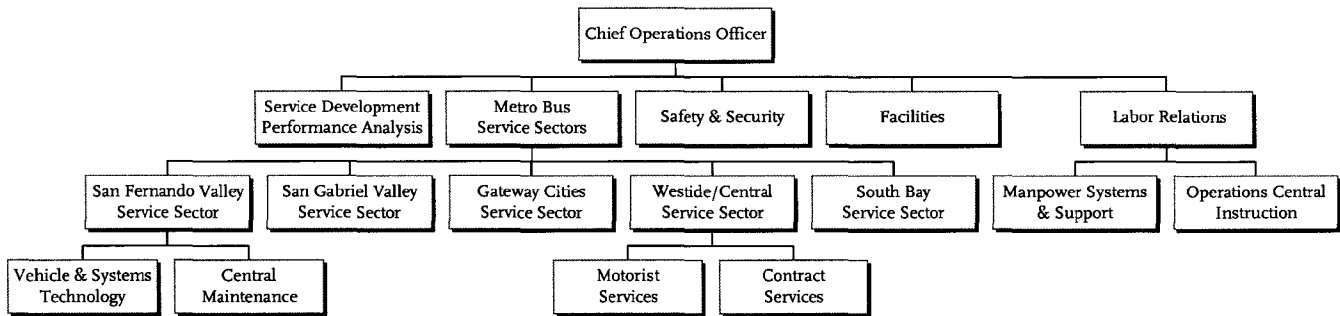
FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Metro Bus Operations	6,532	6,611	6,617
2 Metro Rail Operations	1,185	1,182	1,217
3 Countywide Planning & Development	114	118	119
4 Construction Project Management	86	89	93
5 Communications	217	217	221
6 Economic Development	30	36	36
7 Administrative Services	528	533	533
8 Financial Services	220	223	223
9 Management Audit Services	28	28	28
10 Board of Directors	45	45	45
11 Chief Executive Office	11	11	11
12 Agency Total	8,995	9,093	9,143

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
13 Metro Bus Operations	\$1,045,995	\$1,154,978	\$1,226,665
14 Metro Rail Operations	170,644	198,596	275,829
15 Countywide Planning & Development	755,667	862,956	960,059
16 Construction Project Management	253,935	351,796	350,053
17 Communications	34,676	41,306	45,126
18 Economic Development	27,899	54,143	52,402
19 Administrative Services	76,472	79,483	79,920
20 Financial Services	338,320	364,100	389,432
21 Management Audit Services	3,616	3,935	4,020
22 Board of Directors	15,646	26,975	22,119
23 Chief Executive Office	2,056	2,334	2,472
24 Agency Total	\$2,724,926	\$3,140,601	\$3,408,096

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
25 Wages & Benefits	\$837,639	\$842,471	\$890,393
26 Fuel & Propulsion Power	62,118	75,356	84,897
27 Acquisitions	299,145	395,158	360,714
28 Services	203,589	276,749	348,613
29 Purchased Transportation	34,195	36,181	41,729
30 Material & Supplies	94,465	111,118	110,648
31 Insurance	51,773	60,840	61,896
32 Subsidies	761,022	848,480	937,705
33 Subsidy to Expo Authority	63,552	153,491	209,360
34 Advertising	4,047	5,339	7,723
35 Other Support	25,511	21,598	20,978
36 Debt ⁽¹⁾	287,870	313,823	333,440
37 Agency Total	\$2,724,926	\$3,140,601	\$3,408,096

⁽¹⁾ Includes expenses otherwise classified as operating

Metro Bus Operations



Introduction

Metro Bus Operations consists of five service sectors and five major support units, each committed to providing safe, courteous, professional, dependable, clean and efficient transit services. Metro Bus Operations also administers Paratransit Service, the Metro Freeway Service Patrol (FSP), and the Service Authority for Freeway Emergencies (SAFE).

In FY09, Bus Operations will provide more than 7.1 million revenue service hours, supporting approximately 390 million boardings.

Metro Bus Service Sectors

The five Metro Bus service sectors are Gateway Cities, San Fernando Valley, San Gabriel Valley, South Bay, and Westside/Central. Each service sector is responsible for all facets of bus operations: transportation, maintenance, service planning and scheduling, and coordination of community-based communications.

Gateway Cities Service Sector

The Gateway Cities Service Sector is comprised of 26 cities and unincorporated areas of southeast Los Angeles County, including Artesia, Avalon, Bell, Bellflower, Bell Gardens, Cerritos, Commerce, Compton, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Habra

Heights, Lakewood, La Mirada, Long Beach, Lynwood, Maywood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier.

The Gateway Cities sector office is located in Downey, which brings operations closer to the Gateway Cities communities and local transit partners.

Gateway Cities sector staff works closely with cities in its region, the Gateway Cities Council of Governments, transit providers and other organizations throughout the Gateway Cities to improve transit service in the area. Sector staff also conducts monthly council meetings, semi-monthly bus-ride-alongs, and facilities tours with the Gateway Cities Sector Governance Council, which oversees bus service in the area.

Additionally, the Gateway Cities Sector provides strategic planning, service development, and administrative support to two operating divisions, both located in downtown Los Angeles. Division 1 will operate 247 buses providing 691,332 revenue service hours, and Division 2 will operate 210 buses providing 602,144 revenue service hours in FY09.

San Fernando Valley Service Sector

The San Fernando Valley Service Sector provides transportation services to the

cities of Agoura Hills, Calabasas, Hidden Hills, La Crescenta, Burbank, Glendale, and San Fernando and to numerous San Fernando Valley communities within the City of Los Angeles. This sector also operates the very successful Orange Line.

The sector office, located in Chatsworth, provides administrative support for its two operating divisions, as well as schedules activities to ensure the delivery of quality transportation to the community. The operating divisions are located in Sun Valley (in east San Fernando Valley) and Chatsworth (in west San Fernando Valley) and employ over 1,100 personnel. Both divisions are responsible for a fleet of 495 buses traveling approximately 23.6 million miles. The divisions provide a total of 1,350,031 revenue service hours – 529,874 revenue service hours at Division 8 in Chatsworth and 820,157 revenue service hours at Division 15 in Sun Valley.

San Fernando Valley Service Sector oversees Central Maintenance and Vehicle Technology.

The Central Maintenance Department provides maintenance support to operating divisions. The department consists of Central Maintenance Shops, Fleet Management and Support Services, and Quality Assurance, which includes direct involvement with the California Highway Patrol and Title 13 of the California Code of Regulations.

The Central Maintenance Shops provide heavy maintenance and bus refurbishment, such as complete paint jobs, major accident repair, engine replacements, and mid-life overhauls/refurbishments for all operating divisions. Additional Central Maintenance Shop functions include the rebuild and fabrication of parts, tools and rotables

used by bus maintenance and other departments.

Fleet Management and Support Services controls and assigns the bus fleet, provides assistance in repair to buses en-route and at layover zones to avoid service disruption, and provides M3 technical support to maintenance departments.

Quality Assurance is directly responsible for the management of goods and services contracts, fare collection maintenance, radio equipment maintenance, and non-revenue vehicle/equipment.

The Vehicle Technology Department identifies, reviews, tests, and procures high-capacity, alternative fueled, advanced technology buses. It provides operational and technical support and training on the operation and maintenance of new vehicles, manages all bus acquisitions, processes bus warranty claims, and oversees advanced vehicle technology projects that can increase operating efficiency and improve services provided for our transit passengers and employees.

San Gabriel Valley Service Sector

The San Gabriel Valley Service Sector is the primary provider of bus transit service to the western San Gabriel Valley, East Los Angeles, and North Los Angeles areas. Cities served within the west San Gabriel Valley include Alhambra, Arcadia, El Monte, La Cañada Flintridge, Monrovia, Montebello, Monterey Park, Pasadena, Rosemead, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, and Temple City. Additionally, the San Gabriel Valley Service Sector provides regional service to the east San Gabriel Valley.

The San Gabriel Valley Service Sector operates two divisions: Division 3, located in Cypress Park, and Division 9, located in

El Monte. The San Gabriel Valley Service Sector office, located in El Monte, provides planning and administrative services to its two operating divisions.

For FY09, the San Gabriel Valley Service Sector will operate 476 buses traveling about 21.5 million miles, with 650,724 revenue service hours at Division 3 and 771,988 revenue service hours at Division 9.

South Bay Service Sector

The South Bay Service Sector is responsible for providing transit service to the following geographic areas: Norwalk (East) to LAX and the Beach Cities (West), Hollywood (North) to San Pedro (South) and downtown Los Angeles. South Bay Sector's East/West Service connects with the Blue Line, and the North/South service connects with the Green Line and the Red Line. The Sector consists of three functional locations: South Bay Service Sector Office, Arthur Winston Division, and Carson Division.

The South Bay Sector Office, located in Torrance, coordinates with the Governance Council to deliver quality transportation to the community with continued improvement in safety, maintenance, and on-time performance.

The South Bay Sector provides support to two operating divisions. The Arthur Winston Division, located in South Los Angeles, provides service for 11 bus lines (2 Rapid Lines), and operates 222 CNG and diesel buses, providing 602,737 revenue service hours. The Carson Division provides service for 22 bus lines (4 Rapid Lines) and operates 283 CNG and diesel buses, providing 824,585 revenue service hours.

Westside/Central Service Sector

Operating boundaries for the Westside/Central Service Sector extend to the west as far as Malibu and to the east, past downtown Los Angeles. This sector is unique because it provides service to some of the most heavily traveled lines and traverses some of the most congested streets in the Los Angeles area.

The sector includes three operating divisions: Division 6, located in Venice, operates 82 buses, providing 152,690 revenue service hours; Division 10, located in northeast Los Angeles, operates 249 buses, providing 781,135 revenue service hours; and Division 7, located in West Hollywood, operates 246 buses providing 737,888 revenue service hours.

Westside/Central Sector oversees Contract Services, Motorist Services, and Paratransit Services.

Contract Services manages contracts with privately-owned bus companies that provide bus service on more than 22 bus lines in the north, south and east regions of Metro's service area. The FY09 boardings under these purchased transportation contracts are projected to be approximately 16.0 million.

Motorist Services is chiefly responsible for two programs – Freeway Service Patrol (FSP) and Service Authority for Freeway Emergencies (SAFE). FSP's fleet of roving tow trucks mitigates freeway congestion by promptly assisting disabled motorists and removing debris. The SAFE program supports the network of freeway call boxes used by motorists in need of assistance. For a more detailed description of the Motorist Services programs, please refer to Pg. III-12 and Appendix 19.

The Paratransit program, managed by Access Services, Inc. (ASI), provides public transportation services to the elderly and disabled. For additional information concerning paratransit services, please refer to Pgs. III-12 and III-13.

Facilities

The Facilities Maintenance Department consists of Facilities and Property Maintenance, Facilities Engineering, Sign Shop, and Stops and Zones. The department's primary function includes the development, implementation, and management of capital projects for Metro's facilities. The department is also responsible for implementing the Board-approved Energy Efficiency Policy and Program to help reduce operational costs, improve existing facilities and improve employee safety. Additionally, the department provides support to all operating divisions by maintaining terminals, stations, bus stops, layover zones, landscape, and inactive rights-of-way. Facilities strives to provide safe, efficient and world-class facilities to enable transit customers and Metro employees to experience an efficient and effective transit system.

Labor Relations

The Labor Relations group is responsible for labor relations activities, including collective bargaining, contract administration and work systems. Labor agreements are negotiated with four unions – United Transportation Union (UTU), Amalgamated Transit Union (ATU), American Federation of State, County, and Municipal Employees (AFSCME), and Teamsters. Negotiations with UTU and ATU will begin later this year. Contract administration includes the following: advising management regarding the interpretation and

application of all of the agreements and administering the discipline and the grievance procedures of each union agreement, including the arbitration process. Work systems are reviewed and evaluated to determine whether they are consistent with contract language or are responsible for generating grievances.

Manpower Systems and Support

Manpower Systems and Support is responsible for division management and supervisory training, developing and implementing division policy and procedures, conducting compliance audits, and providing system support for the Transit Operating and Trends System (TOTS)/Automated Bidding System (ABS). The department also provides key functional support, including hiring, assigning and promoting UTU, ATU, AFSCME and Transportation Communications Union (TCU) employees.

Manpower collects, analyzes, and provides data for departmental business needs and support for labor negotiations, management recommendations and feasibility studies.

The department continues to implement the Transit Operator Activity Scheduling and Tracking (TOAST) project in conjunction with Service Development and ITS, which will automate bus and rail operator assignments and scheduling.

Operations Central Instruction

Operations Central Instruction (OCI) is responsible for implementing a defensive driving curriculum for new and veteran bus operators, mechanics, and service attendants for all operating divisions. OCI provides progressive training with a cost effective approach to strengthen employee skills and meet Metro's goals in the areas

of safety, accident reduction, customer relations, and on-time performance.

Service Development and Performance Analysis

Service Development organizes the operating framework for the Metro bus and rail systems. Performance Analysis collects and reports operational data generated by the bus and rail systems. The department provides timely and accurate information that aids Sector staff in developing efficient, effective, and community-responsive service. The department also provides a point of contact for compliance with Federal Transit Administration regulations and Title VI requirements.

System Safety and Security

System Safety and Security manages the Safety's 1st program that was established to reduce injuries and accidents. The objective of the program is to provide leadership, guidance, technical direction, and resources to protect people, prevent mishaps, achieve regulatory compliance, and control hazards, hazardous occupational exposures, and costs. The department collects, analyzes, and audits accident and injury data on a computerized tracking system called TransitSafe. Injury and accident trends are reviewed with General Managers during monthly Tactical Safety Meetings to quickly identify root causes of problems and improve overall performance.

Additionally, System Safety and Security is responsible for security and law enforcement services. System security provides timely and critical threat assessment and response. The department is continually developing and enhancing security programs for the protection of Metro's passengers,

employees, properties, revenues and assets.

Significant Events in FY09

Bus Operating Sectors

- Complete the "New Service Plan" as it relates to Metro operated Rapid Bus Service, with the implementation of 6 new Rapid lines:
 - Atlantic Boulevard
 - San Fernando Road / Lankershim Boulevard
 - San Fernando Road South
 - Pico Boulevard
 - Manchester Boulevard
 - Central Avenue
- Implement "SmartDrive" (Incident-based Surveillance System) system-wide to reduce accidents and improve safety.
- Initiate ATU and UTU labor contract negotiations.
- Implement a new Big Rig Tow Beat on I-91 Freeway.

Systems Safety and Security

- Implement a Strategic Reconfiguration of Metro Security Program to increase and enhance system-wide security.
- Develop new System Security Program Plan and associated emergency plans.
- Develop a range of State Prop. 1B grant-funded security projects.
- Develop significantly enhanced emergency response capability in support of regional rail system with the new Security HiRail Emergency Response Vehicle (ERV).

Motorist Services

- Implement MATIS/Travel Information System, a comprehensive motorist aid system that will establish a regional 511 traveler information system for Los Angeles County.

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Metro Bus Operations Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 San Fernando Valley Service Sector	1,117	1,117	1,112
2 San Gabriel Valley Service Sector	1,073	1,084	1,110
3 Gateway Cities Service Sector	1,033	1,056	1,040
4 South Bay Service Sector	1,178	1,171	1,164
5 West Side/Central Service Sector	1,308	1,315	1,320
6 Contract Services	4	6	6
7 Central Maintenance	335	374	374
8 Service Development Performance Analysis	62	59	59
9 Manpower System & Support	17	16	18
10 Operations Central Instruction	97	96	96
11 Safety & Security	111	116	116
12 Facilities	159	159	160
13 Vehicle Technology	16	17	17
14 Operations Labor Relations	13	17	18
15 Motorist Services	9	8	8
16 Metro Bus Operations Total FTEs	6,532	6,611	6,617

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
17 San Fernando Valley Service Sector	\$ 131,034	\$ 129,359	\$ 137,814
18 San Gabriel Valley Service Sector	124,267	132,388	137,205
19 Gateway Cities Service Sector	116,289	124,191	128,009
20 South Bay Service Sector	131,286	138,208	145,635
21 West Side/Central Service Sector	154,428	151,768	161,951
22 Contract Services	61,052	65,489	95,559
23 Central Maintenance	53,954	93,473	78,412
24 Service Development Performance Analysis	9,314	12,735	12,324
25 Manpower System & Support	1,170	1,437	1,665
26 Operations Central Instruction	8,436	7,309	7,654
27 Safety & Security	77,389	85,159	89,549
28 Facilities	60,659	71,066	85,307
29 Vehicle Technology	82,072	87,791	90,831
30 Operations Labor Relations	10,400	12,524	13,109
31 Motorist Services	24,246	42,081	41,641
32 Metro Bus Operations Total	\$ 1,045,995	\$ 1,154,978	\$ 1,226,665

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
33 Wages & Benefits	\$ 600,192	\$ 606,010	\$ 633,751
34 Fuel & Propulsion Power	45,168	53,974	61,763
35 Acquisitions	108,158	139,776	160,602
36 Services	110,458	139,663	147,540
37 Purchased Transportation	34,195	36,181	41,729
38 Material & Supplies	71,696	88,481	82,991
39 Insurance	39,837	50,694	51,815
40 Subsidies	25,059	28,256	34,179
41 Advertising	425	1,028	2,375
42 Other Support	10,807	10,916	9,919
43 Metro Bus Operations Total	\$ 1,045,995	\$ 1,154,978	\$ 1,226,665

Note: Totals may not add due to rounding.

Metro Bus Operations: Key Performance Indicators

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "In-Service, On-Time Performance" operations objectives.</i>				
Bus Systemwide	64.35%	63.77%	64.00%	66.15%
San Fernando Valley Sector	65.19%	65.60%	67.39%	67.50%
San Gabriel Valley Sector	68.59%	65.85%	66.74%	67.00%
Gateway Cities Sector	71.73%	68.01%	67.89%	70.00%
South Bay Sector	59.05%	62.39%	62.08%	62.00%
Westside/Central Sector	60.82%	57.59%	56.69%	60.00%

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Complaints per 100,000 Boardings" customer service objectives.</i>				
Bus Systemwide	2.41	2.46	2.60	2.70
San Fernando Valley Sector	3.24	2.99	2.94	3.00
San Gabriel Valley Sector	2.18	2.49	2.64	2.50
Gateway Cities Sector	1.69	1.78	1.92	2.00
South Bay Sector	2.49	2.51	2.57	3.00
Westside/Central Sector	2.53	2.66	2.98	3.00

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Scheduled Revenue Service Hours Delivered" operations objectives.</i>				
Bus Systemwide	100.77%	99.29%	98.88%	99.00%

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Vehicle Accidents per 100,000 Hub Miles" safety objectives.</i>				
Bus Systemwide	3.5	3.7	3.5	3.5
San Fernando Valley Sector	3.0	2.8	2.5	2.9
San Gabriel Valley Sector	2.8	3.1	3.1	2.9
Gateway Cities Sector	3.7	4.1	3.5	3.5
South Bay Sector	3.7	4.0	3.9	4.0
Westside/Central Sector	4.0	4.8	4.3	4.0

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GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Passenger Accidents per 100,000 Boardings" safety objectives.</i>				
Bus Systemwide	0.21	0.22	0.30	0.24

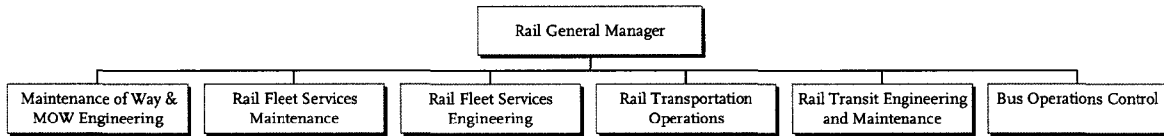
GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Mean Miles between Mechanical Failures that Require a Bus Exchange" operations objectives.</i>				
Bus Systemwide	3,274	3,532	3,142	3,500
San Fernando Valley Sector	3,319	3,619	2,950	3,500
San Gabriel Valley Sector	3,467	3,376	3,278	3,500
Gateway Cities Sector	2,506	3,163	2,884	3,500
South Bay Sector	3,688	3,826	3,406	3,500
Westside/Central Sector	3,499	3,651	3,222	3,500

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "New Lost Work Time Indemnity Claims Reported/Filed" safety objectives.</i>				
Bus Systemwide	1,030	937	904	875

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "New Workers' Compensation Indemnity Claims per 200,000 Exposure Hours" safety objectives.</i>				
Bus Systemwide	15.77	13.89	13.45	12.10
San Fernando Valley Sector	16.78	16.07	15.36	13.50
San Gabriel Valley Sector	15.99	15.61	12.22	10.47
Gateway Cities Sector	17.08	14.63	13.94	10.55
South Bay Sector	16.18	12.37	16.36	13.50
Westside/Central Sector	18.42	17.43	15.01	13.00

GOAL 3: Exercise Fiscal Responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or better the "Cost per Revenue Service Hour" financial objectives.</i>				
Bus Systemwide	\$110.09	\$121.31	\$118.78	\$127.38

Metro Rail Operations



Introduction

Comprised of six functional units, Metro Rail operates over 200 light and heavy rail vehicles; maintains over 65 rail stations, over 146 miles of track, overhead catenaries and heavy rail traction power systems; and oversees all facets of rail operations. Additionally, Metro Rail is responsible for all rail-related capital projects.

During FY09, Metro Rail will provide 394,629 revenue vehicle hours for light rail and 269,123 hours for heavy rail, supporting approximately 81.6 million boardings.

In response to an ever-increasing need for accountability and responsibility, Metro Rail is in the process of reorganizing its major functional units, as follows:

Rail General Manager

The Rail General Manager is comprised of rail transportation scheduling, administrative and financial support.

Rail Transportation Operations

Rail Transportation Operations is comprised of two groups, Rail Transportation Operations and Rail Operations Control Center (ROC). Rail Transportation Operations will be responsible for the revenue service delivery and other movements on the rail right-of-way, field supervision, monitoring and improving the quality of service delivery, training, instructing and supervising rail operators.

The Rail Operations Control Center (ROC), which operates 24 hours /7 days a week, serves as a dispatch function for all rail service and monitors and controls all scheduled and unscheduled movement by vehicles and personnel on the rights-of-way. Like its counterpart, Bus Operations Control, the ROC provides surveillance of stations and emergency operations and control.

Maintenance of Way & MOW Engineering

Maintenance of Way & MOW Engineering is comprised of Maintenance of Way, and MOW Engineering, Rail Communications, Rail Facilities and Custodial Services. Maintenance of Way and MOW Engineering is responsible for the maintenance and inspection of the rail systems' signal equipment, track and traction power. In addition, it is responsible for all engineering associated with these disciplines.

Rail Communications, Rail Facilities and Custodial Services are responsible for the inspection and maintenance of the rail systems communications, facilities and custodial services.

Rail Fleet Services Maintenance

Rail Fleet Services Maintenance manages the inspection and maintenance of all revenue service vehicles, graffiti abatement, and paint and body repair of all revenue vehicles.

Rail Fleet Services Engineering

Rail Fleet services Engineering is responsible for the major capital procurement of P2550 revenue vehicles, Light Rail Vehicle Fleet Enhancement, and the mid-life overhaul of the heavy rail revenue vehicles for the Metro Red Line and the EXPO/Blue Line Light Rail Vehicle Procurement.

Rail Transit Engineering & Maintenance

Rail Transit Engineering & Maintenance is composed of Advanced Transportation Management Systems (ATMS) Engineering & Maintenance, which supports the Bus Operations Control Center (BOC); SCADA Systems Engineering and Maintenance, which supports the Rail Operations Control Center; Rail Communications; Rail Facilities; and Rail Custodial Services. It is also responsible for managing Rail Operations capital projects.

Bus Operational Control

Bus Operations Control (BOC) monitors and controls special bus movements and coordinates, develops and implements all special event services and bus leases. The BOC modifies bus activity when conditions require outside interaction due

to accidents and detours, monitors Americans with Disabilities Act (ADA) compliance and serious customer complaints through undercover rides and field observations, and provides failure management to assist Metro in meeting its operating goals in the areas of safety, customer relations and on-time performance. Also, the BOC provides closed circuit television monitoring.

Significant Events in FY09

During FY09, Metro Rail will begin the following major capital projects:

- Activation and pre-revenue activities for the Eastside Extension.
- Engineering phase of the refurbishment of subway and light rail-car fleets and procurement of light rail vehicles.
- Installation of intrusion detection equipment, digital video recorders and pan/tilt/zoom cameras on the Metro Red Line Bridges and Tunnels
- Replacement and rehabilitation of Metro Blue Line's traction power substations, overhead catenary, signal system and switch machines.

Metro Rail Operations Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Rail General Manager	11	10	10
2 Transportation	336	339	346
3 Wayside Systems	388	386	406
4 Fleet Services	346	345	347
5 Transit Systems Engineering	28	25	31
6 Rail & Bus Operations Control	76	77	77
7 Metro Rail Operations Total FTEs	1,185	1,182	1,217

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
8 Rail General Manager	\$ 1,370	\$ 5,809	\$ 3,885
9 Transportation	37,674	38,728	41,273
10 Wayside Systems	59,165	61,670	67,182
11 Fleet Services	49,015	60,637	75,548
12 Transit Systems Engineering	15,758	23,579	79,240
13 Rail & Bus Operations Control	7,663	8,173	8,701
14 Metro Rail Operations Total	\$ 170,644	\$ 198,596	\$ 275,829

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
15 Wages & Benefits	\$ 115,492	\$ 114,321	\$ 124,273
16 Fuel & Propulsion Power	19,620	21,381	23,133
17 Acquisitions	8,782	31,981	59,612
18 Services	10,164	11,586	50,912
19 Material & Supplies	13,409	13,889	12,349
20 Insurance	2,926	3,772	3,855
21 Advertising	2	-	2
22 Other Support	250	1,666	1,693
23 Metro Rail Operations Total	\$ 170,644	\$ 198,596	\$ 275,829

Note: Totals may not add due to rounding.

Metro Rail Operations: Key Performance Indicators

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "In-Service, On-Time Performance" operations objectives.</i>				
Heavy Rail	99.05%	99.07%	99.29%	99.00%
Light Rail	98.09%	98.98%	98.96%	99.00%

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Complaints per 100,000 Boardings" customer service objectives.</i>				
Heavy Rail	0.66	0.47	0.45	0.45
Light Rail	1.06	0.63	0.81	0.75

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Scheduled Revenue Service Hours Delivered" operations objectives.</i>				
Heavy Rail	98.22%	98.84%	99.78%	99.78%
Light Rail	95.32%	98.39%	99.77%	99.77%

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Rail Accidents per 100,000 Revenue Service Hours" safety objectives.</i>				
Heavy Rail	0.22	0.00	0.24	0.14
Light Rail	0.43	0.63	0.78	0.50

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Passenger Accidents per 100,000 Boardings" safety objectives.</i>				
Heavy Rail	0.01	0.01	0.02	0.02
Light Rail	0.03	0.01	0.01	0.01

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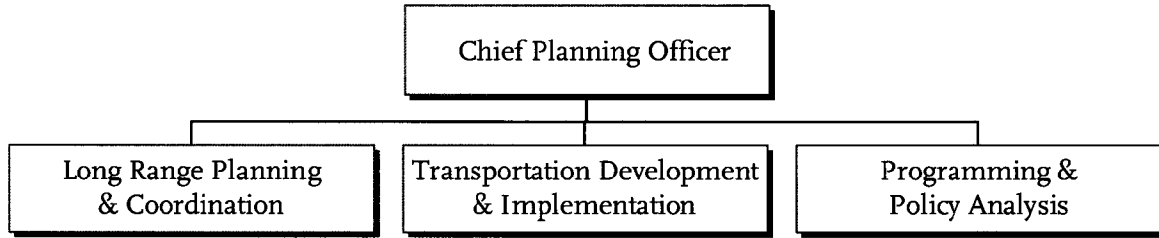
GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "Mean Miles between Mechanical Failures" operations objectives.</i>				
Heavy Rail	19,587	19,587	25,297	25,000
Light Rail	24,020	24,020	32,594	25,000

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "New Lost Work Time Indemnity Claims Reported/Filed" safety objectives.</i>				
Rail	125	89	117	75

GOAL 8: Enhance a safety conscious culture throughout Metro, its customers and business partners	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or Better the "New Workers' Compensation Indemnity Claims per 200,000 Exposure Hours" safety objectives.</i>				
Rail	11.56	8.08	11.52	10.00

GOAL 3: Exercise Fiscal Responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Meet or better the "Cost per Revenue Service Hour" financial objectives.</i>				
Heavy Rail	\$306.03	\$325.32	\$333.22	\$343.44
Light Rail	\$393.51	\$385.09	\$389.51	\$396.46

Countywide Planning and Development



Strategic Business Unit

Countywide Planning and Development (CP&D) is responsible for programming and administering federal, state, and local transportation funds, preparing a financially constrained Transportation Improvement Plan (TIP), and planning and coordinating regional transportation services and infrastructure improvements. It does this in partnership with Metro Operations, the County of Los Angeles and the 88 cities and 16 municipal operators within the County.

Chief Planning Officer

The Chief Planning Officer directs the overall programs of Metro's planning and programming services, develops strategies, defines major priorities, and resolves critical transportation issues in Los Angeles County.

Long Range Planning and Coordination

The Long Range Planning and Coordination department is responsible for regional transit planning, long and short range transportation planning, and transportation modeling and technical analysis necessary to support the development of countywide and regional plans and programs. The department is responsible for transit activities including planning, design, development, monitoring, and municipal operator coordination for the Metro Rapid program and other regional transit planning

activities. The Department is also responsible for developing countywide plans and programs, including the Long and Short Range Transportation Plans (LRTP and SRTP respectively) and the Congestion Management Program (CMP), and for regional transportation planning and air quality conformance coordination. Finally, the department performs technical analysis in support of plans, programs, and projects including: transportation modeling, geographic information system analysis, user benefit analysis for Federal New Starts funding, and freight data collection and modeling.

Transportation Development and Implementation

The Transportation Development and Implementation (TDI) department is responsible for project development, management, and/or implementation of multiple modes of transportation within Los Angeles County, including Highway/Freeway, Arterials, Transportation Demand Management (TDM), Rail and Busway, Signal Synchronization, Intelligent Transportation Systems, Bicycle, Pedestrian, Goods Movement and others. In addition, this department approves and administers the utilization of Call-for-Projects (CFP) funds by the cities and county and provides assistance on joint development activities. TDI also serves as the project planning lead in the LRTP and

CFP. The department is organized into two geographic sub-regions with three area planning teams in each sub-region. One sub-region includes the Central, Gateway Cities/Southeast and San Gabriel Valley. The South Bay, San Fernando Valley/North County and Westside area planning teams are in the other sub-region. Each team is responsible for corridor planning, project management and implementation of multiple modes of transportation within its geographic area.

Programming and Policy Analysis

Programming and Policy Analysis is responsible for strategic capital planning, regional and local programming, and regional program management for all fund sources that support Metro's mission of improving mobility and promoting innovative and comprehensive transportation systems throughout Los Angeles County. The department also manages the Transportation Improvement Program (TIP); analyzes federal, state and local programming proposals and policies; applies for and administers federal, state and local grants; programs the Call-for-Projects (CFP); serves as the funding lead in the LRTP and CFP; allocates and administers local and municipal operator funding; provides funding policy development and guidance for regional programs; is Metro's liaison with federal and state grantor agencies; and is Metro's liaison to the cities on Proposition A and Proposition C Local Return, Discretionary funds, and TDA Articles 3, 4, and 8.

Significant Events in FY09

- Conduct planning, design development, and programming for new Metro Rapid lines.
- Complete update of the LRTP.
- Continue with the management oversight of the Congestion Pricing Operating Plan.

- Review and make recommendations on federal, state, and local legislative initiatives and policy issues (i.e. Federal Fiscal Year (FFY) 2010 – FFY 2015 Federal Funding Authorization, SB 45 Implementation, State Transportation Infrastructure Bonds and Programs); support FY08 and FY09 federal, state and local legislative requests for appropriations and other actions.
- Prepare, review, and submit the State Transportation Improvement Program funding requests for Los Angeles County.
- Manage and administer FY09 Transit Fund Allocations for Transit Operators under the Formula Allocation Procedure (FAP), Foothill Mitigation, Transit Service Expansion, Base Restructuring, Bus Service Improvement Program, Security Municipal Operator Service Improvement Program and Prop 1B Mitigation Programs.
- Manage and administer Fund Allocations to the 88 Cities and LA County under the Local Return, TDA Article 3 & 8, Voluntary National Transit Database Reports, and mini-call bus replacement programs.
- Manage and administer special programs for the neediest members of the community under the Immediate Needs, Support for Homeless Re-Entry Program (SHORE) and Rider Relief Programs.
- Manage and administer capital and operating funds for the Metrolink Commuter Rail Services.
- Manage the CFP, including providing technical assistance to project sponsors, ensuring compliance with federal, state, and local regulations and policies, and that funds are spent on eligible project components, completing the annual Recertification/

- De-obligation/Extensions and execute necessary Letter of Agreement/Memorandum of Understandings (LOA/MOU) and amendments to existing agreements.
- Complete multi-county Goods Movement Action Plan.
 - Continue with the Environmental Impact Report (EIR) / Environmental Impact Statement (EIS) for State Route 2 Southern Freeway terminus and transportation efficiency improvements to Glendale Blvd.
 - Continue with the Management Oversight of the EIR/EIS for I-710 corridor.
 - Complete EIR/Preliminary Engineering (PE) for the Canoga/Northern Extension of Metro Orange Line.
 - Begin Wilshire Bus-Only Lane Design & Construction (Between Federal & Sepulveda).
 - Identify projects in the Congestion Mitigation Project (CMP).
 - Complete FTA On-Board System-wide Origin-Destination Survey.
 - Complete Metro Rapid Signal Priority Expansion Phase I on Four Metro Rapid Corridors.
 - Continue with the Metro Rapid Signal Priority Expansion Phase II for three Metro Rapid Corridors.
 - Complete Alternative Analysis (AA) on the Metro Westside Extension and with Board Approval move into the Draft EIR/EIS.
 - Complete AA for the Downtown Regional Connector and, with Board approval, move into the Environmental Studies of Draft EIR/EIS.
 - Complete AA for the Eastside Corridor Phase II and, with Board approval, move into the Environmental Studies of Draft EIR/EIS.
 - Continue Environmental Preparation Process including AA/Draft EIR/EIS for Crenshaw-Prairie Transit Corridor.
 - Continue with the AA for Harbor Subdivision transportation improvement.
 - Continue with the Diesel Multiple Unit Feasibility Study.
 - Continue Major System Integration of Regional Intelligent Transportation Systems Architecture.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Countywide Planning and Development Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Chief Planning Officer	4	3	4
2 Long Range Planning & Coordination	22	23	23
3 Transportation Dev. & Implementation	57	59	59
4 Programming & Policy Analysis	31	33	33
5 Countywide Planning & Development Total FTEs	114	118	119

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
6 Chief Planning Officer	\$ 469	\$ 450	\$ 630
7 Long Range Planning & Coordination	4,953	4,867	8,790
8 Transportation Dev. & Implementation	16,621	41,508	47,384
9 Programming & Policy Analysis	733,624	816,131	903,255
10 Countywide Planning & Development Total	\$ 755,667	\$ 862,956	\$ 960,059

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
11 Wages & Benefits	\$ 12,654	\$ 14,183	\$ 15,909
12 Services	12,247	36,318	49,417
13 Material & Supplies	153	396	289
14 Subsidies	729,673	811,724	894,026
15 Advertising	20	-	76
16 Other Support	920	334	342
17 Countywide Planning & Development Total	\$ 755,667	\$ 862,956	\$ 960,059

Note: Totals may not add due to rounding.

Countywide Planning and Development: Key Performance Indicators

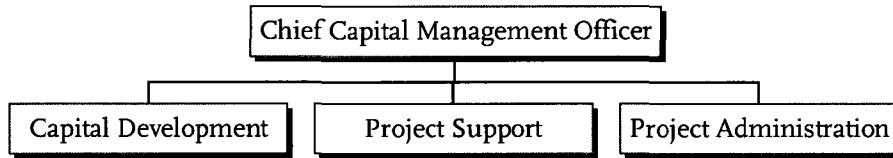
GOAL 4: Provide leadership for the region's mobility agenda	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Lead the planning and coordination of regionally significant projects and programs for the region.</i>				
Complete target % of LRTP updates in accordance with scheduled actions.	100%	100%	100%	100%
Implement target % of the Congestion Management Program's annual conformity process.	100%	100%	100%	100%
Conduct target % of transportation demand modeling required to support major plans, programs, and projects.	100%	100%	100%	100%
Complete target % of the Wilshire Boulevard Bus Lane Project Environmental Assessment.	n/a	n/a	n/a	100%
Implement target % of the Countywide Bus Speed Improvement Project.	n/a	n/a	n/a	100%
Complete target % of work for the I-710 South Corridor EIR/EIS.	n/a	5%	15%	40%
Complete target % of work for the Regional Downtown Connector Alternative Analysis study.	n/a	n/a	30%	100%
Complete target % of work for the Regional Downtown Connector DEIR/DEIS study.	n/a	n/a	n/a	40%
Complete target % of work for the Eastside Extension DEIR/DEIS study.	n/a	n/a	n/a	25%
Attend target % of COG/COG working group meetings as required to assist with transportation-related issues.	90%	90%	90%	90%
Complete target % of work for the Crenshaw Corridor AA/DEIR/DEIS.	n/a	n/a	30%	70%
Complete target % of work for the Northern/Canoga Extension of the Metro Orange Line EIR and PE.	n/a	n/a	70%	100%
Complete target % of work for the Westside Corridor Alternative Analysis study.	n/a	n/a	60%	100%
Complete target % of work for the Westside Corridor DEIS/DEIR.	n/a	n/a	n/a	50%
Complete target % of work for the Harbor Subdivision Alternative Analysis study.	n/a	n/a	5%	70%
Execute target % of MOUs/LOAs for FY09 funding and necessary amendments to existing agreements.	n/a	n/a	n/a	100%

Los Angeles County Metropolitan Transportation Authority
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GOAL 4: Provide leadership for the region's mobility agenda	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: Provide quality planning, technical analysis, and programming.				
Allocate target % of FAP Program funding on schedule.	100%	100%	100%	100%
Complete target # of financial forecasting model runs.	2	2	4	2
Complete target # of funding sources matrix updates.	1	0	1	1
Complete target # of sets of revenue demand charts for all major funding sources.	1	1	1	1
Ensure target \$ are allocated to cities and munis to pay project invoices.	\$677M	\$789M	\$788M	\$870M
Turn around target % of Local Return forms within prescribed time period.	100%	100%	100%	100%
Develop and submit target % of MOUs for processing (cities).	100%	100%	100%	100%
Develop and submit target % of MOUs for processing (municipal operators).	100%	100%	100%	100%
Receive and process target % of reassessment requests on schedule.	100%	100%	100%	100%

GOAL 6: Secure local, state and federal funding	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: Pursue and secure local, state and federal funding.				
Receive target % of STIP Allocation Requests by Q4 FY09.	100%	100%	100%	100%
Receive target % of Time Extension Requests by Q4 FY09.	100%	100%	100%	100%
By due dates, file target % of applications required for LA County projects and programs.	100%	100%	100%	100%
By due dates, file target % of grant applications required for Metro projects and programs.	100%	100%	100%	100%
Collect target \$ amount from the Benefit Assessment Districts in order to meet debt payment schedules.	\$21M	\$21M	\$21M	\$15M

Construction Project Management



Strategic Business Unit

Construction Project Management is responsible for providing engineering services and construction oversight for major construction projects, transit corridors, capital improvement projects, and rail engineering service requests. The primary projects during FY09 are the following:

- Orange Line closeout of construction and systems contracts and activities;
- Metro Gold Line Eastside Extension completion of at-grade stations, trackwork installation, utility relocation, Phase II integration testing and pre-revenue testing;
- Canoga Station Park and Ride closeout activities;
- Start construction of Lankershim Depot Transit Center;
- Development of the I-405 Carpool Lane Project.

Capital Development

Capital Development is responsible for planning, engineering, and constructing new fixed guideway systems and extensions to the highest safety and performance standards while paying close attention to environmental and economic concerns.

Project Support

Project Support is responsible for:

- providing functional support within the Construction Project Management Division;

- providing cost-effective design and other engineering professional services from preliminary engineering through final design and construction of bus and rail projects;
- the construction management and oversight of all rail construction-related activities and construction related rail capital projects;
- providing the appropriate plans to mitigate contamination impacts, maintain compliance with all environmental regulations pertaining to hazardous wastes and materials, monitor environmental contractors working on projects, and provide regulatory interfacing to resolve Metro concerns;
- interfacing with third party agencies and utilities to design and construct improvements to existing systems and new projects,
- supporting safety and quality on all projects managed by the Construction Project Management division.

Project Administration

Project Administration is responsible for managing division and cost center activities in support of the Metro Capital Program in addition to providing technical and administrative guidance and assistance. This includes planning, scheduling budgeting, tracking, reporting, analyzing, and forecasting the impact of engineering, construction and rail infrastructure improvement projects; providing timely and accurate configuration management of contract

changes and all documentation in support of Construction Project Management projects; and implementing administrative and quality control measures during design, procurement, construction, installation, testing, start-up and turnover that ensure the transit system meets the expectations of Metro's customers.

Significant Events in FY09

Following are the capital project activities budgeted during the fiscal year:

- Complete close-out of all Metro Orange Line construction and consultant contracts.
 - Resolve outstanding claim issues with Design/Build Contractor and close-out contract.
 - Complete close-out of all of Metro Orange Line Bikeway construction and consultant contracts.
 - Complete final landscaping of bikepath.
 - Start construction of Lankershim Depot Transit Center.
 - Complete the Metro Eastside Extension Contract that includes tunnel and station excavation, trackwork and systems installation.
 - Complete Metro Eastside Extension Phase II Systems Integration Testing.
 - Complete pre-revenue testing for Eastside Extension to the Gold Line with revenue operations beginning in FY10.
 - Award design/build contract for the I-405 Carpool Lane Project.
- The FY09 Budget includes Construction Project Management division support in engineering, construction safety, third party administration and project control for future transit corridor projects such as the Regional Downtown Connector, the Eastside Extension Phase II, the Crenshaw Corridor, the Metro Red Line Western Extension, and the Metro Orange Line Canoga Park Extension.
 - The Construction Project Management division will provide project development support for the I-405 Carpool Lane Project during FY09. This includes development and award of design-build contract documents, industry outreach, and project management assistance.
 - The FY09 Budget includes costs for the engineering, design, procurement, construction, and management activities for the ROC Reconfiguration Metro Subway Station Entrance Canopies, Division 22 Improvement Phase II, Division 20 Carwash & Cleaning Platform, Division 20 Additional Vehicle Hoists, Non-Revenue Replacement and Expansion Vehicles, and several Rail Rehabilitation Projects including the Subway Railcar Midlife Overhaul and Metro Rail Gating. In addition, the budget also includes environmental inspection and remediation activities for the various rail facilities, wayside systems upgrades, and rehabilitation projects.

Los Angeles County Metropolitan Transportation Authority
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Construction Project Management Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Capital Development	26	28	30
2 Project Support	27	29	30
3 Project Administration	33	32	33
4 Construction Project Management Total FTEs	86	89	93

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
5 Capital Development	\$ 180,686	\$ 189,789	\$ 131,048
6 Project Support	68,086	157,766	214,314
7 Project Administration	5,163	4,240	4,691
8 Construction Project Management Total	\$ 253,935	\$ 351,796	\$ 350,053

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
9 Wages & Benefits	\$ 10,245	\$ 11,146	\$ 13,038
10 Acquisitions	164,631	176,782	112,575
11 Services	11,783	10,100	13,240
12 Material & Supplies	94	196	1,723
13 Insurance	95	-	-
14 Subsidy to Expo Authority	63,552	153,491	209,360
15 Other Support	3,536	80	118
16 Construction Project Management Total	\$ 253,935	\$ 351,796	\$ 350,053

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
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Construction Project Management: Key Performance Indicators

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Achieve substantial completion of Metro Gold Line Eastside Extension Project by April 1, 2009</i>				
Milestone: Complete all trackwork installation along the guideway				07/31/08
Milestone: Complete structural construction of all 8 stations and 2 portals				01/31/09
Milestone: Complete all systems equipment installation				04/01/09
Milestone: Complete Phase I Systems Integration Testing in order to support Phase II Systems Integration Testing				04/01/09
Milestone: Complete SCADA upgrades and Phase II Systems Integration Testing				04/30/09
Milestone: Begin Pre-Revenue Testing				05/01/09

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Manage capital projects to accomplish milestones according to plan.</i>				
Rebid and award contract for Lankershim Depot Restoration Project C0885 by 2nd quarter.				12/31/08
Closeout contract for Metro Orange Line Project (C0675) design/build including asphalt repairs by 4th quarter.				06/30/09
Complete construction on Pasadena Gold Line (PGL) Traction Power Substations 1st quarter.				09/30/08
Complete closeout on PGL Traction Power Substations Project by 2nd quarter.				12/31/08
Award MRL Division 20 Carwash and Cleaning Platform Project by 1st quarter.				09/30/08
Complete Administrative Contract closeout for Highway 134 Soundwall Project by 1st Quarter.				09/30/08
Ensure project quality requirements are met within 30 days response period time for review of project submittals.				95%

GOAL 7: Maintain open lines of communication	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Involve the community in decisions and activities that affect them.</i>				
Meet monthly with the community to provide construction updates through the Review Advisory Committee.				100%

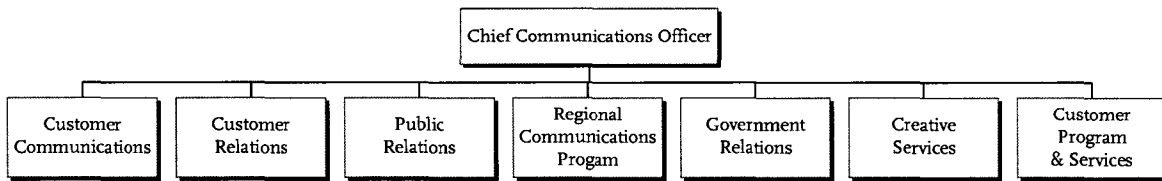
Los Angeles County Metropolitan Transportation Authority
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GOAL 4: Provide leadership for the region's mobility agenda	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide leadership in controlling costs and scheduling for regionally significant projects and programs</i>				
I-405 Sepulveda Pass Project issue the Invitation for Bid by end of 1st quarter				09/30/08
I-405 Sepulveda Pass Project Award Design Build contract by end of 3rd quarter				03/30/09

GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Project Safety & Security</i>				
Work with contractors to provide a safe work site to minimize time away from work incidents at or below published rates. Rates are published by the US Dept. of Labor:				
Recordable Incident Rate	2.2	2.5	2.5	5.9
Total Days Away Case Rate:	1.9	1	0.7	3.2
Provide oversight of Contractor (both Major Capital Construction and Capital Improvement) activities to insure compliance with Construction Contract Safety & Security Requirements. Metric is the percentage of projects visited on a weekly or more frequent basis.				
	89%	91%	93%	95%
Document Contractor (both Major Capital Construction and Capital Improvement) injury data, addressing deficiencies revealed by the data. Metric is the percentage of projects tracked by the department.				
	87%	86%	89%	95%
Ensure appropriate project safety & security requirements are included in each contract package through participation of Construction Safety Staff in the contract design process. Metric is the percentage of projects which will be reviewed and commented on prior to package publication.				
	90%	92%	95%	95%
Ensure project safety & security requirements are met through regular jobsite reviews by Construction Safety Staff and timely review of Contract submittals. Metrics are the percentage of projects visited on a weekly or more frequent basis and the percentage of submittals review in a timely manner.				
	n/a	n/a	90%	95%

GOAL 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Initiate Sustainability Program</i>				
Develop and deliver two semi-annual sustainability program progress report (December 2008 - June 2009)				100%
Organize and hold the second annual sustainability summit.				05/31/09
Develop annual report outlining renewable energies and energy efficient activities				05/31/09
Complete sustainability design criteria.				12/31/08
Complete Division 10 Environmental Management System pilot study.				12/31/08

Communications



Introduction

Communications is responsible for the strategic evaluation, development and implementation of agency-wide marketing, communications, constituent relations, fare media distribution, and customer service programs.

Chief Communications Officer

The Chief Communications Officer oversees and directs the activities of the organization to increase awareness and support and to improve the public perception of Metro and its services. The goals are to increase patronage, raise revenues, and create a positive image of Metro as well as to position Metro to attract discretionary riders.

Customer Communications

Customer Communications promotes awareness and use of Metro programs, projects and services through informational materials, signage, advertising and corporate sales promotion. Working with the Service Sectors, the department markets existing routes and service enhancements, as well as a complete line of alternative transportation pass and rideshare programs to area employers, educational institutions, and current and potential riders. Their activities include: internal printing services, managing all purchased media as well as revenue contracts for advertising on the Metro bus and rail system, and handling internal employee communications.

Customer Relations

Customer Relations is the communication link with customers and provides various options for the public to be served and heard. One-on-one regional transportation information is provided through 1-800-COMMUTE. Customers receive route, schedule and fare information for Metro services in addition to transit services for the adjacent four counties. Customers may also plan their own trip by utilizing Metro's Trip Planner located on the website at www.metro.net. This department also serves as the centralized contact point to handle and process customer complaints received via the telephone, email and over-the-counter. The unit also handles official correspondence written on behalf of Board members and Metro executive staff, manages customer response systems analysis, and operates the Metro Customer Information Distribution Center and Agency switchboard (Centrex) System.

Public Relations

Public Relations informs the public about Metro's activities by managing media relations, special events and cross promotions, production of Metro cable shows and videos, Metro Interactive Page on metro.net, commercial filming, the Metro Store, Metro Speakers Bureau and employee activities.

Regional Communications Programs

Regional Communications Programs provide a multitude of functions including external interface, research and program

development. The group is responsible for public liaison and stakeholder programs throughout Los Angeles County to build support for broad agency objectives and specific initiatives through local governance, construction of major capital projects, management of outreach for corridor and project consensus, public campaigns for bus and rail safety education and service changes. Another function performed by the group is to conduct research to gauge customer satisfaction, general public opinion on transportation services and feedback on new services implemented or under development. In addition, the group is responsible for developing and implementing new programs and services that enhance transportation options for Los Angeles County residents.

Government Relations

Government Relations serves as the principal liaison to all federal, state, and local elected officials, government agencies, and commissions. The department develops Metro's legislative goals and objectives, advances the policy agenda in Sacramento, Washington and city halls throughout Los Angeles County, and crafts and implements strategies to accomplish Metro's legislative priorities.

Creative Services

Creative Services provides the following design services:

- graphic design
- environmental graphics
- graphic standards
- photography and illustration
- production management (procurement and trafficking)
- website management (design and coordination)
- implementation of Metro's public art policy (Metro Art), which includes community involvement and artist

participation in the development of Metro's transit system and provides free docent-guided tours.

Customer Programs and Services

Customer Programs and Services operates Metro's four customer centers that serve over 550,000 patrons each year. The department administers the reduced fare programs for students and riders with disabilities, manages the centralized lost and found operation, and oversees fare media production and distribution to Metro Bus divisions, customer centers and over 600 vendor outlets in Los Angeles County. The unit manages the Metro Passes by Mail program and e-commerce sales of passes online.

Significant Events in FY09

- Continue targeted service marketing and ridership promotions in an effort to increase ridership and revenue.
- Enhance community marketing to increase awareness of local Metro service.
- Design and produce multi-faceted campaigns to promote ridership.
- Pursue and secure opportunities for increased funding at federal, state, and local levels, and move the region closer to attaining its fair share of funding.
- Support Mobility 21 activities to continue Metro's active role in advancing regional transportation and gaining additional funding for mass transit, highway, and other mobility programs in Los Angeles County.
- Conduct construction mitigation and public outreach to support continued success for the project team as major milestones are achieved during the construction of the Gold Line Eastside Extension.
- Continue safety education and outreach throughout communities

near the Orange Line, Gold Line and Blue Line.

- Build support for agency initiatives through ongoing contact and relationships with local governance entities (Councils of Governments {COGs}, etc.), chambers of commerce, business organizations, environmental groups and other key stakeholders.
- Manage outreach contracts for major corridor studies including Orange Line North/South Extension, Westside Corridor Extension, I-710 Corridor Study, Crenshaw-Prairie, Gold Line Eastside Extension towards Whittier, Regional Connector and Harbor Subdivision.
- Continue business-to-business sales efforts targeting local businesses to provide subsidized transit passes and rideshare incentive programs to their employees.
- Install new generation of bus stop signs and signage support infrastructure (such as grand pylons) at rail stations, bus stations and park/ride facilities, and construct information walls at rail and bus station entrances.
- Fully implement the countywide Vanpool Program to promote vanpool usage for purposes of reducing the number of single occupant vehicle commuter trips and generating new regional funds.
- Complete 5 major permanent art projects and 3 temporary art projects.
- Develop plans to renovate the Lankershim Depot Customer Center.
- Educate customers and implement the transition of reduced fare media to TAP cards at Metro Customer Centers and retail vendors.
- Attract discretionary riders by partnering with outside businesses and organizations in exchange for equivalent cross-promotional advertising.
- Host two million visitors on metro.net and update content to ensure current and accurate information.
- Initiate upgrade and improved functionality of the website, www.metro.net.
- Implement new web features and “self-help” enhancements on the Trip Planner to better meet the specific transit needs of customers.
- Provide real-time transit arrival information to riders via the online “Trip Planner” feature on metro.net and access to “NexTrip” and “My Trip” services for web-enabled cellular phone users and wireless devices.
- Feature live chats on metro.net with Board members and executive staff that will focus on critical mobility issues from goods movement to the L RTP.
- Develop and implement e-mail update system for customer communications, allowing for timely service announcements, notices about construction, new programs, job openings and special offers.
- Produce more videos promoting ridesharing in-house for Metro’s cable television shows, website and Transit TV that will be distributed to cable and mainstream media and various web sites.
- Continue survey research activities to measure customer satisfaction, general public opinion and impacts from new Metro services initiatives which will be streamlined to improve cost effectiveness.
- Generate media-based revenue sources for Metro (including rail poster media sales, rail station prominence advertising and electronic LED advertising display in subway tunnel).

Los Angeles County Metropolitan Transportation Authority
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Communications Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Chief Communication Officer	7	8	8
2 Customer Communications	30	30	31
3 Customer Relations	103	103	103
4 Public Relations	11	11	11
5 Regional Communication Program	18	16	17
6 Government Relations	6	7	7
7 Creative Services	14	14	16
8 Customer Programs & Services	28	28	28
9 Communications Total FTEs	217	217	221

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
10 Chief Communication Officer	\$ 1,355	\$ 1,194	\$ 1,232
11 Customer Communications	10,575	13,198	12,591
12 Customer Relations	7,138	7,502	7,619
13 Public Relations	2,218	2,451	2,568
14 Regional Communication Program	3,756	7,841	9,004
15 Government Relations	1,699	1,744	2,040
16 Creative Services	2,782	2,745	5,286
17 Customer Programs & Services	5,154	4,631	4,787
18 Communications Total	\$ 34,676	\$ 41,306	\$ 45,126

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
19 Wages & Benefits	\$ 19,848	\$ 18,920	\$ 20,730
20 Acquisitions	6	3,342	276
21 Services	8,828	12,876	17,046
22 Material & Supplies	1,285	1,202	1,201
23 Advertising	3,283	3,868	4,707
24 Other Support	1,426	1,098	1,167
25 Communications Total	\$ 34,676	\$ 41,306	\$ 45,126

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
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Communications: Key Performance Indicators

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Improve service quality and capacity for bus and rail systems</i>				
Total newspaper ad distribution per quarter (total distribution of newspapers that carried ad times # of ads run in qtr).	54,000,000	54,000,000	54,000,000	54,000,000
Number of active employer worksites using Metro Commute.	1,075	1,200	1,300	1,500
Passes sold monthly through employer accounts.	10,043	13,000	14,000	18,000
Total number of Rideshare Incentive participants in LA County.	20,000	25,000	30,000	30,000
Total number of Rideshare vanpools in LA County (FY06-FY08 reflects the total vanpools in LA, Orange, San Bernardino & Ventura Counties. FY09 reflects LA County vanpools only).	975	975	975	756
Average wait time on 1-800-COMMUTE (min:sec).	5:15	5:00	4:30	4:00
Value of positive news coverage in print and broadcast media, as equivalent value of advertising.	\$10,000,000	\$6,000,000	\$8,000,000	\$9,000,000
Total revenue generated from film leasing.	\$550,000	\$550,000	\$600,000	\$600,000

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Create a safety-conscious culture throughout Metro and its customers and business partners</i>				
Number of individuals reached through safety tours, presentations, community outreach and community events.	1,500,000	2,000,000	2,000,000	3,000,000
Number of safety impressions received through advertising at supermarkets check-out television stations (CTS) within a two mile radius of the Metro Rail lines. (Impressions are opportunities to receive messages via CTS).	N/A	N/A	6,273,445	14,000,000

GOAL 1: Improve Transit Services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Improve transit security of bus and rail system</i>				
Conduct safety training for students/residents along the Metro Gold Line Eastside Extension.	n/a	n/a	60,000	78,915

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Conduct Construction mitigation and community outreach</i>				
Complete Construction mitigation for impacted businesses along the Metro Gold Line Eastside Extension.	n/a	36	36	36
Conduct a community mapping study of the adjacent right-of-way to the I-405 Sepulveda Pass widening project.	n/a	n/a	n/a	10 miles
Conduct construction mitigation meetings on the I-405 Sepulveda Pass widening project with elected officials, property owner potentially effected by relocations, and interagency stakeholders.	n/a	n/a	n/a	100

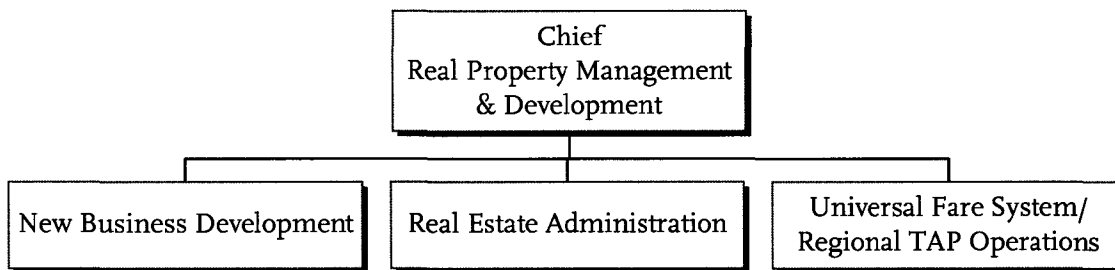
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GOAL 4: Provide Leadership for the Region's mobility agenda	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide Quality planning, programming and analysis for Los Angeles County projects and programs</i>				
Implement community outreach programs for all corridor transit and highway including Crenshaw-Praire, Canoga Transportation Corridor, Westside Extension, Regional Connector, Eastside Corridor Phase II, Harbor subdivision and I-710 EIR/EIS.	n/a	n/a	170	260
Conduct interagency and community meetings in coordination with Caltrans on State Route 710 Geotech Study.	n/a	n/a	20	40
Number of outreach meetings on the congestion reduction demonstration project with residents, businesses, environmental and labor groups in LA County. (Congestion reduction demonstration project is part of a USDOT grant award to convert HOV lanes to HOT lanes in the I-10 and I-110 corridors, and to purchase vehicles to expand transit services and capacity along these corridors.)	n/a	n/a	24	50
Number of meetings to develop network with residents, businesses, environmental and labor groups in LA County to support transportation programs and policies.	n/a	n/a	30.0%	72

GOAL 4: Provide Leadership for the Region's mobility agenda	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Coordinate implementation of multi-modal transportation programs with partner agencies</i>				
Number of community outreach meetings in support of the Agency's goals as appropriate with Councils of Governments, community advisory committees, subcommittees, chambers, business, shipping, environmental, residential, and labor organizations within 88 cities.	n/a	n/a	70	107
Conduct Long Range Transportation Plan (LRTP) outreach follow-up meetings.	n/a	n/a	n/a	42

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Develop an effective and efficient workforce</i>				
Number of legislator and aide contacts established through briefings, meetings, and hosting events to communicate Metro's position on legislative matters of interest to the Agency.	200	300	300	350
Percent of state and legislative programs conducted to secure resources to carry out / implement Metro's priority projects and programs.	100%	100%	100%	100%

Economic Development



Introduction

Economic Development is responsible for the development, planning and implementation of new business opportunities which provide innovative transit solutions that improve transit connectivity within the region and significant increases in revenue to Metro.

New Business Development

New Business Development is responsible for the planning, development and management of private and public sector real estate development projects on Metro-owned property. The centerpiece of this department's efforts is its joint development program which focuses on transit-oriented development at or near Metro rail and other fixed guideway stations. This program seeks to:

- promote and enhance transit ridership.
- reduce auto use and congestion through transit-linked development.
- enhance the land use and economic development goals of surrounding communities, while protecting Metro's transportation corridors and environs.
- generate value to Metro based on fair market return on the public investment.

New Business Development also coordinates with local jurisdictions in station area land use planning in the interest of establishing development patterns that enhance transit use. In

addition, starting in FY09, New Business Development is responsible for the coordination of the many elements necessary to prepare for implementation of the CMP Program.

Real Estate Administration

The Real Estate Administration Department's mission is to provide high quality real estate services in the areas of appraisal, environmental investigations, acquisition, relocation services, and property management in a way that is fiscally responsible, customer focused, and responsive.

The Real Estate Administration Department has two functional units: Real Estate Services and Property Management. The Real Estate Services unit is responsible for the acquisition of all real property required for the construction and operation of Metro's administrative, bus and rail projects. This includes real property appraisals, Phase I and Phase II environmental site assessments, negotiations with sellers, and relocation assistance to occupants displaced by Metro projects in compliance with federal and/or state guidelines. The unit also disposes any surplus property no longer required for Metro purposes.

The Property Management unit manages Metro's real property that is not required for immediate transit use including short-term rental, licensing and permitting.

The unit negotiates with property owners for leasing of property required for Metro's administrative and operational needs, and provides management services for the retail space, common areas/ transit center at Gateway, and manages right-of-way leases for the San Bernardino Association of Governments (SANBAG) and the Foothill Gold Line Construction Authority.

Universal Fare System /Transit Access Pass Regional Operations and Administration

The Universal Fare System (UFS) and Transit Access Pass (TAP) is a regional electronic smart card fare payment system that is now a US registered trademark, TAP®. TAP oversees the design, build, operation and maintenance of this new technology for Metro and 11 other Los Angeles County municipal operator participants. In addition to the acquisition of capital equipment, TAP is responsible for the operation of a regional customer service and financial clearinghouse. TAP has also begun preliminary analysis and discussions with interested third-parties for potential incorporation with Transit-Oriented-Development (TOD) projects and the use of this TAP smart card for parking and retail. TAP also oversees the system engineering, and implementation of the Metro Rail Gating project at all Metro Red Line stations and selected light rail stations.

Significant Events in FY09

- Begin full operation of the Regional Customer Service and Regional Clearinghouse operation for TAP program at 707 Wilshire Boulevard location.
- Complete conversion of five municipal operators to TAP program.
- Present two new agreements for revenue generation through

arrangements with major credit card/bank issuers in connection with TAP Cards.

- Complete conversion of 600 third-party vendors to TAP card sales outlet throughout the region.
- Complete design and engineering of Metro Rail Gating project.
- Identify technology options for incorporation with CMP Program.
- Present plan for revenue generation through usage of TAP media in connection with TOD projects as well as for transit-adjacent private development projects (parking, retail, etc.), through use of clearinghouse for billing.
- Complete construction of three joint development projects, including the Wilshire/Western Purple Line Station project and the LAUSD middle school at the Wilshire/Vermont Red Line Station.
- Continue construction on the Hollywood and Vine Red Line Station joint development project.
- Execute ground leases for (and commence construction on) four joint development projects, including the Universal City Red Line Station project.
- Enter into joint development agreements for eight joint development projects, including the North Hollywood Red Line Station project and four projects along the Gold Line's Eastside Extension.
- Enter into an exclusive negotiation agreement for development of the Sepulveda Orange Line Station park & ride lot.
- Complete negotiations for two new "FlyAway" program lots on Metro sites in conjunction with Los Angeles World Airports (LAWA).

- Complete negotiations with LAWA to secure airport site for relocation of Metro's Venice bus facility.
- Conduct agency-wide training for affected Strategic Business Units (SBUs) that are implementing TAP technology (Transit Operations, Communications, ITS, Finance).
- Continue to generate \$15.7 million in revenue from the management of real estate assets.

Economic Development Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 New Business Development	7	7	7
2 Real Estate Administration	20	20	20
3 TAP Operations	3	9	9
4 Economic Development Total FTEs	30	36	36

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
5 New Business Development	\$ 843	\$ 1,593	\$ 5,542
6 Real Estate Administration	9,253	28,390	20,675
7 TAP Operations	17,803	24,161	26,184
8 Economic Development Total	\$ 27,899	\$ 54,143	\$ 52,402

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
9 Wages & Benefits	\$ 2,857	\$ 4,299	\$ 4,850
10 Acquisitions	15,157	36,033	24,071
11 Services	7,744	11,700	17,002
12 Material & Supplies	1,758	1,815	5,882
13 Other Support	382	296	596
14 Economic Development Total	\$ 27,899	\$ 54,143	\$ 52,402

Note: Totals may not add due to rounding.

Economic Development: Key Performance Indicators

GOAL 1: Improve transit services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide efficient, effective, and safe transit services</i>				
Demonstrate increased TAP card penetration to provide greater customer convenience	n/a	14,000	50,000	200,000
Complete targeted percent of design and engineering of Metro rail gating project to improve transit security, fare recovery and enhance public safety	n/a	n/a	n/a	100%

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Utilize Integrated Project Management process to manage capital projects so that projects are on-time and within budget</i>				
Close out UFS Base contract within the LOP	n/a	n/a	n/a	Q2 of FY2009
Provide monthly Board update on TAP and Metro Rail Gating Projects at the EMAC and Ops Committees to demonstrate projects meet major milestones	n/a	n/a	11	11
Complete installation of Regional central data computer system and integration of ACS TransitTrack system to ensure TAP regional customer center supports regional operations requirement with Municipal Operators and Metro	n/a	n/a	n/a	Q4 of FY2009

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Increase TAP usage, sales and expand revenue generation sources</i>				
Secure Board approval on new revenue generation plan through usage of TAP media in connection with existing and new Metro Transit Oriented Development projects and transit-adjacent private development projects	n/a	n/a	n/a	Q4 of FY2009
Complete VISA pilot program to increase revenue generation in connection with TAP cards and major credit card/bank issuers	n/a	n/a	n/a	Q4 of FY2009
Generate lease revenue from Metro-owned sites managed by Real Estate Dept.	\$15M	\$13.8M	\$16.3M	\$15.7M
Generate ground lease revenue on Transit Oriented Development projects	n/a	\$1.6M	\$1.5M	\$1.8M
Convert third-party vendors to TAP card sales outlet to increase retail sales network to support customer base and increase TAP generation	n/a	n/a	17	600

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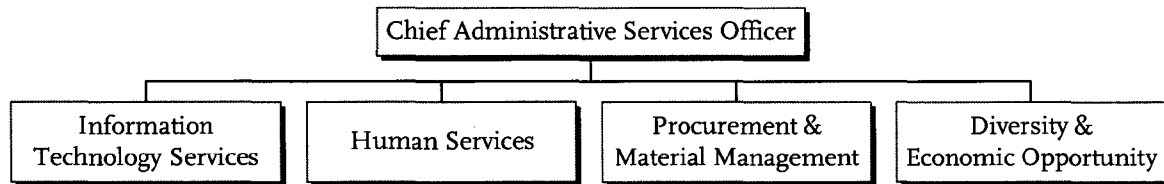
GOAL 4: Provide leadership for the region's mobility agenda

	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Promote Transit Oriented Development projects and Regional TAP program</i>				
Complete negotiations and execution of full joint development agreements	n/a	n/a	3	9
Execute Joint Development Ground Leases	n/a	n/a	n/a	5
Complete construction of joint development projects	n/a	n/a	1	3
Complete Joint Development Agreement of transit oriented development of 2 million sq. ft. North Hollywood project	n/a	n/a	n/a	Q4 of FY2009
Complete negotiation of two new lots for the "FlyAway" program on Metro sites in conjunction with LAWA	n/a	n/a	n/a	Q4 of FY2009
Authorize to secure federal funding and begin implementation of the Congestion Pricing Project	n/a	n/a	n/a	Q2 of FY2009
Convert municipal operators to TAP Program	n/a	n/a	n/a	5

GOAL 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions

	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Promote sustainability and "green" standards</i>				
Ensure all new joint development real estate projects are constructed to meet high sustainability and "green" standards by obtaining certification to at least LEED silver or equivalent standards	n/a	n/a	n/a	100%

Administrative Services



Introduction

Administrative Services provides cross-functional administrative and technological support to Metro's core business units. This strategic business unit has Information Technology, Human Services including human resources, training, labor relations, and general services, Procurement, and Diversity/Economic Opportunity. Each unit consists of departments and resources that serve all Metro operating units.

Information Technology Services

Information Technology Services (ITS) is responsible for the development, implementation, operation, maintenance, and technical support of Metro's computer systems and integrated communications network. ITS is comprised of four units: Information Management, Operations and Service Delivery, Systems Architecture and Technology Integration, and Planning and Administration.

Information Management

Information Management provides system maintenance, enhancements, development and support for Metro's 140 business system applications. Mission critical systems include Financial Information System (FIS), Maintenance and Materiel Management (M3), Human Resources (HR), Payroll, Transit Operator and Trends System (TOTS), Scheduling, Customer Information System (CIS),

Trip Planner and Electronic Content Management System (ECMS). Duties include application design, development, testing, and implementation, application upgrade maintenance and incident resolution.

Operations and Service Delivery

Operations and Service Delivery provides support for Metro desktop and kiosk workstations, Wide Area Network, the Board Room, electronic surveillance systems, PBX telephone systems, and audio visual services. The unit manages and operates the Help Desk and Data Center Operations which includes over 3,200 desktop computers, 12,000 phone devices, and 2,100 telecommunications data line services.

Systems Architecture and Technology Integration

Systems Architecture and Technology Integration supports the activities associated with constructing, integrating and managing Metro's infrastructure for network, databases and data security. Services include:

- Network Engineering which supports all Local Area Network, Wide Area Network and wireless networks.
- Database Management which supports all UNIX database storage systems
- Systems Integration Management which support all Windows

operating systems, data storage and the disaster recovery program.

Planning and Administration

Planning and Administration manages vendor contracts and licensing agreements, budget planning and performance analysis, administrative management reporting and personnel administration. Services include policy and procedure development and adherence, project management oversight and audit compliance.

Human Services

The Human Services unit is comprised of five departments: Administration, General Services, Human Resources, Organizational Development and Training, and Employee and TCU Labor Relations. These functions support essential agency-wide activities and projects.

Administration

The Administration unit is responsible for the functions of ADA Compliance, agency-wide policy development and special agency-wide projects. The Executive Office provides leadership and management oversight of administrative services such as policy development, building management and ADA compliance, chairs the Pre-Qualification Appeals Panel, and provides staff for Metro's Accessibility Advisory Committee.

General Services

General Services is dedicated to providing a variety of services to all Metro departments. General Services provides facility and administrative services, including USG building management and maintenance, records management, mail services, travel coordination, copy services, and

pest control and rubbish removal contract management for Metro facilities. General Services is comprised of five operating functions: General Services Administration, Mail Services, Copy Services, Building Services, and the Records Management Center.

Human Resources

Human Resources furnishes administration and guidance on all aspects of personnel management for Metro including recruitment and staffing, job classification and compensation, leave programs, drug and alcohol compliance programs, employee assistance program, violence prevention/threat management program, transportation subsidy/rideshare program, management of the Gateway Childcare Center outsourcing contract and automated recordkeeping.

Organizational Development and Training

The Organizational Development & Training (OD&T) department functions as the agency-wide internal consultant services unit whose purpose is to facilitate and integrate organizational best practices, increase individual and team performance, improve cycle time, increase financial and operational effectiveness, meet or exceed client/customer requirements and facilitate agency-wide strategic planning outcomes. OD&T designs and develops customized agency-wide employee, management and leadership development training programs to enhance the knowledge, skills and abilities of the workforce and prepares employees for the changing demands of the workplace. OD&T also maintains training records on

mandatory and optional training and manages Metro's Tuition Assistance and Internship programs.

Employee and TCU Labor Relations

Employee and TCU Labor Relations provides the resources to manage Metro's Transportation Communications Union (TCU) labor agreement in a professional manner. The department negotiates and administers Metro's collective bargaining agreement with TCU, manages grievances arising out of interpretation and administration of the labor agreement, serves as advocate for Metro management during arbitrations related to the labor agreement, provides contract interpretation and due process advice to Metro management, and advises management on non-represented employee discipline and manages grievances for non-represented employees.

Procurement and Material Management

Procurement and Material Management's mission is to deliver efficient, cost effective, value-added services that are responsive to and supportive of both Metro's internal and external clients. Procurement and Material Management includes Material Management, Contract Administration, Client/Vendor Services, and Diversity and Economic Opportunity.

Material Management

Material Management plans, acquires, and controls inventory assets to deliver efficient and cost effective services that are responsive to client demands and expectations. Included are the accurate forecasting of mid to long term material requirements, the cost effective provisioning and acquisition of goods and services, inventory

accounting, supply chain management, inventory storage, asset security and timely distribution of materials, parts and supplies.

Contract Administration

Contract Administration performs acquisition planning, coordinates pre-award actions to produce executable contracts and performs post-award contract administration. They also manage claims/change order processing / negotiation, and contract close-out. They also support the procurement of all non-inventory requirements and administers Metro's purchasing card program. Within Contract Administration, the Estimating unit develops independent cost estimates in support of establishing a fair and reasonable price for Metro's procurement transactions, including new procurements and contract modifications. They also provide support in performing price analysis, cost analysis, value engineering review and contract price negotiations.

Client Vendor Services

Client/Vendor Services oversees and manages the administrative processes and business information systems in support of Procurement and Material Management and its clients. This includes the following:

- Operation of the Automatic Storage and Retrieval System (40,000 random storage locations).
- Maintenance and Material Management System (M3).
- TransportMax.
- Support of the Purchase Order Module of the Financial Information System.
- Maintenance of the vendor data base and related systems including

the department's Internet and Intranet web sites.

- Management and control of documents, reports and records.
- Planning and deployment of major systems, such as M3, Electronic Content Management System (ECMS), FIS 11i, Internet Procurement, Internet Supplier Portal, Purchasing Intelligence, e-Marketplace and TransportMax.

Diversity and Economic Opportunity

The Diversity and Economic Opportunity Department (DEOD) is responsible for developing and implementing Contract Compliance, Small Business Certification, Small Business Outreach, Equal Employment Opportunity, and Labor Compliance programs. The DEOD promotes diversity and economic opportunity in the community through proactive and inclusive monitoring, mentoring, training, and outreach activity. DEOD is responsible for ensuring that decisions affecting employment practices and contracting are made without regard to sex (including sexual orientation), race, color, ancestry, religious creed, national origin, physical and mental disability, HIV and AIDS, medical conditions (e.g., cancer), age (over 40), marital status, veteran status, or any other status protected by applicable federal or state statutes.

Significant Events in FY09

Information Technology Services

- Provide support to 21 capital projects. Major projects include the Computer Equipment Technology Refresh Project, Remote Storage for Disaster Recovery Project, Application Platform Upgrade, Board Room AV System Upgrade and the Transit Operator

Activity Scheduling and Tracking Project.

- Provide enhancements to many mission critical business applications: Payroll system, Electronic Content Management Systems (ECMS), Hastus, Oracle ISupplier, M3 systems.
- Perform an annual disaster recovery test.
- Release of Microsoft Vista as the new desktop platform.

Human Services

Administration

- Commencement of two ADA programs aimed at older and disabled adults: the first program to improve bus services for individuals with disabilities and the second to increase mobility of senior citizens.
- Improve the administrative policy review process.
- Consolidate the budget, management and administration of agency-wide corporate memberships.

General Services

- Complete procurement and implement new multi-year security system maintenance, repair and upgrade contract for proprietary computerized integrated security system including card readers, duress alarms, surveillance cameras and motion sensors throughout Metro facilities.
- Complete procurement and implement new multi-year elevator/escalator maintenance and repair contract for Gateway headquarters building.
- Commence Gateway headquarters building cafeteria waterproofing of kitchen, servery and dish room floors in order to alleviate potential water

damage and closure of 2nd floor call center.

- Replacement of Gateway headquarters building board room carpet.
- Clean Gateway headquarters building exterior and interior windows and pressure wash building exterior to remove grime and buildup and prevent deterioration of stone and grout.
- Obtain Board approval to revise the Records Management Policy incorporating new legal requirements on electronic records.
- Develop procedures and design and implement a database system to manage DVR records for Public Records Request.
- Commence upgrade of Document Imaging System for Records Management Center.
- Implement Smart Track System in Copy Center to enhance job request tracking of shake-up material to Metro divisions.

Human Resources

- Continue the Bus Operator Bridge program.
- Manage non-occupational leaves of absence in compliance with state law, human resources policy and collective bargaining agreements to support employee needs and minimize lost work time.
- Install new applicant tracking system.
- Conduct Bus operator recruitment activities to maintain efficient manpower for bus service delivery.

Organizational Development and Training (OD&T)

- Sustain the existing on-site college programs i.e. Cal Poly Pomona MBA, Cal State Long Beach MPA, San Jose Mineta Institute MBA, Cal State Dominguez Hills, East Los Angeles

College and Mission Hills College PACE undergraduate programs.

- Partner with Federal Highway Administration (FHWA), CalTrans, LADOT, City of Los Angeles and Metro for multi-jurisdictional Signal Synchronization Training Program.
- Conduct two in-service training sessions for both Metro Internship Program (MIP) and Transportation Career Academy Program (TCAP).

Employee and TCU Labor Relations

- Design and build system enhancements for employee record keeping and grievance tracking.
- Negotiate successor contract with Transportation Communications Union (TCU).
- Resolve outstanding labor issues from prior contract through labor/management committee.

Procurement and Material Management

- Implement the Material Cost Saving Initiative.
- Complete user training and initial roll-out of M3 Image Manager.
- Execute material provisioning plans for the Bus Midlife Project and Bus Engine Replacement Program.
- Conclude bus division material usage and inventory reorder point update project.
- Perform and fulfill Federal Transit Administration (FTA) required Equipment Asset Inventory cycle and deliver results to Accounting Department.
- Continue efforts to minimize residual inventory obsolescence resulting from the planned retirement of the vehicles manufactured by TMC (Transportation Manufacturing Corporation).

- Implement capital Warehousing Improvement projects for Division 3 and Division 7.
- Issue contract to build the 490 Bauchet Facility capital project.
- Expand Metro P-Card (Purchase-card) Program through “method of payment” project. Convert existing agency contracts and consolidate small purchases into master agreements that will use P-Card as a method of payment which will provide for greater economies of scale and maximize efficiency.
- Update Project Management Training.
- Revise Procurement Policy Manual.
- Publish Procurement Instructions and Procedures Update.
- Conduct research and assess software market for contract administration system, including requirements definition.
- Issue the Design Build contract for the I-405 Sepulveda Pass Widening Project.
- Provide ongoing procurement support for the UFS Gating Project to include support for equipment lease, station infrastructure modifications and long term system support and maintenance agreement.
- Close out contract for L.A. congestion pricing operating plan in support of 2010 Federal congestion pricing requirements.
- Issue Countywide Metro Rapid Signal Priority Expansion contract which will implement wireless signal technologies to support Metro Rapid operations along the Manchester, Garvey-Chavez and Atlantic corridors.

Diversity and Economic Opportunity

- Complete a Contract Compliance Management System compatible with FIS to provide greater efficiency and effectiveness in monitoring contracts.
- Reduce Small Business Certification backlog and minimize the processing time for certification reviews.
- Manage Metro’s portion of a multi-agency effort to conduct a disparity study. The study’s results are used to determine whether discrimination exists in Metro’s Transportation Contracting Industry, and use that determination to make adjustments to Metro’s Disadvantaged Business Enterprise (DBE) program.

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Administrative Services Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Information Technology Services	130	130	130
2 Human Services	153	152	152
3 Procurement & Material Management	223	229	229
4 Diversity & Economic Opportunity	22	22	22
5 Administrative Services Total FTEs	528	533	533

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
6 Information Technology Services	\$ 23,658	\$ 27,533	\$ 25,093
7 Human Services	23,070	21,457	23,404
8 Procurement & Material Management	27,650	27,478	28,428
9 Diversity & Economic Opportunity	2,093	3,015	2,995
10 Administrative Services Total	\$ 76,472	\$ 79,483	\$ 79,920

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
11 Wages & Benefits	\$ 52,009	\$ 51,810	\$ 54,351
12 Acquisitions	2,518	7,094	3,403
13 Services	8,886	9,336	9,887
14 Material & Supplies	5,552	4,570	5,634
15 Advertising	316	443	564
16 Other Support	7,191	6,229	6,080
17 Administrative Services Total	\$ 76,472	\$ 79,483	\$ 79,920

Note: Totals may not add due to rounding.

Administrative Services: Key Performance Plans and Measures

Diversity and Economic Opportunity

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Create level playing field for small businesses to compete fairly on Metro procurements and evaluate shared responsibility in meeting annual goal.</i>				
Review and evaluate all projects over 25K for construction and 40K for services and commodities to identify Prime and Subcontract opportunities for certified firms that participate in Metro's DBE, SBE and M/WBE small business programs. Assist Metro in creating a level playing field for small businesses in efforts to meet it's annual small business goals.	100%	100%	100%	100%

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Track all certified payroll reports to identify wage underpayments on Metro contracts per Federal and State regulations.</i>				
Monitor certified payroll reports to identify prevailing wage underpayments submitted by contractors on Metro Public Works projects per Federal and State regulations.	100%	100%	40%	100%

GOAL 7: Maintain open lines of communication	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Maximize contracting opportunities for small and minority owned firms.</i>				
Process completed small business certification applications from Metro's designated CUCP area within 90 days of receiving all required documentation.	100%	100%	82%	100%
Process completed small business certification applications received from other certifying agencies within Southern California CUCP area within 90 days of receiving all required documentation.	100%	100%	82%	75%

GOAL 7: Maintain open lines of communication	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Administer a timely and effective EEO complaint processing program in order to resolve discrimination complaints.</i>				
Provide thorough and prompt processing of all internal discrimination complaints within 90 days to increase customer service to Metro employees.	60 Days	86 Days	115 Days	90 Days

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Information Technology Services

Goal 1: Improve transit services.	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Complete all ITS Work Order tickets promptly, professionally, and courteously.</i>				
Achieve customer service survey average score at or better than the targeted score.	4.50	4.55	4.60	4.63

Goal 1: Improve transit services.	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Mission Critical Application Availability to the agency.</i>				
Maintain system uptime to the agency at or better then the targeted %.	98.00%	99.50%	99.50%	99.55%

Goal 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Capital project schedule adherence.</i>				
Complete capital project milestones on schedule at or better then the targeted %.	98.1%	95.8%	98.0%	98.0%

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Human Services

GOAL 1: Improve transit services	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Efficiently and effectively operate service.</i>				
Conduct Accessibility Advisory Committee meetings	n/a	n/a	9	9
Provide disability awareness training classes to Metro employees	n/a	n/a	8	8

GOAL 7: Maintain open lines of communication	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide efficient and effective customer service to internal and external customers while being fiscally responsible.</i>				
Review all administrative policies every two years from date of last review	n/a	n/a	100%	100%

GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Promote and provide a safe environment for all occupants of Gateway Headquarters</i>				
Percent of safety work orders responded to and completed within 30 minutes of notification	100%	100%	100%	100%
Percent of custodial trouble calls responded to and completed within 30 minutes of notification	n/a	n/a	100%	100%

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide efficient and effective customer service to internal and external customers while being fiscally responsible.</i>				
Percent of public record requests provided within 10 days of request	97%	99%	99%	99%
Percent of staff record requests provided within 10 days of request	100%	99%	100%	100%
Percent of mail distributions completed on-time	98%	98%	100%	100%
Percent of internally-generated, tracked packages delivered within 12 hours of pickup	99%	98%	100%	100%
Percent of externally-generated packages delivered within six hours	99%	99%	100%	100%
Percent of Copy Center jobs delivered on-time from date requested	97%	97%	100%	100%

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Human Services (cont'd)

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>GOAL 5: Develop an aggressive recruitment program to reduce vacancies.</i>				
Maintain turnover rate at targeted rate or lower (excluding RIFs).	9%	9%	8%	8%
Hire the targeted number of Bus Operators.	469	875	743	720
Install new Applicant Tracking Management System (ATMS), a 12 month budgeted capital project.	n/a	n/a	n/a	100%
Minimize total number of employees on leave of absence.	570	570	565	560

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Invest in employee development</i>				
Client satisfaction rating for Signal Synch classes (1 to 5 scale)	4.46	4.39	4.39	4.39
Number of Signal Technicians completing onsite training	299	378	416	375

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Invest in employee development</i>				
Client satisfaction rating for training & development sessions (1 to 5 scale)	4.59	4.59	4.59	4.60
Cost per training participant	\$26.02	\$24.03	\$28.43	\$26.16
Employees completing formal in-house training	6,444	7,187	6,065	6,000

GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Promote and provide a safe environment for all occupants of Gateway Headquarters</i>				
Respond to TCU grievances within contract time limits and hold non-contract hearings	100%	100%	100%	100%
Provide interpretation and application of TCU Labor Agreement and employee relations specific non-contract policies with a turnaround not to exceed one business day.	n/a	n/a	100%	100%

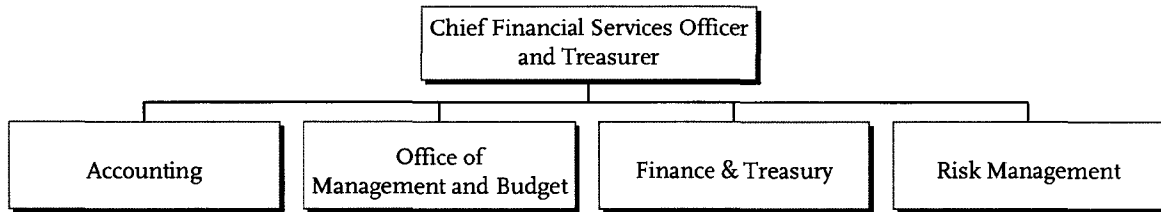
Procurement and Material Management

GOAL #1: Improve transit systems	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Acquire and deliver cost effective materials, parts and supplies.</i>				
Quarterly average "No Stock" hold as a % of active fleet	less than 1.0%	0.12%	0.63%	less than 1.0%

GOAL 2: Deliver quality capital projects on time and within budget	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Utilize Integrated Project Management process to manage capital projects to bring projects in on-time and on-budget.</i>				
Percentage of cost estimates that are at or below the Estimating Department's stated standard cycle time (16 work days for estimate deliverables with a threshold of \$2M and under & 30 work days for estimate deliverables over \$2M)	70%	80%	75%	75%

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Continue to improve the procurement process.</i>				
Average non-inventory material/services procurement cycle time (in days) for IFB (Information for Bid)	26	26	26	26
Average non-inventory material/services procurement cycle time (in days) for RFP (Request for Proposal)	45	45	45	45
Client Feedback (scale: 1-low to 3-high)	2.00	2.00	2.00	2.50
Average inventory material procurement cycle time (days)	9	9	9	9

Financial Services



Introduction

Financial Services provides cross-functional administrative and financial services to support Metro's core business units.

Accounting

Accounting generates reports used to support Metro's financial and compliance accounting, reporting and auditing requirements, including those for bonds and debt issues, funding partners' billings and reporting needs, and management analyses of budget variances. Accounting records all financial transactions relating to Metro's capital and operating projects, capital assets, sales tax revenues and subsidies, fare media, payroll, accounts payable, and accounts receivable transactions through its financial information systems.

Office of Management and Budget

The Office of Management and Budget (OMB) develops the annual operating, capital, and subsidy budgets; prepares revenue and expense projections; prepares the annual revision to the 10-Year Forecast; maintains the CEO's Scorecard; manages operating and capital expenditure and revenue plans; and conducts special studies that analyze key business activities.

Finance and Treasury

Finance and Treasury forecasts, monitors and manages cash requirements, directs the investment of available cash and debt

proceeds, and administers the debt program. Additionally, Finance and Treasury includes the Revenue Administration Unit and Pension and Benefits. The Revenue Administration unit collects and deposits fare revenue, inspects and monitors fare collection facilities, equipment, and procedures with law enforcement to counteract counterfeit fare media, and maintains Ticket Vending Machine (TVM) collection equipment, Stand Alone Validators and Hand Held Units. The Pension and Benefits unit administers all facets of group health and welfare plans, pension plans, 401 (k) and 457 deferred compensation plans and unemployment insurance. The department also provides retirement and financial counseling programs for employees.

Risk Management

Risk Management is responsible for protecting Metro's assets through the identification, management, and control of insurance risks. These responsibilities include management and oversight of the following: worker's compensation claims administration (including special investigations); general liability claims administration; the placement and administration of appropriate insurance programs; self-insured liability reserves through risk financing techniques; and the recovery of insurance proceeds for damage to Metro property.

Significant Events in FY09

Accounting

- Process improvement of P-Card Program utilizing Oracle FIS.
- Process improvement of capital projects-CP maximizing FIS capabilities.
- Implement the Paycard Project in Payroll for better customer service to employees and to improve General Accounting work processes.
- Implement the Payroll Self Service project for direct deposits and W4s for improved services to employees and to streamline work processes in Payroll and Human Resources.

Office of Management and Budget

- Redesign the Quarterly Budget Analysis System to a web-based data management system.
- Continue to develop the Capital Planning and Analysis System (CPAS) into a web-based management system.
- Implement additional components in the integrated performance monitoring management system (CEO's Scorecard).
- Improve capital projects management to provide enhanced accountability at the SBU level.
- Assist with the sales tax ballot initiative.
- Bring all OMB website documents into ADA compliance.

Finance and Treasury

- Outstanding long-term debt will not increase during the fiscal year. Sufficient bond proceeds are currently available to meet the FY09 bond proceeds funding requirements of the Metro Gold Line Eastside Extension, the Metro Exposition Line and other capital projects.

- Implement the hedges for portions of FY10 and FY11 under the Natural Gas Hedging Program to offset changes to the price of natural gas during the fiscal year, thereby increasing budget stability and greatly reducing the potential for large cost variances. Pricing has been hedged for about 95% of the planned gas volume for FY09. Additional hedges will be periodically executed to hedge the remainder of the FY10 gas volume prior to development of the FY10 budget.
- Pursue opportunities to increase investment returns on certain restricted bond proceeds and other invested amounts, as well as to refund certain long-term bonds to reduce debt service.
- Complete the restructuring of \$1.1 billion of Auction Rate Bonds and Variable Rate Demand Bonds to reduce increased interest cost resulting from the subprime mortgage crisis.
- Install Ticket Vending Machines (TVM's) at future Metro Gold Line Eastside Extension Rail stations.
- Decrease bill processing costs in FY09. Fare restructuring will result in fewer one-dollar bills collected and "sold" to the contracted vendor.
- Decrease overtime costs in FY09 by 5% compared to FY08.
- Conduct operational review at various operating divisions to ensure that revenue collection procedures and policies are complied.
- Conduct process improvement of benefits administration to maximize Oracle Advanced Benefits capabilities.
- Provide support for the implementation of the Universal Fare System (UFS) Transit Access Pass (TAP).

- Implement wellness program for Non Contract, AFSCME and Expo Light Rail employees.
- Support UTU, ATU and TCU negotiations by providing analysis of pension and benefits proposals.

Risk Management

- Institute partially paperless processing of workers' compensation claims through the new Workers' Compensation Claims System (iVOS).

- Implement a new general liability claims system (RiskMaster).
- Execute a multi-party agreement to create general liability and Workers' Compensation trusts.
- Pursue a marketing campaign with insurance underwriters to reduce insurance premiums.
- Update the Risk Management intranet web page to enhance and streamline communications with departments.

Los Angeles County Metropolitan Transportation Authority
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Financial Services Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Accounting	78	79	79
2 Office Of Management & Budget	19	20	20
3 Finance & Treasury	62	64	64
4 Risk Management	61	60	60
5 Financial Services Total FTEs	220	223	223

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
6 Accounting	\$ 9,478	\$ 9,897	\$ 10,582
7 Office Of Management & Budget	2,328	2,303	2,592
8 Finance & Treasury	325,314	341,183	365,575
9 Risk Management	1,201	10,717	10,682
10 Financial Services Total	\$ 338,320	\$ 364,100	\$ 389,432

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
11 Wages & Benefits	\$ 15,759	\$ 12,636	\$ 13,772
12 Acquisitions	-	-	74
13 Services	18,525	21,640	25,240
14 Material & Supplies	385	463	446
15 Insurance	8,915	6,374	6,226
16 Subsidies	6,290	8,500	9,500
17 Other Support	576	664	733
18 Debt ⁽¹⁾	287,870	313,823	333,440
19 Financial Services Total	\$ 338,320	\$ 364,100	\$ 389,432

⁽¹⁾ Includes expenses otherwise classified as operating.

Note: Totals may not add due to rounding.

Financial Services: Key Performance Indicators

Accounting

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Conduct monthly performance monitoring reviews to assess financial performance.</i>				
Pay target % of invoices or more within 30 days from the invoice date	94%	94%	94%	94%
Pay approved Expense Reports from submittal date within 5 business days	2	5	5	5
Submit accurate grant billings within target # of days from month end	6.5	6.2	6	6
Process paychecks, including special checks issued, with target % of errors or less	0.6%	0.8%	0.7%	0.8%
Submit CAFR report on time	Yes	Yes	Yes	Yes
Complete FTA Quarterly Financial Report submittals by target # of days (45 days at regular quarter and 60 days at year end)	45/60	45/60	45/60	45/60
Submit State Controller's Report on time	Yes	Yes	Yes	Yes
Submit A133 Single Audit Report on time	Yes	Yes	Yes	Yes
Complete month-end financial closing within target # of days or less	10.50	6	6	6

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Create a safety conscious culture throughout Metro and its customers and business partners.</i>				
Send all employees to Safety Training as required	100%	100%	100%	100%
Performed target # programs to promote safety and reduce injuries in the department	1.5	3	4	4

Los Angeles County Metropolitan Transportation Authority
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Treasury

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Manage treasury and revenue programs to ensure liquidity and maximize income to meet Metro's fiscal obligations.</i>				
% of Positive Pay Exceptions resolved within 4 hours of notification.	100%	100%	100%	100%
Operating Fund portfolios total return will equal or exceed the market weighted composite index of the 91 day T-Bill and the Merrill Lunch 1-3 year Govt/Corp Index.	>=1.0	>=1.0	>=1.0	>=1.0
% of bond proceeds investments reviewed each quarter and adjusted as appropriate.	100%	100%	100%	100%
% of bond proceeds investments reviewed each quarter and adjusted as appropriate.	100%	100%	100%	100%
% of deliverable items provided in compliance with covenants related to debt and lease agreements.	95%	95%	100%	100%
% of system hours TVMs are out of service each quarter.	5%	5%	4%	2%
% Reduction in revenue processing related overtime.	n/a	n/a	0%	5%
% of Point of Sale Device installations completed at vendor locations not more than five days after the completion of site assessment.	n/a	n/a	n/a	90%
# of "red tag" farebox inspections at Metro Bus divisions to ensure that the farebox bill modules are not compromised.	n/a	n/a	n/a	>180 inspections
# of Metro Rail fare inspections conducted in conjunction with LASD to promote proper fare payment.	n/a	n/a	6	24

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Ensure that employee pension, retirement savings and benefit programs are managed responsibly to provide for the health and long term well being of Metro's workforce.</i>				
% of Retirement Applications processed within 30 days of receiving all required documentation	97%	98%	98%	98%
% of 401(k)/457 enrollment/payroll deductions and changes processed within the pay period submitted	98%	100%	100%	100%
% of Health and Welfare and benefit plan premiums paid by established timeframe	97%	100%	100%	100%

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Office of Management and Budget

Goal 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Manage the approved budget.</i>				
Percent of budget expended (budget to actual)	77.5%	80.0%	84.0%	80.0%
Percent of sales tax and fare revenue collected (forecast to actual)	109.5%	102.6	99.6%	100%

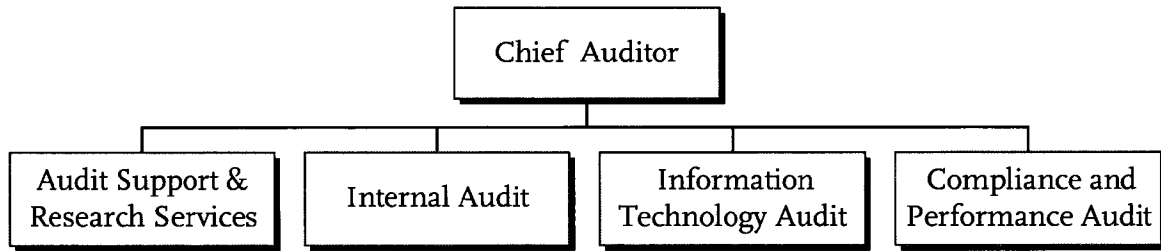
Goal 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Implement an integrated performance monitoring management system.</i>				
Number of new key performance indicators added to Metro Scorecard	1	7	2	2

Goal 5: Develop an effective and efficient workforce.	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Invest in employee development.</i>				
Percent of OMB staff members who have attended at least one training class in the fiscal year	100%	100%	100%	100%

Risk Management

GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Protecting the assets of the Public by identifying, evaluating and responding to the risk exposures of Metro.</i>				
Number of new reported Workers' Compensation claims	1,266	1,121	1,112	1,112
Number of new Workers' Compensation claims per 200,000 exp. hours	14.52	12.58	12.44	12.44
Total number of lost work days	52,719	55,452	58,843	56,081
Number of lost work days per 200,000 exp. hours	605	622	658	628
Number of new bus traffic accident claims	2,101	2,156	2,057	2,000
Number of new bus traffic accident claims per 100K hub miles	2.00	2.03	1.99	1.93
Workers' Compensation Subrogation Recoveries	\$319,182	\$425,741	\$406,542	\$150,000
Public Liability/Property Damage Subrogation Recoveries	\$312,903	\$743,684	\$902,358	\$350,000
Workers' Compensation Chargeback per 100 employees	\$660,017	\$562,436	\$481,323	\$501,296

Management Audit Services



Introduction

Management Audit Services (MAS) provides highly reliable, independent, objective assurance and consulting services designed to add value and improve Metro's operations. The department assists the CEO and his management team with a systematic, disciplined approach to evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

Management Audit Services (MAS):

- Evaluates internal controls throughout the agency.
- Conducts compliance reviews to applicable laws and regulations.
- Reviews financial and management data for accuracy, completeness and reliability.
- Conducts performance audits of operations and processes to ensure agency resources are managed economically, efficiently, and effectively.
- Performs management control self assessments (CSA).
- Performs contract and contract change order audits as required by law and Board-adopted policy.
- Performs audits of grantees in accordance with grants and MOUs.
- Pre-qualifies vendors in compliance with law and Board-adopted policy.

- Tracks and resolves all external and internal audit findings as required by OIG policy and Generally Accepted Government Auditing Standards (GAGAS).
- Conducts assurance services in compliance with GAGAS.

MAS adheres to the following professional standards and codes when completing its assurance and advisory services:

- Government Auditing Standards promulgated by the Comptroller General of the United States;
- Standards for Professional Practice of Internal Auditing and Code of Ethics promulgated by the Institute of Internal Auditors; and
- Information Systems Auditing Standards promulgated by the Information Systems Audit and Control Association.

Chief Auditor

The Chief Auditor oversees and directs all audits, advisory services, contractor pre-qualification determinations and audit follow-up services of MAS. Another function of the Chief Auditor is to implement a Quality Assurance and Improvement Program as required by Auditing Standards. In addition, the Chief Auditor is required to develop comprehensive, cost effective training programs to comply with Auditing Standards.

Audit Support and Research Services

Audit Support Services is responsible for administration, financial management, budget coordination, pre-qualification, audit follow-up, and resolution tracking.

Internal Audit

This unit is primarily responsible for all audits for Finance, Bus Operations, Rail Operations, and Communications. This unit provides assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance.

Program effectiveness audits focus on assessing the extent organizational goals and objectives are being achieved.

Economy and efficiency audits combine financial information with information about outputs or the results achieved to determine cost effectiveness. Internal control audits assess the processes and procedures for planning, organizing, directing, and controlling program operations and management's system for measuring, reporting, and monitoring program performance. Compliance audits ensure that regulatory or legislative requirements are adequately addressed by management.

This unit also provides CSA services to the agency. The focus of these services is to document the procedures as they currently exist and identify the risks associated with these procedures.

Additionally, technical assistance in various areas of expertise is provided to management in the form of consulting engagements.

Information Technology Audit

Information Technology (IT) Audit has two functions. One is to review IT Systems for adequate controls, effective performance and accuracy, and integrity of the data. The other is to provide support services to other auditors to meet auditing standards requirements when reliance needs to be placed on IT systems.

IT Audit objectives include providing assurance that internal controls in the automated processing environment are working properly, and that the data processed through IT systems is accurate, complete and reliable. In addition, IT auditors are required to evaluate risks and relevant controls in the automated environment in compliance with regulations such as Health Insurance Portability and Accountability Act (HIPAA), Sarbanes-Oxley Act and Privacy Act.

Compliance and Performance Audit

This unit is primarily responsible for all audits in Administrative Services, Construction, Real Estate & Development, and Planning. Similar to the Operational and Financial group, this unit provides assurances to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance.

In addition, the Contract Audit function reviews costs proposed or incurred on Metro's contracts and change orders to provide recommendations of a fair and reasonable price to Contract Administrators.

Also, the Grants Audit function reviews costs associated with memorandums of

understanding (MOUs) under the CFP program to promote compliance with terms and conditions of the MOU and help ensure costs billed are allocable to the MOU.

Compliance audits ensure that regulatory or legislative requirements are adequately addressed by management. This unit also provides CSA services to the agency. The focus of these services is to document the procedures as they currently exist and identify the risks associated with these procedures. Additionally, technical assistance in various areas of expertise is provided to management in the form of consulting engagements.

Significant Events in FY09

- Reorganize two audit units and assign work according to Strategic Business Unit (SBU). Operational and Financial Audit (formerly Internal Audit) is responsible for Finance, Bus Operations, Rail Operations, and Communications. Compliance and Performance Audit (formerly Compliance Audit) is responsible for Administrative Services, Construction, Real Estate & Development, and Planning.
- Complete an External Quality Assurance Review, also known as a peer review. Peer reviews are mandatory to comply with auditing standard requirements and our Audit Charter. They provide good feedback

on areas where we can improve so that we provide excellent services to the agency. The FY06 Peer Review was completed in compliance with the Government Auditing Standards. The FY09 Peer Review is being expanded to include the Institute of Internal Auditors International's Professional Practices Framework, which is consistent with, but broader in scope than, the Government Auditing Standards.

- Complete the fourth agency-wide risk assessment to identify the significant strategic, operational, compliance and financial areas of agency risk. This process helps us to prioritize audit resources to ensure effective and efficient auditing services.
- Submit annual audit plan to Executive Management and the Board for input and approval, identifying all planned audits, control self-assessments and known consulting engagements.
- Continue to internally develop leading edge practices in auditing. As part of that effort, Management Audit Services actively participates in numerous professional organizations and will be making a presentation on "Making Risk Based Auditing Practical for Staff Application" at the Institute of Internal Auditors All-Star Conference.
- Host Metro's Audit Training Forum. These training forums offer high quality professional education on relevant issues.

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Management Audit Services Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Chief Auditor	4	5	5
2 Audit Support & Research Services (ASRS)	3	3	3
3 Internal Audit	10	8	8
4 IT Audit	4	4	4
5 Compliance Audit	7	8	8
6 Management Audit Total FTEs	28	28	28

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
7 Chief Auditor	\$ 1,116	\$ 1,025	\$ 1,047
8 Audit Support & Research Services (ASRS)	335	331	362
9 Internal Audit	632	1,017	920
10 IT Audit	451	534	429
11 Compliance Audit	1,082	1,028	1,263
12 Management Audit Total	\$ 3,616	\$ 3,935	\$ 4,020

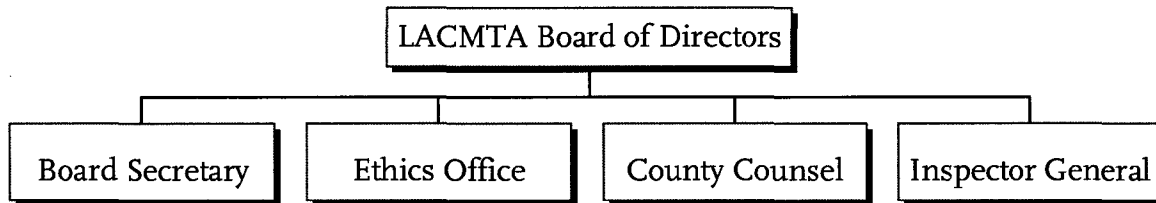
Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
13 Wages & Benefits	\$ 2,736	\$ 3,067	\$ 3,129
14 Services	804	822	838
15 Material & Supplies	9	11	11
16 Other Support	66	35	42
17 Management Audit Total	\$ 3,616	\$ 3,935	\$ 4,020

Note: Totals may not add due to rounding.

Management Audit Services: Key Performance Indicators

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Ensure appropriate and effective controls are in place.</i>				
Percentage of internal audit recommendations implemented	n/a	83%	60%	90%
Percentage of costs questioned, sustained	80%	70%	70%	80%
Percentage of the audit plan completed	80%	80%	87%	85%

Board of Directors



Introduction

The Board of Directors establishes policies and authorizes appropriations of Metro. Reporting directly to the Board of Directors are the Chief Executive Officer, Board Secretary, County Counsel, Chief Ethics Officer, and Inspector General.

Board Secretary

The Board Secretary is responsible for coordinating and overseeing Board and Sector Governance Council meetings and processes including agendas, minutes, resolutions, and scheduling. The Board Secretary also oversees the Legal Services function, which is responsible for accepting and processing all legal documents served on Metro and its employees.

Ethics Officer

The Ethics Officer advises the Board of Directors, executive management, and staff on ethics in decision making, financial disclosure, and conflict of interest issues. It also administers the Metro's Statement of Economic Interest Disclosure and Lobby Registration reporting programs, and conducts ethics training.

The Ethics Office researches state laws and regulations governing campaign contributions, fund raising activities,

government employee conduct, and lobby regulations.

The Ethics Office consults with management on policies and serves as the impartial 2nd level hearing officer for all of Metro's monthly parking citation appeals, acts as Metro's Disadvantaged Business Enterprise Reconsideration Officer and Economic Development Department Hearing Officer, and receives and directs customer complaint calls for proper handling to ensure we are responsive to the public we serve.

County Counsel

As general counsel to Metro, County Counsel provides legal representation and advice.

County Counsel represents Metro regarding transactional matters including contracts, procurements, and real estate. County Counsel also represents Metro regarding personnel and employment matters, litigation and arbitration, and oversees legal services provided by outside law firms.

County Counsel attorneys attend Board and committee meetings and provide advice on issues of governmental law such as the Brown Act, procurement law, eminent domain, Public Records Act, conflict of interest laws, and federal and state laws and regulations relating to the many activities of Metro.

Inspector General

The Office of Inspector General (OIG), which was created as part of the legislation that also created the Metro, reports directly to the Board. The OIG:

- strives to assure integrity;
- promotes economy, effectiveness and efficiency;
- safeguards public resources;
- provides service to our customers.

The OIG conducts independent audits,

reviews, analyses, and inspections of operational performance and effectiveness as well as of the accuracy of financial data and information systems.

The OIG is also responsible for detecting, investigating, deterring, and preventing fraud, waste, and abuse in Metro programs, operations, and resources. The OIG also maintains liaison with law enforcement officials, district attorneys, and the U.S. attorney for appropriate referral, coordination, and cooperation in civil or criminal matters.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Board of Directors Reports

<u>Department FTEs</u>	FY07 Budget	FY08 Budget	FY09 Adopted
1 Board of Directors & Board Secretary	11	11	11
2 Ethics Office	7	7	7
3 County Counsel	4	4	4
4 Inspector General	23	23	23
5 Board of Directors Total FTEs	45	45	45

<u>Expenditures (\$ in thousands)</u>	FY07 Actual	FY08 Budget	FY09 Adopted
6 Board of Directors & Board Secretary	\$ 1,250	\$ 1,288	\$ 1,378
7 Ethics Office	619	747	778
8 County Counsel	11,203	22,038	16,880
9 Inspector General	2,573	2,903	3,084
10 Board of Directors Total	\$ 15,646	\$ 26,975	\$ 22,119

<u>Expenditure Types (\$ in thousands)</u>	FY07 Actual	FY08 Budget	FY09 Adopted
11 Wages & Benefits	\$ 4,212	\$ 4,479	\$ 4,871
12 Services	11,179	22,252	16,971
13 Material & Supplies	66	77	105
14 Other Support	189	167	172
15 Board of Directors Total	\$ 15,646	\$ 26,975	\$ 22,119

Note: Totals may not add due to rounding.

Board of Directors: Key Performance Indicators

Ethics Office

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>To promote compliance with Ethics related laws and the MTA Code of Conduct to demonstrate integrity.</i>				
Percent of annual Statement of Economic Interest forms received by 4/1 that are processed by 4/7 to comply with the law for Board and Sector Council Members, employees and consultants.	100%	100%	100%	100%

GOAL 3: Exercise fiscal responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Process quarterly and annual Lobbyist filings promptly.</i>				
Percent of all Lobbyist Registration filings received by the due date that are processed within 15 days of receipt to comply with the law for Lobbying regulations.	100%	100%	100%	100%

GOAL 6: Secure local, state and federal funding	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide monthly conflict reports.</i>				
Percent of all Monthly Conflict Reports distributed within two days after receipt of a Board Agenda.	100%	100%	100%	100%

GOAL 8: Enhance a safety-conscious culture with employees, contractors and customers	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Perform 2nd Level Parking Citation Hearings.</i>				
Percent of monthly administrative hearing opinions on parking citation appeals issued by Metro Sheriff's Department processed within 5 days after the hearings.	n/a	n/a	100%	100%

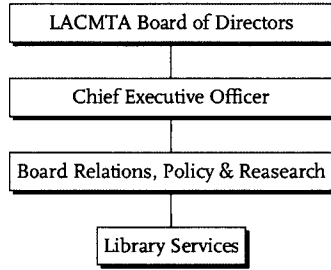
Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Office of Inspector General

Goal 3: Exercise Fiscal Responsibility	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Ensure that adequate internal controls and management oversight is in place.</i>				
Number of audit reports issued	16	12	14	15
Percentage of audits completed according to audit plan	90%	67%	85%	90%

GOAL 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
<i>Objective: Promote integrity, economy, effectiveness, and protection of public resources.</i>				
Number of investigation, inspection, and review cases opened	141	102	135	142
Percentage of investigation, inspection, and review cases completed in FY 09	92%	84%	93%	95%

Office of the Chief Executive Officer



Office of the Chief Executive Officer

The Office of the Chief Executive Officer manages Metro, which is the third-largest transportation agency in the United States. The Office of the Chief Executive Officer directs all activities of the agency, including the operations of a multi-modal transit system, construction improvements, and regional transportation planning and programming functions.

The Office of the Chief Executive Officer oversees key programs and initiatives, emphasizes a customer focus, ensures a commitment to safety, and allocates

resources efficiently. It works with staff, elected officials, and the community to bring consensus on key projects while at the same time improving the mobility and livability within Los Angeles County. The Office of the Chief Executive Officer also provides policy recommendations, research, advice, and counsel in the development of strategies and the resolution of complex political, business, and governmental issues. The Office serves as a liaison between Metro's Board of Directors and executive management.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Office of the Chief Executive Officer Reports

Department FTEs	FY07 Budget	FY08 Budget	FY09 Adopted
1 Chief Executive Office	1	1	1
2 Board Relation, Policy, Research & Library Service	10	10	10
3 Office of Chief Executive Office Total FTEs	11	11	11

Expenditures (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
4 Chief Executive Office	\$ 513	\$ 483	\$ 511
5 Board Relation, Policy, Research & Library Service	1,543	1,851	1,961
6 Office of Chief Executive Office Total	\$ 2,056	\$ 2,334	\$ 2,472

Expenditure Types (\$ in thousands)	FY07 Actual	FY08 Budget	FY09 Adopted
7 Wages & Benefits	\$ 1,635	\$ 1,599	\$ 1,718
8 Services	262	605	620
9 Material & Supplies	56	18	18
10 Other Support	103	112	116
11 Office of Chief Executive Office Total	\$ 2,056	\$ 2,334	\$ 2,472

Note: Totals may not add due to rounding.

Office of the Chief Executive Officer: Key Performance Indicators

Goal 5: Develop an effective and efficient workforce	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Provide excellent customer service to library patrons with fast response to requests, current information and up-to-date research materials.</i>				
Percent of newly-acquired research materials catalogued and shelved within 5 days of receipt	n/a	95%	95%	95%
Percent of reference and research questions answered within 48 hours	n/a	95%	95%	95%
Number of documents downloaded from web pages for research needs	n/a	3,000	3,000	3,000
Percent of MTA Board adopted policies summarized and published within 30 days of adoption	n/a	95%	95%	95%

Goal 7: Maintain open lines of communication.	FY06 Actual	FY07 Actual	FY08 Estimated	FY09 Target
Objective: <i>Respond to correspondences received by the CEO in a timely manner.</i>				
Percentage of incoming correspondence responded to within 10 days from the date received	n/a	90%	90%	90%

Appendix 1: Metro Budget Process

Budget Overview

The annual budget, as adopted by the Board of Directors, is the legal authority to obligate and spend funds. It includes all operating, capital and debt service requirements of Metro for the fiscal year, July 1st to June 30th. The annual budget is comprised of an operating budget, the Capital Program, subsidies to other agencies, and debt programs.

The budget is comprised of two funds. The Enterprise Fund includes all business-type activities such as bus and rail operations, capital projects, and debt service. The Governmental Fund includes activities such as Special Revenue administration, Propositions A and C and TDA (sales tax) administration, and other General Fund activities.

The operating budget provides a summary of the planned revenues and expenses for the fiscal year for Metro services and programs including the following:

- All revenue and expenditure/expense assumptions and projections.
- Revenue service hours and miles of bus and rail service.

The operating budget includes Metro Bus and Metro Rail operations, Freeway Service Patrol (FSP), planning activities and projects, property management activities, debt service, and agency administration.

The capital budget process is integrated into the annual budget process. The capital budget includes all capital projects including transit corridor and rail construction projects and the Capital Program (CP). The CP consists of all activities associated with bus acquisition,

bus and rail capital improvements, facility construction and other capital improvements such as information technology enhancements. When the Board of Directors approves a capital project, it authorizes the schedule and total expenditures over the life of the project.

Appropriations for the capital budget are approved on a life-of-project basis and thus, do not lapse at the end of the fiscal year. Providing flexible funding over the life of a project authorizes staff to re-appropriate unexpended revenues and expenses from the prior year.

Metro's annual budget includes funds provided for regional programs through grants of local funds or indirectly through allocating federal and state grants to local agencies and transit operators throughout Los Angeles County. Funds are allocated to other governmental agencies in accordance with legislative requirements, Board of Directors policy, or through a competitive awards process known as the Call for Projects (CFP). The Board of Directors approves the projects recommended for funding through the annual budget and the competitive process.

Regional Programs funded in the Special Revenue Fund include capital and operating allocations to municipal bus operators, direct disbursements to Los Angeles County municipalities for transportation programs, and services for disabled persons provided by Access Services, Inc. (ASI).

Metro's financial records reflect only those funds that are actually received and directly disbursed by Metro.

Budget Workflow

In accordance with the Financial Stability Policy, the annual budget is adopted before July 1st to define the legal level of expenditures/expenses for the fiscal year. Budgeting for the fiscal year is divided into four phases: (1) budget formulation and preparation, (2) budget reviews, (3) budget adoption, and (4) budget implementation. (See Appendices 2 and 3)

Budget Formulation and Preparation

- Initial planning, development of assumptions, preparation of instructions and training materials began in December after a mid-year review of the FY08 budget.
- FY09 budget kickoff meetings were held with departments in early January 2008.
- Departments completed and submitted a budget planning document at the end of January. The document provided Executive Management with an early look at summary level budget requests. The planning document was used by executives to direct departments to reduce expenses consistent with expected revenues.
- Budget system training classes were held in mid-February 2008.
- Departments revised their budget requests in February and March 2008 based on direction from Executive Management. They submitted revised requests to the Office of Management and Budget (OMB) before the end of March.
- Capital Program expense and labor requests were submitted by departments to the assigned Project Manager for approval prior to being included in the department's budget request to their Executive Officer.

Budget Reviews

- The Capital Program was developed concurrently with the annual operating budget. Recommendations for the update to the Capital Program were reviewed with Executive Management in December 2007.
- Project and department level reviews of budget requests were completed in March 2008.

Budget Adoption

- The budget document was released to the Board of Directors and public on April 29, 2008.
- A workshop was held for the Board of Directors on May 5, 2008.
- The public hearing was held on May 14, 2008, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Program were adopted at the May 22, 2008 meeting of the Board of Directors.

Budget Implementation

- The FY09 Budget was implemented on July 1, 2008.
- Periodic financial reports are prepared to enable management to monitor and control the budget.
- Quarterly financial reports are prepared by Finance and presented by the Executive Management to the Board of Directors. These reports monitor financial performance and ensure compliance with the approved budget.

Budget Basis

The Metro is a single entity for budgeting and accounting purposes. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental and

proprietary funds, except that depreciation and amortization are not budgeted. The Governmental Accounting Standards Board (GASB) defines a fund as a *“fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.”*

Funds are classified and budgeted into three categories: governmental, proprietary, and fiduciary. Governmental includes the General Fund and a collection of special revenue funding sources collectively known as the Special Revenue Fund. The proprietary category includes the Enterprise Fund. The fiduciary fund category includes agency funds for the Benefit Assessment Districts (BADs). All governmental funds are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. The proprietary and fiduciary funds use the accrual basis of accounting in which revenue is recognized when it is earned or received.

Metro uses its special revenue funds to account for those funds that are restricted by purpose and use. The Special Revenue Fund reflects Metro’s responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County.

In addition, Metro is responsible for acting as a trustee for certain funds, such as pension trust funds and restricted agency funds, which are held by Metro as an agent for others. Metro uses fiduciary funds to account for these assets. Benefit Assessment District (BAD) funds are trustee funds that Metro collects and

serves as the trustee for debt payment. The outstanding debt is an obligation of the Benefit Assessment District; Metro administers the program through the collection of taxes from property owners and payments to bondholders.

Metro also receives and disburses Regional EZ Pass monies. Regional EZ Pass is regional fare media good for passage on participating regional transit providers. All Regional EZ Pass revenues are sent to Metro, which distributes them to the transit providers.

Service Authority for Freeway Emergencies (SAFE) administers the Los Angeles County Call Box program, which coordinates emergency services to motorists on freeways. SAFE is an independent financial entity. SAFE funding is derived from the \$1 fee collected on California annual vehicle registrations.

The Exposition Metro Line Construction Authority (Expo) is an independent agency created by State legislation to administer the design and construction contracts awarded to build the Exposition light rail line. For budgeting purposes all revenues and expenditures for Expo are included in the Capital Program budget.

Budget Policies and Procedures

The annual budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special programs and previously approved capital projects. The agency uses the zero-based budgeting methodology to determine resources for new programs and capital projects as well as general and administrative expenses. Metro’s chart of accounts is reviewed and

supplemented on an as-needed basis. In accordance with the Financial Stability Policy, the Finance unit monitors revenues and budget expenditures throughout the fiscal year.

For all Metro accounting funds, budgetary oversight and control is attained through checking available funds for non-labor transactions. Available funds are identified as unspent and unencumbered. Available funds are verified for a department and project by monitoring combined budget totals for non-labor account categories or for individual acquisition-related accounts.

Budget Amendments

Budget detail is a management plan for financial activity and is prepared at the fund, project, department, and account level. The legal level of control is at the fund level.

Total expenditures cannot exceed the final appropriation adopted by the Board, with the exception of unspent capital funds from the preceding year. During the fiscal year, changes in law, economic conditions and emergencies can have an impact on budget authority. Spending authority may be increased or decreased throughout the fiscal year as unanticipated situations arise. Management may make revisions within operational and project budgets only when there is no net dollar impact to the total appropriations at the fund level. As such, the Chief Executive Officer can approve administrative revisions to the financial plan if changes are consistent with the appropriation by fund. The Metro's source of authority to make changes is rooted in disclosure on financial policy as stated in Metro's Comprehensive Annual Financial Report (CAFR) where reference to the legal level of authority is at the fund level so that staff

has the ability to make changes within that legal authority.

Capital Program Budget

The Capital Program (CP) budget is adopted on a life-of-project basis. Thus, annual re-appropriations are not required. Changes to the life-of-project budget for any project whose life-of-project budget is over \$1 million must be approved by the Board. The CP budget process was completed as part of the FY09 budget process. Project managers analyze the status of their funded projects (re-forecasting schedules, costs, etc.). They also submit new projects for consideration through the CP budget process in the second quarter of the current fiscal year.

The CP budget process:

- determines which prior year projects will not be completed as scheduled in the current fiscal year;
- identifies new requirements or projects since the adoption of the prior CP, including changes to the life-of-project budget;
- defines project costs in terms of labor and non-labor costs;
- authorizes capital projects and associated funding plans;
- estimates the operating impact of the capital investment (including cost increases).

The CP budget is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gather project information (current and new projects) and submit the information to OMB in the first quarter of the current fiscal year. OMB compiles the information and disseminates the information to Element Sponsors (department executive officers, or deputy executive officers, etc.). Element

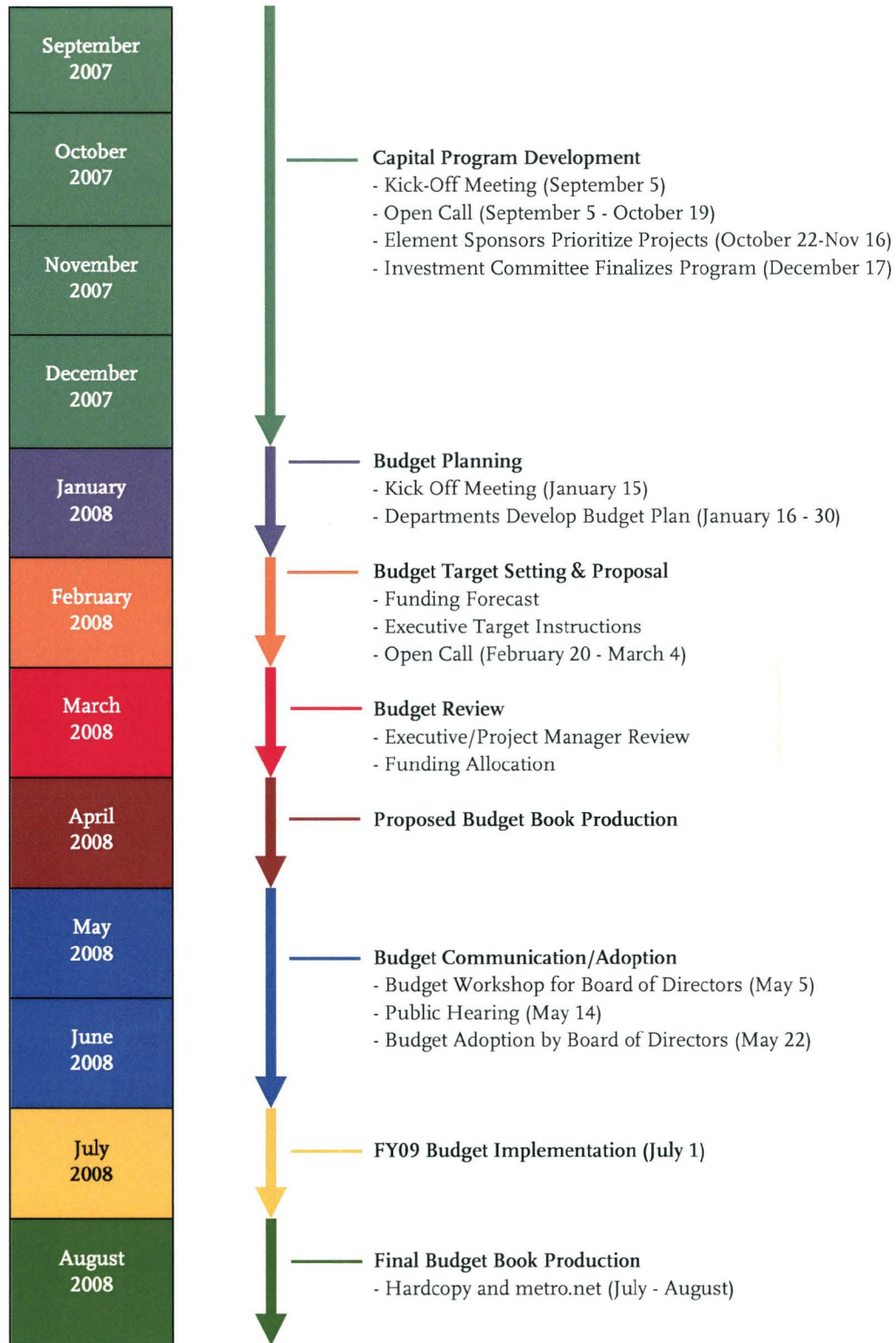
Sponsors review and rank projects, then compile a list of proposed projects for the next fiscal year.

OMB assembles the proposed project lists and submits the list to Executive Management. Executive Management

reviews the list of recommended capital projects and further prioritizes the projects to match available revenues. OMB submitted the approved CP budget to Metro's Board of Directors for review and adoption in the fourth quarter of FY08 as part of the FY09 budget process.

Metro FY09 Budget Development Schedule

Key events and dates in the budget development cycle



Appendix 2: Financial Stability Policy Development

Purpose

The Board shall review and approve an update to the financial policies each year as part of the annual budget and financial planning process.

The Financial Stability Policy shall be divided into three sections: Goals, Strategies, and General Fiscal Policies. The purpose of the policy is to ensure that Metro prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.

Also included in the policy are Business Planning Parameters and Debt Financial Standards. The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year's budget and other Metro financial plans and establishes future business targets for management to achieve.

The purpose of the Debt Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in financial planning are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace. These standards will be consistent with the Board-approved Debt Policy.

Application

This policy applies to all Metro financial plans.

1.0 Procedures

- 1.1 The Management Team will review each of the policy areas annually.
- 1.2 Metro's performance against the financial policies shall be measured and reported to the CEO

throughout the year on a regular cycle.

- 1.3 At least annually, a mid-term report of Metro's financial and programmatic performance will be presented to the Board.
- 1.4 The financial policies may be amended or waived by the Board on a case-by-case basis.

2.0 Definition of Terms

- 2.1 Financial Plan – Any plan, denominated in financial terms, that represents Metro's official intentions to external parties, including other levels of government and their agencies, stakeholders, business partners and customers of the transportation system in Los Angeles County.
- 2.2 CEO – Metro's chief executive officer or designee.
- 2.3 Management Team – Appointed by the CEO.
- 2.4 Budget – The financial plan that summarizes Metro's intentions during a fiscal year.
- 2.5 Capital Program – The financial plan that details Metro's investment in its own assets over a five-year period. The Capital Program is updated and included in each year's budget. The current year's expenditures are appropriated within the budget.

3.0 Responsibilities

- 3.1 OMB shall be responsible for conducting the periodic performance reviews required under this policy.
- 3.2 Based on inputs from all units of Metro, OMB shall be responsible for presenting the updated

financial standards to the Board for review and approval.

4.0 Flowchart

Not applicable.

5.0 Reference

- 5.1 Metro Debt Policy
- 5.2 Metro Investment Policy

6.0 Attachments

None

7.0 Procedure History

- 7.1 Initial Action – February 2002
Adoption of this policy supersedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:

- Fin 1 Fiscal Policies (General)
- Fin 2 Budget Preparation and Approval
- Fin 3 Budgetary Controls
- Fin 4 Budget Amendments and Adjustments

- Fin 5 Fiscal Monitoring and Reporting
- Fin 6 Funds Programmed to Other Agencies
- Fin 7 Contingency Fund
- Fin 8 Chart of Accounts
- Fin 9 Revenue Policies

Adoption of Financial Stability Policy – January 2008.

At its January 24, 2008 meeting, the Board adopted the FY 2008-2009 Financial Stability Policy. The Metro Board not only adopted modifications to Metro's Financial Stability Policy, including the FY09 budget Business Planning Parameters, but also directed staff to indicate that the Short Range Transportation Plan will be updated at least once every five years. (Metro minutes Jan. 24, 2008 Board meeting).

At its February 28, 2008 meeting, the Board amended the Business Planning Parameters to reflect revised sales tax forecasts for both FY08 and for FY09 based on current year actuals and a UCLA economic forecast update.

Appendix 3: Financial Stability Policy

Policy Statement

Metro has an important responsibility to the taxpayers of Los Angeles County to prudently manage its long and short-term finances. In time of economic change and uncertainty, it is especially important for Metro to ensure its ability to deliver safe, quality and reliable transportation services that are based upon a strong and stable financial foundation.

The Financial Stability Policy is divided into three sections: Goals, Strategies, and General Fiscal Policies. Additional financial guidance is found in the Business Planning Parameters and Debt Parameters. The purpose of the policy is to ensure that Metro prudently manages its financial affairs, establishes appropriate cash reserves, limits the level of debt that may be incurred, ensures that the debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on Metro by the financial marketplace and to provide management with a framework for developing the upcoming year's budget and other longer range financial plans and establishing future business targets for management to achieve.

Financial Goals

- G1. Maintain public safety on Metro's bus and rail system as the top priority.
- G2. Maintain an operating and capital financial base that is sufficient to deliver safe, quality transportation improvements and transit service efficiently and cost-effectively to meet the levels of demand.

- G3. Continuously improve productivity.
- G4. Establish and maintain General Fund balances equal to 5% of the operating budget to ensure that Metro can adjust to economic downturns, extraordinary cost increases and other financial emergencies.
- G5. Maintain the highest possible credit rating and reputation for prudent financial management.

FY08-09 Financial Strategies

- S1. Metro gives top priority to funding of public safety on Metro's bus and rail system. Present the details of the safety and security budget to the Board of Directors for separate approval at the time of annual budget adoption.
- S2. Adjust transit operating expenses as needed to reflect changes in service demand, technology, productivity and revenue availability.
- S3. Endeavor to keep growth in regional bus and rail operating expenses (as measured by growth in bus and rail operating cost per vehicle service hour) at or below the rate of inflation. The proposed budget presented to the Board for adoption will include a summary of actions taken or proposed to reduce expenditures.
- S4. New programs proposed for Board adoption will include a cost recovery analysis to determine the cost of implementing the program in measurable terms.
- S5. Departments who provide services to the public or outside

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- S3. Endeavor to keep growth in regional bus and rail operating expenses (as measured by growth in bus and rail operating cost per vehicle service hour) at or below the rate of inflation. The proposed budget presented to the Board for adoption will include a summary of actions taken or proposed to reduce expenditures.
- S4. New programs proposed for Board adoption will include a cost recovery analysis to determine the cost of implementing the program in measurable terms.
- S5. Departments who provide services to the public or outside

- entities will perform a cost recovery analysis during the fiscal year budget process and make the information available as part of budget adoption.
- S6. Any capital project savings above \$200,000 must return to the Board for approval prior to the reprogramming or transfer of funds to other projects or programs.
- S7. Implement technology and productivity advancements designed to reduce or avoid increasing operational costs.
- S8. Explore greater efficiency, effectiveness and ways to increase ridership.
- S9. Work to increase and optimize ridership on Metro's system through partnerships that foster transit-oriented development and improve access to the system.
- S10. Regularly review productivity improvement programs and results as part of the annual budget process.
- S11. Adopt an annual budget that includes an allocation to capital programs adequate to meet annual baseline reinvestment needs for projects and programs which are essential to ensure system performance.
- S12. Pursue grant funding for capital projects pursuant to the priorities as addressed in the Long Range Transportation Plan, Short Range Transit Plan, and Five-Year Capital Improvement Program.
- S13. Use debt financing prudently to leverage local, regional, state and federal funding for major cyclical capital investments, such as, transit vehicles, facilities, fare collection equipment, and train

control renovation and replacement.

- S14. Increase revenue from other sources such as advertising, parking, concessions, and joint development while meeting customer needs and providing safe, reliable service.

General Fiscal Policies

- F1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. The fiscal year-end for financial reporting purposes shall be June 30.
- F2. An independent certified public accounting firm shall perform an examination of Metro's consolidated financial statements (including Single Audit requirements) and retirement plan financial statements on an annual basis. The goal is to receive an unqualified opinion on the financial statements and an opinion that Metro is in compliance with Federal Single Audit requirements in all material respects and to receive the government Finance Officers Association (GFOA) award for excellence in financial reporting.
- F3. Funds shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable state law, California Government Code Section 53600 et seq. In accordance with the Investment Policy, the Board shall approve the Financial Institutions Resolution that designates the

- officials empowered to open, close, or authorize changes to accounts and authorizes the officials to designate individuals as Official Signatories for financial accounts.
- F4. The policies and procedures described herein shall be known as the Financial Stability Policy and shall supersede all other financial policies previously adopted by the Board.
- F5. An annual actuarial analysis shall be performed on all Metro's self-administered retirement plans. Metro shall make annual contributions that, when combined with employee contributions, fund actuarially computed costs as they accrue.
- F6. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, Metro shall record the liabilities, including losses incurred but not reported, at 100% of the net present value. The goal is to maintain restricted cash balances in amounts equal to the present value of estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities will be made annually.
- F7. Since sales taxes are received on a monthly basis, the allocations among the various ordinance categories shall also be recorded monthly. Expenditures against appropriations are limited to cash actually on-hand during the fiscal year.
- F8. Sales tax collections received during a fiscal year that are in excess of the sales tax budget for that year shall be reported as unreserved, designated fund balances in the Special Revenue Fund. Excess Local Return monies are disbursed when received. Any other excess balances may only be expended pursuant to Board authorization. Such funds are generally available for appropriation in a subsequent budget cycle in accordance with their ordinance designations.
- F9. The fiscal year shall end on June 30 of each year. By January of each fiscal year, the Board shall review and approve the Financial Stability Policy that will be used by management as a framework for developing the following year's budget and will establish the Business Planning Parameters including farebox recovery ratio, sales tax growth assumptions, and other key performance measurement goals to provide detailed guidance for development of the upcoming annual budget. The Board shall approve the budget by June 30 of each fiscal year. Budget amendments approved by the Board at the time of or prior to budget adoption shall be incorporated into the final budget document with no further Board approval required.
- F10. The annual budget establishes the legal level of appropriation. The budget shall include operating, capital, regional funding and other components necessary to implement the policy directions contained in the Financial Strategies Section of the Financial Stability Policy, previously Board adopted longer-

- term plans such as the Long Range Transportation Plan and the Short Range Transit Plan. Appropriations for the operating budget lapse at the end of one year. Appropriations for the capital budgets are approved on a life-of-project basis. Any allocations of one-time revenues to any program or project will be identified for the Board at the time of budget adoption or budget change and will only be recommended after considering the alternatives of reducing the level of service, reducing the cost per unit of service, reducing the scope of capital projects, deferring capital projects and/or raising fares. Any requests for project or program funding after annual budget adoption will be referred to the appropriate Board committee for Board review and recommendation. The budget shall be prepared in a fashion to clearly describe the projects and programs contained therein and to receive the GFOA award for excellence in budgetary presentation.
- F11. A regional long-range (covering at least 20 years) transportation plan for Los Angeles County shall be adopted at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects and programs. The plan update report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules.
- F12. At least once every five years, a Short Range Transportation Plan (SRTP) for Los Angeles County may be developed and adopted. The SRTP identifies priorities for implementing major capital projects in the near term (usually over a five or six year period), and identifies project implementation schedules and available funding.
- F13. A cost-effective system of internal control to adequately safeguard assets shall be maintained. In assessing the internal control system, management must weigh the cost of control against the expected benefit to be derived from its implementation. Management will develop a risk assessment and an audit plan each year prior to the adoption of the annual budget. The Board's Executive Management and Audit Committee (EMAC), as the audit committee will provide input and approve the audit plan. Furthermore, completed internal audits will be submitted to the Board under separate cover as they are distributed to the Chief Executive Officer. Recommendations for improvements to the system of internal controls are requirements of the various regularly scheduled and specifically directed audits that are performed in accordance with Generally Accepted Governmental Auditing Standards, the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and Information Systems Audit and

- control Association Information Systems Auditing Standards, where appropriate. These recommendations, management's action plans and progress toward implementation will be periodically reported to the Board under separate cover.
- F14. The Board will review and update the Debt Policy annually to ensure that debt assumptions used in financial planning are based on financial parameters similar to, or more conservative than, those that would be placed on us by the financial marketplace.
- F15. Retiree Medical Liabilities - The Government Accounting Standards Board has adopted Statement #45 (GASB 45) that is effective for Metro's fiscal year ending June 30, 2008. As defined in the standard, a significant liability recognizing the past and future costs of providing medical and related benefits, other than pensions, to its retirees is required to be recorded. Annually, the actuarially required contribution (ARC) is required to be recorded as an expense. The ARC recognizes the cost of the retiree benefits earned by current employees during the period and amortization of the unfunded past liabilities. GASB 45 does not mandate an entity's approach to setting aside cash to provide the future benefits. It is Metro's policy to fully fund the ARC, i.e., set aside and restrict the cash. However, since this amount is significantly greater than the current amount needed for these expenditures on

the "pay as you go" basis, a separate discussion of this issue will be brought to the Board in setting the upcoming parameters for each upcoming budget year. A greater accounting liability will result when setting aside less cash than the ARC amount. The ARC will be recognized as an expense in the financial accounting system as required by GASB 45.

**Financial Standards - FY2008-2009
Business Planning Parameters**

- B1. Sales tax revenue forecasts shall be based on the 20 year historical growth in Los Angeles County taxable sales unless the Board determines that management discretion is required. The current forecast is 1.1% over the estimated FY08 actuals as amended in February 2008.
- B2. Passenger revenue forecasts shall be derived from historical actual revenues. During periods affected by actual or proposed fare structure changes, the impacts on ridership and average fare forecasts shall be estimated conservatively. The Board will review and update the fare policy on a regular cycle, at least each 5th year since prior review and approval. From time to time, management may propose fare modifications to achieve transit ridership improvements and to maintain financial viability.
- B3. The farebox recovery ratio assumed for the FY09 budget is 26.4% with a fare revenue per boarding of \$0.66 excluding the Metrolink reimbursement.
- B4. The Board desires to steadily improve service efficiency over

time. For Metro's directly operated bus and rail service, cost per revenue vehicle service hour (measured separately for bus and rail) may not increase by more than the projected rate of inflation for the Los Angeles area plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board.

The projected incremental cost impact on cost per revenue vehicle service hour of new services, programs, and/or facilities shall be presented to the Board during the annual budget process.

- B5. Service planning assumptions for bus operations will be based upon demonstrated needs by and approved by the Board. Ridership is expected to grow by 2.5% in FY09.
- B6. Staffing for FY09, measured in FTEs, will be held at or below the FY08 level, adjusted for service expansion or other new scope that has been approved by the Board.
- B7. Regional programs such as local return, formula allocation procedure and Call for Projects shall be funded according to the terms of the laws, regulations and/or discretionary procedures approved by the Board.
- B8. The Capital Program covers Metro's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities and is included in each annual budget. The Capital Program shall include funding for asset replacement and expansion projects. Capital projects in excess of \$5 million shall be presented separately for

life-of-project approval by the Board prior to inclusion in the annual budget. Capital projects with life-of-project budget changes that cause the project to exceed \$1 million or for which the change exceeds \$1 million shall be presented to the Board for approval.

- B9. Metro applies for and receives discretionary Federal and State funding. Discretionary funding shall be requested for major system expansion projects or extraordinary transit capital needs. (e.g., Bus Rapid Transit, Light Rail Transit or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on appropriate State and Federal criteria and the likelihood of obtaining approvals. The Board shall approve all discretionary State and Federal funding requests by project or program each year.
- B10. Prop A and C administrative funds are appropriated through the annual budget to pay for activities not required to be accounted for in other funds. The following statements provide guidance for appropriation and use of Prop A and C administrative funds.

Appropriation

Up to 5% of Prop A may be appropriated for administrative purposes. The Prop C ordinance allows up to 1.5% to be appropriated for administrative purposes. All sales tax funds are deposited initially into the various special revenue funds then transferred to the funds designated for expenditure.

The Administrative Fund is within the Special Revenue Fund. Administrative Funds are limited to the lesser of appropriations or actual sales taxes received.

Administrative funds must be expended or encumbered within one year after the end of the year of appropriation. Lapsing is accounted for on the first-in, first-out basis. Lapsed Administrative funds, if any, are returned to the Special Revenue Fund at the end of each year for re-appropriation through the next budget process.

Eligible Uses

Administrative activities include the planning, management, execution, use and conduct of the projects and programs funded by Prop A and C funds.

Administrative funds may not be used for operating or building the transit system or regional programs that are operations-related.

Following are examples, not an all-inclusive listing, of eligible uses of administrative funds:

- Indirect costs that are not allowable under federal guidelines, OMB Circular A-87, i.e., lobbying, interest expense, bad debt expense, cost of general governance.
- Indirect costs that Metro elect not to allocate through its annual FTA approved cost allocation plan (CAP) because to do so might burden projects or programs in an inequitable manner.
- Development of planning and

programming documents required by federal and state regulations and Board policy.

- Activities that benefit Metro's projects and programs indirectly such as internships, career development, training programs, etc.
- Transportation planning activities including bus, rail, highway and other surface transportation modes.
- Consent decree oversight.

The proposed expenditure programs for these activities will be shown in detail in the annual budget. Actual expenditures will be shown in the comprehensive annual financial report.

Financial Standards - Debt

- D1. We may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of applicable state and federal laws and the Debt Policy.
- D2. Long-term debt may be included in the budget or longer range plans; however, no such debt shall be incurred without the specific approval of the Board.
- D3. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D4. Reserve funds that may be required by the financial markets for each debt issuance shall be maintained. Cash and securities, insurance or surety bonds may fund these reserves. For financial planning purposes, reserve requirements shall be included in the par amount of debt issued.

D5. Metro shall maintain a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure rating of "A" or better on sales tax backed securities and secure A1 or P1 rating on other short-term debt, and, if necessary, to secure credit enhancement from financial institutions with a rating of "AA" or better.

D6. Debt service coverage ratio minimums by sales tax ordinance categories are shown in the Debt Policy. For financial planning purposes, those ratios shall not be exceeded in the development of longer-term financial plans.

Complete details of Metro's Debt Policy can be found at:
[metro.net/about_us/finance/pdf/Debt Policy.pdf](http://metro.net/about_us/finance/pdf/Debt%20Policy.pdf).

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Los Angeles County Metropolitan Transportation Authority
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Appendix 4: FY09 Debt

Transaction Name	Principal Adjustments				
	Initial PAR Value	Principal Balance As of 6/30/08	Principal Prmt FY09	Accreted Interest	Principal Bal. as of 6/30/09
1 1991-B Refunding	281,425,000	53,060,000	13,265,000	-	39,795,000
2 1992-A Refunding	98,700,000	49,300,000	12,700,000	-	36,600,000
3 1996-A New Money	110,580,000	-	-	-	-
4 1997-A Refunding	256,870,000	320,000	320,000	-	-
5 1999-A Forward Refunding	160,205,000	132,520,000	8,155,000	-	124,365,000
6 1999-B New Money	150,340,000	26,430,000	2,895,000	-	23,535,000
7 1999-C Refunding	170,495,000	167,260,000	525,000	-	166,735,000
8 2001-A New Money	55,685,000	14,290,000	1,180,000	-	13,110,000
9 2001-B Refunding	191,215,000	178,345,000	110,000	-	178,235,000
10 2003-A Forward Refunding	273,505,000	226,545,000	12,360,000	-	214,185,000
11 2003-B Refunding	243,795,000	243,635,000	-	-	243,635,000
12 2005-A New Money	242,795,000	232,830,000	5,065,000	-	227,765,000
13 2005-B Refunding	43,655,000	38,885,000	9,885,000	-	29,000,000
14 2005-C Refunding	265,825,000	264,475,000	1,400,000	-	263,075,000
15 2007-A Refunding	46,635,000	46,635,000	-	-	46,635,000
16 1996 Refunding	104,715,000	-	-	-	-
17 Prop A Commercial Paper	350,000,000	104,250,000	5,897,000	-	98,353,000
18 Prop A Debt Sub-Total	3,046,440,000	1,778,780,000	73,757,000	-	1,705,023,000
19 1993-A Refunding	204,095,000	194,465,000	1,255,000	-	193,210,000
20 1995-A New Money	250,000,000	7,025,000	7,025,000	-	-
21 1998-A Refunding	219,710,000	219,710,000	15,715,000	-	203,995,000
22 1999-A New Money	124,805,000	105,735,000	3,030,000	-	102,705,000
23 2000-A New Money	161,995,000	18,800,000	3,410,000	-	15,390,000
24 2003-A Refunding	94,840,000	59,890,000	9,160,000	-	50,730,000
25 2003-B Refunding	170,775,000	167,700,000	400,000	-	167,300,000
26 2003-C Refunding	221,850,000	213,225,000	1,725,000	-	211,500,000
27 2004-A New Money	176,345,000	167,745,000	3,460,000	-	164,285,000
28 2006-A Refunding	129,385,000	129,000,000	280,000	-	128,720,000
29 Prop C Commercial Paper	150,000,000	74,328,000	2,953,000	-	71,375,000
30 Local Allocation -- City of Los Angeles	21,700,000	2,170,000	2,170,000	-	-
31 Prop C Debt Sub-Total	1,925,500,000	1,359,793,000	50,583,000	-	1,309,210,000
32 2000 Breda Lease (Norwest)	64,882,355	46,214,601	1,720,553	-	44,494,048
33 2000 Breda Lease (CIBC)	13,780,433	9,521,137	371,597	-	9,149,540
34 2000 Breda Lease (Comerica)	87,396,529	62,322,159	2,308,334	-	60,013,825
35 2001 Agilent Lease	264,054,348	47,101,683	-	2,951,002	50,052,685
36 2001 Comerica Lease	75,742,288	95,517,182	3,970,429	6,689,648	98,236,401
37 2002 Textron Lease	114,779,263	22,073,794	-	1,360,212	23,434,006
38 2002 Philip Morris Lease	384,088,739	323,311,759	-	16,119,822	339,431,581
39 2002 First Hawaiian Lease	65,774,837	79,985,453	2,535,893	5,111,836	82,561,396
40 2003 Fleet Lease	89,632,800	107,477,612	3,307,713	7,037,893	111,207,791
41 Capitalized Leases	96,848,132	10,528,287	2,792,013	-	7,736,274
42 Debt Overhead Costs	-	-	-	-	-
43 Other Debt Sub-Total	1,256,979,725	804,053,667	17,006,532	39,270,412	826,317,548
44 2005 Capital Grant Revenue	264,885,000	216,685,000	47,750,000	-	168,935,000
45 Grant Revenue Debt Sub-Total	264,885,000	216,685,000	47,750,000	-	168,935,000
46 2003 Workers Comp	88,485,000	39,710,000	12,715,000	-	26,995,000
47 1996-A Refunding (USG)	185,735,000	-	-	-	-
48 2004-A Refunding (USG)	197,050,000	184,250,000	4,475,000	-	179,775,000
49 General Revenue Debt Sub-Total	471,270,000	223,960,000	17,190,000	-	206,770,000
50 Enterprise Fund Debt Total	6,965,074,725	4,383,271,667	206,286,532	39,270,412	4,216,255,548
51 1993-A CRA Housing	9,454,406	-	-	-	-
52 2002-A CRA Redevelopment Refunding	20,920,000	18,415,000	610,000	-	17,805,000
53 2007-B CRA Housing Refunding	8,615,000	8,310,000	350,000	-	7,960,000
54 Prop A General Fund Debt Sub-Total	38,989,406	26,725,000	960,000	-	25,765,000
55 Metro Debt Total	7,004,064,130	4,409,996,667	207,246,532	39,270,412	4,242,020,548
56 2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	41,380,000	20,310,000	-	21,070,000
57 2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	2,155,000	1,055,000	-	1,100,000
58 Agency Fund Sub-Total	49,170,000	43,535,000	21,365,000	-	22,170,000
59 Total	7,053,234,130	4,453,531,667	228,611,532	39,270,412	4,264,190,548

Footnotes

- (1) - Interest expense is calculated using a 3.75% interest rate.
- (2) - Interest expense is calculated using a 3.75% interest rate for tax-exempt notes and a 5.75% interest rate for taxable notes.
- (3) - The interest expense budgeted for the 2005 Capital Grant Revenue Bonds is net of earnings from the Debt Service Reserve Fund.
- (4) - Debt service for the 2004 Union Station Gateway bonds is treated as rent and reimbursed to the Enterprise Fund through the overhead allocation process.

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
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	Principal	Interest	Total D/S P&I	Misc. Fees*	Total D/S Expense	Enterprise Fund	General Fund	Agency Fund	Foot Notes
1	13,265,000	2,586,676	15,851,676	15,000	15,866,676	15,866,676	-	-	
2	12,700,000	2,876,760	15,576,760	320,000	15,896,760	15,896,760	-	-	
3	-	-	-	61,314	61,314	61,314	-	-	
4	320,000	-	320,000	436,600	756,600	756,600	-	-	
5	8,155,000	6,286,350	14,441,350	9,500	14,450,850	14,450,850	-	-	
6	2,895,000	1,097,336	3,992,336	246,141	4,238,477	4,238,477	-	-	
7	525,000	8,242,886	8,767,886	9,500	8,777,386	8,777,386	-	-	
8	1,180,000	576,181	1,756,181	153,799	1,909,980	1,909,980	-	-	
9	110,000	9,353,026	9,463,026	9,500	9,472,526	9,472,526	-	-	
10	12,360,000	10,231,994	22,591,994	(1,078,919)	21,513,075	21,513,075	-	-	
11	-	11,301,750	11,301,750	(659,280)	10,642,470	10,642,470	-	-	
12	5,065,000	11,150,532	16,215,532	(458,034)	15,757,498	15,757,498	-	-	
13	9,885,000	1,450,000	11,335,000	(421,605)	10,913,395	10,913,395	-	-	
14	1,400,000	14,096,874	15,496,874	771,054	16,267,928	16,267,928	-	-	
15	-	2,329,650	2,329,650	(195,717)	2,133,933	2,133,933	-	-	
16	-	-	-	37,149	37,149	37,149	-	-	
17	5,897,000	3,909,375	9,806,375	660,000	10,466,375	10,466,375	-	-	(1)
18	73,757,000	85,489,390	159,246,390	(83,998)	159,162,392	159,162,392	-	-	
19	1,255,000	13,824,176	15,079,176	708,000	15,787,176	15,787,176	-	-	
20	7,025,000	-	7,025,000	5,000	7,030,000	7,030,000	-	-	
21	15,715,000	10,370,550	26,085,550	5,000	26,090,550	26,090,550	-	-	
22	3,030,000	4,835,488	7,865,488	5,000	7,870,488	7,870,488	-	-	
23	3,410,000	769,500	4,179,500	194,730	4,374,230	4,374,230	-	-	
24	9,160,000	2,568,488	11,728,488	7,500	11,735,988	11,735,988	-	-	
25	400,000	5,761,812	6,161,812	(385,105)	5,776,707	5,776,707	-	-	
26	1,725,000	11,382,930	13,107,930	678,777	13,786,707	13,786,707	-	-	
27	3,460,000	7,906,093	11,366,093	(162,991)	11,203,102	11,203,102	-	-	
28	280,000	5,889,250	6,169,250	(101,250)	6,068,000	6,068,000	-	-	
29	2,953,000	3,399,668	6,352,668	574,500	6,927,168	6,927,168	-	-	(2)
30	2,170,000	-	2,170,000	-	2,170,000	2,170,000	-	-	
31	50,583,000	66,707,955	117,290,955	1,529,161	118,820,116	118,820,116	-	-	
32	1,720,553	1,520,245	3,240,798	-	3,240,798	3,240,798	-	-	
33	371,597	301,795	673,392	-	673,392	673,392	-	-	
34	2,308,334	2,050,892	4,359,226	-	4,359,226	4,359,226	-	-	
35	-	-	-	-	-	-	-	-	
36	3,970,429	-	3,970,429	-	3,970,429	3,970,429	-	-	
37	-	-	-	-	-	-	-	-	
38	-	-	-	-	-	-	-	-	
39	2,535,893	-	2,535,893	-	2,535,893	2,535,893	-	-	
40	3,307,713	-	3,307,713	-	3,307,713	3,307,713	-	-	
41	2,792,013	319,953	3,111,966	-	3,111,966	3,111,966	-	-	
42	-	-	-	750,000	750,000	750,000	-	-	
43	17,006,532	4,192,885	21,199,417	750,000	21,949,417	21,949,417	-	-	
44	47,750,000	6,385,557	54,135,557	(482,551)	53,653,006	53,653,006	-	-	(3)
45	47,750,000	6,385,557	54,135,557	(482,551)	53,653,006	53,653,006	-	-	
46	12,715,000	1,179,492	13,894,492	146,402	14,040,894	14,040,894	-	-	
47	-	-	-	495,596	495,596	495,596	-	-	
48	4,475,000	9,889,422	14,364,422	620,808	14,985,230	14,985,230	-	-	(4)
49	17,190,000	11,068,914	28,258,914	1,262,806	29,521,720	29,521,720	-	-	
50	206,286,532	173,844,701	380,131,233	2,975,418	383,106,651	383,106,651	-	-	
51	-	-	-	1,000	1,000	-	1,000	-	(5)
52	610,000	928,658	1,538,658	1,000	1,539,658	-	1,539,658	-	(5)
53	350,000	364,613	714,613	15,000	729,613	-	729,613	-	(5)
54	960,000	1,293,271	2,253,271	17,000	2,270,271	-	2,270,271	-	
55	207,246,532	175,137,972	382,384,504	2,992,418	385,376,922	383,106,651	2,270,271	-	
56	20,310,000	1,223,613	21,533,613	157,596	21,691,209	-	-	21,691,209	(6)
57	1,055,000	66,200	1,121,200	46,057	1,167,257	-	-	1,167,257	(6)
58	21,365,000	1,289,813	22,654,813	203,653	22,858,466	-	-	22,858,466	
59	228,611,532	176,427,785	405,039,317	3,196,071	408,235,388	383,106,651	2,270,271	22,858,466	

(5) - Debt service is paid from Prop A 35% Sales Tax Revenue and is to be reimbursed from net revenues of the project.

(6) - The Benefit Assessment District debt service is solely an obligation of the respective Districts and is paid from assessments levied within each district.

* Includes amortized issuance costs, bond discounts & premiums.

Proposition A Sales Tax Revenue Debt Affordability Targets		
Category	Allowable Uses and Status	Debt Policy Maximum
Prop A Rail 35%	<i>Rail Operations and Capital.</i> Is currently committed to debt service in an amount close to the Policy Maximum.	87% of Prop A 35% Rail revenues.
Discretionary 40%	<i>Any transit purpose.</i> Current state law directs these funds to bus subsidies and incentives.	No further issuance currently planned.
Local Return 25%	<i>Any transit purpose.</i> Distributed to localities based on population.	N/A

Tests for Issuance of Additional Bonds:

First Tier Senior Prop A Bonds

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 35% of Prop A revenues collected must equal at least 115% of maximum annual debt service for all First Tier Senior Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

Second Tier Prop A Bonds

For 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must equal at least 115% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds. In addition, for 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of new bonds, 40%

of Prop A revenues collected must equal at least 125% of maximum annual debt service for all Prop A Bonds issued for non-rail purposes that will be outstanding immediately following the issuance of the new bonds.

Third Tier Prop A Obligations

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, 75% of all Prop A revenues collected must equal at least 130% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

Fourth Tier Prop A Obligations

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Fourth Tier Prop A Obligations, 75% of all Prop A revenues collected must equal at least 100% of maximum annual debt service for all Prop A Bonds that will be outstanding immediately following the issuance of the new bonds.

Proposition C Sales Tax Revenue Debt Affordability Targets		
Category	Allowable Uses and Status	Debt Policy Maximum
Discretionary 40%	Bus and Rail, Capital and Operating.	40% of Prop C 40% Discretionary revenues.
Highway 25%	Streets, Highways and Fixed Guideway Projects on Railroad Right-of-Way.	60% of Prop C 25% Highway.
Commuter Rail 10%	Commuter Rail and Park and Ride. Operations or capital.	40% of Prop C 10% Commuter Rail.
Security 5%	Transit Security. Operations or capital.	No debt issuance.
Local Return 20%	Any transit purpose and certain roadways heavily used by transit. Distributed to localities based on population.	N/A

First Senior Prop C Bonds

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, pledged Prop C revenues collected must equal at least 400% of maximum annual debt service for all First Senior Prop C Bonds and 130% of maximum annual debt service for all Prop C Bonds that will be outstanding immediately following the issuance of the new bonds.

Second Senior Prop C Bonds

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds, 80% of all Prop C revenues collected must equal at least 130% of maximum annual debt service for all Second Senior Prop C Bonds that will be outstanding immediately following the issuance of the new bonds.

Subordinate Lien Prop C Obligations

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of new bonds or debt obligations, 80% of all Prop C revenues collected must equal at least 125% of maximum annual debt service for all Second Senior and Subordinate Lien Prop C debt and obligations that will be outstanding immediately following the issuance of the new bonds or debt obligations.

Second Subordinate Lien Prop C Obligations

For 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of bonds subordinate to the Subordinate Lien Prop C obligations, pledged Prop C revenues collected must equal at least 100% of maximum annual debt service for all Prop C Bonds and obligations that will be outstanding immediately following the issuance of the new bonds.

Los Angeles County Metropolitan Transportation Authority
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Appendix 5: Revenue Detail – FY09 Budget

Fund Type	Revenues	Assumptions	Application/Uses
<i>Sales Tax Revenues</i>			
Proposition A	\$856.7 million in revenues include \$156.3 million in carryover balance and \$700.4 million in new sales tax. \$770.2 million programmed.	The FY09 sales tax forecast is based on FY07 actual escalated by .96% for FY08 and 1.1% for FY09.	All areas of budget-operations, debt service, general fund, planning projects, rail construction, and subsidies.
Proposition C	\$1,139.1 million in revenues include \$438.5 million in carryover balance and \$700.6 million in new sales tax. \$791.6 million programmed.	The FY09 sales tax forecast is based on FY07 actual escalated by .96% for FY08 and 1.1% for FY09.	All areas of budget-operations, debt service, general fund, planning projects, bus procurement, and subsidies.
Transportation Development Act (TDA)	\$511.8 million in revenues include \$159.8 million in carryover balance and \$352.0 million in new sales tax. \$406.5 million programmed.	The FY09 sales tax forecast is based on FY07 actual escalated by .96% for FY08 and 1.1% for FY09.	Metro bus operations, local match to capital projects, subsidies to municipal bus operators.
State Transit Assistance (STA)	\$274.1 million in revenues include \$47.0 million carryover balance and \$227.1 million in new revenues. \$214.7 million programmed.	The FY09 sales tax is based on January 29, 2008 State Controller's office 2008-2009 fiscal year fund allocation estimate for LA County.	Metro agency-wide capital and rail operations, subsidies to bus operators.
<i>Intergovernmental Revenues</i>			
<i>Local Funds</i>			
City of Los Angeles	\$14.5 million in new revenues. \$14.5 million programmed.	Based on Debt Service Schedule and other project costs.	\$2.2 million in debt repayment for City of Los Angeles debt funded bus buy, \$8.0 million for Expo. Light Rail Corridor – Phase I. and \$4.2 million for I-710 EIR/EIS.
Air Quality Mgmt District (AQMD).	\$3.2 million in new revenues. \$3.2 programmed.	Based on grants awarded.	Bus Midlife Program

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Fund Type	Revenues	Assumptions	Application/Uses
Benefit Assessment District (BAD)	\$23.1 million in new revenues. \$23.1 million programmed.	Commercial property assessment to equal annual debt service expenditures.	Financing reimbursements for Benefit Assessment (BAD) debt service.
EZ Pass Program	\$10.1 million in new revenues. \$10.1 million programmed.	Based on growing participation	\$8.5 million EZ Pass Program subsidy, \$1.5 million Metrolink pass-through and \$0.6 million EZ Pass program administration expenses.
State Funds			
STIP (State Transportation Improvement Program Fund)	\$177.4 million in new revenues. \$177.4 million programmed.	Based LA County's share of federal and state fuel tax revenue.	Metro Gold Line Eastside Extension, Light Rail Vehicle Fleet Enhancement & Expo. Phase I.
SHA (State Highway Account)	\$1.0 million in new revenues. \$1.0 million programmed.	Based LA County's share of federal and state fuel tax revenue.	Pedestrian/bikeway enhancement and congestion pricing program.
Traffic Congestion Relief (TCRP) Program	\$29.5 million in new revenues. \$29.5 million programmed.	Awarded by state legislature.	Various Expo LR related projects, MGL Eastside Enhancement and SFV N/S.
STIP – (PPM) Planning, Programming and Monitoring	\$9.5 million in new revenues. \$9.5 million programmed.	Based on state formula.	Labor-related grants for Countywide Planning Projects, Red Line Westside Extension, Regional Downtown Connection and Various Call for Projects.

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Fund Type	Revenues	Assumptions	Application/Uses
(FSP) Freeway Service Patrol State Grant	\$10.2 million in new revenues. \$10.2 million programmed.	Allocated by state legislature.	Free tow truck service on freeways during weekdays peak hours and weekends on selected freeways.
Prop 1B State Infrastructure Bonds	\$106.4 million in new revenues. \$106.4 million programmed.	Allocated by state legislature.	Various Expo LR projects and acquisition of 45 foot composite buses.
<i>Federal Revenues</i>			
Section 5309 [3] Capital – New Starts	\$64.6 million in new revenues. \$64.6 million programmed.	Based on full funding grant agreement.	Metro Gold Line Eastside Extension project; Wilshire Bus Lane.
Section 5309 [3] Fixed Guideways	\$60.5 million in new revenues. \$60.5 million programmed.	Based on FTA'S capital program formula and grants awarded.	Preventive maintenance for all rail lines and Metro Rapid Bus Phase II.
Section 5309 [3] Bus Facilities	\$6.0 million in new revenues. \$6.0 million programmed.	Based on grants awarded	\$0.8 million for purchase of 45-foot Composite Buses, \$1.7 million for Crenshaw Corridor. \$3.0 million for Regional Grantee pass-through subsidy and \$0.4 million for Orange Line.
Federal Section 5307 [9]. Preventive Maintenance and Capital	\$150.9 million new revenues. \$150.9 million programmed.	Preventive Maintenance funds appropriated by Congress annually and allocated on Urbanized Area Formula basis. Capital projects are based on grants awarded.	\$147.7 million for bus preventive maintenance, \$3.2 million for various bus related capital projects.

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Fund Type	Revenues	Assumptions	Application/Uses
FTA Grant – CMAQ	\$86.0 million new revenues. \$86.0 million programmed.	Awarded in Regional Transit Alternatives Analysis (RTAA) or other Board action.	\$4.6 million for Metro Orange Line. \$76.1 million for 45-foot composite buses purchase. \$4.9 million for Metro Rapid Bus Phase II, and \$0.4 million Metro sponsored Call for Projects.
Federal TEA	\$0.3 million new revenues. \$0.3 million programmed.	Based on grant awarded and Board adopted funding plan.	SFV E-W Bikeway Project.
FTA Grant 5340 Growing States and High Density States Formula	\$6.6 million in new revenues. \$6.6 million programmed.	Funds appropriated by congress annually and allocated based on population.	Rail Preventive Maintenance.
Federal – Homeland Security	\$5.4 million new revenues. \$5.4 million programmed.	Based on grants awarded.	Bus and Rail security enhancements.
Job Access Reverse Commute	\$2.4 million in new revenues. \$2.4 million programmed.	Based on FTA'S formula.	Rideshare service.
New Freedom S5316, S5317	\$0.1 million in new revenues. \$0.1 million programmed	Based on grants awarded	Coordinate Human Services transportation plan.
Federal Other	\$14.9 million in revenues. \$14.9 million programmed.	Based on congressional approval and discretionary grant awarded.	Transit and highway planning and Metro sponsored projects.

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Fund Type	Revenues	Assumptions	Application/Uses
<i>Investment Income Revenues</i>			
Prop A Interest	\$13.4 million in revenues include \$12.2 million in carryover funds and \$1.2 million in new revenues. \$0.0 programmed.	Stable interest rates.	N/A in FY09
Prop C Interest	\$23.0 million in revenues includes \$20.7 million in carryover funds and \$2.3 million in new revenues. \$0.8 million programmed.	Stable interest rates.	\$0.8 million investment and debt management.
TDA Interest	\$8.3 million carryover funds. \$8.0 million programmed.	Stable interest rates.	Formula subsidy
STA Interest	\$3 million in revenues includes \$1.3 million in carryover and \$1.7 million in new revenues. \$0.4 million programmed.	Stable interest rates.	Formula subsidy
General Fund Interest Revenue	\$8.4 million in revenue including \$4.1 million carryover balance and \$4.3 in new revenue. \$0.0 programmed.	Stable interest rates.	N/A in FY09
Service Authority for Freeway Emergencies (SAFE) – Interest revenue	\$0.7 million in new revenues. \$0.7 million programmed.	Stable interest rates.	Call box maintenance.
Interest Revenues (Enterprise Fund)	\$0.5 million in new revenues. \$0.5 million programmed.	Stable interest rates.	Bus operations.
<i>Lease and Rental</i>			
Lease and Rental	\$57.9 million in revenue includes \$47.8 million in carryover balance and \$10.1 million in new revenues. \$10.7 million programmed.	Based on current property management leases.	Property management, Joint Development projects, Eastside mitigation revolving loan, economic development.

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Fund Type	Revenues	Assumptions	Application/Uses
<i>License and Fines</i>			
Service Authority for Freeway Emergencies (SAFE)	\$30.8 million in revenues including \$23.8 million in carryover balance and \$7.0 million in new revenues. \$17.1 million programmed.	Estimated revenues are generated from a \$1.00 annual registration fee on vehicles in LA County.	Call box maintenance upkeep and freeway service patrol.
HOV Lanes Fines	\$0.5 million in new revenues. \$0.5 million programmed.	Based on State Highway Operations Dept. estimate of anticipated funds.	Freeway Service Patrol (FSP) program.
<i>Other Revenues</i>			
Parking Fees – USG Building	\$1.5 million in new revenues. \$0.0 programmed.	Estimated revenue is based on Real Estate Administration analysis.	Reserved for joint development use.
Joint Development	\$2.9 million in new revenues. \$0.0 programmed	Based on project schedule anticipated revenue for FY09.	Reserved for joint development use.
Sales Leaseback	\$25.7 million in carryover balance. \$0.0 in new revenues. \$0.0 programmed.	No new anticipated revenue in FY09.	Management discretion.
Employee Activities	\$1.4 million in revenues including \$0.6 million in carryover balance and \$0.8 million in new revenues. \$0.7 million programmed.	Based on revenues from Employee Center and Metro logo merchandise sale, vending machines.	Employee activities related projects.
General Fund.	\$71.8 million in revenues including \$51.1 million in carryover balance and \$20.6 in new revenues. \$20.5 million programmed.	CNG fuel credits, cafeteria revenues.	Management discretion.
FAU Cash	\$5.9 million in carryover balance. \$5.9 million programmed.	No new revenues in FY09. Previous grant awards.	Red Line West Side Extension environmental study and local transportation projects.

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Fund Type	Revenues	Assumptions	Application/Uses
Proceed from sales of surplus property	\$4.0 million in new revenues. \$0.0 million programmed.	Based on expected sale of excess real-estate.	To be determined.
<i>Operating Revenues</i>			
Fare Box Revenues- Passenger fares	\$323.4 million in new revenues. \$323.4 million programmed.	Expected FY09 boarding at \$0.66 per boarding, excluding Metrolink reimbursement.	Bus and rail operations.
Hollywood Bowl Shuttle	\$0.4 million in new revenues. \$0.4 million programmed	Based on contract services estimates.	Bus operations.
Metrolink Interagency Agreement	\$3.1 million in new revenues. \$3.1 million programmed.	Negotiated with SCRRA.	Bus and rail operations.
Advertising	\$23.5 million in new revenues. \$23.5 million programmed.	Based on contract.	Bus and rail operations.
<i>Non - Operating Revenues</i>			
Bus Parts/Scrap Sales	\$0.5 million in new revenues. \$0.5 million programmed.	Based on expected sale of salvaged bus parts and non-revenue vehicles.	Bus operations.
County Buy-down	\$0.5 million in new revenues. \$0.5 million programmed.	Based on Customer Service Department revised cash flow assumption.	Bus operations.
Filming Fees	\$0.6 million in new revenues. \$0.6 million programmed.	Based on filming activity trends in LA.	Bus and rail operations.
Fare Violations/Fines	\$0.7 million in new revenues. \$0.7 million programmed.	Based on projected citations that will be issued in FY09.	Bus and rail operations.
<i>Other Financing Sources</i>			
Proposition A 35% Rail Bonds	\$27.7 million in bond financing. \$27.7 million programmed.	Based on Board adopted funding plan.	Subway rail car midlife overhaul and escalator and elevator modernization

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Fund Type	Revenues	Assumptions	Application/Uses
Proposition A 40% Discretionary Bonds	\$0.0 in bond financing. \$0.0 programmed.	N/A in FY09	N/A in FY09
Proposition C 25% Street and Hwys Bonds	\$0.0 bond financing. \$0.0 programmed.	N/A in FY09	N/A in FY09
Proposition C 40% Disc. Bonds	\$0.0 bond financing. \$0.0 programmed.	N/A in FY09	N/A in FY09

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Appendix 6: Summary of Revenues and Carryover by Source

Revenue Source	FY07 Actual			FY08 Budget				FY09 Budget				
	Prior Year Balance	Actual	Total	Prior Year Balance	New Revenues	Total	Programmed	Prior Year Balance	New Revenues	Total	Programmed	
1 Sales Tax Revenues												
2 Proposition A												
3 Administration	\$ 4,726	\$ 34,308	\$ 39,035	\$ 17,732	\$ 34,710	52,441	\$ 32,927	\$ 20,885	\$ 35,022	55,907	50,577	
4 Local Return (25%)	-	162,965	162,965	1	164,871	164,872	164,872	(0)	166,355	166,355	166,354	
5 Rail - Set Aside (35%)	67,513	228,151	295,664	114,484	230,819	345,303	280,135	65,168	232,898	298,066	261,205	
6 Discretionary (95% of 40%)	71,869	247,706	319,575	152,463	250,604	403,067	275,549	53,976	252,860	306,836	266,333	
7 Incentive (5% of 40%)	20,585	13,037	33,622	21,182	13,190	34,372	18,132	16,240	13,308	29,548	25,735	
8 Total proposition A	164,693	686,167	850,860	305,862	694,193	1,000,055	771,615	156,269	700,444	856,713	770,204	
9												
10 Proposition C												
11 Administration	1,836	10,295	12,130	2,117	10,414	12,531	11,160	-	10,509	10,509	10,509	
12 Local Return (20%)	-	135,203	135,203	(1)	136,773	136,772	136,772	-	138,016	138,016	138,016	
13 Security (5%)	6,696	33,801	40,497	7,610	34,193	41,803	37,976	3,828	34,504	38,332	31,933	
14 Commuter Rail (10%)	50,227	67,601	117,829	58,644	68,387	127,031	81,590	45,440	69,008	114,448	104,011	
15 Streets & Highways (25%)	192,692	169,003	361,695	245,167	170,967	416,134	242,068	174,065	172,520	346,585	255,895	
16 Discretionary (40%)	105,860	270,405	376,265	55,441	273,547	328,988	187,386	215,144	276,032	491,176	251,231	
17 Total proposition C	357,311	686,308	1,043,619	368,977	694,281	1,063,258	696,952	438,477	700,588	1,139,065	791,595	
18												
19 Transportation Development Act - TDA												
20 Administration	-	6,000	6,000	-	6,000	6,000	6,000	-	6,000	6,000	6,000	
21 Article 3 - (2%)	18,125	6,777	24,902	18,868	6,927	25,796	7,404	18,392	6,921	25,312	7,042	
22 Article 4 - (92.68%)	144,765	313,745	458,511	143,259	320,395	463,654	342,408	140,127	320,090	460,217	372,793	
23 Article 8 - (5.32%)	2,944	18,345	21,288	2,568	19,051	21,619	20,364	1,255	19,032	20,287	20,650	
24 Total TDA	165,834	344,867	510,702	164,695	352,373	517,068	376,176	159,773	352,043	511,817	406,485	
25												
26 State Transit Assistance - STA												
27 Revenue Share - PUC 99314	45,369	105,138	150,507	47,223	31,630	78,853	45,560	33,292	125,258	158,550	129,057	
28 Population Share - PUC 99313	20,243	85,936	106,179	22,854	25,428	48,282	34,594	13,688	101,884	115,572	85,656	
29 Total STA ⁽¹⁾	65,612	191,074	256,686	70,077	57,058	127,134	80,154	46,980	227,142	274,122	214,713	
30 Total Sales Tax	753,451	1,908,416	2,661,867	909,610	1,797,906	2,707,516	1,924,897	801,499	1,980,217	2,781,717	2,182,997	
31												
32 Intergovernmental												
33 Local Funds												
34 City of LA.	-	1,689	1,689	-	13,567	13,567	13,567	-	14,480	14,480	14,480	
35 AQMD	-	692	692	-	240	240	240	-	3,164	3,164	3,164	
36 Benefit Assessment District	-	20,741	20,741	-	27,529	27,529	27,529	-	23,089	23,089	23,089	
37 EZ Pass Program	-	7,121	7,121	-	9,078	9,078	9,038	-	10,086	10,086	10,086	
38 Total local funds	-	30,243	30,243	-	50,414	50,414	50,374	-	50,819	50,819	50,819	
39 State Funds												
40 State Regional STIP	-	43,600	43,600	-	110,608	110,608	110,608	-	177,443	177,443	177,443	
41 State Highway Account	-	-	-	-	659	659	659	-	952	952	952	
42 TCRP, AB 2928 (State Traffic Congestion Relief Program)	-	357,447	357,447	-	104,706	104,706	104,706	-	29,537	29,537	29,537	
43 STIP - PPM	-	4,493	4,493	-	10,549	10,549	10,488	-	9,525	9,525	9,525	
44 Freeway Service Patrol - State/Local Grant	-	8,469	8,469	-	11,112	11,112	11,112	-	10,200	10,200	10,200	
45 Prop 1B State Infrastructure Bond	-	-	-	-	68,881	68,881	50,000	-	106,436	106,436	106,436	
46 State Other/STIP Rideshare	-	-	-	-	4,490	4,490	4,490	-	-	-	-	
47 Total state funds	-	414,009	414,009	-	311,005	311,005	292,063	-	334,093	334,093	334,093	
48 Federal Funds												
49 Federal Section 5309 [3] Capital - New Starts	-	160,063	160,063	-	80,000	80,000	80,000	-	64,601	64,601	64,601	
50 Federal Section 5309 [3] Fixed Guideways	-	39,997	39,997	-	42,042	42,042	42,042	-	60,448	60,448	60,448	
51 Federal Section 5309 [3] Bus Facilities	-	5,150	5,150	-	7,335	7,335	7,335	-	5,939	5,939	5,939	
52 Federal Section 5307 [9]	-	136,979	136,979	-	149,265	149,265	161,265	-	150,862	150,862	150,862	
53 Congestion Mitigation & Air Quality - CMAQ	-	53,427	53,427	-	56,477	56,477	44,596	-	85,992	85,992	85,992	
54 Federal TEA	-	-	-	-	131	131	131	-	249	249	249	
55 Regional Surface Transp. Funds (RSTP)	-	2,150	2,150	-	1,565	1,565	1,565	-	-	-	-	
56 Growing State Rail Prev. Maint. Sec. 5340	-	7,996	7,996	-	6,400	6,400	6,400	-	6,600	6,600	6,600	
57 Federal Homeland Security	-	1,784	1,784	-	3,577	3,577	3,577	-	5,352	5,352	5,352	
58 Job Access Reverse Commute (JARC) S3035	-	-	-	-	2,946	2,946	2,946	-	2,386	2,386	2,386	
59 New Freedoms S5316, S5317	-	-	-	-	157	157	157	-	73	73	73	
60 Federal Other	-	-	-	-	856	856	856	-	14,865	14,865	14,865	
61 Total federal funds	-	407,545	407,545	-	350,751	350,751	350,870	-	397,367	397,367	397,368	
62 Total Intergovernmental	-	851,797	851,797	-	712,170	712,170	693,306	-	782,280	782,280	782,280	
63 Balance to following page	\$ 753,451	\$ 2,760,214	\$ 3,513,664	\$ 909,610	\$ 2,510,075	\$ 3,419,686	\$ 2,618,203	\$ 801,499	\$ 2,762,496	\$ 3,563,996	\$ 2,965,277	

Note: Totals may not add due to rounding.

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Revenue Source	FY07 Actual			FY08 Budget				FY09 Budget			
	Prior Year	Actual	Total	Prior Year	New	Total	Programmed	Prior Year	New	Total	Programmed
	Balance			Balance	Revenues			Balance	Revenues		
64 Balance from previous page	\$ 753,451	\$ 2,760,214	\$ 3,513,664	\$ 909,610	\$ 2,510,075	\$ 3,419,686	\$ 2,618,203	\$ 801,499	\$ 2,762,496	\$ 3,563,996	\$ 2,965,277
65 Investment Income											
66 Prop A Interest	1,895	8,840	10,735	11,001	1,200	12,201	-	12,201	1,200	13,401	-
67 Prop C Interest	799	18,326	19,126	19,258	2,342	21,600	912	20,688	2,342	23,031	813
68 TDA Interest	1,021	8,705	9,726	8,349	1,000	9,349	1,000	8,349	-	8,349	8,000
69 STA Interest	-	4,079	4,079	-	1,688	1,688	400	1,288	1,688	2,976	400
70 General Fund - Interest Revenue	-	3,730	3,730	-	2,500	2,500	-	4,050	4,341	8,391	-
71 Sales Leaseback	-	1,396	1,396	-	600	600	-	-	-	-	-
72 Right of way lease revenues	-	1,889	1,889	-	800	800	-	-	-	-	-
73 SAFE - Interest Revenue	-	1,666	1,666	-	700	700	700	-	700	700	700
74 FAU Cash Interest	-	168	168	-	150	150	-	-	-	-	-
75 Interest Earned on Debt Service Funds	-	8,559	8,559	-	-	-	-	-	-	-	-
76 Interest revenues Transit Operations	-	11,816	11,816	-	500	500	500	-	500	500	500
77 Interest Earned on Capital Projects Fund/LSF	-	7,551	7,551	-	-	-	-	-	-	-	-
78 Total investment income	3,715	76,725	80,440	38,608	11,480	50,088	3,512	46,576	10,771	57,348	10,413
79 License and fines											
80 SAFE	32,511	7,871	40,381	35,729	7,000	42,729	18,953	23,776	7,000	30,776	17,054
81 HOV Lanes Fines	529	499	1,028	1,028	500	1,528	1,528	-	500	500	500
82 Total license and fines	33,040	8,370	41,409	36,757	7,500	44,257	20,481	23,776	7,500	31,276	17,554
83											
84 General Fund revenues											
85 Lease and Rental	37,540	11,466	49,006	44,383	11,550	55,933	11,101	47,845	10,050	57,895	10,653
86 Proceeds from Sales of Surplus Property	-	1,328	1,328	-	3,000	3,000	3,000	-	4,000	4,000	-
87 Parking Fees - USG Building (6110)	-	1,604	1,604	-	1,500	1,500	-	-	1,500	1,500	-
88 Joint Development (6110)	-	414	414	-	1,513	1,513	-	-	2,909	2,909	-
89 Sales Leaseback (2105)	30,299	-	30,299	28,379	150	28,529	2,700	25,679	-	25,679	-
90 Employee Activities (2110)	185	471	655	523	749	1,272	653	619	762	1,381	661
91 Miscellaneous other	732	-	732	-	67	67	-	-	127	-	-
92 Cafeteria, Vending at station	-	341	341	-	40	40	-	-	80	-	-
93 General Fund/CNG Credit (2115)	43,911	23,892	67,802	71,268	20,400	91,668	40,813	51,112	20,400	71,719	20,518
94 FAU Cash	2,248	7,272	9,520	6,944	-	6,944	1,099	5,845	-	5,845	5,833
95 Ridesharing	1,446	73	1,519	1,519	-	1,519	1,519	-	-	-	-
96 Total General Fund Revenues	116,361	46,861	163,222	153,015	38,969	191,984	60,885	131,099	39,828	170,928	37,665
97 Operating revenues:											
98 Fare Box Revenues - Passenger fares	-	282,732	282,732	-	318,603	318,603	318,603	-	323,360	323,360	323,360
99 Route subsidies - Hollywood Bowl shuttle	-	305	305	-	305	305	305	-	350	350	350
100 Metrolink	-	3,515	3,515	-	2,915	2,915	2,915	-	3,087	3,087	3,087
101 Advertising	-	17,967	17,967	-	19,300	19,300	19,300	-	23,590	23,590	23,590
102 Total operating revenues	-	304,519	304,519	-	341,123	341,123	341,123	-	350,387	350,387	350,387
103 Non-operating revenues											
104 Other:											
105 Bus Parts/Scrap Sales	-	1,344	1,344	-	530	530	530	-	544	544	544
106 Filming Fees	-	625	625	-	550	550	550	-	550	550	550
107 County Buy down	-	768	768	-	450	450	450	-	462	462	462
108 Fare violations	-	463	463	-	650	650	650	-	667	667	667
109 Miscellaneous	-	3,904	3,904	-	500	500	500	-	-	-	-
110 Total other	-	7,104	7,104	-	2,680	2,680	2,680	-	2,223	2,223	2,223
111 Total non-operating revenue	-	7,104	7,104	-	2,680	2,680	2,680	-	2,223	2,223	2,223
112 Total Revenues	906,567	3,203,792	4,110,359	1,137,990	2,911,828	4,049,818	3,046,884	1,002,951	3,173,205	4,176,157	3,383,518
113 Other financing Sources											
114 Proceeds from financing											
115 Proposition A Rail Bonds/CP	-	20,038	20,038	-	55,869	55,869	55,869	-	27,709	27,709	27,709
116 Proposition A Disc Bonds/CP	-	9,441	9,441	-	3,832	3,832	3,832	-	-	-	-
117 Proposition C Discretionary Bonds/CP	-	7,162	7,162	-	7,431	7,431	7,431	-	-	-	-
118 Proposition C St & Hwys Bonds/CP	-	56,070	56,070	-	29,343	29,343	29,343	-	-	-	-
119 General Revenue Bond	-	507	507	-	135	135	135	-	-	-	-
120 Total proceeds from financing	-	93,218	93,218	-	96,609	96,609	96,609	-	27,709	27,709	27,709
121 Proceeds from refunding bonds	-	-	-	-	-	-	-	-	-	-	-
122 Total other financing sources	-	93,218	93,218	-	96,609	96,609	96,609	-	27,709	27,709	27,709
123 Total revenues and carryovers (2)	\$ 906,567	\$ 3,297,010	\$ 4,203,577	\$ 1,137,990	\$ 3,008,437	\$ 4,146,427	\$ 3,143,493	\$ 1,002,951	\$ 3,200,914	\$ 4,203,866	\$ 3,411,227

NOTE: Intergovernmental funds are on reimbursement basis; therefore, no prior year ending fund balances are assumed.

- ⁽¹⁾ State Sales Tax
- ⁽²⁾ Includes non-cash items
- Totals may not add due to rounding.

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Appendix 7: Propositions A & C, and TDA

Project	Task Name	Revenue Source						FY09 Total Allocation
		Prop A Administration	Prop C Administration	TDA Administration	TDA Planning and Programming	PPM (Planning & Programming Monitoring)	Federal & Other	
1	Available funds	55,907,300	10,508,818	2,419,146	3,580,854	6,804,116	10,694,476	89,914,709
2								
3	100002-Governmental/Oversight							
4	General Oversight	26,042,985	-	-	-	-	-	26,042,985
5	Legal Expenses	100,000	-	-	-	-	-	100,000
6	Transportation Foundation	971	-	-	-	-	-	971
7	Treasury Oversight	232,981	-	-	-	-	-	232,981
8	Total Project 100002	26,376,937	-	-	-	-	-	26,376,937
9								
10	100012-Prop A & C Audit							
11	Prop A & C Audit	29,144	29,144	-	-	-	-	58,287
12	Total Project 100012	29,144	29,144	-	-	-	-	58,287
13								
14	100050-Administration-Special Revenue Planning							
15	G&A Costs	4,257,096	-	-	-	-	-	4,257,096
16	Total Project 100050	4,257,096	-	-	-	-	-	4,257,096
17								
18	100060-Admin-General Planning							
19	G & A Costs	8,743,308	-	-	-	-	-	8,743,308
20	Total Project 100060	8,743,308	-	-	-	-	-	8,743,308
21								
22	400225-System/Pedestrians/Bikeway Int							
23	System/Pedestrians/Bikeway Int	37,892	-	-	-	11,442	151,567	200,901
24	Total Project 400225	37,892	-	-	-	11,442	151,567	200,901
25								
26	400227-Community Strategy & Partner Initiative							
27	Community Strategy & Partner Initiative	295,367	-	-	-	-	-	295,367
28	Total Project 400227	295,367	-	-	-	-	-	295,367
29								
30	400228-Regional Downtown Connector							
31	Regional Downtown Connector	-	-	-	-	3,072,669	-	3,072,669
32	Total Project 400228	-	-	-	-	3,072,669	-	3,072,669
33								
34	400229-Harbor Subdivision MIS							
35	Harbor Subdivision MIS	-	186,175	-	-	-	1,675,572	1,861,747
36	Total Project 400229	-	186,175	-	-	-	1,675,572	1,861,747
37								
38	400231-Diesel Mechanical Rail Unit (DMU) Tech Feasibility							
39	DMU Tech Feasibility Study	-	410,839	-	-	-	-	410,839
40	Total Project 400231	-	410,839	-	-	-	-	410,839
41								
42	400232-Eastside Extension							
43	Eastside Extension	-	2,576,477	-	-	-	-	2,576,477
44	Total Project 400232	-	2,576,477	-	-	-	-	2,576,477
45								
46	402130-Disparity Study-Contracting							
47	Disparity Study-Contracting	-	625,000	-	-	-	-	625,000
48	Total Project 402130	-	625,000	-	-	-	-	625,000
49								
50	405510-Other Planning and Programming - Admin.							
51	Consolidated Audit Services	-	-	884,677	-	-	-	884,677
52	Triennial Audit Management	-	-	36,355	-	-	-	36,355
53	Call / MOU Technical Support	90,760	90,760	90,760	-	-	-	272,281
54	Prop A/C Administration	117,730	117,730	-	-	-	-	235,461
55	Grants Administration	-	-	877,005	-	-	-	877,005
56	TDA Article 3 & 8	-	-	178,394	-	-	-	178,394
57	TIP Administration	-	-	-	-	1,206,216	-	1,206,216
58	STIP PPM	-	-	-	-	1,086,814	-	1,086,814
59	Government Coordination / Outreach.	-	547,602	-	-	-	-	547,602
60	Bus System Improvements Plan	227,877	-	-	-	-	-	227,877
61	Station Planning/Joint Develop	-	178,309	-	-	-	-	178,309
62	Bike Parking Racks & Lockers	234,721	-	-	-	-	-	234,721
63	Art Program	120,868	-	-	-	-	-	120,868
64	Public Outreach	16,206	-	-	-	-	-	16,206
65	General Planning	1,619,588	-	-	-	-	-	1,619,588
66	General Commuter Program	3,389	-	-	-	-	-	3,389
67	Increase customer awareness Program	410,595	1,650,419	-	-	-	-	2,061,014
68	Total Project 405510	2,841,736	2,584,821	2,067,192	-	2,293,031	-	9,786,779

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
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Project	Task Name	Revenue Source						FY09 Total Allocation
		Prop A Administration	Prop C Administration	TDA Administration	TDA Planning and Programming	PPM (Planning and Programming Monitoring)	Federal & Other	
69	405511-Transit Planning - Admin.							
70	Rail Program Development	\$ -	\$ 46,323	\$ -	\$ -	\$ -	\$ -	\$ 46,323
71	SHORE Program Support	141,921	-	-	-	-	-	141,921
72	Long Range Plan Update	-	-	-	-	690,944	-	690,944
73	Smart Shuttle	91,780	-	-	-	-	-	91,780
74	Municipal Funding & Coordination.	381,196	-	41,006	-	-	-	422,202
75	Admin. NTD Report - Local Cities	-	-	230,948	-	-	-	230,948
76	Restructuring Study	-	234,500	-	-	-	-	234,500
77	Bus Service Improvements	1,350,019	-	-	-	-	-	1,350,019
78	Metro Rapid Bus	194,501	338,991	-	-	-	-	533,492
79	(BSP) Bus Service Efficiency & Effectiveness	211,944	-	-	-	-	-	211,944
80	Transit Planning	782,936	1,603,660	-	-	-	-	2,386,596
81	Rapid Bus Planning (BRT) Research	-	-	-	-	-	10,000	10,000
82	Railvolution	-	40,427	-	-	-	-	40,427
83	ADA Compliance	37,174	-	-	-	-	-	37,174
84	Research & Development	-	-	-	-	282,439	-	282,439
85	Metro Support	3,945	-	-	-	-	-	3,945
86	GIS Work for Planning Studies	-	-	-	-	453,592	-	453,592
87	Demand Modeling & Transportation Modeling	1,023,587	718,376	-	-	-	640,000	2,381,963
88	Total Project 405511	4,219,003	2,982,277	271,954	-	1,426,974	650,000	9,550,208
89								
90	405512-Crenshaw Corridor							
91	Crenshaw Corridor	160,000	-	-	-	-	3,477,312	3,637,312
92	Total Project 405512	160,000	-	-	-	-	3,477,312	3,637,312
93								
94	405518-Red Line Westside Extension							
95	Red Line Westside Extension	-	-	-	3,020,854	-	3,440,024	6,460,878
96	Total Project 405518	-	-	-	3,020,854	-	3,440,024	6,460,878
97								
98	405548-Congestion Pricing							
99	Congestion Pricing	2,901,730	-	-	-	-	1,300,000	4,201,730
100	Total Project 405548	2,901,730	-	-	-	-	1,300,000	4,201,730
101								
102	407002-South Bay Transit Corridor							
103	South Bay Transit Corridor	-	45,000	-	-	-	-	45,000
104	Total Project 407002	-	45,000	-	-	-	-	45,000
105								
106	407003-OCTA Partnership Improvement							
107	OCTA Partnership Improvement	-	830,000	-	-	-	-	830,000
108	Total Project 407003	-	830,000	-	-	-	-	830,000
109								
110	407007-South Bay Goods Movement							
111	South Bay Goods Movement	-	150,000	-	-	-	-	150,000
112	Total Project 407007	-	150,000	-	-	-	-	150,000
113								
114	407008-Gateway COG							
115	Gateway COG	-	89,086	-	-	-	-	89,086
116	Total Project 407008	-	89,086	-	-	-	-	89,086
117								
118	410053-TDA Subsidy (SCAG & LA County Auditor / Controller)							
119	SCAG & LA County Auditor/Controller	-	-	80,000	560,000	-	-	640,000
120	Total Project 410053	-	-	80,000	560,000	-	-	640,000
121								
122	450001-Energy Conservation Initiative							
123	Energy Conservation Initiative	203,615	-	-	-	-	-	203,615
124	Total Project 450001	203,615	-	-	-	-	-	203,615
125								
126	450002-Sustainability Design Guide							
127	Sustainability Design Guide	109,535	-	-	-	-	-	109,535
128	Total Project 450002	109,535	-	-	-	-	-	109,535
129								
130	450003-Sustainability Environment							
131	Sustainability Environment	357,557	-	-	-	-	-	357,557
132	Total Project 450003	357,557	-	-	-	-	-	357,557
133								
134	609911-Transit Academy/TOPS							
135	TOPS	44,435	-	-	-	-	-	44,435
136	Total Project 609911	44,435	-	-	-	-	-	44,435
137								
138	Total Expenditures/Allocations	50,577,356	10,508,818	2,419,146	3,580,854	6,804,116	10,694,476	84,584,765
139								
140	Remaining balance at June 30, 2009	\$ 5,329,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,329,944

Notes: Federal & Other Revenue Source include Federal Grants matched by local funds and also some State funds. FAU Cash of \$3,440,180 is included in Other Funding.
Also, Federal & Other Revenue Source include \$128,387 of PC40%.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Appendix 8: Activity Based Bus Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 Transportation						
2 Wages & Benefits	\$ 338,020,644	\$ 47.45	\$ 352,044,331	\$ 49.83	\$ 14,023,687	\$ 2.38
3 Services	68,526	0.01	59,396	0.01	(9,130)	-
4 Materials & Supplies	206,302	0.03	219,760	0.03	13,458	-
5 Training	5,528,659	0.78	5,786,031	0.82	257,372	0.04
6 Control Center	7,810,633	1.10	8,172,042	1.16	361,409	0.06
7 Scheduling & Planning	3,714,552	0.52	3,862,409	0.55	147,858	0.03
8 Sub-Total	355,349,315	49.88	370,143,969	52.39	14,794,653	2.51
9						
10 Division Maintenance						
11 Wages & Benefits	114,522,727	16.07	121,107,158	17.14	6,584,431	1.07
12 Fuel	54,124,356	7.60	61,326,891	8.68	7,202,534	1.08
13 Materials & Supplies	39,703,933	5.57	43,337,760	6.13	3,633,827	0.56
14 Fueling Contractor Reimb.	(2,222,023)	(0.31)	(2,426,850)	(0.34)	(204,827)	(0.03)
15 Services	201,148	0.03	159,294	0.02	(41,854)	(0.01)
16 Sub-Total	206,330,142	28.96	223,504,253	31.63	17,174,111	2.67
17						
18 RRC Regular Maintenance						
19 Wages & Benefits	6,261,428	0.88	6,865,136	0.97	603,708	0.09
20 Materials & Supplies	2,527,756	0.35	2,558,905	0.36	31,150	0.01
21 Maintenance Services	193,000	0.03	195,089	0.03	2,089	-
22 Sub-Total	8,982,184	1.26	9,619,130	1.36	636,946	0.10
23						
24 RRC Preventive Maintenance						
25 Power Plant Assembly	4,971,708	0.70	4,838,250	0.68	(133,458)	(0.01)
26 Accident Repair	1,940,677	0.27	2,018,980	0.29	78,302	0.01
27 Wheelchair Lifts	165,780	0.02	168,153	0.02	2,373	0.00
28 Painting	659,577	0.09	949,116	0.13	289,539	0.04
29 Windows	19,578	0.00	20,362	0.00	783	0.00
30 Sub-Total	7,757,321	1.09	7,994,861	1.13	237,540	0.04
31						
32 Other Maintenance						
33 Maintenance Support	12,631,699	1.77	12,998,254	1.84	366,554	0.07
34 Non-Revenue Vehicles	5,137,867	0.72	5,410,687	0.77	272,820	0.05
35 Facilities Maintenance	36,371,884	5.11	39,443,270	5.58	3,071,386	0.48
36 Training	1,679,397	0.24	1,690,889	0.24	11,492	0.00
37 Sub-Total	55,820,847	7.84	59,543,100	8.43	3,722,253	0.59
38						
39 Sub-Total Maintenance	\$ 278,890,494	\$ 39.15	\$ 300,661,344	\$ 42.55	\$ 21,770,850	\$ 3.41
40						

Note: RSH = Revenue Service Hour
Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
41 Other Operating Costs						
42 Transit Security	21,268,925	\$ 2.99	\$ 20,740,656	\$ 2.94	\$ (528,269)	(0.05)
43 General Managers	14,057,618	1.97	14,654,084	2.07	596,466	0.10
44 Revenue	15,551,792	2.18	16,905,599	2.39	1,353,807	0.21
45 Service Development	6,545,371	0.92	6,607,747	0.94	62,376	0.02
46 Safety	1,662,431	0.23	1,608,400	0.23	(54,031)	(0.01)
47 Casualty & Liability	55,969,884	7.86	57,370,599	8.12	1,400,715	0.26
48 Workers' Comp	38,286,628	5.37	39,495,938	5.59	1,209,310	0.22
49 Transitional Duty Program	2,281,278	0.32	2,185,355	0.31	(95,923)	(0.01)
50 Utilities	7,127,527	1.00	8,527,189	1.21	1,399,662	0.21
51 Other Metro Operations	6,855,141	0.96	8,940,311	1.27	2,085,170	0.30
52 Building Costs	7,666,486	1.08	14,000,722	1.98	6,334,236	0.91
53 Copy Services	1,075,966	0.15	1,096,095	0.16	20,129	0.00
54 Sub-Total	178,349,047	25.03	192,132,696	27.19	13,783,649	2.16
55						
56 Support Department Costs	48,041,247	6.74	52,710,757	7.46	4,669,510	0.72
57						
58 Total Local & Rapid	860,630,104	120.80	915,648,766	129.60	55,018,662	8.80
59 Revenue Service Hours	7,124,394		7,065,394		(59,000)	
60						
61 Purchased Transportation						
62 Contracted Service	36,180,862	65.78	41,728,593	75.56	5,547,731	9.78
63 Security	1,641,984	2.99	1,621,142	2.94	(20,842)	(0.05)
64 Administration	480,710	0.87	1,069,350	1.94	588,640	1.06
65 Sub-Total	38,303,556	69.64	44,419,085	80.43	6,115,529	10.79
66 Revenue Service Hours	550,011		552,249		2,238	
67						
68 Total Excluding Debt	898,933,660	\$ 117.13	960,067,851	\$ 126.03	61,134,191	\$ 8.90
69 Revenue Service Hours	7,674,405		7,617,643		(56,762)	
70						
71 Enterprise Fund Debt						
72 Interest	1,812,879		1,316,394		(496,485)	
73 Administration	427,220		492,243		65,024	
74 Sub-Total	2,240,099		1,808,637		(431,461)	
75						
76 Total Cost	\$ 901,173,758		\$ 961,876,488		\$ 60,702,730	

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Appendix 9: Activity Based Orange Line Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 Transportation						
2 Wages & Benefits	\$ 7,031,956	\$ 69.24	\$ 5,455,095	\$ 53.71	\$ (1,576,862)	\$ (15.53)
3 Control Center	246,872	2.43	263,746	2.60	16,874	0.17
4 Sub-Total	7,278,829	71.67	5,718,841	56.31	(1,559,988)	(15.36)
5						
6 Division Maintenance						
7 Wages & Benefits	1,737,712	17.11	1,810,466	17.83	72,754	0.72
8 Fuel	757,556	7.46	931,842	9.18	174,286	1.72
9 Materials & Supplies	666,700	6.56	648,425	6.38	(18,275)	(0.18)
10 Fueling Contractor Reimb.	(85,603)	(0.84)	(78,149)	(0.77)	7,454	0.07
11 Sub-Total	3,076,365	30.29	3,312,584	32.62	236,219	2.33
12						
13 Other Maintenance						
14 Maintenance Support	5,501	0.05	4,771	0.05	(730)	(0.01)
15 Non-Revenue Vehicles	10,508	0.10	8,747	0.09	(1,761)	(0.02)
16 Facilities Maintenance	3,108,239	30.60	2,882,095	28.38	(226,144)	(2.23)
17 Sub-Total	3,124,248	30.76	2,895,613	28.51	(228,635)	(2.25)
18						
19 Sub-Total Maintenance	6,200,613	61.05	6,208,197	61.13	7,584	0.07
20						
21 Other Operating Costs						
22 Transit Security	6,433,435	63.35	6,742,891	66.39	309,456	3.05
23 General Managers	637,737	6.28	691,540	6.81	53,803	0.53
24 Revenue	1,101,501	10.85	1,165,810	11.48	64,309	0.63
25 Service Development	106,309	1.05	85,266	0.84	(21,042)	(0.21)
26 Casualty & Liability	914,878	9.01	947,407	9.33	32,529	0.32
27 Workers' Compensation	653,556	6.44	546,912	5.39	(106,644)	(1.05)
28 Transitional Duty Program	55,030	0.54	58,843	0.58		
29 Utilities	180,736	1.78	167,813	1.65	(12,922)	(0.13)
30 Other Metro Operations	55,295	0.54	59,704	0.59	4,409	0.04
31 Building Costs	184,271	1.81	266,642	2.63	82,371	0.81
32 Copy Services	25,955	0.26	21,013	0.21	(4,942)	(0.05)
33 Sub-Total	10,348,702	101.90	10,753,843	105.89	405,141	3.99
34						
35 Support Department Costs	844,096	8.31	537,156	5.29	(306,941)	(3.02)
36						
37 Total Cost	\$ 24,672,240	\$ 242.93	\$ 23,218,036	\$ 228.61	\$ (1,454,204)	\$ (14.32)
38 Total Revenue Service Hours	101,561		101,561			

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Appendix 10: Activity Based Blue Line Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 Transportation						
2 Wages & Benefits	7,965,344	\$ 36.04	\$8,283,418	\$ 36.92	\$ 318,074	\$ 0.88
3 Materials & Supplies	34,102	0.15	33,503	0.15	(600)	-
4 Other	6,767	0.03	8,471	0.04	1,704	0.01
5 Control Center	1,560,445	7.06	1,606,079	7.16	45,635	0.10
6 Sub-Total	9,566,658	43.28	9,931,471	44.26	364,813	0.98
7						
8 Maintenance						
9 Vehicle Maintenance						
10 Wages & Benefits	10,698,436	48.40	11,558,257	51.51	859,821	3.11
11 Materials & Supplies	3,851,266	17.42	3,959,773	17.65	108,507	0.22
12 Other	2,000	0.01	2,000	0.01	-	-
13 Services	20,000	0.09	20,528	0.09	528	-
14 Sub-Total	14,571,702	65.93	15,540,559	69.26	968,857	3.34
15						
16 Wayside Maintenance						
17 Wages & Benefits	6,265,188	28.35	6,619,325	29.50	354,137	1.16
18 Materials & Supplies	805,803	3.65	877,828	3.91	72,025	0.27
19 Services	677,379	3.06	620,974	2.77	(56,405)	(0.30)
20 Propulsion Power	6,791,563	30.73	6,870,937	30.62	79,374	(0.10)
21 Other	6,702	0.03	1,022	0.00	(5,680)	(0.03)
22 Sub-Total	14,546,635	65.81	14,990,086	66.81	443,451	1.00
23						
24 Other Maintenance						
25 Non-Revenue Vehicles	331,910	1.50	353,946	1.58	22,037	0.08
26 Facilities Maintenance	1,387,615	6.28	1,532,678	6.83	145,063	0.55
27 Sub-Total	1,719,525	7.78	1,886,624	8.41	167,100	0.63
28						
29 Sub-Total Maintenance	30,837,862	139.52	32,417,269	144.48	1,579,407	4.96
30						
31 Other Operating Costs						
32 Transit Security	12,365,519	55.94	12,730,654	56.74	365,135	0.79
33 General Manager	671,558	3.04	370,181	1.65	(301,377)	(1.39)
34 Revenue	1,235,635	5.59	1,401,855	6.25	166,220	0.66
35 Service Development	474,132	2.15	492,662	2.20	18,531	0.05
36 Safety	959,179	4.34	970,596	4.33	11,417	(0.01)
37 Casualty & Liability	3,308,947	14.97	2,344,593	10.45	(964,353)	(4.52)
38 Workers' Comp	1,232,354	5.58	1,239,677	5.53	7,323	(0.05)
39 Transitional Duty Program	44,792	0.20	85,188	0.00	40,396	(0.20)
40 Utilities	930,463	4.21	547,519	2.44	(382,944)	(1.77)
41 Other Metro Operations	151,215	0.68	148,900	0.66	(2,315)	(0.02)
42 Building Costs	363,599	1.65	633,816	2.82	270,217	1.18
43 Copy Services	54,734	0.25	68,876	0.31	14,142	0.06
44 Sub-Total	21,792,126	98.59	21,034,517	93.75	(757,609)	(4.85)
45						
46 Support Department Costs	5,218,345	23.61	5,871,706	26.17	653,361	2.56
47						
48 Total Cost	\$ 67,414,991	\$ 305.00	\$ 69,254,963	\$ 308.66	\$ 1,839,972	\$ 3.66
49 Total Revenue Service Hours	221,031		224,373		3,342	

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
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Appendix 11: Activity Based Green Line Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 Transportation						
2 Wages & Benefits	\$ 5,084,965	\$ 57.67	\$ 5,275,778	\$ 60.13	\$ 190,812.88	\$ 2.45
3 Materials & Supplies	42,191	0.48	31,434	0.36	(10,756)	(0.12)
4 Other	7,420	0.08	8,471	0.10	1,051	0.01
5 Control Center	1,551,256	17.59	1,766,227	20.13	214,971	2.54
6 Sub-Total	6,685,832	75.83	7,081,911	80.71	396,078	4.88
8 Maintenance						
9 Vehicle Maintenance						
10 Wages & Benefits	4,661,277	52.87	5,546,186	63.21	884,909	10.34
11 Materials & Supplies	1,624,355	18.42	1,670,146	19.03	45,791	0.61
12 Other	1,040	0.01	1,040	0.01	-	-
13 Services	10,000	0.11	10,264	0.12	264	-
14 Sub-Total	6,296,673	71.42	7,227,636	82.37	930,963	10.96
16 Wayside Maintenance						
17 Wages & Benefits	6,105,974	69.25	6,282,998	71.61	177,025	2.35
18 Materials & Supplies	330,409	3.75	389,319	4.44	58,910	0.69
19 Services	325,931	3.70	277,864	3.17	(48,067)	(0.53)
20 Propulsion Power ⁽¹⁾	3,373,492	38.26	4,212,918	48.02	839,426	9.75
21 Other	6,110	0.07	6,155	0.07	45	-
22 Sub-Total	10,141,916	115.03	11,169,254	127.30	1,027,338	12.27
24 Other Maintenance						
25 Non-Revenue Vehicles	314,421	3.57	345,866	3.94	31,445	0.38
26 Facilities Maintenance	1,860,719	21.10	1,885,423	21.49	24,704	0.38
27 Sub-Total	2,175,139	24.67	2,231,289	25.43	56,149	0.76
29 Sub-Total Maintenance	18,613,728	211.12	20,628,179	235.10	2,014,451	23.98
31 Other Operating Costs						
32 Transit Security	6,613,651	75.01	6,845,772	78.02	232,121	3.01
33 General Manager	618,000	7.01	337,880	3.85	(280,119)	(3.16)
34 Revenue	1,149,191	13.03	1,215,803	13.86	66,613	0.82
35 Service Development	272,942	3.10	290,031	3.31	17,088	0.21
36 Safety	372,806	4.23	371,452	4.23	(1,354)	0.01
37 Casualty & Liability	207,730	2.36	235,397	2.68	27,666	0.33
38 Workers' Comp	805,589	9.14	830,111	9.46	24,522	0.32
39 Transitional Duty Program	30,633	0.35	71,898	0.00	41,265	(0.35)
40 Utilities	564,002	6.40	319,314	3.64	(244,688)	(2.76)
41 Other Metro Operations	115,376	1.31	94,593	1.08	(20,783)	(0.23)
42 Building Costs	248,582	2.82	435,227	4.96	186,644	2.14
43 Copy Services	37,432	0.42	47,445	0.54	10,013	0.12
44 Sub-Total	11,035,934	125.17	11,094,923	126.45	58,989	1.28
46 Support Department Costs	3,717,774	42.17	4,037,178	46.01	319,404	3.85
48 Total Cost	\$ 40,053,268	\$ 454.29	\$ 42,842,191	\$ 488.28	\$ 2,788,923	\$ 33.99
49 Total Revenue Service Hours	88,167		87,741		(426)	

⁽¹⁾ FY09 increased to reflect greater than anticipated cost in FY08.
Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Appendix 12: Activity Based Gold Line Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
1 Transportation						
2 Wages & Benefits	\$ 5,202,058	\$ 70.57	\$5,304,382	\$ 64.28	\$ 102,323	\$ (6.29)
3 Materials & Supplies	53,206	0.72	31,108	0.38	(22,098)	(0.34)
4 Other	36,766	0.50	38,893	0.47	2,128	(0.03)
5 Control Center	1,598,820	21.69	1,492,571	18.09	(106,249)	(3.60)
6 Sub-Total	6,890,850	93.48	6,866,954	83.22	(23,896)	(10.26)
7						
8 Maintenance						
9 Vehicle Maintenance						
10 Wages & Benefits	4,387,624	59.52	5,114,623	61.98	726,999	2.46
11 Materials & Supplies	1,021,755	13.86	1,050,404	12.73	28,649	(1.13)
12 Other	1,040	0.01	1,040	0.01	-	-
13 Services	10,000	0.14	10,264	0.12	264	(0.01)
14 Sub-Total	5,420,419	73.53	6,176,332	74.85	755,912	1.32
15						
16 Wayside Maintenance						
17 Wages & Benefits	6,299,474	85.46	6,794,729	82.35	495,255	(3.11)
18 Materials & Supplies	530,305	7.19	594,700	7.21	64,395	0.01
19 Services	733,725	9.95	535,972	6.50	(197,753)	(3.46)
20 Propulsion Power	1,889,821	25.64	2,411,907	29.23	522,086	3.59
21 Other	6,010	0.08	6,030	0.07	20	(0.01)
22 Sub-Total	9,459,335	128.32	10,343,338	125.35	884,003	(2.97)
23						
24 Other Maintenance						
25 Non-Revenue Vehicles	314,421	4.27	345,635	4.19	31,215	(0.08)
26 Facilities Maintenance	1,403,005	19.03	1,529,004	18.53	125,999	(0.50)
27 Sub-Total	1,717,426	23.30	1,874,639	22.72	157,213	(0.58)
28						
29 Sub-Total Maintenance	16,597,180	225.15	18,394,309	222.92	1,797,129	(2.23)
30						
31 Other Operating Costs						
32 Transit Security	9,283,848	125.94	9,570,772	115.99	286,923	(9.95)
33 General Manager	622,723	8.45	338,892	4.11	(283,830)	(4.34)
34 Revenue	1,179,482	16.00	1,251,143	15.16	71,660	(0.84)
35 Service Development	363,031	4.92	383,275	4.64	20,245	(0.28)
36 Safety	372,854	5.06	371,504	4.50	(1,351)	(0.56)
37 Casualty & Liability	560,941	7.61	1,048,938	12.71	487,997	5.10
38 Workers' Comp	799,958	10.85	824,377	9.99	24,420	(0.86)
39 Transitional Duty Program	30,388	0.41	88,459	1.07	58,071	0.66
40 Utilities	864,072	11.72	479,768	5.81	(384,304)	(5.91)
41 Other Metro Operations	114,453	1.55	86,953	1.05	(27,499)	(0.50)
42 Building Costs	246,136	3.34	428,510	5.19	182,374	1.85
43 Copy Services	37,133	0.50	46,834	0.57	9,701	0.06
44 Sub-Total	14,475,018	196.36	14,919,425	180.81	444,407	(15.56)
45						
46 Support Department Costs	3,718,054	50.44	4,132,670	50.08	414,616	(0.35)
47						
48 Total Cost	\$ 41,681,101	\$ 565.44	\$ 44,313,358	\$ 537.03	\$ 2,632,257	\$ (28.40)
49 Total Revenue Service Hours	73,715		82,515		8,800	

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Appendix 13: Activity Based Heavy Rail Line Cost Model

Activities	FY08 Budget		FY09 Budget		Inc/(Dec)	
	Dollars	\$/RSH	Dollars	\$/RSH	Dollars	\$/RSH
Transportation						
Wages & Benefits	\$ 7,752,415	\$ 28.96	\$ 8,242,802	\$ 30.63	\$ 490,387	\$ 1.67
Materials & Supplies	53,067	0.20	38,000	0.14	(15,067)	(0.06)
Other	7,420	0.03	8,471	0.03	1,051	-
Control Center	1,627,642	6.08	1,674,005	6.22	46,363	0.14
Sub-Total	9,440,544	35.26	9,963,278	37.02	522,734	1.76
Maintenance						
Vehicle Maintenance						
Wages & Benefits	10,639,713	39.74	11,519,123	42.80	879,409	3.06
Materials & Supplies	3,660,885	13.67	2,262,885	8.41	(1,398,000)	(5.27)
Other	9,000	0.03	9,000	0.03	-	-
Services	78,909	0.29	30,796	0.11	(48,112)	(0.18)
Sub-Total	14,388,508	53.74	13,821,805	51.36	(566,703)	(2.38)
Wayside Maintenance						
Wages & Benefits	14,161,070	52.89	15,284,253	56.79	1,123,183	3.90
Materials & Supplies	1,103,598	4.12	1,183,002	4.40	79,404	0.27
Services	1,177,001	4.40	1,648,171	6.12	471,170	1.73
Propulsion Power	9,238,600	34.51	9,346,573	34.73	107,973	0.22
Other	9,614	0.04	9,716	0.04	101	-
Sub-Total	25,689,883	95.96	27,471,714	102.08	1,781,831	6.12
Other Maintenance						
Non-Revenue Vehicles	336,441	1.26	360,272	1.34	23,832	0.08
Facilities Maintenance	5,413,205	20.22	5,488,879	20.40	75,674	0.18
Sub-Total	5,749,646	21.48	5,849,151	21.73	99,505	0.26
Sub-Total Maintenance	45,828,036	171.18	47,142,670	175.17	1,314,633	4.00
Other Operating Costs						
Transit Security	18,357,234	68.57	19,123,198	71.06	765,964	2.49
General Manager	795,148	2.97	399,838	1.49	(395,310)	(1.48)
Revenue	1,553,116	5.80	1,606,675	5.97	53,560	0.17
Service Development	435,678	1.63	463,432	1.72	27,754	0.09
Safety	465,902	1.74	467,116	1.74	1,214	-
Casualty & Liability	3,177,656	11.87	3,410,575	12.67	232,919	0.80
Workers' Comp	1,554,253	5.81	1,572,601	5.84	18,348	0.04
Transitional Duty Program	56,397	0.21	95,373	0.35	38,976	0.14
Utilities	981,891	3.67	592,162	2.20	(389,729)	(1.47)
Other Metro Operations	190,393	0.71	199,922	0.74	9,529	0.03
Building Costs	459,504	1.72	804,672	2.99	345,168	1.27
Copy Services	68,915	0.26	87,231	0.32	18,316	0.07
Sub-Total	28,096,086	104.94	28,822,795	107.10	726,708	2.16
Support Department Costs	5,846,797	21.84	6,499,665	24.15	652,869	2.31
Total Cost	\$ 89,211,464	\$ 333.22	\$ 92,428,408	\$ 343.44	\$ 3,216,944	\$ 10.22
Total Revenue Service Hours	267,725		269,123		1,398	

Note: Totals may not add due to rounding.

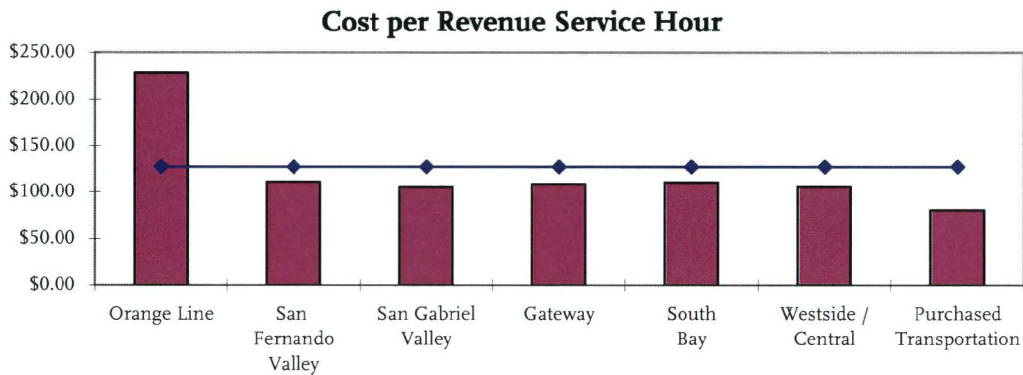
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Appendix 14: FY09 Bus Operating Statistics

	Orange Line	San Fernando Valley	San Gabriel Valley	Gateway Cities
Boardings (000)	7,352	57,963	65,014	77,448
Revenue Service Hours (000)	102	1,248	1,423	1,293
Revenue Service Miles (000)	1,619	17,850	18,063	15,118
Hub Miles (000)	1,775	21,882	21,508	18,573
Boardings Per Revenue Service Hour	72.4	46.4	45.7	59.9
Passenger Miles (000)	43,086	201,864	243,822	290,451
Vehicles	34	461	476	457
Cost Per Revenue Service Hour	\$228.61	\$111.19	\$105.12	\$108.33
Cost Per Passenger Mile	\$0.54	\$0.69	\$0.61	\$0.48
Cost Per Boarding	\$3.16	\$2.39	\$2.30	\$1.81
Subsidy Per Boarding	\$2.45	\$1.67	\$1.58	\$1.09
Subsidy Per Passenger Mile	\$0.42	\$0.48	\$0.42	\$0.29
Fare Recovery Ratio	21.0%	27.7%	28.8%	36.6%
Fare Revenue per Boarding	\$0.66	\$0.66	\$0.66	\$0.66

Notes: Totals may not add due to rounding.

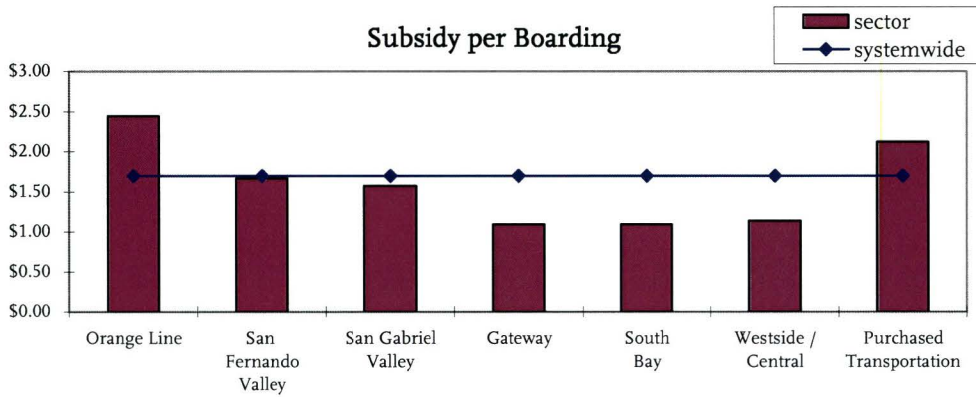
Fare Revenues per Boarding does not include Metrolink reimbursement.



Los Angeles County Metropolitan Transportation Authority
FY09 Budget

	South Bay	Westside/ Central	Purchased Transportation	Systemwide *
Boardings (000)	87,512	95,393	15,969	406,651
Revenue Service Hours (000)	1,427	1,672	552	7,719
Revenue Service Miles (000)	18,155	19,256	7,660	97,721
Hub Miles (000)	22,794	23,583	9,615	119,728
Boardings Per Revenue Service Hour	61.3	57.1	28.9	52.7
Passenger Miles (000)	328,195	357,749	51,426	1,516,593
Vehicles Operated	505	577	181	2,691
Cost Per Revenue Service Hour	\$110.33	\$105.69	\$80.43	\$127.38
Cost Per Passenger Mile	\$0.48	\$0.49	\$0.86	\$0.65
Cost Per Boarding	\$1.80	\$1.85	\$2.78	\$2.42
Subsidy Per Boarding	\$1.09	\$1.13	\$2.12	\$1.70
Subsidy Per Passenger Mile	\$0.29	\$0.30	\$0.66	\$0.46
Fare Recovery Ratio	36.8%	35.8%	23.0%	27.4%
Fare Revenue per Boarding	\$0.66	\$0.66	\$0.64	\$0.66

* Systemwide statistics include bus operating expenses from support activities not assigned directly to sector management, such as in Central Maintenance, Central Control & Instruction, Facilities, and Administrative Support.



Appendix 15: Modal Operating Statistics

Bus excluding Orange Line	Notes	FY07 Actual	FY08 Budget	FY09 Budget	Inc/(Dec) Budget
1 Fares (\$000)		238,021	\$ 260,514	\$ 264,368	\$ 3,854
2 Other Operating Revenue (\$000)		18,520	\$ 20,134	\$ 21,834	\$ 1,700
3 Expenses (\$000)	(1)	\$ 874,077	\$ 898,934	\$ 960,068	\$ 61,134
4 Boardings (000)		406,252	388,645	398,727	10,083
5 Farebox Recovery Ratio		27.2%	29.0%	27.5%	-1.4%
6 Vehicle Service Hours (000)	(2)	7,534	7,674	7,618	(57)
7 Cost Per Hour		\$ 116.02	\$ 117.13	\$ 126.03	\$ 8.90
8 Cost Per Passenger Mile		\$ 0.58	\$ 0.63	\$ 0.65	\$ 0.02
9 Vehicle Service Miles (000)	(2)	90,777	94,839	96,101	1,262
10 Passenger Miles (000)	(3)	1,505,043	1,428,948	1,473,507	44,558
11 Fare Revenue Per Boarding		\$ 0.59	\$ 0.67	\$ 0.66	\$ (0.01)
12 Subsidy Per Boarding		\$ 1.52	\$ 1.59	\$ 1.69	\$ 0.10
13 Subsidy Per Passenger Mile		\$ 0.41	\$ 0.43	\$ 0.46	\$ 0.02
14 Vehicles Operated		2,275	2,213	2,213	0

Orange Line	Notes	FY07 Actual	FY08 Budget	FY09 Budget	Inc/(Dec) Budget
15 Fares (\$000)		\$ 3,335	\$ 4,428	\$ 4,875	\$ 447
16 Other Operating Revenue (\$000)		\$ -	\$ 46	\$ 365	\$ 319
17 Expenses (\$000)	(1)	\$ 18,186	\$ 24,672	\$ 23,218	\$ (1,454)
18 Boardings (000)		6,737	6,611	7,352	741
19 Farebox Recovery Ratio		18.3%	17.9%	21.0%	3.0%
20 Vehicle Service Hours (000)	(2)	91	102	102	-
21 Cost Per Hour		\$ 200.32	\$ 242.93	\$ 228.61	\$ (14.32)
22 Cost Per Passenger Mile		\$ 0.46	\$ 0.53	\$ 0.54	\$ 0.01
23 Vehicle Service Miles (000)	(2)	1,448	1,619	1,619	-
24 Passenger Miles (000)	(3)	39,491	46,280	43,086	(3,194)
25 Fare Revenue Per Boarding		\$ 0.50	\$ 0.67	\$ 0.66	\$ (0.01)
26 Subsidy Per Boarding		\$ 2.20	\$ 3.06	\$ 2.45	\$ (0.61)
27 Subsidy Per Passenger Mile		\$ 0.38	\$ 0.44	\$ 0.42	\$ (0.02)
28 Vehicles Operated		28	28	28	0

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

Light Rail ⁽⁴⁾	Notes	FY07 Actual	FY08 Budget	FY09 Budget	Inc/(Dec) Budget
29 Fares (\$000)		\$ 20,356	\$ 27,255	\$ 27,486	\$ 231
30 Other Revenue (\$000)		\$ 470	-	180	180
31 Expenses (\$000)	(1)	\$ 142,559	\$ 149,149	\$ 156,411	\$ 7,261
32 Boardings (000)		41,345	40,846	41,455	610
33 Farebox Recovery Ratio		14.3%	18.3%	17.6%	-0.7%
34 Vehicle Service Hours (000)	(2)	370	383	395	12
35 Cost Per Hour		\$ 385.09	\$ 389.51	\$ 396.35	\$ 6.84
36 Cost Per Passenger Mile		\$ 0.49	\$ 0.51	\$ 0.54	\$ 0.03
37 Vehicle Service Miles (000)	(2)	8,688	9,218	9,394	176
38 Passenger Miles (000)		291,157	294,356	292,298	(2,058)
39 Fare Revenue Per Boarding		\$ 0.49	\$ 0.67	\$ 0.66	\$ (0.01)
40 Subsidy Per Boarding	(3)	\$ 2.94	\$ 2.98	\$ 3.11	\$ 0.12
41 Subsidy Per Passenger Mile	(3)	\$ 0.42	\$ 0.41	\$ 0.44	\$ 0.03

Heavy Rail ⁽⁵⁾	Notes	FY07 Actual	FY08 Budget	FY09 Budget	Inc/(Dec) Budget
42 Fares (\$000)		\$ 21,698	\$ 26,407	\$ 26,631	\$ 225
43 Other Revenue (\$000)		\$ 2,135	2,341	4,648	2,308
44 Expenses (\$000)	(1)	\$ 85,553	\$ 89,211	\$ 92,428	\$ 3,217
45 Boardings (000)		40,883	39,575	40,166	591
46 Farebox Recovery Ratio		25.4%	29.6%	28.8%	-0.8%
47 Vehicle Service Hours (000)	(2)	263	268	269	1
48 Cost Per Hour		\$ 325.32	\$ 333.22	\$ 343.44	\$ 10.22
49 Cost Per Passenger Mile		\$ 0.44	\$ 0.45	\$ 0.48	\$ 0.04
50 Vehicle Service Miles (000)	(2)	5,986	6,258	6,112	(147)
51 Passenger Miles (000)		194,032	198,786	190,788	(7,998)
52 Fare Revenue Per Boarding		\$ 0.53	\$ 0.67	\$ 0.66	\$ (0.01)
53 Subsidy Per Boarding	(3)	\$ 1.51	\$ 1.53	\$ 1.52	\$ (0.01)
54 Subsidy Per Passenger Mile	(3)	\$ 0.32	\$ 0.30	\$ 0.32	\$ 0.02

(1) Expenses include Transitional Duty Program but exclude interest and debt administration.

(2) Reflect revenue vehicle hours & miles.

(3) Subsidy equals expenses less fares and other operating revenue.

(4) Light Rail includes the Blue, Green and Gold Lines.

(5) Heavy Rail includes the Red and Purple Lines.

Appendix 16: Public Transportation Services Corporation

In December 1996, LACMTA created the Public Transportation Services Corporation (PTSC), a nonprofit public benefit corporation organized under the laws of the state. PTSC was created in order to transfer certain functions, previously performed by the LACMTA, and the employees related to those functions, to this new corporation. The PTSC conducts essential public transportation activities including but not limited to the following: (a) coordinates multi-modal multi-jurisdictional transportation planning, (b) programs Federal, state and local funds for transportation projects

county-wide within Los Angeles County, (c) oversees construction, (d) provides certain business services to the County's Service Authority for Freeway Emergencies (SAFE) and the Southern California Regional Rail Authority (SCRRA), (e) provides security services to the operation of the Metro Bus and Rail systems, and (f) provides other activities and services as it deems necessary. One advantage of the PTSC is that it allows the employees of the corporation, including those transferred from the LACMTA, to participate in the California Public Employees Retirement System (PERS).

Statement Of Revenues, Expenses & Changes in Retained Earnings
For The Years Ending June 30, 2007, 2008 and 2009.

(\$ in millions)

PTSC Only	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Reimbursement for support services	\$ 179.1	\$ 201.7	\$ 221.5
3 Total revenue	179.1	201.7	221.5
4			
5 Operating expenses:			
6 Salaries, wages & fringe	179.0	201.4	221.2
7 Services, leases, taxes & misc	0.1	0.3	0.3
8 Total expenses	179.1	201.7	221.5
9			
10 Increase(decrease) in retained earnings	-	-	-
11			
12 Retained earnings - beginning of year	-	-	-
13			
14 Retained earnings - end of year	\$ -	\$ -	\$ -

Appendix 17: Agency Fund

The Agency Fund is used to report Benefit Assessment financial activity.

A Benefit Assessment is a fee levied to pay for part or all of the cost of capital improvements enhancing the value of property receiving service from, or located near and benefiting from, those capital improvements. A Benefit Assessment District (BAD) is a limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.

Two Benefit Assessment Districts were created pursuant to a resolution adopted by the former Southern California Rapid Transit District's Board of Directors on July 11, 1985 to pay for a portion of the construction costs of the Metro Red Line Segment 1 stations:

- Benefit Assessment District A1 includes the downtown area of Los Angeles. The boundary is set at one-half mile from the centers of the Metro Red Line Union, Civic Center, Pershing Square, and 7th Street Metro Stations.
- Benefit Assessment District A2 includes the MacArthur Park area. The boundary is set at one-third mile from the center of the Westlake/MacArthur Park Station.

The Metro Benefit Assessment District Program has a threefold purpose: (1) to ensure that assessments are levied at a rate high enough to repay the bonded indebtedness and administrative costs, (2) to implement the property owner appeals process, and (3) to maintain a current inventory of assessable properties. Bonds from this program do not constitute an indebtedness of Metro and are payable solely from payments received on assessments against the levied properties.

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2007, 2008 and 2009**

(\$ in millions)

Agency Fund	Benefit Assessment District		
	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Other	\$ 21.4	\$ 22.9	\$ 23.1
3 Total revenues	21.4	22.9	23.1
4			
5 Expenditures:			
6 Debt and interest expenditures	21.2	22.6	22.9
7 Operating expenditures	0.2	0.3	0.2
8 Total expenditures	21.4	22.9	23.1
9			
10 Net change in fund balances	-	-	-
11			
12 Fund balances - beginning of year	-	-	-
13			
14 Fund balances - end of year	\$ -	\$ -	\$ -

Appendix 18: Exposition Metro Line Construction Authority

The Exposition Metro Line Construction Authority was created by the State Legislature under Public Utilities Code Section 132600, et seq. for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Exposition Metro Light Rail project from the Metro Rail Station at 7th Street and Flower Street in the City of Los Angeles to the downtown of the City of Santa Monica.

The Authority is governed by a board consisting of seven voting members, who are appointed as follows: 1) two members appointed by the City Councils of the Cities of Santa Monica and Culver City, 2) two members appointed by the Los Angeles County Board of Supervisors, 3) one member appointed by Metro, and 4) two members appointed by the City Council of the City of Los Angeles. The CEO of Metro also serves as an ex officio, non-voting member.

Los Angeles County Metropolitan Transportation Authority
FY09 Budget

**Statement of Revenues, Expenditures and Changes in Fund Balances
For The Years Ending June 30, 2007, 2008, and 2009.**

(\$ in millions)

Exposition Metro Line Construction Authority	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Reimbursement from Metro	\$ 66.9	\$ 173.5	\$ 223.5
3 Total revenue	66.9	173.5	223.5
4			
5 Expenditures:			
6 Expo & Metro Staff/Administration	4.2	7.2	1.6
7 Land, Building & Equipment Acquisition	2.9	18.2	12.6
8 Design/Build Contract	59.8	148.1	209.3
9 Total expenditures*	66.9	173.5	223.5
10			
11 Increase(decrease) in retained earnings	-	-	-
12			
13 Retained earnings - beginning of year	-	-	-
14			
15 Retained earnings - end of year	\$ -	\$ -	\$ -

* FY09 Budget: Phase I is \$215.6 million and Phase II is \$8.0 million.

Appendix 19: Service Authority for Freeway Emergencies

The Los Angeles County Service Authority for Freeway Emergencies (SAFE) was established in Los Angeles County in 1988. SAFE is a separate legal authority created under state law and is responsible for providing motorist aid services in Los Angeles County. SAFE currently operates, manages and/or funds:

- The Los Angeles County Kenneth Hahn Call Box System
- #399 – Mobile Call Box program
- The Metro Freeway Service Patrol
- The Motorist Aid and Traveler Information System (MATIS)

In FY09, SAFE will continue the operation and management of the call box system and the #399 program. SAFE will also

continue its funding of the expansion of the Metro FSP program.

In FY08, SAFE implemented a new Motorist Aid and Traveler Information System (MATIS). This new system consolidates all call center operations, provides Metro FSP fleet monitoring services and provides comprehensive traveler information services via the web and phone (511). SAFE began the operation of MATIS during the third quarter of FY08.

SAFE receives its funding from a dedicated \$1 surcharge assessed on each vehicle registered within Los Angeles County. SAFE's annual budget is developed and approved separately from Metro's budget by the SAFE Board of Directors.

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2007, 2008 and 2009**

(\$ in millions)

Service Authority for Freeway Emergencies	FY07 Actual	FY08 Budget	FY09 Budget
1 Revenue:			
2 Investment income	\$ 1.8	\$ 0.7	\$ 0.7
3 Licenses and fines	7.8	7.0	7.0
4 Total Revenues	9.5	7.7	7.7
5 Expenditures:			
6 Services	2.5	15.0	12.8
7 Operating expenditures	1.3	1.6	2.9
8 Total Expenditures	3.9	16.7	15.8
9 Excess (deficiency) of revenue over			
10 expense before transfers	5.7	(9.0)	(8.1)
11 Other Financing Sources (Uses):			
12 Operating Transfers in	-		-
13 Operating Transfer (out)	(2.4)	(3.0)	(2.0)
14 Total Other Financing and Sources (Uses)	(2.4)	(3.0)	(2.0)
15 Fund balances - beginning of year	32.5	35.7	23.8
16 Fund balances - end of year	\$ 35.7	\$ 23.8	\$ 13.7

Appendix 20: Metro's Clientele

Demographic Profile of Metro Bus Riders by Sector*						
Characteristic	Metro System	San Fernando Valley	San Gabriel Valley	West Central	South Bay	Gateway
Gender (Percent):						
Male	43	44	43	44	41	43
Female	57	56	57	56	59	57
Median Household Income	\$12,000	\$13,000	\$12,000	\$12,000	\$12,000	\$11,000
Mean Age (Years)	39.6	39.9	39.3	40.6	39.5	38.4
Ethnicity (Percent):						
Hispanic/Latino	58	56	68	59	46	64
African-American/Black	20	10	12	16	36	25
White/Caucasian	12	22	8	14	9	5
Asian/Pacific Islander	8	9	10	9	6	4
Other (American-Indian/ Multi-Racial)	2	3	2	2	3	2

*FY2002 On-Board Bus Survey, page 4.

Summary of Survey Results - Bus

Major findings from 31,000 completed surveys for the FY2002 Bus On-Board (Weekday) Survey are as follows:

Demographic Profile

- Weekday Metro Bus riders are 57% female and 43% male, with little difference by Metro service sector.
- Median annual household income for weekday bus riders is \$12,000 per year, again with little difference by service sector.
- Latinos are the largest ethnic group among weekday riders (58%). African-Americans are 20% of the ridership, and Whites and Asians are 12% and 8%, respectively. Latino bus riders are particularly prominent in the San Gabriel Valley (68%) and Gateway (64%) sectors. African-American riders comprise 36% of the South Bay sector. White riders are most numerous in the San Fernando Valley (22%).

- The average age of weekday riders is 39.6. Whites and Asians are older than the other groups (46.5 and 45.9, respectively).

Travel Characteristics

- A large majority of weekday Metro Bus riders (74%) use more than one bus or train in the course of their one-way trip.
- Riders access their first bus or train almost entirely by walking (93%). A similar percentage (94%) walks to their final destination.
- Most riders (82%) use Metro buses 5 or more days per week.
- The home-to-work trip (and its reverse work-to-home) constitutes 58% of all weekday trips.
- Most weekday Metro Bus riders use passes to pay their boarding fare (52%), more than 1/3 of whom use the regular monthly pass. Pass use is highest in the West Central sector (58%) and lowest in South Bay (50%).

Travel Patterns

- San Fernando Valley sector riders remain within the San Fernando Valley sector on 66% of all bus trips that originate there. This is in contrast to the San Gabriel Valley (47%) and South Bay (48%)—the only two sectors where a majority of riders travel outside of their sector.
- The major destination for riders outside of their own sector (for all sectors except West Central) is West Central. From the San Fernando Valley and South Bay, trips to West Central outnumber all other inter-sector trips combined, and from the San Gabriel Valley West Central trips are virtually equal to the total trips to all other sectors. Only from Gateway are West Central trips not so common.

Demographic Profile of Metro Rail Riders by Line*				
Characteristic	All Lines	Blue Line	Red Line	Green Line
Gender (Percent):				
- Male	55	54	55	57
- Female	45	46	45	43
Median Household Income	\$22,000	\$17,000	\$25,000	\$22,000
Mean Age (Years)	39.0	37.6	39.8	38.6
Ethnicity (Percent):				
- Hispanic/Latino	41	43	39	41
- White/Caucasian	24	15	30	18
- African-American/Black	22	32	16	28
- Asian Pacific Islander	9	7	11	10
- Other (American Indian/Multi-Racial)	4	3	4	3

*FY2002 On-Board Rail Survey, page 3 (before opening of Gold Line in summer of 2003)

Summary of Survey Results - Rail

For the FY2002 Rail On-Board (Weekday) Survey, here are major findings from 12,182 completed surveys.

Demographic Profile

- Weekday Metro Rail riders are 55% male and 45% female, with little difference by line.
- Median annual household income is \$22,000 per year. The Red Line demonstrates the highest income of \$25,000 per year and the Blue Line the lowest at \$17,000 per year.
- Latinos are the largest ethnic group of riders (41%), with only small variations by line. Caucasian riders represent 24% of the ridership for all lines but 30% for the Red Line. African-American riders comprise 32% of the Blue Line and 28% of the Green Line, but only 22% overall owing to low Red Line ridership (16%).
- Median annual household income among Caucasian riders is \$50,000 and over. African-Americans average

\$21,000 and Latinos \$14,000. Median income among Asian riders is \$34,000. All four ethnic groups demonstrate their lowest median income on the Blue Line. Latino and Asian incomes are highest on the Green Line.

- The mean age of Metro Rail riders is 39.0 years. Latino riders are notably younger than other groups (34.8 years) and Caucasian riders are the oldest (45.0 years).

Travel Characteristics

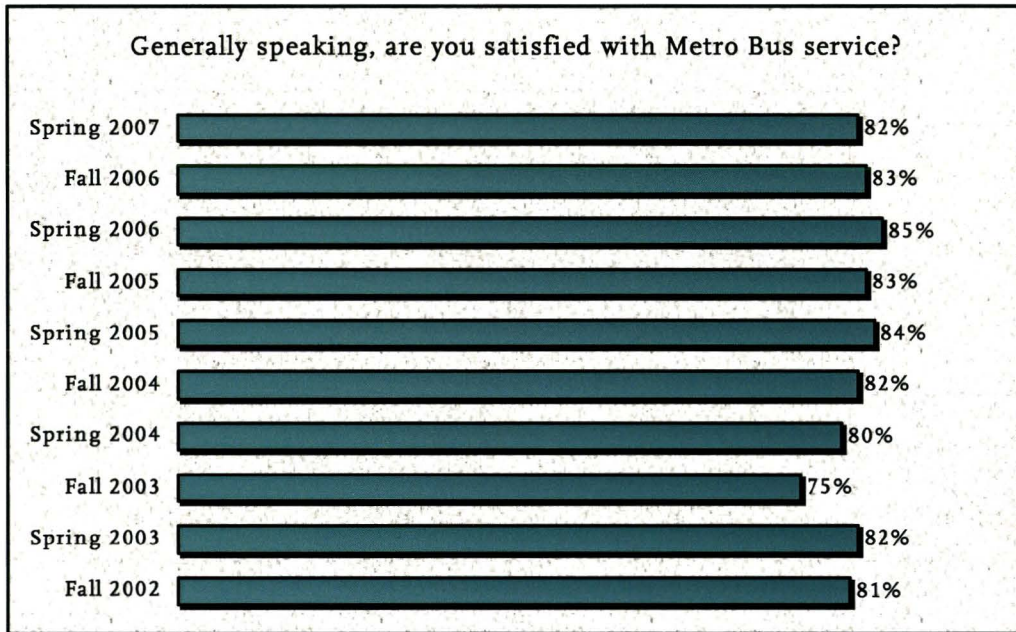
- A large majority of weekday Metro Rail riders (67%) use more than one bus or train in the course of their one-way trip.
- Riders access their first bus or train mostly by walking (70%). An even larger percentage (82%) walks to their final destination.
- Most riders (72%) use Metro Rail 5 or more days per week.
- The 7th Street/Metro station (26%) and Pershing Square (9%) attract the most work trips.

- The dominant trip purpose for frequent weekday Metro Rail riders is the home-work trip (71%); the second most prevalent trip purpose is home-school (9%).
- Riders indicate that their median one-way trip consumes 65 minutes, including 35 minutes on board buses and trains and 10 minutes each for getting to, getting from, and waiting.
- Most Metro Rail riders use passes to pay their boarding fare (58%), half of whom use the regular monthly pass. Red Line pass usage is particularly high (66%) because of Metrolink riders.

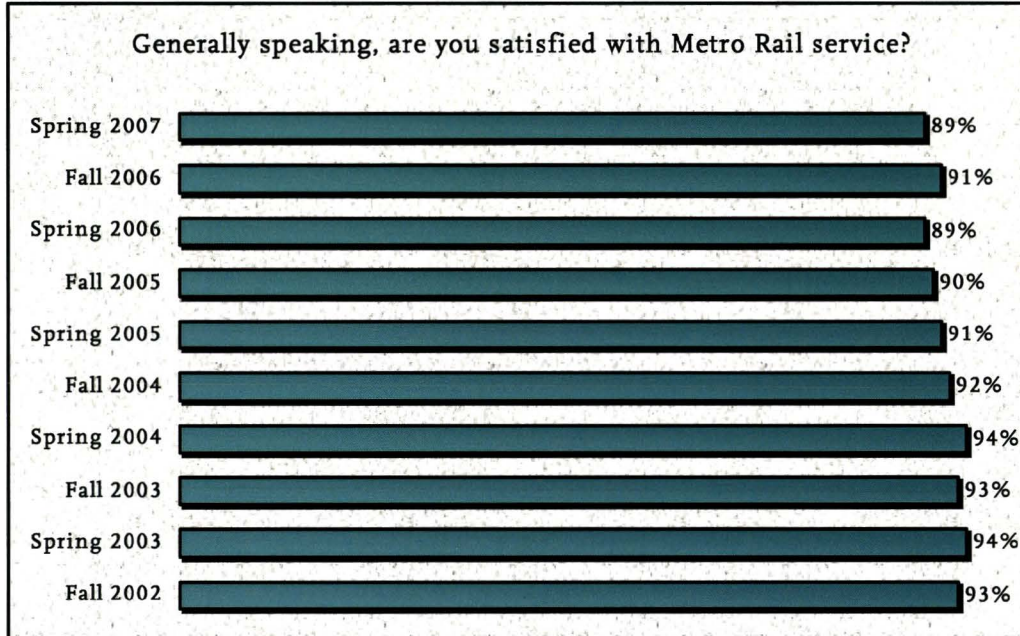
Clientele and Economic Conditions

Metro has seen an increase in ridership that is attributed to soaring gasoline prices. Ridership on the Red Line jumped 10% in the first nine months of FY06 compared to the same period in FY05. Boardings rose 15% on the Green Line and 13% on the Blue Line. Bus boardings, including the Orange Line, increased 8%.

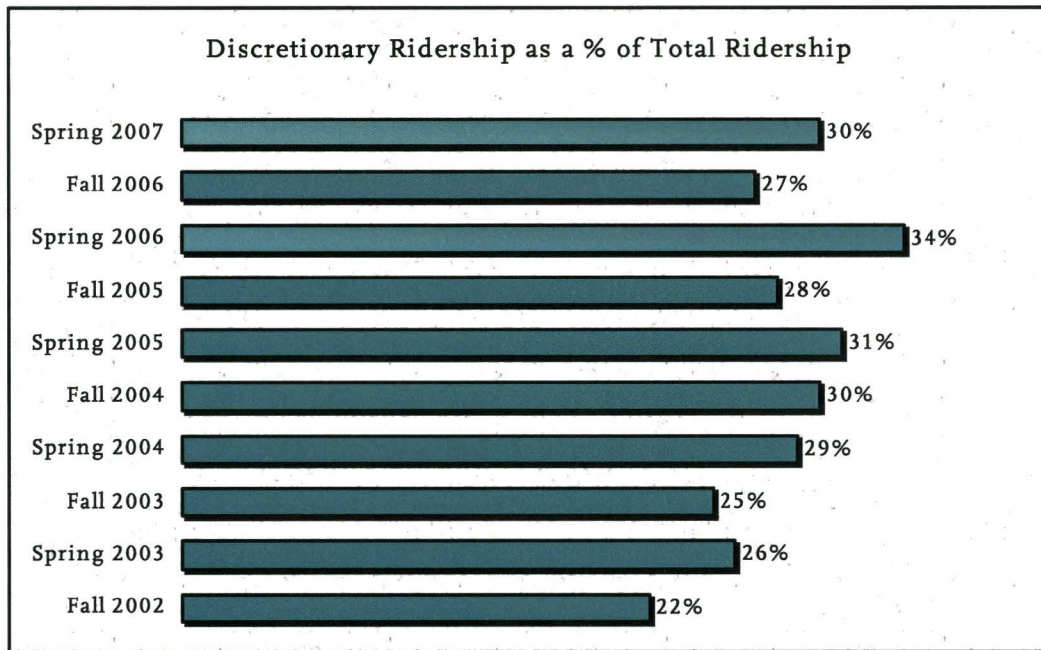
Customer Satisfaction Survey – Bus



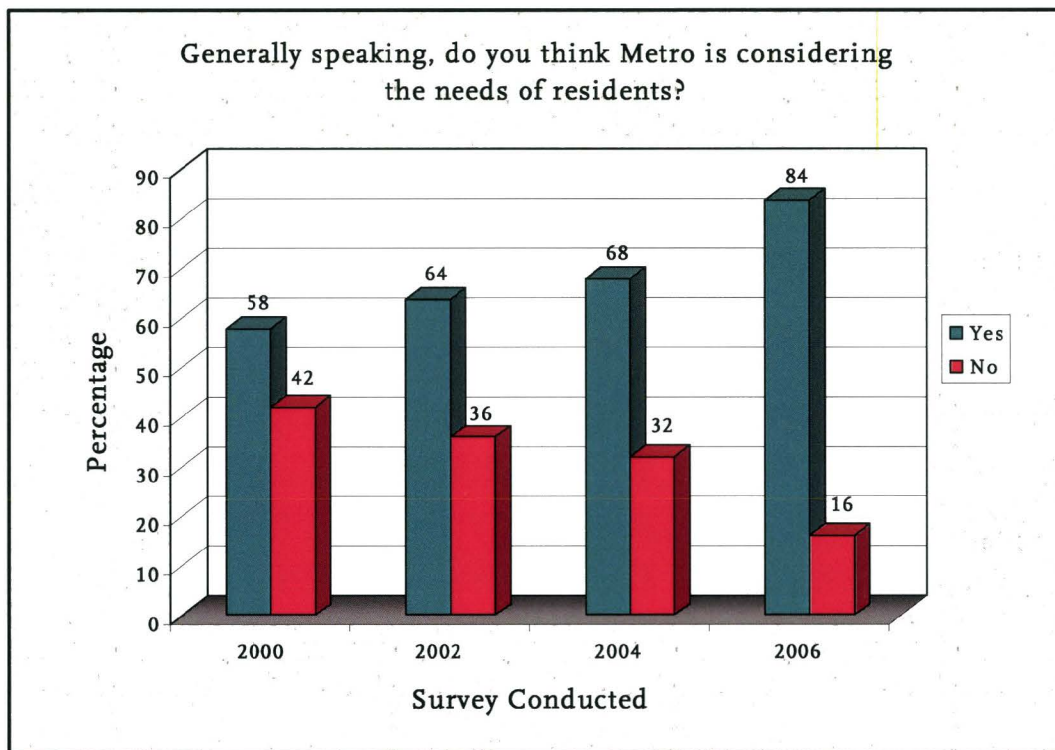
Customer Satisfaction Survey – Rail



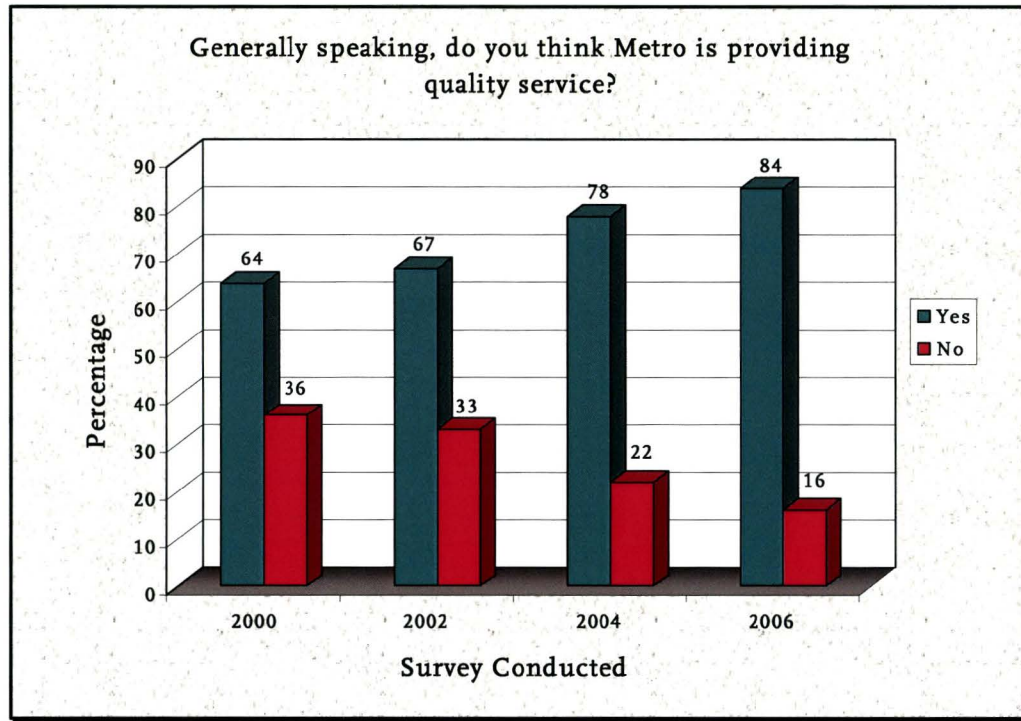
Discretionary Ridership Survey



Needs of Residents Survey



Service Quality Survey



Appendix 21: Demographics, Statistics, and Economic Outlook

Location

Los Angeles County is located in Southern California and is included in Southern California Association of Governments (SCAG) which functions as the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles.¹ (See map on page VII-70.)

Cities in Los Angeles County

Cities in the county include: Agoura Hills, Alhambra, Arcadia, Artesia, Avalon, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Beverly Hills, Bradbury, Burbank, Calabasas, Carson, Cerritos, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Duarte, El Monte, El Segundo, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Industry, Inglewood, Irwindale, La Canada-Flintridge, La Habra Heights, Lakewood, La Mirada, Lancaster, La Puente, La Verne, Lawndale, Lomita, Long Beach, Los Angeles, Lynwood, Malibu, Manhattan Beach, Maywood, Monrovia, Montebello, Monterey Park, Norwalk, Palmdale, Palos Verdes Estates, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Fe Springs, Santa Monica, Sierra Madre, Signal Hill, South El Monte, South Gate, South Pasadena, Temple City, Torrance, Vernon, Walnut, West Covina, West Hollywood, Westlake Village and Whittier.

Land Area

The geography of Los Angeles County covers 4,084 square miles, and had a January, 2008 population of 10.4 million. California is the nation's most populous state and about 28% of the state's population lives in Los Angeles County. The County's population could make it close to the eighth largest state in the nation, comparable to Michigan.²

Geography

Land area: 4,084 square miles

Unincorporated area: 2,638 square miles

Flat land: 1,741 square miles

Mountains: 1,875 square miles

Hills: 246 square miles

Islands: 129 square miles

Mountain valleys: 59 square miles

Marsh land: 28 square miles

Mainland coast: 75 miles

Note: Santa Catalina and San Clemente Islands are part of Los Angeles County (71.96 and 57.17 square miles respectively).³

Altitude

Lowest point: 9 feet below sea level at Wilmington

Highest point: 10,080 feet above sea level atop Mt. San Antonio⁴

Transportation

Los Angeles County has a varied, extensive transportation network. It has the Los Angeles International Airport, plus three other commercial airports: Bob Hope Airport in Burbank, Palmdale Regional Airport, and Long Beach Airport. The county is serviced by the ports of Los

Angeles, Long Beach, and Port Hueneme. And there is an array of mass transit options: various bus operators, Amtrak, Metrolink commuter rail, and Metro Rail subway and light rail. (See Air & Rail Transportation Map on page VII-71.) Major rail freight service is provided by the Burlington Northern Santa Fe and Union Pacific railroads. Los Angeles County also has its world famous freeway system.

Roadway miles (excluding freeways) in Los Angeles County are as follows:

City roadways: 17,021 miles

County roadways: 2,967 miles

State highways: 865 miles

Total: 20,853 miles⁵

Demographics:

Population of Los Angeles County (January 2008)

Total in Los Angeles County: 10,363,850

Largest City (Los Angeles): 4,045,873

Living within cities (88 cities): 9,271,772

Living in unincorporated areas: 1,092,001⁶

(See Population Distribution Map on page VII-72.)

Language Diversity

As of 2006, 56% or about 5.2 million people in Los Angeles County speak a language other than English at home as compared to 19.7% for the U.S. as a whole (population: age 5 years and over).⁷

Average Household Income

Median household income is estimated at \$48,451 as of 2006 Census Data (in 2006 inflation-adjusted dollars) for Los Angeles County residents.⁸

Poverty in Los Angeles County

1.6 million Los Angeles County residents, about 15% of residents, have a household income in the poverty range. Average poverty thresholds are dependent on the number of persons per household: 1 person under \$10,295 ranging up to 9 people or more under \$41,588.⁹

The poverty rate of Los Angeles County is 24% (about 652,752) for children or about one out of every four children under 18 years of age is living in a household with an income within the poverty threshold.¹⁰

“In 2007, the Los Angeles Homeless Services Authority (LAHSA) counted 73,702 homeless persons in Los Angeles County (including the 68,608 persons in the Los Angeles Continuum of Care (CoC) and 5,094 persons in the cities of Pasadena, Glendale, and Long Beach). On an annual basis, this means that approximately 141,737 residents of the Los Angeles County Continuum of Care area are homeless at some point over the course of the year. Over 80% were living in Los Angeles County when they became homeless.”¹¹

Local Economy of Los Angeles County

The “new economy” of Los Angeles County is often technology-driven, and includes bio-medicine, digital information technology, multimedia, and advanced transportation technology. This reflects the vibrant technological research capabilities of the County and its creative resources and the growing fusion between technology and creativity.

Economic Strength in the Los Angeles County Region

Major Industries

International trade is a major component of the area’s economy. The Los Angeles Customs District (including the ports of

Long Beach and Los Angeles, Port Hueneme, and Los Angeles International Airport) is the nation's largest, based on value of two-way trade. International trade activity, as measured by two-way trade value, should increase by a modest 5.0% in 2008 to \$367.0 billion. Rising energy costs present a challenge to this once reliable growth engine for the County, as shippers balance transit times versus costs of moving goods." Major investments are being made in port and transportation facilities and there are also multiple foreign trade zone designations.

Employment Levels

Total civilian employment as of May 2008 (preliminary data not adjusted for seasonality) was 4,925,500. Total employment for all industries counted was 4,125,300, a decrease of -0.2% from the previous year. Farm jobs totaled 8,400. Non-farm jobs totaled 4,116,900. (Note: Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.)¹²

The gross product of Los Angeles County in 2007 was \$464.4 billion a 4.7% increase from 2006, which would make it the 18th largest national economy in the world if the County were a country. This ranking dropped from 17th in 2006 to 18th in 2007.
13

Los Angeles County has a diverse economic base and is the largest major manufacturing center in the U.S. on the basis of employment, with 443,100 workers in this activity in May 2008, a decrease of -0.2% from the previous year. The largest manufacturing components are split between durable goods and nondurable goods jobs. 244,200 durable goods jobs, including:

- Computer and Electronic Product Manufacturing with 55,200 jobs.
- Fabricated Metal Products with 48,900 jobs.
- Transportation Equipment Manufacturing with 48,800 jobs.

198,900 nondurable goods jobs, including:

- Textile Mills with 57,200 jobs.
- Apparel Manufacturing with 53,800 jobs.
- Food Manufacturing with 43,100 jobs.

Other leading industries in Los Angeles County are in Service Jobs providing 3,521,400 jobs including:

- Trade, Transportation and Utilities with 808,300 jobs.
- Government jobs are 609,900.
- Professional Services and Business Services with 604,700 jobs.
- Educational and Health Services with 502,500 jobs (an increase of 2.7% from previous year).
- Leisure and Hospitality with 404,500 jobs.
- Financial Activities and Real Estate with 238,200 jobs.
- Information with 203,200 jobs. Included in Information is Motion Picture and Sound Recording with 123,300 jobs and Broadcasting in Radio, TV, and Cable (except Internet) with 19,800 jobs.
- Other Services include 150,100 jobs.

(See County-to-County Commuting Maps on page VII-73.)

Major Employers in Los Angeles County

This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2008 1st Edition.

- American Honda Motor Co Inc

- Amtrak
- BP Carson Refinery
- BP West Coast Products
- California Institute Of Technology
- Century Plaza Towers
- Children’s Hospital
- Gardena Fire Department
- Jet Propulsion Laboratory
- Kaiser Foundation Hospital
- Kaiser Permanente
- Lockheed Martin Aeronautics Co.
- Long Beach Memorial Hospital
- Los Angeles County Fire Dept.
- Los Angeles Police Department
- Pacific Enterprises Company
- Penske Truck Rental
- Six Flags Magic Mountain Inc.
- Sony Pictures Entertainment
- UCLA
- University-of Southern California
- VA Greater Los Angeles Health
- Walt Disney Co.
- Women & Children’s Hospital

7.1 percent in June 2008 from the rate of 4.9 percent one year ago in 2007. The California seasonally adjusted unemployment rate was 7.0 percent in June 2008, and 5.3 percent a year ago in June 2007. The comparable estimates for the nation were 4.5 percent in June 2007, and 4.6 percent a year ago.”¹⁴

Education

Higher and specialized education is a strength of Los Angeles County with about 200 college and university campuses. These range from California Institute of Technology, the Claremont Colleges, UCLA, and USC, to specialized institutions such as the California Institute for the Arts, the Art Center College of Design, the Fashion Institute of Design and Merchandising, and the Otis Art Institute. Medical education is also a strong point with two medical schools, two dental schools, and two eye institutes, as well as specialized research and treatment facilities such as the City of Hope.

Employment and Wages

Unemployment rate and labor force (not seasonally adjusted) for Los Angeles County as of June, 2008 is as follows:

Labor force: 4,920,800

Employed: 4,573,000

Unemployed: 347,800

“The seasonally adjusted unemployment rate in Los Angeles County increased to

Change in Size of School Age Population ¹⁵

**Los Angeles County Education Public School Enrollment
By Ethnic Group, K-12**

	1990		1999-2000		2006-2007		2000-2007
	number	percent	number	percent	number	percent	% change
Total Enrollment	1,406,718	100.00%	1,650,948	100.00%	1,673,257	100.00%	1.35%
Asian	117,012	8.32%	130,959	7.93%	124,594	7.45%	-4.86%
African American	173,308	12.32%	188,100	11.39%	165,635	9.90%	-11.94%
Filipino	25,766	1.83%	31,232	1.89%	38,002	2.27%	21.68%
Hispanic	729,157	51.83%	966,699	58.55%	1,039,272	62.11%	7.51%
Native American, Eskimo or Aleut	4,064	0.29%	4,929	0.30%	4,812	0.29%	-2.37%
Pacific Islander	7,226	0.51%	8,021	0.49%	6,613	0.40%	-17.55%
Other (multiple answer/ no answer)			3,010	0.18%	30,294	1.81%	906.45%
White	350,185	24.89%	317,998	19.26%	264,035	15.78%	-16.97%

Culture and Recreation

Metro provides transportation services to many cultural destinations, including museums, gardens, beaches, harbors and parks. There are numerous performing arts centers, theatres, forums, and halls. Los Angeles County also has many sporting events and is home to world renowned teams. Metro also offers art tours of the art work at its rail stations.¹⁶

Healthcare

Metro transports its customers to a large number of hospitals and other medical facilities. Although the number of emergency rooms has been reduced in recent years in Los Angeles County due to financial and other problems, U.S. News and World Report has released its 2008 Reports and the news is that University of California at Los Angeles (UCLA) Ronald Reagan Medical Center, Los Angeles is ranked third overall in the USA. Please see U.S. News and World Report (July 10, 2008) for a more complete list of hospitals in the competition and the resulting honor roll.

Public Safety

Metro bus and train operators do their best to avoid traffic accidents driving through one of the most congested service areas in the USA with one of the highest crime indicators: One of every five motor vehicles stolen in the USA occurs in California.

Metro coordinates with city, county and regional response teams and emergency preparedness officials. When an emergency occurs, the LA County Sheriff takes the lead for response and manages the emergency operations center with Metro as an active participant. Assessments and directions are conducted and given through the Sheriff to Metro and other entities such as first responders. The Sheriff's office also coordinates all public sector/municipalities response efforts. In the event of an incident, Metro takes the lead in assisting the Sheriff's office with regard to public transit services: to offset service interruptions as well as maintain service in all unaffected areas.¹⁷

All emergency preparedness is coordinated by the County and the State. There is a regional operation for the State Office of Emergency Services and the

county operates an office of emergency management. Most entities within the county integrate their emergency planning into what is coordinated by the county.

By Category and Crime

Los Angeles County Compared to California State¹⁸

Category/Crime	County 2006	State 2006	% of State
Violent Crimes	65,047	194,128	34%
Homicide	1,012	2,483	41%
Forcible Rape	2,342	9,213	25%
Robbery	27,726	70,961	39%
Aggravated Assault	33,967	111,471	30%
Property Crimes	179,574	707,607	25%
Burglary	55,499	246,449	23%
Motor Vehicle Theft	64,698	242,692	27%
Total Larceny-Theft	149,138	666,869	22%
Over \$400	59,377	218,466	27%
\$400 and Under	89,761	448,403	20%
Arson	3,801	12,687	30%

Demographic Factors that Affect Current and Future Levels of Service

Population Growth

Today more than 10 million people call Los Angeles County home, residing in 88 cities and in approximately 140 unincorporated areas.

Los Angeles County's population equals about 27% of the State of California. From 2007 to 2008, California's population grew 1.3%; Los Angeles County's population grew by 0.9%.

Population Estimates with Annual Percent Change January 1, 2007 and 2008¹⁹

State/County	Total Population		Percent Change
	1/1/2007	1/1/2008	
California	37,559,440	38,049,462	1.3%
Los Angeles	10,275,914	10,363,850	0.9%

LA County Economic Outlook

According to the most current Los Angeles Economic Development Corporation Forecast of July 16, 2008, the economy is expected to be impacted both by positive forces and negative forces for 2008 into 2009. The County's unemployment rate for total non-farm employment is expected to increase slightly from the 2008 average of 6.2% to an average 6.3% in 2009. "Home values continue to fall due to the on-going mortgage crisis. Retailing is dampened by the sluggish economy. The entertainment industry is still being affected by labor problems. Fuel prices are sky high."²⁰

Regional industries with favorable outlooks for 2008 include international trade, technology and international travel and tourism. A variety of ongoing major construction projects will continue in 2008

including: hospital replacements, Port expansions /environmental enhancements at Ports of Long Beach and Los Angeles; School Building Programs; Transportation projects; and others.

Continuing challenges for Los Angeles County include dealing effectively with constrained land availability, industrial space shortages, mortgage lending practices impacts and continued cooling in the housing market, poverty, crime, traffic congestion, and the labor situation in ports and the entertainment industry. Economist Jerry Nickelsburg of the UCLA Anderson Forecast predicts, "On the positive side, the Bay Area and Los Angeles continue to carry the state with widespread job gains in the service and selected manufacturing sectors. Export oriented, diversified, and less exposed to the housing bubble, they continue to grow and benefit from both that growth which is taking place elsewhere in the U.S. and the boom in exports from the U.S." ²²

Metro has been fully engaged in addressing traffic congestion, which has been a long acknowledged problem and has become a more prominent issue. At the beginning of 2008, Los Angeles County had 7,586,782 registered vehicles and 5,983,989, registered driver licenses.²³

Local Transportation History

Los Angeles County has been served by public transit for nearly 130 years. During this time, at least 220 private and public companies have operated systems that have included horse cars, cable cars, incline railways, steam trains, electric streetcars, interurban cars, trolley buses, and gas or diesel powered buses. The major players in this long history are noted below.

By 1933, Pacific Electric and Los Angeles Railway had included bus passenger service, but patronage of rail and bus had been crippled by the advent of the automobile, which resulted in even larger decline in the later forties and fifties. One reason noted for the change to buses was a serious drought in 1924 which caused a power shortage and required Pacific Electric to limit electric trolley service.

Various independent bus companies came into being with the intention of competing with the existing system. A history of bus service in the county follows:

1922-1939	Motor Transport Company
1923-1949	LA CBD & Westside Lines
1920's	Original Stage Line Los Angeles-San Fernando
1920's	Pasadena Ocean Park State Line
1920's	Studio Bus line (Hollywood-Culver City)
1930	Los Angeles Motor Bus Company
1930's-1954	Asbury Rapid Transit System
1945	Los Angeles Transit Lines
1953-1958	Metropolitan Coach Lines
1951-1964	Los Angeles Metropolitan Transit Authority Acquisitions: Crosstown Suburban Bus Lines (1961), Foster Transportation Co (1962), Riverside City Lines (1963), Glendale City Lines (1962)
1964-1993	Southern California Rapid Transit District Acquisitions: Pasadena City Lines (1940-67), Inglewood City Lines (1942-67), Blue & White Bus Company (1967-1971), Eastern City Transit (1949-1971), San Pedro Motor Bus Assn. (1961-1973), Highland Transit - San Pedro (1938-1972), San Pedro Transit Lines (1961-1973), Western Greyhound Lines - Long Beach to Santa Monica (1923-1974), Ontario-Upland Bus Lines (1928-1973), Pomona Valley Municipal Transit System (1966-1972)
1976-1993	Los Angeles County Transportation Commission
1993 - present	Los Angeles County Metropolitan Transportation Authority (Metro)

In 1973, the State of California formed county public transportation agencies for Orange (OCTD now OCTA), Riverside (RTA) and San Bernardino (OmniTrans)

Counties, giving local control to their rapidly growing populations.²⁴

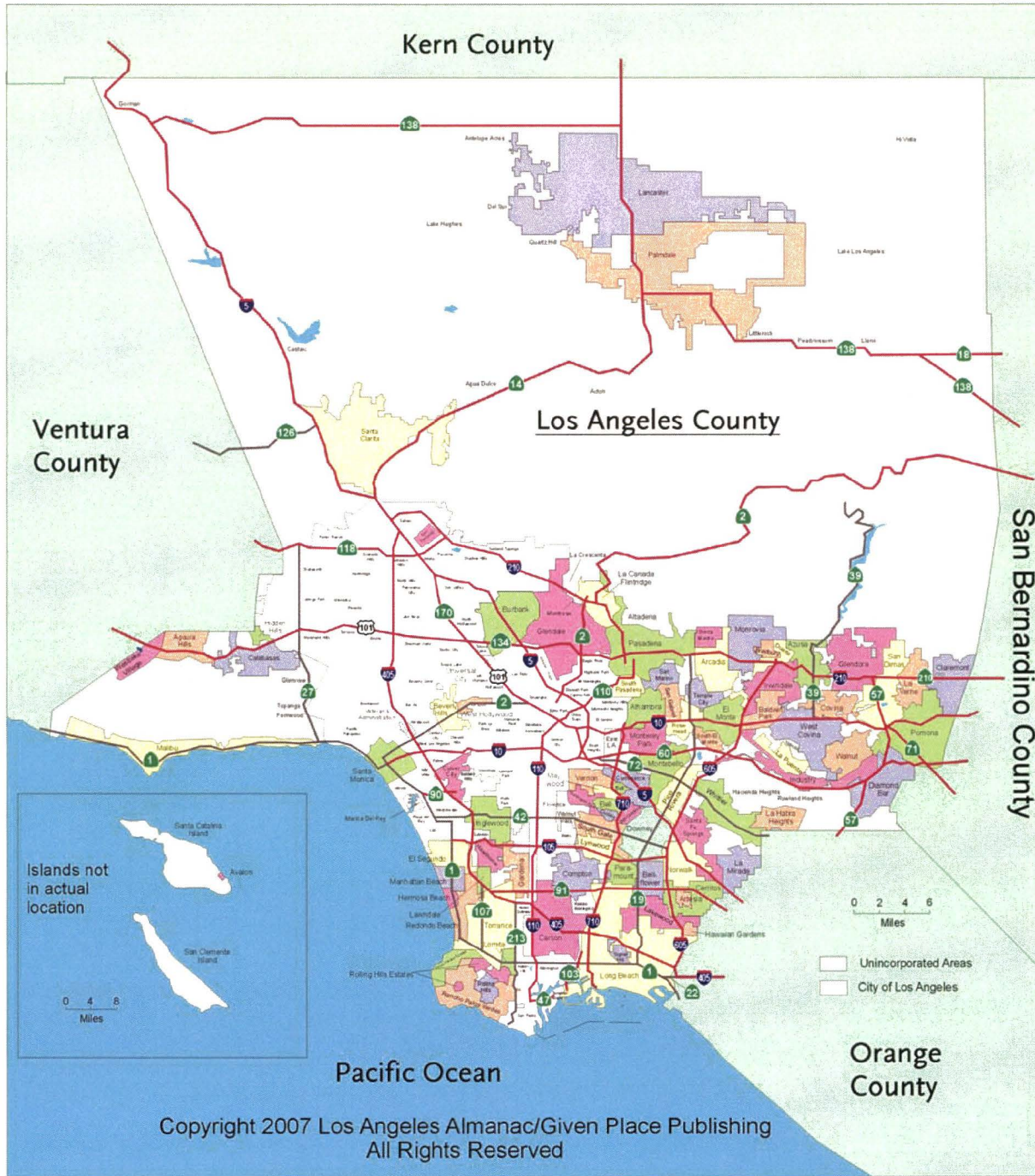
The Street Railway History of Los Angeles²⁵

Los Angeles has a rich history of local public transportation based on street railways, including many predecessors of Metro as detailed below.

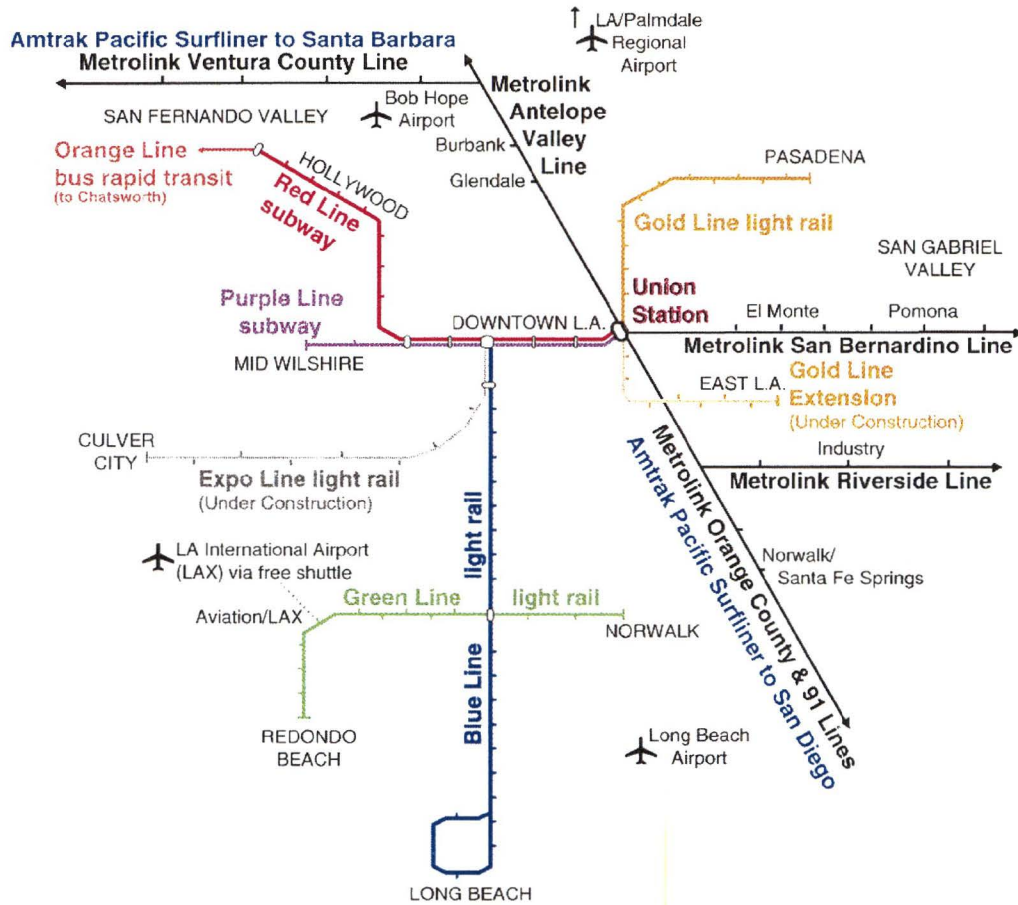
- 1873 Spring and Sixth Street Railroad Co.
- 1885-1889 Second Street Cable Railroad
- 1886 Pasadena Street Railroad Company
North Fair Oaks Avenue Line (horsecar)
- 1886-1888 Colorado Street Railway Company
East Colorado Street Line (horsecar), South Loop Line (horsecar)
- 1886-1898 Temple Street Cable Railway
- 1886-1894 Los Angeles Electric Railway (Pico Electric Railway), Electric Rapid Transit Company, The Belt Line Railway Company
- 1886-1894 Los Angeles and Pacific Railway
(Los Angeles Ostrich Farm Railway Company, Los Angeles County Railway Company)
- 1886-1901 Santa Ana, Orange and Tustin Street Railway Company, The Santa Ana and Orange Motor Company, The International Railway Company
- 1886-1911 Riverside and Arlington
(Crescent City Railway Company, Hall's Addition Railway Company, Riverside Railway Company, San Bernardino Interurban Railway Company)
- 1887-1893 City Railway Company of Pasadena
North Fair Oaks Avenue Line
- 1887-1893 San Gabriel Valley Rapid Transit Railroad
- 1888 Highland Railroad Company
North Lake Avenue Line, North Loop Line, Arroyo Seco Line
- 1888 West Second Street Cable Railway
- 1888 Pacific Railway Company
- 1889-1896 Los Angeles Cable Railway Company, Pacific Railway Company
- 1890-1895 Los Angeles Consolidated Electric Railway Company - LACE
- 1891 West Pasadena Railway Company
West Colorado and Orange Grove Avenue Line
- 1893-1938 Pasadena and Mount Wilson Railway, Pasadena and Mount Lowe Railway, Pacific Electric Mt. Lowe Division
- 1894-1902 Pasadena and Los Angeles Electric Railway, Los Angeles and Pasadena Electric Railway Company
- 1895-1910 Los Angeles Railway Company

- 1895-1903 Los Angeles Traction Company
- 1897-1902 Los Angeles and Pasadena Electric Railway, Pasadena Electric
- 1896-1911 Los Angeles Pacific
- 1899-1953 Pacific Electric
- 1899-1903 Redlands Street Railway
- 1901-1908 Playa Del Rey Incline
- 1901-1911 Los Angeles and Redondo
- 1901-1969, Angels Flight
- 1996-2001,
2007-
- 1903-1910 Los Angeles Inter-Urban Railway (The Los Angeles and Glendale Electric Railway Company, The Los Angeles Traction Company)
- 1903-1911 Redlands Central Railway
- 1903-1911 San Bernardino Valley Traction Company
- 1904-1943 Court Flight
- 1904-1918 Santa Catalina Incline Railway
- 1921-1923 (Island Mountain Railway)
- 1909-1919 Los Angeles and Mt. Washington Incline Railway
- 1909-1930 Glendale and Montrose
(Glendale and Eagle Rock)
- 1910-1912 Laurel Canyon Utilities Company
- 1910-1929 Santa Monica—Ocean Park—Venice Electric Tram
- 1910-1945 Los Angeles Railway Corporation - LARy
- 1916-1953 White Bus Lines, Motor Transit Company, Pacific Electric Motor Transit Lines
- 1917-1918 Montecito Railroad Company
- 1923-1949 Los Angeles Motor Bus Company, Los Angeles Motor Coach Company
- 1945-1958 Los Angeles Transit Lines - LATL
- 1953-1958 Metropolitan Coach Lines - MCL, Asbury Rapid Transit (1954-on)
- 1958-1963 Los Angeles Metropolitan Transit Authority - LAMTA
- 1963-1993 Southern California Rapid Transit District (No rail operations until Blue Line.)
- 1993-on Los Angeles County Metropolitan Transportation Authority - LACMTA - Metro
- 1999-on Los Angeles to Pasadena Blue Line Construction Authority on to Montclair

Map of Los Angeles County



Los Angeles County Air & Rail Transportation Map



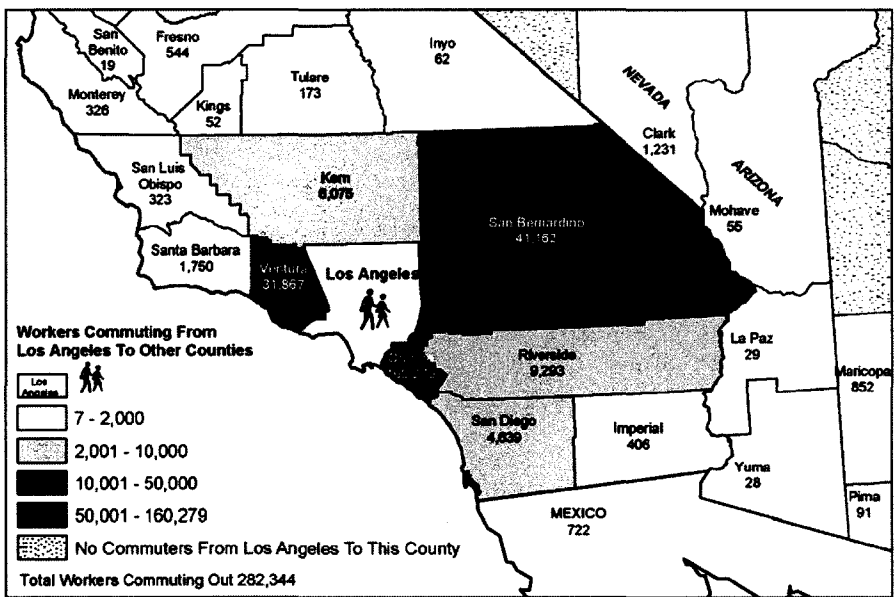
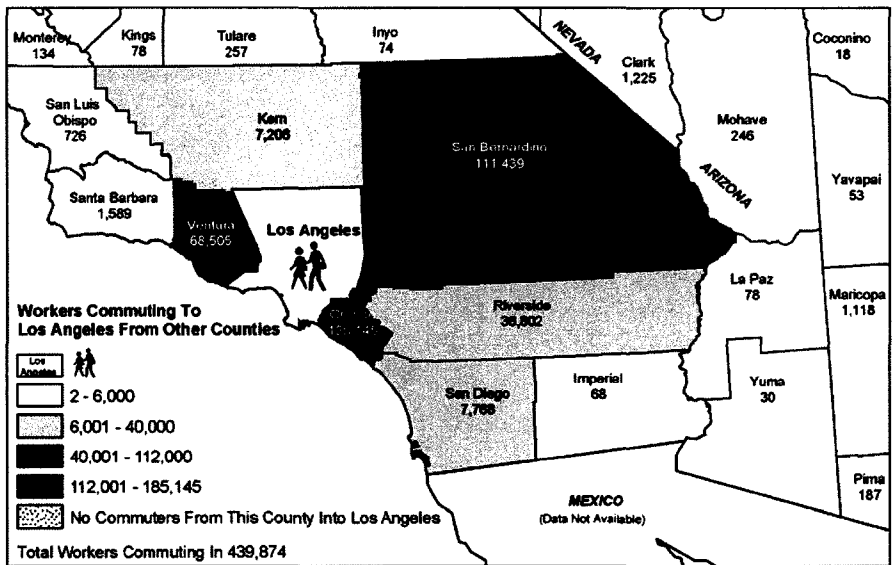
Source: Los Angeles County Economic Development Corp. (LAEDC) 2007 "L.A. in Five Minutes" Los Angeles County Air & Rail Transportation Map: LACMTA, Metrolink, and Amtrak.

**January 1, 2007, Population Estimates
Population Distribution**



Map Prepared by the California Department of Finance, Demographic Research Unit, State Data Center, May 2007.

Los Angeles County-to-County Commuting



Total Workers That Live And Work In Los Angeles 3,576,406 Data Source: U.S. Census 2000

Cartography by
 Current Economic Statistics Group
 Labor Market Information Division
 California Employment Development Department
 www.labormarketinfo.edd.ca.gov
 June 2006

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Appendix 22: GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Los Angeles County Metropolitan Transportation Authority, California, for its annual budget for the fiscal year beginning July 1, 2007 (FY08). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy

document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. Metro believes the current budget continues to conform to program requirements, and it will be submitted to GFOA to determine its eligibility for another award.



VIII. Glossary

Explanation of Terms

AA	Alternatives analysis. A detailed study and assessment of the various options available for the purpose of selecting one for implementation. An alternatives analysis is required if funds are sought for capital-intensive major transportation projects.
ABC Cost Models	Activity-based cost. Methodology that measures the cost and performance of activities, resources, and cost objects. Resources are assigned to activities, then activities are assigned to cost objectives based on their use. ABC cost models recognize the causal relationships of cost drivers to activities.
Accrual Basis	Method of accounting that recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.
Actuarial Analysis	Analysis completed and submitted by an individual versed in the collection and interpretation of numerical data (especially someone who uses statistics to calculate insurance premiums).
ADA	Americans with Disabilities Act. A comprehensive civil rights measure signed into law on July 1990 to ensure persons with disabilities receive equal access to transportation and other services.
Additional Bonds Test Covenants	A computation required to be made, typically pursuant to the bond indenture, prior to the issuance of new bonds in order to assure existing bondholders there will be adequate revenues available to pay debt service following issuance of the new bonds.
AFSCME	American Federation of State, County and Municipal Employees. The union representing maintenance and transportation supervisors.
Agency Fund	Fund used to report Benefit Assessment financial activity. See also Benefit Assessment.
Alternative Fuels	Low-polluting fuels that are used to propel a vehicle instead of high-sulfur diesel or gasoline. Examples include methanol, ethanol, propane or compressed natural gas, liquid natural gas, low-sulfur or "clean" diesel and electricity.
Amortization	Process of decreasing or accounting for an amount over a period of time.
Appropriation	Federal budgetary term that refers to an act of Congress that permits federal agencies to incur obligations and make payments out of the Treasury for specified purposes.

AQMD	Air Quality Management District. Officially called the South Coast AQMD - the air pollution control agency for the four-county region including Los Angeles and Orange counties and parts of Riverside and San Bernardino counties. The AQMD sets extensive requirements on employers for ride sharing encouragement.
Articulated Bus	Extra long (60 ft.), high-capacity bus with two connected passenger compartments. The rear body section is connected to the main body by a joint mechanism that allows the vehicle to bend when in operation for sharp turns and yet has a continuous interior.
ASI	Access Services, Inc. ASI is a private non-profit corporation, which is the Consolidated Transportation Services Agency (CTSA) for Los Angeles County and, as such, has the responsibility to improve and coordinate the paratransit services for over 200 different social service and public paratransit operators.
At-Grade	At natural ground level when describing transitways or streets; the intersecting transitways and streets are at the same elevation and actually intersect (i.e. grade crossings that are not separated).
ATMS	Advanced Transportation Management System. A state-of-the-art communications package being installed in Metro's active bus fleet and at the bus operations control center.
ATU	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.
ATVC	Advanced Technology Vehicle Consortium. An independent non-profit California public corporation organized and funded by Metro, City of Los Angeles, Los Angeles County, and Air Quality Management District as a working unit to promote clean air vehicles and advanced technologies.
BAD	Benefit Assessment District. A limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.
Balanced Budget	A budget is balanced when current expenditures are equal to revenues.
Benefit Assessment	Fee used to pay part or all of the cost of capital improvements enhancing the value of property receiving service from, or located near and benefiting from, those capital improvements.

Benefit Assessment District Debt	Bonds issued through either of two special benefit assessment districts formed to assess property taxes on commercial and industrial properties within the districts. Bonds funded by the property taxes were issued to provide funds to partially fund the construction of Metro Redline subway stations in the districts.
BIAS	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and justify those requests.
Big Rig	Common reference to a commercial semi truck, tractor-trailer, or eighteen-wheeler used to haul freight on public highways.
Bikeway	Any road, street, path, or way that is specifically designated in some manner as being open to bicycle travel, regardless of whether such facilities are designated for exclusive use of bicycles or are to be shared with other vehicles or pedestrians.
Boardings	Number of passengers entering a vehicle of a public transportation system. Passengers are counted each time they enter a vehicle, no matter how many vehicles are used from trip origin to destination. Also known as an unlinked passenger trip.
Bond	Interest-bearing promise to pay a specified sum of money on a specified date.
Bond Indenture	A legal agreement between Metro and a bond trustee. The indenture pledges certain revenues as security for the repayment of the debt and sets forth the responsibilities of Metro and the trustee as well as the rights of the bond holders.
Bond Resolution	A written document adopted by the Metro Board authorizing the issuance of bonds and execution of related agreements and facilities.
BRT	Bus rapid transit. Bus service operated on exclusive rights-of-way (busway) and on short stretches of street lanes designated for bus use.
BSIP	Bus Service Improvement Program. Program to provide additional buses on existing lines to relieve overcrowding.
Budget	Plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
Busway	A roadway reserved for buses only. It may be grade separated or a signal controlled roadway.
CAFR	Comprehensive Annual Financial Report. LACMTA's annual financial statements.

California Transportation Commission (CTC)	The Commission is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California.
Caltrans	California Department of Transportation. Caltrans is responsible for the design, construction, maintenance, and operation of the California State Highway System, as well as that portion of the Interstate Highway System within the state's boundaries.
Capital Asset	Property, facility or equipment whose cost exceeds \$5,000 per unit and has a useful life greater than one year. Capital asset costs include installation cost, delivery cost, sales and use taxes, staff training costs, and general & administrative overhead costs.
Capital Expenditure	Acquisition of a capital asset.
Capital Program	Portfolio of capital projects and their funding. The Capital Program is a financial plan of proposed capital projects, their costs, and schedules. The Capital Program is designed to meet Metro infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of Metro and is updated annually as part of the OMB budget process. The current year of the Capital Program is authorized with approval of the operating budget; however, life-of-project costs are presented to the Board of Directors to acknowledge that approval of the fiscal year's expenditures provides for multi-year project approval.
Capital Project	Defined scope of work to build, acquire, or renovate physical assets, to add value, or to significantly increase the asset's useful life.
Capital Planning and Analysis System	Database program for storage and management of the Capital Program.
Carpool	Arrangement in which two or more people share the use, cost, or both of traveling in privately owned automobiles between fixed points on a regular basis.
Carpool Lane	A highway or street lane intended primarily for carpools, and other high-occupancy-vehicle, either all day or during specified periods.
Cash Basis	Basis for keeping accounts whereby revenue and expense are recorded on the books of account when received and paid, respectively, without regard to the period to which they apply.
Catellus Development Group	Business unit of ProLogis Inc. that specializes in large-scale development projects involving residential, retail and office facilities.

CEQA	California Environmental Quality Act. A statute that requires all jurisdictions in the State of California to evaluate the extent of environmental degradation posed by a proposed development or project.
CFP	Call for projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
Chief Officers	The Chief Executive Officer's direct reports.
Cityride	Program offered by the Los Angeles Department of Transportation that allows senior and mobility impaired citizens of Los Angeles to purchase Metro fare media at a discount.
CMAQ	Congestion Mitigation and Air Quality. Federal funds available for either transit or highway projects that contribute significantly to reducing automobile emissions that cause air pollution.
Commercial Paper	Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility.
Compo Bus	Composite bus. Transit buses built using a lightweight composite structure. These buses are approximately 5,000 pounds lighter than conventional transit buses, with expected reduced brake wear and improved fuel economy.
Congestion Pricing	Transportation planning strategy which includes tolls for driving in traffic-choked urban areas and other means of promoting carpooling, bicycling or mass transit use to reduce traffic congestion.
Contingency	Amount that is included in the baseline project budget estimate to cover additional project execution costs which may include: uncertainties in the design; changes in construction technology; changes in site conditions; schedule changes; changes in specifications; changes in economic conditions (construction, equipment, etc.); and changes in safety and regulatory requirements.
Contract Services	Metro department responsible for the Purchased Transportation, Motorist Services, and Paratransit programs.
Corridor	Defined metropolitan area considered for significant transportation projects such as highway improvements, bus transitways, light rail lines, bikeways, etc.
Covenants	Contractual obligations in the bond indenture, bond resolution, or other contracts and agreements that constitute promises to perform certain actions or comply with certain requirements.

CP&D	Countywide Planning and Development. The Metro strategic business unit responsible for providing leadership, expertise and capability in program development, policy planning and technical analysis in the implementation of transportation system improvements and in the management of travel demand.
CPI	Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living.
CPUC	California Public Utilities Commission. The Commission regulates privately owned electric, telecommunications, natural gas, water and transportation companies, in addition to household goods movers and rail safety.
CTSA	Consolidated Transportation Services Agency. Metro has been designated as the CTSA for Los Angeles County to coordinate all paratransit services to ensure compliance with the Americans with Disabilities Act (ADA).
DBE	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
Debt Coverage	The ratio of revenues available to pay debt service, divided by the debt service to be paid over a period of time, such as a fiscal year.
Debt Program	Activities related to current and planned debt service requirements and their funding.
Debt Service	Repayment of the principal and/or interest on debt.
Defeased Lease	Lease for which all the scheduled rental payments and the purchase option payment are fully funded from amounts provided at the lease closing. The invested amounts are held by the lease trustee and applied to make the scheduled payments.
DEIS	Draft Environmental Impact Statement. A detailed informational document that presents an analysis of all reasonable alternatives to resolve a transportation need, the probable environmental effects and mitigation measures for significant effects.
Department of Homeland Security	Federal government department established to provide the unifying core for the vast national network of organizations and institutions involved in efforts to secure the nation.
Depreciation	Allocation of the cost of an asset over its useful life.
Direct Cost	Cost that is identifiable with a specific product, function, or activity.
Direct Labor	Normal time plus overtime.

Discretionary Ridership	The estimated number of rides taken by people using a public transportation system in a given time period that otherwise could have used non-public transportation means (i.e., private automobile).
EEO/AA	Equal Employment Opportunity/Affirmative Action. Federal laws prohibiting job discrimination.
EIR	Environmental Impact Report. A detailed statement prepared under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a project and discussing ways to avoid or mitigate the effects.
EIS	Federal Environmental Impact Statement. A comprehensive study of likely environmental impacts resulting from major federally assisted projects; the National Environmental Policy Act (NEPA) requires these statements.
EMP	Emergency Management Panel. Command panel installed on a wall in public areas of each passenger rail station for coordination of fire/rescue and emergency response forces.
Encumber	To reserve funds so the funds cannot be used for another purpose or project.
Encumbrances	Commitments related to unperformed contracts for goods or services.
Enterprise Fund	Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting. Includes related capital and debt activity.
Executive Investment Committee	Comprised of the Chief Executive Officer and his direct reports. The committee's purpose is to approve and monitor the Capital Program.
Executive Management Team	Comprised of the Chief Executive Officer and his direct reports.
Exposition Metro Line Construction Authority	Authority established by the State Legislature for oversight and management of final design and construction of the Exposition Light Rail Transit Project.
EZ Pass	The regional EZ Pass is a monthly pass offered to customers that provides seamless riding among Los Angeles County's sixteen Municipal transit operators and Metro bus and rail services.

FAP	Formula Allocation Procedure. FAP is the adopted method for allocation of federal, state, and local transit operating subsidies to Los Angeles County bus operators. The current formula allocates funds as follows: 50% based on vehicle service miles and 50% based on “fare units.” Allocations are made using audited performance data.
Fare	The price paid to ride public transportation such as a bus or train.
Fare Media	Monthly passes, weekly passes, day passes, pass stamps, municipal transfers, and tokens.
Farebox Recovery Ratio	Farebox revenue divided by operating costs.
FASB	Financial Accounting Standards Board. The Board establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.
FAU	Federal Aid Urban. Authorized by the enactment of the Federal Highway Act every five years. Cities and the county are eligible for FAU funds for projects such as street reconstruction and widening, and installation of lights and signals.
Fiduciary Funds	Financial resources held or managed in an agent or fiduciary capacity.
First Tier Senior Prop A Bonds	Bonds that are paid first from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the bulk of our Prop A bonds.
First Senior Prop C Bonds	Bonds that are paid first from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee. No bonds are outstanding in this lien.
FIS	Financial Information System. Metro’s automated, integrated financial accounting and control system.
Fiscal Year	The period at the end of which a governmental agency determines its financial position and results of operations. Metro’s fiscal year begins July 1 and ends June 30 of the following calendar year.
Fixed Assets	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
Fixed Guideway System	System of vehicles that can operate only on its own guideway constructed for that purpose (e.g., commuter rail, light rail). Federal usage in funding legislation also includes exclusive right-of-way bus operations.

FlyAway	Scheduled daily bus service from Union Station, Westwood, or Van Nuys to Los Angeles International Airport provided by Los Angeles World Airports.
Freeway	Highway with full control of access, with all cross roads grade-separated, and interchanged with major cross roads. Accommodates heavy traffic volumes at high speed.
FSP	Metro Freeway Service Patrol. Funded by Metro, these contracted towing services remove stalled vehicles from peak period congested freeways. The service is managed by Metro in conjunction with the California Highway Patrol and Caltrans.
FTA	Federal Transit Administration. The Federal government, through the FTA, provides financial assistance to develop new transit systems and improve, maintain, and operate existing systems.
FTE	Full-time equivalent position. A part-time position is converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to a 0.5 of a full-time position.
Full Funding Grant Agreement	The federal government's commitment to support a transit project over the course of several fiscal years, contingent upon the availability of funds.
Function	Activity or a group of related activities for which the reporting unit is responsible.
Fund	Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and changes in these assets and liabilities.
Fund Balance	Fund equity in governmental funds - the difference between fund assets and liabilities.
FY	Fiscal year. The period at the end of which a governmental agency determines its financial position and results of operations. The Metro fiscal year begins July 1 and ends June 30.
GAAP	Generally Accepted Accounting Principles. A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB).

GASB	Governmental Accounting Standards Board. The Board establishes and improves standards of state and local governmental accounting and financial reporting, resulting in useful information for users of financial reports, and educates the public, including issuers, auditors, and users of those financial reports.
General Fund	Fund used to account for those financial resources that are not required to be accounted for in any other fund.
General Relief Token Program (GR)	Metro program that provides tokens for transportation of homeless/indigent persons.
Governmental Funds	Two fund types are used to account for the agency's governmental-type activities: the General Fund, and the Special Revenue Fund. See applicable descriptions herein.
Grade Crossing	Physical arrangement of two transportation routes where there is possible physical interference between vehicles on each route. For example, a railroad crossing at street that requires the automobiles to stop to let a train pass.
Grantee	Metro or other party, if specifically described as such, in its role as a recipient of an outside source of funds, usually Federal funding.
Guideway	Facility housing a transit system, either a subway tunnel, at-grade trackway or busway, or aerial structure. Also see fixed guideway.
Headway	The amount of time separation between scheduled vehicles traveling on the same route and in the same direction.
Heavy Rail	High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.
Hedging	Any method of minimizing the risk of price change (for example, hedged variable rate debt or fuel contract hedging).
HIPAA	Health Insurance Portability and Accountability Act. A Federal law that allows persons to qualify immediately for comparable health insurance coverage when they change their employment status. Establishes a set of national standards for the protection of certain health information.
HOV	High occupancy vehicle lanes or carpool lanes on freeways dedicated for use by vehicles with multiple occupants.
Hub Miles	The mileage operated by each bus based on the reading of the bus odometer, located on the hub of a rear axle, which usually is read during the daily fueling of the bus. This is the mileage data used to schedule the preventive and planned maintenance.

Hybrid Vehicle	Vehicle that combines two or more sources of power that can directly or indirectly provide propulsion power, so as increase efficiency and thereby reduce emissions. A hybrid vehicle uses a mixture of technologies such as internal combustion engines, electric motors, gasoline, compressed natural gas, and batteries.
IFB	Invitation for bids. An advertised competitive solicitation for fixed price bids. Awards are made to the responsive, responsible bidder that submits the lowest price.
Immediate Needs Transportation Program	Program started after the Los Angeles riots to distribute taxi vouchers and bus tokens in Los Angeles County.
Indirect Cost	Cost that is not identifiable with a specific product, function, or activity.
Infrastructure	The fixed components of a transit system, such as rights-of-way, tracks, signal equipment, stations, park-and-ride lots, bus stops, and maintenance facilities.
ITS	Information Technology Services. The department that provides the computer services function at Metro.
iVOS	Internet enabled, web based updated predecessor VOS - Valley Oaks System. Tracking system used for Workers' Compensation claims.
JARC	Job Access/Reverse Commute Grant Program. A program enacted through the Personal Responsibility and Work Reconciliation Act of 1996 that provides transportation access to suburban employment for urban residents.
Joint Development	Projects that combine public and private resources to build mixed use development around transit station areas.
JPA	Joint Powers Authority. A voluntary association of government entities formed into a special purpose agency to deal with a common problem or problems, carry out a specific project, or provide a specific service, for example, the operation of a regional transit system.
Key Performance Indicators (KPI)	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.
LACMTA	Los Angeles County Metropolitan Transportation Authority. Serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest counties. Also referred to as MTA or Metro.
LADOT	Los Angeles Department of Transportation. The City of Los Angeles operates the second largest fleet of buses in Los Angeles County next to LACMTA.

LANI	Los Angeles Neighborhood Initiative. A non-profit corporation established by the City of Los Angeles Mayor's Office to improve transportation services, revitalize public spaces, and promote small business in Los Angeles neighborhoods.
Lease	Contract, written or oral, by which possession of land and/or building space is given by owner (lessor) to another (tenant) for a specified period of time (lease term) and for a specified consideration (rent).
Lien	Claim by one person (lien holder) on the property of another as security for money owed. First lien holders get paid first if the property is foreclosed. Subordinate (secondary) lien holders generally follow in order of the recording of their liens.
Life-Of-Project	Schedule and total expenditures approved by the Board of Directors for a capital project.
Light Rail	Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line (catenary).
LOA	Letter of agreement. A written agreement.
Local Return	Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements.
Long-Term Debt	Financial obligations lasting over one year. For example, debt obligations such as bonds and notes which have maturities greater than one year are considered long-term debt.
LRT	Light rail transit. Modern-day term for a streetcar-type of transit operation.
LRTP	Long Range Transportation Plan. A 25-year plan for multi-modal transportation needs of Los Angeles County.
LRV	Light rail vehicle. Electrically propelled passenger carrying rail vehicle.
M3	Maintenance and Material Management System. A materiel, equipment, and facilities management system that automates the control, planning, acquisition and distribution of inventory and tracking of maintenance activities.

MATIS	Motorist Aid and Traveler Information System. A new system that consolidates all call center operations, provides Metro Freeway Service Patrol fleet monitoring services and offers traveler information services via the world-wide web and telephone (511).
Measurable and Available	Revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities.
Measurable Terms	Quantifiable in dollars and cents.
Metro	Preferred nickname for and reference to the Los Angeles County Metropolitan Transportation Authority (LACMTA).
Metro.net	Metro provides transit services and Agency information as a resource to the public and transit customers in Southern California via the internet at www.metro.net .
Metro Blue Line	Long Beach-Los Angeles Light Rail Transit Project. A 22-mile light rail line constructed by Metro. The line opened for service July 14, 1990.
Metro Bronze Line	Harbor express busway.
Metro Connections	Project to restructure Los Angeles County's current grid-based bus system to a system that focuses on providing high-speed connections within a network of major activity centers throughout the county.
Metro Exposition Line	Culver City-Los Angeles light rail transit project. An 8.6-mile light rail line currently under construction. The line is projected to open in 2010.
Metro Gold Line	Union Station-Pasadena Light Rail Transit Project. A 13.7-mile light rail line constructed by the Metro Blue Line Construction Authority. The line opened for revenue service July 28, 2003.
Metro Gold Line Eastside Extension	6-mile Metro Gold Line light rail transit extension planned to provide service between Union Station and East Los Angeles. The line is scheduled to open in late 2009.
Metro Green Line	Norwalk-Redondo Beach Light Rail Transit Project. A 20-mile light rail line constructed by Metro on the median of the I-105 freeway. The line opened for service August 12, 1995.
Metro Orange Line	14-mile Metro Rapidway operating on a dedicated right-of-way between the North Hollywood Metro Rail Station and Warner Center in Woodland Hills. The line opened October 29, 2005.
Metro Purple Line	Union Station-Wilshire/Western Station subway line (formerly a branch of the Metro Red Line).

Metro Rapid	Bus service on arterial streets with several attributes to improve service operating speeds including traffic signal priority, level boarding and alighting with low floor buses, fewer stops, and active management of service operation.
Metro Red Line – Segment I	Segment I of the Metro Rail project constructed by Metro from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
Metro Red Line – Segment II	Segment II includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996, and Wilshire/Vermont north to Hollywood/Vine, which opened for service in June 1999.
Metro Red Line – Segment III	Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000.
Metro Silver Line	El Monte express busway.
Metrolink	Regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992.
MetroMail	Metro program where customers can purchase monthly passes, pass stamps, and tokens through the US mail.
MIS	Major Investment Study. The study is required by the FTA to obtain federal funds for any major capital improvement.
Mission Statement	Brief statement that summarizes an organization’s purpose, intent, and commitment.
Mobility 21	Coalition of transportation providers, business leaders, elected officials, local municipalities, and academia and labor representatives that meet to develop solutions to the transportation issues facing Los Angeles County.
Mode	Particular form of transportation identified by the vehicle or mode used, i.e., bus, light rail, heavy rail, car, bike, or foot.
Modified Accrual Basis	Method of accounting that recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under modified accrual accounting, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.
MOSIP	Municipal Operator Service Improvement Program. The program was created in 1999 to provide Los Angeles County’s transit operators with funding from Proposition C 40% discretionary to alleviate overcrowding on their transit systems.

MOU	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.
MTA	Metropolitan Transportation Authority. Also known as LACMTA or Metro.
Multi-County Goods Movement Action Plan	Multi-county plan to develop a consensus strategy and plan to sustain and develop an integrated goods movement system that facilitates the transportation of goods, improves the environment, fosters economic development and sustains efforts to develop more livable and healthy communities.
Multimodal	Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.
Municipal Operator	City or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district.
Non-Revenue Vehicles	Vehicles that do not carry fare-paying passengers.
NTD	National Transit Database. A database consisting of financial and operational information for over 600 U.S. transit agencies that receive FTA Section 5307 grants.
Objective	Time-phased measurable accomplishment required realizing the successful completion of a strategic goal.
OMB	Office of Management and Budget. Metro department that develops and coordinates the agency budget activities.
Operating Budget	Funds allocated for normal Metro operations, such as employee salaries, rentals, power and fuel. Excludes funds allocated for capital and fiduciary activities.
Operating Expenses	All expenses pertaining to the normal operation of the agency, with the exception of capital expenditures, interest expenses and non-recurring losses.
Operating Fund	Funds allocated for normal MTA operations, such as employee salaries, rentals, power and fuel.
Operating Fund Portfolio	Collection of investments held to fund ongoing Metro operations.
Overhead	Expenses not directly chargeable to a particular program, which support multiple programs of Metro.
Overhead Catenary	Overhead contact wire system that supplies power from a central power source to a rail vehicle or trolley bus.

Safety's First Program	Safety's First is the name of Metro's agency-wide safety program. The goal of the program is to cut employee on-the-job injury claims by making Metro workplaces safer for all employees.
SANBAG	San Bernardino Associated Governments. The council of governments and transportation planning agency for San Bernardino County.
Sarbanes-Oxley Act of 2002	Legislation that established new or enhanced standards for all U.S. public company boards, management, and public accounting firms. The directive raised the standards of corporate transparency and accountability.
SBE	Small Business Enterprise. Businesses in which more than 50% of the business is owned and operated primarily by socially or economically disadvantaged individuals.
SBU	Strategic Business Unit. Metro is organized into eleven strategic business units: Metro Bus Operations, Metro Rail Operations, Countywide Planning and Development, Construction Project Management, Communications, Administrative Services, Financial Services, Economic Development, Management Audit Services, Office of the CEO, and Board of Directors.
SCADA	Supervisory Control and Data Acquisition system. A system used by Rail Operations to regulate, direct, and modify train movement and to monitor the functional state of rail facilities (e.g. rail signals, switches, electricity loads, station ventilation, security, etc.).
SCAG	Southern California Association of Governments. SCAG is mandated by the federal government as the Metropolitan Planning Organization (MPO) for six counties (Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial). Its mission is to research and develop plans for transportation, growth management, hazardous waste management, and air quality.
Scorecard	System that graphically displays the status of many agency key performance indicators. The Scorecard (also referred to as the CEO Scorecard) measures plans against results and displays historical data, current totals, targets, and forecasts so users can easily assess progress, monitor trends, and identify best practices.
Scrip	De facto form of currency that can be exchanged for something of value. Cityride scrip issued by Los Angeles Department of Transportation can be exchanged for Metro fare media.

SCRRRA	Southern California Regional Rail Authority. A joint powers authority including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink.
Second Tier Prop A Bonds	Bonds that are paid second from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the LACRA Grand Central Square bond issues.
Second Senior Prop C Bonds	Bonds that are paid second from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee. This lien includes all of our Prop C bonds.
Senior Management Team	Comprised of the Chief Executive Officer, his direct reports, and their direct reports.
Service Sector	Five geographic bus service areas of Metro managed by a General Manager with oversight from an independent, appointed local council. The five sectors are known as Metro San Fernando Valley, Metro San Gabriel Valley, Metro South Bay, Metro Gateway Cities, and Metro Westside-Central.
SHORE	Support for Homeless Re-entry Program. Metro provides bus tokens to Los Angeles County shelters and missions.
Short-Term Debt	Financial obligations lasting one year or less. For example, T-bills and commercial papers are considered short-term debt since their maturities are typically shorter than one year.
Smart Card	Thin plastic card the size of a credit card with an embedded microprocessor. At Metro, the cards will be used as fare media – see TAP.
Socially or Economically Disadvantaged Individuals	Any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, Women, or any found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards of the USDOT 49 CFR Part 26.
Soundwall	Wall built on a freeway or other roadway intended to alleviate vehicle noise from residential, recreational, retail or commercial developments.
Special Revenue Fund	Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes.
Spillover	Potential source of additional revenue that applies when the growth in sales tax revenue on all sales (including gas) exceeds the growth in sales tax revenue on all sales (excluding gas).

S RTP	Short Range Transportation Plan. A planning document with five-year projections that describes goals and objectives of each transit operator in the county, provides estimates of ridership, services and expenses, and outlines proposed service modifications.
STA	State Transit Assistance fund. Used to account for the revenue from the sales tax on gasoline used for transit purposes. The STA fund was created as an amendment to the Transportation Development Act of 1976.
STIP	State Transportation Improvement Program. The California Transportation Commission (CTC) adopted this program that serves as the primary vehicle for programming funds for highway projects.
Strategic Goal	Broad statement of direction in which planning or action is aimed representing an ideal end that Metro wishes to attain.
Strategic Plan	Program or method worked out beforehand for the accomplishment of Metro goals and objectives.
Subordinate Lien Prop C Obligations	Obligations that are paid third from the 80% pledged revenue portion of the Prop C sales tax revenues received by the trustee.
Sustainability	Sustainable transportation is safe, high quality, and accessible to all; ecologically sound; economical; and a positive contributor to regional development. Specific goals for sustainable transportation include improved service quality and quality of access to goods and services, safety, improved air quality, noise reduction, improved water quality, protection of habitat and open space, historic preservation, reduced carbon emissions, increased social equity, economic development, and a satisfying quality of life, plus local goals consistent with the overall objective. (U.S. Department of Transportation, Federal Highway Administration) (ecology) a means of configuring civilization and human activity so that society, its members and its economies are able to meet their needs and express their greatest potential in the present, while preserving biodiversity and natural ecosystems, planning and acting for the ability to maintain these ideals in the very long term.
TAP	Transit Access Pass. A thin plastic card the size of a credit card with an embedded microprocessor commonly referred to as a "smart card." Used as fare media in stored-value collection systems for multi-modal transit operations.
TCU	Transportation Communications Union. The union representing selected clerical office employees, telephone information clerks, custodial staff, and stores personnel.

TDA	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to Metro for its transportation planning activities.
TDI	Transportation Development and Implementation.
TDM	Transportation Demand Management. Demand based techniques for reducing traffic congestion, such as ridesharing programs and flexible work schedules enabling employees to commute to and from work outside of peak hours.
TEA-21	Transportation Equity Act for the 21st Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21st Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next six years. This Act was replaced by SAFETEA-LU.
Teamsters	International Brotherhood of Teamsters (IBT). Union representing security guards.
Third Tier Prop A Obligations	Obligations that are paid third from the 75% pledged revenue portion of the Prop A sales tax revenues received by the trustee. This lien includes the Prop A commercial paper program.
Ticket Vending Machine	Vending machines located at transit station entrances for the purchase of tickets. Also referred to as a TVM.
TIP	Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit systems.
TOAST	Transit Operator Activity Scheduling and Tracking system. The new automated bus and rail operator assignments and scheduling system designed to replace TOTS in 2009.
TOTS	Transit Operating and Trend System. A system that collects and reports bus operator salary and hours data.
Trackway	Heavy or light rail right-of-way.
TransitSafe	Web-based Incident and Accident Tracking system that will capture information for the entire Metro.
TransportMAX	Internet-based, integrated procurement tool that provides public transportation agencies the ability to reduce procurement processing time and costs and at the same time create an effective audit trail for their online transactions.

Trustee	A commercial bank that serves as an independent third party administering the bond indenture between Metro and the bondholders. The trustee holds the cash and investments from the bond sale as well as receives and disburses the revenues used to pay the debt service on the bonds.
UFS	Universal Fare System. Fare collection equipment that will enable the region's customers to travel seamlessly and ensure compatibility with other transit systems within Los Angeles County.
Unencumber	Release of a commitment related to contracts for goods or services that were not performed or were completed with leftover committed funds.
Unincorporated Area	Land not governed by a local authority. Land within a county, but not within an incorporated city. Public services such as fire, water, and police are often provided by the county.
Unlinked Passenger Trip	The boarding of one passenger on a transit vehicle in revenue service.
Unreserved Designated Fund Balances	Funds designated for a specific project that have not been encumbered.
USDOT	United States Department of Transportation. A Federal department responsible for ensuring a fast, safe, efficient, accessible and convenient national transportation system.
UTU	United Transportation Union. Union representing bus and rail operators and other operations employees.
Vanpool	Group of people who share the use and cost of van transportation between designated origins and destinations on a regular basis, for example, daily trip to work. The van may be privately owned, leased from a public or private company, or provided by the employer. The driver is usually a member of the group.
Wage Expense	Normal time, overtime and paid time off (vacation, sick leave, jury duty, etc.).
Wayside System	System for automatically controlling train movement, enforcing train safety, and directing train operations by computers.
Zero-Based Budgeting	Process justifying an overall budget or individual budgeted items each fiscal year rather than incorporate proposed changes from a previous budget.

Abbreviations

AA	Alternatives analysis
ABC	Activity-based costing
ABS	Automatic Bidding System
ACS	Transit Track system
ADA	Americans with Disabilities Act
AFSCME	American Federation of State, County, and Municipal Employees
ARC	Actuarial Required Contributions
AQMD	Air Quality Management District
ASI	Access Services, Inc.
ATMS	Advanced Transportation Management System
ATMS	Applicant Tracking Management System
ATU	Amalgamated Transit Union
ATVC	Advanced Technology Vehicle Consortium
BAD	Benefit Assessment District
BIAS	Budget Information Analysis System
BOC	Bus Operations Control
BROC	Bus and Rail Operations Control Center
BRT	Bus Rapid Transit
BSIP	Bus Service Improvement Program
CAFR	Comprehensive Annual Financial Report
Caltrans	California Department of Transportation
CAP	Cost Allocation Plan
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act

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CFP	Call for Projects
CHP	California Highway Patrol
CIS	Customer Information System
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Mitigation Fee Project Identification
CNG	Compressed natural gas
CP	Capital Program
CPAS	Capital Planning and Analysis System
CP&D	Countywide Planning and Development
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSA	Control Self Assessment
CSP	Certified Safety Professional
CTC	California Transportation Commission
CTSA	Consolidated Transportation Services Agency
CY	Calendar Year
DBE	Disadvantaged Business Enterprise
DEIS	Draft Environmental Impact Statement
DMU	Diesel Mechanical Rail Unit Technical Feasibility Study
DVR	Digital Video Recorder
ECMS	Electronic Content Management System
EEO/AA	Equal Employment Opportunity/Affirmative Action
EF	Enterprise Fund
EIR	Environmental Impact Report
EIS	Environmental Impact Statement

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EMAC	Executive Management and Audit Committee
EMP	Emergency Management Panel
Expo	Exposition Metro Line Construction Authority
ERV	Security HiRail Emergency Response Vehicle
FAP	Formula Allocation Procedure
FASB	Financial Accounting Standards Board
FAU	Federal Aid Urban
FFGA	Full Funding Grant Agreement
FFY	Federal Fiscal Year (October 1 to September 30)
FIS	Financial Information System
FSP	Freeway Service Patrol
FTA	Federal Transit Administration
FTE	Full time equivalent
FY	Fiscal year
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GASB	Governmental Accounting Standards Board
GF	General Fund
GPS	Global positioning system
GR	General Relief Token Program
HCNG	Hydrogen-Compressed Natural Gas
HIPAA	Health Insurance Portability and Accountability Act
HOV	High occupancy vehicle
IBT	International Brotherhood of Teamsters
IFB	Invitation for bids

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INTP	Immediate Needs Transportation Program
ITS	Information Technology Services
iVOS	Workers' Compensation claims system
JARC	Job Access/Reverse Commute Grant Program
JPA	Joint Powers Authority
KPI	Key Performance Indicator
LACMTA	Los Angeles County Metropolitan Transportation Authority
LADOT	Los Angeles Department of Transportation
LANI	Los Angeles Neighborhood Initiative
LASD	Los Angeles Sheriffs Department
LAUSD	Los Angeles Unified School District
LAWA	Los Angeles World Airports
LEED	The Leadership in Energy and Environmental Design Green Building Rating System, developed by the U.S. Green Building Council (USGBC)
LOA	Letter of agreement
LOP	Life of project
LRT	Light rail transit
L RTP	Long Range Transportation Plan
LRV	Light rail vehicle
M3	Maintenance and Material Management System
MAS	Management Audit Services
MATIS	Motorist Aid and Traveler Information System
MBL	Metro Blue Line
Metro	Los Angeles County Metropolitan Transportation Authority
MGL	Metro Gold Line

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MGLEE	Metro Gold Line Eastside Extension
MIP	Metro Intern Program
MIS	Major Investment Study
MOSIP	Municipal Operator Service Improvement Program
MOU	Memorandum of Understanding
MOW	Maintenance of Way
MRL	Metro Red Line
MTA	Metropolitan Transportation Authority
NC	Non-Contract
NTD	National Transit Database
OAB	Oracle Advanced Benefit System
OIG	Office of Inspector General
OMB	Office of Management and Budget
PBLCA	Pasadena Blue Line Construction Authority
PBX	Private Branch Exchange telephone systems
PERS	California Public Employees Retirement System
PGL	Pasadena Gold Line
PLC	Programmable Logic Controller
PRMA	PTSC-MTA Risk Management Authority
Prop A	Proposition A
Prop C	Proposition C
PTSC	Public Transportation Services Corporation
RFP	Request for Proposal
RFS	Rail Fleet Services
ROC	Rail Operations Control

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RRC	Regional Rebuild Center
RSH	Revenue service hours
RSM	Revenue service miles
RTAA	Regional Transit Alternatives Analysis
RVSH	Revenue vehicle service hours
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SANBAG	San Bernardino Associated Governments
SBE	Small Business Enterprise
SBU	Strategic Business Unit
SCADA	Supervisory Control and Data Acquisition system
SCAG	Southern California Association of Governments
SCRRA	Southern California Regional Rail Authority
SHORE	Support for Homeless Re-entry Program
SRF	Special Revenue Fund
S RTP	Short Range Transportation Plan
STA	State Transit Assistance Fund
STIP	State Transportation Improvement Program
TAP	Transit Access Pass
TCAP	Transportation Career Academy Program
TCU	Transportation Communications Union
TDA	Transportation Development Act
TDM	Transportation Demand Management
TEA-21	Transportation Equity Act for the 21 st Century

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TIP	Transportation Improvement Program
TOAST	Transit Operator Activity Scheduling and Tracking system
TOD	Transit Oriented Development
TOTS	Transit Operating and Trend System
TSE	Transit Systems Engineering
TVM	Ticket vending machine
UFS	Universal Fare System
UNIX	Universal Network Information Exchange
USDOT	United States Department of Transportation
USG	Union Station Gateway
UST	Underground storage tank
UTU	United Transportation Union
VISA	Pilot program to increase revenue generation with TAP cards
VOS	Valley Oaks System
WE	Wage expense

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Index of Terms by GFOA Category

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