



Metro

Metropolitan Transportation Authority

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July 10, 2007

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: TERRY MATSUMOTO
CHIEF FINANCIAL SERVICES OFFICER AND TREASURER

SUBJECT: LOS ANGELES MARATHON

ISSUE

The purpose of this report is to quantify the costs incurred by Metro in support of the 2007 Los Angeles Marathon to be used as a basis for negotiating reimbursement for Metro's support in the upcoming 2008 event.

DISCUSSION

The following table summarizes the Metro activities performed.

<u>Description</u>	<u>Direct</u>	<u>Allocated</u>	<u>Cost</u>
Bus services <ul style="list-style-type: none">• Scheduling, managing and operating detours• Crowd control• Printed materials	\$57,300	\$46,300	\$103,600
Rail services <ul style="list-style-type: none">• Scheduling, managing and operating additional trains• Crowd control• Printed materials	\$107,100	\$49,200	\$156,300
Customer Field Support <ul style="list-style-type: none">• In field sales• Crowd control	\$27,700	\$35,900	\$63,600
Security <ul style="list-style-type: none">• Crowd control	\$8,000	\$28,300	\$36,300
Wheelchair buses <ul style="list-style-type: none">• Remove and replace seats from 8 buses	\$14,700	\$12,100	\$26,800
Total Costs			\$386,500

Direct – Includes straight and overtime paid and direct materials.

Allocated – Includes allocated fringe benefits, value of re-assigned staffing and value of management effort that was not directly compensated.

The costs shown represent the value of the services performed at “fully burdened” rates, i.e. consistent with our federally approved cost allocation plan. Many of these activities are routinely provided by Metro to accommodate other private and public events such as the Long Beach Grand Prix, Rose Parade and Rose Bowl game, Academy Awards, downtown parades and marches, etc. This marathon was unique in that the linear course impacted many more bus routes due to its length and the fact that the course traversed the core of our service area. Although the Rose Parade is also linear, it does not run through such a heavily Metro bus-served area. Typically, free rides to participants are not provided.

For the marathon we received \$75,000 to provide free fares to participants and billed an additional \$14,000 for the accommodation of wheelchairs on 8 buses.

Cash revenues on Marathon Sunday were approximately \$250,000, about \$18,000 more than an average Sunday. The increase in the rail ticket vending machines sales offset the reduction in bus farebox collections.

NEXT STEPS

The amendment to MOU negotiated with the Marathon sponsor calls for negotiations for reimbursement to commence not later than six months prior to the next event, September 2007.