



Orange County Transportation Authority

Fiscal Year 2022-23 Budget Workshop Questions & Answers

1. Question: What is Metrolink's subsidy per boarding?

Answer: Metrolink has provided the following subsidy per boarding by line.

FISCAL YEAR (FY)	OC LINE	IEOC LINE	91/PVL LINE
FY18 Actual	\$ 2.92	\$ 12.81	\$ 17.12
FY19 Actual	\$ 3.28	\$ 14.01	\$ 19.38
FY20 Actual	\$ 6.25	\$ 20.37	\$ 31.94
FY21 Actual	\$ 88.20	\$ 93.71	\$ 118.58
FY22 Budget	\$ 13.43	\$ 34.42	\$ 43.91
FY23 Budget	\$ 26.55	\$ 27.84	\$ 40.06

* OC: Orange County, IEOC – Inland Empire/Orange County, 91/PVL: 91/Perris Valley

2. Question: Will additional details and statistics regarding Metrolink's annual budget be made available?

Answer: Yes, the entire Metrolink budget will be provided to the Board of Directors (Board) upon its formal transmittal which is anticipated to be May 27th. It will also be included in the budget public hearing agenda item scheduled for the June 8, 2022, Finance and Administration (F&A) Committee, and the June 13, 2022, Board meeting.

3. Question: Are the 91 Express Lanes operating at a surplus?

Answer: Yes, the 91 Express Lanes are anticipated to generate \$22.8 million in net excess revenue after its operating, capital, and debt service expenditures have been met. Section 130240(e)(2)(B) of the Public Utilities Code states that excess toll revenues can be used to make operational or capacity improvements designed to reduce congestion or improve the flow of traffic on State Route 91, between State Route 57 to the west and the Orange and Riverside County Line to the east. Eligible projects for these funds are included within the State Route 91 Implementation Plan, which is updated annually and brought to the Board for approval. The 2022 update for the plan is anticipated to go the Board in June.

4. Question: Why is the administrative employee headcount increasing?

Answer: Administrative headcount is increasing to support new requirements (cyber security), advancements of projects (OC Streetcar operations), and additional needs (finance, planning, procurement, and human resources). In some cases, the Orange County Transportation Authority (OCTA) has been holding off on adding needed administrative positions for the past two years while dealing with the impacts and uncertainty of the pandemic.



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5. Question: How do the budgeted increases in administrative employee's salaries compare to the budgeted increases in union employee's salaries?

Answer: The fiscal year (FY) 2022-23 proposed budget includes a merit pool of five percent and a non-base building special award (bonus) pool of four percent for administrative employees.

Unlike the union groups, administrative employees are unrepresented, at-will employees with no collective bargaining agreement, no automatic step increases, and no automatic cost-of-living adjustments. Annual compensation adjustments for the administrative employees are awarded based on a pay-for-performance plan more common to the private sector. The Board has total discretion on whether to fund the administrative pay-for-performance plan on an annual basis when the Personnel and Salary Resolution is presented to the Board for consideration as part of the annual budget. If the pay-for-performance plan is funded by the Board, the Chief Executive Officer (CEO) ensures that compensation adjustments are awarded to each individual based on their individual performance against their documented annual performance goals. Additionally, the CEO ensures that the aggregate amount of merit adjustments and one-time special awards do not exceed the pool amounts approved by the Board.

A number of factors are utilized to determine the amounts of the proposed merit and special award pools for administrative employees including funding availability and market studies that are updated each year.

In contrast to the administrative compensation budget, which is brought to the Board annually, the union collective bargaining agreements are agreements generally spanning three years. Coach operators received five percent in May 2022 and will receive an additional five percent in 2023. The Transportation Communications International Union (TCU), which represents our Facilities Technicians and Parts Clerks, received eight percent this year and will receive an additional four percent next year. The maintenance contract expires in September 2022. Negotiating parameters for that contract are planned to go to the Board on May 23, 2023, for approval; however, the maintenance employees did receive a wage adjustment of four and a quarter percent in September 2021.

6. Question: Are there any projects in need of funding to which OCTA can allocate the forecasted higher than anticipated sales tax receipts?

Answer: No. OCTA has a fully funded capital sinking fund to ensure there is sufficient funding to keep all current assets in a state of good repair. All planned facilities and equipment projects are fully funded and in alignment with the Transit Asset Management Plan required by the Federal Transit Administration (FTA).



7. Question: How is bus ridership recovering following the pandemic by line?

Answer: Details of current weekday ridership compared to pre-pandemic weekday ridership, by line, are included on page 7 of this document.

8. Question: What would the financial impact be of OCTA converting the entire bus fleet to zero-emission buses?

Answer: The incremental cost increase of converting the entire fixed-route and paratransit bus fleets to zero-emission vehicles, including necessary fueling infrastructure, is approximately \$383.5 million.

The biggest cost driver for the increased cost is the incremental cost to purchase a zero-emission bus compared to a compressed natural gas (CNG) powered bus. For example, the majority of OCTA's fixed-route fleet is comprised of 40-foot CNG buses, which cost \$645,000 per unit. A 40-foot hydrogen bus costs \$1.3 million, which over doubles the per unit price per bus. The significant price difference is also found in the pricing for 60-foot zero-emission buses and paratransit buses. As a result, the anticipated increased cost to convert both the fixed-route and paratransit fleets to zero-emission vehicles is \$360 million. OCTA's bus bases would also require new fueling infrastructure to fuel the zero-emission buses, and the anticipated infrastructure cost is \$23.5 million.

9. Question: What is the farebox recovery in the FY 2022-23 budget?

Answer: The farebox recovery is anticipated to be 11.29 percent in FY 2022-23. Therefore, OCTA subsidizes approximately 88.71 percent of the cost to operate bus service.

10. Question: Will administrative compensation be discussed in open session or closed session?

Answer: Administrative compensation will be discussed in open session. Administrative employees are not represented and are at-will employees, as such the decisions for compensation rest completely with the Board. Administrative employees pay is not subject to a collective bargaining agreement but is governed by a Personnel and Salary Resolution which is approved annually with the budget at the public hearing.



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11. Question: Please provide a summary of merits and special awards given to OCTA employees over the last few FYs.

Answer: Managers set performance goals for each employee at the end of each FY for the following FY (or when an employee is new to OCTA). These goals are developed to support the Board and CEO initiatives to ensure that employees are focusing and being measured on what is important to the organization as defined by the CEO and Board. Towards the end of the FY, the employee completes a self-appraisal and provides supporting examples of work performance against their responsibilities and performance goals. The manager will carefully evaluate the employee's work performance against the responsibilities and performance goals with a narrative summary and will rate the employee's performance on a five-point scale. The performance review is reviewed and routed to, and approved by, higher level managers. All performance reviews are reviewed by Human Resources. After all approvals, the manager meets with the employee to discuss the employee's performance for that review period and goals for the next FY. The manager recommends a merit increase, if any, based upon the performance review rating and those recommendations are provided to Executive Directors and, ultimately, the CEO, Deputy CEO, and the Executive Director of People and Community Engagement. Additional details are available on pages 8 - 11 of this document.

12. Question: Why does OCTA's FY 2022-23 budgeted farebox recovery ratio not meet the 20 percent requirement from the State?

Answer: The state-mandated farebox recovery requirement of 20 percent was suspended beginning FY 2020-21 through FY 2022-23. In addition, the law changed in July 2021 to allow other revenues, including property tax, advertising revenue, and FTA revenues to be used towards the calculation of farebox recovery. Paratransit expenditures can also be excluded from operating costs, including the additional revenue sources and excluding paratransit operating costs brings OCTA's farebox recovery above 20 percent.

The assumption of 11.29 percent for the FY 2022-23 budgeted farebox recovery ratio in question 9 was calculated using only fare revenue in the calculation and does not include any additional eligible revenue sources in the calculation.

13. Question: Does OCTA anticipate any impact to farebox recovery with the new Youth Ride Free fare?

Answer: The Youth Ride Free fare is not anticipated to impact farebox recovery. OCTA intends to use Low Carbon Transit Operations Program funding from the State to backfill the loss in fare revenue, as approved by the Board on February 14, 2022. This revenue source can be included as fare revenue in the calculation of the farebox recovery.



14.Question: The budget proposes a 5 percent merit pool and 4 percent bonus pool for administrative employees. Do the pool percentages represent the maximum percentage increase an employee can earn?

Answer: The pool percentages do not represent the maximum percentage increase an employee can earn. OCTA administrative employees are compensated based on their annual performance. Each administrative employee has annual performance goals, and their performance is documented against those goals. As a result, some employees will earn an increase less than the pool percentage, potentially 0 percent, and others will earn a percentage increase more than the pool percentage. Additionally, the CEO ensures that the aggregate amount of merit increases and one-time special awards do not exceed the pool amounts approved by the Board.

15.Question: Metrolink is budgeting to return to pre-pandemic service levels. What is their reasoning for returning to the same level of pre-pandemic service without the same level of pre-pandemic ridership?

Answer: Metrolink is forecasting a return to pre-pandemic services levels with the idea that it will bring a return to pre-pandemic ridership levels. They are planning the return of mid-day and later evening train service which will provide additional options for changed commute patterns and discretionary riders. These additional options are intended to convince riders to return to the Metrolink system, as well as bring in new riders who are looking for an alternative to their current method of commute.

16.Question: How does Metrolink plan to measure success of the service going forward and at what point would OCTA need to discuss a different strategy?

Answer: OCTA is working with Metrolink to study improvement options and will continue to review the detailed monthly Metrolink ridership reports.. Based on the service performance, staff will develop any necessary budget or service recommendations for the Board's consideration. However, this must be a comprehensive decision made by all member agencies. OCTA cannot unilaterally decide to reduce monetary support or service levels without the agreement of the other member agencies.

17.Question: What is OCTA's contribution to Metrolink for the operation of service?

Answer: OCTA's share of total operating expenses is \$62.1M. Total operating revenue is forecasted at \$16M. As a result, the portion OCTA will contribute to Metrolink is \$46.1M, which will be funded by federal stimulus and grant revenues directly drawn down by Metrolink. In addition, OCTA's portion of the cost for capital is \$3.4M and \$27.2M for rehabilitation. Total FY 2022-23 projected expenses (operating and capital) are \$92.7M.



18.Question: Does OCTA have a sense of what we should anticipate long-term for Metrolink service?

Answer: Metrolink is aware that they need to transition from a weekday commuter service to a regional rail system with service levels throughout the day on weekdays and weekends. The new service should expand past just the office environment and look at how they can get people to the places they want and need to go outside of work.

19.Question: What is the explanation for the proposed 17 percent increase in the Grade W salary range?

Answer: The large increase in salary range for Grade W positions is to provide Executive Management another tool to retain key staff in these positions. These positions include OCTA's Senior Program Manager and Senior Department Manager positions. Grade W is the highest non-executive staff position which limits the ability of this position to have growth within the job family classifications. Consideration was given to both internal equity and the open job market when developing this recommendation. This recommendation does not provide any type of automatic increase of any size or percentage to an individual. A broader salary range for this job classification can be used for attraction and retention and will assist in preventing key employees from leaving or being recruited during a critical project.



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Weekday Ridership Comparison: March 11, 2020 vs April 27, 2022

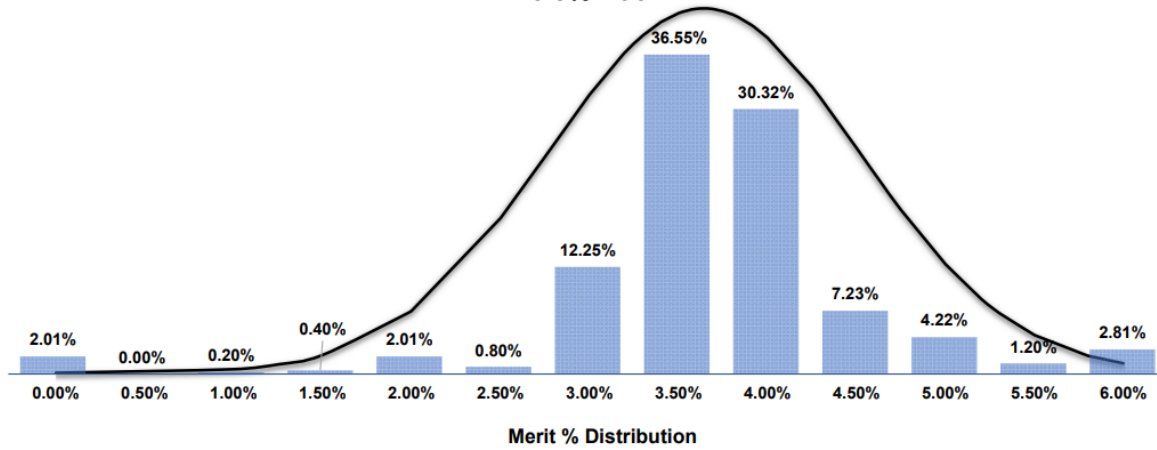
#	Route	March 11, 2020	April 27, 2022	Change (#)	Change (%)
1	1-Long Beach - San Clemente	1,439	1,247	-192	-13%
25	25-Fullerton - Huntington Beach	1,186	988	-198	-17%
26	26-Buena Park - Yorba Linda	1,687	1,216	-471	-28%
29	29-La Habra - Huntington Beach	4,718	4,192	-526	-11%
30	30-Cerritos - Anaheim	2,366	1,127	-1,239	-52%
33	33-Fullerton - Huntington Beach	1,184	830	-354	-30%
35	35-Fullerton - Huntington Beach	2,596	1,706	-890	-34%
37	37-La Habra - Fountain Valley	3,752	2,757	-995	-27%
38	38-Lakewood - Anaheim Hills	3,472	2,894	-578	-17%
42	42-Orange - Seal Beach	4,913	3,552	-1,361	-28%
43	43-Fullerton - Costa Mesa	6,268	4,926	-1,342	-21%
46	46-Long Beach - Orange	2,122	1,188	-934	-44%
47	47-Fullerton - Newport Beach	6,672	5,636	-1,036	-16%
50	50-Long Beach - Orange	3,676	3,594	-82	-2%
53	53-Orange - Irvine	6,042	4,250	-1,792	-30%
54	54-Garden Grove - Orange	3,994	2,695	-1,299	-33%
55	55-Santa Ana - Newport Beach	3,846	3,117	-729	-19%
56	56-Garden Grove - Orange	1,426	1,243	-183	-13%
57	57-Brea - Newport Beach	9,415	7,625	-1,790	-19%
59	59-Anaheim - Irvine	2,014	1,329	-685	-34%
60	60-Long Beach - Tustin	5,685	4,152	-1,533	-27%
64	64-Huntington Beach - Tustin	6,253	5,248	-1,005	-16%
66	66-Huntington Beach - Irvine	6,317	5,482	-835	-13%
70	70-Sunset Beach - Tustin	3,099	1,981	-1,118	-36%
71	71-Yorba Linda - Newport Beach	2,493	1,516	-977	-39%
72	72-Sunset Beach - Tustin	1,689	1,266	-423	-25%
76	76-Huntington Beach - Newport Beach	270	365	95	35%
79	79-Tustin - Newport Beach	1,507	1,142	-365	-24%
82	82-Mission Viejo - Rancho Santa Margarita	370	299	-71	-19%
83	83-Anaheim - Laguna Hills	1,728	1,293	-435	-25%
85	85-Mission Viejo - Dana Point	293	239	-54	-18%
86	86-Costa Mesa - Mission Viejo	483	401	-82	-17%
87	87-Rancho Santa Margarita - Laguna Niguel	254	281	27	11%
89	89-Lake Forest - Laguna Beach	1,025	749	-276	-27%
90	90-Tustin - Dana Point	1,088	861	-227	-21%
91	91-Mission Viejo - Laguna Hills	1,324	1,134	-190	-14%
123	123-Anaheim to Huntington Beach	755	752	-3	0%
129	129-La Habra - Anaheim	584	424	-160	-27%
143	143-La Habra - Brea	624	631	7	1%
150	150-Santa Ana to Costa Mesa	874	899	25	3%
153	153-Brea - Orange	339	368	29	9%
167	167-Anaheim - Irvine	751	714	-37	-5%
177	177-Foothill Ranch - Laguna Hills	333	315	-18	-5%
178	178-Huntington Beach - Irvine	341	325	-16	-5%
206	206-Santa Ana - Lake Forest	46	-	-46	-100%
213	213-Brea - Fullerton - Placentia - Irvine	37	-	-37	-100%
453	453-Orange Metrolink Station - Orange	106	62	-44	-42%
463	463-Santa Ana Depot to Imperial Promenade	73	68	-5	-7%
472	472-Tustin Metrolink Station to Irvine	128	75	-53	-41%
473	473-Tustin Metrolink Station to UCI	159	151	-8	-5%
480	480-Irvine Metrolink Station - Irvine Spectrum	87	45	-42	-48%
529	529-GWTC to FPNR - Bravo!	1,247	934	-313	-25%
543	543-Fullerton - Costa Mesa - Bravo!	2,615	2,011	-604	-23%
560	560-Santa Ana to Long Beach - Bravo!	3,240	2,136	-1,104	-34%
701	701-Los Angeles - Huntington Beach Express	106	-	-106	-100%
721	721-Los Angeles - Fullerton Express	74	-	-74	-100%
794	794-Riverside / Corona to South Coast Metro Express	113	-	-113	-100%
862	862-Downtown Santa Ana Shuttle	375	231	-144	-38%
	Total Boardings	119,673	92,662	-27,011	-23%



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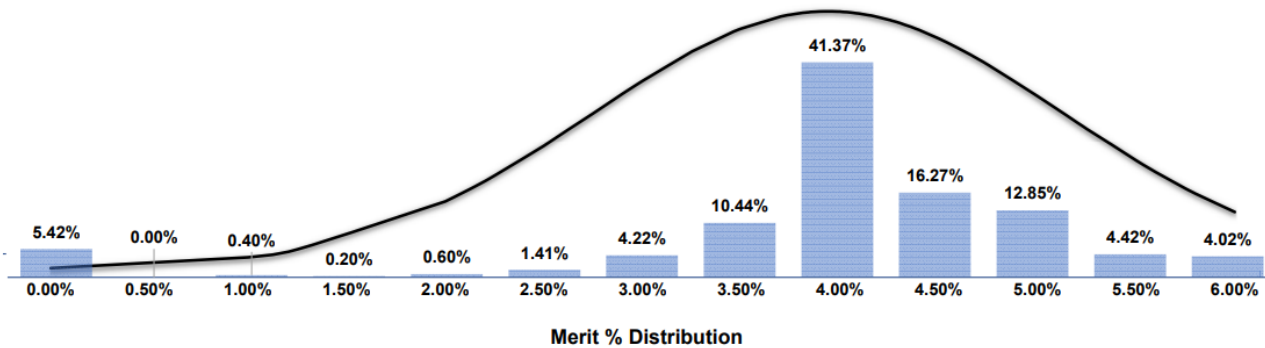
FY 2017-2018 % of Total Population and Merit % Distribution Bell Curve
3.5% Pool



■ % of Total Population by Merit % Distribution

In the graph above, the bar chart represents the total percentage of administrative positions that received a Merit and what percentage they received. The bell curve line represents the Merit pool distribution by Merit percentage.
Note: Percentages were rounded to the nearest 0.5 percent for grouping purposes.

FY 2018-2019 % of Total Population and Merit % Distribution Bell Curve
4.0% Pool



■ % of Total Population by Merit % Distribution

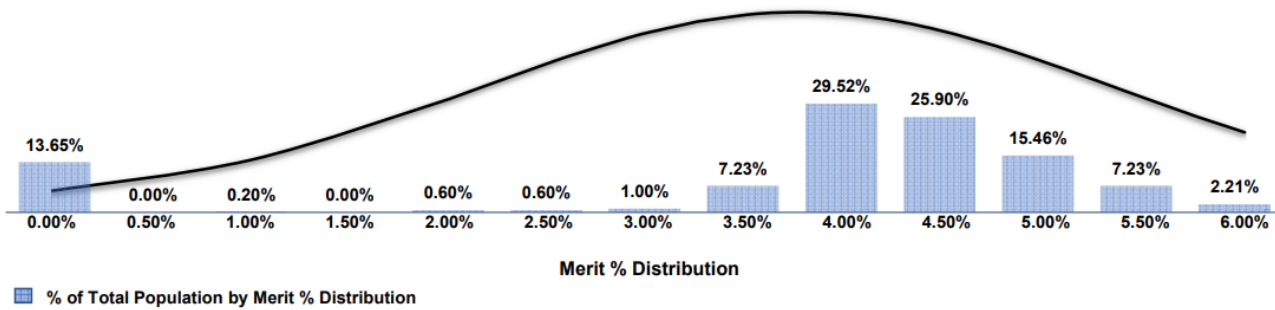
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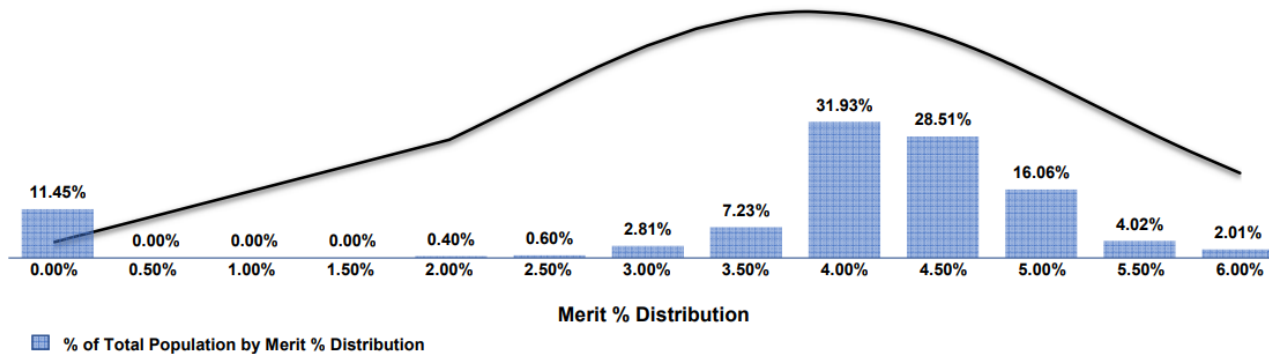
Fiscal Year 2022-23 Budget Workshop Questions & Answers

**FY 2019-2020 % of Total Population and
Merit % Distribution Bell Curve
4.0% Pool**



In the graph above, the bar chart represents the total percentage of administrative positions that received a Merit and what percentage they received. The bell curve line represents the Merit pool distribution by Merit percentage.
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**FY 2021-2022 % of Total Population and
Merit % Distribution Bell Curve
4.0% Pool**



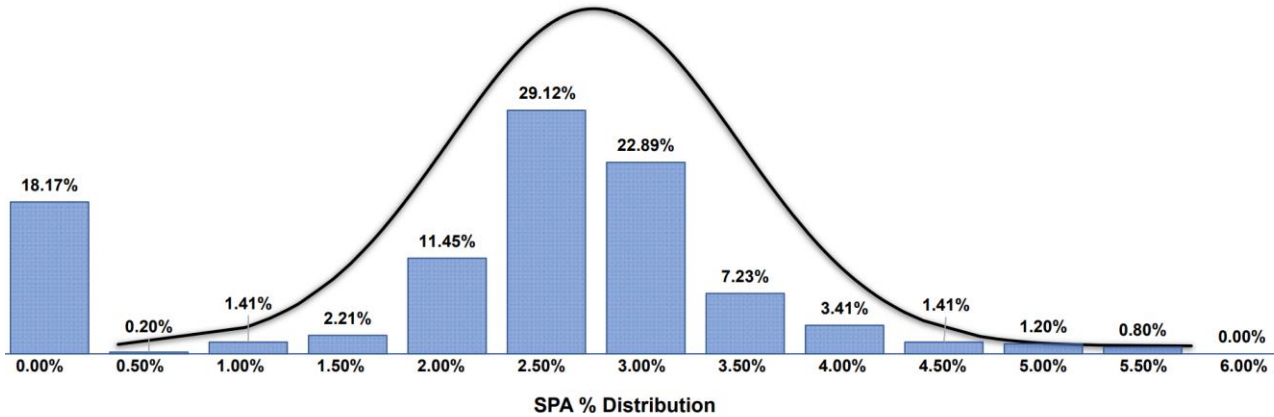
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**FY 2017-2018 % of Total Population and
Special Performance Award (SPA) % Distribution Bell Curve
3.0% Pool**

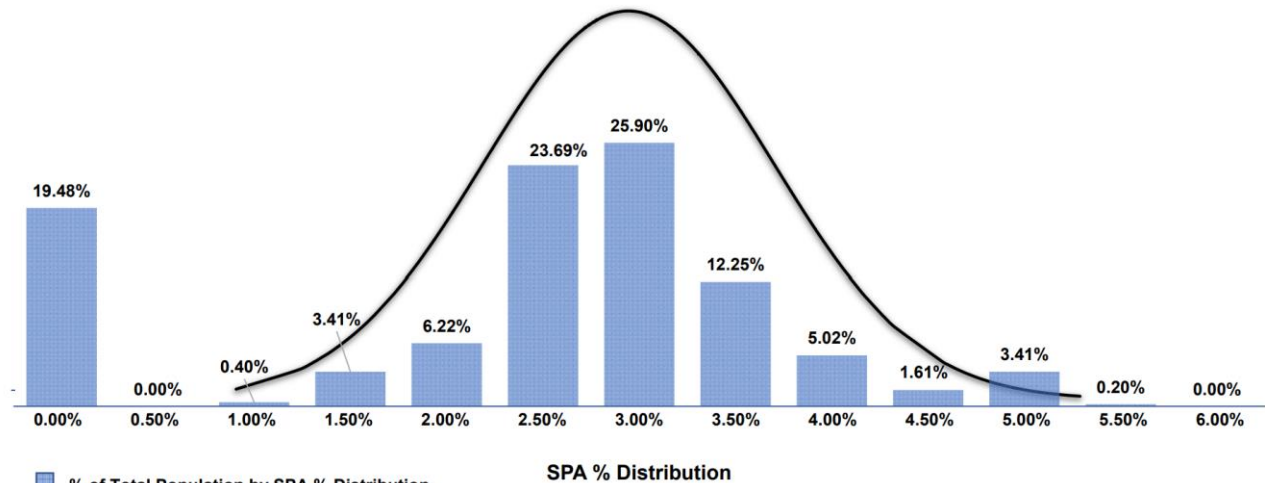


■ % of Total Population by SPA % Distribution

In the graph above, the bar chart represents the total percentage of administrative positions that received a SPA and what percentage they received. The bell curve line represents the SPA pool distribution by SPA percentage.

Note: Percentages were rounded to the nearest 0.5 percent for grouping purposes.

**FY 2018-2019 % of Total Population and
Special Performance Award (SPA) % Distribution Bell Curve
3.0% Pool**



■ % of Total Population by SPA % Distribution

In the graph above, the bar chart represents the total percentage of administrative positions that received a SPA and what percentage they received. The bell curve line represents the SPA pool distribution by SPA percentage.

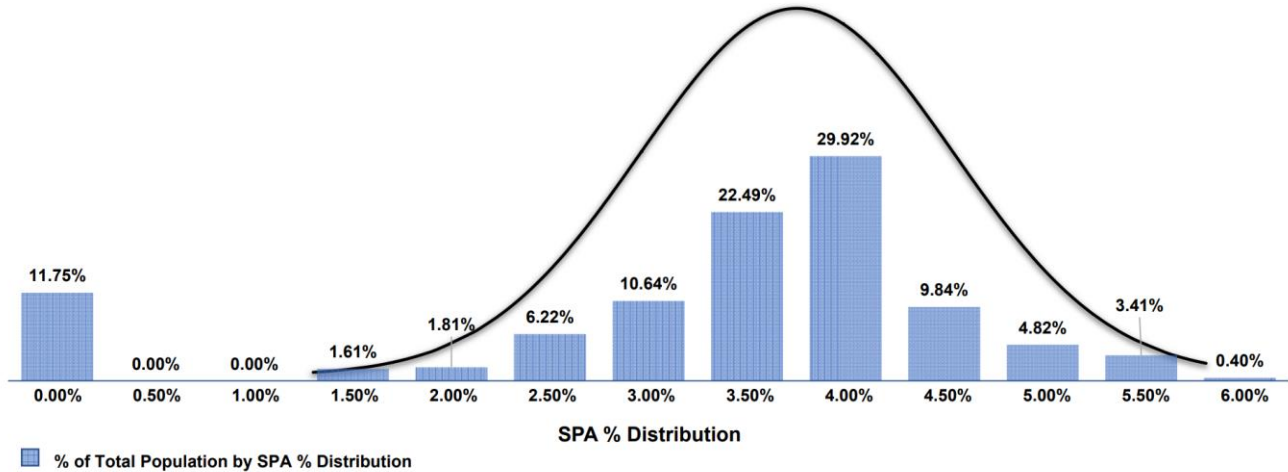
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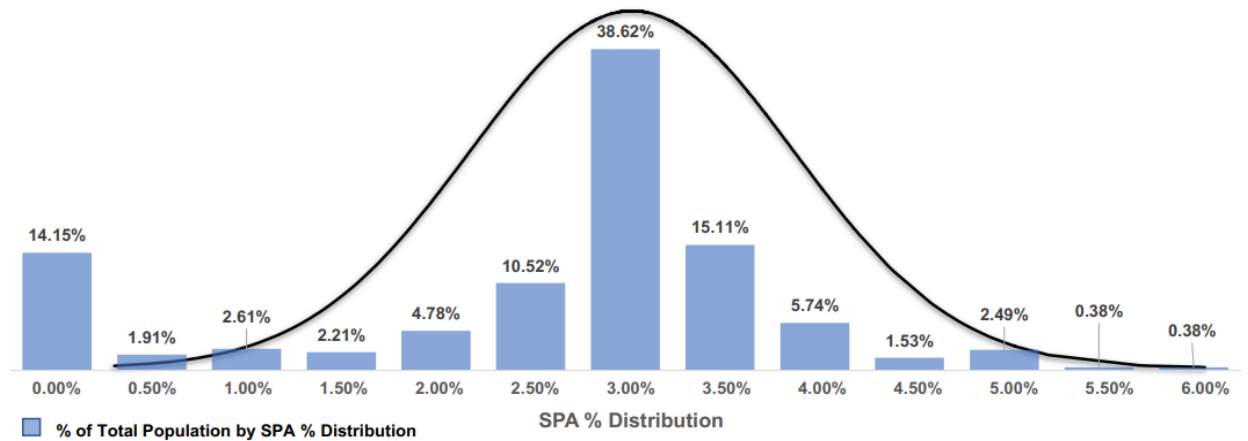
Fiscal Year 2022-23 Budget Workshop Questions & Answers

**FY 2019-2020 % of Total Population and
Special Performance Award (SPA) % Distribution Bell Curve
4.0% Pool**



In the graph above, the bar chart represents the total percentage of administrative positions that received a SPA and what percentage they received. The bell curve line represents the SPA pool distribution by SPA percentage.
Note: Percentages were rounded to the nearest 0.5 percent for grouping purposes.

**FY 2021-2022 (In progress) % of Total Population and
Special Performance Award (SPA) % Distribution Bell Curve
3.0% Pool**



In the graph above, the bar chart represents the total percentage of administrative positions that received a SPA and what percentage they received. The bell curve line represents the SPA pool distribution by SPA percentage.

Notes:

- * Percentages were rounded to the nearest 0.5 percent for grouping purposes.
- * This fiscal year is still in progress and not all SPAs have been processed for this fiscal year.