



# Public Hearing For The Fiscal Year 2010-11 Budget



Board of Directors' Meeting June 14, 2010

# **Balanced Budget**

In Millions	FY 2010-11 Original	FY 2010-11 Revised	Change	
	Budget	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%
<b>Total Expenditures / Designations</b>	\$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 VEHICLE HOURS**

**JUNE** 

THFN

1.93 MILLION

**REVENUE VEHICLE HOURS** 

SEPT.



DEC.



**MARCH** 

JUNE



REDUCTION of 55,000 RVH SEPT.



DEC. 2009



2010



**JUNE** 2010

NOW

#### **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**

#### BOARD **ENVIRONMENTAL BOARD AMENDS** SR-91 LANE ADDITION STATE AWARDS **APPROVES OVERSIGHT COMMITTEE ENVIRONMENTAL** PROJECT BIDS OPEN **BOND FUNDS** THE M2 EARLY MITIGATION PROGRAM **MITIGATION** Contractor bids came in Allocation of \$357 million from **ACTION PLAN INITIAL EFFORTS PROGRAM PROCESS** the California Transportation below original engineer's estimate Commission through Prop. 1B Freeways Allocation of \$80 million Reduction of Early Action and Prop. 116 • 33 percent savings over the Metrolink Service Plan funds from \$80 million in funding original engineer's estimate **Expansion Program** Baseline property inventory to \$55 million · Bid savings transferred to Utilized for property West County Connectors acquisition / restoration Project **MEASURE M SALES TAX RECEIPTS** DEC. JUNE SEPT. **MARCH JUNE** *2*007 SEPT. *2*007 *2*007 2008 2008 DEC. SEPT. DEC. 2008 MARCH 2008 **MARCH** 2009 2009 THEN 2010 2009 JUNE \$274 MILLION 2009 MEASURE M NOW SALES TAX RECEIPTS \$252 MILLION \$213 MILLION MEASURE M MEASURE M SALES TAX RECEIPTS SALES TAX RECEIPTS M2 SALES TAX PROJECTIONS **DECREASED BY 40 PERECENT** SINCE EARLY ACTION PLAN APPROVED **REVISION OF BOARD APPROVES BOARD APPROVES EARLY ACTION PLAN METROLINK SERVICE** AMERICAN RECOVERY **SR-57 FUNDING** REVISION **EXPANSION** AND REINVESTMENT **PROGRAM** Use of \$22 million of Removal of \$22 million **ACT GOES INTO EFFECT** intended for the SR-57 and M1 funds for M2 Revised plan adds 12

• Provides \$65 million for SR-91

eastbound lane addition

State funds transferred to

project

SR-57 projects



improvements on SR-57

instead use M2

paper

tax-exempt commercial

weekday trains for a

Initial plan called for

for a total of 76

adding 32 weekday trains

total of 56

# **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

