

FY16 Budget Basics

Service Councils
February 2015



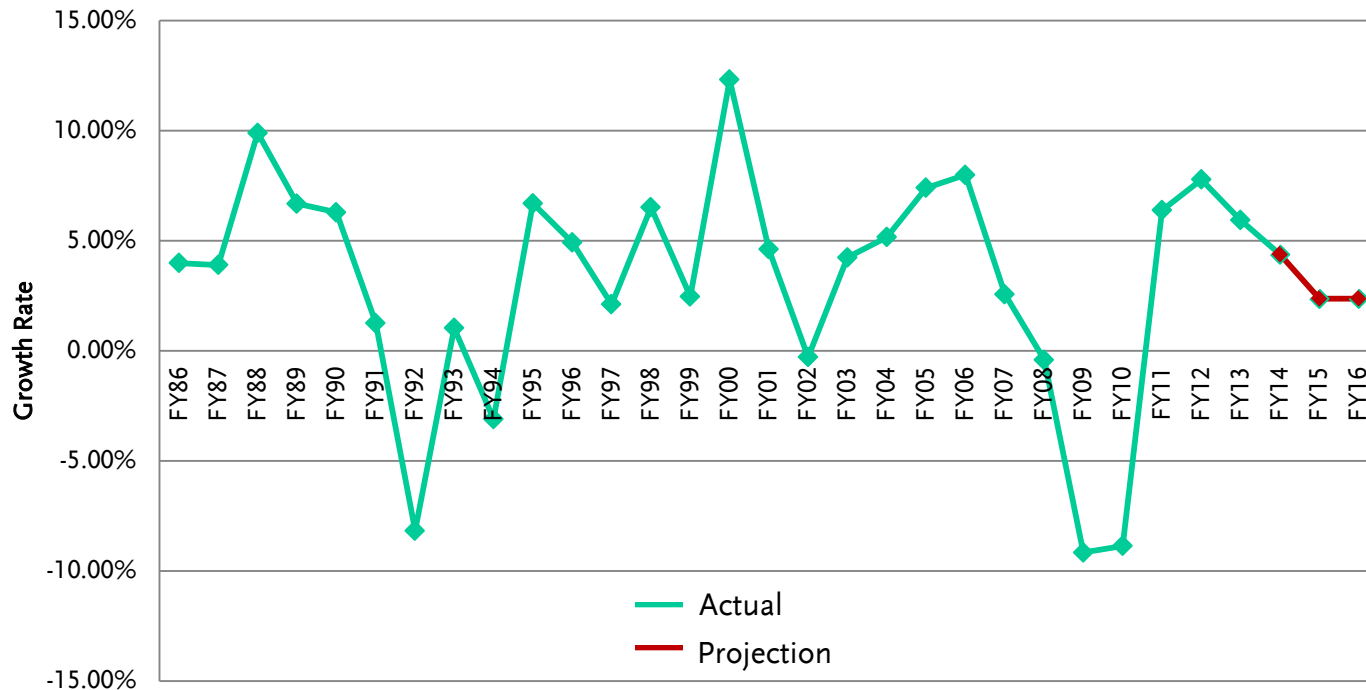
Metro

FY16 Budget Emphases

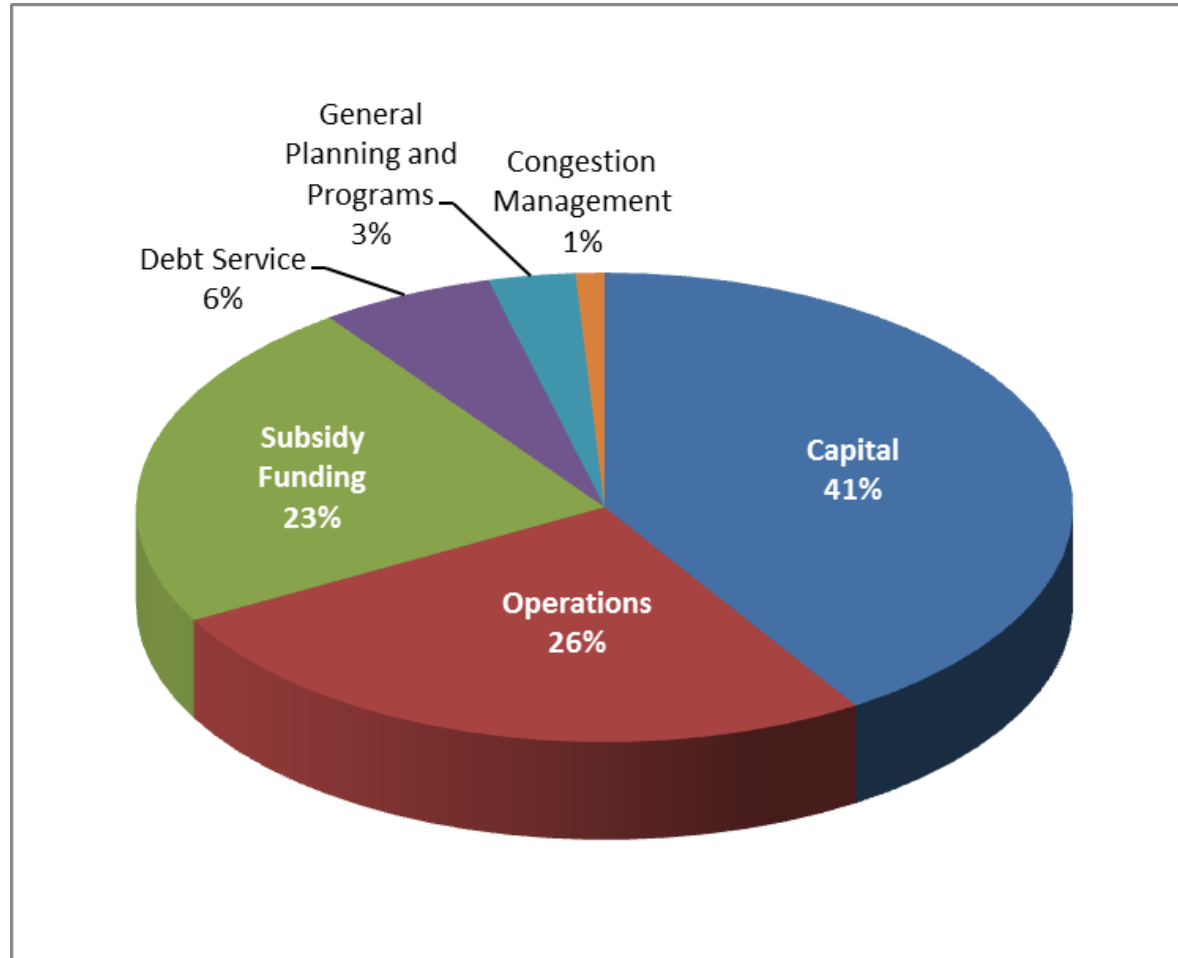
- Safety and security
- Transit service quality improvement
- New bus and rail vehicle purchases
- Delivery of rail and highway projects
- Bike programs
- Technology enhancements
- Opening of EXPO II to Santa Monica and Gold Line Foothill Extension
- State of good repair
- Union Station
- Potential transportation ballot measure
- Other new initiatives such as first/last mile and active transportation

Sales Tax Growth Assumption

- The FY15 sales tax budget is assumed to grow 2.4% above the FY14 actuals. Given that FY15 first quarter actual revenues are only slightly above budget (1.3%) and a drop in revenue growth from FY12 to FY15, the FY16 sales tax growth rate is assumed to continue growing at 2.4% over FY15 Budget in order to provide a conservative approach to revenue projections.



Budget Categories



Percentages based on FY15 Budget

Service Assumptions

Bus

- Assumes full year implementation of Line 788 (Valley-Westside Express).
- Any additional service changes approved by the Board will be reflected and amended into the FY16 budget.
- Bus replacement program anticipated to continue in FY16.

Rail

- Assumes Gold Line Foothill Extension and EXPO II to Santa Monica will begin revenue service during the end of the third quarter of FY16.
- WiFi on Red/Purple and Silver Line.
- Design and construction efforts are continuing for Crenshaw/LAX Transit Corridor, Regional Connector, and Westside Subway Extension Section 1 projects.

Fare Revenue Assumptions

Fares

- Fare per boarding at \$0.76/boarding (up from \$0.70 in FY14 and \$0.74 in FY15) as a result of Phase I Fare Increase.
- No additional fare increase is currently assumed in the FY16 budget development process
- Any decisions on Phase II and III of the fare increase will not be considered until completion of an APTA Peer Review.

TAP

- 15 agencies on TAP with 10 more expected by Spring 2015
- TAP Smart Phone Mobile App to be developed (TAP card sales, loading, virtual TAP card)

Budget Development Timeline

December	Budget Development Strategies
January	Sales Tax and Expense Assumptions
February	Capital Program
March	Full-Time Equivalents, Subsidies, Operating and Agencywide Expenses
April	Proposed Budget
May	Board Adoption

Outreach with key stakeholders:

- Board of Directors
- Executive staff
- Service Councils
- Citizen Advisory Council (CAC)
- Technical Advisory Committee (TAC)
- Bus Operations Subcommittee (BOS)
- Electronic media (e.g. social media, the Source, webinar, web page, etc.)

