

Metro

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



Metro

Agenda - Final

Wednesday, May 17, 2017

1:00 PM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Budget Public Hearing

Jacquelyn Dupont-Walker, Chair

Janice Hahn, Vice Chair

Robert Garcia

Ara Najarian

Hilda Solis

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

Open Public Hearing.

Opening Remarks.

Statement of the MTA Board Secretary concerning publication of notices and dissemination of public information.

FY2018 Proposed Budget:

CONSIDER:

[2017-0279](#)

- A. ADOPTING the **proposed FY18 Budget** as presented in the budget document (provided in a separate transmittal and posted on metro.net); and
- B. APPROVING the addition of 129 positions, including 22 contract and 107 non-contract full-time equivalent positions, as presented in Attachment A; and
- C. APPROVING the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million, included in the proposed FY18 Budget and presented in Attachment B; and
- D. ADOPTING Life of Project (LOP) budget of \$118.9 million for Blue Line Signaling Rehabilitation and Operational State of Good Repair Improvements that incorporates system compatibility, safety features, and new technology to improve headways during service interruptions, further described in Attachment B; and
- E. AMENDING the proposed budget to add \$8.2 million for engineering support and advanced utility relocation designs on Metro Orange Line Grade Separation (project submitted after proposed budget was published); and
- F. AMENDING the proposed budget to add \$1 million for the Comprehensive Operational Analysis (COA), which is a comprehensive service restructuring study; and
- G. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY~~17~~ 18 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

Attachments: [Attachment A - FTE Request for FY18](#)
 [Attachment B - FY18 New Capital Projects](#)
 [Attachment C - Reimbursement Resolution of Metro for Fiscal Year 2018](#)
 [Attachment D - FY18 Public Outreach](#)

Public Comment.**Motion to Close Hearing.**

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



Board Report

File #: 2017-0279, File Type: Public Hearing

Agenda Number: 30

REVISED
BUDGET PUBLIC HEARING
FINANCE, BUDGET AND AUDIT COMMITTEE
MAY 17, 2017

SUBJECT: FISCAL YEAR 2018 (FY18) BUDGET

ACTION: ADOPT THE FY18 BUDGET

RECOMMENDATION

CONSIDER:

- A. ADOPTING the **proposed FY18 Budget** as presented in the budget document (provided in a separate transmittal and posted on metro.net); and
- B. APPROVING the addition of 129 positions, including 22 contract and 107 non-contract full-time equivalent positions, as presented in Attachment A; and
- C. APPROVING the Life of Project (LOP) budgets for new capital projects with LOP exceeding \$5 million, included in the proposed FY18 Budget and presented in Attachment B; and
- D. ADOPTING Life of Project (LOP) budget of \$118.9 million for Blue Line Signaling Rehabilitation and Operational State of Good Repair Improvements that incorporates system compatibility, safety features, and new technology to improve headways during service interruptions, further described in Attachment B; and
- E. AMENDING the proposed budget to add \$8.2 million for engineering support and advanced utility relocation designs on Metro Orange Line Grade Separation (project submitted after proposed budget was published); and
- F. AMENDING the proposed budget to add \$1 million for the Comprehensive Operational Analysis (COA), which is a comprehensive service restructuring study; and
- G. APPROVING the Reimbursement Resolution declaring Metro’s intention to issue debt in FY17 18 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will

require separate Board approval.

ISSUE

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

Copies of the proposed budget were made available to the public on May 3, 2017, both electronically at www.metro.net and through the Records Management Center (RMC) at RMC@metro.net. Printed copies of the budget document were made available at the RMC on the plaza level of the Gateway building on the same day. The public hearing is scheduled for May 17, 2017. Advance public notification of this hearing was issued through advertisements posted in over two dozen news publications.

DISCUSSION

The proposed FY18 budget is balanced at \$6.1 billion in total agency expenditures, an increase of \$83.1 million, or 1.4%, from the \$6.0 billion FY17 budget. This increase of less than the Consumer Price Index (CPI), which is a measure of cost inflation, demonstrates the agency's commitment to fiscal discipline and tight budget controls as we continue to deliver on the agency goals:

1. Advance safety and security for our customers, the public, and Metro employees
2. Exercise fiscal discipline to ensure financial stability
3. Plan and deliver capital projects on time and on budget while increasing opportunities for small business development and innovation
4. Improve the customer experience and expand access to transportation options
5. Increase transit use and ridership
6. Implement an industry-leading state of good repair program
7. Invest in workforce development
8. Promote extraordinary innovation
9. Contribute to the implementation of agencywide and departmental Affirmative Action and Equal Employment Opportunity goals

Assumptions Summary

The FY18 budget is built on the following assumptions:

- Proposition A, Proposition C, Measure R, and TDA sales tax revenue growth of 2.8% over the FY17 budget, based on forecasting sources as well as actual receipts for FY17 YTD through

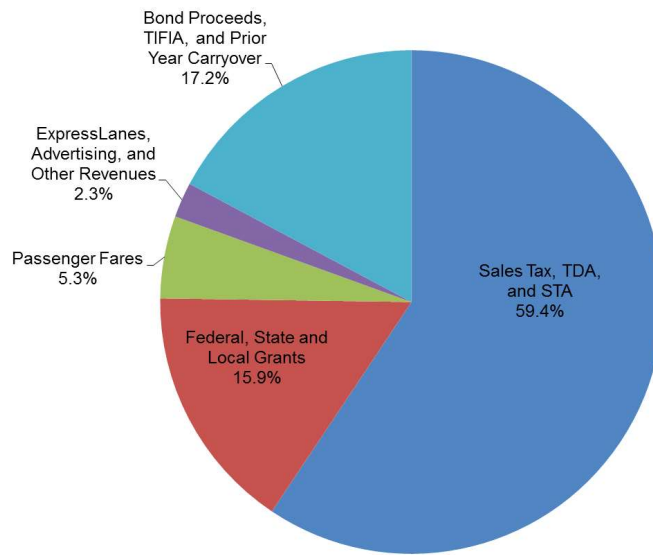
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- Measure M revenues are budgeted at 95% of the estimated annual receipts based on past history for new sales tax inaugural years
- State Transit Assistance (TDA) revenues are based on estimates from the State Controller’s Office
- CPI of +1.75% based on Beacon Economics forecast
- No change in Bus Revenue Service Hours (RSH), with RSH reallocated to:
 - Improve reliability on the Owl network
 - Augment and right-size service in order to increase peak frequencies on priority bus lines
 - Incorporate service support for rail line maintenance and special events
- Rail Revenue Service Hours increase by 129,000 RSH, or 11.6%, due to:
 - Availability of more rail cars to meet growing demand on the Expo Line and Gold Line
 - Providing necessary service to meet growing demand for service to sports venues and special events
- Wage/salary increases and health/welfare benefits for represented employees are based on Board adopted contracts
 - Labor negotiations continue for collective bargaining agreements
- With labor negotiations ongoing, results will be reflected under separate action
- 107 new non-represented FTEs requested
- 22 represented FTEs requested

Resources Summary

The table below summarizes the budgeted resources available for FY18.

		FY18	
Resources (\$ in millions)		Proposed	% of Total
1	Sales Tax, TDA, and STA	\$ 3,628.9	59.4%
2	Federal, State and Local Grants	969.0	15.9%
4	Passenger Fares	323.4	5.3%
5	ExpressLanes, Advertising, and Other Revenues	137.7	2.3%
6	Bond Proceeds, TIFIA, and Prior Year Carryover	1,052.6	17.2%
7	Total	\$ 6,111.6	100.0%



FY18 vs FY17 Expense Summary

For the proposed FY18 budget, every dollar has been linked to one of our nine agency goals as listed on the second page of this report. This new practice enables us to track our ongoing costs in relation to our objectives, which will result in a quantifiable measure of the efforts expended to move toward specific achievements. This approach is designed to further reinforce the agency’s commitment to strategic monitoring of performance and the improvement of accountability.

Due to our focused adherence to tight budget controls, the FY18 budget represents an increase of only 1.4%, which is less than CPI. The main cause of the variance within each program type category are listed below.

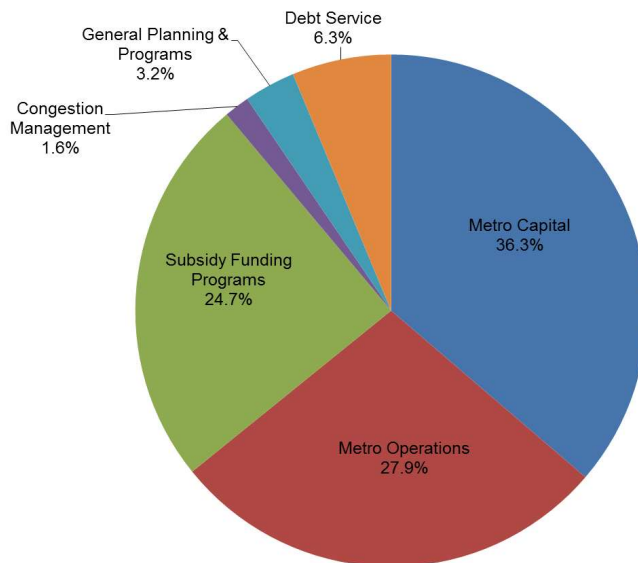
- Metro Capital is decreasing by 11.8%, primarily due to the offsetting impact of the I-405 contract closeout.
- Metro Operations is increasing slightly by 6.1% due to two main factors:
 - Restructuring of Transit Security efforts, including the new law enforcement contracts and an increase in private security.
 - Increase in unit costs for purchased transportation, due to the inclusion of living wage increases in the new contracts.
- Subsidy Funding Programs will increase by 15.7%, primarily due to increased subsidies paid to local jurisdictions, municipal operators, Metrolink, and Access Services, which is a direct

result of additional funding from the growth in sales tax revenues plus new revenues from Measure M.

- Congestion Management will decrease by 13.5% due to improved cash flow management.
- General Planning & Programs will increase by 17.2%, due to planning and administration for new Measure M projects, as well as efforts to secure Public-Private Partnerships to facilitate acceleration of new construction.
- Debt Service will increase by 19.7%, due to year-over-year changes in the debt repayment schedule as approved by the Board at the time of debt authorization.

The chart below shows the summary of expenditures for FY18 compared to FY17.

Expenditures by Program Type (\$ in millions)		FY17 Budget	FY18 Proposed	\$ Variance	% Variance
1	Metro Capital	\$ 2,512.9	\$ 2,216.5	\$ (296.4)	-11.8%
2	Metro Operations	1,607.8	1,706.0	98.2	6.1%
3	Subsidy Funding Programs	1,304.9	1,509.9	205.0	15.7%
4	Congestion Management	112.9	97.7	(15.2)	-13.5%
5	General Planning & Programs	169.2	198.3	29.1	17.2%
6	Debt Service	320.1	383.2	63.1	19.7%
7	Total	\$ 6,027.8	\$ 6,111.6	\$ 83.8	1.4%



FTE Summary

The FY18 proposed budget includes requests for 107 non-contract FTE additions and 22 represented FTE additions. These positions address new Measure M planning, funding, and oversight needs, as well as the Transit Project delivery schedule and piloting of new programs to improve the customer experience on Metro systems. A summary of the requested FTEs is shown in the table below, and a detailed listing of the requested FTEs is presented in Attachment A.

Department	FY18		FY18		FY18		FY18
	FY17	Request	Proposed	FY17	Request	Proposed	Proposed
	Non-Represented			Represented			Total
1 Board of Directors	38		38	0		0	38
2 Chief Executive Office	252	16	268	299	3	302	570
3 Communications	116	8	124	184	1	185	309
4 Congestion Reduction	20	3	23	0		0	23
5 Finance & Budget	144	10	154	67		67	221
6 Information Technology	94	2	96	50	1	51	147
7 Operations	275	11	286	7,532	15	7,547	7,833
8 Planning & Development	151	13	164	0		0	164
9 Program Management	234	36	270	0		0	270
10 Vendor/Contract Management	160	8	168	162	2	164	332
11 Total	1,484	107	1,591	8,294	22	8,316	9,907

Capital Program

The proposed budget includes the capital program life-of-project (LOP) budgets for all capital projects. Projects that are under \$1 million, projects that are unchanged from the prior year, and new projects that are less than \$5 million are identified in the proposed budget and approved with Board action on the proposed budget. Projects that are greater than \$1 million with LOP budget increases and new projects in excess of \$5 million must be approved by the Board in separate Board actions.

Attachment B includes a detailed listing of new capital projects for FY18 with LOP in excess of \$5 million. These projects are included in the proposed FY18 budget but do require LOP approval by the Board, as requested by Recommendation C of this report.

Blue Line Signaling Rehabilitation and Operational Improvements

After renewed review of the state of good repair needs and as directed by the Board to focus on the oldest Metro Rail Line, Blue Line, Metro is combining three Board approved Blue Line improvement projects of \$81.6 million and adding \$37.4 million for a total of \$118.9 million. This LOP is a result of the expanded scope that takes advantage of the new technologies for the signals and relays just now available to improve the reliability of train control. The LOP for this project scope revision is included in the FY18 New Capital Projects listing (Attachment B).

Budget Amendments Since Proposed Budget Was Published

Subsequent to the preparation of the FY18 proposed budget, a modification to increase the total budget by \$8.2 million has been submitted to provide engineering support and advanced utility relocation designs on the Metro Orange Line Grade Separation. This project remains in the planning phase during FY18 for environmental clearance.

Another modification to the FY18 proposed budget is the addition of \$1 million for the Comprehensive Operational Analysis, which is a systemwide bus restructuring study. The purpose of this effort is to restructure the bus network given the changes to the region's travel demand, travel markets, and transportation options, and to set a foundation for future investment in transportation from Measure M.

The total impact of amendments to the proposed budget is shown in the table below.

Amendment Items to FY18 Proposed		\$ (in millions)
1	FY18 Proposed	\$ 6,111.6
	<u>Amendment Items</u>	
2	Metro Orange Line Grade Separation	8.2
3	Comprehensive Operational Analysis	1.0
4	FY18 Proposed with Amendment Items	\$ 6,120.8
5	FY18 Proposed with Amendment Items vs FY17	1.5%

Reimbursement Resolution

Federal tax law requires that bond proceeds can only be used for expenses incurred after the issuance of bonds. In order to be reimbursed for expenses incurred before the bond issue, Metro must pass a resolution indicating the intent to issue bonds at a later date for the expenditures described in the reimbursement resolution. The attached resolution (Attachment C) is included in the budget board report as a matter of course, to tie expenditures anticipated in the budget to proceeds from future bond issuance, and it must be approved as an item separate from the budget document.

Public Outreach

The comprehensive outreach program for the FY18 budget development process represents the most extensive efforts to date, ensuring the greatest level of engagement from the public and key stakeholders. To encourage greater participation, the times and locations of public workshops were advertised through multiple channels, including the Metro website, “take-ones” on board buses and rail vehicles and at customer centers, newspaper advertising, messages on hold, Metro Briefs, and social media channels. Expanded outreach efforts for FY18 included a Telephone Town Hall and an interactive Online Budget Tool, making it convenient for LA County residents to participate in the

budget process and resulting in more responses from the general public compared with prior years. A summary of public outreach efforts and comments received is shown in Attachment D.

FINANCIAL IMPACT

The proposed FY18 budget (provided in a separate transmittal), plus the amendments in Recommendations E-F, is \$6.1 billion, which is a 1.5% increase from FY17. The budget includes expenditures and appropriates the resources necessary to fund them. The proposed budget demonstrates Metro's ongoing commitment to meeting its capital and operating obligations, which is a requirement necessary in order to continue to receive subsidies from the state and federal governments and to administer regional transportation funding to local cities and municipal operators.

NEXT STEPS

The FY18 Adopted Budget will be published by September 2017 and will be modified as necessary to include all Board actions subsequent to budget adoption, inclusive of Recommendations D-F in this report. Monitoring the FY18 budget performance will be a year-round ongoing effort. Staff will conduct quarterly variance analysis and track performance metrics to reinforce accountability and budgetary control. There will be a mid-year budget assessment to evaluate the budget's alignment to agency priorities and actual performance. In addition, continuous improvements will be implemented to the process and regular updates will be reported to the Board.

ATTACHMENTS

Attachment A - FY18 FTE Requests by Department

Attachment B - FY18 New Capital Projects

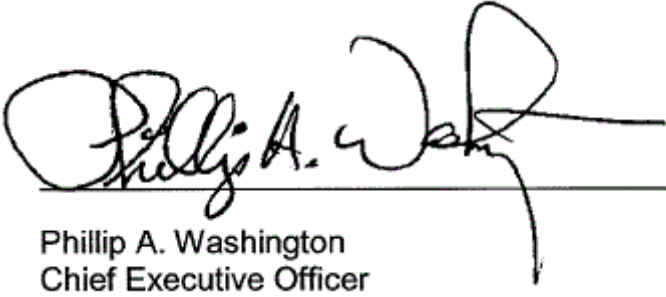
Attachment C - Reimbursement Resolution of Metro for FY18

Attachment D - FY18 Public Outreach

Prepared by: Office of Management & Budget Staff

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



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

FY18 FTE Requests by Department

Department		FY17	FY18 Request	FY18 Proposed	Description of New Positions
		Non-Represented			
1	Board of Directors	38		38	
2	Chief Executive Office				
3	CEO	2		2	
4	Chief Policy Officer	5		5	
5	OEI	8	2	10	Screening and market research, for unsolicited proposals
6	Risk Management	99	3	102	2 for Construction Safety, 1 for Enterprise Transit Asset Management
7	Human Capital Services	86	7	93	1 for Training, 2 for Employee/Labor Relations, 4 for Human Resources: 1 for Medical Standard and Compliance Administration, 1 for Class and Compensation, 2 for Recruitment
8	MASD	23	1	24	1 for direct support of Measure M related audit requirements
9	Civil Rights	14	1	15	1 for concurrences to FTA audit findings
10	Safety & Security	15	2	17	1 for community coordination for new law enforcement contracts, 1 for administrative support
11	Total Chief Executive Office	252	16	268	
12	Communications	116	8	124	1 for social media research, 2 for U-Pass, 3 for Purple Line, 1 in Community Relations, and 1 for Metro Art asset management
13	Congestion Reduction	20	3	23	Toll road strategic plan for various highways
14	Finance & Budget	144	10	154	For increased responsibility from Measure M and other directives
15	Information Technology	94	2	96	2 for cyber security
16	Operations	275	11	286	1 to improve the customer experience on Blue and Expo Lines; 8 for sufficient coverage of new rail services, Division Management, and 24/7 bus service; 2 for Measure M planning of integration of new lines into existing system
17	Planning & Development	151	13	164	13 for various Measure M related planning functions, including Active Transportation, First/Last Mile, parking studies, Union Station, real estate, systemwide planning, financial and regional grants management
18	Program Management	234	36	270	24 for Purple Line Sections 2 & 3, 3 for highways, 9 for department infrastructure - succession planning and reorganization
19	Vendor/Contract Management	160	8	168	2 for Workforce Initiative Now, 5 for Purple Line Extension, 1 to streamline the procurement process
20	Total	1,484	107	1,591	
		Represented			
21	Board of Directors	0		0	
22	Chief Executive Office	299	3	302	1 Human Resources clerk, 2 for General Services
23	Communications	184	1	185	Customer Service Representative
24	Congestion Reduction	0		0	
25	Finance & Budget	67		67	
26	Information Technology	50	1	51	Increased IT support
27	Operations	7,532	15	7,547	3 training instructors, 3 to improve customer experience on Blue and Expo Lines, 3 Electronic Communication Technicians for State of Good Repair support, 6 for Park & Ride lots maintenance
28	Planning & Development	0		0	
29	Program Management	0		0	
30	Vendor/Contract Management	162	2	164	Truck drivers to transport inventory to Divisions
31	Total	8,294	22	8,316	
32	Grand Total	9,778	129	9,907	

FY18 New Capital Projects

Measure M Projects

1	PROJECT: Airport Metro Connector: Construction (860303)
	PROJECT OWNER: Program Management - Transit
	LOP: <i>to be adopted at a future date</i> FY18: \$69,685,149
	SCOPE: Connects Metro Green Line Rail, Crenshaw/LAX Line Rail, and Metro and municipal bus service to the Los Angeles International Airport (LAX) via the LAX Automated People Mover.
	JUSTIFICATION: Airport Metro Connector project will integrate the Metro Green Line Rail, Crenshaw/LAX Line Rail, and Metro and municipal bus service to the Los Angeles International Airport (LAX) via the LAX Automated People Mover. This project will provide reliable, fast and convenient access between LAX and the regional bus and rail transit system.
	ELIGIBLE FUNDING SOURCE: Measure M, Measure R; will seek federal monies if available
2	PROJECT: Gold Line Foothill Extension 2B: Construction (865202)
	PROJECT OWNER: Program Management - Transit / Foothill Gold Line Authority
	LOP: <i>to be adopted at a future date</i> FY18: \$2,675,731
	SCOPE: FY18 is focused on engineering design to support the environmental phase and prepare for transition to construction phase.
	JUSTIFICATION: Measure R funds were used for the environmental clearance on the Foothill Gold Line extension to Claremont. Passage of Measure M in Nov-16 allows for the construction of this extension. Foothill Gold Line Authority is responsible for the delivery of the extension to Claremont.
	ELIGIBLE FUNDING SOURCE: Measure M, Measure R as authorized per Funding Agreement

Operating Capital - Bus

3	PROJECT: New Flyer 60 foot Articulated Zero Emission Bus (201075)
	PROJECT OWNER: Operations - Bus Vehicle Acquisitions
	LOP: <i>to be adopted at the time of contract award</i> FY18: \$10,650,000
	SCOPE: Procure five 60' articulated New Flyer battery electric buses and charging equipment for deployment on the Metro Orange Line
	JUSTIFICATION: Project was awarded a Federal LoNo grant to purchase five buses and related charging equipment.
	ELIGIBLE FUNDING SOURCE: LoNo grant, Measure M

FY18 New Capital Projects

4	PROJECT: Connected Buses with Wi-Fi (207152)
PROJECT OWNER: ITS - Business Applications	
LOP: \$7,967,000	FY18: \$1,146,990
SCOPE: Install data communications equipment to the bus fleet to enable a real time network connection between the bus and our Metro network for monitoring of onboard systems such as security cameras, fareboxes, GPS and vehicle health monitoring. Secondly to provide Internet access via Wi-Fi to passengers to improve the customer experience.	
JUSTIFICATION: Since July 2013, several board motions have directed staff to pursue the installation of Wi-Fi and other technologies on buses and trains to improve the customer experience. Proof of concept and initial pilot tests have indicated this is a feasible investment for Metro. Once a bus is "connected" to the Metro network there are operations and security benefits due to staff's ability to connect to these buses on a real time basis.	
ELIGIBLE FUNDING SOURCE: local funds; will seek grant funds when available	

Operating Capital - Rail

5	PROJECT: Blue Line Emergency Trip System Replacement (205108)
PROJECT OWNER: Operations - Wayside	
LOP: \$8,306,000	FY18: \$600,000
SCOPE: Replacement of the existing Emergency Trip System on the Blue Line.	
JUSTIFICATION: The existing system is unreliable and when it fails, causes loss of power to trains, and subsequent bus bridging negatively impacts patrons.	
ELIGIBLE FUNDING SOURCE: Prop A 35%, TDA Article 4, Measure R 2%	

6	PROJECT: Correct Door Enable on Light Rail Train (214002)
PROJECT OWNER: Risk Management - Safety	
LOP: \$9,061,000	FY18: \$16,888
SCOPE: Install system to prevent rail car doors from opening on the opposite side of the platform while in service by modifying existing train control system.	
JUSTIFICATION: Preventing non-platform side door from opening when train is berthed at a station allows for patrons to disembark onto the platform safely.	
ELIGIBLE FUNDING SOURCE: Prop A 35%, TDA Article 4, Measure 2%	

7	PROJECT: P2550 Light Rail Vehicle Mid-Life Overhaul (214003)
PROJECT OWNER: Operations - Rail Vehicle Acquisitions	
LOP: <i>to be adopted at a future date</i>	FY18: \$615,000
SCOPE: P2550 Light Rail Vehicle (LRV) Mid-Life Overhaul Program	
JUSTIFICATION: Maintain the State of Good Repair on the 50 Ansaldo-Breda P2550 LRV by performing a Mid-Life Overhaul	
ELIGIBLE FUNDING SOURCE: Prop A 35%, TDA Article 4, Measure R 2%	

FY18 New Capital Projects

Operating Capital - Other

8 PROJECT: Enterprise Telephone & Unified Messaging System (207149)
PROJECT OWNER: ITS - Systems Architecture
LOP: \$10,146,000 FY18: \$625,630
SCOPE: Replace the existing analog telephone system with a unified communications system which consists of VOIP, email messaging, video conferencing, video presence, and interoperability with radio and telephone communications. This replacement affects approximately 3,500 phones located at USG building and all Metro bus and rail divisions.
JUSTIFICATION: To enhance and improve Metro's business communications, to simplify the networking architecture by converging data and voice onto the same platform, and to reduce telecommunication leased line expenses.
ELIGIBLE FUNDING SOURCE: local funds

Revised Project Scope

Operating Capital - Rail

9 PROJECT: MBL Signaling Rehabilitation and Operational Improvements (211005)
PROJECT OWNER: Program Management - Engineering
LOP: \$118,990,580 FY18: \$19,936,216
SCOPE: Upgrade existing signal and overhead catenary systems along the Blue Line track alignment and Blue Line yard. Upgrade includes additional interlockings and enhanced control mechanisms for the relays and circuits. This project encompasses the 3 existing projects - signal rehabilitation along the track and yard (211005 and 205073, respectively), overhead catenary system rehabilitation (211002) - as part of its broadened scope.
JUSTIFICATION: Much of the Blue Line's signal and overhead catenary systems have aged and is in need of rehabilitation. The yard operations in particular provide a challenge to staff as the system is obsolete and relies heavily on manual controls. This upgrade will take advantage of the latest technology to bring efficiency and stability to system controls thus providing reliable and safer operation. The enhance technology will also make the Blue Line compatible with Regional Connector system. The additional interlockings will improve the headways when single tracking and allow for improved service to the Blue Line patrons.
ELIGIBLE FUNDING SOURCE: TIRCP, Prop A 35%, TDA Article 4 and other local funds

NOTE: Funding sources identified for each of the projects are the most likely source available for respective projects. Should other sources be available (i.e. grants), those will be used to fund the project(s), with the identified local funds being the source of the match.

ATTACHMENT C

REIMBURSEMENT RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR FISCAL YEAR 2018

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "Metro") desires and intends to finance certain costs relating to (i) the design, engineering, construction, equipage and acquisition of light rail lines including the Crenshaw/LAX line, (ii) the design, engineering, construction, equipage and acquisitions for the Rail State of Good Repair Program including station improvements and rail gating installations; (iii) design, engineering, construction, equipage related to Purple Line Subway Sections 1, 2, and 3, and Regional Connector projects (iv) the design, engineering and other related close out costs of the I-405 Car Pool Lanes project, (v) the engineering, construction, renovation, maintenance, and/or acquisition of various capital facilities and equipment, including buses and rail cars, related to service operation, (vi) the engineering, construction, renovation, maintenance, and/or acquisition of various highway/surface transportation assets, and (vii) to other transit related projects (each a "Project" and collectively, the "Projects");

WHEREAS, to the extent that federal and/or state grant funding budgeted to be received during FY18 is delayed or reduced, the Los Angeles County Metropolitan Transportation Authority desires and intends to finance certain costs relating to the Projects.

WHEREAS, Metro expects to issue debt through the issuance of tax-exempt bond issues to pay for these expenditures, which bond issues will have three separate security sources, Proposition A, Proposition C and Measure R sales tax revenues, respectively, or grant revenues to finance the costs of the Project on a permanent basis (the "Debt");

WHEREAS, Metro expects to expend moneys of the Enterprise Fund (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Projects prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles;

WHEREAS, Metro reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt;

WHEREAS, Metro expects that the amount of Debt that will be issued to pay for the costs of the Projects will not exceed \$100 million for Proposition A, and \$325 million for Proposition C, and \$300 million for Measure R;

WHEREAS, at the time of each reimbursement, Metro will evidence the reimbursement in writing, which identifies the allocation of the proceeds of the Debt to Metro, for the purpose of reimbursing Metro for the capital expenditures made prior to the issuance of the Debt;

WHEREAS, Metro expects to make reimbursement allocations no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure for the

Project is paid or (ii) the date on which the Project is placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the Project is paid;

WHEREAS, Metro will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received by way of a reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., Metro will not pledge or use the proceeds received as reimbursement for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

WHEREAS, this Resolution is intended to be a " declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW THEREFORE, BE IT RESOLVED, that (i) all of the foregoing recitals are true and correct and (ii) in accordance with Section 1.150-2 of the Treasury Regulations, Metro declares its intention to issue Debt in an amount not to exceed \$100 million for Proposition A, and \$325 million for Proposition C; and \$300 million for Measure R; the proceeds of which will be used to pay for the costs of the Projects, including the reimbursement to Metro for certain capital expenditures relating to the Projects made prior to the issuance of the Debt.

ATTACHMENT D

FY18 PUBLIC OUTREACH

Summary of FY18 Proposed Budget Public Outreach Efforts and Comments Received

Events	Participation
Workshops & Meetings	Covering all Service Councils and key stakeholders throughout LA County
Telephone Town Hall	3,075
Interactive Budget Tool	4,935
Web page visits	1,452
All Comments (Email/mail)	4,852

Comments received from the public during Metro’s FY18 budget outreach process are summarized below. This summary includes comments received through April 28, 2017. Please note that there were thousands of comments received and therefore not all can be included in this summary. However, the summary presented below is a fair representation of the types of comments received across all outreach efforts. Comments received during the workshops and meetings have been addressed, while the written, email, and budget survey comments will be forwarded to relevant departments for consideration in the development of their programs.

A recap of the comments received during the budget outreach process is shown in the table below. As evidenced by the range of subjects in the summary, the public provided input on virtually every Metro function, from transit service to highways and active transportation. In addition, the range of perspectives on each issue varied greatly by individual.

Key Topics	Synopsis of Comments
Active Transportation	<ul style="list-style-type: none"> • Add more protected bike lanes and visible crosswalks • Connect biking and walking with buses and trains • Pedestrians should be the highest first/last mile priority • Increase capacity for bicycles on the transit system • Improve east-west bicycle options • Expand the bikeshare program across the County • Do not add bicycle lanes, as they cause more traffic • Increase the number of bike lockers and associated security measures • Build a high quality bikeway network with access to the rail system • Do not remove vehicle lanes and replace with bike lanes
Bus Service	<ul style="list-style-type: none"> • Acquire more buses and run more frequent trips • Run 12 minute headways on all major routes all day long • Headways should be 3 minutes maximum • The number of bus stops should be reduced to decrease travel time

Key Topics	Synopsis of Comments
	<ul style="list-style-type: none"> • Bus stops and buses should be cleaned more often • Buses are the most common form of travel on transit, • Increase the bus lines feeding into the rail network • Prioritize dedicated bus lanes on all major bus corridors • Do not convert car lanes into bus-only lanes • More express bus services • Bus service should run from 3am to 1am • Rapid buses should have under 15 minute headways from 6am to 9pm, 7 days a week • All-night bus service should be run along rail routes throughout the night • Buy only 100% electric buses • Deploy autonomous buses • Provide more bus service in underserved areas • Eliminate bus service and prioritize rail • Add bus shelters systemwide • Coordinate better connections between Metro and municipal operators • Run 24 hour bus service • Provide more frequent service during off-peak hours
Rail Service	<ul style="list-style-type: none"> • Rail service should be 24 hours • Provide more frequent service, especially in the evening • Increase train capacity at peak hours • Trains need to be cleaned more effectively and often • Add a side track for maintenance in order to avoid delays caused by single track service due to breakdowns • Reduce commute times by giving rail signal priority • More trains that are shorter, during non-peak hours • Improve light rail service in downtown LA to 7th/Metro • Headways should be 8 minutes maximum • Rail service should run until 2am every night with consistent headways of 10 minutes or less • Rail service should be faster than driving • Longer late night service supports local night life and reduces risks of DUI • Use hydrogen powered trains that emit only water • Overcrowding on trains is an issue • Stop rail service at midnight • Use automated trains, not drivers
Customer Information	<ul style="list-style-type: none"> • Improve real-time arrival information • Provide clear signage for access to public transit • TVs with arrival information at stations are often broken for long periods • Multiple marquees report different arrival times, which is inconsistent and unhelpful • Add real-time arrival information for the bus system • Use electronic boards for arrival information only, and

Key Topics	Synopsis of Comments
	<ul style="list-style-type: none"> stop including other messages • Improve the trip planner on the Metro website • Need to update all Metro apps • Rail stations should have maps and information about bus transfers • Add lighting to bus stops and rail stations as they are unreadable at night
ExpressLanes	<ul style="list-style-type: none"> • All freeways should have toll lanes • Eliminate all toll lanes, as most can't afford it • Get rid of all toll lanes and convert to carpool lanes requiring 3+ passengers • Increase tolls to decrease congestion in the toll lanes • Decrease tolls, as they are too expensive • ExpressLanes need more entrances/exits • Tolls should be offset for low income individuals • Non-passenger vehicles should be banned from ExpressLanes • Put in dividers to prevent people from crossing over the double lines • Toll lanes are just as congested as normal lanes and do not improve traffic • Toll lanes should be opened at peak time to all traffic without charge • Do not charge the \$1 maintenance fee on transponders that are not used
Fare Evasion	<ul style="list-style-type: none"> • Put barriers in place so all riders have to pay • Better enforcement of validating paying passengers • Fare enforcement should be first priority • Do not use law enforcement officers to check fares • Decriminalize fare evasion • Stop checking fares at turnstiles or station entrances; this should be done onboard trains
Fares	<ul style="list-style-type: none"> • Make public transportation free • Implement distance based fares • Weekly/monthly passes do not provide a discount for the average commuter ineligible for discounts • TAP takes too long to renew online • Add more TAP machines outside of rail stations, such as at bus hubs • Customers should be able to use smart phones as transit passes • Allow non-TAP transfers from bus to rail • Charge the senior/disabled reduced fare for everyone • Fare is too expensive for people who do not fall into the discount categories
Streets & Highways	<ul style="list-style-type: none"> • Improve the condition of streets and highways • Add more regular lanes to freeways

Key Topics	Synopsis of Comments
	<ul style="list-style-type: none"> • Do not add more regular lanes to freeways as this does not improve congestion • Convert lanes into bus-only lanes to incentivize bus ridership • Enforce carpool lane use and consider adding cameras to various locations to catch carpool lane cutters and single drivers breaking the law • Increase the minimum number of riders for carpool lane use • Implement congestion pricing on every freeway • Stop building more freeways and put all money into public transit • Highways should be the first priority, as this is the main mode of travel in the County • Carpool-to-carpool interchanges are needed • Widen freeways or make them two levels • Remove double lines from carpool lanes to allow entry and exit anytime
New Rail	<ul style="list-style-type: none"> • Need a quick option for travel to LAX • Add a rail line along Western • Extend the Gold Line to Ontario Airport • Add a rail line along every freeway • Expand rail to Palm Springs • Bring rail to West Hollywood • Need rail options from Orange County to LA • Build rail between Pasadena and Woodland Hills • Extend rail to the South Bay • All rail should be grade separated • Extend the Red Line to Burbank Airport • Replace all bus lines with rail lines • Accelerate the Purple Line extension and use autonomous vehicles • Grade separate existing lines before building new lines • Increase the number of rail stations • Bring rail to La Mirada • Add north-south light rail to connect Expo, Purple and Red Lines
Parking	<ul style="list-style-type: none"> • More parking at rail stations, as many lots are routinely full • Require proof of ridership at parking lots, and make it free • Provide more parking and do not charge • Do not spend funds on parking facilities • Crack down on parking by non-transit users • Add visible cameras to parking lots to deter theft
Safety & Security	<ul style="list-style-type: none"> • More policing on the transit system to prevent crime and illegal vending • Never seen security presence on the system

Key Topics	Synopsis of Comments
	<ul style="list-style-type: none"> • Eliminate all security contracts • Focus more on safety than fare enforcement • Include undercover law enforcement on buses and trains • Increase security on the bus system • Increase security on the rail system
Station Amenities	<ul style="list-style-type: none"> • Add eateries, newsstands, and coffee shops to rail stations to generate revenue and provide services • Add restrooms to all stations • Do not add restrooms, as they are a safety risk • Add bathrooms to bus stops • Approve permits for local vendors to sell near stations
Technology	<ul style="list-style-type: none"> • Build bus shelters that include phone chargers • Install a button at bus stops that would alert the driver that someone is waiting, so they don't get passed up • Go renewable with solar panels and electrical buses • Provide seamless WiFi and cell coverage systemwide

Interactive Budget Tool

An interactive Online Budgeting Tool was introduced this year to engage the public by asking a series of questions on transportation priorities to develop a customized Metro budget. Respondents were able to see the budgetary impact for their choices interactively and include narrative comments to more specifically express their feedback and concerns. The budget tool allowed Metro to receive comments from a larger portion of the general public, including those who are not Metro riders.

The “Online Budget” focused on five key areas: Transportation Priorities, First/Last Mile, Bus and Rail Service, Security & Customer Experience, and Highway & Congestion Improvements. Below are general results of the survey are:

- 27% of the respondents favored Metro parking facilities (Park & Ride Lots) to improve first/last mile strategy
- 43% of the respondents were willing to walk ½ mile to a bus stop if the route was shorter and more frequent
- 47% of the respondents selected “Improving real time arrival information” and “adding Wi-Fi and cellular service to rail stations” as their priorities for station amenities.
- 33% of the respondents wanted less routes that run frequently and later at night

When asked about converting regular lanes to toll/carpool lanes to reduce commute time or increase highway speed, 48% of the respondents selected: do not replace regular lanes

The results of this survey helps Metro get an idea of what the public’s priorities are and is just one tool that is being used to gather this information. Comments and feedback are being gathered and evaluated to help shape the budget and Metro’s priorities.