



Metro

February 15, 2005

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: RICHARD BRUMBAUGH
CHIEF FINANCIAL OFFICER

SUBJECT: PASADENA GOLD LINE AUTHORITY FUND SWAP

ISSUE:

The Pasadena Gold Line Authority (PGL) has requested to provide Metro with \$2.9 million of federal bus capital funding in exchange for \$2.9 million of local funding. Metro will use the \$2.9 million of federal funds on an approved bus capital project (such as in the bus preventive maintenance program) and provide PGL with \$2.9 million of local funds (such as fares or Prop C40%). Although federal funds are generally more restrictive in nature, this swap will not negatively impact our flexibility to use the funds because we have numerous eligible uses for the funds.

NEXT STEPS:

Congress must reappropriate the \$2.9 million of federal bus capital funds for our use prior to us making the local funds available to PGL. Furthermore, the congressional action must occur before September 2005 or the grant funds will expire.