



**FINANCE AND BUDGET COMMITTEE  
JANUARY 17, 2007**

**SUBJECT: FY07 FIRST QUARTER FINANCIAL PERFORMANCE**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file the FY07 first quarter Financial Performance Report.

**ISSUE**

This report discusses the financial performance of major programs for FY07.

**DISCUSSION**

**SUMMARY OF SALES TAX REVENUES**

Proposition A, Proposition C, Transportation Development Act (TDA), and State Transit Assistance (STA) sales taxes represent over 50% or \$1.6 billion of Metro’s total budgeted revenues. Propositions A, C and the TDA funds are sales taxes that are distributed to Metro by the State Board of Equalization. Actual sales tax information is not available until two and one-half months after the end of the quarter except for STA.

Therefore, for the three months ended September 30, 2006, Propositions A & C, and TDA sales tax (excluding STA) revenues are projected to be at least \$405.7 million, which is equal to the budgeted amount.

STA revenues are sales taxes on gasoline and are distributed to Metro through the state of California Prop 42 process. STA actual revenues totaled \$48.2 million, which is \$31.2 million, or 183.5% more than budget. They were ahead of budget due to high price of gasoline during the past twelve months which created a windfall during FY06.

For the three months ended September 30

(Dollars in Millions)	FY07			FY06 Actual	FY05 Actual
	Actual	Budget	Variance Over/ (Under)		
Sales Tax Revenue (including STA)	\$453.90	\$422.60	\$31.30	\$388.50	\$378.00

## **OUTLOOK OF SALES TAX REVENUES**

In January 2006, as part of the Financial Standards, the Board adopted the 20-year historical average of 3.8% for sales tax growth as the assumption for the FY07 budget. Because we haven't received the actual sales tax payments for the first quarter of FY07 yet, the outlook at this time is that the sales taxes will be on budget for FY07.

STA revenues will continue to be ahead of budget due to the Prop 42 windfall that was not anticipated at the time of budget adoption. Metro programs STA revenues to bus and rail operating and capital expenditures. Metro's portion of the total windfall is estimated to be \$101 million. Because Metro's budget was balanced prior to receiving the windfall, other Enterprise Fund subsidies will be held in reserve and programmed during the FY08 budget process.

## **SUMMARY OF ENTERPRISE FUND**

Passenger fares were \$2 million (3%) over the FY07 budget. Boardings exceeded the budget by 5%. The fare revenue per boarding was \$0.58 per boarding which was 2% below budget.

Overall, operating expenses were \$266 million or 5% below budget. Wage savings from vacant positions was offset by added overtime for the remaining employees. Fringe benefits were \$4 million below budget due to smaller than anticipated benefit increases and higher than planned bus operator vacancies. Non-contract salaries are slightly above budget. The high vacancy rate for non-contract staff often results in existing staff taking less vacation time than planned when the budget is being developed. If current employees take less vacation time than anticipated, the direct labor expense will exceed budget.

Fuel costs were also below budget \$3 million due to lower than anticipated prices for CNG, while propulsion power was \$1 million over budget due to Southern California Edison price increases. Professional and contract services were below budget \$5 million due to delays implementing new programs. All other expense categories were at or slightly below budget.

For the three month ended September 30, 2006

(Dollars in Millions)	Actual	Budget	Variance over/(under)
Operating Revenue			
Fares	\$72.4	\$70.3	\$2.1
Other	4.3	4.2	0.1
<b>Total Operating Revenue</b>	<b>76.7</b>	<b>74.5</b>	<b>2.2</b>
Operating Expenses			
UTU Labor	60.5	61.2	(0.7)
ATU Labor	29.6	28.9	0.7
AFSCME Labor	10.1	10.7	(0.6)
Non-Contract Labor	14.0	13.8	0.2
TCU Labor	7.5	7.5	-
Teamster Labor	1.1	1.1	-
Fringe Benefits	44.8	48.7	(3.9)
<b>Subtotal All Labor</b>	<b>167.6</b>	<b>171.9</b>	<b>(4.3)</b>
Fuel	12.4	15.3	(2.9)
Propulsion Power	6.0	5.0	1.0
Parts	14.8	15.4	(0.6)
Security	15.1	15.8	(0.7)
Purchased Transportation	8.8	8.9	(0.1)
Contract Services	3.6	6.0	(2.4)
Professional Services	3.3	6.4	(3.1)
Workers' Comp	12.4	12.1	0.3
Insurance	12.0	12.2	(0.2)
Travel	0.1	0.1	-
Overhead	1.7	1.7	-
All Others	6.5	8.6	(2.1)
<b>Total Operating Expenses</b>	<b>\$264.3</b>	<b>\$279.4</b>	<b>(\$15.1)</b>

Operating Expenses by Operating Project

San Fernando Valley Sector	32.5	31.4	1.1
San Gabriel Valley Sector	33.9	33.9	-
Gateway Cities Sector	29.3	31.7	(2.4)
South Bay Sector	32.1	36.2	(4.1)
Westside Central Sector	39.1	39.8	(0.7)
Orange Line	3.8	4.7	(0.9)
Bus Admin	12.6	12.6	-
Other Bus	26.6	32.6	(6.0)
Red Line	18.5	19.3	(0.8)
Blue Line	15.3	14.4	0.9
Green Line	9.1	8.9	0.2
Gold Line	8.8	9.5	(0.7)
Rail Admin	2.5	3.3	(0.8)
Other Rail	-	-	-
Regional	0.6	1.1	(0.5)
<b>Total Operating Expenses</b>	<b>\$264.3</b>	<b>\$279.4</b>	<b>(\$15.1)</b>

## SUMMARY OF PERFORMANCE MEASUREMENTS FOR BUS

For the three months ended September 30<sup>th</sup>

Performance Measurement – Bus	FY07			FY06 Actual	FY05 Actual
	Actual	Budget	Variance Over/ (Under)		
Bus Cost/Revenue Service Hour	\$108.16	\$114.37	(\$6.22)	(\$0.05)	\$104.28
Orange Line Cost/Revenue Service Hour	\$200.40	\$227.10	(\$26.70)	NA	NA
Bus Revenue Service Hours	1,896,323	1,904,455	(8,132)	1,917,935	1,849,846
Orange Line Revenue Service Hours	20,810	20,798	12	NA	NA
Bus Cost/Passenger Mile	\$0.55	\$0.58	(\$0.03)	\$0.52	\$0.53
Orange Line Cost/Passenger Mile	\$0.41	\$0.52	(\$0.11)	NA	NA
Bus Subsidy/Passenger Mile	\$0.38	\$0.42	(\$0.04)	\$0.37	\$0.36
Orange Line Subsidy/Passenger Mile	\$0.33	\$0.44	(\$0.10)	NA	NA
Complaints per 100,000 Boardings	2.58	2.50	0.08	3.13	4.28
Traffic Accidents/100,000 Miles	3.51	3.4	0.11	3.25	3.25
New Workers Comp Claims per 200,000 Hours	12.77	14.31	(1.54)	15.47	16.31
Mean Fleet Age in Years	7.13	7.24	(0.11)	6.8	6.41
Peak Bus/Base Bus	1.90	1.90	0.00	1.93	1.86

Orange Line began service October, 2005

### Discussion

Bus costs per revenue service hour (RSH) were below the target by \$6.22 due to the under-expenditures in fringe benefits, CNG, and services. Orange Line costs per RSH were below target for the same reasons plus right-of-way maintenance service delays. The delivery of RSH is at 99.6% of the total budgeted. Orange Line RSH were 0.1% greater than target due to temporary service additions. The variances in cost per passenger mile and subsidy per passenger mile reflect lower than budgeted expenses, while carrying more passengers and collecting more fares than planned.

Complaints per 100,000 boardings were slightly greater than the annual target, but significantly below last year. If the trend continues the number will be below the annual target by year end.

Traffic accidents per 100,000 miles were slightly above target, and worse than last year. This is attributed in part to increased use of articulated buses in local service, particularly on Wilshire Boulevard.

New workers' compensation claims per 200,000 hours were greater than the annual target, but better than last year. The improvement is due to the ongoing safety program and safety meetings that focus on safety awareness and accident prevention. If the trend continues, the annual target will be met by the end of the fiscal year.

## SUMMARY OF PERFORMANCE MEASUREMENTS FOR RAIL

For the three months ended September 30<sup>th</sup>

Performance Measurement – Rail	FY07			FY06 Actual	FY05 Actual
	Actual	Budget	Variance Over/ (Under)		
Heavy Rail Cost/Vehicle Service Hour	\$290.99	\$303.31	(\$12.32)	\$299.07	\$281.67
Light Rail Cost/Vehicle Service Hour	\$375.61	\$371.98	\$3.62	\$396.68	\$351.50
Heavy Rail Cost/Passenger Mile	\$0.40	\$0.44	(\$0.04)	\$0.43	\$0.46
Light Rail Cost/Passenger Mile	\$0.48	\$0.49	(\$0.01)	\$0.64	\$0.71
Heavy Rail Subsidy/Passenger Mile	\$0.27	\$0.32	(\$0.05)	\$0.29	\$0.37
Light Rail Subsidy/Passenger Mile	\$0.40	\$0.40	\$0.00	\$0.53	\$0.61
New Workers Comp Claims per 200,000 Hours	9.88	8.02	1.86	18.47	6.29
Light Rail Vehicle Accident Rate/100,000 Miles	0.6	0.4	0.2	0.5	0.3

### Discussion

Overall, rail expenses are on budget. As a result of vehicle accidents and equipment failures, light and heavy rail vehicle service hours are 1% below budget. The cost per hour variance in Light Rail is due to higher than planned Southern California Edison rates, and accident-related service disruptions. Greater than budgeted boardings and fare revenue resulted in favorable variances per passenger mile.

New workers' compensation claims exceeded budget slightly, but are significantly below last year. Light rail accidents were over the target and worse than the previous year. Transit Operations continues to focus on safety awareness programs to help reduce claims and accident rates.

### SUMMARY OF CAPITAL PROGRAM

The attached capital program status report for the first quarter of FY07, shows the status of adopted life-of-project budgets and projected total costs to complete for each project. The projected costs to complete are provided by the project managers for each project and are updated quarterly.

The report identifies the projected life-of-project (LOP) budget status for each project. If the project exceeds the LOP budget but is under \$1 million, it is within the Board-approved limit for transferring contingency to the project. If the LOP change causes the project to exceed \$1 million, the project manager is required to return to the Board for approval.

### Major Construction

Major construction projects include construction of new fixed guideway corridors, new rail car purchases, and other major infrastructure improvements. For the period ended

June 2006, all adopted major construction projects are forecasted to be completed within the board approved life-of-project budgets.

The Orange Line continues with close-out activity, safety enhancements and landscaping completion activities. Settlement discussions continue with the contractor to resolve outstanding claims. The Orange Line Pre-Revenue Operations project received a credit of \$15,029 for reversal of improper charges in October resulting in the project completing at the approved life-of-project budget.

Detailed information on the major construction projects is available through the individual project reports.

### **Bus Acquisition and Advanced Transportation Management System**

The major bus acquisition project during FY07 is the procurement for 94 articulated buses. The procurement is on schedule with 30 buses received during the first quarter. The project manager for a study for 45 foot composite buses has put the project study on hold pending an overall plan for future vehicle procurements to meet new AQMD requirements. Two of the bus acquisition projects, ATMS Radios for Contractor Buses and 178 CNG Articulated Buses had adjustments made subsequent to the end of September which brought both projects under the Board-approved life-of-project budget.

### **Bus Maintenance and Facilities**

The largest bus maintenance project is the annual bus mid-life program at \$17 million for FY06. The project manager reports that 47 mid-life overhauls were completed in the first quarter and that 50 are planned for the second quarter.

The Union Division environmental work was awarded to the consultant in September 2006 and is expected to be completed by April 2007. Staff is working to develop a full funding plan and will return to the Board with a proposal prior to the FY08 budget.

One project, Install New A/C at Divisions 7 and 18, was increased by \$20,000 (within CEO authority). All other projects are forecasted to be completed at or under the approved life-or-project budget.

### **Rail Capital Projects**

The Division 11 Improvements project is scheduled for completion in the second quarter of FY07. This \$17 million project provided for facility expansion for the Blue Line maintenance yard. The project manager reports that the project will be completed within the Board-approved life-of-project budget.

The Division 21 Improvements project has been challenged by discovery and preservation of the archeological find, Zanja Madre. As a result, some tasks were

eliminated from the scope of the project resulting in a forecasted underrun of \$2.7 million. These funds will be reprogrammed in the FY08 rail capital program budget.

The new Pasadena Gold Line Traction Power Substations project has experienced delays while waiting for construction permits from the cities of Pasadena and South Pasadena. The permits were received late in the quarter allowing work to continue in the second quarter. The project manager is still forecasting to complete the work within the life-of-project budget but is watching closely due to increased requirements of the two cities.

One project, Division 20 Traction Power Laboratory and Equipment for Transportation Systems Engineering Department was increased by \$140,000 (within CEO authority) after contract award to reflect the actual award. All other projects are forecasted to be completed at or under the approved life-of-project budget.

### **Other Capital Projects**

The Universal Fare System project and the Regional Clearinghouse Project (TAP) are continuing through FY07. Project management is reporting on the progress of both projects at the monthly Operations Committee meetings.

One IT Project, the FY06 Maintenance and Materiel Management System Upgrades is reporting completion at \$203,810 under the approved life-of-project budget. The savings will be reprogrammed to the FY08 capital program.

Two Warehouse Projects currently reporting life-of-project exceedences will reduce unneeded encumbrances and be completed within the life-of-project budget.

## **SUMMARY OF GOVERNMENTAL FUNDS**

The Governmental funds budget includes Special Revenue and General Fund programs and projects. The Special Revenue Fund include all sales tax subsidies to other entities including the Local Return Program to Cities, The Formula Allocation Process to municipal bus operators, Access Services, Metrolink Operating and Capital, the Incentive Program, and the Call for Projects.

A summary of the activity in the subsidies to others for the first quarter follows:

## Summary of Subsidies to Others FY07 1<sup>st</sup> Quarter Budget vs Actual (\$)

For the three months ended September 30, 2006

Description (Dollars in Millionss)	Actual	Budget	Variance Over/ (Under)
A & C Local Return	\$69.63	\$75.18	(\$8.55)
Prop A Bus FAP	13.82	16.55	(2.72)
Prop C Bus FAP	3.51	10.85	(7.34)
TDA Formula Subsidies	13.80	19.53	(5.73)
STA Subsidies	3.93	2.35	1.58
TDA Other Subsidies	4.70	6.40	(1.70)
Prop A Incentive	0.66	3.29	(2.63)
Metro Rapid Improvements	-	6.29	(6.29)
Regional Surface Transportation Projects (CFP)	1.74	12.96	(11.22)
Freeway Projects (CFP)	3.73	5.66	(1.93)
Local Traffic System (CFP)	1.38	5.70	(4.32)
Bus Capital (CFP)	0.11	1.92	(1.81)
Misc Call for Projects	0.43	0.53	(0.10)
Soundwalls Program	0.94	0.90	0.04
ASI	6.26	6.26	-
Metrolink Operating	-	11.95	(11.95)
Metrolink Capital	-	-	-
Regional EZ Pass	1.20	1.88	(0.68)
Immediate Needs; SHORE	0.05	1.51	(1.46)
Regional Grantee	0.12	2.67	(2.55)
Other Planning Projects	-	0.01	(0.01)
<b>TOTAL</b>	<b>\$126.02</b>	<b>\$192.40</b>	<b>(\$69.38)</b>

In addition to the subsidies listed above, the Board approved a list of subsidy projects as a budget amendment in June 2006. The total budget for the subsidies amendment was \$1,489,500. There were no first quarter expenditures on these projects while the MOU's were developed and submitted to the recipient for review and signature.

Also included in the Governmental Fund are regional transportation planning projects and other programs to improve Transportation alternatives in the region. In the first quarter of FY07, the Board approved a budget amendment to add 10 additional projects to the FY07 budget for an FY07 expenditure amount of \$2.25 million and 10 additional FTE's.

The Special Revenue Fund and the General Fund also include budget for work done by Metro such as planning and programming of funds, Internal Auditing and Inspector General expenditures, Ethics and County Counsel expenditures, all lobbying activities and other non-allocable costs. The first quarter account summary for these departments is summarized below:



For the three months ended September 30, 2006

(Dollars in Millions)	Actual	Budget	Variance Over/(Under)
Operating Expenses			
Non-Contract Labor	\$6.86	\$7.65	(\$0.79)
Fringe Benefits	2.50	2.87	(0.37)
Contract Services	4.67	10.95	(6.28)
Professional Services	2.80	9.66	(6.86)
Workers' Comp.	0.18	0.27	(0.10)
Insurance	0.07	0.08	(0.01)
Travel	0.05	0.11	(0.05)
Subsidiary	124.82	191.05	(66.23)
Others	1.30	1.91	(0.62)
Overhead	0.90	0.55	0.35
<b>Total Operating Expenses</b>	<b>\$144.14</b>	<b>\$225.10</b>	<b>(\$80.96)</b>

## SUMMARY OF HIGH PROFILE ACCOUNTS

Agency-wide there are nine accounts that the Board identified for across-the-board budget reductions during development of the FY07 budget. The first quarter status report for those accounts is listed below.

For the three months ended September 30<sup>th</sup>

Account Description	FY07			FY06 Actual	FY05 Actual
	Actual	Budget	Variance over/ (under)		
50316 - Serv Prof And Tech Service	\$15,371,071	\$25,150,593	(\$9,779,522)	\$9,154,445	\$13,185,510
50432 - M/S Computer Supplies	441,926	783,966	(342,040)	217,460	447,835
50436 - M/S Office Supp/Expendable Eq	357,950	1,464,911	(1,106,961)	299,173	358,474
50442 - M/S Printing Equipt & Suppl	111,681	113,652	(1,971)	85,754	72,261
50443 - M/S Promo And Info Materials	87,639	73,074	14,565	38,613	73,086
50499 - M/S Other	150,226	76,012	74,215	125,664	122,816
50903 - Misc Business Meals	12,635	10,868	1,767	14,054	16,322
50917 - ER Business Travel	95,129	222,475	(127,347)	85,004	96,164
50999 - Misc Expenses-Others	412,660	794,755	(382,095)	434,662	452,336
<b>Total</b>	<b>\$17,040,917</b>	<b>\$28,690,306</b>	<b>(\$11,649,389)</b>	<b>\$10,454,830</b>	<b>\$14,824,804</b>

The above 9 accounts combined is \$11.6 million or 40.6% under budget at the end of the first quarter. This is typical of the first quarter of the fiscal year. It should be noted however, that by October, the actual expense is just 3.6% under budget for the nine accounts combined. Material & supplies accounts, miscellaneous business meals and business travel accounts are expected to exceed the budgeted amounts before the year-end.

Attachment: Capital Program Status Report

Prepared by: Office of Management & Budget



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Terry Matsumoto  
Chief Financial Services Officer and Treasurer



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Roger Snoble  
Chief Executive Officer

Attachment: Capital Program Status Report

**Metro** Los Angeles County Metropolitan Transportation Authority  
 Capital Program Variance Report - Life of Project  
 For the period ended September 30, 2006

Project Title	CP/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment	
			Encumbrance	Balance of Project Costs					
<b>Bus Acquisition</b>									
1	ATV Bus Purchase (Hybrid Vehicles)	200044	77,065	-	4,525,540	4,602,625	4,602,625	-	Continued negotiations with sole source vendor, New Flyer. Awaiting final proposal due in November, 2006. Pending approval of contract, staff will carry out production make-ready activities.  Project costs to date are related to procurement activities.  Budget was spread evenly throughout the year.
2	ATMS Radios for Contractor Buses*	201002	2,002,668	1	(1)	2,002,688	2,000,000	2,688	Utility charges of \$2,810 were inappropriately debited to this project and will be moved to the correct project; this project was completed slightly under the approved LOP.
3	100 QTY 45' NABI Compo Buses	201004	44,291,170	3,188,188	750,642	48,230,000	48,230,000	-	Addressing technical defects on this procurement. Planned activities for next quarter are to complete project close-out.  All buses were delivered to the MTA in FY06. YTD labor costs constitute the repair of technical defects and close-out activities.

# Los Angeles County Metropolitan Transportation Authority

Capital Program Variance Report - Life of Project

For the period ended September 30, 2006



Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Acquisition</b>								
4 178 CNG Articulated Bus Purchase Base Order*	201005	126,398,720	2,085,148	-	128,483,870	126,774,000	1,719,870	Received, inspected and accepted final bus. Addressing minor technical defects on this procurement. Planned activities for next quarter are to complete the close-out of the project. Encumbrances slightly in excess of \$2 million have been canceled, leaving about \$68k. The project will finish within LOP.
5 94 CNG Articulated Buses	201011	31,035,526	51,457,211	477,283	83,000,000	83,000,000	-	30 buses out of a 96 bus order delivered 1st qtr. All buses expected to be received and accepted by the end of 3rd qtr FY07.
6 75 Quantity 40' Bus Option FY05*	201027	27,845,489	-	2,154,501	30,000,000	30,000,000	-	Addressing technical defects on this procurement. Planned activities for next quarter are to complete project close-out.

# Los Angeles County Metropolitan Transportation Authority

## Capital Program Variance Report - Life of Project

For the period ended September 30, 2006



Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Acquisition</b>								
HCNG Demonstration Project	201033	116,236	400,000	741,764	1,258,000	1,256,000	-	4 engines have been received and testing is proceeding on CNG & Hydrogen. Work has begun on the development of engine cradles and the required changes to install these engines on Metro CNG NABI buses. Labor costs for the project are approximately 20% due to the R & D nature of the project, which will attempt to demonstrate lower emissions technology using a 30% Hydrogen fuel blend. Budget was spread evenly throughout the year.
Study: 45' Composite Buses for 2008	201034	14,799	-	-	14,799	506,000	(491,201)	Project is on hold while Management reevaluates vehicle replacement strategies.
<b>Subtotal for Bus Acquisition</b>		<b>231,781,722</b>	<b>57,170,550</b>	<b>8,649,708</b>	<b>297,601,981</b>	<b>296,370,625</b>	<b>1,231,356</b>	

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**Los Angeles County Metropolitan Transportation Authority**

Capital Program Variance Report - Life of Project

For the period ended September 30, 2006



Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Facilities Improvements</b>								
1 RRC General Building Modifications	202006	339,616	259,477	618,611	1,117,804	1,117,804	-	Car wash equipment was delivered during the first quarter of FY07. Project scheduled to be completed in second quarter of FY07.
2 In-Ground Bus Host Replacement	202007	5,654,963	1,835,692	790,145	8,281,000	8,281,000	-	Division 18 change order equipment was received in September 2006 and installation was scheduled to be completed in October 2006. Bids for new hosts at Div 3 & 9 also were due October 2006.
3 FY06 Division Lighting Program	202009	661,913	96,097	150,036	1,198,045	1,198,045	-	All construction, installation, and testing were completed during first quarter of FY07. Close-out to be completed in second quarter of FY07. Project will finish within the LOP.
4 New Div. 9 Transportation Bldg. and Facilities Improvements	202014	6,175,816	7,150,243	1,143,842	16,500,000	16,500,000	-	The steel superstructure was completed in August 2006 and construction was about 40% complete at the end of Q1 FY07.
5 Temple & Beaudry Layover Facility	202016	304,600	38,690	-	343,590	1,692,000	(1,348,410)	Project as originally conceived was put on hold in June 2006 due to impending joint development project. Staff is investigating the possibility of using funds for potential upgrades in conjunction with joint development or for construction of a permanent restroom facility further south at Beaudry and 4th St.

\* indicates a carryover project previously scheduled to complete in FY06.



## Los Angeles County Metropolitan Transportation Authority

Capital Program Variance Report - Life of Project

For the period ended September 30, 2006

Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Facilities Improvements</b>								
6 Division 7 Facility Improvements	202017	3,633,021	6,076	1,160,801	5,100,000	5,100,000	-	Design work for the soundwall started in Q1 FY07 and is scheduled to be completed during the second quarter. Contracts also will be issued for bid in second quarter.
7 Division 2 Maintenance - Maintenance Bldg. Modernization	202018	1,307,336	318,608	23,062	1,650,000	1,650,000	-	Design and equipment selection for the Division 2 chassis washer was completed during Q1 FY07. Project scheduled to be completed next quarter.
8 Division 6 Soundwall*	202019	541,864	-	262,106	804,000	804,000	-	Project will finish within LOP.
9 El Monte Transit Station Enhancements	202021	1,831	-	113,169	115,000	115,000	-	No LOP variance is forecasted for this project. This is a BOS grant that will be used to partially fund the El Monte Terminal Improvements. Metro is working with Foothill Transit to define SOW and funding for the project. Metro will be meeting with Foothill Transit and other stakeholders to define SOW, along with joint development of the El Monte Transit Village. There is no current plan to expend dollars in FY07, but this is a BOS grant that cannot be used for alternate projects.
10 FY07 UST Replacement	202026	88,104	222,436	2,148,461	2,460,000	2,460,000	-	

\* indicates a carryover project previously scheduled to complete in FY06.



**Los Angeles County Metropolitan Transportation Authority**  
**Capital Program Variance Report - Life of Project**  
**For the period ended September 30, 2006**

Project Title	CP/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Facilities Improvements</b>								
11 FY07 Bus Facility Contingency Projects	202036	-	-	2,329,355	2,329,355	2,329,355	-	Funds transfer of \$250,000 was generated to set up a new Capital Project CP 202220 Alternate Division Site Study.
12 FY06 Bus Division Maintenance Equip.*	202040	556,677	454,464	1,075,000	1,075,000	1,075,000	-	Division 2 chassis washer equipment was delivered and construction began during Q1 and is scheduled to be completed in Q2.
13 FY07 Bus Division Maintenance Equip.	202041	54,491	1,147,725	2,155,000	2,155,000	2,155,000	-	Project was in the design review and IFB process. Award of contract scheduled for November 2006. Project scheduled to be completed within LOP.
14 FY06 Replace Bus Div. Emerg. Generators*	202045	352,669	1,500	354,189	339,000	339,000	15,189	Project completed in September 2006. No LOP variance is anticipated as an invoice was charged incorrectly. adjustments have been made which will be reflected in the second quarter report.
15 FY06 Bus Division Amenity Improvement Project*	202055	2,064,266	64,168	2,128,426	2,116,000	2,116,000	12,426	An encumbrance for \$48,116 was removed in early October. Project was completed \$35,000 under LOP.

\* indicates a carryover project previously scheduled to complete in FY06.





# Los Angeles County Metropolitan Transportation Authority

Capital Program Variance Report - Life of Project

For the period ended September 30, 2006

Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
16 Bus Facilities Improvements FY07 Bus Division Amenity Improvement Project	202056	83,816	786,051	278,033	1,149,000	1,149,000	-	Contract was awarded for Division Amenity Improvements at Divisions 1, 5, 7, 10, and 18.  Project was in design review and IFB process and contract wasn't awarded until August 2006 so construction was still in the beginning stages. Project scheduled to be completed in second quarter of FY07 within LOP.
17 Articulated Bus Facility Modifications	202065	3,707,745	673,663	1,859,563	6,641,000	6,641,000	-	Modification work for Div 2 & 18 is under construction, and Div 1 & 3 began in September 2006. Contract awarded for Div 1 Maintenance Expansion in September 2006. Modifications to vacuum, bus washer, and fueling mods will be completed in Q2 FY07.
18 Division 1 Expansion	202068	10,643,957	702,005	238,038	11,574,000	11,574,000	-	Negotiations for access agreement with Central Hotel is on-going. Division 1 contract for Articulated Modifications was awarded in September 2006.
19 Division 6 Relocation	202076	273,727	211,619	-	485,416	12,497,000	(12,011,584)	This project is currently in litigation for breach of contract. Resolution pending outcome of litigation.
20 Division 4 Expansion & Pavement Project	202082	1,936,600	587,658	-	2,524,258	2,521,000	3,258	Project will be completed within LOP. Inappropriate labor charges already have been removed.

\* indicates a carryover project previously scheduled to complete in FY08.



**Los Angeles County Metropolitan Transportation Authority**

Capital Program Variance Report - Life of Project  
For the period ended September 30, 2006

Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Enshumbrance	Balance of Project Costs				
21 Bus Facilities Improvements Install New A/C @ Div. 7 & 16*	202184	801,264	-	-	801,264	750,000	51,264	Staff is awaiting a \$31,500 reimbursement from contractor for liquidated damages. \$19,764 will be transferred from contingency funds to cover the overrun.
22 Metro Art Enhancements*	202186	372,828	187,316	47,666	615,000	615,000	-	
23 Wayfinding and Customer Information Improvements at Major Transfer	202187	385,435	-	18,565	412,000	412,000	-	
24 490 Baughet Street Construction*	202188	2,200,158	-	273,842	2,874,000	2,874,000	-	Funds deposited into escrow in June 2006. Real estate transaction will close when site remediation by The Gas Company is completed, forecasted to be in the last quarter of 2006. Project will finish within its LOP.
25 Division 5, 10, & 18 Renovations	202181	355,645	11,402,174	6,584,787	18,332,586	18,332,586	-	During the first quarter contracts went out to bid for approximately 15 different projects ranging from building modifications to equipment purchases for Divisions 5, 10 and 18. During the second quarter we are expecting to award all contracts.
26 Articulated Bus Facility Modifications -- Phase II	202204	16,880	2,000,000	1,363,120	3,380,000	3,350,000	-	Contract was awarded for Division 1 maintenance building expansion for inspection pits and hoist in September 2006. Construction to start during second quarter of FY07.

\* indicates a carryover project previously scheduled to complete in FY06.



**Los Angeles County Metropolitan Transportation Authority**

Capital Program Variance Report - Life of Project

For the period ended September 30, 2006

Project Title	CPI/FIS Project No.	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
<b>Bus Facilities Improvements</b>								
27 Metro Bus Division CCTC System	202206	381,723	8,089	177	390,000	390,000	-	
28 Kiosks for Orange Line and Other Locations	202207	-	-	250,000	250,000	250,000	-	
29 LASD Data Network for Kiosks	202208	-	-	61,000	61,000	61,000	-	
30 ATMS Bus GPS for LASD Dispatch-ROC	202209	-	-	300,000	300,000	300,000	-	This project is in the procurement process, and are waiting for proposal from Motorola. Motorola has missed previous schedule on proposal submittal but expects to submit by 10/7/06.
31 <b>Subtotal for Bus Facilities Improvements</b>		<b>45,925,668</b>	<b>28,475,312</b>	<b>21,900,583</b>	<b>95,401,563</b>	<b>108,678,890</b>	<b>(13,277,327)</b>	

\* indicates a carryover project previously scheduled to complete in FY06.

