

Item 7

Consideration to Approve
Proposed FY2027 Budget



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Budget Process

Hollingsworth Consulting LLC Projections

- > Mid-year actuals and fiscal year end
- > Hollingsworth initial projections due mid-January, final report due April

Budget Process

- > Submitted approved funding request for planning purposes - February 2026
- > Metro Board approves budget - May 2026
- > Access Board approves proposed budget – June 2026
- > Metro Board approves Access funding – July 2026
- > Negotiate and Execute FY27 MOU – June/July 2026



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Year to Date Ridership – By Region (May 2026)

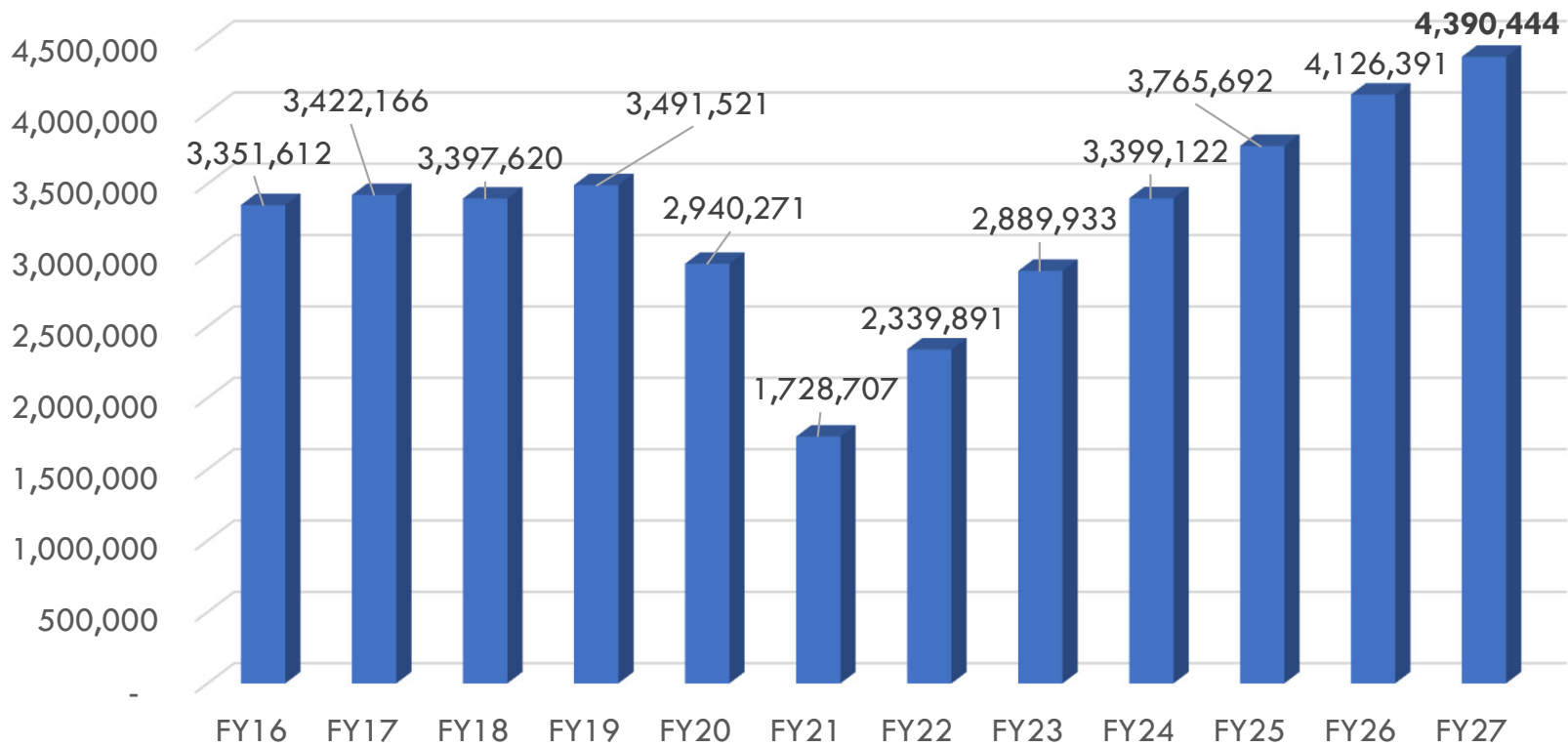
Trips	FY26 Budget YTD Total	FY26 Actual YTD Total	% Change
Southern	1,233,659	1,250,101	1.6%
Eastern	1,084,102	1,144,818	5.6%
Northern	571,822	634,770	11.0%
West/Central	609,969	583,282	-3.6%
Antelope Valley	162,217	154,770	-4.6%
Santa Clarita	28,726	31,731	10.5%
	3,685,496	3,799,472	3.1%



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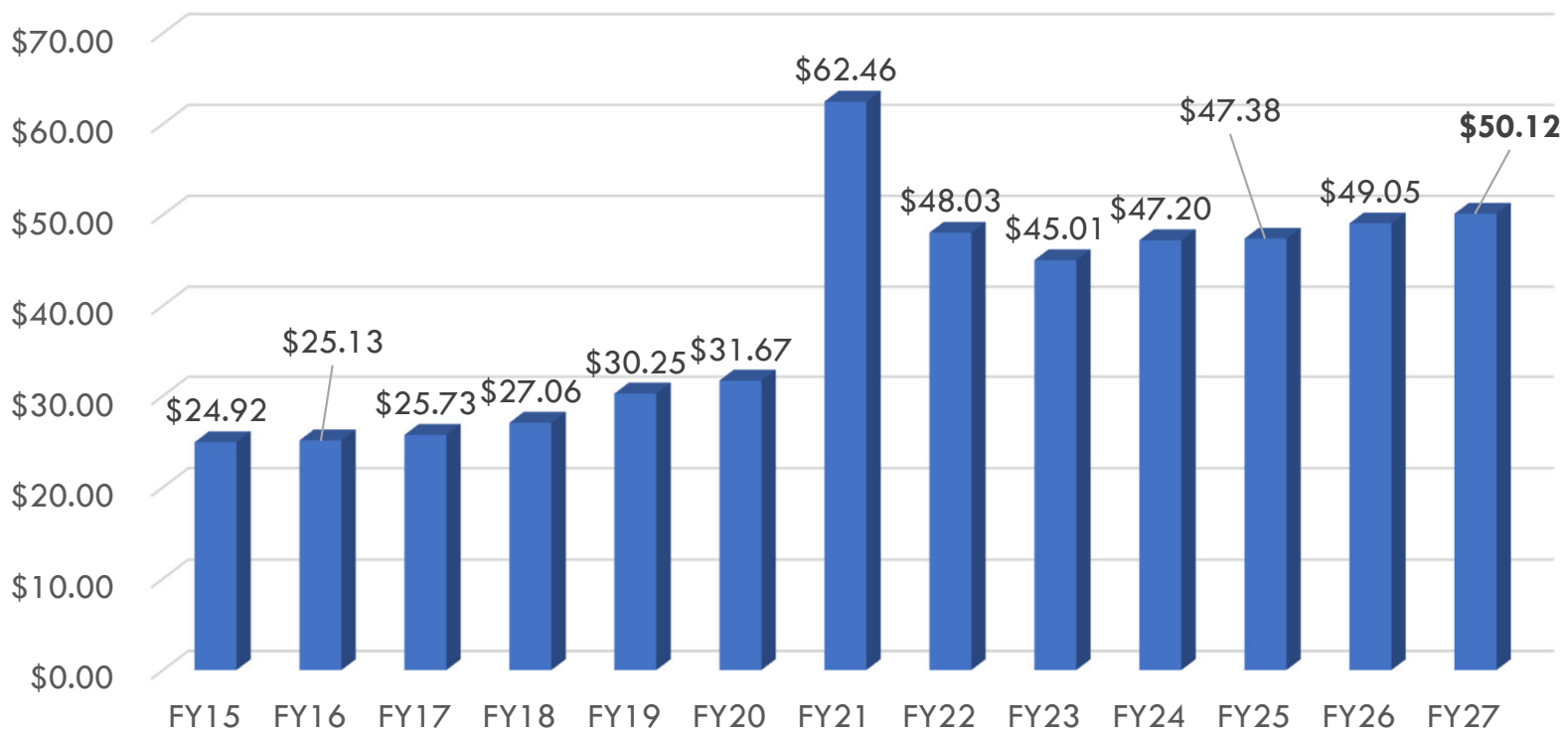


Annual Trip Volume



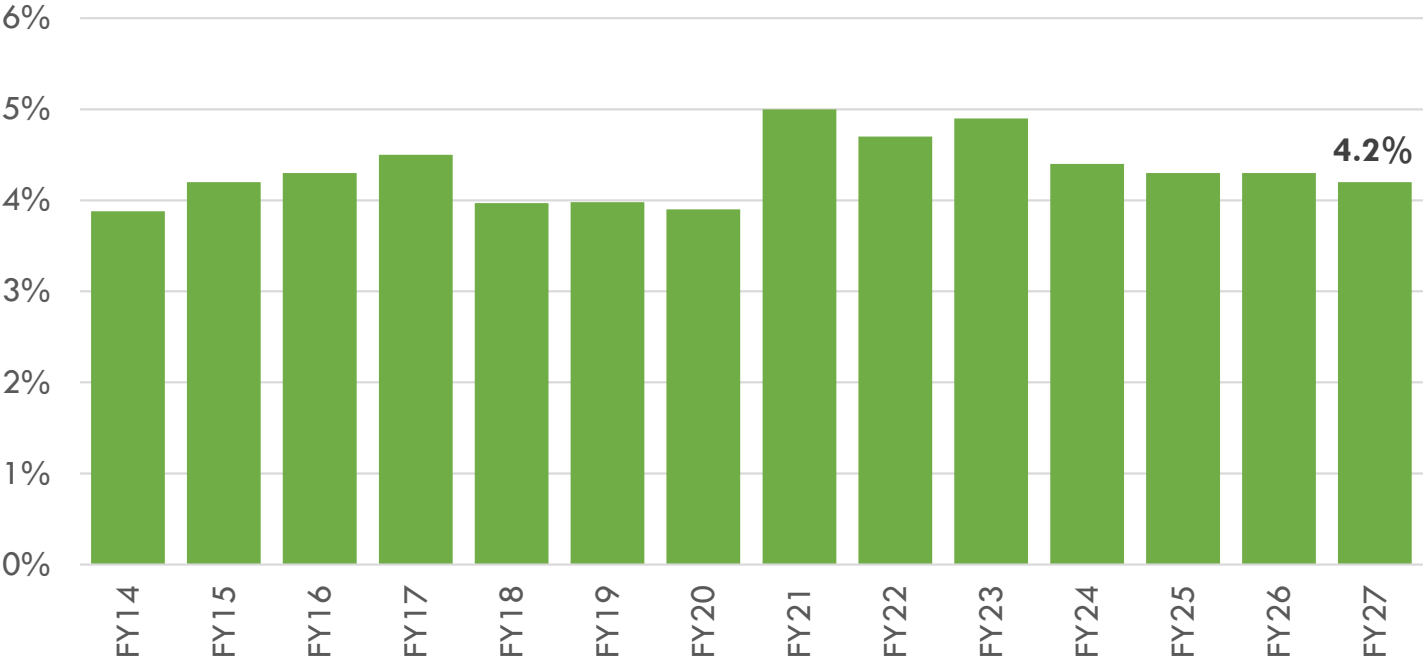
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Average Variable Cost Per Trip



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Administrative Costs



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FY27 Budget Cost Drivers/Risks

- > Service demand
- > Fuel costs
- > Insurance
- > Inflation (CPI)
- > New contracts
- > Rolling stock acquisition



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FY27 Budget Summary

	FY27 Budget	% of Total Funding	% of Operating Costs
Administration	\$14,585,941	3.9%	4.2%
Contract Management	\$6,317,534	1.7%	1.8%
Contract Operations	\$314,534,824	83.3%	90.6%
CTSA	\$540,108	0.1%	0.2%
Eligibility	\$10,931,610	2.9%	3.2%
Operating Expense	\$346,910,016	91.9%	
Capital Expense	\$30,748,072	8.1%	
Total Operating and Capital Expenses	\$377,658,088	100.0%	



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FY26/FY27 Budget Comparison

	FY26 Budget	FY27 Budget
Administration	\$13.0	\$14.6
Contract Management	\$6.4	\$6.3
Contract Operations	\$286.0	\$314.5
CTSA	\$0.4	\$0.5
Eligibility	\$10.1	\$11.0
Total Operating Expense	\$315.9	\$346.9
Capital Expense	\$52.2	\$30.7
Total Operating and Capital Expenses	\$368.1	\$377.6



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Budget Comparison by Category

Category	FY26	FY27
Purchased Transportation	\$263,551,654	\$291,667,378
Insurance	\$18,755,152	\$20,855,332
Salaries & Related Expense	\$12,909,215	\$13,756,375
Eligibility and Appeals	\$5,203,004	\$5,001,553
Contracted Customer Service	\$3,712,524	\$3,239,169
Network & Telecom Maintenance	\$2,534,322	\$3,034,996
Professional Services	\$2,456,839	\$2,579,617
Travel Training	\$1,501,385	\$1,685,969
Office Rent	\$1,179,408	\$1,267,092
Communications	\$908,563	\$908,563
Printed Materials	\$831,609	\$803,500
Promotions/Events	\$599,992	\$435,396
Other Expense	\$289,628	\$361,636
Postage/Mailing	\$339,240	\$339,240
Security	\$263,478	\$263,478
Training/Conference	\$206,508	\$206,508
Other Related Employee Expense	\$139,000	\$96,397
Vehicle Costs	\$180,000	\$140,004
Office/Kitchen Supplies	\$77,004	\$77,004
Repair & Maintenance	\$56,004	\$56,004
Business Meetings & Meals	\$60,000	\$50,000
Board Compensation	\$43,176	\$42,804
Tether Program	\$48,000	\$24,000
Temporary Personnel	\$24,000	\$18,000
Total Operating Expenditures	\$315,869,705	\$346,910,016



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FY27 Operating Budget Increase

	2026 Budget	2027 Budget	Change
Purchased Transportation	\$263,551,654	\$291,667,378	\$28,115,724
Insurance	\$18,755,152	\$20,855,332	\$2,100,180
All Others	\$33,562,899	\$34,387,305	\$824,407
		Total Increase	\$31,040,311



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Capital Costs

> Capital Projects

- > Rolling Stock Acquisition - \$15,187,210
 - > Vehicle mix to be approved at a future Board meeting
- > Capital Construction - \$8,000,000
 - > Antelope Valley Operating Facility Construction
 - > Avalon Site Improvements



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FY27 Funding

	FY27 Budget	% of Total Funding
Operating		
Local Funds - New	\$ 203,640,990	53.9%
Federal Section 5307	108,900,000	28.8%
Measure M	16,000,000	4.2%
Passenger Revenues	12,511,401	3.3%
FY25 Audit Carryover - Local Funds	3,540,014	0.9%
Miscellaneous Revenue	2,281,611	0.6%
Federal Section 5317	36,000	0.0%
Total Operating	\$ 346,910,016	91.9%
Capital		
Building Fund	8,000,000	2.1%
Total FY27 Budget	\$377,658,088	100.0%



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Next Steps

- > Secure line of credit with City National Bank
- > Metro to approve funding request at its July 2026 meeting
- > Finalize MOU with Metro



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Recommendation

Approve the FY2027 budget as presented.



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Item 8

Operations Update



Statistics

	April 2025	April 2026	% Change
Vehicle Trips Completed	329,482	362,483	+10%
Passenger Trips Completed	407,742	445,619	+9%
Reservation Calls Answered	222,138	231,923	+4%
ETA Calls Answered	72,264	75,866	+5%
Online Reservations	58,685	71,711	+22%



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Performance Report Card

Key Performance Indicator

Key Performance Indicator	Standard	April 2026	FY26
On Time Performance	≥ 91%	92.0%	91.7%
Excessively Late Trips	≤ 0.10%	0.02%	0.03%
Excessively Long Trips	≤ 5%	NA	3.0%
Missed Trips	≤ 0.75%	0.24%	0.29%
Denials	≤ 0	0	0
Access to Work On Time Performance	≥ 94%	98.7%	93.8%
Average Hold Time in Seconds (Reservations)	≤ 120	54	54
Calls On Hold > 5 Min (Reservations)	≤ 5%	2.7%	2.8%
Calls On Hold > 5 Min (ETAs)	≤ 10%	3.0%	3.4%
Complaints Per 1,000 Trips	≤ 4.0	1.5	1.8
Preventable Incidents per 100,000 Miles	≤ 0.25	0.52	0.25
Preventable Collisions per 100,000 Miles	≤ 0.85	0.88	0.75
Mean Miles Between Major Mechanical Failures	≥ 50,000	147,177	74,110

Green is good, yellow is cautiously optimistic, red is not meeting standard



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FIFA World Cup Update

- Three of 8 matches complete
- Access providing shuttle assistance to Metro and ADA trips to regular Access riders
- Service going smooth



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FIFA World Cup Update



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FIFA World Cup Update



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Other Updates

- Two new stands added to Cal State Long Beach
- Access participating in a new committee for the Olympic and Paralympic Games
- 36 new vehicles have been delivered in the last month



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New Stands at Cal State Long Beach



STAND # 7 – The Pyramid



STAND # 8 – The Design Building



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