



Foothill Gold Line

Metro Gold Line Foothill Extension Construction Authority

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Executive Officer:

Habib F. Balian
Chief Executive Officer

Agenda Item: 6.b.

TO: Chair and Members of the Board of Directors
FROM: Habib F. Balian, Chief Executive Officer
DATE: June 8, 2016
SUBJECT: Adoption of Foothill Gold Line Fiscal Year 2017 Operating Budget

RECOMMENDATION:

The Finance and Construction Committees recommend to the Board of Directors adoption of Foothill Gold Line Fiscal Year 2017 Operating Budget.

SUMMARY:

In September 2014, the Board approved the Foothill Gold Line Financial Plan Revision 11 of \$1,950,000. In May 2016, the Board will have the opportunity to review and approve the Foothill Gold Line Financial Plan Revision 12 of \$1,950,000. The Operating Budget has been developed consistent with the Foothill Gold Line Financial Plan Revision 12.

At this time, it is projected that \$28.0 million will be expended in fiscal year 2017 which includes Authority Administration, Program Management, Phase 2B work, 2A Closeout or approximately 3.4% of the Project Financial Plan for this fiscal year.

BUDGET IMPLICATIONS:

The Foothill Gold Line FY17 Operating Budget of \$28.0 million represents a decrease of \$52.0 million from the Foothill Gold Line FY16 Operating Budget of \$80.0 million reflecting the current level of activity for the project.

BACKGROUND:

FY17 Revenues - \$28,000,000

During fiscal year 2017, the Authority will have sufficient revenues to complete Foothill Gold Line activities. The current operating plan assumes \$28.0 million of revenue will be received during fiscal year 2017.

These revenues consist of the following:

- \$ 100,000 in Interest Income
- \$10,000,000 in Measure R Revenue – Phase 2A
- \$15,000,000 in Measure R Revenue – Phase 2B
- \$ 1,400,000 in Federal Intermodal Grants
- \$ 1,500,000 in Revenue Carry Forward from PY

Revenue Sources for Fiscal Year 2017 (in millions of \$)	FY16 Budget	FY17 Budget 2A+2B	FY17 Budget 2A	FY17 Budget 2B
SCAG	0.0	0.0	0.0	0.0
Interest Income	0.1	0.1	0.1	0.0
Bridge Replacement	0.0	0.0	0.0	0.0
Phase I Carryover	0.0	0.0	0.0	0.0
MTA Maintenance Facility	0.0	0.0	0.0	0.0
Cities	0.0	0.0	0.0	0.0
Real Estate	0.0	0.0	0.0	0.0
State SHA	0.0	0.0	0.0	0.0
Measure R	71.8	25.0	10.0	15.0
SANBAG	0.0	0.0	0.0	0.0
Federal TCSP	0.0	0.0	0.0	0.0
Federal Intermodal	3.0	1.4	1.4	0.0
Federal New Starts 2004 (5309)	0.0	0.0	0.0	0.0
Federal New Starts 2005 (5309)	0.0	0.0	0.0	0.0
Federal and State Corridor Study Grant	0.0	0.0	0.0	0.0
Revenue Carry Forward from PY	5.1	1.5	1.5	0.0
Total Foothill Gold Line Revenues FY17	80.0	28.0	13.0	15.0

- \$100,000 in interest on Foothill Gold Line, which is the same as the previous fiscal year operating budget of \$100,000. Principal balance and interest rates have stayed consistently low.
- \$25,000,000 in Measure R funds for both Phase 2A and Phase 2B which are dispersed through LACMTA on a reimbursement basis. This amount is consistent with the Funding Agreement Attachment C.
- \$1,400,000 in Federal Intermodal Grants, which represents the work for the Bus Interface Plan and will continue to draw in FY17 and future until fully expended.
- \$1,500,000 in Revenue Carry Forward from PY, which is \$3,600,000 less than previous fiscal year operating budget of \$5,100,000.

FY17 Expenditures - \$28,000,000

In the previous fiscal year, the Authority continued work for 2B work, 2A construction, M&O work and the parking structures work funded by Measure R. Plans for FY17 include the Phase 2B work and Phase 2A closeout.

The proposed expenditures for work during fiscal year 2017 include:

- \$ 5,600,000 in Authority Administration
- \$ 7,000,000 in Program Management
- \$ 1,000,000 in Phase 2B NEPA/CEQA Engineering
- \$ 1,400,000 in Intermodal Study
- \$ 1,000,000 in Master Cooperative Agreements
- \$10,000,000 in Construction – 2A / M&O
- \$ 2,000,000 in Contingency Misc Other

Expenditures FY17	Approved	Proposed	Proposed	Proposed
	FY16	FY17 2A+2B	FY17 - 2A	FY17 - 2B
Authority Administration	11.9	5.6	0.6	5.0
Program Management	4.0	7.0	1.0	6.0
Phase 2B Engineering Work NEPA/CEQA	9.0	1.0	0.0	1.0
Intermodal Study	3.0	1.4	1.4	0.0
Master Cooperative Agreements	1.0	1.0	0.0	1.0
Real Estate	0.0	0.0	0.0	0.0
Special Programs	0.0	0.0	0.0	0.0
Construction - 2A / M&O	48.0	10.0	10.0	0.0
Contingency/Misc Other	3.1	2.0	0.0	2.0
Project Reserve	0.0	0.0	0.0	0.0
Total Foothill Gold Line Expenditures FY17	80.0	28.0	13.0	15.0

Illustrated below, is the recommended fiscal year 2017 administration budget that reflects current expectations for next year.

- \$5,600,000 for Authority administration salaries and expenses which is the \$6,300,000 less than the previous fiscal year operating budget of \$11,900,000. The Authority maintains a total of seven staff members who will be dedicating all of their time to the Foothill Gold Line. This amount is consistent with the Authority's annual historical costs for the Metro Gold Line Phase I. The budget for wages and benefits of \$3,875,000 provides for seven staff at full time through FY17. The amount includes a pro-rata 10% combined allowance for potential Cost-of-Living adjustment (COLA) and merit increases. The actual COLA will be set by future Board action and has historically been based on the June consumer price index. In addition, accrued vacation and employee severance is being carried in FY17.
- \$7,000,000 for program management, which is \$3,000,000 more than the amount from the previous fiscal year operating budget of \$4,000,000. The

scope of work for the Program Management Team is based on support costs necessary to supplement Authority staff and the technical consultants work. Similar to the Authority administration, the end of construction and the increased work load for Phase 2B design are consistent with this increase. The program management team assists the Authority throughout Design and Construction.

- \$1,000,000 for technical consultants to prepare the Azusa to Montclair CEQA/NEPA compliance, preliminary engineering and other planning activities.
- \$1,400,000 for Intermodal Study. This is the remainder of part three of the FTA Intermodal grant issued to the Authority which is \$1,600,000 less than the previous year operating budget of \$3,000,000. The Authority awarded the contract for Parking Structures station enhancements and work on the design for station enhancements started in FY13 and continues in FY17.
- \$1,000,000 for Master Cooperative Agreements. This \$1,000,000 includes work budgeted for Caltrans, Metrolink and Others for FY17 for Phase 2B. This amount of \$1,000,000 is the same as the previous fiscal year operating budget of \$1,000,000.
- \$10,000,000 for Construction 2A / M&O. Based on the Fund Transfer Agreement with LACMTA, this is the amount estimated to be performed per attachment C in the Funding Agreement in FY17. This amount is consistent with the work plan for the current fiscal year for the close out construction for the 2A and M&O.
- \$2,000,000 for Contingency /Misc Other.

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The following Table provides a detailed breakdown of Authority Administration costs relative to the Foothill Gold Line project.

Fiscal Year 2017 Administrative Budget	FY 2016	FY 2017	FY 2017	FY 2017
		Total 2A+2B	2A	2B
Wages and Benefits	3,800,000	3,875,000	387,500	3,487,500
				0
Benefits - Calpers per GASB 68	5,990,000	0	0	0
Office Supplies	50,000	50,000	5,000	45,000
Printing, Reproductions	25,000	25,000	2,500	22,500
Postage and Courier	25,000	25,000	2,500	22,500
Office Equipment	30,000	30,000	3,000	27,000
Telephone	70,000	70,000	7,000	63,000
Subscriptions	40,000	40,000	4,000	36,000
Advertising/Graphics/Signs/Web Site	25,000	25,000	2,500	22,500
Community Events	375,000	200,000	40,000	160,000
Transportation, Meals and Lodging	25,000	25,000	2,500	22,500
Auto Expenses / Vehicle Leases	20,000	20,000	2,000	18,000
Training/Conferences/Professional Mem	10,000	10,000	1,000	9,000
Equipment Rental and Services	40,000	40,000	4,000	36,000
Repairs and Maintenance	30,000	30,000	3,000	27,000
Office Rent and Storage	360,000	300,000	30,000	270,000
ROW Maintenance	20,000	20,000	2,000	18,000
Computer Equipment	25,000	25,000	2,500	22,500
Insurance	270,000	200,000	40,000	160,000
Board Member Expenses	40,000	40,000	4,000	36,000
Bank, Payroll and Administrative Fees	15,000	15,000	1,500	13,500
Legal Services	225,000	200,000	20,000	180,000
Audit and Accounting Services	40,000	40,000	4,000	36,000
Network Services	150,000	75,000	7,500	67,500
Government Relations	200,000	220,000	22,000	198,000
Total Foothill Gold Line Authority Admin	11,900,000	5,600,000	600,000	5,000,000