

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0257, File Type: Oral Report / Presentation Agenda Number: 1.

SPECIAL BOARD MEMBER WORKSHOP APRIL 4, 2025

SUBJECT: BOARD WORKSHOP - CAPITAL BUDGET IMPACTS

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE an oral report on the capital budget drivers shaping Metro's near-term financial outlook. The workshop will provide the Board with an in-depth look at the operational impacts, anticipated risks, and strategic options to address emerging challenges.

<u>ATTACHMENT</u>

Attachment A - File ID: 2025-0026 Presentation

Prepared by: Melissa Wang, Deputy Chief Financial Officer, (213) 922-6024

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

Stephanie N. Wiggins Chief Executive Officer



February 2025 | Finance, Budget and Audit Committee



Meeting Agenda





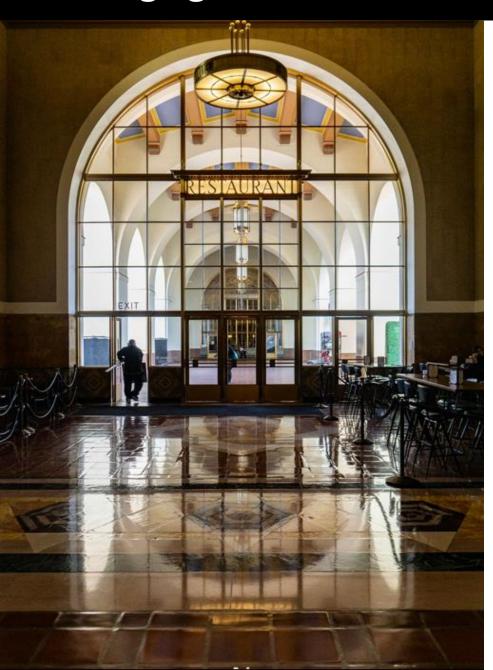












- 1. Near-Term Financial Outlook
 - Near Term Outlook Deficit
 - Cost Growth Drivers Summary
- 2. Additional Risks and Challenges
- 3. FY26 Equitable Zero-Based Budgeting (EZBB)
- 4. Next Steps

Near-Term Financial Outlook







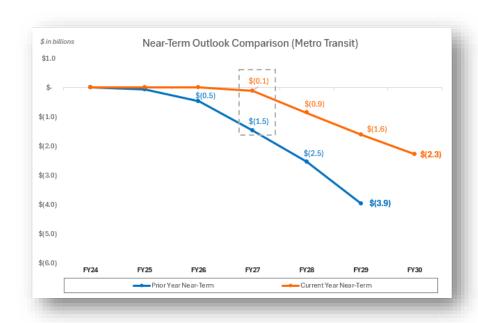








- The Agency has improved **prior year's Near-Term** cumulative gap of \$1.5 billion in FY27 to \$0.1 billion per **current year's Near-Term** outlook as a result of:
 - Zero-Emissions Bus (ZEB) & infrastructure revised forecast
 - Incremental grant revenues from SB125 ZETCP
 - Constrained and prioritized budgeting efforts through the Equitable Zero-Based Budgeting (EZBB) process
 - Delayed spending on capital projects based on year-end actuals
 - Board approved policy changes with newly established Transit
 Community Public Safety Department (TCPSD)
- However, a cumulative gap of \$900M remains by FY28 growing to \$2.3 billion by FY30 between the two programs:
 - Metro Transit Operations & Maintenance (O&M): cumulative \$1.3
 billion deficit through FY30
 - Metro Transit Capital Improvement Program (CIP): cumulative deficit of \$1.0 billion through FY30



Note: These figures do <u>not</u> include cost assumptions for the 2028 Games.

Near-Term Outlook: Changes on Metro Transit















• The Agency's Near-Term Outlook through FY30 includes continued cost growth in Metro Transit Operations & Maintenance (O&M) and Capital Improvement Program (CIP)

5 Year Near-Term Outlook										
	Cur			Avg Annual urrent Near- Growth			Avg Annual Growth			
		FY25		FY30		erm Outlook	Rate		Rate	
Cost Growth Drivers (in \$ Millions)		Adopted		Forecast		(FY25-30)	(FY25-30)		(FY24-29)	% Change
Labor Costs	\$	1,188.5	\$	1,559.1	\$	8,148.0	5.6%		5.5%	0.1%
Parts, Fuel & Outside Services		714.1		961.4		5,019.4	6.1%		3.5%	2.6%
Public Safety		351.2		420.5		2,472.8	3.7%		6.2%	-2.5%
Cleaning		248.0		347.5		1,794.1	7.0%		5.5%	1.5%
Insurance, WC, PL/PD		192.3		253.6		1,336.7	5.7%		11.1%	-5.4%
System Expansion		15.2		113.0		457.2	7.0%	*	7.2%	-0.2%
TOTAL O&M	\$	2,709.3	\$	3,655.1	\$	19,228.1	6.2%		6.5%	-0.4%
ZEB and Infrastructure	\$	107.8	\$	436.9	\$	2,133.3	32.3%		54.7%	-22.4%
ZEB and Infrastructure * System expansion growth based on to			\$	436.9	\$	2,133.3	32.3%		54.7%	-22

- While every operational cost growth driver is anticipated to grow at a faster rate than sales tax revenues at 2.9%,
 there are a few areas where the growth has slowed:
 - Public Safety due to Board Approval in establishing the Transit Community Public Safety Department (TCPSD)
 - Insurance/WC/PLPD premiums by reinstating the Operations Safety Steering Committee (OSSC), which
 meets quarterly to review risk exposure trends and evaluate mitigation measures
 - Zero-Emissions Bus (ZEB) & infrastructure costs due to forecast revision

continued

















	Avg Annual					Avg Annual			
				Cu	rrent Near-	Growth		Growth	
	FY25		FY30	Tei	rm Outlook	Rate		Rate	
Cost Growth Drivers (in \$ Millions)	Adopted		Forecast	(FY25-30)	(FY25-30)		(FY24-29)	% Change
Labor Costs	\$ 1,188.5	\$	1,559.1	\$	8,148.0	5.6%		5.5%	0.19
Parts, Fuel & Outside Services	714.1		961.4		5,019.4	6.1%		3.5%	2.69
Public Safety	351.2		420.5		2,472.8	3.7%		6.2%	-2.59
Cleaning	248.0		347.5		1,794.1	7.0%		5.5%	1.59
Insurance, WC, PL/PD	192.3		253.6		1,336.7	5.7%		11.1%	-5.49
System Expansion	15.2		113.0		457.2	7.0%	*	7.2%	-0.29
TOTAL O&M	\$ 2,709.3	\$	3,655.1	\$	19,228.1	6.2%		6.5%	-0.49
ZEB and Infrastructure	\$ 107.8	\$	436.9	\$	2,133.3	32.3%		54.7%	-22.49

- The remaining cost growth drivers are relatively flat or growing due to increased investments:
 - Labor Costs remain relatively flat even after incorporating the increases in the latest collective bargaining
 agreements starting in the current fiscal year and for the next five years
 - Parts, Fuel & Outside Services growth driven by high inflation, propulsion power, utilities, other parts & supplies and professional services
 - Cleaning Costs are driven by Metro's strategic investment in the expansion of its Station Experience initiatives and implementing technological innovations (i.e., Intelligent Cleaning Equipment (ICE) autoscrubbers, Elevator Open Door Program, etc.)
 - System Expansion remains relatively flat with annual openings through FY30, which will strengthen
 connectivity and enhance integration across our transit network

Additional Risks and Challenges

















- As Metro works to mitigate the cost growth drivers presented in the Near-Term Outlook, there are additional risks and challenges that have not been quantified in the current forecast.
- These additional risks that may impact the Agency in the Near-Term include:
 - Geopolitical uncertainty
 - Potential increases on tariffs and impact to Metro's purchase price
 - Change in tax exemption status
 - The availability and impact of traditional Federal programs and grants
 - Ongoing inflationary pressures
- Internal factors that also add financial pressure to the Agency include:
 - Operating Metro's expanding rail system in the future will be more costly than operating the same level of service today
 - Ongoing financial risks that stem from capital cost increases which may impact operations eligible funding
 - Preparation for the 2028 Olympic and Paralympic Games in absence of additional funding presents significant challenges

FY26 EZBB Process Development

















- FY26 EZBB objectives:
 - Collaborate internally and with the Board of Directors to implement cost controls and develop a balanced budget with limited resources
 - Continue efforts to mitigate and defer the Near-Term deficit
 - Manage through economic slowdown that is expected to continue into the better part of FY26
 - Continue to invest in the major cost growth drivers
- Development of program budgets will consider:
 - Actual spending trends
 - Capital project cashflows based on phase and schedule
 - Sustaining levels of bus and rail service as well as adjusting for new rail openings
 - Agency priorities that require continuous investment

Next Steps: March – May 2025

















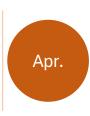
Infrastructure Planning and Construction:

- Transit Infrastructure Expansion
- Multimodal Highway Investments, Regional Rail
- Regional Allocations and Pass-Throughs





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





FY26 Proposed Budget:

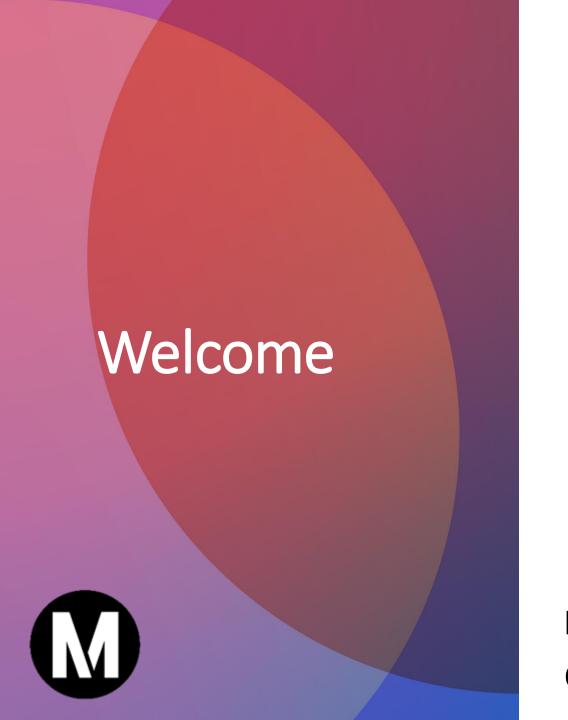
Public Hearing and Board Adoption



Metro Board of Directors

Special Board Member Workshop







Honorable Janice Hahn

Chair

Opening Remarks





Chair

Finance, Budget & Audit Committee



Today's Agenda – What You Can Expect

- Background
- Three Deep Dives
- Pulse Questions
- Breakout Discussions



Background



Five Years Ago: Facing the Unknowns

Ios Angeles Times

'We are essential, too.' L.A. Metro bus drivers

protest for coronavirus hazard pay

July 10, 2020 8 PM PT

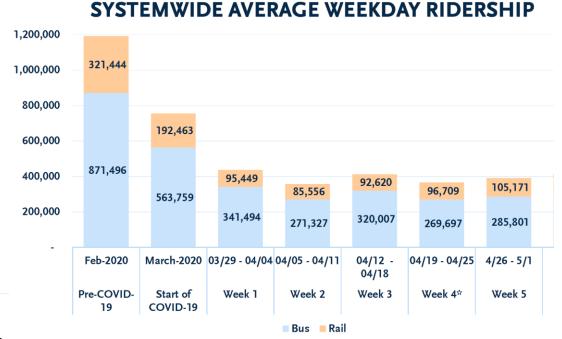
TIME

COVID-19 Has Been 'Apocalyptic' for Public Transit. Will Congress Offer More Help?

BY **ALEJANDRO DE LA GARZA** X JULY 21, 2020 5:03 PM EDT

Ios Angeles Times

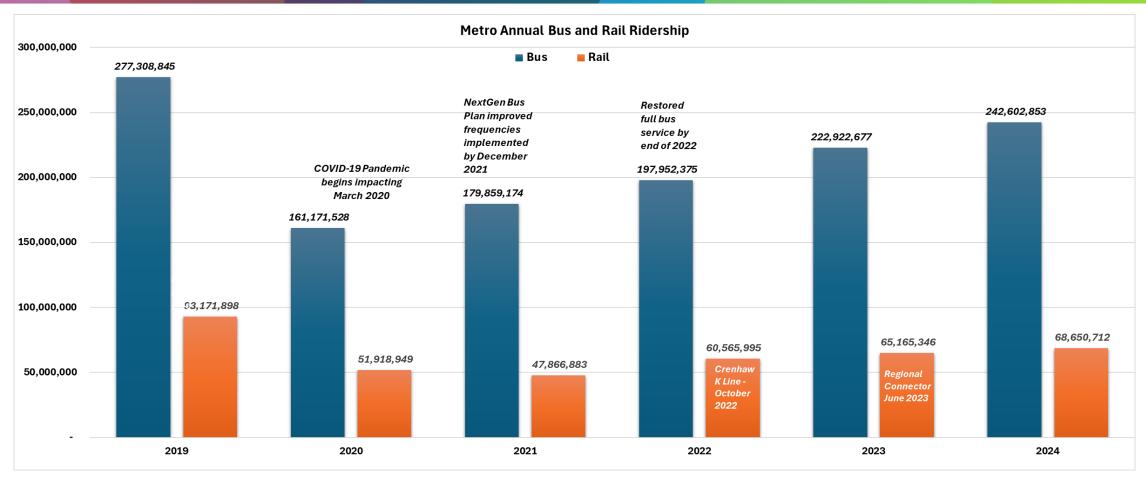
CALIFORNIA



L.A. Metro cuts budget by \$1.2 billion, cking in steep reductions to bus, rail service

By Laura J. Nelso Staff Writer

Five Years Later: Bus and Rail Ridership Recovery





- All day frequent service
- Operator recruitment and retention
- Multilayered approach to system safety
- Ambassadors

- Station Experience
- Cleanliness Initiatives
- Fare Programs
- Bus Priority Lanes

Weekday Ridership by Time of Day

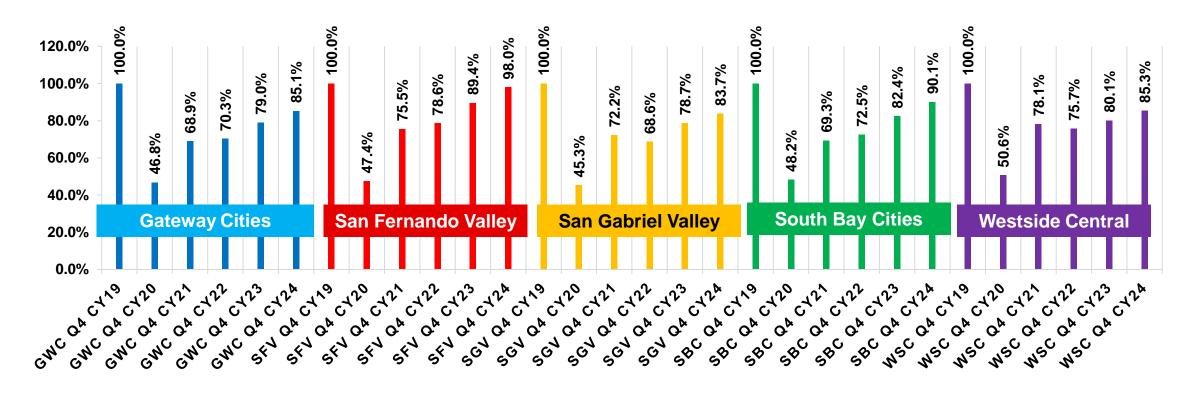
Time Period	CY2020 Q4	CY2024 Q4
Early AM	45%	80%
AM Peak	37%	76%
Midday	54%	92%
PM Peak	44%	84%
Evening	48%	86%
Late Evening	51%	97%
Overnight Owl	58%	101%

Midday ridership recovery (base) at 92% continues to exceed both AM peak and PM peak recovery from the pandemic, likely in response to NextGen Bus Plan's increased off-peak service frequencies.

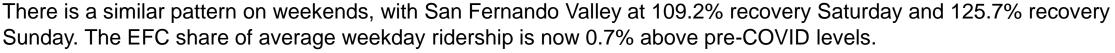
- AM peak remains most subdued at 76% compared to pre-pandemic as transit use has shifted due to telecommuting and more off-peak travel to service jobs.
- PM Peak at 84% has a stronger recovery than the AM peak.
- Late evening and Owl ridership periods recovered most strongly at 97% and 101% as these periods typically serve transit-dependent shift workers.



Average Weekday Ridership Recovery by Service Area Q4 CY2019 – Q4 CY2024



All service areas improved their recovery rates by 6.4-9.6% compared to the same quarter of 2023. The San Fernando Valley area continues to show the most weekday ridership recovery at 98.0% on weekdays.





How we continue to grow ridership

Top Rider Needs (% Extremely/Very Important)

We know we need to:

Make it safe

Make it clean

Make it comfortable

Make it reliable

Make it easy



Reliable		Easy		Safe		Clean	
Getting to a destination on time	87%	Accurate arrival time info	85%	Safety on board buses/trains	85%	Cleanliness inside the bus/train	
Buses come on time	86%	Updates/alerts about delays	84%	Safety of bus stops/rail stations	84%		
How frequently buses/trains run	84%	at stops/	82%	Stations			
How long it takes to get where I am going	80%	Availability of accurate info to plan my trips	80%				

83%

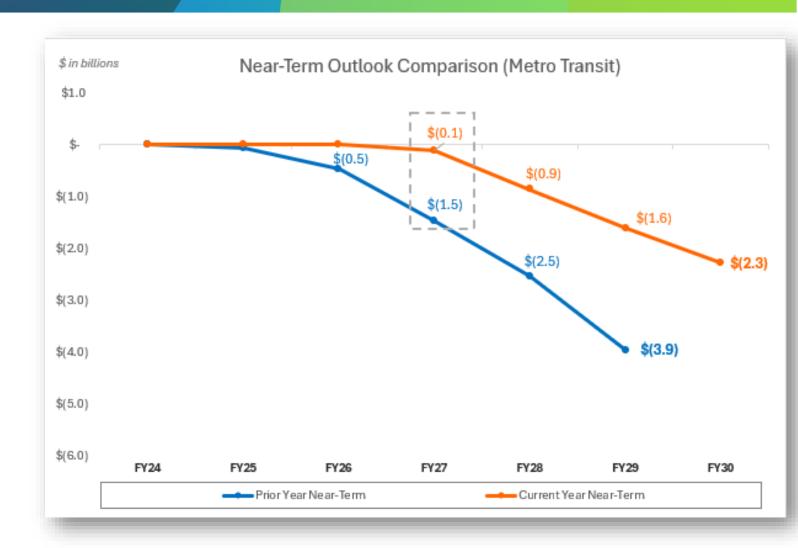
California is Hosting the Biggest Global Sporting Events





Near-Term Financial Outlook

- IMPROVED: The prior year's Near-Term cumulative gap of \$1.5 billion in FY27 to \$0.1 billion per current year's Near-Term as a result of:
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 - Equitable Zero-Based Budgeting (EZBB) process
 - Delayed spending on capital projects based on year-end actuals
 - Board approved implementation of Transit Community Public Safety Department (TCPSD)
- However, a cumulative gap (Operations and SGR) of \$900M remains by FY28 growing to \$2.3 billion by FY30



Note: These figures do <u>not</u> include cost assumptions for the 2028 Games.

Additional Risks and Challenges



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Eligibility of Funds for Operations (e.g. FY25)

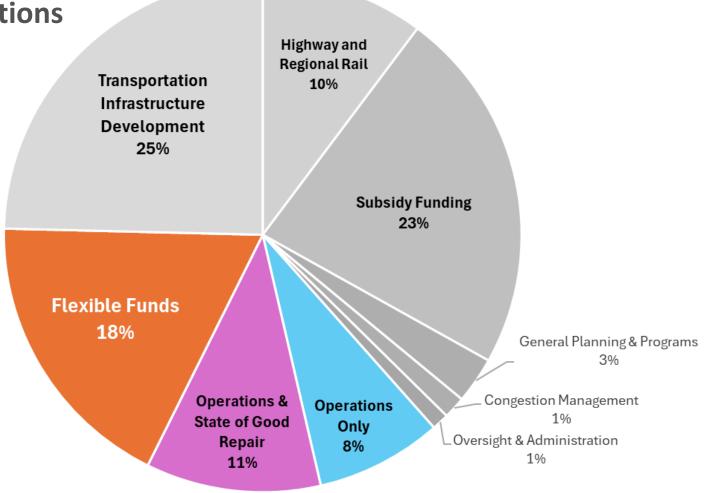
• > 130 colors of funds

< 15 sources are dedicated for operations

8% of FY25 Resources
Dedicated for Operations

91% of Flexible Funds
Used for Operations & State of
Good Repair

96% of Operations & State
Good Repair funds
Used for Operations



"Ice Cream" Test Slide

If you were asked to choose your favorite flavor, which of the following options would you choose?

You can only choose one.

- A. Vanilla
- B. Chocolate
- C. Strawberry
- D. Neapolitan
- E. Pralines and Cream

Pulse Check

In 2018 the Board adopted Vision 2028 with five goals. Which of these is most important to you?

You can only choose one.

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





State of the Capital Program

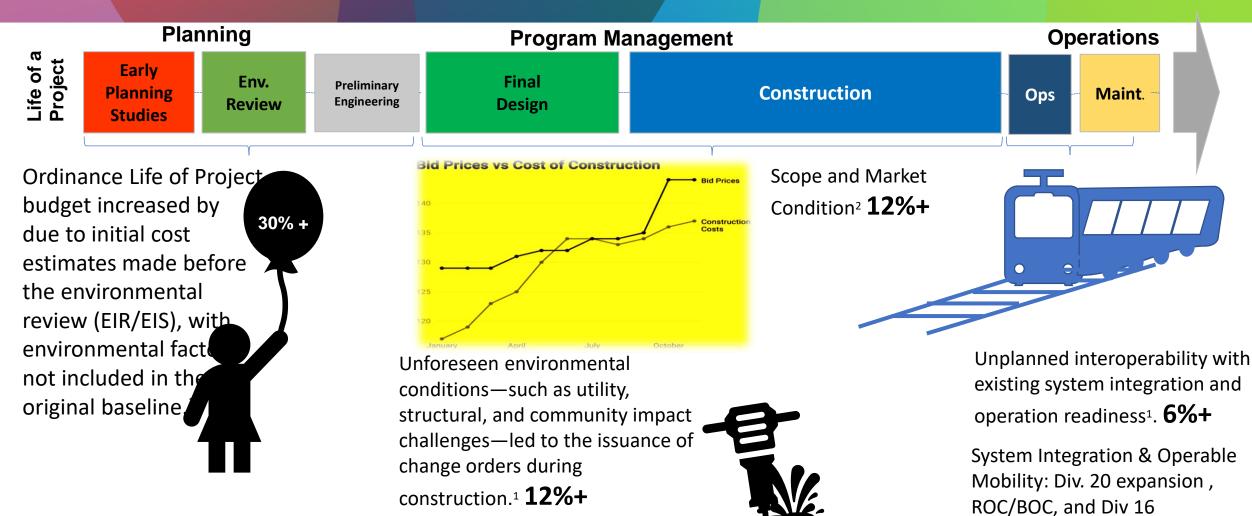
Capital Program – Pulse Check

What should be our top approach when managing rising capital project costs?

You can only choose one:

- A. Delivering projects on schedule, even if costs increase
- B. Adjusting the scope to reduce costs
- C. Balancing cost and schedule, even if it means phasing the project
- D. Exploring alternative funding sources to cover cost overruns, even if it means delaying the delivery of the project
- E. Focusing on achieving project mobility goals versus prescribed mode of implementing project

Metro Experience with Capital Cost Drivers



1.Recent Project Experience based on Greenline AMC, Regional Connector, Crenshaw, PLE 1,2&3 2.Program Management Oral Report, "Construction Market Trend", February 2022

Increase over sales tax baseline rough estimate by **60%+** experienced so far

60% cost differential totaled

\$6.5 billion

over last 10 years

60% cost differential totaling

\$16-18 billion

in the next 10 years

Current Response to Controlling Costs



Improve Staff/Consultant Ratios



Improve Relationships with Third Party and Utilities



New Recruitment Strategies



Monitor and Reduce Soft Costs



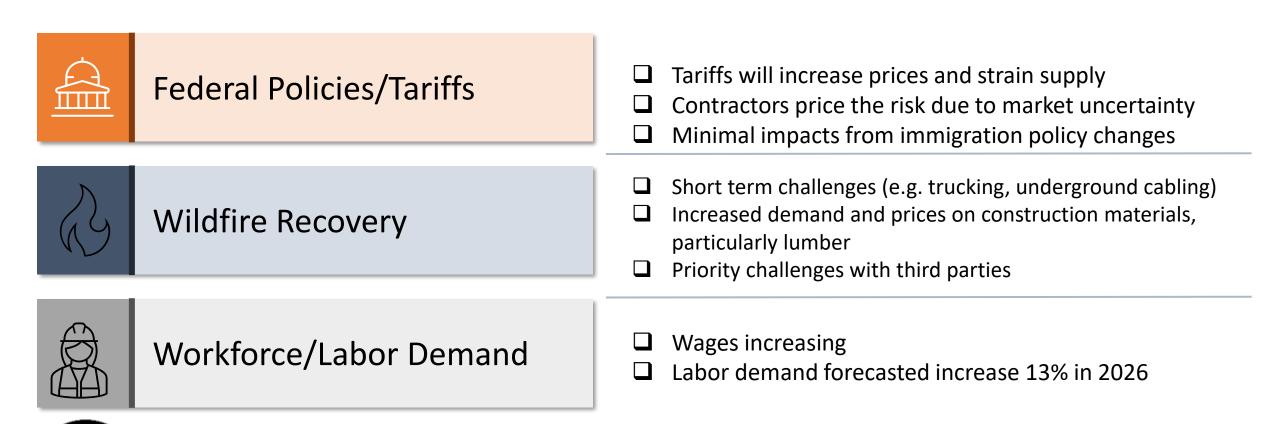
Alternative Delivery Contracts



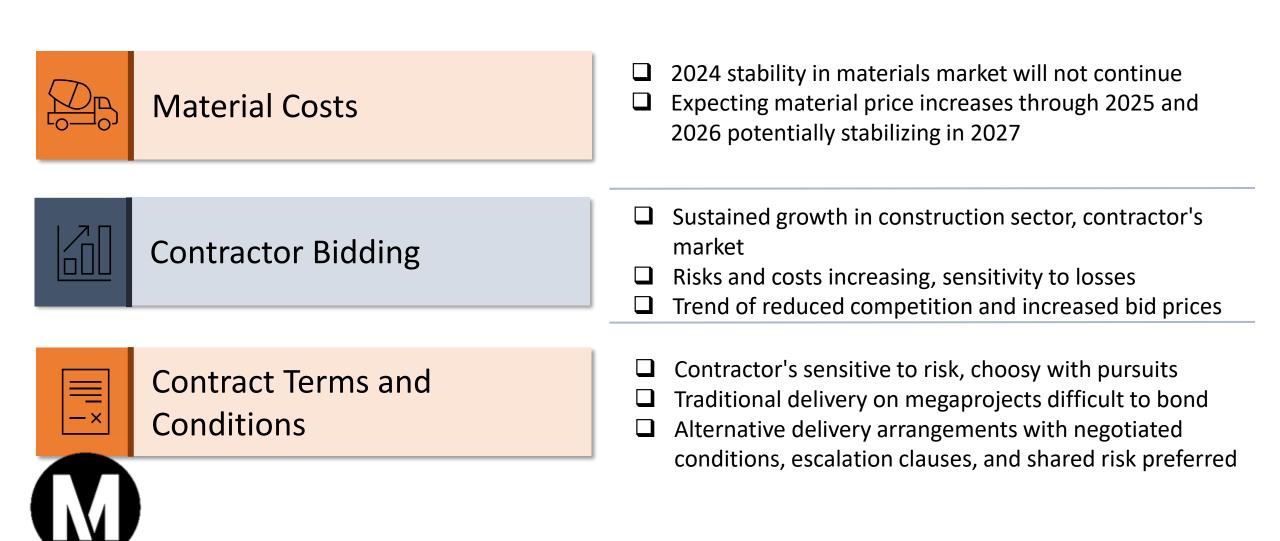
Early Intervention Team



Construction Market Outlook: 2025 and Beyond



Construction Market Outlook: 2025 and Beyond



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Program Management Strategic Initiatives in FY26

- Pursue streamlined and self-permitting opportunities with third parties and utilities
- Continue to benefit from early engagement and innovation working with contracting partners through alternative delivery models
- Conclude price negotiations on ESFV, I-105 (Segments 2 and 3), and Noho to Pasadena BRT projects
- Advance steps that minimize the risk of the current market volatility
- Strategically growing the PM team to accommodate growth in the project portfolio



Capital Projects – Pulse Check

How should we prioritize funding for projects when costs exceed initial estimates and additional funding is not readily available?

- A. Focus on completing projects already under construction
- B. Prioritize projects with the highest potential benefit
- C. Maintain sequence of projects in Measure M Expenditure Plan
- D. Focus on smaller-scale, more easily implementable projects
- E. Focus on shovel-ready projects

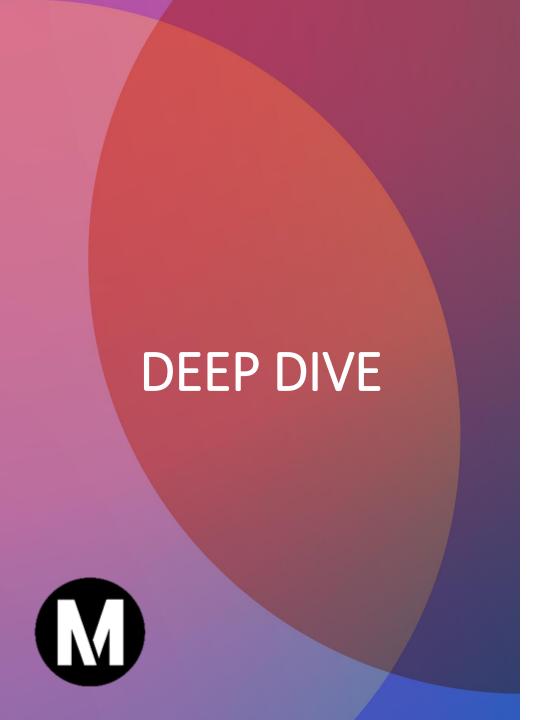
Breakout Discussion

When rising costs force difficult trade-offs, how would you rank the following approaches?

- Reducing project scope while maintaining key features
- Delaying projects to stabilize costs over time
- Seeking additional funding through taxes, bonds, or partnerships
- Canceling or indefinitely deferring the most expensive projects
- Requiring streamlined permitting to continue to advance projects

What other information do you want staff to provide?

Do you have any other policy or strategy ideas you would like staff to consider in this area of focus?



Upcoming Mega Event: FIFA World Cup 2026

Game-Changer: Leveraging Angelenos' Passion for Sport to Change Perceptions of and Encourage Ridership on Metro

Pulse Check

Given that safety is foundational, how else should Metro measure the success of our upcoming Global Events?

Please choose only one:

- A. Ridership retention and growth
- B. Positive customer and community feedback
- C. Positive media coverage
- D. Improved brand perception

The Opportunity

Metro has a game-changing opportunity to reshape perceptions and address misconceptions about public transportation in Los Angeles. By leveraging the upcoming major sporting events, Metro can showcase a legacy world-class transit system that offers Angelenos and visitors an affordable, environmentally friendly service to reach the destinations they care most about.



Fan-tastic Metro Experiences for Major Sporting Events

For many Angelenos, **Metro is already an essential part of their sports experience**, providing reliable transportation to and from games and events.







Established Venue Bus Shuttles





Established in 2010, the Dodger
Stadium Express service was partially
funded under a grant from the Mobile
Source Air Pollution Reduction Review
Committee (MSRC), but the grant period is
over. Metro operates service from
Union Station and South Bay.







Bus shuttles servicing SoFi Stadium from Hawthorne/Lennox Station (C Line) for the NFL Season are Metro funded.



Service Operation: October to June

Funded by Intuit Dome via a sponsorship, Metro has provided bus shuttle service from both the C and K Lines. Bus shuttles were also sponsored for the venue's grand opening month of August to support concerts.

Exciting New Sports Partnership



Current Status: Active

BMO Stadium is a LA28 venue and LAFC is now a strategic partner who is committed to help Metro further expand our ticketing integration development through its relationship with Ticketmaster. Metro will be able capture fan data and this partnership establishes a precedence as the first sports team in Los Angeles to include the cost of public transportation into ticket prices. We are currently discussing youth-focused opportunities for our GoPass program.



LA 2028 Olympic and Paralympic Games

2028 Games by the Numbers

12-15M

Tickets to be sold

3M+

Unique Attendees

65K

Volunteers & Employees

80

Days of Games Operation

+008

Ticketed Events

+08

Competition & Non-competition Venues

1.2M

Peak Day Spectator Trips

50K

Key Constituents (Athletes, Officials, Media, etc.)

FY26 FED. FUNDING ASK



Games Essential Legacy Projects

\$1 B



Temporary Infrastructure & Operational Costs

\$2.3 B

BUS FLEET & RESOURCES



Anticipated # of GETS buses required

2.7K



Anticipated GETS drivers/mechanics needed

6K+

We're focused on the entire experience

Planning the Trip

Paying

Waiting at Stations and Stops

- New website
- Improved trip planner
- Consolidated mobile app
- Improved customer information
- Expanded park and ride

- Pay with debit/credit card
- Consolidated mobile app
- Integrated ticketing

- Bus stop furniture and shade
- Comfortable, accessible stations
- Improved wayfinding

Riding

- Enhanced, accessible vehicles In persor
- Games enhanced transit service
- Improved on-board customer information
- Visible safety presence

Support

- In person customer service
- Improved call center
- Improved digital navigation tools

Surprise & Delight

- Watch parties and fan zones
- Cultural events
- Station takeovers and activations

2026 FIFA World Cup

World Cup by the Numbers

70K

Tickets/game

450K

Unique Attendees

500

Volunteers & Employees

8

Days of Games Operation

8

Ticketed Events

2 official + live sites

Competition & Non-competition Venues

50K

Peak Day Spectator Trips

20K

Key Constituents (Teams, Officials, FIFA Sponsors, FIFA Guests, Media, etc.)

FY26 FED. FUNDING ASK



GETS Service Plan

\$5M



Temporary Infrastructure & Operational Support and Customer Experience Costs

\$20M

BUS FLEET & RESOURCES



Anticipated # of GETS buses required

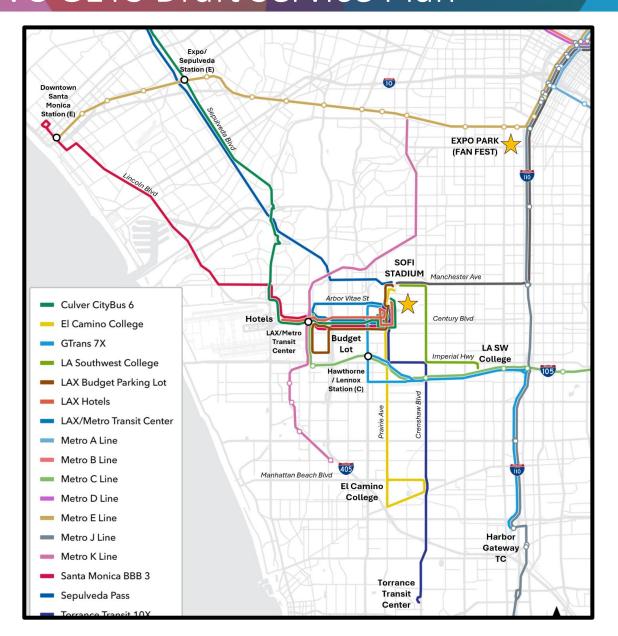
330



Anticipated GETS drivers/mechanics needed

375

2026 FIFA World Cup: Games Enhanced Transit Service WC GETS Draft Service Plan



Rail Connections

- ■LAX/Metro Transit Center (C and K Lines).
- ■Downtown Union Station and 7th/Metro.

Regular Park-and-Ride Lots

- ■Inglewood Municipal Lots
- Harbor Gateway Transit Center
- ■Torrance Transit Center

Special Park-and-Ride (closest large-scale lots)

- LAX Budget Parking Lot and LAX Area Hotels
- ■LA Southwest College
- ■El Camino College

Regional Connections

- ■San Fernando Valley/Sepulveda Pass.
- ■E Line & J Line for official Fanfest and Fan Zone access in every supervisorial district

Extensions of Existing Routes (possible examples)

- ■Big Blue Bus 3 on Lincoln Blvd
- ■Culver CityBus 6 on Sepulveda Blvd

Access Services:

ADA paratransit service







OFFICIAL PUBLIC TRANSIT PROVIDER

Marketing Efforts



Pulse Check

What aspect of the 2026 FIFA World Cup experience are you most excited about?

- A. Fan zones
- B. Improved customer experience
- C. Marketing efforts with sponsorships
- D. Social media takeovers by athletes and youth
- E. Pop-ups with community-based organizations (CBOs)

Breakout Discussion

How can we best involve youth in our World Cup engagement efforts?

- Leadership roles in planning and execution
- More social media takeovers and digital engagement
- Special events and activations geared toward young people
- Training or internship opportunities
- Partner with American Youth Soccer Organization (AYSO) leagues and clubs

Which unique Metro touch would make the biggest impact during the World Cup?

- Live match broadcasts at key stations and transit hubs
- Exclusive Metro rider-only perks at fan zones
- Soccer-themed art, music, and performances on trains and buses
- Limited-edition Metro fare cards featuring iconic World Cup moments

Do you have any other policy or strategy ideas you would like staff to consider in this area of focus?

DEEP DIVE

Guiding Metro through the Uncertain Future

The Short-Range Transportation Plan (SRTP)

Measure M Decennial Review



"Vision 2060" Process

Long Range Transportation Plan

2020-2047



Baseline: Oct. 2024 Short Range **Financial Assumptions**

2025 - 2039

Measure M Decennial Review

Measure M 5-Yr Assessment #1 (2023) and #2 (2027)

First 10 years



Vision 2060

2030-2060

Approved by the Board in 2020

Anticipated Board consideration in Summer / Fall 2025

Anticipated Board consideration in

Anticipated Board consideration in FY 2030



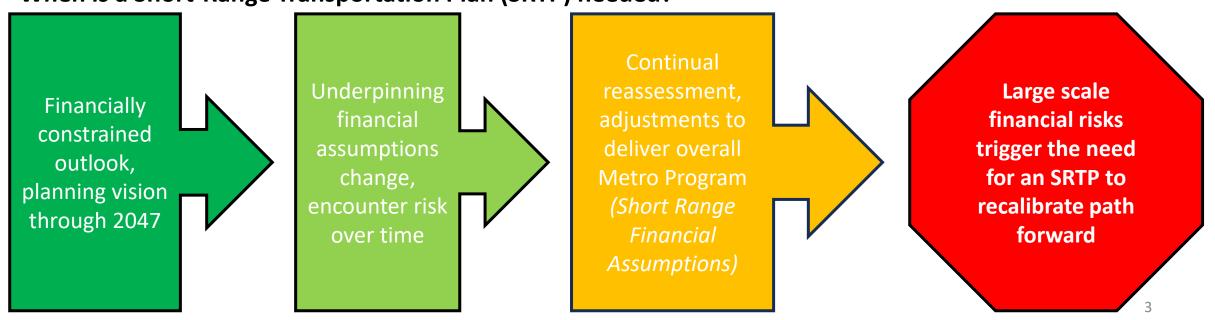
FY 2027

Short-Range Transportation Plan (SRTP)

Following the passage of Measure M (2016), the Board adopted the Long-Range Transportation Plan in 2020 to:

- Incorporate funding of Measure M Expenditure Plan capital projects, operations, and other programs
- Reflect current board policies and direction
- Provide a detailed roadmap for how Metro will plan, build, operate, maintain, and partner for improved mobility through 2047
- Guide future funding plans and policies needed to move LA County forward

When is a Short-Range Transportation Plan (SRTP) needed?



2025 Short Range Transportation Plan (SRTP)

What is an SRTP?

Assesses progress toward delivering the 2020 LRTP and provides an overview of how far we have to go

How will the SRTP be used?

The SRTP will support decisions to be made by the Board during the Measure M Decennial Review process.

The SRTP reflects

- Board actions since LRTP adoption
- Projects opened and programs implemented since LRTP adoption

The SRTP assesses

- LRTP financial assumptions and goals/objectives on which it was based
- Most recent (Oct. 2024) Short Range Financial Assumptions and identifies changes that need to be addressed since then
- Revenue forecasts and financial risks
- Capital project costs, schedules, and trends
- Operating costs, trends, and funding sources

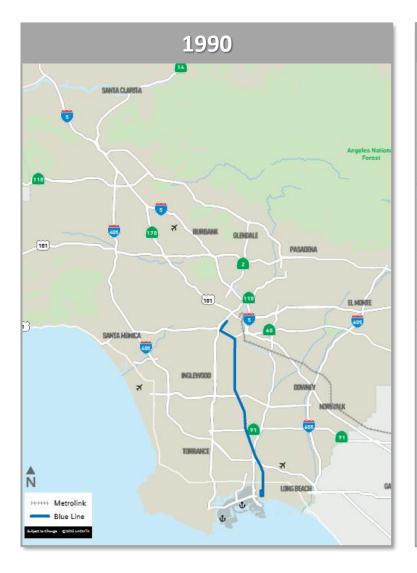
The SRTP provides

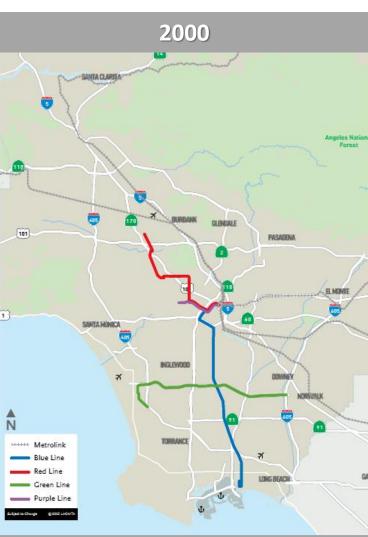
- An updated, 15-year (2025-2039) outlook to implement the LRTP
- An overview of financial risks and challenges facing Metro's overall Program
- A range of funding gaps for near-term capital projects and other programs
- Strategic direction to address challenges facing the overall Metro Program, identifying opportunities to overcome risk

1990 - 2010 Transit System: Rapid Growth Fueled by Propositions A and C

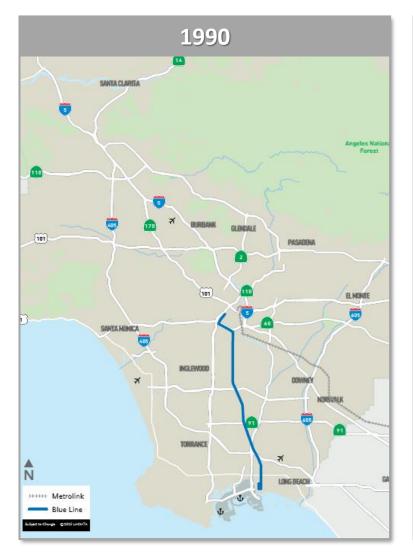


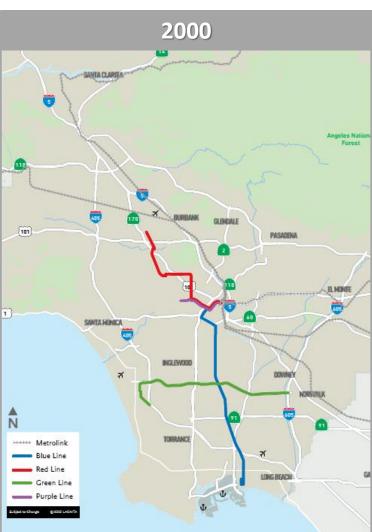
1990 - 2010 Transit System: Rapid Growth Fueled by Propositions A and C





1990 - 2010 Transit System: Rapid Growth Fueled by Propositions A and C







Existing Transit System



Existing & Planned Transit Systems







Increased Mobility Improves the Economy

Increased job access in the past 10 years:

More than 600 K (612,085) additional jobs located within one mile of new rail stations

Approximately 14% increase in total jobs accessible by rail transit.

New future job creation:

2020 LRTP forecasts **1.84 M jobs** will be created over its 30-year horizon from transportation investments

Gross Regional Product will increase by \$196 B



2028 Planned Walk/Bike/Park-and-Ride Access Sheds









Agencywide Challenges Implementing Measures R & M



Expanding System



Systemwide Efficiencies



Emerging Legacy System



Coordination with Other Operators



State of Good Repair / Safety Culture



Potential Conflicts with Other Systems



Resilience



Constraints on Use of Debt

Funding Risks



Federal Funding



Sales Tax Trends



Cost Escalations



Economic Instability

The Measure M Decennial Review

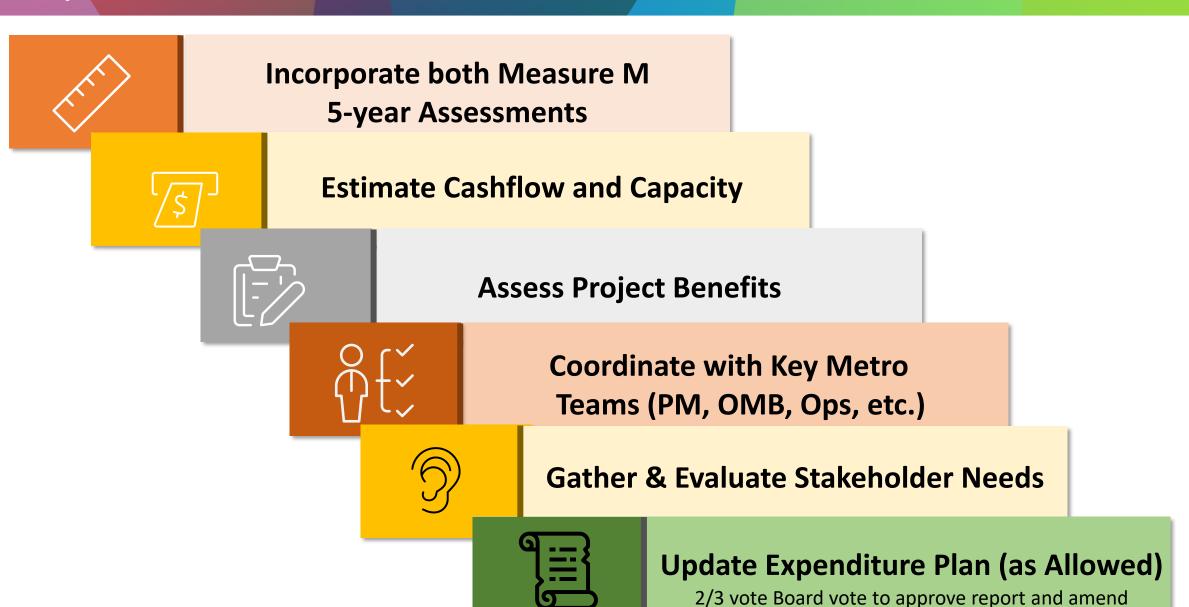
What is the Decennial Review?

- A strategic financial planning tool only available **once-a-decade** (FY 2027) to address funding challenges resulting from financial risk and changed conditions
- Mechanism built into Measure R and M Expenditure Plans for this specific purpose
- Could address some but not all of Metro's funding challenges over next 5 years

Decennial Review Process: Look-ahead

- Process initiated with Measure M 5-Year Assessment (2023)
- Informed by upcoming Board policy decisions in FY 2026
- Staff conducts a Decennial Review process and completes a report
- Staff conducts all required outreach
- Metro Board can choose to amend Measure M within certain parameters (subject to 2/3 approval)

Purpose and Process of Decennial Review



Expenditure Plan

Measure M Decennial Review

Components

Decennial Review

- ✓ Comprehensive assessment of Measure M is required by Expenditure Plan
- ✓ Report to be consolidated with the second Measure M 5-Year Assessment
 - Equity-focused
 - System performance
 - Board priorities

Relationship to LRTP

Decennial Review

- ✓ provides analysis required by Expenditure Plan to assess next decade of Measure M
- ✓ identifies needs to assist in key decisions in development of the 2030 LRTP
- ✓ Board policies and decisions made reflected in next LRTP

The Decennial Review provides an opportunity once every 10 years to address changes in financial assumptions, priorities, and technologies

Benefit Cost Analysis for Metro Capital Projects

What is a Benefit Cost Analysis (BCA)?

- Comparison of costs and benefits of a project or program of projects
- May include quantitative or qualitative measures of benefits
- One tool of many to inform a more data-driven and transparent decision-making process

Why Conduct a Standardized Benefit Cost Analysis?

- Assess the viability of a project
- Compare the cost-effectiveness of multiple project alternatives
- Compare the benefits of projects against each other
- Identify contributions to regional and federal goals
- Position projects for state and federal funding opportunities
- Assess projects throughout development & implementation

Pulse Check

In anticipation of the Measure M Decennial Review, which performance indicator do you think is the most important to evaluate?

Please choose only one:

- A. Congestion relief
- B. Equity
- C. Air quality
- D. Economic benefit
- E. Cost Benefit analysis

Breakout Discussion

Which strategy in the Decennial Review would you like to learn more about?

- A. Transferring highway money to transit projects
- B. Adding new projects necessary to support future operations
- C. Increasing the expenditure limit for Measure M projects
- D. Opportunities to identify more funding eligible for operations
- E. Developing a contingency line item for capital projects

What other information do you want staff to provide?

Do you have any other policy or strategy ideas you would like staff to consider in this area of focus?

Final Pulse Check

As a Metro Board Member, where do you feel your leadership can make the greatest impact over the next year?

Please choose only one:

- A. Championing regional collaboration to accelerate project delivery
- B. Elevating rider experience and safety on the system
- C. Advancing policies that strengthen equity and community trust
- D. Ensuring financial sustainability and responsible stewardship of public funds
- E. Preparing Metro for success during global events like the 2026 World Cup and 2028 Games

CLOSING REMARKS

