

# Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2025-26 Budget and Personnel and Salary Resolution

# Budget Themes



## **Guarded Economic Outlook**

- Sales tax receipts softening
- Budget uncertainty at state level
- Some federal funding uncertainty
- Preserving healthy reserve balances



## **Sustainable & Resilient Priorities**

- Ongoing zero-emission bus and infrastructure investment
- Continuing coastal rail resiliency planning and project implementation



## **Consistent Express Lanes Operations**

- 91 Express Lanes continues meeting commitments
- 405 Express Lanes continues meeting commitments



## **Expanded Transit Offerings**

- Additional OC Bus service to meet increasing demand
- Commencing OC Streetcar revenue service activities
- Continuing Metrolink rail service



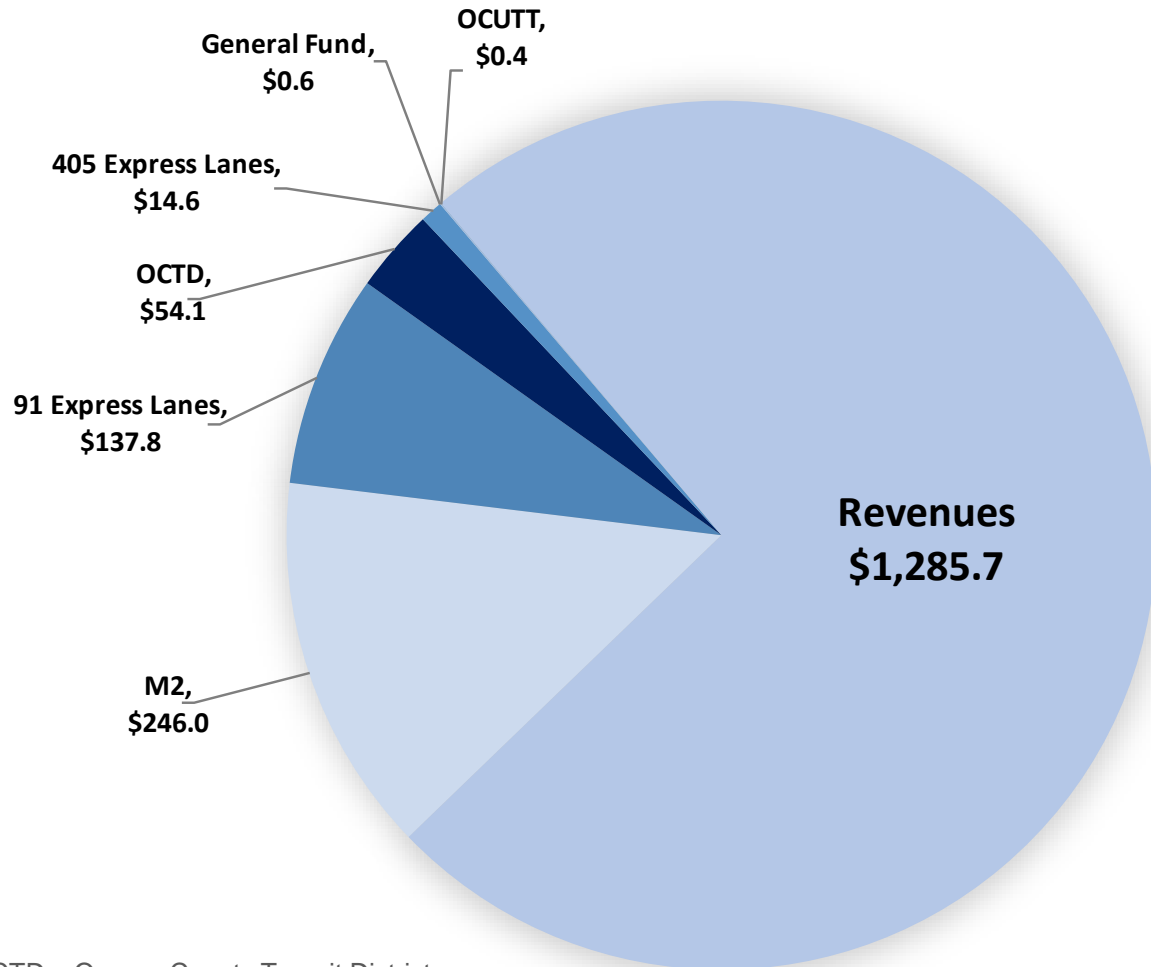
## **Delivering on Measure M2 (M2) Commitment**

- M2 Next 10 Delivery Plan programs and projects on track as promised
- Formula & competitive programs continue to support needs of cities and County

# Budget Overview

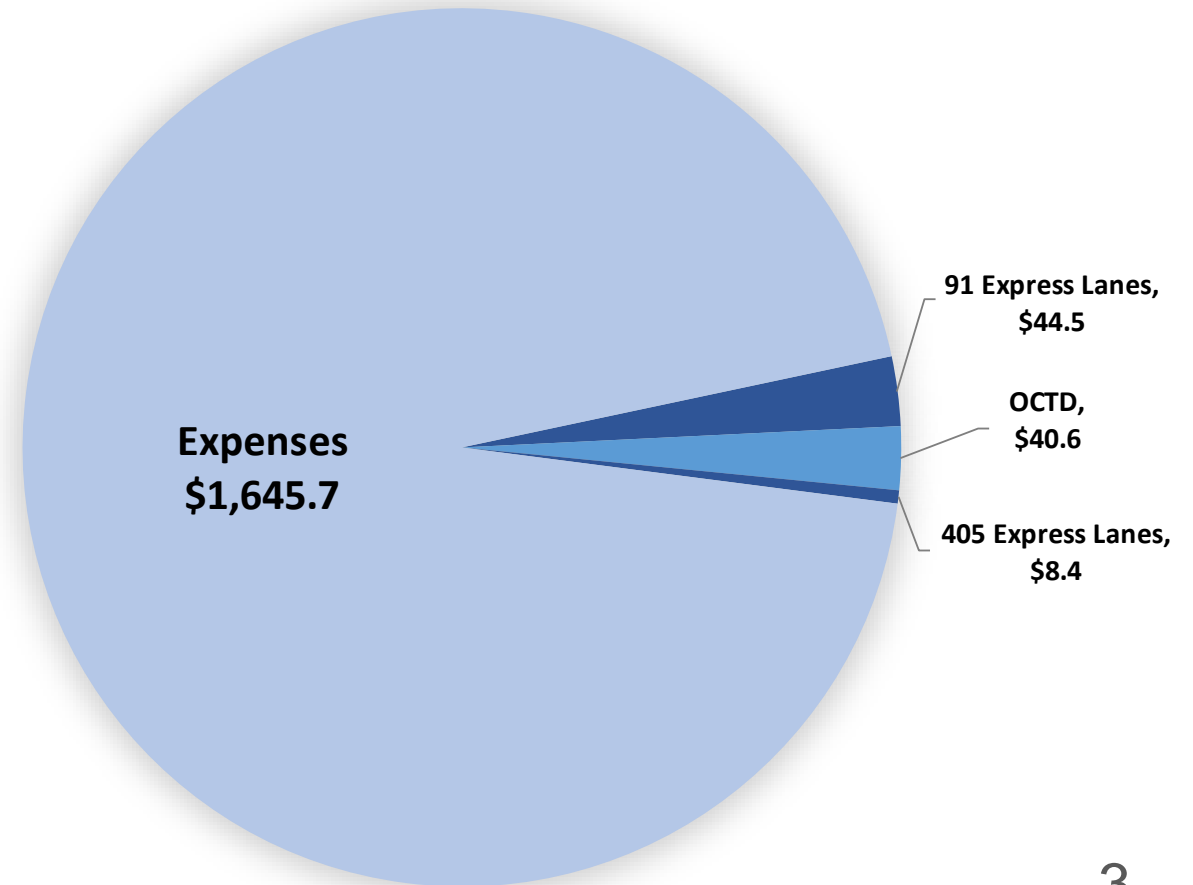
Use of Prior Year  
Designations  
\$453.5 million

Source of Funds  
\$1,739.2 million



Use of Funds  
\$1,739.2 million

Designations  
\$93.5 million



# Budget Adjustments – Sources and Uses

## Sources

## Adjustment

### Revenues

|                                 |           |                    |
|---------------------------------|-----------|--------------------|
| 405 Express Lanes Toll Revenues | \$        | (5,217,762)        |
| <b>Total Revenues</b>           | <b>\$</b> | <b>(5,217,762)</b> |

## Uses

## Adjustment

### Expenses

|                                |           |                    |
|--------------------------------|-----------|--------------------|
| 405 Express Lanes Designations |           | (5,217,762)        |
| <b>Total Expenses</b>          | <b>\$</b> | <b>(5,217,762)</b> |

# Budget Sources & Uses

| In Millions<br>Sources                     | FY 2024-25<br>Approved<br>Budget | FY 2025-26<br>Proposed<br>Budget | Change<br>\$     |
|--|----------------------------------|----------------------------------|------------------|
| Revenues                                   | \$ 1,403.8                       | \$ 1,285.7                       | \$ (118.1)       |
| Use of Prior Year Designations             | 352.8                            | 453.5                            | 100.7            |
| <b>Total Revenue / Use of Designations</b> | <b>\$ 1,756.6</b>                | <b>\$ 1,739.2</b>                | <b>\$ (17.4)</b> |
| Uses                                       |                                  |                                  |                  |
| Salaries and Benefits                      | \$ 212.0                         | \$ 221.2                         | \$ 9.2           |
| LOSSAN Funded Salaries and Benefits        | 4.5                              | 4.7                              | 0.2              |
| Services and Supplies                      | 469.0                            | 475.8                            | 6.8              |
| Contributions to Other Agencies            | 227.2                            | 227.9                            | 0.7              |
| Interest/Debt Service                      | 75.3                             | 65.9                             | (9.4)            |
| Capital                                    | 672.1                            | 650.2                            | (21.9)           |
| Designations                               | 96.5                             | 93.5                             | (3.0)            |
| <b>Total Expenditures / Designations</b>   | <b>\$ 1,756.6</b>                | <b>\$ 1,739.2</b>                | <b>\$ (17.4)</b> |

FY – Fiscal Year  
LOSSAN - Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

# Staffing Levels

| OCTA Staffing                         | FY 2024-25<br>Full-time<br>Equivalent | FY 2025-26<br>Full-time<br>Equivalent | FY 2025-26<br>New Hires | FY 2025-26<br>Reductions | Difference  |
|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------|--------------------------|-------------|
| <b>Administrative*</b>                | <b>532.5</b>                          | <b>536.5</b>                          | <b>4.0</b>              | <b>-</b>                 | <b>4.0</b>  |
| <b>Union</b>                          | <b>798.0</b>                          | <b>825.0</b>                          | <b>27.0</b>             | <b>-</b>                 | <b>27.0</b> |
| Coach Operators**                     | 599.0                                 | 626.0                                 | 27.0                    | -                        | 27.0        |
| Maintenance                           | 158.0                                 | 158.0                                 | -                       | -                        | -           |
| Facility Technicians and Parts Clerks | 41.0                                  | 41.0                                  | -                       | -                        | -           |
| <b>OCTA Positions</b>                 | <b>1,330.5</b>                        | <b>1,361.5</b>                        | <b>31.0</b>             | <b>-</b>                 | <b>31.0</b> |
| <b>LOSSAN Funded OCTA Positions</b>   | <b>18.0</b>                           | <b>18.0</b>                           | <b>-</b>                | <b>-</b>                 | <b>-</b>    |
| <b>Total Authority Positions</b>      | <b>1,348.5</b>                        | <b>1,379.5</b>                        | <b>31.0</b>             | <b>-</b>                 | <b>31.0</b> |

\*11 administrative positions on hold for future consideration

\*\*Additional coach operators for increased bus service and reduced overtime budget

# Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach Operators (626 employees)
    - Collective bargaining agreement effective through April 30, 2027
  - Maintenance (158 employees)
    - Collective bargaining agreement effective through September 30, 2025
  - Facilities technicians and parts clerks (41 employees)
    - Collective bargaining agreement effective through March 31, 2027
- Administrative Employees (536.5 + 18 LOSSAN employees)
  - Employees are not represented by a union
  - Compensation governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
  - Salary grade ranges are developed based upon scope, level of work performed, and external market data

# Personnel and Salary Resolution

- Pertaining to Administrative Employees
  - Employees are at-will and not represented by a union
  - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
- Merit Pool of 4 Percent
  - Salary increases are based on a pay-for-performance program
  - Every employee has a performance plan and receives an annual performance review
  - Base-building adjustment to annual salary
- Bonus Pool of 4 Percent
  - Non-base building – does not increase annual salary
  - Bonuses are given throughout the year for specific, exceptional performance in a defined goal area
  - Part of employee rewards and recognition strategy



# Recommendations

- Approve by Resolution the Orange County Transportation Authority FY 2025-26 Budget
- Approve the Personnel and Salary Resolution for FY 2025-26
- Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders, and/or agreements
- Approve the FY 2025-26 OCTA member agency contribution to the Southern California Regional Rail Authority operating subsidy, in an amount up to \$51,972,543, conditional based on all other member agencies agreement to the contribution. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation budgets. The OCTA's portion of the costs for capital is \$3,084,444 and \$32,455,508 for rehabilitation

# Next Steps

- Public Hearing – Board (Public Hearing and Approval) June 9
- Back-up Public Hearing – Board (Public Hearing and Approval) June 23