



METROLINK

Revised Proposed FY25 Budget – Hybrid Optimized Service Level for OCTA

Agenda

- Budget Challenges
- FY25 Budget Assumptions
- Proposed FY25 Operating Budget
- Proposed FY25 Capital Program Budget
- Summary

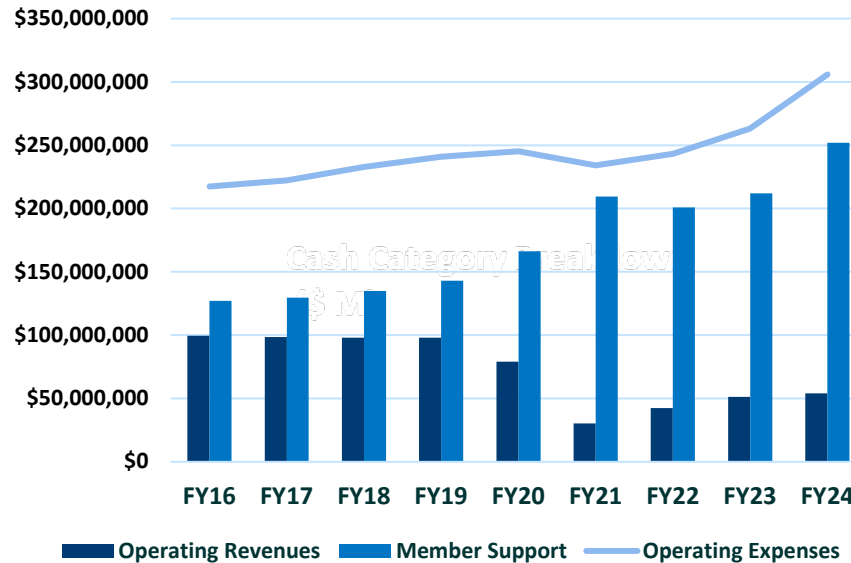
Our Operating Budget Challenges

- Both Ridership and Revenue are growing slowly but continues to lag pre-COVID numbers.
- Operating expenses are increasing Year-over-Year
 - ~60% of the Operational costs are fixed.
- Member Agencies are currently providing 80% of the funding for operating expenses.
- Financial challenges continue to place a burden on Member Agencies.

Cash Category Breakdown
Q1-2024

Operating Budget Challenges

Revenues, Support, and Expenses by Year



- Revenues:
 - Pre-Pandemic Revenues roughly flat (FY16 – FY19)
 - Post-Pandemic revenues are slowly increasing
- Expenses
 - Pre-Pandemic Operating Expenses increasing YOY
- Required Member Agency support increasing YOY

Notes:

- FY16 - FY23 Actuals
- FY24 Budgets

Proposed FY25 Operating Budget Assumptions

Service Level:

- Hybrid Optimized Service Level – Current Service Start on July 1, 2024 with Optimized Start October 2024
 - This new Optimized Service schedule will fill in service gaps and make the most efficient utilization of equipment and crews.
 - It includes the addition of 36 trains to allow for pulse departures and fill in mid-day service gaps.
 - It also reduces wasted crew hours, layovers, hoteling and crew transportation.
 - Equipment is fully utilized, while mechanical service costs are reduced.

Revenue:

- Revenue / Ridership based on Updated Sperry Capital / KPMG Forecast
- No Fare Increases
- New Fare Promotions

Expenses:

- Contractor Increases only as Mandated by Agreements
- No New FTE Headcount
- 3.0% Merit Pool
- 3.0% COLA
- Mini-Bundle Mobilization estimated at \$10.33M
- Includes Student Adventure Pass Support

Operating Budget

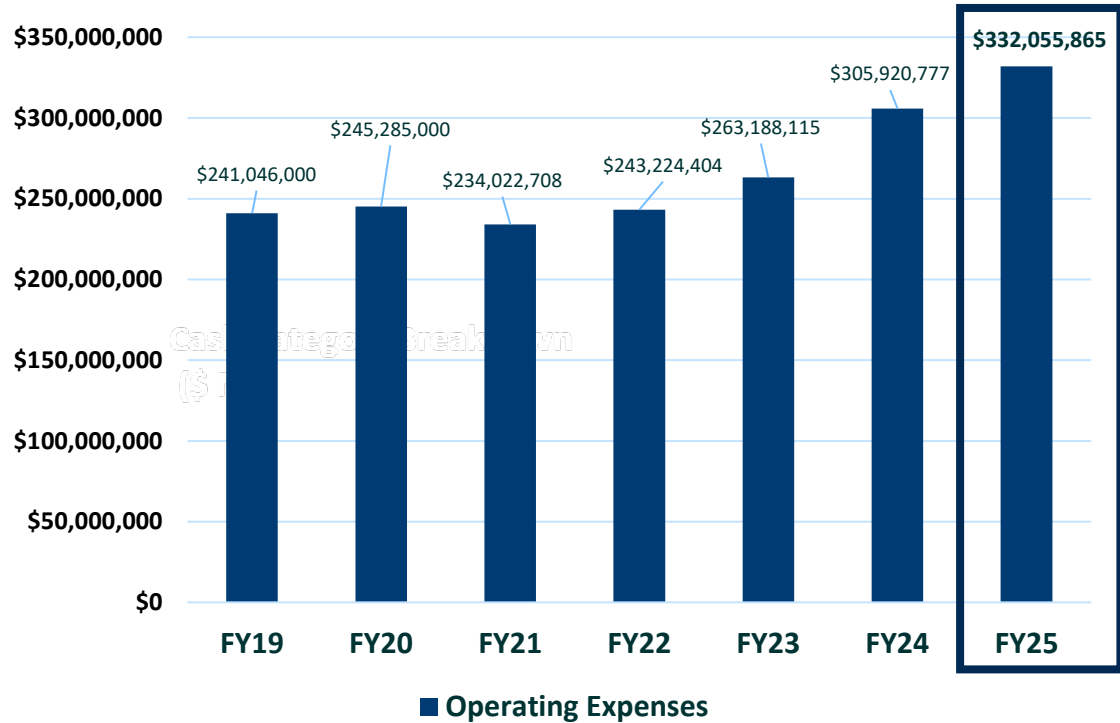


Proposed FY25 Operating Budget Summary

- Operating Revenue - **\$68.0M**
 - Increase from FY24 of **\$14.0M** or **26.0%**
- Total Expenses - **\$332.1M**
 - Increase from FY24 of **\$26.1M** or **8.5%**
 - Including Hybrid Optimized Service
 - Including one-time Mini-Bundle Mobilization expense
 - Includes Student Adventure Pass Support
- Member Agency Support - **\$264.0M**
 - Increase from FY24 of **\$12.2M** or **4.8%**

Operating Expenses FY19 – FY25

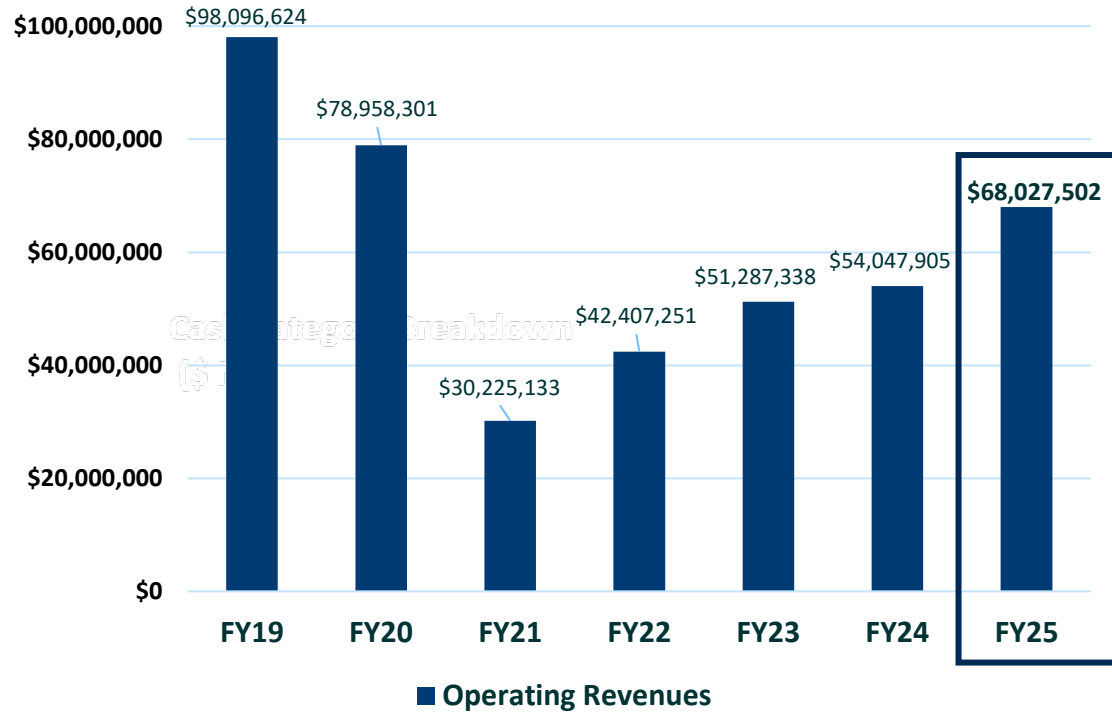
Operating Expenses FY19 – FY25



Notes:

- FY19, FY20, FY21, FY22, & FY23 Actuals
- FY24 & FY25 (Hybrid Optimized Service) Budgets not Actuals
- FY25 includes Mini-Bundle Mobilization
- Includes Student Adventure Pass Support

Operating Revenues FY19 – FY25

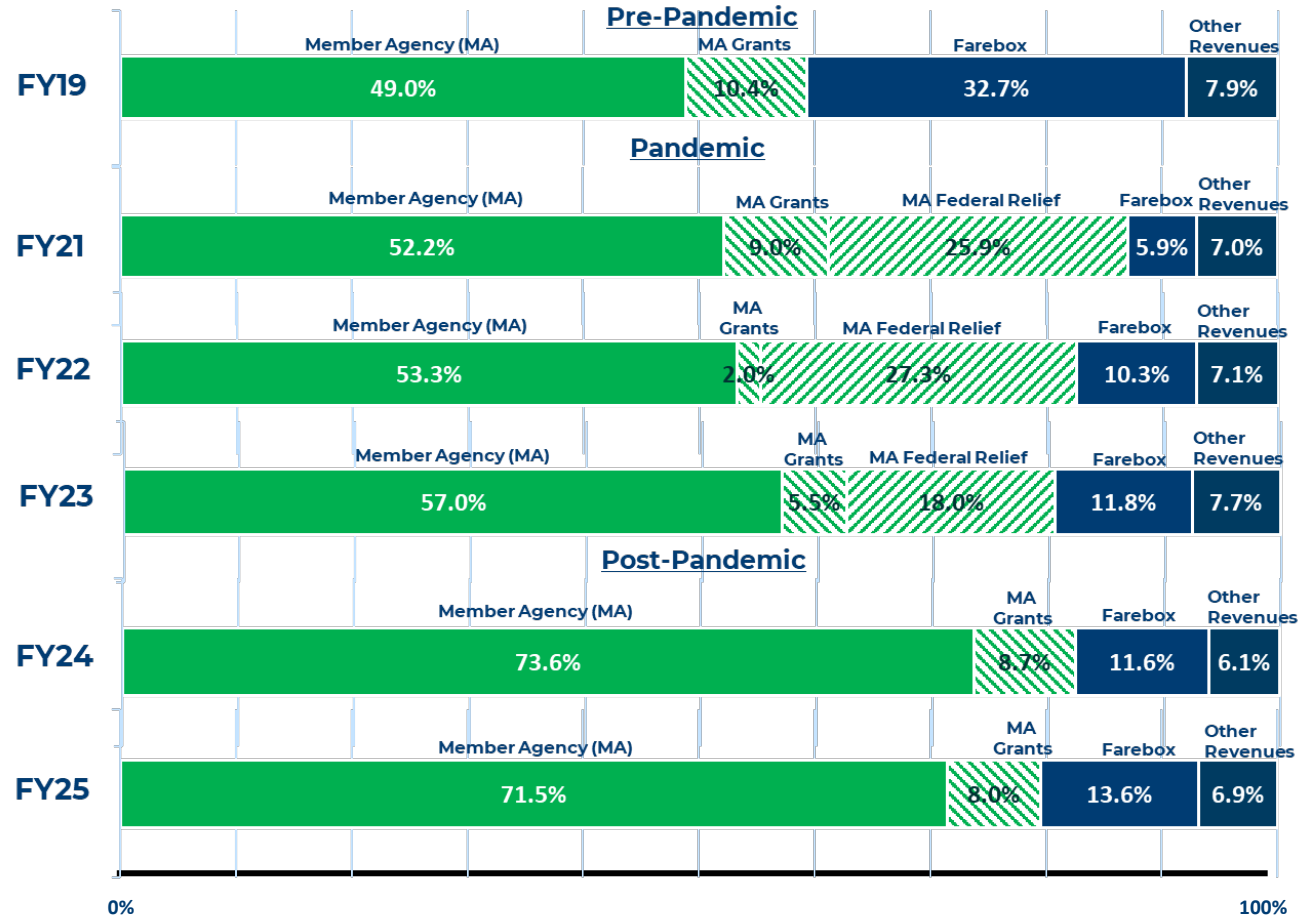


Note:

- FY19, FY20, FY21, FY22, & FY23 Actuals
- FY24 & FY25 (Hybrid Optimized Service) Budgets not Actuals (does not include Student Adventure Pass)

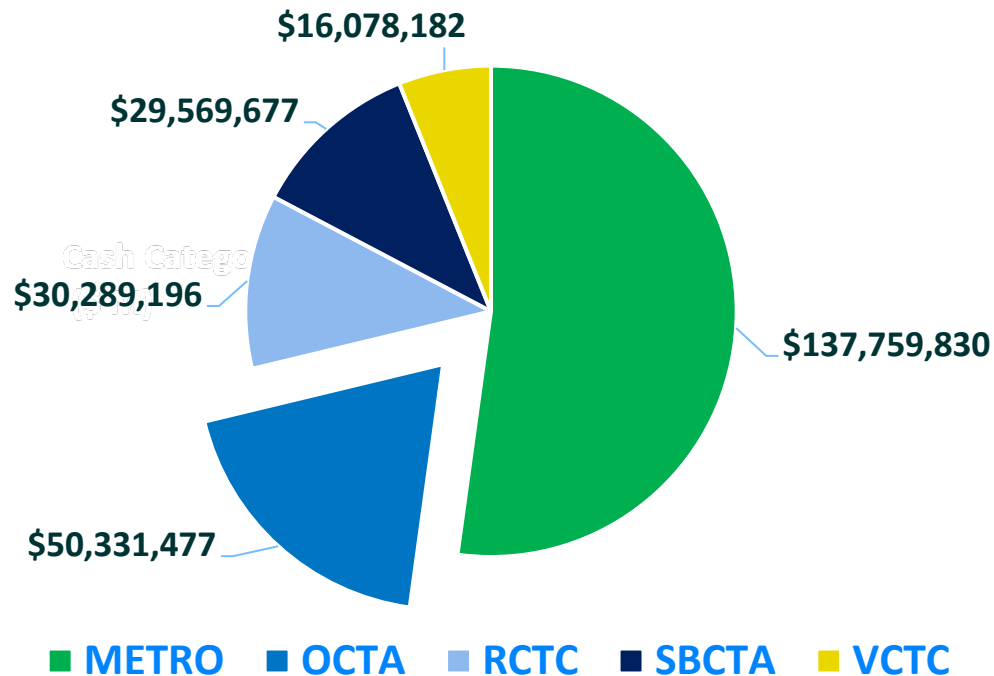
Metrolink's Operating Budget Funds

Metrolink Operating Funding Sources



Proposed FY25 Operating Support Required by Member Agency

Operating Support Required (\$264.0M)




Notes:

- Hybrid Service Level – Current Service Start on July 1, 2024 with Optimized Start October 2024
- Total includes Mini-Bundle Mobilization
- Total include Student Adventure Pass Support

Revised New Capital Program Budget

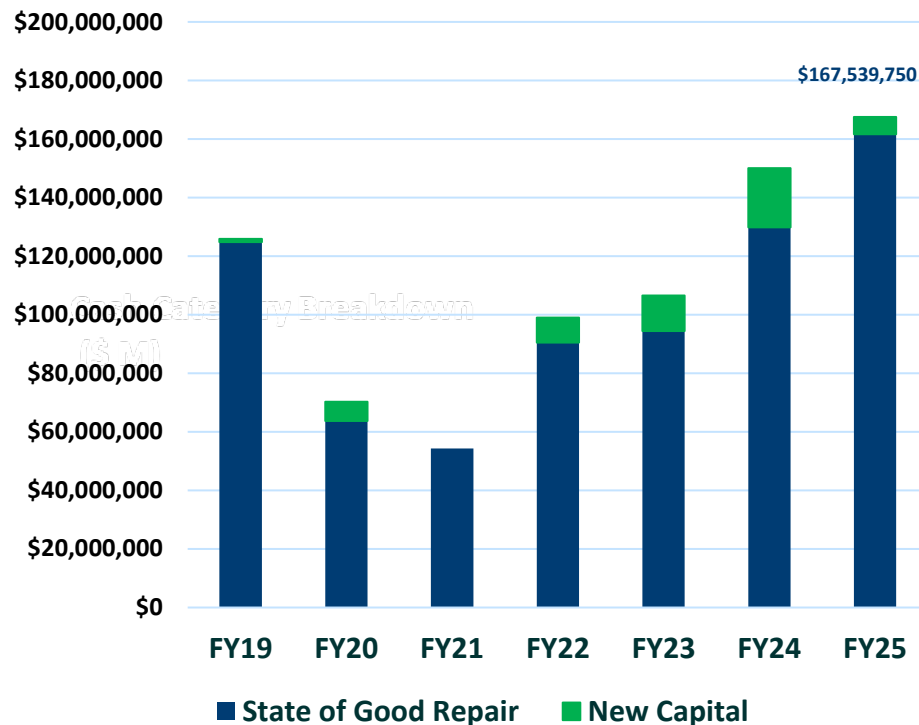




Revised Proposed FY25 System Capital Program Overview

- State of Good Repair - **\$161.6M**
 - Increase from FY24 of **\$31.8M** or **24.5%**
- New Capital - **\$5.9M**
 - Decrease from FY24 of **(\$14.3M)** or **(70.0%)**

Revised Proposed FY25 Capital Program FY19 – FY25 State of Good Repair & New Capital



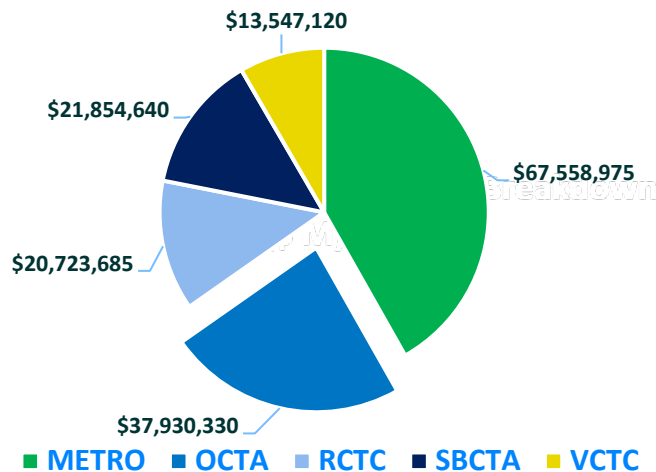
Note:

- FY23 data does not include New Capital Tier 4 Locomotive Purchase

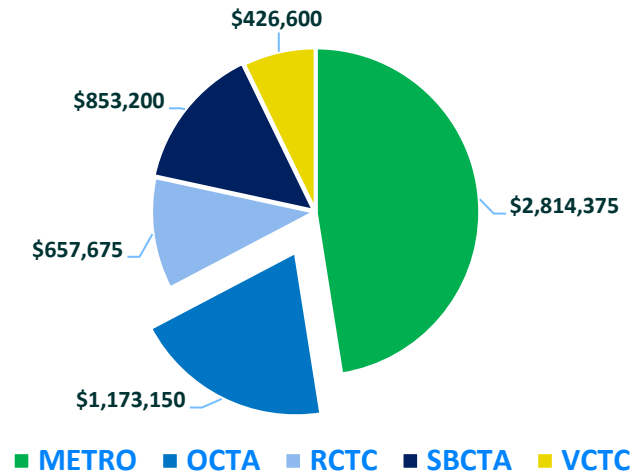
Proposed FY25 Capital Program By Member Agency

FY25 Capital Program
By Member Agency
- SGR
- New Capital

State of Good Repair



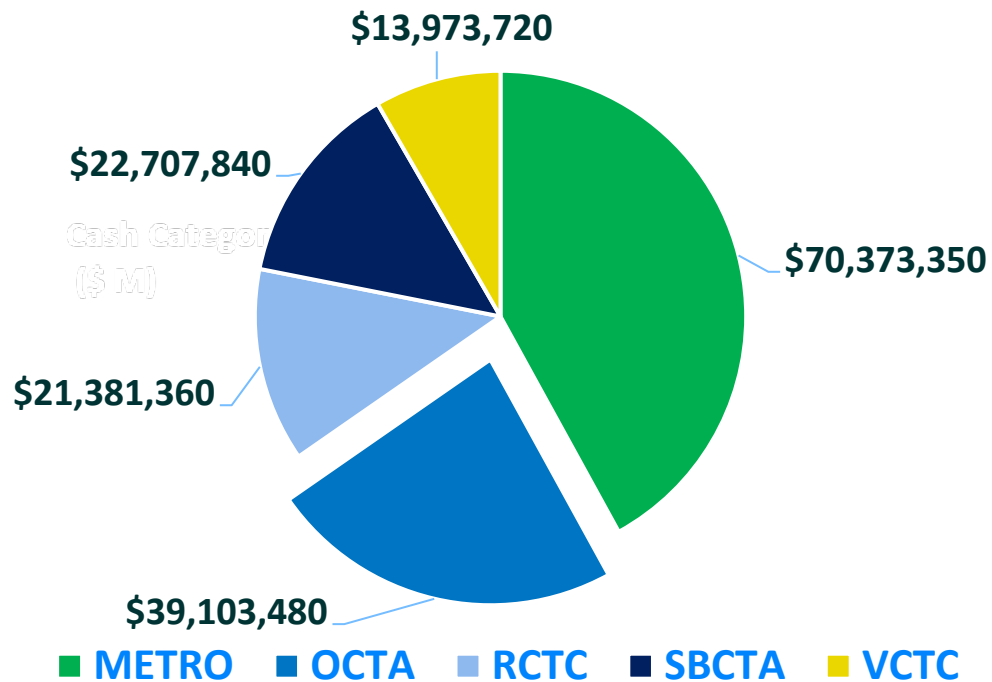
New Capital



Notes:

Proposed FY25 Capital Program By Member Agency

Capital Support Required (\$167.5M)



Notes:

FY25 Capital Program
By Member Agency
- SGR
- New Capital

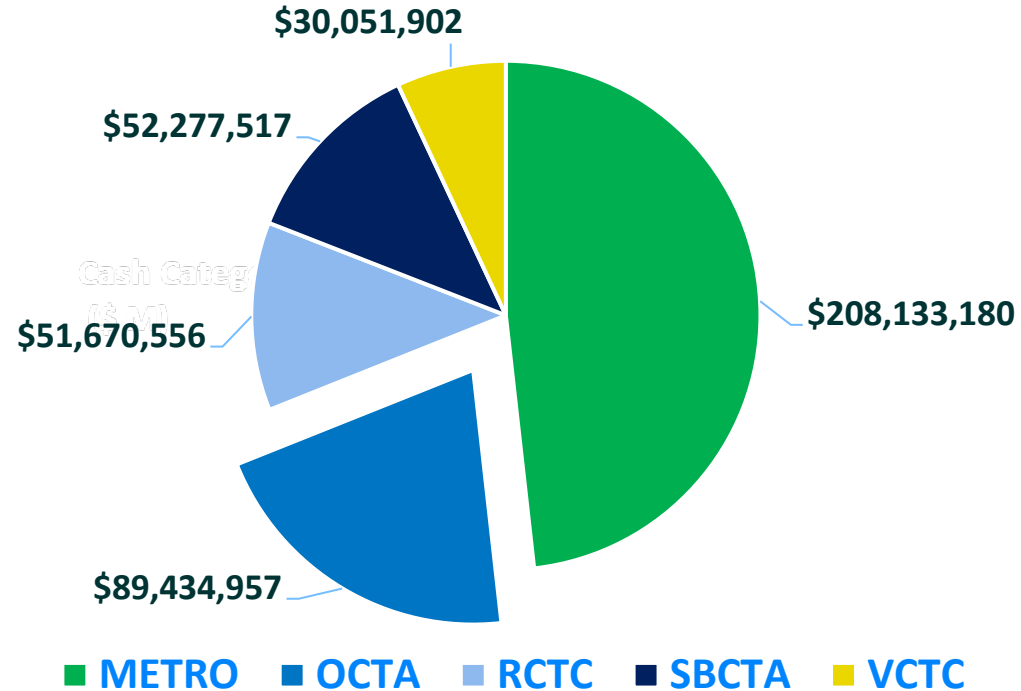
Summary

- This budget will help Metrolink transition from Commuter Rail to Regional Rail.



Proposed FY25 Budget Support Required by Member Agency

Total Support Required (\$431.6M)



Notes:

- Hybrid Service Level – Current Service Start in July with Optimized Start October 2024
- Total includes Mini-Bundle Mobilization
- Includes Student Adventure Pass Support

Proposed FY25 Budget

Summary of Support by Member Agency

FY25 Budget Summary of Support by Member Agencies

FY25 Proposed Budget						
Hybrid Scenario (includes mobilization)						
	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Support	137,759,830	50,331,477	30,289,196	29,569,677	16,078,182	264,028,362
Total Capital Support	70,373,350	39,103,480	21,381,360	22,707,840	13,973,720	167,539,750
Total	208,133,180	89,434,957	51,670,556	52,277,517	30,051,902	431,568,112

Cash Category Breakdown
(\$ mil)

FY24 Amended Budget						
	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Operating Support	128,093,315	50,557,390	28,141,155	28,754,730	16,326,283	251,872,872
Total Capital Support	72,989,847	29,554,225	15,624,704	17,967,472	13,923,752	150,060,000
Total	201,083,162	80,111,615	43,765,859	46,722,202	30,250,035	401,932,872

Year-Over-Year Variance						
	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Support	7,050,018	9,323,343	7,904,697	5,555,316	(198,133)	29,635,240
% variance	3.5%	11.6%	18.1%	11.9%	-0.7%	7.4%



Thank you! Questions?