Foothill Gold Line

Metro Gold Line Foothill Extension Construction Authority

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Agenda Item: 6.g.

TO: Chair and Members of the Board of Directors

FROM: Habib F. Balian, Chief Executive Officer

DATE: May 27, 2026

SUBJECT: Adoption of Foothill Gold Line Fiscal Year 2027 Operating Budget

RECOMMENDATION:

The Finance Committee recommends that the Board adopt the Foothill Gold Line Fiscal Year 2027 Operating Budget.

SUMMARY:

In February 2023, the Board approved the Foothill Gold Line Financial Plan Revision 18 of $2,370.9 million. The Operating Budget has been developed consistent with the Foothill Gold Line Financial Plan Revision 18.

It is projected that $101.0 million will be expended in fiscal year 2027 which includes Authority Administration, Program Management, Phase 2B work, Phase 2B2 work or approximately 5% of the Project Financial Plan for this fiscal year.

Phase 2B project was substantially complete January 3, 2025. Metro revenue operation service began on September 19, 2025.

BUDGET IMPLICATIONS:

The Foothill Gold Line FY27 Operating Budget of $101.0 million is a $17.0 million decrease from the previous year for the Foothill Gold Line FY26 Operating Budget of $118.0 million reflecting the current level of activity for the project.

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BACKGROUND:

Fiscal Year 2027 Revenues - $101,000,000

During fiscal year 2027, the Authority will have sufficient revenues to complete Foothill Gold Line activities. The current operating plan assumes $102.0 million of revenue will be received during fiscal year 2027.

These revenues consist of the following:

- $50,000,000 in Measure M Revenue – Phase 2B
- $51,000,000 in SB125 Revenue - Phase 2B2

Revenue Sources for Fiscal Year 2027 (in millions of $)	**FY 26 Budget**	**FY 27 Budget**	**Proposed Variance**
Cities	0.0	0.0	0.0
SB125	30.0	51.0	21.0
Measure M	88.0	50.0	(38.0)
Other	0.0	0.0	0.0
Total Foothill Gold Line Revenues FY27	**118.0**	**101.0**	**(17.0)**

- $50,000,000 in Measure M funds for Phase 2B which are dispersed through LACMTA on a reimbursement basis. This amount is consistent with the Attachment C of the Funding Agreement.
- $51,000,000 in SB125 funds for Phase 2B2 which are dispersed through LACMTA on a reimbursement basis. This amount is consistent with the Attachment C of the Funding Agreement.

Fiscal Year 2027 Expenditures - $101,000,000

In the previous fiscal year, the Authority continued work for 2B work. Plans for FY27 include completing the work on Phase 2B including punch list items, ROW and As-Builts Close-out and continuing design and CMAR work for Phase 2B2.

The proposed expenditures for fiscal year 2027 include:

- $9,000,000 in Authority Administration
- $10,000,000 in Program Management
- $5,000,000 in Phase 2B Construction Alignment
- $31,000,000 in Phase 2B Metro Project Costs
- $3,000,000 in Phase 2B2 Master Cooperative Agreements
- $4,000,000 in Phase 2B2 Right-of-Way
- $30,000,000 in Phase 2B2 Design
- $6,000,000 in Phase 2B2 CMAR
- $3,000,000 in Phase 2B2 Construction Alignment

Expenditures for Fiscal Year 2027 (in millions of $)	**FY 26 Budget**	**FY 27 Budget**	**Proposed Variance**
Authority Administration	9.0	9.0	0.0
Program Management	10.0	10.0	0.0
Phase 2B Construction Alignment	36.0	5.0	(31.0)
Phase 2B Parking	3.0	0.0	(3.0)
Phase 2B MTA Project Costs	23.0	31.0	8.0
Phase 2B2 Master Cooperative Agreements	1.0	3.0	2.0
Phase 2B2 Right-of-Way	1.0	4.0	3.0
Phase 2B2 Design	30.0	30.0	0.0
Phase 2B2 CMAR	0.0	6.0	6.0
Phase 2B2 Construction Alignment	0.0	3.0	3.0
Contingency, Miscellaneous and Other	5.0	0.0	(5.0)
Total Foothill Gold Line Expenditures FY2027	**118.0**	**101.0**	**(17.0)**

Illustrated below, is the recommended fiscal year 2027 administration budget that reflects current expectations for next year.

- $9,000,000 for Authority administration salaries and expenses which is the same as the previous fiscal year operating budget of $9,000,000. This amount is consistent with the Authority's annual historical costs for the Metro Gold Line Phase I, Phase 2A and Phase 2B. The budget for wages and benefits of $6,000,000 provides for staff (12 authorized FTE's) for FY27. The COLA will be set by future Board action and has historically been based on the June consumer price index. In addition, accrued vacation, employee severance, and employee retention costs are being carried in FY27.

- $10,000,000 for program management, which is the same from the previous fiscal year amount of $10,000,000. The scope of work for the Program Management Team is based on support costs necessary to supplement Authority staff. Similar to the Authority administration and the work load for Phase 2B design and construction are consistent. Phase 2B is essentially complete and work on Phase 2B2 will increase. The program management team assists the Authority throughout design and construction. This amount includes the estimator for Phase 2B2 work.
- $5,000,000 for Phase 2B Construction Alignment. This is the amount estimated to be performed in FY27 and is consistent with the work plan for the current fiscal year as substantial completion was completed in January 2025 as noted above and punch list is almost complete. As-Builts and real estate transfer remain.
- $31,000,000 for Phase 2B Metro Project Costs. This is the amount estimated to be performed in FY27 and captures any Metro Project costs not billed but incurred prior to FY26. Activities include $1.5M for Phase 2B SCRRA 25 40 mph work, $8.0M for Kiewit, 2B Power, Fare Gates, Flagging, and $21.5M for other Phase 2B Metro Project Costs.
- $3,000,000 for Phase 2B2 Master Cooperative Agreements. This $3,000,000 includes work budgeted for Caltrans, SCRRA and others for Phase 2B2 FY26. This amount of $3,000,000 is an $2,000,000 increase from the previous fiscal year budget of $1,000,000.
- $4,000,000 for Phase 2B2 ROW. This amount of $4,000,000 is an increase of $3,000,000 from the previous year amount of $1,000,000 and is the amount estimated in FY27 for Phase 2B2 and is consistent with the work plan for the current fiscal year.
- $30,000,000 for Phase 2B2 Design. This $30,000,000 includes work for Design from Parsons and other various consultants for FY27.
- $6,000,000 for Phase 2B2 CMAR. This $6,000,000 for FY27 includes work for CMAR and other various consultants.
- $3,000,000 for Phase 2B2 Construction Alignment. This is the amount estimated to be performed in FY27 and is consistent with the work plan for the current fiscal year.

Fiscal Year 2027 Administrative Budget

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

Administrative Budget Fiscal Year 2027	FY 26 Budget	FY 27 Budget	Proposed Variance
Wages and Benefits	5,800,000	6,000,000	200,000
Office Supplies	80,000	80,000	0.0
Printing & Reproductions	25,000	25,000	0.0
Postage and Courier	25,000	25,000	0.0
Office Equipment	100,000	100,000	0.0
Telephone	70,000	70,000	0.0
Subscriptions	40,000	40,000	0.0
Advertising/Graphics/Signs/Website	30,000	30,000	0.0
Community Events	350,000	300,000	(50,000)
Transportation, Meals and Lodging	25,000	25,000	0.0
Auto Expenses / Vehicle Leases	20,000	20,000	0.0
Training, Conferences, Prof. Memberships	10,000	10,000	0.0
Equipment Rental and Services	40,000	40,000	0.0
Repairs and Maintenance	30,000	30,000	0.0
Office Rent and Storage	150,000	150,000	0.0
Right of Way Maintenance	100,000	100,000	0.0
Computer Equipment	100,000	100,000	0.0
Insurance	400,000	400,000	0.0
Board Member Expenses	40,000	40,000	0.0
Bank, Payroll and Administrative Fees	15,000	15,000	0.0
Legal Services	1,000,000	1,000,000	0.0
Audit and Accounting Services	40,000	40,000	0.0
Network Services	210,000	210,000	0.0
Government Relations	100,000	50,000	(50,000)
Miscellaneous	200,000	100,000	(100,000)
Total Foothill Gold Line Expenditures FY27	**9,000,000**	**9,000,000**	**0**