



September 27, 2017

To: Finance and Administration Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Fiscal Year 2017-18 Budget Amendment

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

Overview

The Southern California Regional Rail Authority recently informed the Orange County Transportation Authority that \$6,000,000 in Federal Transit Administration funds is unavailable to offset the fiscal year 2017-18 member agency contribution due to the timing of the grant application processes.

Recommendation

Amend the Orange County Transportation Authority Fiscal Year 2017-18 Budget by \$6,000,000, to enable Orange County Transportation Authority to pay its fiscal year 2017-18 member agency contribution to Southern California Regional Rail Authority.

Background

On June 12, 2017, the Board of Directors approved the fiscal year (FY) 2017-18 Orange County Transportation Authority (OCTA) member agency contribution to the Southern California Regional Rail Authority (SCRRA) in an amount up to \$28,238,881, including authorization of Federal Transit Administration (FTA) funds, in the amount of \$6,000,000, to be drawn down directly by SCRRA. As a result, OCTA's FY 2017-18 budget included a member agency contribution of \$22,238,881.

On September 6, 2017, OCTA received a letter from SCRRA outlining the timing of the grant application process and how it would be unable to draw down the \$6,000,000 in FTA funds in the current fiscal year and apply it to OCTA's current FY member agency contribution. The SCRRA did note that the funds could be applied to OCTA's member agency contribution for FY 2018-19.

Discussion

Under the Joint Powers Agreement that governs the SCRRA, each member agency must approve its financial contribution to the SCRRA budget. The FY 2017-18 SCRRA budget estimates the OCTA operating funding allocation to be \$28,238,881, including authorization of FTA funds, in the amount of \$6,000,000, to be drawn down directly by SCRRA.

As a result of the \$6,000,000 in FTA funds not being able to be applied in the current FY, a budget amendment to the FY 2017-18 budget is required in the amount of \$6,000,000 to fully accommodate for OCTA's member agency contribution to SCRRA, \$28,238,881, without a federal funding offset.

Fiscal Impact

Amend the OCTA FY 2017-18 Budget by \$6,000,000, account 0018-7629-A0001-DS2, to accommodate for the timing of the grant application process and funding related to OCTA's member agency contribution to SCCRA. This change in funding will be accommodated and paid for by Measure M2 High Frequency Metrolink Project R.

Summary

The Southern California Regional Rail Authority recently informed the Orange County Transportation Authority that \$6,000,000 in Federal Transit Administration funds would be drawn down in FY 2018-19 as opposed to the current year due to the timing of the grant application processes. As a result, an amendment of \$6,000,000 to OCTA's FY 2017-18 Budget is required to enable OCTA to pay its member agency contribution to SCRRA without a federal funding offset.

Attachment

- A. SCRRA/Metrolink Letter dated September 6, 2017, "Request to Amend Operating Susidy Obligation"

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