

Public Hearing For The Fiscal Year 2010-11 Budget



Board of Directors' Meeting
June 14, 2010

Balanced Budget

In Millions	FY 2010-11	FY 2010-11	Change	
	Original Budget	Revised Budget	\$	%
Sources				
Revenues	\$802.0	\$803.0	\$1.0	0.1%
Reserve Utilization	399.6	356.2	(43.4)	-10.9%
Total Revenue/Reserves	\$1,201.6	\$1,159.2	(\$42.4)	-3.5%
Uses				
Services and Supplies	\$759.0	\$761.1	\$2.1	0.3%
Capital Expenditures	250.8	209.6	(41.2)	-16.4%
Salaries and Benefits	146.6	146.4	(0.2)	-0.1%
Designations	45.2	42.1	(3.1)	-6.9%
Total Expenditures / Designations	\$1,201.6	\$1,159.2	(\$42.4)	-3.5%

Fiscal Year 2010-11 Budget Themes

- Economy stabilizing
- Bus service is sustainable
- Measure M1 ending
- Measure M2 beginning
- Metrolink Service Expansion Program on track
- 91 Express Lanes meeting objectives

Managing Through The Recession

BOARD APPROVES SERVICE REDUCTION PLAN

- Attrition-based plan
- Reductions began December 2008
- Implementation of hiring freeze
- \$63.3 million in budget reductions
 - » Operating reduction of \$5.2 million
 - » Capital reduction/deferral of \$58.1 million
- Increase flexibility of capital grant funds for operations

AMERICAN RECOVERY AND REINVESTMENT ACT GOES INTO EFFECT

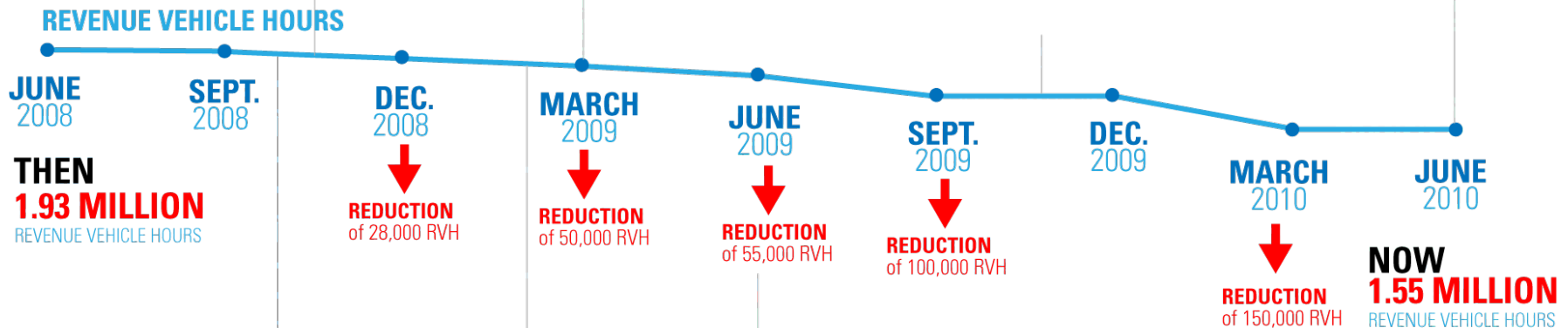
- Provides \$76 million for bus program
- Allocates 10 percent for operations

BOARD AMENDS SERVICE REDUCTION PLAN AND DEFERS BRT PROGRAM

- Assumed STA to be reinstated
- 150,000 hour reduction in March 2010
- Additional 150,000 hour reduction deferred pending state action
- Defer implementation of BRT on three corridors
- Work with SCAG to add signal synchronization on the three corridors as a substitute control measure

STATE RESTORES TRANSIT FUNDING

- \$22 million in FY 2010-11
- \$19.25 million STA annually thereafter



REVENUE FORECASTS DETERIORATE

- Forecasted significant loss of LTF revenue
- Forecasted loss of STAF revenue

REVENUE LOSSES CONTINUE

- Sales tax and fare revenue receipts further decline
- STA program is eliminated by the state

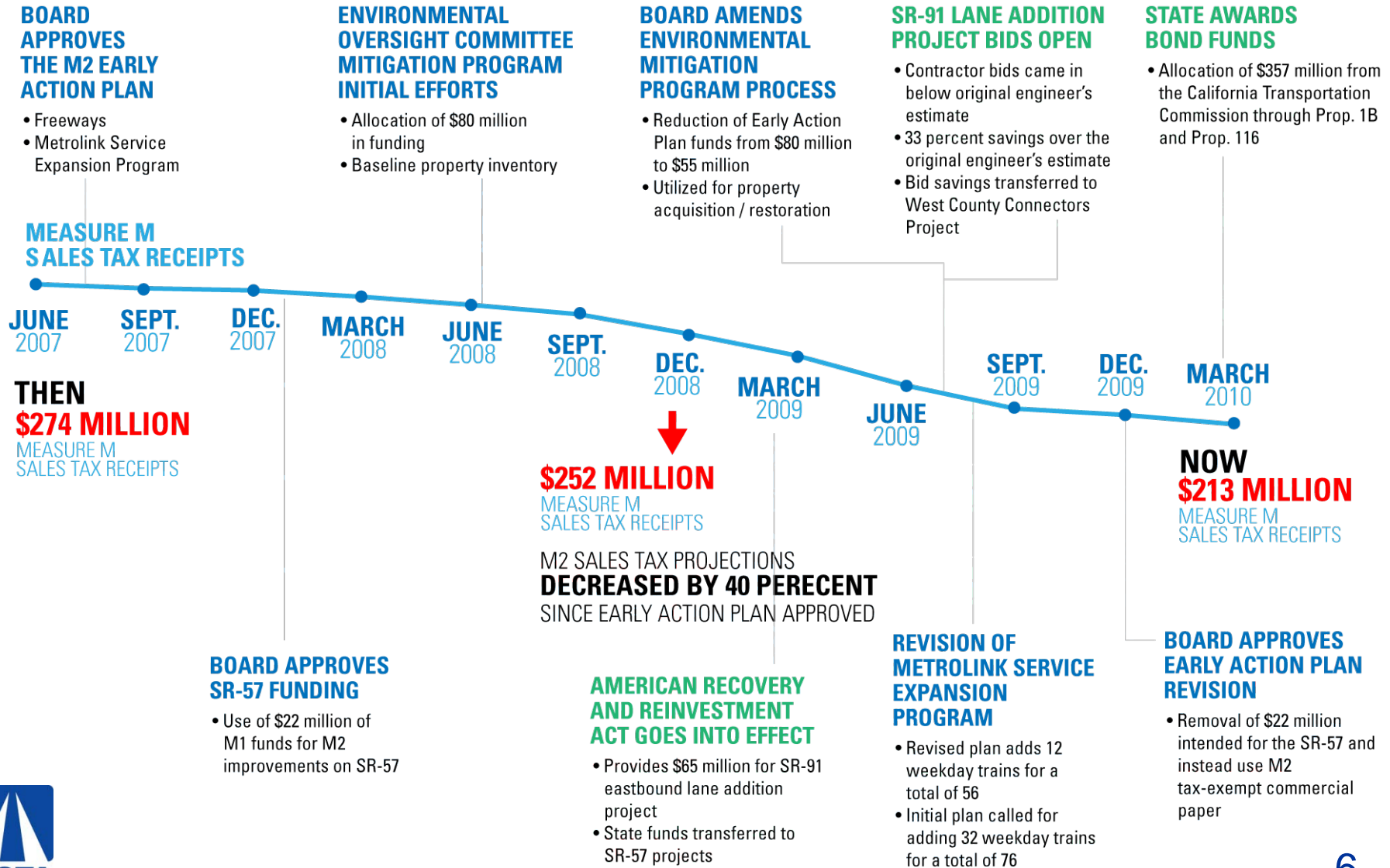
BOARD APPROVES ADDITIONAL SERVICE REDUCTIONS

- Service reduction of 400,000 hours
- 100,000 hour reduction per service change beginning in September 2009



Key Elements of Sustainability Plan

Managing Through The Recession



Major Initiatives

Initiative	Amount (\$)
Bus Operations	\$ 248,960,363
Metrolink Service Expansion Program	248,853,816
Grade Separations	86,597,000
Grade Crossing Safety and Quiet Zone Program	46,458,516
I-5 Gateway Project	37,805,100
Metrolink Ongoing Capital	36,495,463
Metrolink Ongoing Operations	27,005,470
West County Connectors	19,933,161
Bus Capital	19,063,512
State Route 57 Northbound: Orangethorpe to Yorba Linda	4,100,000
State Route 57 Northbound: Yorba Linda to Lambert	3,701,000

Personnel & Salary Resolution Updates & Highlights

- Health Insurance Language
- No planned Special Performance Awards
- No Merit Increases
- Suspended Computer Purchase Reimbursement
- Restore Personal Paid Holiday

Recommendations

- Approve the FY 2010-11 budget
- Approve changes to the Personnel & Salary Resolution
- Authorize the purchasing agent to execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements