



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Committee Members**

Michael Hennessey, Chairman  
Richard Murphy, Vice Chairman  
Andrew Do  
Gene Hernandez  
Steve Jones  
Joe Muller  
Michelle Steel

Orange County Transportation Authority  
Headquarters  
Conference Room 07  
550 South Main Street  
Orange, California

**Wednesday, May 27, 2020 at 10:30 a.m.**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Guidance for Public Access to the Board of Directors/Committee Meeting**

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Guidance for Public Access to the Board of Directors/Committee Meeting (Continued)**

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to [boardofdirectors@octa.net](mailto:boardofdirectors@octa.net).

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **30 minutes prior to the start time of the Board and Committee meeting date.**



## **Call to Order**

## **Roll Call**

## **Pledge of Allegiance**

Director Hernandez

### **1. Public Comments**

## **Special Calendar**

### **2. Taxable Sales Forecast - MuniServices**

Sam Kaur/Andrew Oftelie

Orange County Transportation Authority contracts with several economic specialists to provide an annual 30-year taxable sales forecast for Measure M2. The latest forecasts were received in Spring 2020. Fran Mancia, Vice President of Government Relations and Tom Adams, Client Success Manager, from MuniServices, will provide an update on the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.

## **Consent Calendar (Items 3 through 12)**

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

### **3. Approval of Minutes**

Approval of the minutes of the Finance and Administration Committee meeting of May 13, 2020.



**4. Medical Exams, Internal Audit Report No. 20-508**  
Janet Sutter/Serena Ng

**Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of controls in place related to the Federal Motor Carrier Safety Administration regulations, California Department of Motor Vehicle requirements, and policies and procedures for employees required to hold a commercial driver license and a current medical certificate. Based on the audit, controls are adequate to ensure employees obtain required medical exams and certificates, and procedures to ensure compliance with requirements to reimburse costs and time to employees that obtain medical recertification are adequate. Finally, invoice review controls for the contract with the provider, ProCare, are generally adequate.

**Recommendation**

Receive and file Medical Exams, Internal Audit Report No. 20-508, as an information item.

**5. Orange County Transportation Authority Investment and Debt Programs Report - April 2020**  
Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending April 30, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

**Recommendation**

Receive and file as an information item.



**6. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2020**

Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

**Recommendation**

Receive and file as information item

**7. Amendment to Cooperative Agreement with the Anaheim Transportation Network for Public Transit Services**

Sam Kaur/Andrew Oftelie

**Overview**

On August 28, 2017, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the Anaheim Transportation Network for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the Anaheim Transportation Network with additional funds from the Coronavirus Aid, Relief, and Economic Security Act.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-7-1760 between the Orange County Transportation Authority and the Anaheim Transportation Network, in the amount of \$2,119,322, for the pass through of Coronavirus Aid, Relief, and Economic Security Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$6,324,382.



- 8. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2020-21**  
Sam Kaur/Andrew Oftelie

**Overview**

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

**Recommendation**

Adopt Orange County Transportation Authority Resolution No. 2020-023 to establish the Orange County Transportation Authority General Fund appropriations limit at \$12,508,480, for fiscal year 2020-21.

- 9. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2020-21**  
Sam Kaur/Andrew Oftelie

**Overview**

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

**Recommendation**

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2020-022 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,890,379,261, for fiscal year 2020-21.



### 10. Agreement for Deferred Compensation Services

Bea Maselli/Maggie McJilton

#### Overview

The Orange County Transportation Authority provides all employees the opportunity to participate in a defined contribution program through a third-party deferred compensation service provider. Voluntary employee contributions are allocated to the 457(b) Deferred Compensation Plan. Additionally, employer contributions are allocated to the 401(a) Plan as employees become eligible. A 3121 Plan is also available for the Board of Directors, extra help employees, coach operator trainees, and interns who are not eligible to participate in the Orange County Employees Retirement System through the Orange County Transportation Authority. The 3121 Plan is also available to newly-hired employees over the age of 60 that waive membership into the Orange County Employees Retirement System. Approval is needed to execute a new agreement for these services.

#### Recommendations

- A. Approve the selection of Nationwide Retirement Solutions as the firm to provide deferred compensation services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2014 between the Orange County Transportation Authority and Nationwide Retirement Solutions, to perform a broad range of defined contribution services related to the administration of the 457(b), 401(a), and 3121 plans, for an initial term of five years with two, five-year option terms.

### 11. Agreement for Occurrence Tracking System Replacement

Lloyd Sullivan/Andrew Oftelie

#### Overview

The Orange County Transportation Authority utilizes an in-house, custom developed browser-based software application for the Operations, Safety and Environmental Compliance, and Risk Management departments to gather and analyze information about any activities which may be related to litigation used by claims management and safety. The current Occurrence Tracking System used by the Orange County Transportation Authority was developed over 25 years ago and a replacement is now needed. Board of Directors' approval is requested to execute an agreement for a replacement system.



**11. (Continued)**

**Recommendations**

- A. Approve the selection of Origami Risk LLC, as the firm to provide cloud-based claims management software as a service in support of the Orange County Transportation Authority's Occurrence Tracking System for Risk Management and Safety departments.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2023 between the Orange County Transportation Authority and Origami Risk LLC, in the amount of \$495,170, to provide cloud-based claims management software as a service to replace Orange County Transportation Authority's Occurrence Tracking System for a three-year term.

**12. 91 Express Lanes Update for the Period Ending - March 31, 2020**

Kirk Avila/Darrell E. Johnson

**Overview**

On a quarterly basis, a 91 Express Lanes informational report is provided to the Orange County Transportation Authority Board of Directors. The report focuses on traffic and revenue performance, toll adjustments, account and transponder changes, outstanding debt, and recent events. This report provides a summary for the operational and financial activities for the period ending March 31, 2020, and includes the initial impacts of the novel coronavirus pandemic.

**Recommendation**

Receive and file as an information item.





## **Regular Calendar**

**13. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2020-21 Budget and Personnel and Salary Resolution**

Victor Velasquez/Andrew Oftelie

### **Overview**

The Orange County Transportation Authority Fiscal Year 2020-21 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the fiscal year 2020-21 budget following the public hearing to be held at the Board of Directors' meeting on June 8, 2020, at the following Board of Directors' meeting on June 22, 2020, or in a special meeting convened at their discretion, on or before June 30, 2020. The Board of Directors are also asked to approve changes to the Personnel and Salary Resolution as part of the budget approval process.

### **Recommendations**

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2020-21 Budget.
- B. Approve the Personnel and Salary Resolution for Fiscal Year 2020-21.
- C. Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approval of fiscal year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, first quarter operating subsidy, in an amount up to \$7,274,000.

## **Discussion Items**

**14. Chief Executive Officer's Report**

**15. Committee Members' Reports**

**16. Closed Session**

There are no Closed Session items scheduled.



**17. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 10, 2020**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.



# Orange County Transportation Authority

## **Measure M2 and TDA Forecast Review**

Fran Mancia

Vice President of Government Relations

[Fran.Mancia@AvenuInsights.com](mailto:Fran.Mancia@AvenuInsights.com)

Tom Adams

Client Success Manager

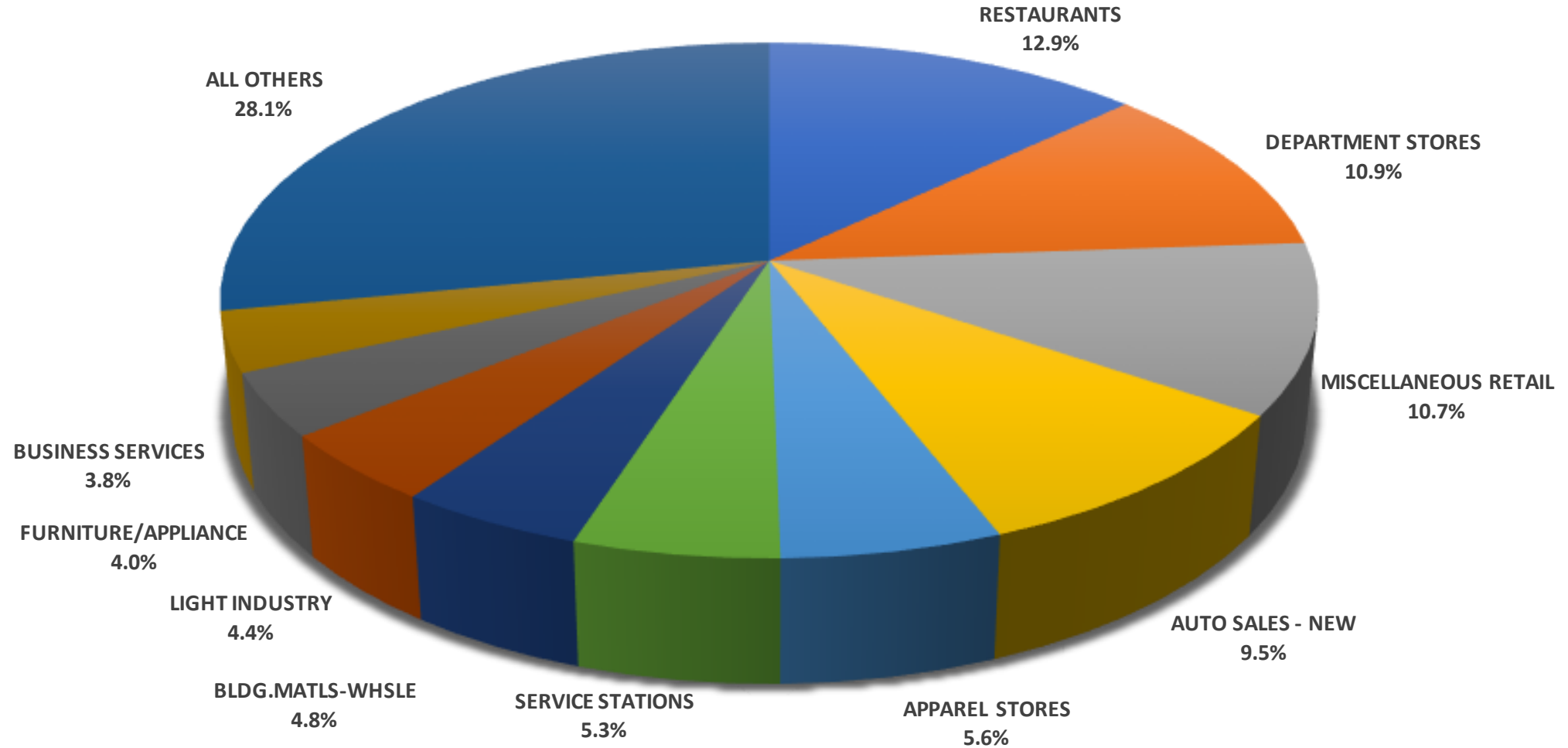
[Thomas.Adams@AvenuInsights.com](mailto:Thomas.Adams@AvenuInsights.com)

May 27, 2020

- Top Segments, Quarterly Performance, & Top 25 Businesses
- Sales Tax Revenues Compared to Income
- Employment Compared to Sales Tax per Capita
- Coronavirus Impacts
- Forecast Assumptions and Projections

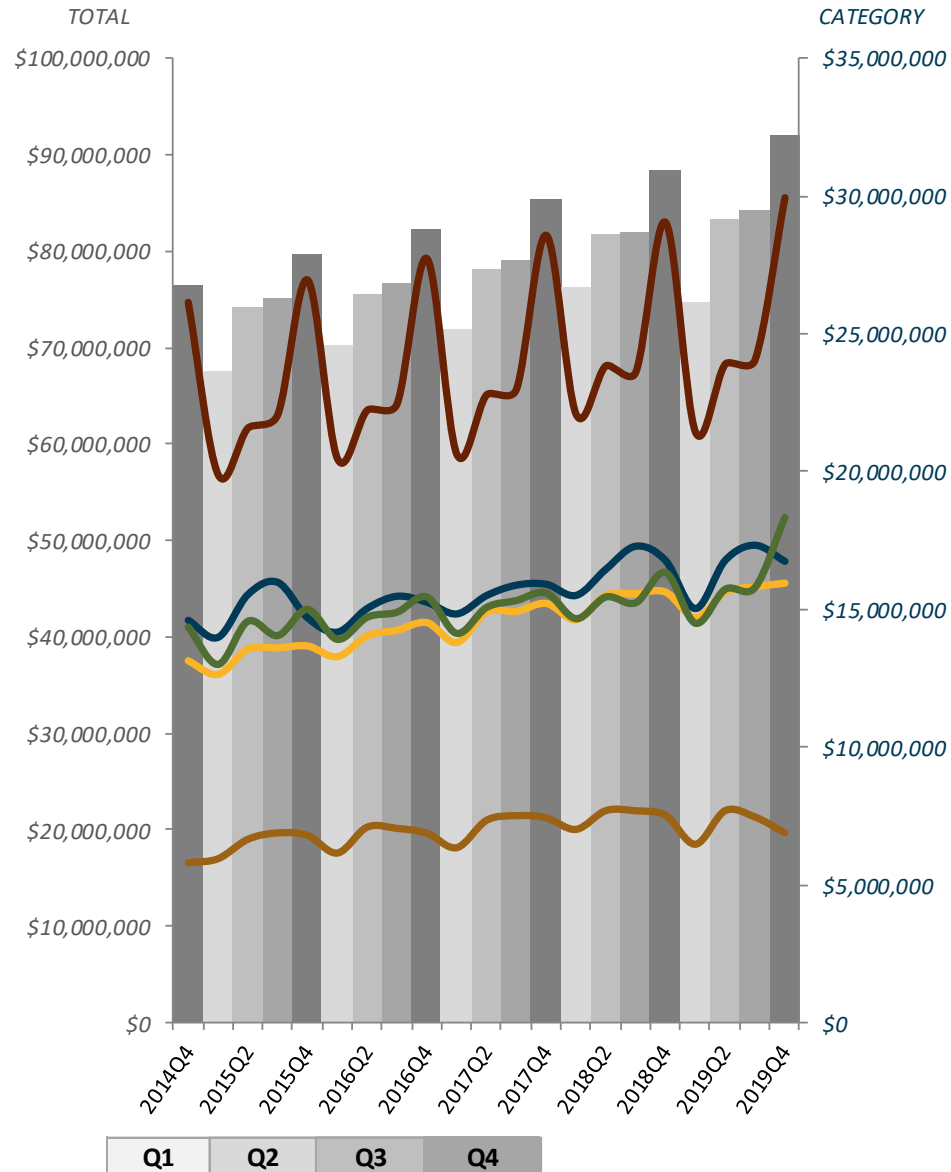
# Top 10 Segments

3



# Quarterly Performance

4



Calendar Year Quarters				
TOTAL	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$91,910,886	4.0%	\$3,551,935	1.8%
				YoY \$Δ
				\$5,849,352

GENERAL RETAIL				
	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$29,922,238	3.1%	\$895,740	0.8%
				YoY \$Δ
				\$764,167
	% of 2019Q4 Total:		32.6%	

FOOD PRODUCTS				
	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$15,956,695	2.1%	\$326,017	1.3%
				YoY \$Δ
				\$771,019
	% of Total:		17.4%	

TRANSPORTATION				
	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$16,715,871	-0.2%	-\$28,141	-0.2%
				YoY \$Δ
				-\$148,754
	% of Total:		18.2%	

CONSTRUCTION				
	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$6,903,744	-8.4%	-\$632,578	-4.7%
				YoY \$Δ
				-\$1,396,939
	% of Total:		7.5%	

BUSINESS TO BUSINESS				
	2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$18,334,422	12.2%	\$1,990,424	4.3%
				YoY \$Δ
				\$2,657,303
	% of Total:		19.9%	

QoQ = 19Q4 / 18Q4

YoY = YE 19Q4 / YE 18Q4

# Top 25 Sales Tax Generators (Alphabetical Order)

5

AMAZON SERVICES

AMAZON.COM

APPLE STORES

ARCO AM/PM STORES

BEST BUY STORES

CARMAX AUTO SUPERSTORES

CHEVRON SERVICE STATIONS

CIRCLE K FOOD STORES

COSTCO WHOLESALE

CVS PHARMACY

DEPT OF MOTOR VEHICLES ALLOCATION  
ACCOUNT

DISNEYLAND

ENTERPRISE RENT-A-CAR

G&M OIL CO.

HOME DEPOT

LOWE'S HOME CENTERS

MACY'S DEPARTMENT STORES

MCDONALD'S RESTAURANTS

NORDSTROM DEPARTMENT STORE

RALPH'S GROCERY COMPANY

ROSS STORES

SHELL SERVICE STATIONS

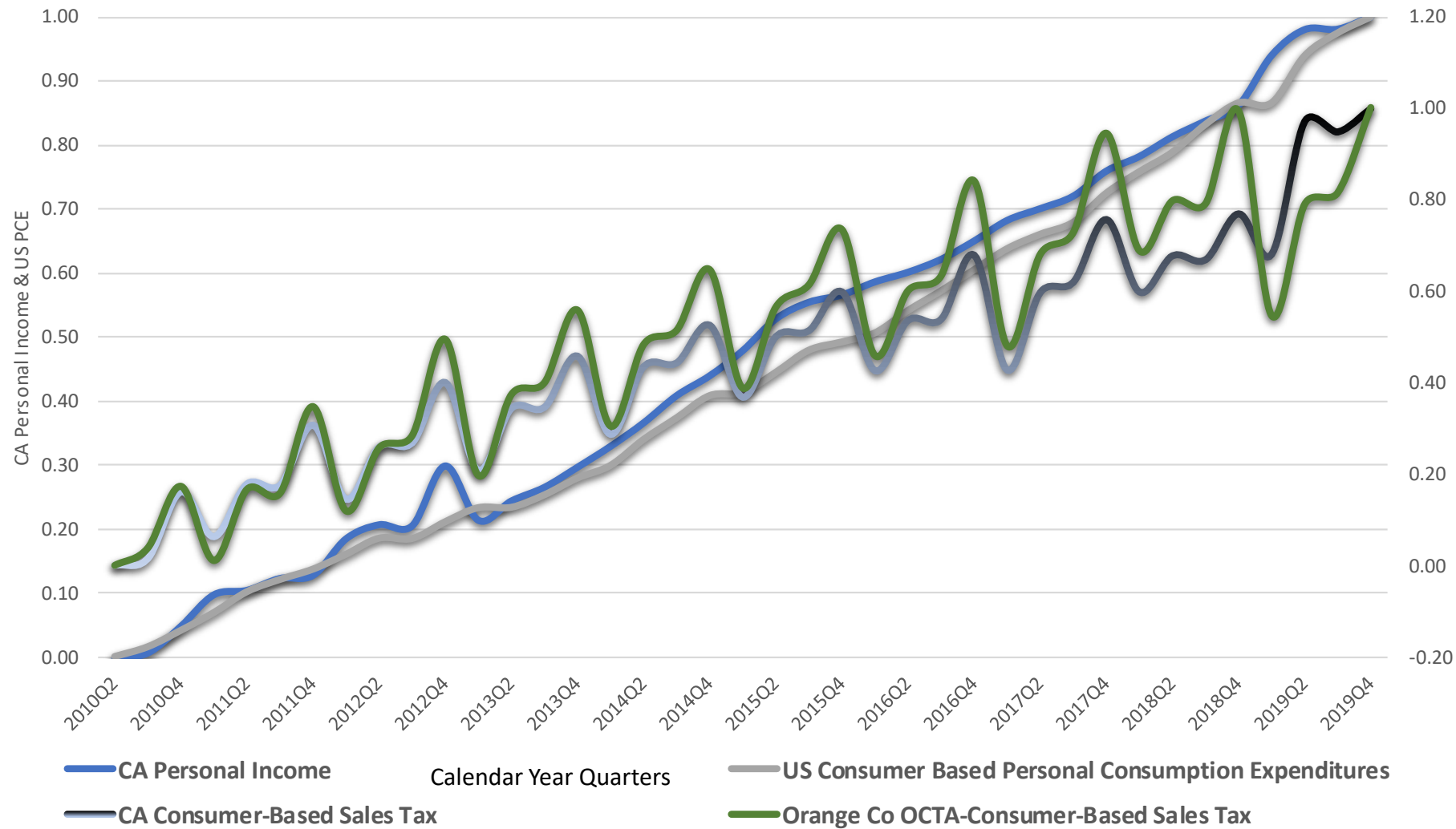
TARGET STORES

TESLA

WAL MART STORES

# Sales Tax Revenues Compared to Income

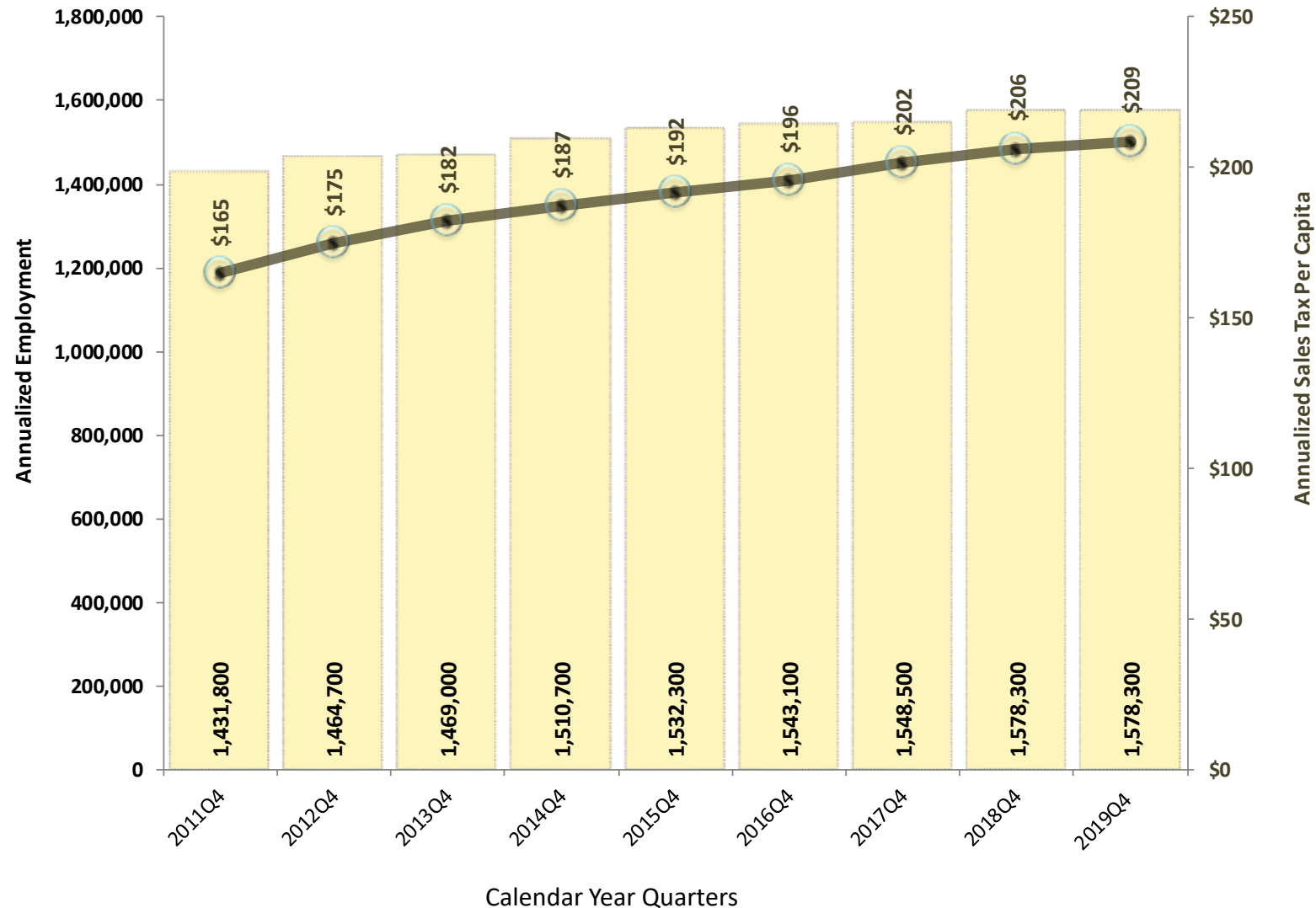
6





# Employment Compared to Sales Tax Per Capita

7



## Time of Uncertainty

- When will testing, treatment, vaccine be available?
- How long will social distancing remain in place?
- How will federal stimulus impact the economy?
- How will consumer behavior change?
- How many businesses might close?
- How quickly will the United States economy recover?

## State Sales Tax Programs

- Allows for extension of filing sales tax for 90 days
- Deferral Program allows small businesses to defer up to \$50,000 until next fiscal year
- Impact: some FY 19-20 revenue will defer into FY 20-21
- Overall impact will depend on participation and deferral amounts. Estimate is \$15 to \$20 million deferred for M2 (\$22.5M to \$30M combined for M2 and TDA)

## Sales Tax Forecast Assumptions

**While the Future is Uncertain, Assumptions must be made:**

- Sheltering will end by June 30 and consumers will adjust to social distancing rules
- Another re-sheltering period will not take place in the Fall
- A Vaccine will be created and become available in 2021/22
- Testing will become faster and more widely available
- Federal stimulus and monetary policies will help economic recovery and help avoid some business closures

## Sales Tax Forecast Baseline Assumptions

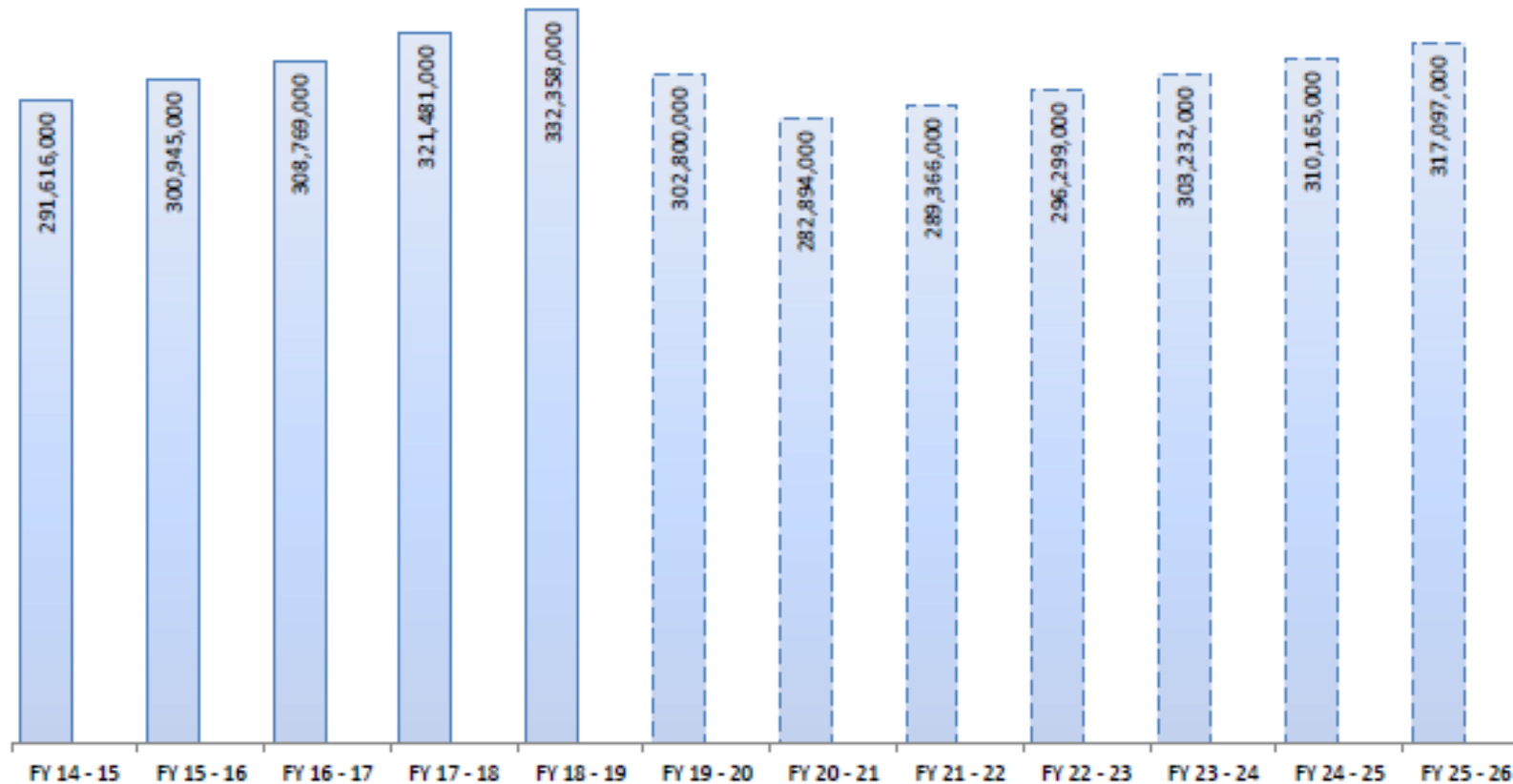
Adjustments are 2020 Calendar Year Quarter over 2019 Quarter

- 2020Q1: 8.3% decline
- 2020Q2: 25.7% decline
- 2020Q3: 17.1% decline
- 2020Q4: 12.9% decline
- 2021Q1: 8.6% decline
- “Dampened” growth rates in 2021 and 2022

# Measure M2 (1½%) Forecast Projections

12

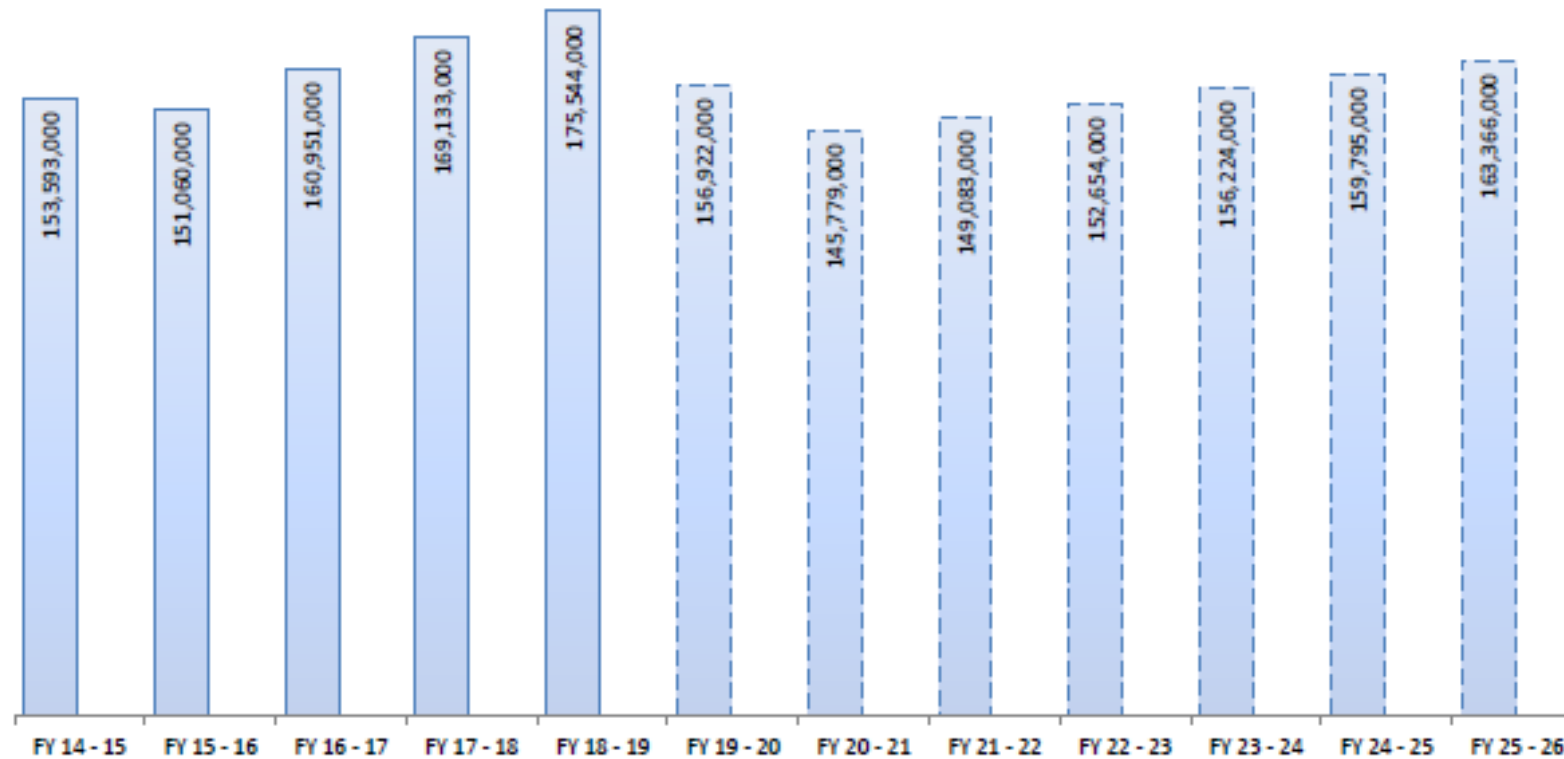
Voter Approved	FY 18 - 19	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26
Cash Projection	332,358,000	302,800,000	282,894,000	289,366,000	296,299,000	303,232,000	310,165,000	317,097,000
Percent Change	3.4%	-8.9%	-6.6%	2.3%	2.4%	2.3%	2.3%	2.2%



# TDA (LTF) ¼% Forecast Projections

13

County Transportation	FY 18 - 19	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26
Cash Projection	175,544,000	156,922,000	145,779,000	149,083,000	152,654,000	156,224,000	159,795,000	163,366,000
Percent Change	3.8%	-10.6%	-7.1%	2.3%	2.4%	2.3%	2.3%	2.2%



# QUESTIONS?





**Committee Members Present  
Via Teleconference:**

Michael Hennessey, Chairman  
Richard Murphy, Vice Chairman  
Andrew Do  
Gene Hernandez  
Steve Jones  
Joe Muller  
Michelle Steel

**Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Martha Ochoa, Assistant Clerk of the Board  
Gina Ramirez, Deputy Clerk of the Board  
James Donich, General Counsel (teleconference)  
OCTA Staff and Members of the General Public

**Committee Members Absent**

None

**Call to Order**

The May 13, 2020, regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Hennessey at 10:32 a.m.

**Roll Call**

The Deputy Clerk of the Board conducted an attendance Roll Call and announced that there was a quorum of the Finance and Administration Committee.

**Pledge of Allegiance**

Committee Vice Chairman R. Murphy led in the Pledge of Allegiance.

**1. Public Comments**

There were no Public Comments.

**Special Calendar**

There were no Special Calendar matters.

**Consent Calendar (Items 2 through 6)**

**2. Approval of Minutes**

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to approve the minutes of the Finance and Administration Committee meeting of April 22, 2020.



**3. Fiscal Year 2019-20 Third Quarter Grant Reimbursement Status Report**

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to receive and file as an information item.

**4. Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement**

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of \$1,130,500, for the reimbursement of shared operational expenses through June 30, 2021.

**5. Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services**

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of \$599,381, for the pass through of Coronavirus Aid, Relief, and Economic Security Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,199,381.

**6. Sole Source Agreement for Health Insurance Brokerage Services**

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 7-0, to authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$342,000, for a three-year initial term, effective June 1, 2020 through May 31, 2023, with one, two-year option term, to provide health insurance brokerage services.

**Regular Calendar**

There were no Regular Calendar items scheduled.

## **Discussion Items**

### **7. Fiscal Year 2020-21 Budget Workshop Follow-up**

Darrell E. Johnson, Chief Executive Officer (CEO), provided opening comments and introduced Andrew Oftelie, Chief Financial Officer (CFO).

Andrew Oftelie, CFO, referenced the handout listing questions and answers that resulted from the May 11, 2020 Board of Directors (Board) budget workshop.

Mr. Oftelie announced that staff would be available at each Committee meeting and available for one-on-one sessions to answer any questions that come up before the proposed fiscal year 2020-21 public hearing.

### **8. Chief Executive Officer's Report**

Mr. Johnson, CEO, reported on the following:

- Staff is actively monitoring the May revised budget from the State of California and will keep the Board members updated as it relates to the Orange County Transportation Authority budget impacts.
- On May 12<sup>th</sup>, the fourth virtual CEO Connection meeting was held using Microsoft Teams with nearly 400 participants. This format began in late March to connect with administrative staff who are working remotely. He stated that questions were answered, and the group was updated on the "Return to the Workplace" plan that the Executive team is developing following guidance from state and local health officials.
- Mr. Johnson, CEO, stated he is also planning on reaching out to the Coach Operators and Maintenance Workers at the bases to connect with them using a telephone townhall format. Staff is working out the logistics and anticipate hosting the meeting next week.



**9. Committee Members' Reports**

Committee Chairman Hennessey inquired on any changes needed regarding staff working remotely.

Mr. Johnson, CEO, stated that the staff is pleased with the productivity and commitment of the administrative staff while working remotely.

**10. Closed Session**

There were no Closed Session items scheduled.

**11. Adjournment**

The meeting was adjourned at 10:43 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, May 27, 2020**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Conference Room 07, Orange, California.

ATTEST

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Gina Ramirez  
Deputy Clerk of the Board

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Michael Hennessey  
Committee Chairman



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject: Medical Exams, Internal Audit Report No. 20-508**

### **Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of controls in place related to the Federal Motor Carrier Safety Administration regulations, California Department of Motor Vehicle requirements, and policies and procedures for employees required to hold a commercial driver license and a current medical certificate. Based on the audit, controls are adequate to ensure employees obtain required medical exams and certificates, and procedures to ensure compliance with requirements to reimburse costs and time to employees that obtain medical recertification are adequate. Finally, invoice review controls for the contract with the provider, ProCare, are generally adequate.

### **Recommendation**

Receive and file Medical Exams, Internal Audit Report No. 20-508, as an information item.

### **Background**

Federal Motor Carrier Safety Administration (FMCSA) regulations, as well as the California Department of Motor Vehicle (DMV) requirements, set forth minimum physical and medical requirements for those holding a commercial driver license. These drivers are required to undergo a medical exam and obtain a written certification from a licensed medical professional that verifies the employee's fitness for duty as a commercial driver. Typically, medical certificates are valid for two years; however, depending on the results of the medical exam, certificates may be issued for a shorter period.

All coach operators and most maintenance employees are required by their job descriptions to hold a Class B commercial driver license with a valid medical certification. Orange County Transportation Authority (OCTA) policy and the respective collective bargaining agreements include guidelines for reimbursement of medical expenses related to the exam and provide for one hour of paid time to employees when they are required to renew their medical certificate on their own time. Employees have the option to utilize OCTA's medical provider, ProCare, or a DMV-certified provider of their choice.

OCTA maintains Agreement No. C-9-1165 with ProCare for medical recertification exams, as well as pre-employment physicals, drug and alcohol testing, etc. Invoices that include charges relating to medical recertification exams are reviewed and approved by the Benefits Manager in the Human Resources and Organizational Development Division and submitted to Accounts Payable for processing.

### ***Discussion***

The Internal Audit Department (Internal Audit) tested monitoring records maintained by base personnel to track employee medical certificates, and payments to employees for reimbursement of medical expenses, and one hour of paid time for obtaining medical recertifications outside of working hours. Observations and interviews were also conducted to determine whether window supervisors verify coach operators' possession of current medical certification cards when reporting to duty. Finally, invoice review controls were assessed and tested, and bus base inspection records were inspected to ensure testing and reporting related to employees' medical certification records.

Based on the audit, controls to ensure compliance with regulations, requirements, and OCTA policies and procedures, are adequate.

### ***Summary***

Internal Audit has completed an audit of medical exams.

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**Attachment**


A. Medical Exams, Internal Audit Report No. 20-508

**Prepared by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-591

**Approved by:**



Serena Ng  
Senior Manager, Internal Audit  
714-560-5938

# ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



## Medical Exams

### Internal Audit Report No. 20-508

May 5, 2020



**Performed by**

Gerry Dunning, CIA, CISA, CFE, Senior Internal Auditor  
Janet Sutter, CIA, Executive Director, Internal Audit

**Distributed to:**

Jennifer Bergener, Deputy Chief Executive Officer  
Maggie McJilton, Executive Director, Workforce Development  
Beth McCormick, Ana Ripalda, Cliff Thorne, Dayle Withers,  
Karen DeCrescenzo, Bea Maselli



ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
Medical Exams  
May 5, 2020

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**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**INTERNAL AUDIT DEPARTMENT**  
**Medical Exams**  
**May 5, 2020**

## **Conclusion**

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of controls in place related to the Federal Motor Carrier Safety Administration regulations, California Department of Motor Vehicle requirements, and OCTA policies and procedures for employees required to hold a commercial driver license (CDL) and a current medical certificate. Based on the audit, controls are adequate to ensure employees obtain required medical exams and certificates, and procedures to ensure compliance with requirements to reimburse costs and time to employees that obtain medical recertification, are adequate. Finally, invoice review controls for the contract with OCTA's provider, ProCare, are generally adequate.

## **Background**

### Federal Motor Carrier Safety Administration (FMCSA) Regulations and California Department of Motor Vehicles (DMV) Requirements

FMCSA, as well as the California DMV, set forth minimum physical and medical requirements for those holding a CDL. These drivers are required to undergo a medical exam and obtain a written certification from a licensed medical professional that verifies the employee's fitness for duty as a commercial driver. Typically, medical certificates are valid for two years; however, depending on the results of the medical exam, certificates may be issued for a shorter period.

### OCTA Policies and Procedures, Job Descriptions, and Collective Bargaining Agreements with Coach Operators and Maintenance Employees

All coach operators and most maintenance employees are required by their job descriptions to hold a Class B CDL with a valid medical certification. OCTA policy and the respective collective bargaining agreements include guidelines for reimbursement of medical expenses related to the exam and provide for one hour of paid time to employees when they are required to renew their medical certificate on their own time. Employees have the option to utilize OCTA's medical provider, ProCare, or a DMV-certified provider of their choice.

OCTA maintains Agreement No. C-9-1165 with ProCare, for medical recertification exams, as well as pre-employment physicals, drug and alcohol testing, etc. The agreement was executed on September 12, 2019. Invoices that include charges relating to medical recertification exams are reviewed and approved by the Benefits Manager in the Human Resources and Organizational Development (HROD) Division, and submitted to Accounts Payable for processing.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**INTERNAL AUDIT DEPARTMENT**  
**Medical Exams**  
**May 5, 2020**

Payments for reimbursement of medical expenses must be accompanied by a receipt and a copy of the renewed medical certificate. The requests are reviewed and approved by Human Resources staff in HROD and submitted to Accounts Payable for processing.

Requests to provide one hour of paid time to employees that obtain their exam and renew their medical certificate on their own time are submitted from the respective base office personnel directly to Payroll for processing. Reports of the payments made are provided to the base office personnel that track and obtain copies of the renewed medical certificates.

DMV System (DMVS) and HASTUS

OCTA base personnel use DMVS to monitor employees' medical certificate expiration dates. The information in DMVS is obtained directly from the DMV. Base operations personnel also use the HASTUS scheduling system to monitor and enforce requirements. Base office specialists monitor and perform follow-up directly with employees as their medical certificate expiration date approaches. Using the HASTUS system, base personnel can flag coach operators whose medical certificates are due to expire so that window dispatch supervisors can follow-up directly with the employee when he/she checks in for their assignment. Window dispatch supervisors also visually verify each coach operator's medical certification card upon signing in for their shift. HASTUS will automatically prevent any coach operator whose medical certificate has expired from signing in.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**INTERNAL AUDIT DEPARTMENT**  
**Medical Exams**  
**May 5, 2020**

## **Objectives, Scope, and Methodology**

The objective was to assess and test controls in place to ensure compliance with FMCSA regulations, DMV requirements, and OCTA policies and procedures relating to medical exams and recertifications of employees required to maintain a CDL.

According to Generally Accepted Government Auditing Standards, internal control is the system of processes that an entity's oversight body, management, and other personnel implement to provide reasonable assurance that the organization will achieve its operational, reporting, and compliance objectives. The five components are control environment, risk assessment, control activities, information and communication, and monitoring.<sup>1</sup> The components and principles that were evaluated as part of this audit are:

- Control Environment
  - OCTA demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- Control Activities
  - OCTA selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
  - OCTA deploys control activities through policies that establish what is expected and in procedures that put policies into action.
- Monitoring
  - OCTA evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board of Directors, as appropriate.

The methodology consisted of testing of monitoring records maintained by base personnel of employees required to maintain a CDL and a valid medical certificate; testing of invoices from ProCare for medical exams; testing of payments for medical reimbursement of medical exam expenses and one hour of paid time for time spent obtaining medical recertification; observation and interview of window supervisors to determine that coach operators checking in have their current medical certification card on hand; testing of base inspection records to determine whether they included testing of medical certificates; and testing for evidence of employees required to maintain a CDL with medical certificate.

The scope was limited to employees required to maintain a CDL with medical certificate per their job description. The scope included paid invoices that reflect medical exam charges under Agreement No. C-9-1165 with ProCare; base monitoring records as of January 2020; observations and interviews on January 9 and January 28, 2020, at the Garden Grove and Santa Ana bases, respectively; DMVS records of employee expired

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<sup>1</sup> See U.S. Government Accountability Office publication, "Standards for Internal Control in the Federal Government," available at <http://www.gao.gov/products/GAO-14-704G>, for more information.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**INTERNAL AUDIT DEPARTMENT**  
**Medical Exams**  
**May 5, 2020**

medical certificates as of February 12, 2020; and base inspection records for the years 2017, 2018, and 2019. The scope also included a random sample of payments for reimbursement of medical expenses and for one hour of paid time for obtaining a medical exam during non-work hours during the period July 1, 2019 through January 31, 2020. Since the samples were non-statistical, any conclusions are limited to the sample items tested.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



*May 27, 2020*

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Orange County Transportation Authority Investment and Debt Programs Report - April 2020

### **Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending April 30, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

As of April 30, 2020, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure M2 transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

The weighted average book yield for the OCTA portfolio is 2 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

The OCTA's month-end balance in the Local Agency Investment Fund was \$10,859,947.27, with an average monthly effective yield of 1.7 percent. The OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$12,621,521.92. For the month of March, the monthly gross yield for the OCIP was 1.8 percent. Yields for the month of April will be received in May.

As a result of novel coronavirus (COVID-19), several rating actions have occurred. Specifically, during the month of April, the debt rating of two securities held within OCTA's investment portfolio were placed under review for possible downgrade, bringing the total number of securities on Negative Credit Watch to 13, and one security was downgraded during the month. Please refer to I-11 (Negative Credit Watch) and I-12 (Rating Downgrades) of Attachment A for further details. As of April 30, 2020, the securities reflected on I-11 and I-12 still meet the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt portfolio had an outstanding principal balance of \$1 billion as of April 30, 2020. Approximately 62 percent of the outstanding balance is comprised of Measure M2 debt, nine percent is associated with the 91 Express Lanes Program, and 29 percent is for the Transportation Infrastructure Finance and Innovation Act Loan.

### ***Summary***

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending April 30, 2020.

### ***Attachment***

- A. Orange County Transportation Authority Investment and Debt Programs  
– For the Period Ending April 30, 2020.

**Prepared by:**



Robert Davis  
Department Manager  
Treasury/Public Finance  
(714) 560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
(714) 560-5649

**Treasury/Public Finance Department's  
Report On**

**Orange County Transportation Authority  
Investment and Debt Programs**



**Presented to the  
Finance and Administration Committee**

**For The Period Ending  
April 30, 2020**



# INVESTMENT PROGRAM

# OCTA Investment Dashboard

4/30/2020

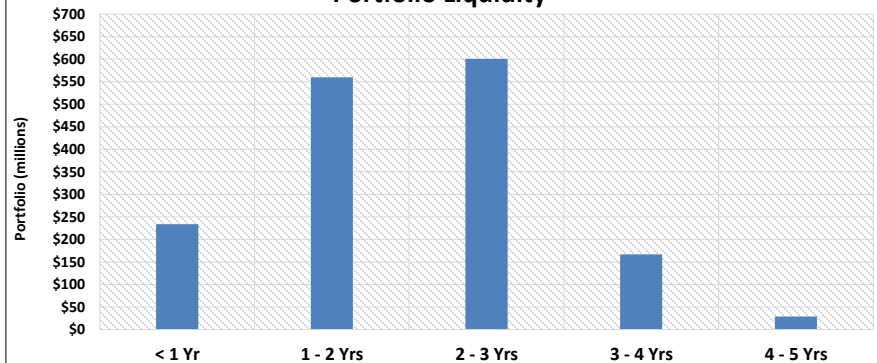
## Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of April 2020:  
Not applicable.

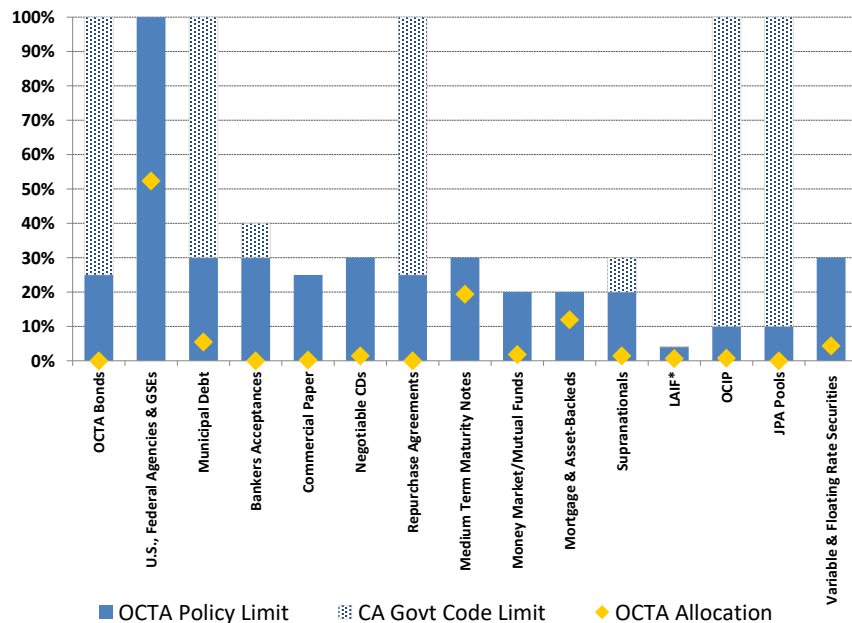
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

On Thursday, February 20, 2020, Moody's downgraded the long-term debt rating of Nissan to Baa1 from A3. OCTA holds three high quality AAA Nissan Auto/Lease asset backed security positions, respectively 0.3%, 0.4% and 0.6% of the portfolio. However, for asset backed securities, receivables are sold via a legal concept called "true sale" into a bankruptcy-remote issuing trust, therefore isolated from the financial health of the issuer. There has been no negative price action on the asset backed securities on news of the downgrade. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Deputy Chief Executive Officer who concurred.

## Portfolio Liquidity

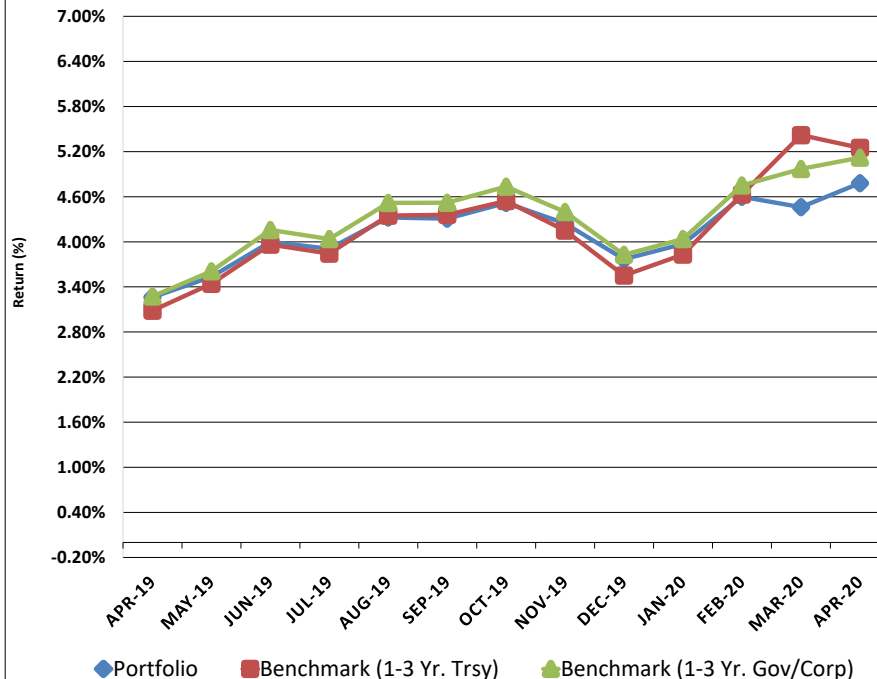


## Portfolio Diversification



\*Per CA Government Code LAIF limit is \$65 million

## Portfolio Return - 12 Month



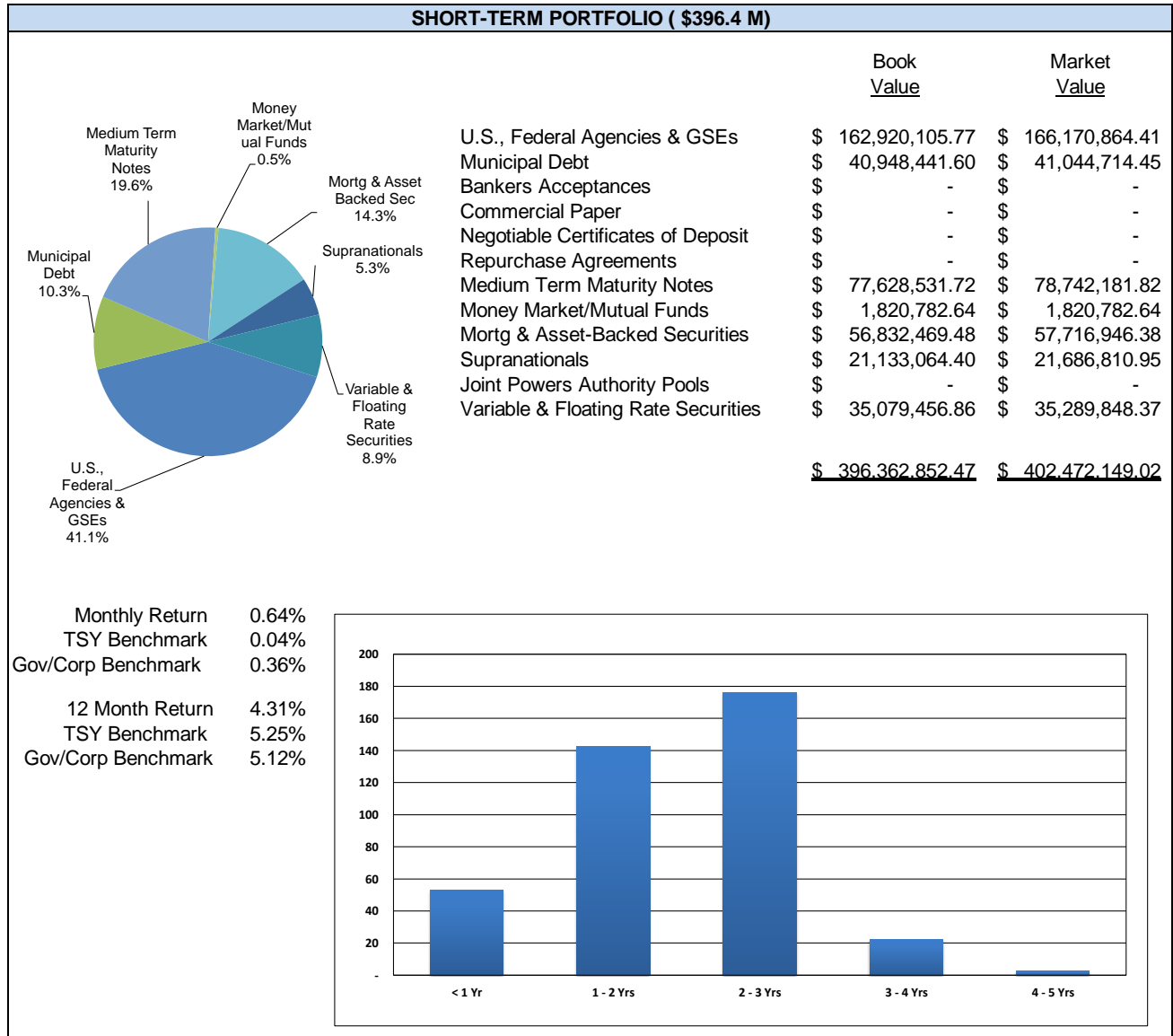
# Investment Profile

## 4/30/2020

Portfolio / Managers	Depository	Role	Governing Document	Type of Investment	Amount (\$ Millions)
<b><u>LIQUID PORTFOLIO:</u></b>					
OCTA/ Measure M2	BNY Mellon	Trustee	Indenture	Money Market Fund	\$ 61.6
OCTA	Bank of the West	Broker	Investment Policy	Repurchase Agreement	62.1
OCTA	Bank of the West	Broker	Investment Policy	Bank Deposits	0.3
California State Treasurer	LAIF	Custodian	Investment Policy	Investment Pool/LAIF	10.9
Orange County Treasurer	OCIP	Custodian	Investment Policy	Investment Pool/OCIP	12.6
<b>Subtotal OCTA Liquid Portfolio</b>					<b>\$ 147.5</b>
<b><u>SHORT-TERM PORTFOLIO:</u></b>					
<b><u>Investment Managers</u></b>					
MetLife Investment Management	U.S Bank	Custodian	Investment Policy	Various	\$ 396.4
Chandler Asset Management	U.S Bank	Custodian	Investment Policy	Various	394.7
Payden & Rygel Investment Counsel	U.S Bank	Custodian	Investment Policy	Various	401.4
PFM Asset Management	U.S Bank	Custodian	Investment Policy	Various	397.5
<b>Subtotal Short-Term Portfolio (Investment Managers)</b>					<b>\$ 1,590.0</b>
<b><u>BOND PROCEEDS PORTFOLIO:</u></b>					
OCTA/ Measure M2	Bank of Nova Scotia	Custodian	Indenture/GIC	Guaranteed Investment Contract	\$ 200.2
OCTA/ Measure M2	BNY Mellon	Trustee	Indenture	Treasury Bills	5.0
OCTA/ Measure M2	BNY Mellon	Trustee	Indenture	Commercial Paper	64.8
OCTA/ Measure M2	BNY Mellon	Trustee	Indenture	Money Market Fund	11.5
<b>Subtotal OCTA Bond Proceeds Portfolio</b>					<b>\$ 281.6</b>
<b><u>RESERVE FUNDS PORTFOLIO:</u></b>					
OCTA/ 91 Express Lanes 2013 Ref. Bonds	U.S Bank	Trustee	Indenture	Commercial Paper	\$ 11.5
OCTA/ 91 Express Lanes 2013 Ref. Bonds	Bank of the West	Trustee	Indenture	Commercial Paper	10.5
OCTA/ 91 Express Lanes 2013 Ref. Bonds	Bank of the West	Trustee	Indenture	Commercial Paper	3.1
OCTA/ 91 Express Lanes 2013 Ref. Bonds	U.S Bank	Trustee	Indenture	U.S. Treasury Obligations	0.0
OCTA/ 91 Express Lanes 2013 Ref. Bonds	U.S Bank	Trustee	Indenture	U.S. Treasury Obligations	0.0
Bank Deposits/Cash	Bank of the West	Trustee	Indenture	Cash	0.2
<b>Subtotal OCTA Reserve Funds Portfolio</b>					<b>\$ 25.2</b>
<b>TOTAL</b>					<b>\$ 2,044.3</b>

## Investment Manager Diversification and Maturity Schedules

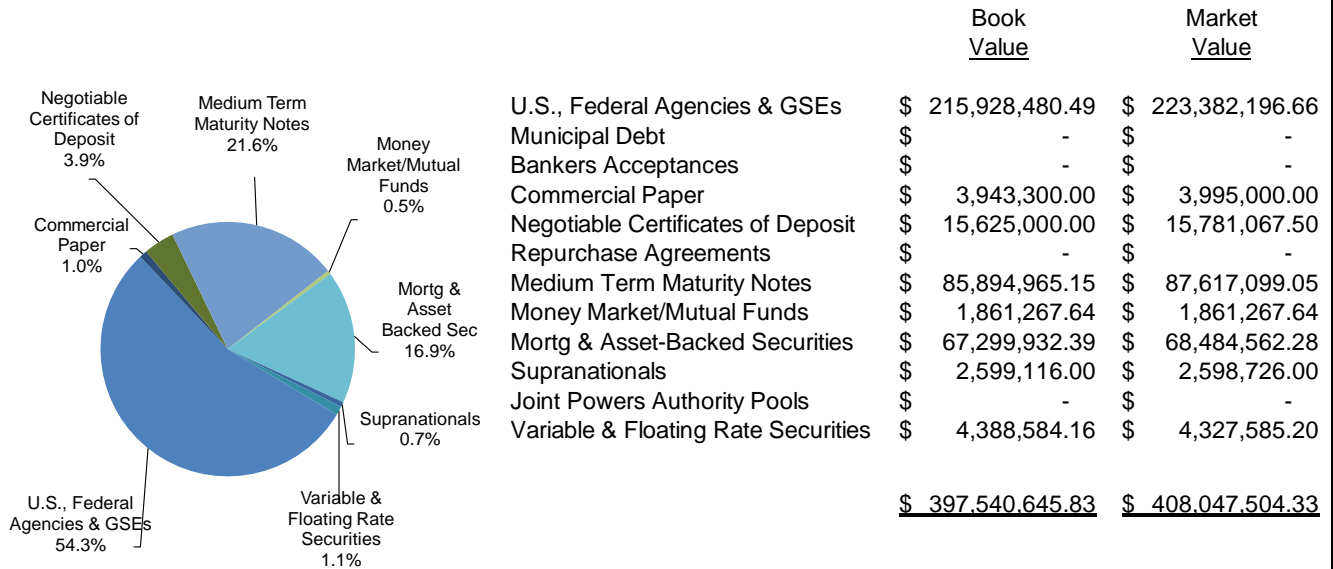
**MetLife Investment Management**  
4/30/2020



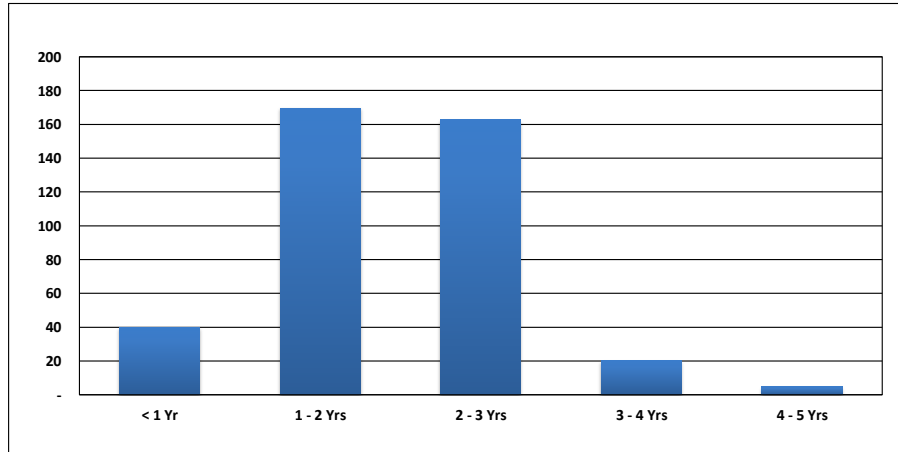
## Investment Manager Diversification and Maturity Schedules

**PFM**  
4/30/2020

### SHORT-TERM PORTFOLIO ( \$397.5 M)



Monthly Return 0.46%  
 TSY Benchmark 0.04%  
 Gov/Corp Benchmark 0.36%  
  
 12 Month Return 5.00%  
 TSY Benchmark 5.25%  
 Gov/Corp Benchmark 5.12%

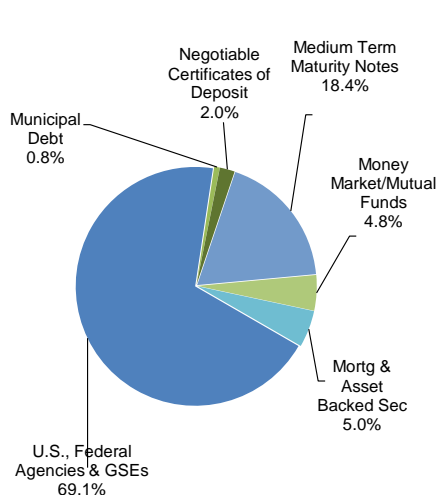


## Investment Manager Diversification and Maturity Schedules

### Chandler Asset Management

4/30/2020

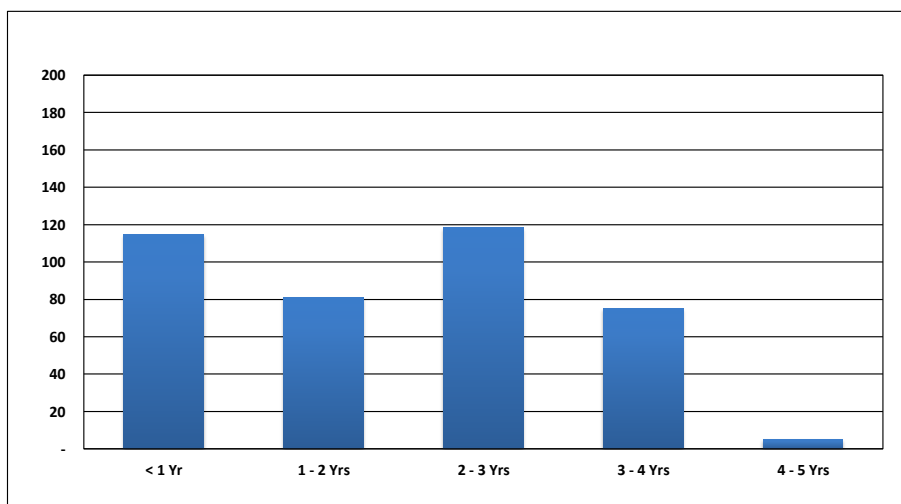
#### SHORT-TERM PORTFOLIO (\$394.7 M)



	Book Value	Market Value
U.S. Federal Agencies & GSEs	\$ 272,511,827.85	\$ 281,566,243.65
Municipal Debt	\$ 3,000,000.00	\$ 3,045,660.00
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 8,000,000.00	\$ 8,000,000.00
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 72,468,582.25	\$ 75,095,369.90
Money Market/Mutual Funds	\$ 18,977,751.30	\$ 18,977,751.30
Mortg & Asset-Backed Securities	\$ 19,696,250.14	\$ 19,868,036.78
Supranationals	\$ -	\$ -
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ -	\$ -
	<u>\$ 394,654,411.54</u>	<u>\$ 406,553,061.63</u>

Monthly Return 0.40%  
 TSY Benchmark 0.04%  
 Gov/Corp Benchmark 0.36%

12 Month Return 4.99%  
 TSY Benchmark 5.25%  
 Gov/Corp Benchmark 5.12%

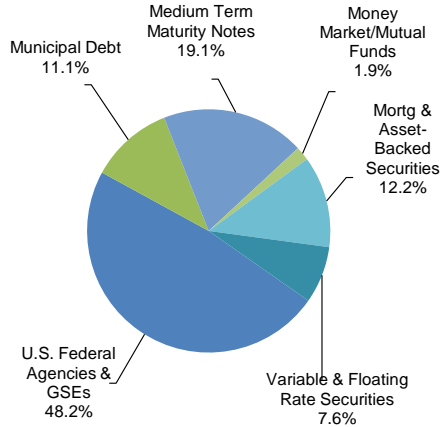


## Investment Manager Diversification and Maturity Schedules

**Payden & Rygel**

4/30/2020

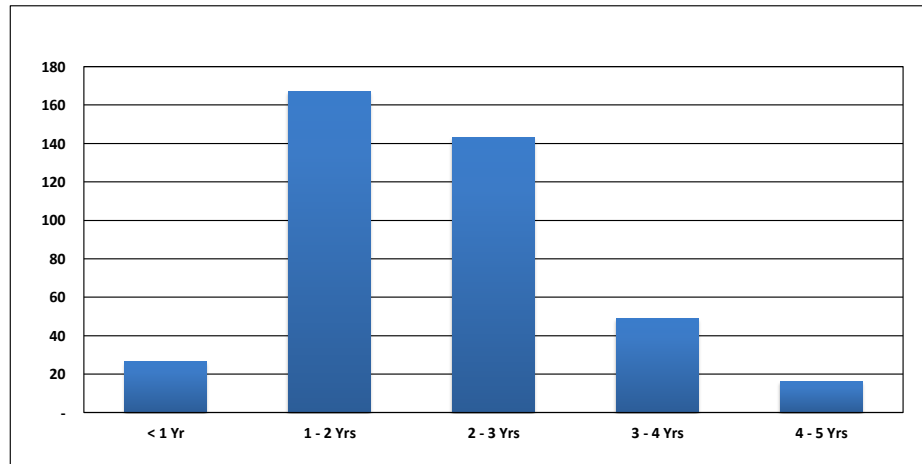
### SHORT-TERM PORTFOLIO (\$401.4 M)



	Book Value	Market Value
U.S. Federal Agencies & GSEs	\$ 193,639,533.96	\$ 184,585,534.89
Municipal Debt	\$ 44,427,484.37	\$ 44,712,191.41
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 76,563,822.64	\$ 77,709,897.99
Money Market/Mutual Funds	\$ 7,440,004.30	\$ 7,440,004.30
Mortg & Asset-Backed Securities	\$ 48,914,077.79	\$ 49,729,543.89
Supranationals	\$ -	\$ -
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 30,429,079.88	\$ 30,683,307.25
	<u>\$ 401,414,002.94</u>	<u>\$ 394,860,479.73</u>

Monthly Return 0.61%  
 TSY Benchmark 0.04%  
 Gov/Corp Benchmark 0.36%

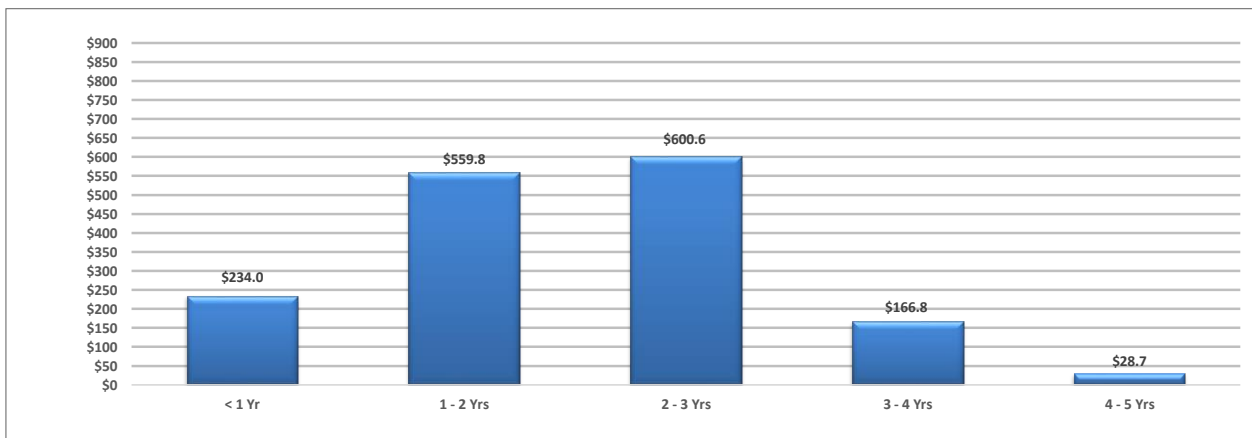
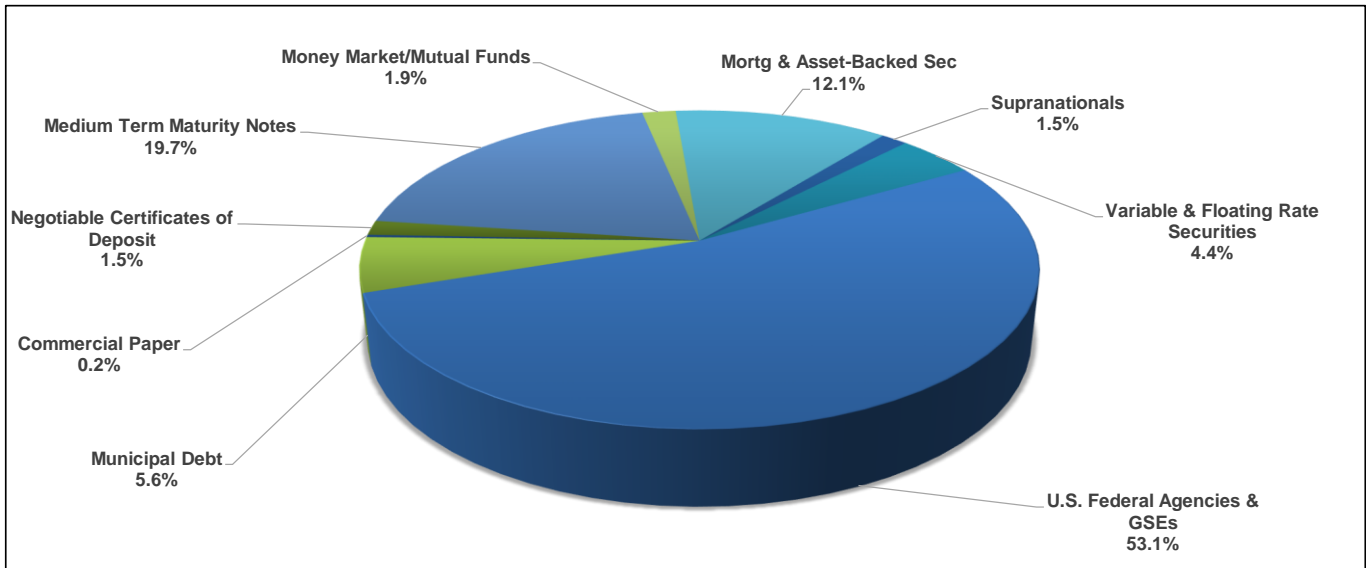
12 Month Return 4.81%  
 TSY Benchmark 5.25%  
 Gov/Corp Benchmark 5.12%



# Short-Term Portfolio

4/30/2020

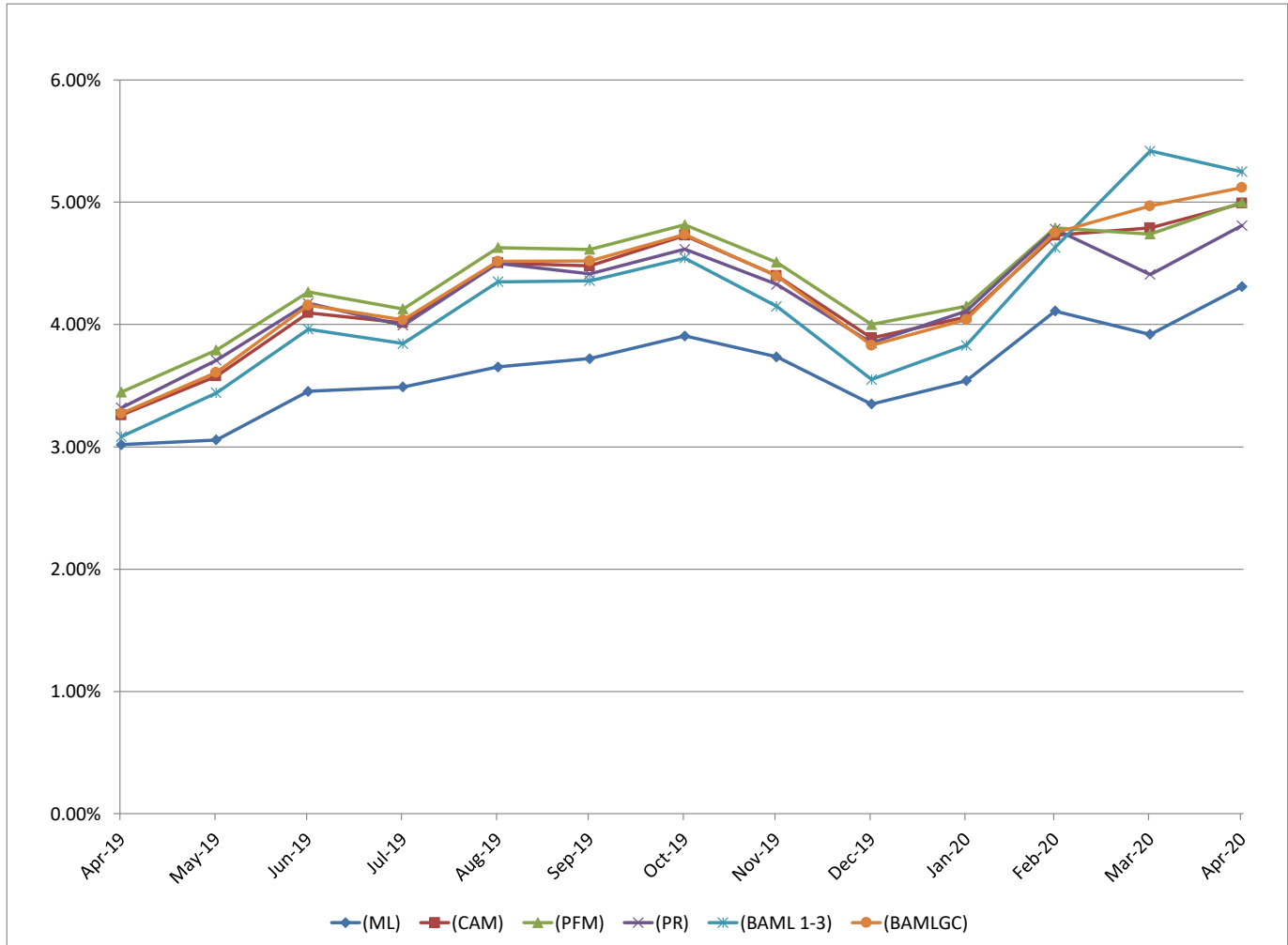
## Portfolio Composition





**Orange County Transportation Authority**  
**Short-Term Portfolio Performance**  
**4/30/2020**

**Trailing 1-Year Total Return**  
**Vs. The Bank of America Merrill Lynch (BAML) 1-3 Benchmarks**

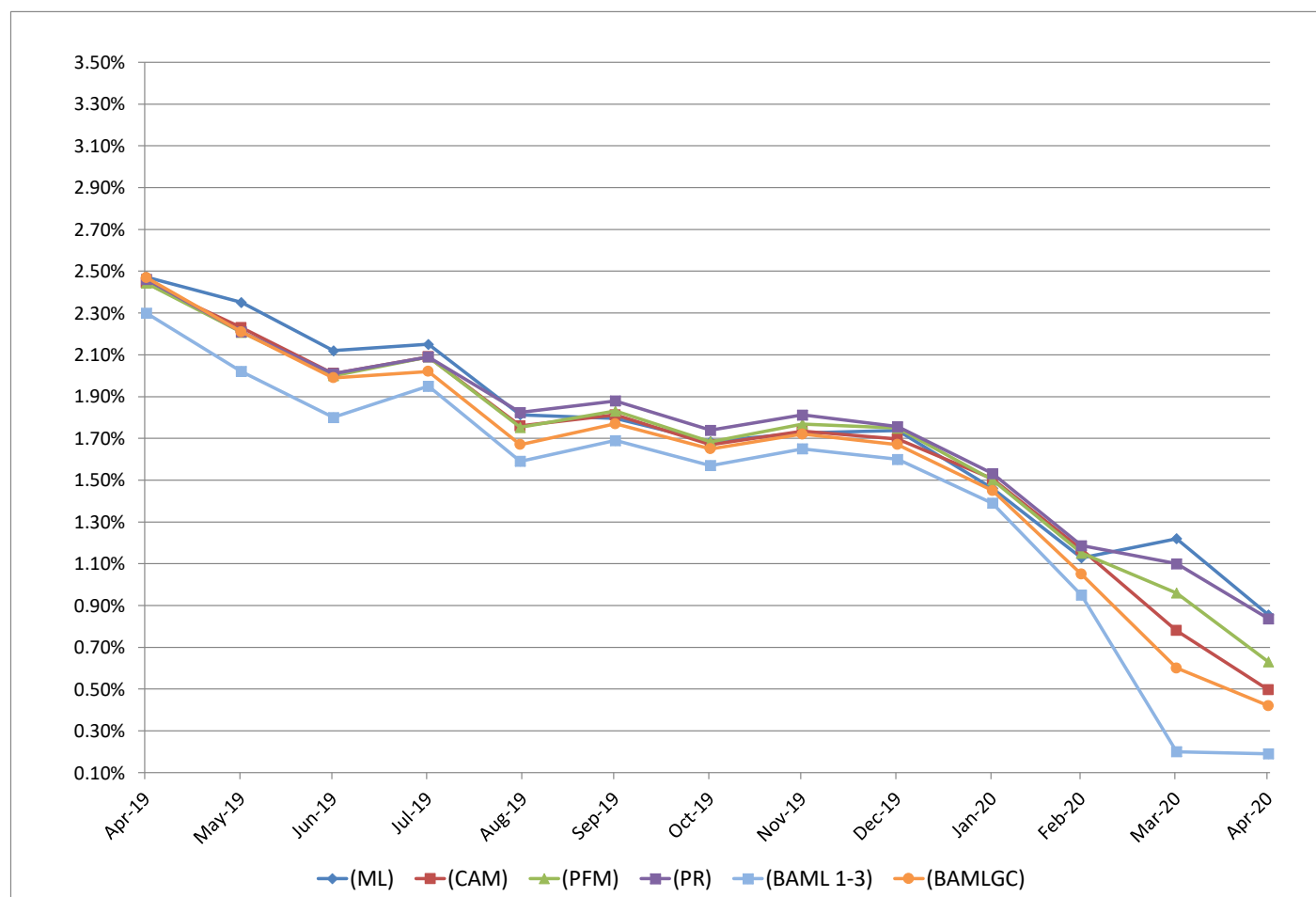


	MetLife Investment Mgmt (ML)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden & Rygel (PR)	ICE/BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Apr-19	3.02%	3.26%	3.45%	3.32%	3.08%	3.27%
May-19	3.06%	3.58%	3.79%	3.71%	3.44%	3.61%
Jun-19	3.45%	4.10%	4.27%	4.17%	3.96%	4.16%
Jul-19	3.49%	4.01%	4.13%	3.99%	3.84%	4.04%
Aug-19	3.65%	4.50%	4.63%	4.50%	4.35%	4.52%
Sep-19	3.72%	4.48%	4.61%	4.41%	4.36%	4.52%
Oct-19	3.91%	4.73%	4.82%	4.62%	4.54%	4.74%
Nov-19	3.74%	4.40%	4.51%	4.33%	4.15%	4.40%
Dec-19	3.35%	3.89%	4.00%	3.85%	3.55%	3.83%
Jan-20	3.54%	4.06%	4.15%	4.11%	3.83%	4.04%
Feb-20	4.11%	4.73%	4.79%	4.78%	4.63%	4.75%
Mar-20	3.92%	4.79%	4.74%	4.41%	5.42%	4.97%
Apr-20	4.31%	4.99%	5.00%	4.81%	5.25%	5.12%

# Short-Term Portfolio Performance

## 4/30/2020

### Historical Yields Vs. The Bank of America Merrill Lynch (BAML) 1-3 Benchmarks



	MetLife Investment Mgmt (ML)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden Rygel (PR)	ICE/BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Apr-19	2.47%	2.44%	2.44%	2.46%	2.30%	2.47%
May-19	2.35%	2.23%	2.21%	2.21%	2.02%	2.21%
Jun-19	2.12%	2.01%	2.00%	2.01%	1.80%	1.99%
Jul-19	2.15%	2.09%	2.09%	2.09%	1.95%	2.02%
Aug-19	1.81%	1.76%	1.75%	1.82%	1.59%	1.67%
Sep-19	1.80%	1.81%	1.83%	1.88%	1.69%	1.77%
Oct-19	1.69%	1.67%	1.68%	1.74%	1.57%	1.65%
Nov-19	1.73%	1.73%	1.77%	1.81%	1.65%	1.72%
Dec-19	1.74%	1.70%	1.75%	1.76%	1.60%	1.67%
Jan-20	1.46%	1.51%	1.50%	1.53%	1.39%	1.45%
Feb-20	1.13%	1.17%	1.15%	1.19%	0.95%	1.05%
Mar-20	1.22%	0.78%	0.96%	1.10%	0.20%	0.60%
Apr-20	0.86%	0.50%	0.63%	0.84%	0.19%	0.42%

# Investment Compliance

4/30/2020

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio <sup>1</sup>	Invested	Portfolio	Maximum Percentages
<b>U.S. Federal Agencies &amp; GSEs</b>	\$ 844,999,948	50.4%	100%
Municipal Debt	88,375,926	5.3%	30%
Commercial Paper	3,943,300	0.2%	25%
Negotiable Certificates of Deposit	23,625,000	1.4%	30%
Repurchase Agreements	62,073,197	3.7%	25%
Medium Term Maturity Notes	312,555,902	18.7%	30%
Money Market/Mutual Funds	30,099,806	1.8%	20%
Mortgage & Asset-Backed	192,742,730	11.5%	20%*
Supranationals	23,732,180	1.4%	20%
Local Agency Investment Fund	10,859,947	0.6%	\$ 65 Million
Orange County Investment Pool	12,621,522	0.8%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	297,283	0.0%	5%
Variable & Floating Rate Securities	69,897,121	4.2%	30%
<b>Total Short-Term/Liquid Portfolio</b>	<b>\$ 1,675,823,862</b>	<b>100.0%</b>	

1. Excludes portion of Liquid Portfolio subject to Indenture

\*Asset-backed securities, excluding mortgages, may not exceed 10 percent of the allocation

Portfolio Subject to Indenture					
	Dollar Amount		OCTA	Indenture Requirements	
	Invested	Credit Quality	Term	Credit Quality	Term
<b>Liquid Portfolio*</b>					
Money Market Funds	\$ 61,628,316	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
<b>Bond Proceeds Portfolio</b>					
Money Market Funds	\$ 11,536,238	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Treasury Bills	4,999,738	AAA/Aaa/AA+	27 days	Min. A2/A	Max. 4 years
Commercial Paper	64,843,831	P-1/F-1/A-1 Aa3/AA-	60-82 days	Min. A2/A	Max. 4 years
Guaranteed Investment Contract	200,200,000	Aa2/AA-/A+	N/A	Min. A3/A-	N/A
<b>Total Bond Proceeds Portfolio</b>	<b>\$ 281,579,806</b>				
<b>Reserve Funds Portfolio</b>					
Commercial Paper	\$ 25,025,925	P-1/F-1	30 days	Min. A-1/P-1	Max. 180 days
Bank Deposits	198,967				
US Treasuries Obligations	1,332	AAA/Aaa	30 days	Min. A2/A	Max. 5 years
<b>Total Reserve Funds Portfolio</b>	<b>\$ 25,226,224</b>				
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 306,806,030</b>				

<b>Portfolio Total</b>	<b>\$ 2,044,258,208</b>
------------------------	-------------------------

\*Reflects portion of Liquid Portfolio subject to Indenture

## Negative Credit Watch

4/30/2020

Manager / Security	Par Amount	Maturity	S&P	Moody's	Fitch Ratings
<b>PFM</b>					
<i>Pfizer</i> On June 17, 2019, S&P, and Fitch placed the long-term ratings of Pfizer Inc. under review for possible downgrade. The credit watch placement is due to Pfizer's announcement of a debt-funded acquisition as well as an announcement to divest its mature off-patent business Upjohn. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Pfizer's product diversification and vast revenue streams.	2,300,000	Various*	AA-	A1	A
<i>Skandinaviska Enskilda Banken AB (publ.)</i> On March 31, 2020, Fitch placed the long-term ratings of Skandinaviska under review for possible downgrade. The credit watch placement is due to the negative impact COVID-19 will have on the banks credit profile. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to the bank being well capitalized, and because of this they should be able to absorb the negative impact of an economic downturn.	3,875,000	8/26/2022	A+	P-1	AA
<i>Merck &amp; Co.</i> On February 5, 2020, S&P placed the long-term ratings of Merck & Co. under review for possible downgrade. The credit watch placement is due to Merck's announcement that it will be spinning off a large portion of their brand. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to the industry strength of Merck, and their vast pharmaceutical diversification.	1,250,000	2/10/2022	AA-	A1	A+
<i>Toyota Motor Credit Corporation</i> On March 26, 2020, S&P and Moody's placed the long-term ratings of Toyota Co. under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on the economy, car sales, and global production. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to the industry strength of Toyota, and their product diversification .	4,430,000	Various**	AA-	A1	A+
<i>American Honda Finance Corporation</i> On March 27, 2020, S&P and Moody's placed the long-term ratings of Honda Co. under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on the economy, car sales, and global production. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Honda's strong balance sheet, and their product diversification.	3,800,000	6/27/2022	A	A3	N/A
<i>Walt Disney Co.</i> On April 17, 2020, S&P placed the long-term ratings of Disney under review for possible downgrade. The credit watch placement is due to the impact COVID-19 has on a variety of Disney's businesses, in particular their theme parks, which remain closed indefinitely. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Disney's diverse business as well as strong leverage metrics.	875,000	9/1/2022	A	A2	A
<b>Payden &amp; Rygel</b>					
<i>San Francisco Bay Area Rapid Transit District (BART)</i> On March 20,2020, Fitch placed the long-term ratings of San Francisco BART under review for possible downgrade. The credit watch placement is due to a broad sector revision of bonds secured by economically sensitive tax revenues in light of COVID-19. The security complies with the requirements of the Investment Policy and the manager is comfortable holding due to the strong credit quality of the agency as well as a strong cash flow.	630,000	7/1/2020	AA+	N/A	AA+
<i>Walt Disney Co.</i> On April 17, 2020, S&P placed the long-term ratings of Disney under review for possible downgrade. The credit watch placement is due to the impact COVID-19 has on a variety of Disney's businesses, in particular their theme parks, which remain closed indefinitely. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Disney's diverse business as well as strong leverage metrics.	875,000	9/1/2022	A	A2	A
<b>Chandler Asset Management</b>					
<i>Toyota Motor Credit Corporation</i> On March 26, 2020, S&P and Moody's placed the long-term ratings of Toyota Co. under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on the economy, car sales, and global production. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to the industry strength of Toyota, and their product diversification .	3,500,000	Various***	AA-	A1	A+
<i>General Dynamics Corporation</i> On March 20, 2020, S&P placed the long-term ratings of General Dynamics under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on the company's demand for business jets and related services. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to the dominate role defense plays in their overall business.	4,000,000	5/11/2021	A	A2	N/A
<i>American Honda Finance Corporation</i> On March 27, 2020, S&P and Moody's placed the long-term ratings of Honda Co. under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on the economy, car sales, and global production. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Honda's strong balance sheet, and their product diversification.	3,500,000	Various****	A	A3	N/A
<i>Daimler Finance North America</i> On March 25, 2020, Moody's placed the long-term ratings of Daimler under review for possible downgrade. The credit watch placement is due to the impact COVID-19 will have on global demand for vehicles, and the impact of production halts on the supply chain. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Daimler securing \$12 billion in EUR loan facilities.	3,000,000	5/5/2020	BBB+	A3	BBB+
<b>MetLife</b>					
<i>San Francisco Bay Area Rapid Transit District (BART)</i> On March 20,2020, Fitch placed the long-term ratings of San Francisco BART under review for possible downgrade. The credit watch placement is due to a broad sector revision of bonds secured by economically sensitive tax revenues in light of COVID-19. The security complies with the requirements of the Investment Policy and the manager is comfortable holding due to the strong credit quality of the agency as well as a strong cash flow.	630,000	7/1/2020	AA+	N/A	AA+

\*9/15/21 & 3/1/22

\*\*1/8/21 & 1/11/22

\*\*\*4/17/20 & 4/13/21

\*\*\*\*11/16/22 & 1/12/24

## Rating Downgrades

4/30/2020

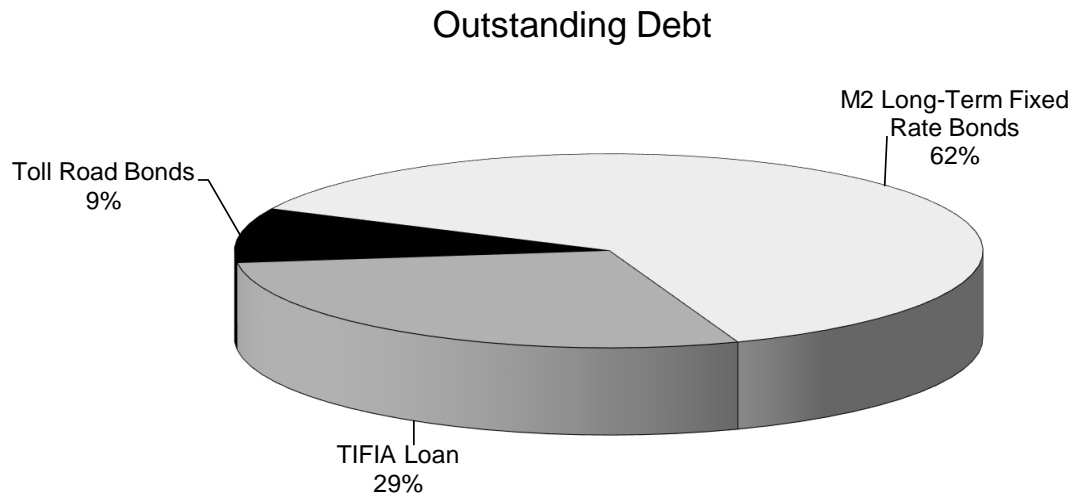
<u>Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
<b>Chandler Asset Management</b>					
Daimler Finance North America	3,000,000	5/5/2020	BBB+	A3	BBB+
On April 14, 2020, Fitch downgraded the long-term credit rating of Daimler from A- to BBB+.					
The downgrade is due to the impact COVID-19 will have on global demand for vehicles, and the impact of production halts on the supply chain. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding due to Daimler securing \$12 billion in EUR loan facilities.					

# DEBT PROGRAM

# Total Outstanding Debt

## As of 4/30/20

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**TOTAL OUTSTANDING DEBT:     \$1,005,375,000**

# Outstanding Debt

## As of 4/30/20

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### Orange County Local Transportation Authority (OCLTA-M2)

#### 2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2020:		17,270,000
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA+
Final Maturity:		2041

#### 2019 M2 Sales Tax Bond

Issued:	\$	376,690,000
Outstanding:		376,690,000
Debt Service FY 2020:		17,939,230
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):		AA+/AA+
Final Maturity:		2041

### 91 Express Lanes

#### 2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	124,415,000
Outstanding:		91,685,000
Debt Service FY 2020:		10,798,325
Pledged Revenue Source:	91 Toll Road Revenues	
Ratings (Fitch/ Moody's/ S&P):		A+/A1/AA-
Final Maturity:		2030

### 405 Express Lanes

#### 2017 TIFIA Loan

Outstanding:	\$	287,000,000
Accrued Debt Service FY 2020:	\$	14,663,610
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's):		Baa2
Final Maturity:		2057





**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2020

### **Overview**

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

### **Recommendation**

Receive and file as an information item.

### **Background**

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. As of March 31, 2020, the Orange County Transportation Authority has made four deposits to the CCF Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

***Discussion***

Per Attachment A, as of March 31, 2020, total pool assets in the CCF Endowment Pool were \$1.06 billion. Total foundation assets were \$1.74 billion. Performance for the CCF Endowment Pool was -9.1 percent for the month, 1.2 percent above the benchmark; -14 percent for the quarter, 1.2 percent above the benchmark. The one-year return was -7.2 percent, 0.2 percent above the benchmark.

Per Attachment B, the balance as of March 31, 2020, was \$11,137,651. The balance is below the June 30, 2020, target of \$12,440,408, due to capital markets experiencing sharp declines due to the novel coronavirus (COVID-19), and its adverse effects on economic activity. As of March 31, 2020, the CCF Endowment Pool is down -14 percent for the first quarter of this year. In April, markets continued to experience various price swings with United States stocks ending the month positive, partially reversing any losses from March. Based on preliminary data, the CCF Endowment Pool is estimated to be up between 6 percent to 7 percent in April. The CCFs Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility. Staff will continue to monitor the CCF Endowment Pool investment information and will bring the results for the period ending June 30, 2020, to the Finance and Administration Committee in August.

***Summary***

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending March 31, 2020.

***Attachments***

- A. California Community Foundation Fund Statement – 1/1/2020 – 3/31/2020
- B. California Community Foundation Endowment Pool Investments – March 31, 2020

**Prepared by:**



Robert Davis  
Department Manager,  
Treasury and Public Finance  
714-560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
714-560-5649



## ATTACHMENT A

**Fund Name** OCTA - Measure M2 Environmental Mitigation Program Fund  
**Fund Start Date** 2/28/2017  
**Investment Pool(s)** Endowment Pool

### FUND STATEMENT

#### OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

1/1/2020 - 3/31/2020

#### Fund Summary

	Report Period 1/1/2020 - 3/31/2020	Calendar YTD 1/1/2020 - 3/31/2020
<b>Opening Fund Balance</b>	\$13,034,838.42	\$13,034,838.42
Contributions	0.00	0.00
Investment Activity, net	(1,862,739.04)	(1,862,739.04)
Administration & Grant Management Fees	(34,448.33)	(34,448.33)
Net Changes to Fund	(1,897,187.37)	(1,897,187.37)
<b>Ending Balance</b>	<b>\$11,137,651.05</b>	<b>\$11,137,651.05</b>

#### Investment Pool Performance as of 3/31/2020

	This Qtr.	1-Year	3-Years	5-Years	10-Years
<b>Endowment Pool</b>	-14.0%	-7.2%	1.9%	2.5%	4.8%
<b>Social Impact Endowment Pool</b>	-12.5%	-1.3%	4.2%	4.1%	6.2%
<b>Conservative Balanced Pool</b>	-6.2%	0.0%	3.2%	3.3%	n/a
<b>Short Duration Bond Pool</b>	2.2%	5.4%	3.0%	2.2%	n/a
<b>Capital Preservation Pool</b>	0.2%	1.9%	1.7%	1.1%	0.7%

**Endowment Pool** - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

**Social Impact Endowment Pool** - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

**Conservative Balanced Pool** - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

**Short Duration Bond Pool** - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

**Capital Preservation Pool** - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.

The Endowment Pool returned -9.1% for the month of March 2020, 120 basis points ahead of its benchmark. For the trailing year, the pool returned -7.2%, 20 basis points ahead of its benchmark.

## Total Pool Assets

\$1.06 billion (Endowment Pool), \$1.74 billion (total foundation assets) as of March 31, 2020.

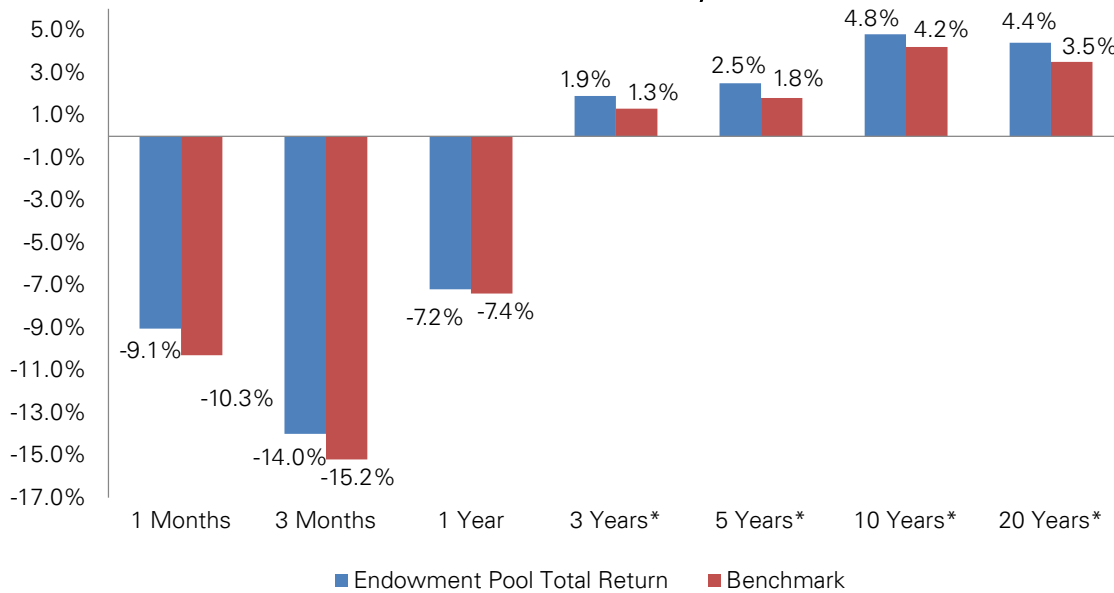
## Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

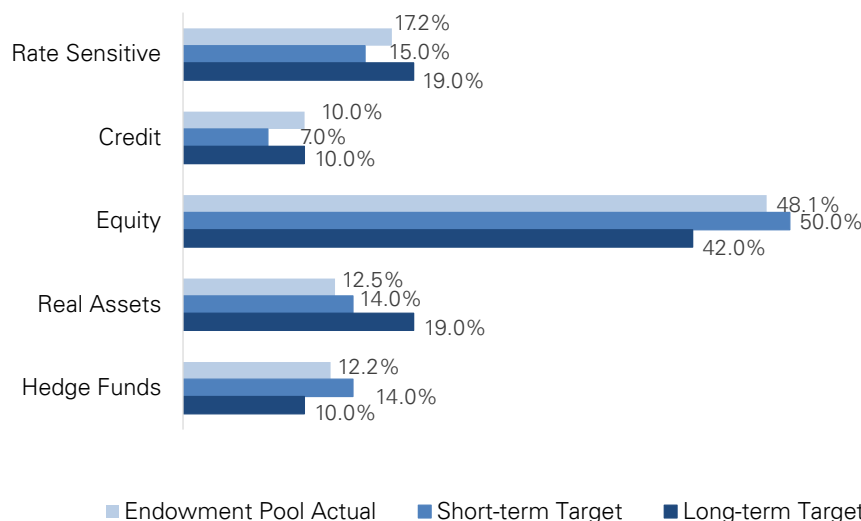
## Investment Consultant

Meketa Investment Group

## Performance History



## Asset Allocation



\*Represents annualized returns.

1) Investment expense ratio approximates 0.65%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.

Updated 4/24/2020



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Amendment to Cooperative Agreement with the Anaheim Transportation Network for Public Transit Services

### **Overview**

On August 28, 2017, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the Anaheim Transportation Network for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the Anaheim Transportation Network with additional funds from the Coronavirus Aid, Relief, and Economic Security Act.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-7-1760 between the Orange County Transportation Authority and the Anaheim Transportation Network, in the amount of \$2,119,322, for the pass through of Coronavirus Aid, Relief, and Economic Security Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$6,324,382.

### **Background**

The Anaheim Transportation Network (ATN) provides transportation services that generate federal funding. As a result, ATN is an eligible subrecipient of funding from the Federal Transit Administration (FTA) Section 5307 Urbanized Area and FTA Section 5339 Bus and Bus Facilities Programs. The Orange County Transportation Authority (OCTA), as the direct grant recipient, has the option to utilize the additional funds for OCTA-related transportation services or to provide the additional funds to ATN to support the transportation services they provide.

OCTA has historically utilized the federal funds generated by ATN for OCTA-related projects and provided an equivalent amount of unrestricted

## **Amendment to Cooperative Agreement with the Anaheim Page 2 Transportation Network for Public Transit Services**

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local funds to ATN to support the transportation services provided. On August 28, 2017, the OCTA Board of Directors (Board) approved a cooperative agreement for the pass through of unrestricted local funds to ATN for fiscal year (FY) 2016-17 through FY 2020-21.

In March 2020, the United States Senate introduced the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the novel coronavirus (COVID-19) pandemic. The CARES Act provides OCTA with an additional \$225 million of federal funding for economic relief caused by the pandemic. As subrecipient, ATN is eligible to receive up to \$2,354,802 of these funds.

### ***Discussion***

OCTA's current agreement with ATN requires an amendment to accommodate the increased funding available to ATN from the CARES Act. OCTA calculated the amount of CARES Act funding available to ATN to be \$2,354,802. The current cooperative agreement stipulates that OCTA will retain up to ten percent of the FTA Section 5307 grant funds to cover costs associated with applying for grant funds, processing payments, and ensuring compliance with federal regulations. As a result, the total CARES Act apportionment for ATN is \$2,119,322. This amount exceeds the maximum obligation in the existing cooperative agreement. This request will increase the maximum cumulative obligation from \$4,205,060 to \$6,324,382 to accommodate the pass through of additional funds.

### **Fiscal Impact**

There is no financial impact to OCTA. OCTA would utilize the federal funds and pass through unrestricted local funds to ATN.

### ***Summary***

Staff requests Board approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-7-1760 between the OCTA and ATN, in the amount of \$2,119,322, for the pass through of funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$6,324,382.

**Amendment to Cooperative Agreement with the Anaheim Page 3  
Transportation Network for Public Transit Services**

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***Attachment***

- A. Anaheim Transportation Network Cooperative Agreement No. C-7-1760  
Fact Sheet

**Prepared by:**



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Sam Kaur  
Department Manager,  
Revenue Administration  
(714) 560-5889

**Approved by:**



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Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
(714) 560-5649



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Virginia Abadessa  
Director, Contracts Administration and  
Materials Management  
(714) 560- 5623



**Anaheim Transportation Network  
Cooperative Agreement No. C-7-1760  
Fact Sheet**

1. August 28, 2017, Cooperative Agreement No. C-7-1760, \$4,205,060, approved by the Board of Directors (Board).
  - Anaheim Transportation Network, funding agreement for public transit services funded with unrestricted local funds in exchange for State and Federal funds.
  - Effective August 27, 2017 through June 30, 2022.
2. June 8, 2020, Amendment No. 1 to Cooperative Agreement No. C-7-1760, \$2,119,322, pending approval by the Board.
  - Amendment to provide for the pass through of unrestricted local dollars in the amount equal to the Anaheim Transportation Network's share of Coronavirus Aid, Relief, and Economic Security Act funds.

Total commitment to the Anaheim Transportation Network, Agreement No. C-7-1760: \$6,324,382.



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2020-21

### **Overview**

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

### **Recommendation**

Adopt Orange County Transportation Authority Resolution No. 2020-023 to establish the Orange County Transportation Authority General Fund appropriations limit at \$12,508,480, for fiscal year 2020-21.

### **Background**

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIII B of the California Constitution, which is also known as the Gann appropriations limitation.

Both the Article XIII B appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, "proceeds of taxes" by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

***Discussion***

In accordance with the requirements of Article XIII B, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Transportation Authority (OCTA) General Fund appropriations limit for fiscal year (FY) 2020-21 at \$12,508,480, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limitation.

Attachment B shows the calculation of the FY 2020-21 OCTA General Fund appropriations limit. Appropriations subject to limitation do not include appropriations for debt service, costs of complying with the mandates of the courts or the federal government, or capital outlay projects. The percentage change in population and change in California per capita personal income were obtained from the State of California, Department of Finance.

***Summary***

Staff recommends adoption of the Orange County Transportation Authority General Fund Resolution No. 2020-023, which will establish the fiscal year 2020-21 appropriation limit at \$12,508,480.

***Attachments***

- A. Resolution No. 2020-023 of the Orange County Transportation Authority - General Fund Establishing Appropriations Limit for Fiscal Year 2020-21
- B. Orange County Transportation Authority - General Fund GANN Appropriations Limit Calculation for Fiscal Year 2020-21

**Prepared by:**



Sam Kaur  
Department Manager,  
Revenue Administration  
(714) 560-5889

**Approved by:**



Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
(714) 560-5649

**RESOLUTION No. 2020-023 OF THE  
ORANGE COUNTY TRANSPORTATION AUTHORITY - GENERAL FUND  
ESTABLISHING APPROPRIATIONS LIMIT FOR  
FISCAL YEAR 2020-21**

**WHEREAS**, Article XIII B of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

**WHEREAS**, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Orange County Transportation Authority - General Fund hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Transportation Authority - General Fund for Fiscal Year 2020-21 is \$12,508,480.
2. The total amount authorized to be expended by the Orange County Transportation Authority - General Fund during Fiscal Year 2020-21 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$4,280,760.
3. The appropriations limit for Fiscal Year 2020-21 exceeds proceeds of taxes for Fiscal Year 2020-21 by \$8,227,720.

ADOPTED, SIGNED, AND APPROVED this 8th day of June 2020.

AYES:

NOES:

ABSENT:

ATTEST:

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Laurena Weinert  
Clerk of the Board

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Steve Jones, Chairman  
Orange County Transportation Authority

**Orange County Transportation Authority - General Fund  
GANN Appropriations Limit Calculation for  
Fiscal Year 2020-21**

**GANN FACTOR**

<u>PER CAPITA CHANGE<sup>1</sup></u>	<u>%</u>	<u>RATIO</u>	<u>GANN FACTOR</u>
California per capita personal income change	3.73%	1.0373	
<u>POPULATION CHANGE<sup>2</sup></u>			
County of Orange	0.04%	1.0004	
<u>GANN FACTOR</u>	1.0373	x	1.0004
		=	<b>1.0377</b>

**FY 2020-21 APPROPRIATION LIMIT**

Prior Year Appropriations Limit	\$	12,054,043
GANN Factor (Rounded)	x	1.0377
	\$	<b>12,508,480</b>

**ITEMS SUBJECT TO GANN LIMIT<sup>3</sup>**

<i>Line Item</i>	<i>Amount</i>
Transfers in from the LTF (CTC Administration and Planning)	\$ 3,561,453
Interest Revenue	719,307
	<b>\$ 4,280,760</b>

**FY 2020-21 APPROPRIATION LIMIT**

	<i>Amount</i>
FY 2020-21 Appropriations Limit	\$ 12,508,480
Less Items Subject to GANN Limit	(4,280,760)
<b>Appropriation Limit that Exceeds the Proceeds of Taxes:</b>	<b>\$ 8,227,720</b>

Note:

**LTF** - Local Transportation Fund

**CTC** - County Transportation Commission

<sup>1,2</sup>Price Factor and Population Information provided by the Department of Finance.

<sup>3</sup>Items subject to GANN Limit provided from proposed FY 2020-21 budget



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2020-21

### **Overview**

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

### **Recommendation**

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2020-022 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,890,379,261, for fiscal year 2020-21.

### **Background**

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann Appropriations Limitation.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, "proceeds of taxes" by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

***Discussion***

In accordance with the requirements of Article XIII B, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Local Transportation Authority (LTA)/Measure M2 (M2) appropriations limit for fiscal year (FY) 2020-21 at \$1,890,379,261, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limitation.

Attachment B shows the calculation of the FY 2020-21 Orange County LTA/M2 appropriations limit. Appropriations subject to limitation do not include appropriations for debt service, costs of complying with the mandates of the courts, federal government, or capital outlay projects. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

***Summary***

Staff recommends adoption of the Orange County Local Transportation Authority/Measure M2 Resolution No. 2020-022, which will establish the fiscal year 2020-21 appropriation limit at \$1,890,379,261, for the Orange County Local Transportation Authority.

***Attachments***

- A. Resolution No. 2020-022 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2020-21
- B. Orange County Local Transportation Authority/Measure M2 GANN Appropriations Limit Calculation for Fiscal Year 2020-21

**Prepared by:**



Sam Kaur  
Department Manager,  
Revenue Administration  
(714) 560-5889

**Approved by:**



Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
(714) 560-5649

**RESOLUTION No. 2020-022 OF THE  
ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY/MEASURE M2  
ESTABLISHING APPROPRIATIONS LIMIT FOR  
FISCAL YEAR 2020-21**

**WHEREAS**, Article XIII B of the California constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

**WHEREAS**, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Orange County Local Transportation Authority/Measure M2 hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Local Transportation Authority/Measure M2 for Fiscal Year 2020-21 is \$1,890,379,261.
2. The total amount authorized to be expended by the Orange County Local Transportation Authority/Measure M2 during the Fiscal Year 2020-21 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$296,823,744.
3. The appropriations limit for Fiscal Year 2020-21 exceeds proceeds of taxes for Fiscal Year 2020-21 by \$1,593,555,517.

ADOPTED SIGNED AND APPROVED this 8th day of June 2020.

AYES:

NOES:

ABSENT:

ATTEST:

---

Laurena Weinert  
Clerk of the Board

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Steve Jones, Chairman  
Orange County Local Transportation Authority



**Orange County Local Transportation Authority/Measure M2  
GANN Appropriations Limit Calculation for  
Fiscal Year 2020-21**

**GANN FACTOR**

<u>PER CAPITA CHANGE<sup>1</sup></u>	<u>%</u>	<u>RATIO</u>	<u>GANN FACTOR</u>
California per capita personal income change	3.73%	1.0373	
<u>POPULATION CHANGE<sup>2</sup></u>			
County of Orange	0.04%	1.0004	
<u>GANN FACTOR</u>	1.0373	x	1.0004 = <span style="border: 1px solid black; padding: 2px;">1.0377</span>

**FY 2020-21 APPROPRIATION LIMIT**

Prior Year Appropriations Limit	\$ 1,821,701,129
GANN Factor (Rounded)	x 1.0377
	<b>\$ 1,890,379,261</b>

**ITEMS SUBJECT TO GANN LIMIT<sup>3</sup>**

<u>Line Item</u>	<u>Amount</u>
1/2 cent sales tax (Measure M2)	\$ 287,018,221
CDTFA Fees	3,157,200
Interest Revenue	6,648,323
	<b>\$ 296,823,744</b>

**FY 2020-21 APPROPRIATION LIMIT**

	<u>Amount</u>
FY 2020-21 Appropriations Limit	\$ 1,890,379,261
Less Items Subject to GANN Limit	(296,823,744)
<b>Appropriation Limit that exceeds the proceeds of taxes:</b>	<b>\$ 1,593,555,517</b>

Note:

**CDTFA** - California Department of Tax and Fee Administration

<sup>1,2</sup>Price Factor and Population Information provided by the Department of Finance.

<sup>3</sup>Items subject to GANN Limit provided from proposed FY 2020-21 budget



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Agreement for Deferred Compensation Services

### **Overview**

The Orange County Transportation Authority provides all employees the opportunity to participate in a defined contribution program through a third-party deferred compensation service provider. Voluntary employee contributions are allocated to the 457(b) Deferred Compensation Plan. Additionally, employer contributions are allocated to the 401(a) Plan as employees become eligible. A 3121 Plan is also available for the Board of Directors, extra help employees, coach operator trainees, and interns who are not eligible to participate in the Orange County Employees Retirement System through the Orange County Transportation Authority. The 3121 Plan is also available to newly-hired employees over the age of 60 that waive membership into the Orange County Employees Retirement System. Approval is needed to execute a new agreement for these services.

### **Recommendations**

- A. Approve the selection of Nationwide Retirement Solutions as the firm to provide deferred compensation services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2014 between the Orange County Transportation Authority and Nationwide Retirement Solutions, to perform a broad range of defined contribution services related to the administration of the 457(b), 401(a), and 3121 plans, for an initial term of five years with two, five-year option terms.

### **Discussion**

The Orange County Transportation Authority (OCTA) is responsible for the establishment and administration of a Defined Contribution Plan for employees and members of the Board of Directors (Board). Utilizing the services of a plan

provider, OCTA currently provides all employees, including those covered by a collective bargaining agreement and members of the Board, the opportunity to participate in a 457(b) Deferred Compensation Plan. Company contributions for those eligible employees are allocated to the 401(a) Plan. Members of the Board, extra help employees, employees who are classified as interns and coach operator trainees are required to participate in the 3121 Plan, along with new hires over the age of 60 that waive membership in the Orange County Employees Retirement System (OCERS) pension plan.

Prior to 2004, OCTA contracted with four deferred compensation service providers to administer the defined contribution plans. In 2004, 2010 and 2015, the Board awarded the contract to a single provider, Nationwide Retirement Solutions (Nationwide). The current contract for these services is set to expire on July 31, 2020; a new contract is necessary to continue providing these services through a plan provider.

### ***Procurement Approach***

The procurement was handled in accordance with OCTA's Board-approved procedures for professional and technical services. Many factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as staffing and project organization, prior experience with similar projects, work plan, as well as cost and price.

On January 23, 2020, Request for Proposals (RFP) 0-2014 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on January 21 and 28, 2020. A pre-proposal conference was held on January 29, 2020, with six attendees representing five firms. Addendum No. 1 was issued to provide a copy of the pre-proposal registration sheet, revise the term of the agreement to include option terms, as well as other administrative changes. Addendum No. 2 was issued to respond to questions related to the RFP.

On February 13, 2020, six proposals were received. An evaluation committee consisting of OCTA staff from the Contracts Administration and Materials Management Department, Treasury and Public Finance Department, Human Resources and Organizational Development Division, Finance and Administration Division, as well as an external representative from Benefit Financial Services Group, OCTA's Deferred Compensation Plan consultant, met to review all proposals received.

The evaluation process included a two-phase approach by first reviewing each proposal based on responses to questions related to minimum requirements and given a pass/fail grade. Offerors were required to pass all criteria in the first phase of the evaluation to move onto the second phase of the evaluation process. The first phase of the evaluation process identified those offerors that were best suited to meet the needs and objectives of OCTA. Minimum requirements included plan size, participant count, and availability to conduct education meetings. All offerors passed the first phase of the evaluation.

The second phase of the evaluation process was to evaluate the proposals based on the following evaluation criteria and weights:

- Recordkeeping/Administration 20 percent
- Communication/Education 40 percent
- Investments 20 percent
- Cost and Price 20 percent

Several factors were considered in developing the criteria weights. Recordkeeping/Administration was weighed at 20 percent to ensure the firm can provide the required administrative services. Communication/Education of the defined contribution program to OCTA's employees through face-to-face, one-on-one meetings, as well as call center accessibility and performance metrics were among the most important factors. Therefore, this criterion was weighted highest at 40 percent. It is imperative that each proposing firm has the ability to provide information and meet with employees at times and in ways that are most convenient to the employees with little disruption to their duties. Access to the local client representative or a customer service representative by telephone, as well as a user-friendly online system were of importance. Investments as well as cost and price were weighted equally at 20 percent to ensure the firm can provide a variety of investment options comparable to what is currently available to participants and to ensure the fees per service are competitive so that OCTA and participants receive value for the services provided.

On March 13, 2020, the evaluation committee reviewed all proposals based on the evaluation criteria and short-listed the two most qualified firms listed below in alphabetical order:

Firm and Location

ICMA Retirement Corporation (ICMA-RC)  
Washington, D.C.

Nationwide Retirement Solutions (Nationwide)  
Columbus, Ohio

The interviews were conducted on April 1, 2020 and consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements and provided a brief overview of their recordkeeping processes and communication/education plan. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' role and responsibilities in administering the plan, the proposed project team's roles and experience on similar past projects, key personnel availability, innovative services or tools currently in development, as well as questions related to the features of the firms' participant website. Finally, each team was asked specific clarification questions related to their proposal.

The preliminary ranking was reviewed by the evaluation committee after the interviews, and no change was made.

Based on the evaluation of the written proposals, the firm's qualifications, and the information obtained from the interviews, the evaluation committee recommends Nationwide for consideration of the award. The following is a brief summary of the proposal evaluation results.

#### Recordkeeping/Administration

Both firms demonstrated relevant experience and qualifications for administering and recordkeeping similar-sized plans.

Nationwide has specialized in providing retirement plan services to the government sector for over 46 years. The firm manages \$143 billion defined contribution retirement plan assets and provides plan administration, investment, communications and education services to 6,911 section 457 deferred compensation plans across the United States. Nationwide is currently the incumbent firm providing defined contribution services to OCTA employees and has a proven track record of effectively managing all aspects of the defined contribution program including working with staff to comply with reporting requirements.

Nationwide has a local dedicated day-to-day contact and relationship manager and has the shortest average response time for their toll-free customer service number of the short-listed firms. The firm's call center hours are the longest and open for operation on Saturdays. Due to the schedules of a large number of OCTA employees, this level of accessibility meets the requirements of the scope

of work. Lastly, the participant asset allocation system Nationwide uses allows for an unlimited number of portfolio models. Nationwide's experience and qualifications in providing defined contribution services as required were clearly demonstrated through their proposal and interview.

ICMA-RC is established and experienced with a distinguished reputation in the industry. The firm has provided retirement plan services to the government sector for over 47 years. The firm provides plan administration, investment, communications and education services to 4,693 section 457 deferred compensation plans across the United States. The firm's call center is not open on Saturdays. Lastly, the participant asset allocation system can accommodate three-to-five risk-based portfolios or seven-to-ten target-date portfolio models.

#### Communication/Education

Both short-listed firms demonstrated their commitment to plan participants in education and communication of retirement solutions.

Nationwide is experienced in providing retirement services with a demonstrated commitment to employee education. The communication and education plan proposed by Nationwide included the most thorough and comprehensive of the short-listed firms. Nationwide has proposed tool enhancements including phone cue reservation for longer than normal hold times and a multi-touch point strategy that complements the individual and group meetings conducted by the local dedicated retirement specialist. The dedicated retirement specialist will be available for face-to-face meetings during the various employee work shifts at all OCTA work locations. Nationwide proposed the highest number of annual ongoing meeting days for one-on-one meetings with employees at no additional cost to the employee. Also, the firm proposed all interested employees to receive comprehensive financial plans and goal-specific financial plans for any employee at no additional cost.

Nationwide has the ability for employees to contribute simultaneously to model type portfolio funds and core funds allowing employees greater investment options with the ability to have both at the same time.

ICMA-RC proposed a new mobile tool to allow employees to send a text message for account information and schedule meetings with a financial advisor. ICMA-RC proposed the second highest number of annual ongoing meeting days for one-on-one meetings with employees. However, ICMA-RC proposed to charge additional fees for participant education days that exceeded the original number of proposed days. Also, the firm proposed a goal-specific plan for participants who choose to aim for a specific amount in their profile by a specified

age. A comprehensive financial plan is also available to identify what stage an employee is in and create a unique guide and allow the employee to manage and track the details of their retirement plan. However, the employee would need to pay a fee for the financial plan if the employees' portfolio did not meet or exceed a minimum balance.

#### Investments

Nationwide proposed to continue offering the fixed account, with a starting guarantee of a 3.5 percent return on investment (ROI) for those plan participants who have elected this investment option. The 3.5 percent ROI is subject to a gradual decrease with a crediting rate floor of .50 percent in 2024. The reduction is based on market conditions and investment performance. The proposed ROI guarantee of .50 percent by Nationwide is the highest proposed fixed-account guarantee. In addition, Nationwide has no account restrictions, allowing the employee to invest in an unlimited number of models in an individual's portfolio.

ICMA-RC proposed the second highest fixed-account guarantee offering 2.41 percent ROI. However, the crediting rate for the fixed-account fund is not guaranteed to remain at 2.41 percent as it is recalculated on a daily basis. In addition, ICMA-RC proposed no credit rating floor, which may lead the ROI for the fixed-account fund to offer no interest. Lastly, ICMA-RC has a limit to how many models are accepted in an employee's portfolio.

#### Cost and Price

Scores for cost and price were based on proposed plan expense ratios expressed in basis points (bps), which is defined as .01 percent. Scores for plan expenses were based on a formula, which assigned the highest score of five to the lowest plan expense and scored the remaining plan expenses based on the relation to the lowest plan expense. ICMA-RC's total expense was the highest ranked and Nationwide's total expense ranking was second highest overall.

#### Procurement Summary

Based on the evaluation of written proposals, the firms' qualifications and the information obtained from the interviews, the evaluation committee recommends the selection of Nationwide as the top-ranked firm to provide defined contribution services. Nationwide delivered a proposal and interview that was responsive to all requirements of the RFP.

**Fiscal Impact**

The cost for administration of the defined contribution plans is paid by employees who participate in the deferred compensation benefit. There is no administration cost to OCTA.

**Summary**

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2014 between the Orange County Transportation Authority and Nationwide Retirement Solutions for a five-year initial term with two, five-year option terms to perform a broad range of defined contribution services related to the administration of the 457(b), 401(a), and 3121 plans at no cost to OCTA.

**Attachments**

- A. Review of Proposals, RFP 0-2014 Deferred Compensation Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 0-2014 Deferred Compensation Services
- C. Contract History for the Past Two Years, RFP 0-2014 Deferred Compensation Services

**Prepared by:**

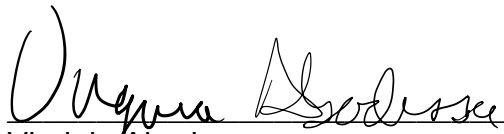
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**Approved by:**

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**Review of Proposals**  
**RFP 0-2014 Deferred Compensation Services**

Presented to Finance and Administration Committee - May 27, 2020

Six proposals were received, two firms were interviewed, one firm is being recommended.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Expenses in Basis Points (bps)
1	88	Nationwide Retirement Solutions Columbus, Ohio	None	Highest-ranked firm overall. Experienced, tenured, and well-rounded project team. Providing recordkeeping and administration since 1973. Provides services to 6,911 section 457 plans across the United States for various government sector clients, including OCTA. Call center hours are the longest among the proposing firms. Able to create personalized financial plans for one-on-one employee meetings for no additional cost. Provided thorough responses to questions with participation from all proposed key personnel. Participant asset allocation system allows for unlimited number of portfolio models. Provided highest guaranteed floor credit of 3.5 percentage rate with a gradual decline to 0.5 percentage rate effective 2024 through the duration of contract. Positive references. Proposed competitive total plan expenses.	7 bps
2	78	ICMA - Retirement Corporation Washington, D.C.	None	Second-ranked firm. Providing recordkeeping and administration since 1972. Provides services to 4,693 section 457 plans across the United States for various government sector clients. Additional fees for participant education days exceeding number proposed. Additional cost for standard or comprehensive financial plan if the employees' portfolio does not meet or exceed a minimum balance. Participant asset allocation system can accommodate three to five risk based portfolios or seven to ten target-date portfolio models. Provided thorough responses to questions with participation from all proposed key personnel. Positive references. Offered no guaranteed floor credit rate.	6.5 bps

**Evaluation Panel:**

Contracts Administration and Materials Management (1)  
Treasury and Public Finance (1)  
Finance and Administration (1)  
Human Resources and Organizational Development (2)

**Proposal Criteria**

Recordkeeping/Administration  
Communication/Education  
Investments  
Cost and Price

**Weight Factors**

20%  
40%  
20%  
20%

**PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms)**  
**RFP 0-2014 DEFERRED COMPENSATION SERVICES**

FIRM: Nationwide Retirement Solutions						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Recordkeeping/Administration	4.5	4.0	4.5	4.0	4.0	4	16.8
Communication/Education	4.5	4.5	4.5	4.0	4.0	8	34.4
Investments	4.5	4.5	5.0	5.0	4.0	4	18.4
Cost and Price	4.6	4.6	4.6	4.6	4.6	4	18.6
Overall Score	90.6	88.6	92.6	86.6	82.6		88

FIRM: ICMA-Retirement Corporation						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Recordkeeping/Administration	4.0	4.0	4.0	3.0	4.0	4	15.2
Communication/Education	3.0	4.0	4.0	3.0	3.5	8	28.0
Investments	4.0	4.0	4.0	3.0	3.5	4	14.8
Cost and Price	5.0	5.0	5.0	5.0	5.0	4	20.0
Overall Score	76.0	84.0	84.0	68.0	78.0		78

The range of scores for the non-short-listed firms was 54-68.

**CONTRACT HISTORY FOR THE PAST TWO YEARS**  
**RFP 0-2014 DEFERRED COMPENSATION SERVICES**

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Nationwide Retirement Solutions						
Contract Type: Time and Expense	C-5-3059	Deferred Compensation Services	August 1, 2015	July 31, 2020		\$ -
Subconsultants: N/A						
Sub Total						\$ -
ICMA-Retirement Corporation						
Contract Type: N/A	None	N/A	N/A	N/A	N/A	
Subconsultants:None						
Sub Total						\$ -



**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Agreement for Occurrence Tracking System Replacement

### **Overview**

The Orange County Transportation Authority utilizes an in-house, custom developed browser-based software application for the Operations, Safety and Environmental Compliance, and Risk Management departments to gather and analyze information about any activities which may be related to litigation used by claims management and safety. The current Occurrence Tracking System used by the Orange County Transportation Authority was developed over 25 years ago and a replacement is now needed. Board of Directors' approval is requested to execute an agreement for a replacement system.

### **Recommendations**

- A. Approve the selection of Origami Risk LLC, as the firm to provide cloud-based claims management software as a service in support of the Orange County Transportation Authority's Occurrence Tracking System for Risk Management and Safety departments.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2023 between the Orange County Transportation Authority and Origami Risk LLC, in the amount of \$495,170, to provide cloud-based claims management software as a service to replace Orange County Transportation Authority's Occurrence Tracking System for a three-year term.

### **Discussion**

The Orange County Transportation Authority's (OCTA) current claims management software is known as the Occurrence Tracking System (OTS). OTS is a browser-based software application developed in-house in the early 1990s that gathers and analyzes operational information for Operations, Safety

and Environmental Compliance, and Risk Management departments to meet their respective missions and goals.

The current system provides a work process from the point of an operations occurrence through the radio dispatch center to allow for immediate response to accidents and injuries in the field. Data is collected to document events for use by various teams to process post-incident claims, drug and alcohol testing, discipline, remedy any unsafe conditions, or behaviors and to comply with laws and regulations.

The OTS system was developed in a programming language that is being replaced in the digital world with newer technology that is not as vulnerable to security risks. The system's programming language is not a skillset that is readily found in the open job market.

Staff is recommending changing the system to a cloud-based system for the following three reasons:

- Internal resources currently used to support the existing system will no longer be available due to staffing changes.
- Cloud-based solutions are turnkey and can be deployed much more quickly than in-house solutions, and they do not require significant complex customizations, maintenance, or development costs.
- The Federal Transit Administration (FTA) requires OCTA to adopt a Public Transportation Agency Safety Plan that follows the requirements of a safety management system (SMS) approach by July 20, 2020. The new software includes functionality to satisfy the new FTA SMS requirements as the current software does not.

### ***Procurement Approach***

The procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. Various factors are considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On March 3, 2020, Request for Proposals (RFP) 0-2023 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on March 3 and 9, 2020. A pre-proposal conference was held

on March 11, 2020. Three addenda were issued to provide responses to questions received and make clarifications relative to the RFP.

On March 30, 2020, two proposals were received. An evaluation committee comprised of OCTA staff from Contracts Administration and Materials Management, Enterprise Computer Solutions and Support, Risk Management, Operations Support, and Safety and Environmental departments met to review the submitted proposals.

The proposals were evaluated based on the following evaluation criteria and weights:

- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 25 percent |
| • Staffing and Project Organization | 20 percent |
| • Work Plan                         | 30 percent |
| • Cost and Price                    | 25 percent |

Several factors were considered in developing the evaluation criteria weights. Qualifications of the firm was weighted at 25 percent because firms needed to demonstrate a background of experience with systems used by risk, safety, and field teams for occurrence tracking. Staffing and project organization was weighted at 20 percent, as the firm had to present a project team with the expertise and skills, as well as the availability, to develop a new claims management system as required. Work plan was rated the highest at 30 percent, because the work plan approach and strategy derived from proposals was an important consideration during the evaluation review process, which included completion of a Business Requirements list that documents the proposed solution's capability and method to implement the system. The firm also needed to demonstrate the ability to build, customize, and configure the OTS application to ensure compatibility with OCTA's system requirements. The cost and price criteria were assigned a 25 percent weight to ensure OCTA receives value for the services provided.

The evaluation committee reviewed and discussed the two proposals received based on the evaluation criteria and interviewed both firms. Both firms are listed below in alphabetical order:

Firm and Location

Origami Risk LLC (Origami)  
Chicago, Illinois

Trackit LLC (Trackit)  
Van Nuys, California

On April 14, 2020, the evaluation committee interviewed the two firms. The interviews consisted of a presentation allowing each team to present a short demonstration of its proposed product and respond to evaluation committee questions.

On April 15, 2020, the two firms were sent requests for clarifications that resulted in best and final offers (BAFO). The BAFO included clarifications to the scope of work (SOW), as well as a reduction in the term of the contract to three years for maintenance and license fees. The rankings did not change, post review of BAFO.

Based on the evaluation of the written proposals, as well as information obtained from the interviews and BAFO, the evaluation committee recommends Origami as the firm to replace the OTS for consideration of the award. The following is a brief summary of the proposal evaluation results.

**Qualifications of the Firm**

The two firms are established firms with relevant experience and extensive resources. The firms demonstrated experience in the development of similar OTS projects.

Origami was founded in 2009, has 300 employees and 26 offices with a primary office in Chicago, Illinois. Origami currently serves over 600 clients in a range of industries using the firm's cloud-based solution hosted as Software as a Service (SaaS). Clients range from municipalities, cities, states, governments, and federal agencies and provides the SaaS solution to clients that include Port of Seattle, Washington Schools Risk Management Pool, South Carolina School Board, and ten transit agencies including Alameda-Contra Costa Transit District, Washington Metropolitan Area Transit Authority, and Metropolitan Atlanta Rapid Transit Authority.

Trackit was founded in 2012 and is located in La Mesa, California. They provide services and products to more than 80 transit agencies using Trackit services and products. The types of services offered did not address the full range of the

SOW's project goals needed. Clients include Long Beach Transit, Lynx Transit, Jacksonville Transportation, BC Transit in Canada, and Metropolitan Atlanta Rapid Transit Authority.

#### Staffing and Project Organization

The firms' proposed qualified project managers and key personnel with relevant experience.

Origami's service team lead is responsible for leading large software implementations and managing ongoing client services, as well as supporting a team of client executives that has managed the New York City Transit Authority. The project manager has over 15 years' experience in implementing technology solutions and has been proposed to manage and implement the risk management solutions. The project manager has managed similar projects for both Massachusetts Bay Transportation Authority and Washington Metropolitan Area Transit Authority and will be OCTA's main contact. The staff responded to all questions at the interview and were knowledgeable of the software requirements essential to OCTA.

Trackit's project manager has been in the transportation business for more than 25 years with primary responsibility in the area of training. He was manager of training for San Diego Transit and Director of Instruction for the Los Angeles County Metropolitan Transportation Authority, and has experience implementing safety, risk, and software programs. The support manager has over six years' experience in selling, delivery, and support transit solutions.

#### Work Plan

In addition to the SOW, OCTA compiled a comprehensive list of business requirements that are imperative to be fully understood by proposers. The purpose of this list was to provide proposers the opportunity to review and discuss these requirements with OCTA in its proposal and interview.

Origami met the requirements of the RFP and effectively discussed the approach to completing the OTS replacement project identified in the SOW. Origami presented a work plan that detailed their project understanding and approach and responded positively to all business requirements on the list. The firm has a complete software package that meets OCTA's requirements. The work plan demonstrated an understanding of the project objectives and clearly described the firm's approach. During the interview, the firm gave a 30-minute demonstration of their product and was found to be acceptable.



Trackit has strong transit agency experience and operations training but the proposed work plan did not articulate a clear solution addressing all the essential requirements of the SOW. Many of the SOW business requirements listed by OCTA as “must haves,” were responded to as future enhancements and the firm was unable to provide a delivery timeline during the interview. The methodology approach was not described as requested and relevant deliverables information were not delineated as requested creating a lack of clarity and a large effort to identify the information required. The proposed solution did not demonstrate that it can meet OCTA’s requirements for a new OTS. Furthermore, the demonstration of the firm’s product did not provide additional information or clarification of how their solution would meet the business requirements necessary to this project.

#### Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest firm-fixed price for the three-year term and scored the other proposal’s firm-fixed price based on its relation to the lowest firm-fixed price. Origami’s proposed firm-fixed price was higher than Trackit’s firm-fixed price, but it was within the OCTA project manager’s independent cost estimate. The price difference between the firms is representative of Origami’s proposed solution’s ability to deliver on all aspects of the required SOW.

#### Procurement Summary

Based on the evaluation of written proposals, the firm’s qualifications, and the information obtained from the interviews, the evaluation committee recommends the selection of Origami as the top-ranked firm to provide cloud-based claims management software in support of the OCTA’s Risk Management and Safety and Environmental departments. Origami delivered a thorough and comprehensive proposal and an interview that was responsive to all the requirements of the RFP.

#### Fiscal Impact

This project is included in OCTA’s Fiscal Year 2019-20 Budget, Finance and Administrative Division, accounts 1285-7519-A5359-N8N and 1285-9028-A5359-9RS. The expenditures will be funded using local funds.

***Summary***

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2023 between the Orange County Transportation Authority and Origami Risk LLC, in the amount of \$495,170 for a three-year term, to replace OCTA's Occurrence Tracking System.

***Attachments***

- A. Review of Proposals, RFP 0-2023, Occurrence Tracking System Replacement
- B. Proposal Evaluation Criteria Matrix, RFP 0-2023, Occurrence Tracking System Replacement
- C. Contract History for the Past Two Years, RFP 0-2023: Occurrence Tracking System Replacement

**Prepared by:**



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**Approved by:**



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Review of Proposals

RFP 0-2023 Occurrence Tracking System Replacement

Presented to the Finance and Administration Committee on May 27, 2020

2 proposals were received, 2 firms were interviewed, 1 firm is being recommended

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm-Fixed Price
1	68	Origami Risk LLC Chicago, Illinois	None	Established in 2009, 300 employees Provided a detailed project plan with assigned full-time Project Manager Implementation team will be the support team Software as a Service risk and insurance focused The staff responded satisfactorily to all questions at the interview and were knowledgeable of the software requirements essential to OCTA. Secured - backed-up every 15 minutes Project manager has over 15 years experience implementing technology solutions	\$495,170
2	64	Trackit LLC Van Nuys, California	None	Was founded in 2012 in La Mesa, California Key personnel's experience is mainly in the area of training Unclear knowledge of multiple claims and single occurrence Pricing is low in comparison to independent cost estimate Methodology not described as requested The product demonstration did not provide additional information or clarification of the product capabilities	\$90,500

Evaluation Panel	Proposed Criteria	Weight Factors
Contracts Administration and Materials Management (1)	Qualifications of the Firm	25 percent
Enterprise Computer Solutions and Support (1)	Staff and Project Organization	20 percent
Risk Management (1)	Work Plan	30 percent
Operations Support (1)	Cost and Price	25 percent
Safety and Environmental (1)		

**PROPOSAL EVALUATION CRITERIA MATRIX  
RFP 0-2023 OCCURRENCE TRACKING SYSTEM REPLACEMENT**

Origami Risk, LLC						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	5	5	5	5	4	5	23
Staffing/Project Organization	4	4	4	4	4	4	15
Work Plan	4	5	5	5	4	6	25
Cost and Price	1	1	1	1	1	5	5
Overall Score	65	70	70	73	60		68
Trackit, LLC						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	3	3	3	3	3	5	15
Staffing/Project Organization	3	3	3	2	3	4	10
Work Plan	2	2	3	2	3	6	13
Cost and Price	5	5	5	5	5	5	25
Overall Score	62	62	67	60	65		64

**CONTRACT HISTORY FOR THE PAST TWO YEARS**  
**RFP 0-2023: Occurrence Tracking System Replacement**

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Origami Risk LLC Contract Type: Subconsultants: None						
		No previous contracts				
Sub Total						\$0.00
Trackit LLC Contract Type: Purchase Orders for Training Software Subconsultants: None						
	A42253	Training Software	October 3, 2019	January 31, 2020	None	\$ 17,000
	A43531	Training Software	October 15, 2019	January 31, 2021	None	\$ 24,000
Sub Total						\$41,000





**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** 91 Express Lanes Update for the Period Ending -  
March 31, 2020

### **Overview**

On a quarterly basis, a 91 Express Lanes informational report is provided to the Orange County Transportation Authority Board of Directors. The report focuses on traffic and revenue performance, toll adjustments, account and transponder changes, outstanding debt, and recent events. This report provides a summary for the operational and financial activities for the period ending March 31, 2020, and includes the initial impacts of the novel coronavirus pandemic.

### **Recommendation**

Receive and file as an information item.

### **Background**

Since January 2003, the Orange County Transportation Authority (OCTA) has owned the 91 Express Lanes (91 EL), which is a two-lane managed-lane facility in each direction in the median of the State Route 91 (SR-91) freeway. Over the past 17 years, OCTA has experienced the growth and downswings of the economy and the resulting impacts to the 91 EL. During OCTA ownership, toll rates have been adjusted up and down, additional capacity has been added to the general-purpose lanes in the SR-91 corridor through various improvement projects, the outstanding debt has been restructured, and an extension of the facility was completed by the Riverside County Transportation Commission (RCTC). In addition to these events, most recently the 91 EL has experienced the impacts of the novel coronavirus (COVID-19) pandemic and California Governor Gavin Newsom's stay-at-home order.

State and local governments across the United States issued orders for residents to self-quarantine and refrain from non-essential travel in an effort to slow the spread of the virus. These efforts caused the economy to slow and

have resulted in severe decreases in traffic volumes well in excess of peak losses during the global financial crisis in 2008. Managed-lane facilities throughout the country experienced year-over-year commuter traffic declines of about 70 to 80 percent. The 91 EL also experienced traffic declines of approximately 70 percent during the month of March 2020.

### ***Discussion***

Up until mid-March, the 91 EL continued to perform well. Traffic volumes and revenues were at historic highs, and the national and local economies were continuing to show signs of growth and expansion. Then in mid-March, stay-at-home measures were enacted to slow the spread of COVID-19, and traffic volumes dropped significantly on the 91 EL. The statistics below reflect these lower volumes.

#### **Traffic Volumes**

Total traffic volume on the OCTA 91 EL for the month of March 2020 was 905,400. This represents a daily average of 29,206. This is a 41.2 percent decrease in total traffic volume from the same period last year when traffic levels totaled 1,539,257. Carpool percentage for the period ending March was 22.7 percent. In looking at the quarter-ending period of March 2020, traffic volumes registered 3.8 million, which was a decrease of 10 percent over the same period the prior year. For the 12-month period ending March 2020, traffic volumes reached 17.3 million and decreased by 0.7 percent over the same period the prior year. The decrease in traffic volumes during the last month, quarter, and 12 months, were a result of the stay-at-home measures.

#### **Gross Potential Toll Revenue (GPTR)**

GPTR for the month of March 2020 was \$2,916,062, which represents a decrease of 35.8 percent from the prior year's total of \$4,542,427. GPTR is equal to the toll rate times the number vehicles traveling on the 91 EL (the amount does not consider violations or discounts). In looking at the previous 12 months, GPTR totaled \$52.1 million and increased by 1 percent over the same period the prior year.

#### **Toll Adjustments**

The Board of Directors (Board)-adopted Toll Policy requires staff to review traffic volumes on the Orange County segment of the 91 EL for potential toll adjustments on a quarterly basis. The most recent toll adjustment occurred on January 1, 2020, whereby three peak-period hours declined and two hours



increased. The toll rates declined by \$0.50 for the hours that were reduced, and rates were increased by \$0.75 for the hours that were increased. As of the end of March 2020, toll rates ranged from a minimum of \$1.70 to a maximum of \$8.65. The next scheduled toll adjustment will occur on April 1, 2020.

#### Number of Accounts and Transponders

The number of active accounts totaled 149,843, and 295,675 transponders were assigned to those accounts as of March 31, 2020. Over the past 12 months, the number of accounts has increased by 3,692, and the number of transponders in circulation has increased by 73,192.

#### Outstanding Debt

As of March 31, 2020, the outstanding amount of the 91 EL tax-exempt 2013 Senior Lien Toll Road Revenue Refunding Bonds (Bonds) totaled \$91.7 million. The Bonds are rated “AA-” by Standard and Poor’s, “A1” by Moody’s, and “A+” by Fitch Ratings. The next scheduled debt service payment is on August 17, 2020. There are currently no plans to issue additional debt secured by 91 EL toll revenues.

#### Reserve Funds

The bond indenture for the 2013 Bonds requires three reserve funds: a major maintenance fund, an operating fund, and a debt service reserve fund. All three reserves are fully funded with a total balance of \$25.2 million as of March 31, 2020.

In addition to the bond indenture required reserve funds, OCTA’s Board elected to establish two additional reserve funds. An internal capital projects fund has a balance of \$24.8 million and is used for large capital projects for the 91 EL. In the past, these funds were used for pavement and lane system expenses. The other reserve fund was established in 2017 for two future Measure M2 projects in the SR-91 corridor. The balance in that reserve fund is \$57.3 million. Lastly, OCTA has approximately \$97.9 million set aside in excess toll revenues for other SR-91 corridor projects and economic uncertainty.

#### Recent Activities

Letters continued to be sent to customers notifying them of the transition to 6C transponders, as well as changes to the account plans, user agreement, and privacy policy. Distribution of the new welcome kit and 6C sticker transponders

continued throughout the period. It is envisioned the distribution of transponders to all customers will take place over several months.

#### Upcoming Events

Over the next few months, several events will be transpiring related to the 91 EL. OCTA will be contracting with the California Department of Transportation to provide construction and construction management services for the 91 EL Toll Entrance Gantries Infrastructure Project. This project entails constructing new toll gantries infrastructures at the three entrances of the OCTA 91 EL. Construction of the gantries is scheduled to begin fall 2020 and is expected to be completed in early 2021. The new toll gantries will house new electronic toll and traffic management system equipment. Once the toll gantries have been constructed, Kapsch TrafficCom USA (Kapsch) will commence installation of the new equipment. Kapsch will also begin replacement of the closed-circuit television cameras along the SR-91 corridor.

Staff will be seeking Board approval on the release of a roadside services request for proposals (RFP) for the 91 EL. This RFP and corresponding scope of services is currently being developed and is scheduled for release during the third quarter of 2020. The evaluation committee recommendations for this RFP are anticipated to be presented to the Board by the end of the calendar year.

#### COVID-19 Related Events and Post March 2020 Activities

Amid concerns about the spread of COVID-19 and following the Governor's guidance to help reduce its spread, the 91 EL Customer Walk-In Center in the City of Corona was closed in March and will remain so until further notice. Operational activities in the Anaheim and Corona locations continued to function with a combination of remote workers and core staff located at the facilities. Core essential functions include aiding stranded motorists, providing incident management services, and dispatching emergency vehicles through the traffic operations center. The call center remains open to respond to customer service and violation calls.

Some violation and collection efforts have been temporarily halted by both OCTA and RCTC. These include pausing outbound collection calls, not sending collection notices, and stopping the transmission of violation files to the collection agency. These violations remain outstanding until the temporary mandates have been lifted. Representatives at Cofiroute USA (operator for the 91 EL) and the collection agency will still be servicing calls for those individuals that are paying for the violations. This temporary pause for these measures was implemented with the understanding that many individuals may find it difficult to pay for violations at this time.

In April 2020, the OCTA and RCTC Boards approved the temporary waiving of monthly account maintenance fees. The OCTA Board also approved the temporary modification of the 91 EL Toll Policy to allow the ability to suspend automatic toll rate increases. Toll increases for Easter Sunday and Mother's Day were not implemented, as well as a scheduled April 1, 2020, toll rate increase. In addition, there is a cost-of-living adjustment (COLA) scheduled for July 1, 2020. The COLA may not be implemented if the current economic conditions persist through the end of the fiscal year. The Chief Executive Officer will notify the Board if the COLA is not implemented ten days prior to July 1.

Traffic volumes reached the lowest levels since OCTA ownership of the 91 EL in early April. Volumes declined approximately 75 percent during the week of April 6<sup>th</sup>. Since then, traffic volumes have increased each week. During the week of May 4<sup>th</sup>, traffic volumes were approximately 50 percent of the levels from last year. With less traffic on the 91 EL, calls into the customer service center have decreased by about 60 percent.

### ***Summary***

An operational report for the 91 Express Lanes for the period ending March 31, 2020, is provided for Board of Directors review. The report provides a summary of key operational and financial activities.

### ***Attachment***

- A. 91 Express Lanes Status Report, March 2020

**Prepared by:**



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**Orange County Transportation Authority  
Riverside County Transportation Commission**



Status Report  
March 2020

As of March 31, 2020

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# OPERATIONS OVERVIEW OCTA

## TRAFFIC AND REVENUE STATISTICS FOR OCTA

Total traffic volume on the 91 Express Lanes for March 2020 was 905,400. This represents a daily average of 29,206 vehicles. This is a 41.2% decrease in total traffic volume from the same period last year, which totaled 1,539,257. Potential toll revenue for March was \$2,916,062, which represents a decrease of 35.8% from the prior year's total of \$4,542,427. Carpool percentage for March was 22.68% as compared to the previous year's rate of 26.10%. The decreases were attributed to the COVID-19 pandemic and California Governor Gavin Newsom's orders for residents to self-quarantine and refrain from non-essential travel.

Month-to-date traffic and revenue data is summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the OCTA 91 Express Lanes and associated potential revenue for the month of March 2020.

### Current Month-to-Date (MTD) as of March 31, 2020

	Mar-20 MTD Actual	Stantec MTD Projected	# Variance	% Variance	Mar-19 MTD Actual	Yr-to-Yr % Variance
<b>Trips</b>						
Full Toll Lanes	700,041	1,156,307	(456,266)	(39.5%)	1,137,488	(38.5%)
3+ Lanes	205,359	330,008	(124,649)	(37.8%)	401,769	(48.9%)
Total Gross Trips	905,400	1,486,315	(580,915)	(39.1%)	1,539,257	(41.2%)
<b>Revenue</b>						
Full Toll Lanes	\$2,871,629	\$4,861,024	(1,989,396)	(40.9%)	\$4,464,988	(35.7%)
3+ Lanes	\$44,433	\$88,658	(44,225)	(49.9%)	\$77,440	(42.6%)
Total Gross Revenue	\$2,916,062	\$4,949,682	(2,033,620)	(41.1%)	\$4,542,427	(35.8%)
<b>Average Revenue per Trip</b>						
Average Full Toll Lanes	\$4.10	\$4.20	(\$0.10)	(2.4%)	\$3.93	4.3%
Average 3+ Lanes	\$0.22	\$0.27	(\$0.05)	(18.5%)	\$0.19	15.8%
Average Gross Revenue	\$3.22	\$3.33	(\$0.11)	(3.3%)	\$2.95	9.2%

The 2020 fiscal year-to-date traffic volume decreased by 2% and potential toll revenue increased by 0.7%, when compared with the same period last year. Year-to-date average revenue per-trip is \$3.05.

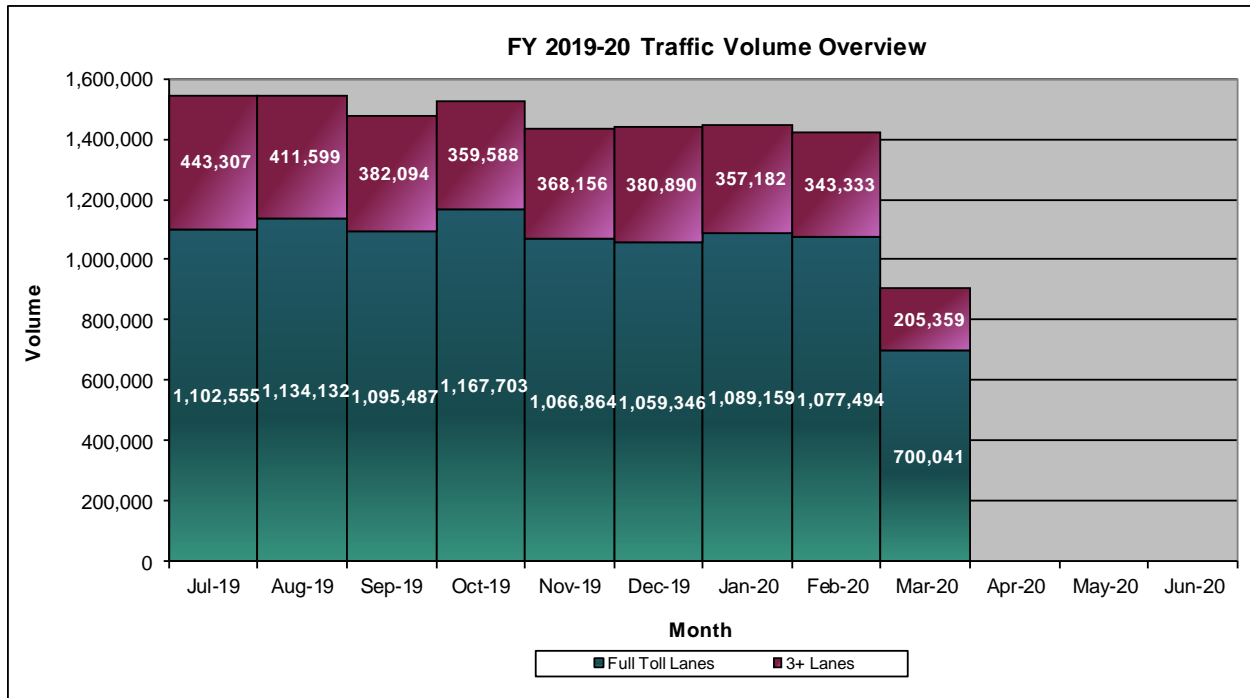
Fiscal year-to-date traffic and revenue data are summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the OCTA 91 Express Lanes and associated potential revenue for the months of July 2019 through March 2020.

**FY 2019-20 Year to Date as of March 31, 2020**

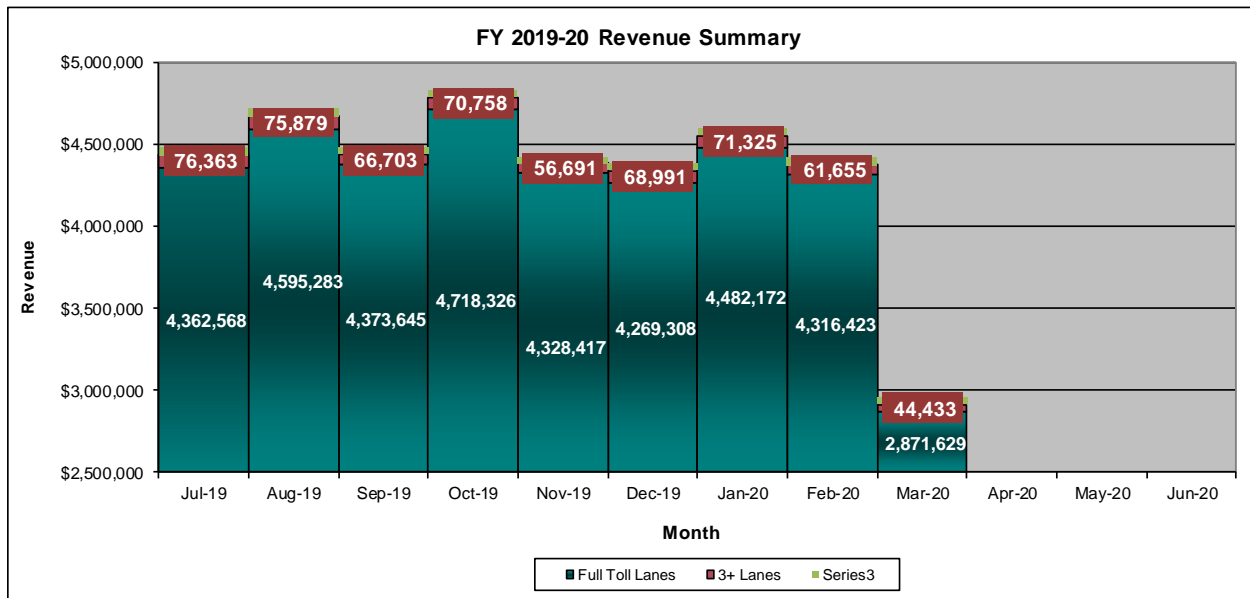
	FY 2019-20 YTD Actual	Stantec YTD Projected	# Variance	% Variance	FY 2018-19 YTD Actual	Yr-to-Yr % Variance
<b>Trips</b>						
Full Toll Lanes	9,492,781	9,842,460	(349,679)	(3.6%)	9,576,949	(0.9%)
3+ Lanes	3,251,508	2,953,688	297,820	10.1%	3,425,122	(5.1%)
Total Gross Trips	12,744,289	12,796,147	(51,858)	(0.4%)	13,002,071	(2.0%)
<b>Revenue</b>						
Full Toll Lanes	\$38,317,770	\$41,222,562	(2,904,793)	(7.0%)	\$37,964,136	0.9%
3+ Lanes	\$592,798	\$751,706	(158,908)	(21.1%)	\$677,913	(12.6%)
Total Gross Revenue	\$38,910,567	\$41,974,268	(3,063,701)	(7.3%)	\$38,642,049	0.7%
<b>Average Revenue per Trip</b>						
Average Full Toll Lanes	\$4.04	\$4.19	(\$0.15)	(3.6%)	\$3.96	2.0%
Average 3+ Lanes	\$0.18	\$0.25	(\$0.07)	(28.0%)	\$0.20	(10.0%)
Average Gross Revenue	\$3.05	\$3.28	(\$0.23)	(7.0%)	\$2.97	2.7%

## OCTA Traffic and Revenue Summary

The chart below reflects the total trips breakdown between Full Toll trips and HOV3+ trips for FY 2019-20 on a monthly basis.



The chart below reflects the gross potential revenue breakdown between Full Toll trips and HOV3+ trips for FY 2019-20 on a monthly basis.





## OCTA EASTBOUND PEAK-HOUR VOLUMES

Peak traffic hour in the eastbound direction reached or exceeded 90% or more of defined capacity 8 times during the month of March 2020. As demonstrated on the next chart, westbound peak hour traffic volumes top out at 80% of defined capacity.

PM Time	Monday 03/02/20				Tuesday 03/03/20				Wednesday 03/04/20				Thursday 03/05/20				Friday 03/06/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	383	2,666	78%	\$5.15	387	2,720	80%	\$5.15	443	3,008	88%	\$7.45	466	2,873	85%	\$7.85	525	3,227	95%
1500 - 1600	\$5.50	556	2,782	82%	\$5.75	617	2,783	82%	\$7.75	599	2,848	84%	\$6.75	621	3,470	102%	\$8.65	634	2,608	77%
1600 - 1700	\$5.35	436	3,055	90%	\$5.50	423	2,894	85%	\$7.50	412	2,459	72%	\$7.80	496	3,092	91%	\$8.45	447	2,605	77%
1700 - 1800	\$5.30	507	3,153	93%	\$5.40	474	2,807	83%	\$6.40	510	3,001	88%	\$8.20	470	2,710	80%	\$7.05	535	2,954	87%
1800 - 1900	\$5.50	648	2,730	80%	\$3.95	702	3,022	89%	\$3.95	673	3,042	89%	\$4.85	659	2,920	86%	\$6.55	657	2,727	80%
1900 - 2000	\$3.85	457	1,816	53%	\$3.85	490	1,976	58%	\$3.85	588	2,307	68%	\$5.60	637	2,410	71%	\$6.05	609	2,058	61%

PM Time	Monday 03/09/20				Tuesday 03/10/20				Wednesday 03/11/20				Thursday 03/12/20				Friday 03/13/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	377	2,555	75%	\$5.15	336	2,606	77%	\$5.15	379	2,743	81%	\$7.45	380	1,837	54%	\$7.85	420	2,854	84%
1500 - 1600	\$5.50	575	3,130	92%	\$5.75	451	2,478	73%	\$7.75	584	3,134	92%	\$6.75	551	2,623	77%	\$8.65	580	2,540	75%
1600 - 1700	\$5.35	461	3,010	89%	\$5.50	134	1,241	37%	\$7.50	394	2,796	82%	\$7.80	481	2,786	82%	\$8.45	363	2,485	73%
1700 - 1800	\$5.30	479	3,089	91%	\$5.40	239	1,339	39%	\$6.40	458	2,293	67%	\$8.20	419	2,483	73%	\$7.05	391	2,259	66%
1800 - 1900	\$5.50	589	2,534	75%	\$3.95	422	1,886	55%	\$3.95	488	2,427	71%	\$4.85	530	2,820	83%	\$6.55	485	1,950	57%
1900 - 2000	\$3.85	422	1,532	45%	\$3.85	318	1,184	35%	\$3.85	426	1,688	50%	\$5.60	444	1,686	50%	\$6.05	421	1,332	39%

PM Time	Monday 03/16/20				Tuesday 03/17/20				Wednesday 03/18/20				Thursday 03/19/20				Friday 03/20/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	350	2,168	64%	\$5.15	338	2,138	63%	\$5.15	296	1,737	51%	\$7.45	306	1,705	50%	\$7.85	283	1,619	48%
1500 - 1600	\$5.50	482	2,680	79%	\$5.75	456	2,391	70%	\$7.75	448	2,142	63%	\$6.75	341	2,214	65%	\$8.65	299	1,412	42%
1600 - 1700	\$5.35	362	2,376	70%	\$5.50	309	2,294	67%	\$7.50	293	1,992	59%	\$7.80	271	1,659	49%	\$8.45	190	1,260	37%
1700 - 1800	\$5.30	349	2,310	68%	\$5.40	317	2,017	59%	\$6.40	278	1,641	48%	\$8.20	184	1,245	37%	\$7.05	194	1,070	31%
1800 - 1900	\$5.50	381	1,551	46%	\$3.95	315	1,352	40%	\$3.95	225	1,073	32%	\$4.85	176	885	26%	\$6.55	171	729	21%
1900 - 2000	\$3.85	224	840	25%	\$3.85	190	753	22%	\$3.85	159	582	17%	\$5.60	147	555	16%	\$6.05	137	432	13%

PM Time	Monday 03/23/20				Tuesday 03/24/20				Wednesday 03/25/20				Thursday 03/26/20				Friday 03/27/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	184	1,071	32%	\$5.15	224	1,202	35%	\$5.15	198	1,119	33%	\$7.45	224	1,167	34%	\$7.85	239	1,286	38%
1500 - 1600	\$5.50	207	1,360	40%	\$5.75	256	1,299	38%	\$7.75	266	1,325	39%	\$6.75	282	1,850	54%	\$8.65	258	1,337	39%
1600 - 1700	\$5.35	166	1,064	31%	\$5.50	161	1,054	31%	\$7.50	159	1,100	32%	\$7.80	190	1,296	38%	\$8.45	174	1,080	32%
1700 - 1800	\$5.30	138	889	26%	\$5.40	147	788	23%	\$6.40	136	767	23%	\$8.20	111	719	21%	\$7.05	178	842	25%
1800 - 1900	\$5.50	111	429	13%	\$3.95	117	481	14%	\$3.95	116	516	15%	\$4.85	125	492	14%	\$6.55	132	515	15%
1900 - 2000	\$3.85	78	284	8%	\$3.85	88	281	8%	\$3.85	79	254	7%	\$5.60	89	284	8%	\$6.05	110	343	10%

PM Time	Monday 03/30/20				Tuesday 03/31/20				Wednesday 04/01/20				Thursday 04/02/20				Friday 04/03/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	191	1,019	30%	\$5.15	186	1,068	31%												
1500 - 1600	\$5.50	247	1,518	45%	\$5.75	297	1,438	42%												
1600 - 1700	\$5.35	146	1,264	37%	\$5.50	156	1,223	36%												
1700 - 1800	\$5.30	147	778	23%	\$5.40	129	810	24%												
1800 - 1900	\$5.50	113	411	12%	\$3.95	103	445	13%												
1900 - 2000	\$3.85	77	265	8%	\$3.85	69	240	7%												

## OCTA WESTBOUND PEAK-HOUR VOLUMES

AM Time	Monday 03/02/20				Tuesday 03/03/20				Wednesday 03/04/20				Thursday 03/05/20				Friday 03/06/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	711	2,555	75%	\$3.05	804	2,711	80%	\$3.05	755	2,569	76%	\$3.05	804	2,606	77%	\$3.05	687	2,046	60%
0500 - 0600	\$4.95	809	2,640	78%	\$4.95	197	486	14%	\$4.95	838	2,578	76%	\$4.95	884	2,713	80%	\$4.70	773	2,471	73%
0600 - 0700	\$5.15	561	2,180	64%	\$5.15	55	241	7%	\$5.15	580	2,250	66%	\$5.15	581	2,103	62%	\$4.95	590	2,140	63%
0700 - 0800	\$5.65	419	2,143	63%	\$5.65	364	1,752	52%	\$5.65	450	2,098	62%	\$5.65	493	2,147	63%	\$5.50	390	1,821	54%
0800 - 0900	\$5.15	192	1,890	56%	\$5.15	119	978	29%	\$5.15	261	2,224	65%	\$5.15	221	2,088	61%	\$4.95	191	1,513	45%
0900 - 1000	\$4.10	194	1,927	57%	\$4.10	243	2,092	62%	\$4.10	241	2,130	63%	\$4.10	273	2,175	64%	\$4.10	220	1,750	51%

AM Time	Monday 03/09/20				Tuesday 03/10/20				Wednesday 03/11/20				Thursday 03/12/20				Friday 03/13/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	764	2,519	74%	\$3.05	698	2,070	61%	\$3.05	727	2,293	67%	\$3.05	718	2,291	67%	\$3.05	579	1,645	48%
0500 - 0600	\$4.95	841	2,555	75%	\$4.95	886	2,473	73%	\$4.95	820	2,381	70%	\$4.95	658	2,033	60%	\$4.70	658	2,096	62%
0600 - 0700	\$5.15	602	1,937	57%	\$5.15	569	1,869	55%	\$5.15	616	2,022	59%	\$5.15	562	1,798	53%	\$4.95	521	1,787	53%
0700 - 0800	\$5.65	414	2,006	59%	\$5.65	434	2,008	59%	\$5.65	413	2,005	59%	\$5.65	394	1,935	57%	\$5.50	372	1,770	52%
0800 - 0900	\$5.15	226	2,073	61%	\$5.15	209	2,054	60%	\$5.15	218	1,865	55%	\$5.15	189	1,748	51%	\$4.95	157	1,470	43%
0900 - 1000	\$4.10	230	1,886	55%	\$4.10	188	2,215	65%	\$4.10	209	1,695	50%	\$4.10	179	1,911	56%	\$4.10	134	1,142	34%

AM Time	Monday 03/16/20				Tuesday 03/17/20				Wednesday 03/18/20				Thursday 03/19/20				Friday 03/20/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	636	1,970	58%	\$3.05	590	1,789	53%	\$3.05	575	1,667	49%	\$3.05	488	1,443	42%	\$3.05	369	1,021	30%
0500 - 0600	\$4.95	696	2,215	65%	\$4.95	740	2,128	63%	\$4.95	583	1,779	52%	\$4.95	493	1,528	45%	\$4.70	367	1,324	39%
0600 - 0700	\$5.15	328	1,519	45%	\$5.15	352	1,648	48%	\$5.15	279	1,151	34%	\$5.15	213	872	26%	\$4.95	236	972	29%
0700 - 0800	\$5.65	223	1,468	43%	\$5.65	157	1,062	31%	\$5.65	178	963	28%	\$5.65	125	813	24%	\$5.50	104	696	20%
0800 - 0900	\$5.15	135	1,190	35%	\$5.15	107	945	28%	\$5.15	92	813	24%	\$5.15	62	708	21%	\$4.95	72	619	18%
0900 - 1000	\$4.10	130	977	29%	\$4.10	119	830	24%	\$4.10	101	708	21%	\$4.10	90	604	18%	\$4.10	87	542	16%

AM Time	Monday 03/23/20				Tuesday 03/24/20				Wednesday 03/25/20				Thursday 03/26/20				Friday 03/27/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	402	1,056	31%	\$3.05	368	965	28%	\$3.05	353	948	28%	\$3.05	333	880	26%	\$3.05	286	754	22%
0500 - 0600	\$4.95	458	1,498	44%	\$4.95	447	1,506	44%	\$4.95	311	1,089	32%	\$4.95	391	1,362	40%	\$4.70	309	1,207	36%
0600 - 0700	\$5.15	186	918	27%	\$5.15	147	728	21%	\$5.15	150	792	23%	\$5.15	124	729	21%	\$4.95	155	780	23%
0700 - 0800	\$5.65	107	722	21%	\$5.65	92	636	19%	\$5.65	85	611	18%	\$5.65	74	606	18%	\$5.50	75	566	17%
0800 - 0900	\$5.15	53	519	15%	\$5.15	37	488	14%	\$5.15	72	524	15%	\$5.15	59	453	13%	\$4.95	45	453	13%
0900 - 1000	\$4.10	59	401	12%	\$4.10	59	427	13%	\$4.10	48	401	12%	\$4.10	58	415	12%	\$4.10	56	396	12%

AM Time	Monday 03/30/20				Tuesday 03/31/20				Wednesday 04/01/20				Thursday 04/02/20				Friday 04/03/20			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	306	875	26%	\$3.05	310	824	24%												
0500 - 0600	\$4.95	367	1,407	41%	\$4.95	422	1,470	43%												
0600 - 0700	\$5.15	127	797	23%	\$5.15	144	728	21%												
0700 - 0800	\$5.65	70	567	17%	\$5.65	82	590	17%												
0800 - 0900	\$5.15	50	460	14%	\$5.15	55	478	14%												
0900 - 1000	\$4.10	55	373	11%	\$4.10	36	366	11%												

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## OCTA OPERATIONAL HIGHLIGHTS

### **On-road Operations**

OCTA Customer Assistance Specialists (CAS) responded to 78 calls during the month of March. Of those calls, 55 were to assist disabled vehicles and 13 calls to remove debris. The CAS provided assistance to 10 accidents in the Express Lanes with 4 of those accidents originated from the SR91 general-purpose lanes.

### **91 Express Lanes Toll Entrance Gantries Infrastructure Project Update**

OCTA will be contracting with the California Department of Transportation (Caltrans) to provide construction and construction management services for the 91 Express Lanes Toll Entrance Gantries Infrastructure Project. This project entails constructing new toll gantries infrastructures at the three entrances of the OCTA 91 Express Lanes. Construction of the gantries is scheduled to begin Fall 2020 and is expected to be completed in early 2021.

### **Electronic Toll and Traffic Management System Project Update**

Kapsch TrafficCom USA, Inc., (Kapsch), the toll lanes system integrator for the 91 Express Lanes, completed the replacement of the Electronic Toll and Traffic Management (ETTM) system at the current toll gantries. This new lane system is reading both the new 6C transponder protocol as well as the legacy Title 21 protocol. The next phase of the project includes the replacement of the closed-circuit television cameras along the corridor. The new toll gantries infrastructure, as mentioned above, will house the new ETTM equipment. Once the gantries have been constructed, Kapsch will commence installation.

# FINANCIAL HIGHLIGHTS OCTA

## 91 Express Lanes Operating Statement

Description	YTD as of : <b>3/31/2020</b>		YTD Variance	
	Actual <sup>(1)</sup>	Budget <sup>(1)</sup>	Dollar \$	Percent (%)
<b>Operating revenues:</b>				
Toll revenue	\$ 36,164,539.61	\$ 39,979,657.00	\$ (3,815,117.39)	(9.5)
Fee revenue	6,161,932.91	4,134,277.00	2,027,655.91	49.0
<b>Total operating revenues</b>	<b>42,326,472.52</b>	<b>44,113,934.00</b>	<b>(1,787,461.48)</b>	<b>(4.1)</b>
<b>Operating expenses:</b>				
Contracted services	4,917,551.34	5,672,780.00	755,228.66	13.3
Administrative fee	2,251,160.00	2,129,913.00	(121,247.00)	(5.7)
Other professional services	950,021.43	1,930,976.00	980,954.57	50.8
Credit card processing fees	963,852.59	1,035,720.00	71,867.41	6.9
Toll road account servicing	786,370.41	1,794,750.00	1,008,379.59	56.2
Other insurance expense	285,059.05	562,275.00	277,215.95	49.3
Toll road maintenance supply repairs	175,765.55	356,253.00	180,487.45	50.7
Patrol services	829,170.86	734,715.00	(94,455.86)	(12.9)
Building equipment repairs and maint	73,598.47	241,538.00	167,939.53	69.5
6C Transponders	250,518.75	187,500.00	(63,018.75)	(33.6)
Other services	(7,677.50)	26,247.00	33,924.50	129.3
Utilities	37,159.04	55,107.00	17,947.96	32.6
Office expense	4,264.30	140,915.00	136,650.70	97.0
Bad debt expense	132,245.47	-	(132,245.47)	N/A
Miscellaneous <sup>(2)</sup>	47,845.65	112,375.00	64,529.35	57.4
Leases	304,828.94	344,862.00	40,033.06	11.6
<b>Total operating expenses</b>	<b>12,001,734.35</b>	<b>15,325,926.00</b>	<b>3,324,191.65</b>	<b>21.7</b>
Depreciation and amortization <sup>(3)</sup>	2,646,082.90	-	(2,646,082.90)	N/A
<b>Operating income (loss)</b>	<b>27,678,655.27</b>	<b>28,788,008.00</b>	<b>(1,109,352.73)</b>	<b>(3.9)</b>
<b>Nonoperating revenues (expenses):</b>				
Reimbursement from Other Agencies	676,803.75	906,250.00	(229,446.25)	(25.3)
Interest income	4,396,528.80	2,847,069.00	1,549,459.80	54.4
Interest expense	(3,459,087.26)	(3,534,048.00)	74,960.74	2.1
Other	34,494.17	-	34,494.17	N/A
<b>Total nonoperating revenues (expenses)</b>	<b>1,648,739.46</b>	<b>219,271.00</b>	<b>1,429,468.46</b>	<b>(651.9)</b>
Transfers in	-	-	-	N/A
Transfers out	(14,581,399.32)	(35,000.00)	(14,546,399.32)	(41,561.1)
<b>Net income (loss)</b>	<b>\$ 14,745,995.41</b>	<b>\$ 28,972,279.00</b>	<b>\$ (14,226,283.59)</b>	<b>(49.1)</b>

<sup>1</sup>Actual amounts are accounted for on the accrual basis of accounting in an enterprise fund. Budget amounts are accounted for on a modified accrual basis of accounting.

<sup>2</sup>Miscellaneous expenses include: Bond Insurance Costs, Bank Service Charge, Transponder Materials.

<sup>3</sup>Depreciation and amortization are not budgeted items.

## Capital Asset Activity

During the nine months ending March 31, 2020, capital asset activities included \$195,292 for the ETTM system project, \$297,339 for the new back-office/account management system, \$5,920 for computer equipment and \$325,411 for transponder purchases.

# OPERATIONS OVERVIEW RCTC

## TRAFFIC AND REVENUE STATISTICS FOR RCTC

Total traffic volume on the 91 Express Lanes for March 2020 was 808,527. This represents a daily average of 26,082 vehicles. This is a 38.3% decrease in total traffic volume from the same period last year, which totaled 1,310,935. Potential toll revenue for the month was \$3,656,203, which represents a decrease of 28.3% from the prior year's total of \$5,098,850. Carpool percentage for March was 21.62% as compared to the previous year's rate of 24.36%. The decreases were attributed to the COVID-19 pandemic and California Governor Gavin Newsom's orders for residents to self-quarantine and refrain from non-essential travel.

Month-to-date traffic and revenue data are summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the RCTC 91 Express Lanes and associated potential revenue for the month of March 2020.

### Current Month-to-Date (MTD) as of March 31, 2020

Trips	MAR-20 MTD Actual	Stantec MTD Projected	# Variance	% Variance	MAR-19 MTD Actual	Yr-to-Yr % Variance
Full Toll Lanes	633,701	1,046,814	(413,113)	(39.5%)	991,552	(36.1%)
3+ Lanes	174,826	341,886	(167,060)	(48.9%)	319,383	(45.3%)
Total Gross Trips	808,527	1,388,700	(580,173)	(41.8%)	1,310,935	(38.3%)
<b>Revenue</b>						
Full Toll Lanes	\$3,632,038	\$4,224,757	(\$592,719)	(14.0%)	\$5,057,871	(28.2%)
3+ Lanes	\$24,165	\$0	\$24,165		\$40,979	(41.0%)
Total Gross Revenue	\$3,656,203	\$4,224,757	(\$568,554)	(13.5%)	\$5,098,850	(28.3%)
<b>Average Revenue per Trip</b>						
Average Full Toll Lanes	\$5.73	\$4.04	\$1.69	41.8%	\$5.10	12.4%
Average 3+ Lanes	\$0.14	\$0.00	\$0.14		\$0.13	7.7%
Average Gross Revenue	\$4.52	\$3.04	\$1.48	48.7%	\$3.89	16.2%

The 2020 fiscal year-to-date (YTD) traffic volume is 0.4% lower when compared with the same period last year. The 2020 fiscal year-to-date revenue is 15.6% higher than for the same period last year. Year-to-date average revenue per-trip is \$4.32.

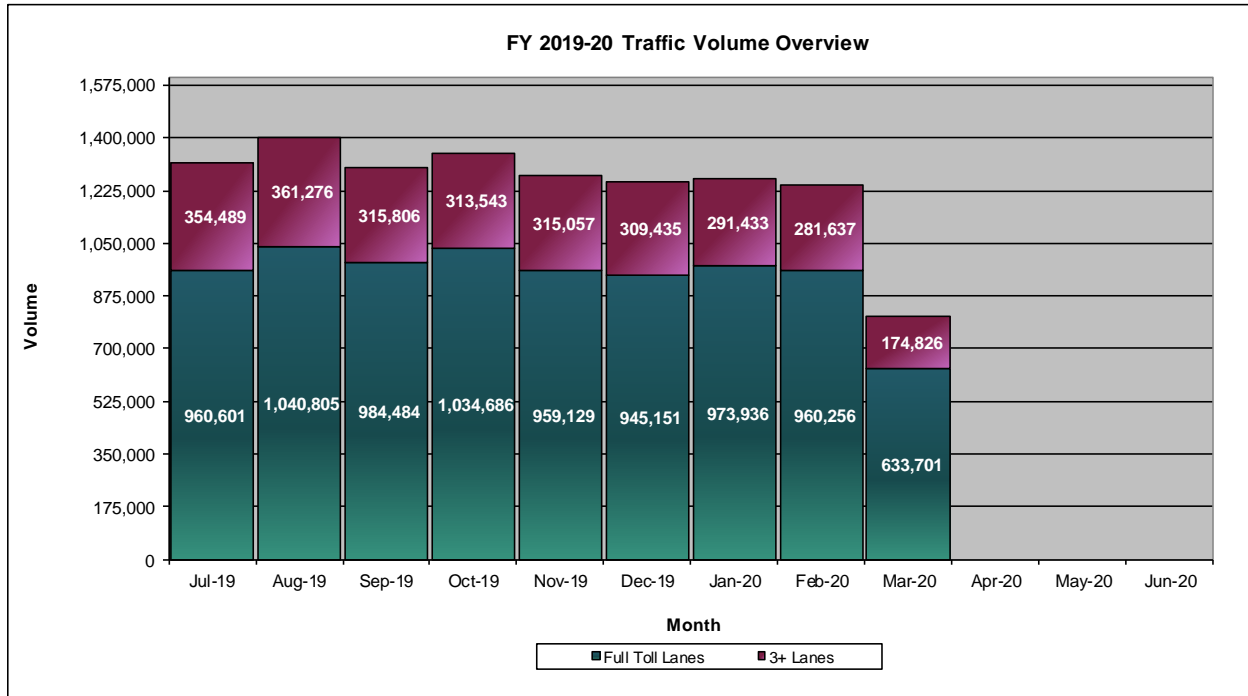
Fiscal year-to-date traffic and revenue data are summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the RCTC 91 Express Lanes and associated potential revenue for the months of July 2019 through March 2020.

#### FY 2019-20 Year to Date as of March 31, 2020

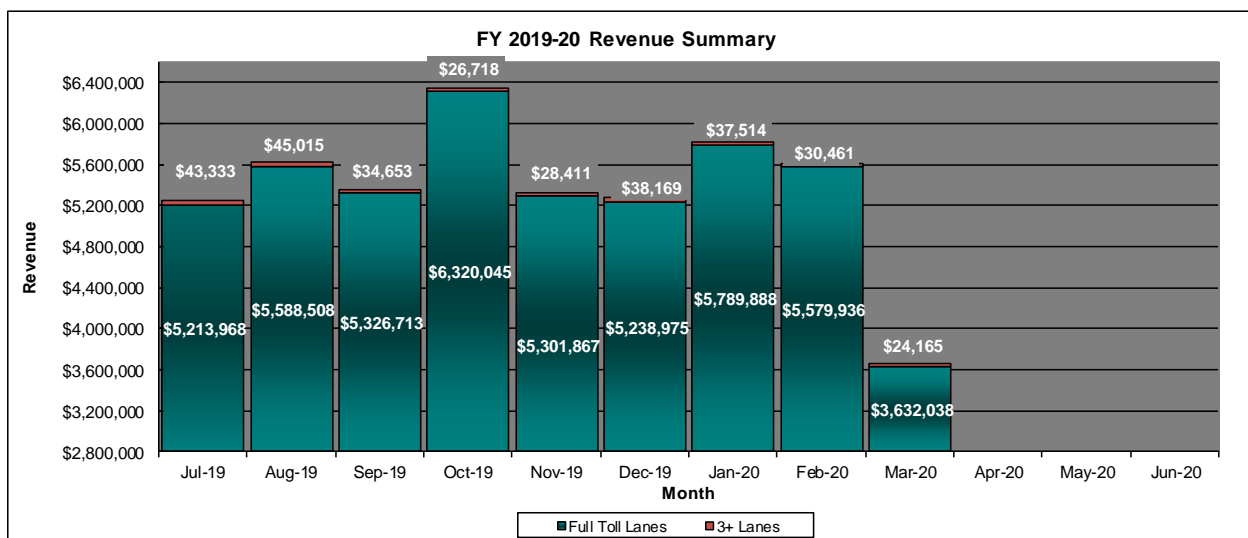
	FY 2019-20 YTD Actual	Stantec YTD Projected	# Variance	% Variance	FY 2018-19 YTD Actual	Yr-to-Yr % Variance
<b>Trips</b>						
Full Toll Lanes	8,536,905	8,820,029	(283,124)	(3.2%)	8,519,888	0.2%
3+ Lanes	2,656,315	2,859,029	(202,714)	(7.1%)	2,722,195	(2.4%)
Total Gross Trips	11,193,220	11,679,057	(485,837)	(4.2%)	11,242,083	(0.4%)
<b>Revenue</b>						
Full Toll Lanes	\$47,991,940	\$34,952,857	\$13,039,082	37.3%	\$41,441,557	15.8%
3+ Lanes	\$308,439	\$0	\$308,439		\$329,540	(6.4%)
Total Gross Revenue	\$48,300,379	\$34,952,857	\$13,347,521	38.2%	\$41,771,096	15.6%
<b>Average Revenue per Trip</b>						
Average Full Toll Lanes	\$5.62	\$3.96	\$1.66	41.9%	\$4.86	15.6%
Average 3+ Lanes	\$0.12	\$0.00	\$0.12		\$0.12	0.0%
Average Gross Revenue	\$4.32	\$2.99	\$1.33	44.5%	\$3.72	16.1%

## RCTC Traffic and Revenue Summary

The chart below reflects the total trips broken down between Full Toll lanes and HOV3+ lanes for FY 2019-20 on a monthly basis.



The chart below reflects the gross potential revenue breakdown between Full Toll lanes and HOV3+ lanes for FY 2019-20 on a monthly basis.



## RCTC PEAK-HOUR VOLUMES

RCTC evaluates traffic volumes for peak period hours and either increases or decreases tolls according to the toll rate policy. The hours highlighted in red represent toll reductions made on March 23<sup>rd</sup> in response the reduced peak-period volumes due to the COVID-19 pandemic.

## RCTC EASTBOUND PEAK-HOUR VOLUMES

Eastbound PM Peak - County Line to McKinley

PM Time	Monday 03/02/20					Tuesday 03/03/20					Wednesday 03/04/20					Thursday 03/05/20					Friday 03/06/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$5.30	200	969	1,169	D	\$6.95	199	951	1,150	D	\$9.00	236	1071	1,307	F	\$11.85	244	1,089	1,333	F	\$21.00	304	1,133	1,437	F
1500 - 1600	\$7.35	291	857	1,148	D	\$6.95	306	951	1,257	E	\$9.90	313	934	1,247	E	\$11.35	319	1,099	1,418	F	\$18.70	339	858	1,197	D
1600 - 1700	\$5.30	190	936	1,126	D	\$5.30	186	932	1,118	D	\$5.30	192	925	1,117	D	\$7.50	249	959	1,208	E	\$10.45	246	938	1,184	D
1700 - 1800	\$5.30	225	862	1,087	D	\$5.30	189	848	1,037	D	\$5.30	229	881	1,110	D	\$5.30	222	868	1,090	D	\$6.95	236	1,010	1,246	E
1800 - 1900	\$5.30	278	681	959	C	\$5.30	272	781	1,053	D	\$5.30	293	822	1,115	D	\$5.30	287	836	1,123	D	\$5.30	306	869	1,175	D
1900 - 2000	\$2.25	197	555	752	B	\$4.20	196	607	803	C	\$5.30	251	715	966	C	\$5.30	264	716	980	C	\$5.30	284	697	981	C

PM Time	Monday 03/09/20					Tuesday 03/10/20					Wednesday 03/11/20					Thursday 03/12/20					Friday 03/13/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$5.30	209	951	1,160	D	\$6.95	174	856	1,030	D	\$9.00	225	935	1,160	D	\$11.85	210	829	1,039	D	\$21.00	234	966	1,200	D
1500 - 1600	\$7.35	317	933	1,250	E	\$6.95	246	744	990	C	\$9.90	279	950	1,229	E	\$11.35	294	930	1,224	E	\$18.70	270	788	1,058	D
1600 - 1700	\$5.30	216	917	1,133	D	\$5.30	172	692	864	C	\$5.30	184	839	1,023	D	\$7.50	218	843	1,061	D	\$10.45	174	806	980	C
1700 - 1800	\$5.30	216	864	1,080	D	\$5.30	196	758	954	C	\$5.30	209	743	952	C	\$5.30	191	850	1,041	D	\$6.95	170	711	881	C
1800 - 1900	\$5.30	268	712	980	C	\$5.30	209	578	787	B	\$5.30	246	675	921	C	\$5.30	237	757	994	C	\$5.30	239	552	791	B
1900 - 2000	\$2.25	166	426	592	B	\$4.20	138	308	446	B	\$5.30	187	450	637	B	\$5.30	201	595	796	B	\$5.30	194	391	585	B

PM Time	Monday 03/16/20					Tuesday 03/17/20					Wednesday 03/18/20					Thursday 03/19/20					Friday 03/20/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$5.30	205	796	1,001	D	\$6.95	199	689	888	C	\$9.00	148	566	714	B	\$11.85	181	593	774	B	\$21.00	151	540	691	B
1500 - 1600	\$7.35	222	852	1,074	D	\$6.95	240	770	1,010	D	\$9.90	218	687	905	C	\$11.35	211	706	917	C	\$18.70	137	467	604	B
1600 - 1700	\$5.30	158	696	854	C	\$5.30	126	724	850	C	\$5.30	132	612	744	B	\$7.50	117	539	656	B	\$10.45	92	375	467	B
1700 - 1800	\$5.30	153	655	808	C	\$5.30	160	575	735	B	\$5.30	120	465	585	B	\$5.30	104	437	541	B	\$6.95	97	292	389	A
1800 - 1900	\$5.30	130	459	589	B	\$5.30	125	358	483	B	\$5.30	98	294	392	A	\$5.30	79	241	320	A	\$5.30	74	240	314	A
1900 - 2000	\$2.25	84	252	336	A	\$4.20	75	182	257	A	\$5.30	68	144	212	A	\$5.30	72	153	225	A	\$5.30	70	141	211	A

PM Time	Monday 03/23/20					Tuesday 03/24/20					Wednesday 03/25/20					Thursday 03/26/20					Friday 03/27/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$5.30	98	336	434	B	\$5.30	105	445	550	B	\$5.30	0	0	0	A	\$5.30	130	438	568	B	\$6.95	142	491	633	B
1500 - 1600	\$5.30	100	463	563	B	\$5.30	138	499	637	B	\$5.30	0	0	0	A	\$5.30	161	628	789	B	\$6.95	143	499	642	B
1600 - 1700	\$5.30	63	310	373	A	\$5.30	59	334	393	A	\$5.30	0	0	0	A	\$5.30	94	483	577	B	\$6.95	99	434	533	B
1700 - 1800	\$5.30	71	234	305	A	\$5.30	62	218	280	A	\$5.30	0	0	0	A	\$5.30	51	249	300	A	\$6.95	86	281	367	A
1800 - 1900	\$5.30	46	118	164	A	\$5.30	48	139	187	A	\$5.30	0	0	0	A	\$5.30	72	137	209	A	\$5.30	69	162	231	A
1900 - 2000	\$2.25	39	86	125	A	\$4.20	36	80	116	A	\$5.30	10	29	39	A	\$5.30	37	93	130	A	\$5.30	56	114	170	A

PM Time	Monday 03/30/20					Tuesday 03/31/20					Wednesday 04/01/20					Thursday 04/02/20					Friday 04/03/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$5.30	96	379	475	B	\$5.30	95	380	475	B															
1500 - 1600	\$5.30	140	521	661	B	\$5.30	157	531	688	B															
1600 - 1700	\$5.30	95	464	559	B	\$5.30	87	424	511	B															
1700 - 1800	\$5.30	75	237	312	A	\$5.30	66	263	329	A															
1800 - 1900	\$5.30	55	127	182	A	\$5.30	48	126	174	A															
1900 - 2000	\$2.25	44	76	120	A	\$4.20	35	79	114	A															



**Eastbound PM Peak - County Line to I-15 South**

PM Time	Monday 03/02/20					Tuesday 03/03/20					Wednesday 03/04/20					Thursday 03/05/20					Friday 03/06/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$2.95	116	702	818	C	\$5.30	119	742	861	C	\$5.30	111	741	852	C	\$5.30	127	783	910	C	\$5.30	132	787	919	C
1500 - 1600	\$5.30	137	638	775	B	\$2.95	137	699	836	C	\$2.95	160	644	804	C	\$5.30	142	792	934	C	\$2.95	161	595	756	B
1600 - 1700	\$2.95	99	658	757	B	\$2.95	106	639	745	B	\$2.95	96	630	726	B	\$2.95	134	708	842	C	\$2.95	108	585	693	B
1700 - 1800	\$2.95	125	637	762	B	\$2.95	112	633	745	B	\$2.95	129	637	766	B	\$2.95	105	585	690	B	\$2.95	133	646	779	B
1800 - 1900	\$2.95	141	505	646	B	\$2.95	132	584	716	B	\$2.95	138	618	756	B	\$2.95	157	567	724	B	\$2.95	143	514	657	B
1900 - 2000	\$2.95	122	410	532	B	\$2.95	108	460	568	B	\$2.95	147	501	648	B	\$2.95	154	539	693	B	\$2.95	177	418	595	B

PM Time	Monday 03/09/20					Tuesday 03/10/20					Wednesday 03/11/20					Thursday 03/12/20					Friday 03/13/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$2.95	118	650	768	B	\$5.30	97	655	752	B	\$5.30	105	678	783	B	\$5.30	118	658	776	B	\$5.30	103	711	814	C
1500 - 1600	\$5.30	151	715	866	C	\$2.95	125	583	708	B	\$2.95	149	667	816	C	\$5.30	128	679	807	C	\$2.95	134	579	713	B
1600 - 1700	\$2.95	117	683	800	B	\$2.95	103	610	713	B	\$2.95	113	654	767	B	\$2.95	136	639	775	B	\$2.95	84	581	665	B
1700 - 1800	\$2.95	151	640	791	B	\$2.95	105	581	686	B	\$2.95	119	551	670	B	\$2.95	102	511	613	B	\$2.95	88	428	516	B
1800 - 1900	\$2.95	136	507	643	B	\$2.95	111	541	652	B	\$2.95	119	550	669	B	\$2.95	110	488	598	B	\$2.95	113	351	464	B
1900 - 2000	\$2.95	97	311	408	B	\$2.95	86	271	357	A	\$2.95	108	363	471	B	\$2.95	142	438	580	B	\$2.95	87	243	330	A

PM Time	Monday 03/16/20					Tuesday 03/17/20					Wednesday 03/18/20					Thursday 03/19/20					Friday 03/20/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$2.95	97	546	643	B	\$5.30	79	451	530	B	\$5.30	80	379	459	B	\$5.30	89	425	514	B	\$5.30	65	377	442	B
1500 - 1600	\$5.30	106	639	745	B	\$2.95	103	560	663	B	\$2.95	96	495	591	B	\$5.30	106	547	653	B	\$2.95	73	354	427	B
1600 - 1700	\$2.95	84	569	653	B	\$2.95	87	542	629	B	\$2.95	88	507	595	B	\$2.95	74	415	489	B	\$2.95	50	296	346	A
1700 - 1800	\$2.95	64	529	593	B	\$2.95	67	423	490	B	\$2.95	63	363	426	B	\$2.95	50	340	390	A	\$2.95	52	241	293	A
1800 - 1900	\$2.95	68	344	412	B	\$2.95	70	277	347	A	\$2.95	50	243	293	A	\$2.95	43	192	235	A	\$2.95	33	168	201	A
1900 - 2000	\$2.95	38	175	213	A	\$2.95	33	180	213	A	\$2.95	28	133	161	A	\$2.95	38	119	157	A	\$2.95	27	103	130	A

PM Time	Monday 03/23/20					Tuesday 03/24/20					Wednesday 03/25/20					Thursday 03/26/20					Friday 03/27/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$2.95	51	263	314	A	\$2.95	65	357	422	B	\$2.95	0	0	0	A	\$2.95	66	282	348	A	\$2.95	63	317	380	A
1500 - 1600	\$2.95	57	347	404	B	\$2.95	71	357	428	B	\$2.95	0	0	0	A	\$2.95	60	450	510	B	\$2.95	65	352	417	B
1600 - 1700	\$2.95	34	278	312	A	\$2.95	40	304	344	A	\$2.95	0	0	0	A	\$2.95	43	377	420	B	\$2.95	42	279	321	A
1700 - 1800	\$2.95	25	230	255	A	\$2.95	29	190	219	A	\$2.95	0	0	0	A	\$2.95	23	183	206	A	\$2.95	47	204	251	A
1800 - 1900	\$2.95	24	88	112	A	\$2.95	24	114	138	A	\$2.95	0	0	0	A	\$2.95	27	116	143	A	\$2.95	33	120	153	A
1900 - 2000	\$2.95	21	70	91	A	\$2.95	15	66	81	A	\$2.95	7	22	29	A	\$2.95	14	62	76	A	\$2.95	25	72	97	A

PM Time	Monday 03/30/20					Tuesday 03/31/20					Wednesday 04/01/20					Thursday 04/02/20					Friday 04/03/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
1400 - 1500	\$2.95	64	248	312	A	\$2.95	57	302	359	A															
1500 - 1600	\$2.95	73	394	467	B	\$2.95	78	382	460	B															
1600 - 1700	\$2.95	49	310	359	A	\$2.95	44	308	352	A															
1700 - 1800	\$2.95	28	204	232	A	\$2.95	28	222	250	A															
1800 - 1900	\$2.95	27	101	128	A	\$2.95	30	106	136	A															
1900 - 2000	\$2.95	16	64	80	A	\$2.95	11	63	74	A															

## RCTC WESTBOUND PEAK-HOUR VOLUMES

Westbound AM Peak - McKinley to County Line

AM Time	Monday 03/02/20					Tuesday 03/03/20					Wednesday 03/04/20					Thursday 03/05/20					Friday 03/06/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$10.80	361	1226	1,587	F	\$10.80	364	1083	1,447	F	\$10.80	365	1082	1,447	F	\$10.50	420	1,095	1,515	F	\$5.30	349	701	1,050	D
0500 - 0600	\$23.25	486	936	1,422	F	\$22.80	542	879	1,421	F	\$19.75	467	767	1,234	E	\$17.50	518	1,057	1,575	F	\$12.20	468	997	1,465	F
0600 - 0700	\$19.55	362	1094	1,456	F	\$17.45	332	878	1,210	E	\$19.40	384	1196	1,580	F	\$19.40	434	850	1,284	E	\$11.45	460	1,159	1,619	F
0700 - 0800	\$16.35	296	1314	1,610	F	\$16.35	347	1328	1,675	F	\$17.10	311	1341	1,652	F	\$15.30	411	1,279	1,690	F	\$9.30	359	1,075	1,434	F
0800 - 0900	\$11.15	165	1316	1,481	F	\$11.45	199	1397	1,596	F	\$11.45	185	1555	1,740	F	\$12.20	210	1,367	1,577	F	\$8.00	170	1,013	1,183	D
0900 - 1000	\$6.95	135	1,006	1,141	D	\$9.00	158	1139	1,297	E	\$8.00	158	1069	1,227	E	\$9.00	169	1,108	1,277	E	\$5.30	132	764	896	C

AM Time	Monday 03/09/20					Tuesday 03/10/20					Wednesday 03/11/20					Thursday 03/12/20					Friday 03/13/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$10.80	404	1,014	1,418	F	\$10.80	344	850	1,194	D	\$10.80	352	937	1,289	E	\$10.50	356	958	1,314	E	\$5.30	235	521	756	B
0500 - 0600	\$23.25	508	971	1,479	F	\$22.80	488	840	1,328	E	\$19.75	463	698	1,161	D	\$17.50	473	1,011	1,484	F	\$12.20	304	730	1,034	D
0600 - 0700	\$19.55	394	911	1,305	E	\$17.45	333	736	1,069	D	\$19.40	408	955	1,363	F	\$19.40	384	677	1,061	D	\$11.45	307	903	1,210	E
0700 - 0800	\$16.35	337	1,209	1,546	F	\$16.35	350	1,032	1,382	F	\$17.10	371	1,172	1,543	F	\$15.30	353	1,156	1,509	F	\$9.30	281	1,005	1,286	E
0800 - 0900	\$11.15	199	1,447	1,646	F	\$11.45	204	1,307	1,511	F	\$11.45	217	1,187	1,404	F	\$12.20	205	1,172	1,377	F	\$8.00	109	909	1,018	D
0900 - 1000	\$6.95	171	969	1,140	D	\$9.00	139	1,139	1,278	E	\$8.00	143	807	950	C	\$9.00	125	924	1,049	D	\$5.30	87	548	635	B

AM Time	Monday 03/16/20					Tuesday 03/17/20					Wednesday 03/18/20					Thursday 03/19/20					Friday 03/20/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$10.80	303	786	1,089	D	\$10.80	248	711	959	C	\$10.80	254	678	932	C	\$10.50	221	554	775	B	\$5.30	157	330	487	B
0500 - 0600	\$23.25	385	761	1,146	D	\$22.80	419	708	1,127	D	\$19.75	318	559	877	C	\$17.50	245	556	801	C	\$12.20	184	528	712	B
0600 - 0700	\$19.55	201	727	928	C	\$17.45	223	812	1,035	D	\$19.40	205	653	858	C	\$19.40	141	370	511	B	\$11.45	144	484	628	B
0700 - 0800	\$16.35	172	872	1,044	D	\$16.35	136	769	905	C	\$17.10	142	557	699	B	\$15.30	99	461	560	B	\$9.30	72	403	475	B
0800 - 0900	\$11.15	109	731	840	C	\$11.45	84	578	662	B	\$11.45	67	450	517	B	\$12.20	42	378	420	B	\$8.00	35	327	362	A
0900 - 1000	\$6.95	87	478	565	B	\$9.00	78	420	498	B	\$8.00	65	344	409	B	\$9.00	70	277	347	A	\$5.30	43	231	274	A

AM Time	Monday 03/23/20					Tuesday 03/24/20					Wednesday 03/25/20					Thursday 03/26/20					Friday 03/27/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$6.95	183	276	459	B	\$6.95	162	286	448	B	\$6.95	153	289	442	B	\$6.95	148	236	384	A	\$4.20	128	201	329	A
0500 - 0600	\$6.95	193	609	802	C	\$6.95	246	695	941	C	\$6.95	202	594	796	B	\$6.95	207	584	791	B	\$4.20	156	537	693	B
0600 - 0700	\$6.95	103	405	508	B	\$6.95	88	320	408	B	\$6.95	104	399	503	B	\$6.95	86	395	481	B	\$4.20	109	389	498	B
0700 - 0800	\$6.95	68	409	477	B	\$6.95	61	344	405	B	\$6.95	57	306	363	A	\$6.95	64	334	398	A	\$4.20	61	318	379	A
0800 - 0900	\$6.95	36	261	297	A	\$6.95	30	200	230	A	\$6.95	39	218	257	A	\$6.95	40	222	262	A	\$4.20	21	206	227	A
0900 - 1000	\$6.95	44	175	219	A	\$6.95	32	199	231	A	\$6.95	34	176	210	A	\$6.95	33	184	217	A	\$4.20	32	176	208	A

AM Time	Monday 03/30/20					Tuesday 03/31/20					Wednesday 04/01/20					Thursday 04/02/20					Friday 04/03/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$6.95	119	273	392	A	\$6.95	144	238	382	A															
0500 - 0600	\$6.95	212	636	848	C	\$6.95	229	673	902	C															
0600 - 0700	\$6.95	94	424	518	B	\$6.95	75	340	415	B															
0700 - 0800	\$6.95	51	314	365	A	\$6.95	64	308	372	A															
0800 - 0900	\$6.95	32	241	273	A	\$6.95	39	210	249	A															
0900 - 1000	\$6.95	37	174	211	A	\$6.95	20	157	177	A															

**Westbound AM Peak - I-15 North to County Line**

AM Time	Monday 03/02/20					Tuesday 03/03/20					Wednesday 03/04/20					Thursday 03/05/20					Friday 03/06/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$6.85	200	824	1,024	D	\$6.85	243	820	1,063	D	\$5.30	197	815	1,012	D	\$5.30	258	776	1,034	D	\$5.30	214	617	831	C
0500 - 0600	\$19.05	310	1154	1,464	F	\$18.60	364	1007	1,371	E	\$16.60	328	1177	1,505	F	\$13.50	353	1,086	1,439	F	\$6.85	299	1,026	1,325	E
0600 - 0700	\$19.35	294	1097	1,391	E	\$18.60	318	1260	1,578	F	\$20.70	295	1126	1,421	F	\$15.55	340	1,135	1,475	F	\$8.85	284	867	1,151	D
0700 - 0800	\$12.15	198	1176	1,374	E	\$14.80	280	1231	1,511	F	\$13.80	225	1200	1,425	F	\$12.75	250	1,145	1,395	E	\$6.85	209	947	1,156	D
0800 - 0900	\$6.85	100	1089	1,189	D	\$8.85	101	1201	1,302	E	\$8.85	93	1171	1,264	E	\$8.85	109	1,108	1,217	E	\$5.30	103	885	988	C
0900 - 1000	\$5.30	113	815	928	C	\$5.30	100	942	1,042	D	\$5.30	110	942	1,052	D	\$5.30	123	924	1,047	D	\$2.95	99	716	815	C

AM Time	Monday 03/09/20					Tuesday 03/10/20					Wednesday 03/11/20					Thursday 03/12/20					Friday 03/13/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$6.85	250	773	1,023	D	\$6.85	218	571	789	B	\$5.30	236	653	889	C	\$5.30	241	619	860	C	\$5.30	145	509	654	B
0500 - 0600	\$19.05	357	1,035	1,392	E	\$18.60	346	878	1,224	E	\$16.60	339	995	1,334	E	\$13.50	327	965	1,292	E	\$6.85	209	807	1,016	D
0600 - 0700	\$19.35	315	809	1,124	D	\$18.60	305	959	1,264	E	\$20.70	312	912	1,224	E	\$15.55	292	906	1,198	D	\$8.85	207	714	921	C
0700 - 0800	\$12.15	221	1,048	1,269	E	\$14.80	247	995	1,242	E	\$13.80	230	1,078	1,308	E	\$12.75	212	982	1,194	D	\$6.85	146	879	1,025	D
0800 - 0900	\$6.85	123	1,100	1,223	E	\$8.85	117	1,142	1,259	E	\$8.85	133	1,006	1,139	D	\$8.85	106	962	1,068	D	\$5.30	60	730	790	B
0900 - 1000	\$5.30	94	870	964	C	\$5.30	110	1,018	1,128	D	\$5.30	100	840	940	C	\$5.30	102	903	1,005	D	\$2.95	72	479	551	B

AM Time	Monday 03/16/20					Tuesday 03/17/20					Wednesday 03/18/20					Thursday 03/19/20					Friday 03/20/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$6.85	176	613	789	B	\$6.85	163	549	712	B	\$5.30	141	465	606	B	\$5.30	116	424	540	B	\$5.30	82	320	402	B
0500 - 0600	\$19.05	247	893	1,140	D	\$18.60	227	742	969	C	\$16.60	198	688	886	C	\$13.50	171	616	787	B	\$6.85	112	484	596	B
0600 - 0700	\$19.35	158	797	955	C	\$18.60	156	859	1,015	D	\$20.70	130	563	693	B	\$15.55	89	468	557	B	\$8.85	85	414	499	B
0700 - 0800	\$12.15	86	713	799	B	\$14.80	59	601	660	B	\$13.80	56	492	548	B	\$12.75	46	388	434	B	\$6.85	41	304	345	A
0800 - 0900	\$6.85	43	628	671	B	\$8.85	45	507	552	B	\$8.85	32	402	434	B	\$8.85	25	342	367	A	\$5.30	28	293	321	A
0900 - 1000	\$5.30	63	461	524	B	\$5.30	60	374	434	B	\$5.30	51	337	388	A	\$5.30	40	282	322	A	\$2.95	33	247	280	A

AM Time	Monday 03/23/20					Tuesday 03/24/20					Wednesday 03/25/20					Thursday 03/26/20					Friday 03/27/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$5.30	104	302	406	B	\$5.30	99	287	386	A	\$5.30	84	276	360	A	\$5.30	91	257	348	A	\$2.95	61	244	305	A
0500 - 0600	\$5.30	150	481	631	B	\$5.30	124	504	628	B	\$5.30	127	519	646	B	\$5.30	112	454	566	B	\$2.95	92	415	507	B
0600 - 0700	\$5.30	81	472	553	B	\$5.30	68	419	487	B	\$5.30	62	376	438	B	\$5.30	63	413	476	B	\$2.95	57	392	449	B
0700 - 0800	\$5.30	48	327	375	A	\$5.30	36	293	329	A	\$5.30	27	280	307	A	\$5.30	24	292	316	A	\$2.95	15	258	273	A
0800 - 0900	\$5.30	21	250	271	A	\$5.30	21	276	297	A	\$5.30	15	228	243	A	\$5.30	23	225	248	A	\$2.95	21	230	251	A
0900 - 1000	\$5.30	26	178	204	A	\$5.30	25	167	192	A	\$5.30	24	179	203	A	\$5.30	27	144	171	A	\$2.95	31	151	182	A

AM Time	Monday 03/30/20					Tuesday 03/31/20					Wednesday 04/01/20					Thursday 04/02/20					Friday 04/03/20				
	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS	Price	HOV	SOV	Vol.	LOS
0400 - 0500	\$5.30	75	265	340	A	\$5.30	71	228	299	A															
0500 - 0600	\$5.30	95	487	582	B	\$5.30	118	471	589	B															
0600 - 0700	\$5.30	45	404	449	B	\$5.30	53	367	420	B															
0700 - 0800	\$5.30	22	280	302	A	\$5.30	28	285	313	A															
0800 - 0900	\$5.30	17	214	231	A	\$5.30	19	232	251	A															
0900 - 1000	\$5.30	19	145	164	A	\$5.30	20	149	169	A															

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## RCTC OPERATIONAL HIGHLIGHTS

### **On-road Operations**

RCTC Freeway Service Patrol (FSP) responded to 62 calls during the month of March. Of those calls, 41 were to assist disabled vehicles, 11 calls to remove debris and 10 were in response to accidents in the Express Lanes.

# FINANCIAL HIGHLIGHTS RCTC

## RCTC 91 Express Lanes Operating Statement

Description	YTD as of : <b>3/31/2020</b>		YTD Variance	
	Actual <sup>1</sup>	Budget	Dollar \$	Percent (%)
<b>Operating revenues:</b>				
Toll Revenue	\$ 44,671,968.46	\$ 46,440,600.00	\$ (1,768,631.54)	(3.8)
Fee Revenue	6,348,890.05	3,960,225.00	2,388,665.05	60.3
<b>Total operating revenues</b>	<b>51,020,858.51</b>	<b>50,400,825.00</b>	<b>620,033.51</b>	<b>1.2</b>
<b>Operating expenses:</b>				
Salaries and Benefits	577,052.79	1,015,050.00	437,997.21	43.2
Legal Services	159,217.52	262,500.00	103,282.48	39.3
Advisory Services	46,070.58	56,250.00	10,179.42	18.1
Audit and Accounting Fees	46,000.00	35,250.00	(10,750.00)	(30.5)
Service Fees	2,706.21	19,500.00	16,793.79	86.1
Other Professional Services	276,118.79	1,859,625.00	1,583,506.21	85.2
Lease Expense	159,300.79	192,375.00	33,074.21	17.2
Operations	2,246,970.13	2,721,375.00	474,404.87	17.4
Utilities	29,048.52	46,875.00	17,826.48	38.0
Supplies and Materials	123.62	3,750.00	3,626.38	96.7
Membership and Subscription Fees	20,306.75	18,750.00	(1,556.75)	(8.3)
Office Equipment & Furniture (Non-Capital)	747.12	3,750.00	3,002.88	80.1
Maintenance/Repairs	121,708.55	262,350.00	140,641.45	53.6
Training Seminars and Conferences	1,125.00	3,375.00	2,250.00	66.7
Transportation Expenses	2,724.33	5,625.00	2,900.67	51.6
Lodging	2,455.52	5,250.00	2,794.48	53.2
Meals	1,088.56	750.00	(338.56)	(45.1)
Other Staff Expenses	524.65	750.00	225.35	30.0
Advertising	6,776.63	142,500.00	135,723.37	95.2
Program Management	78,546.84	-	(78,546.84)	N/A
Program Operations	5,630,439.23	8,745,150.00	3,114,710.77	35.6
Litigation Settlement	-	7,500.00	7,500.00	100.0
Furniture & Equipment	340,518.76	562,500.00	221,981.24	39.5
Improvements	16,032.27	12,075.00	(3,957.27)	(32.8)
Depreciation	5,391,972.02 <sup>#</sup>	-	(5,391,972.02)	N/A
Bad Debt Expense	11.03	-	(11.03)	N/A
<b>Total operating expenses</b>	<b>15,157,586.21</b>	<b>15,982,875.00</b>	<b>825,288.79</b>	<b>5.2</b>
<b>Operating income (loss)</b>	<b>35,863,272.30</b>	<b>34,417,950.00</b>	<b>1,445,322.30</b>	<b>4.2</b>
<b>Nonoperating revenues (expenses):</b>				
Interest Revenue	2,228,813.71	1,004,250.00	1,224,563.71	(121.9)
Other Miscellaneous Revenue	(855.99)	-	(855.99)	N/A
Interest Expense	(19,799,515.75) <sup>#</sup>	(5,339,925.00)	(14,459,590.75)	270.8
<b>Total nonoperating revenues (expenses)</b>	<b>(21,674,553.90)</b>	<b>(4,335,675.00)</b>	<b>(17,338,878.90)</b>	<b>(399.9)</b>
Transfers In	-	-	-	N/A
Transfers Out	(1,599,475.16)	(2,294,625.00)	695,149.84	(30.3)
<b>Net income (loss)</b>	<b>\$ 12,589,243.24</b>	<b>\$ 27,787,650.00</b>	<b>\$ (15,198,406.76)</b>	<b>(54.7)</b>

<sup>1</sup> Unaudited

<sup>2</sup> Depreciation is not a budgeted expense

<sup>3</sup> Amount includes accrued compounded interest for the 91 Project Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and accreted interest on the 2013 Toll Revenue Bonds Series B (capital appreciation). \$10.8 million of the \$14.3 million interest cost will not be paid in the current year and therefore not included in the FY 2019/20 budget

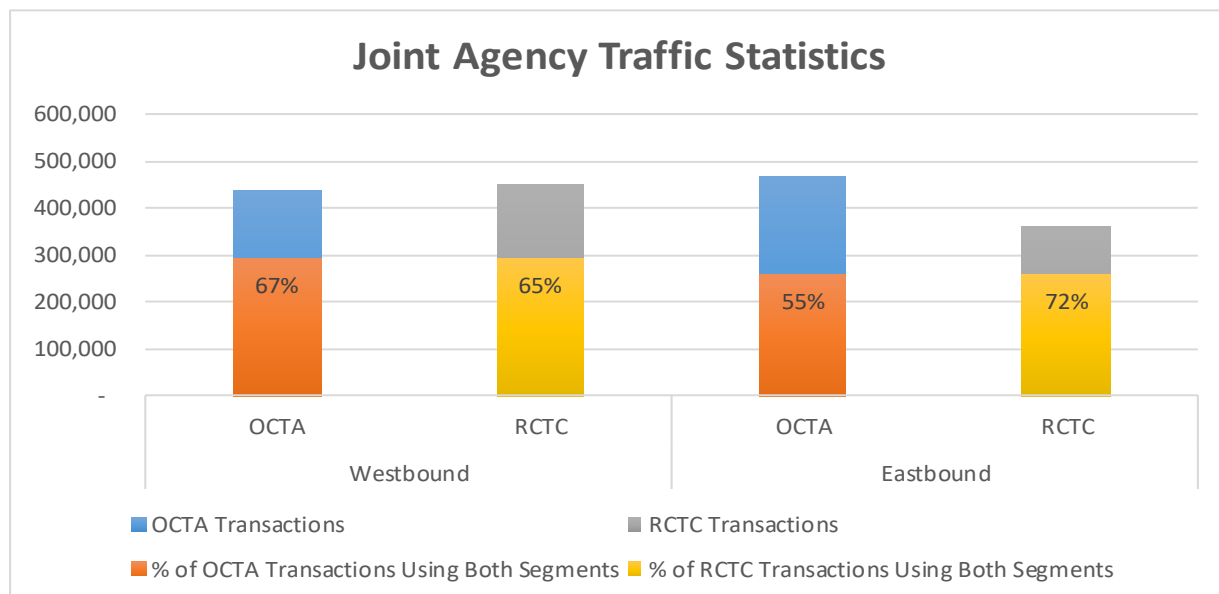
## JOINT AGENCY TRIP AND REVENUE STATISTICS

### MULTI AGENCY TRIP AND REVENUE STATISTICS

MONTH ENDING March 31, 2020

MTD	Transactions by Agency	Transactions Using Both Segments	% Using Both Segments	Revenue
<b>Westbound</b>				
OCTA	438,123	293,387	67%	\$ 1,179,082
RCTC	448,814	293,387	65%	\$ 2,462,410
I-15	196,654	129,559	66%	\$ 1,039,602
McKinley	252,160	163,828	65%	\$ 1,422,808
<b>Eastbound</b>				
OCTA	467,277	258,672	55%	\$ 1,736,980
RCTC	359,713	258,672	72%	\$ 1,193,793
I-15	135,926	104,168	77%	\$ 323,361
McKinley	223,787	154,504	69%	\$ 870,432

## JOINT AGENCY TRAFFIC STATISTICS



## JOINT AGENCY PERFORMANCE MEASURES

REPORTING REQUIREMENT	Reporting Period	PERFORMANCE STANDARD	Mar-20 Performance
<b>CUSTOMER SERVICE</b>			
Call Wait Time	Monthly	Not to exceed 2 minutes	1:29
Abandon Rate	Monthly	No more than 4.0%	2.7%
Customer Satisfaction	Monthly	At least 75 outbound calls	77
<b>VIOLATION PROCESSING</b>			
Response Time	Monthly	Within 2 business days of receipt	0.9
CUSA Violation Collection Rate	Quarterly	70% or more	62%
CUSA Violation Collection Rate	Annually	74% or more	
<b>TRAFFIC OPERATIONS</b>			
Initial & Secondary Reviews	Monthly	Equal to or less than 15 days	0.7
* Plate Misread Errors	Monthly	Equal to or less than 0.4%	0.01%
CAS Response Time	Monthly	0:20 (minutes) per call	0:10
<b>ACCOUNTING</b>			
OCTA Exceptions	Monthly	No more than 3	0
RCTC Exceptions	Monthly	No more than 3	0
<b>INFORMATION TECHNOLOGY</b>			
Back-office System Uptime	Monthly	99% Availability	100%
Network Uptime	Monthly	99% Availability	99.86%

CUSA = Co-firoute USA; CAS = OCTA Customer Assistance Specialists

\*Plate Misread Error performance is current after a 60-day hold-back period; therefore, percentage reported here is for 2 months prior to the month of this report.

## JOINT AGENCY TRANSPONDER DISTRIBUTION

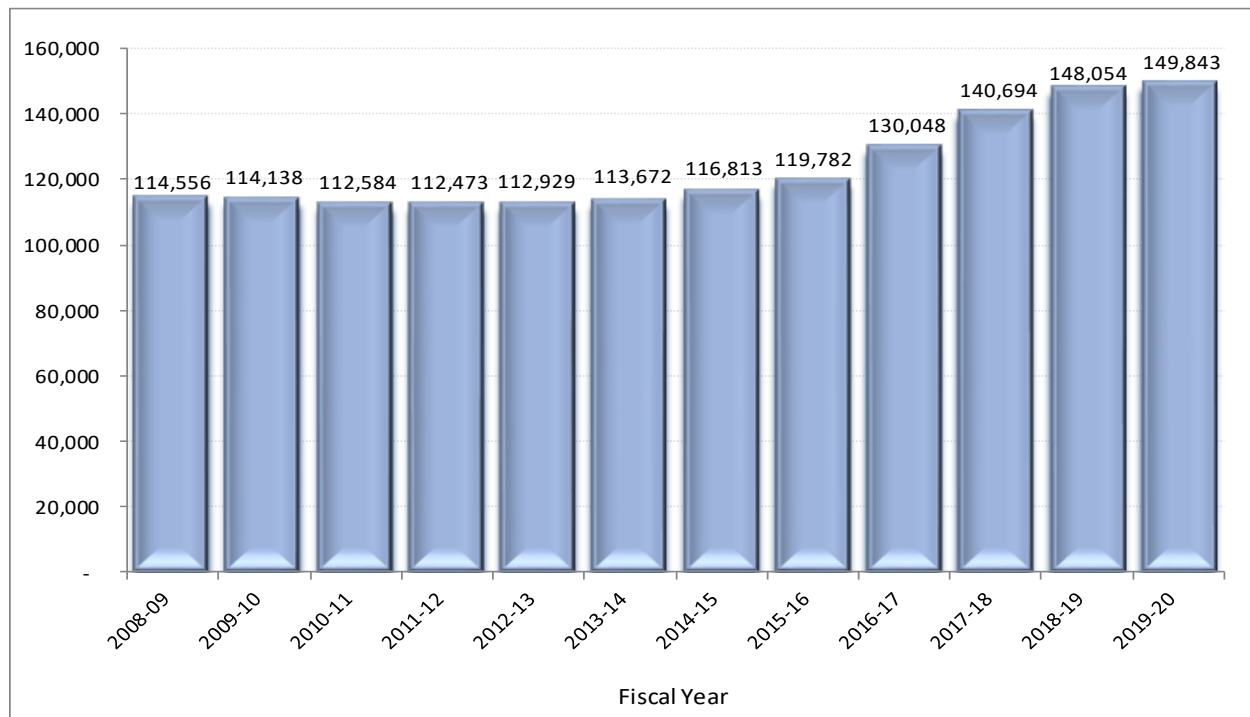
T21 TRANSPONDER DISTRIBUTION	March-20		February-20		FY 2019-20	
	Tags	% of Total	Tags	% of Total	Average To-Date	
<b>Issued</b>						
To New Accounts	927	91.2%	629	77.4%	1,183	52.2%
Additional Tags to Existing Accounts	36	3.5%	82	10.1%	638	28.1%
Replacement Transponders	54	5.3%	102	12.5%	447	19.7%
Total Issued	1,017		813		2,267	
<b>Returned</b>						
Account Closures	164	3.0%	335	18.2%	422	24.1%
Accounts Downsizing	244	4.4%	270	14.7%	178	10.1%
Defective Transponders	5,121	92.6%	1,235	67.1%	1,152	65.8%
Total Returned	5,529		1,840		1,752	

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At the end of March 2020, the 91 Express Lanes had 149,843 active customer accounts and 295,675 transponders classified as Assigned.

### Number of Accounts by Fiscal Year

As of March 31, 2020



### Incoming Email Activity

During March, the Anaheim Processing Center received 3,854 emails.

### Operational Activity

Amid concerns about the spread of COVID-19 and following the governor's guidance to help reduce its spread, the 91 Express Lanes Customer Walk-In Center was closed in March and will remain so until further notice. Operational activities in the Anaheim and Corona locations continued to function with a combination of remote workers and core staff located at the facilities. Core essential functions include aiding stranded motorists, providing incident management services and dispatching emergency vehicles through the traffic operations center. The call center remains open to respond to customer service and violation calls.





**May 27, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2020-21 Budget and Personnel and Salary Resolution

### **Overview**

The Orange County Transportation Authority Fiscal Year 2020-21 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the fiscal year 2020-21 budget following the public hearing to be held at the Board of Directors' meeting on June 8, 2020, at the following Board of Directors' meeting on June 22, 2020, or in a special meeting convened at their discretion, on or before June 30, 2020. The Board of Directors are also asked to approve changes to the Personnel and Salary Resolution as part of the budget approval process.

### **Recommendations**

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2020-21 Budget.
- B. Approve the Personnel and Salary Resolution for Fiscal Year 2020-21.
- C. Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approval of fiscal year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, first quarter operating subsidy, in an amount up to \$7,274,000.

### **Background**

The preparation of the Orange County Transportation Authority's (OCTA) annual budget began in December 2019 with the development of initial revenue projections, a service plan, and program goals and objectives for the upcoming fiscal year (FY). These projections were updated in March 2020 based on the

impacts of the novel coronavirus (COVID-19) pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided funding that helped OCTA balance the budget based on the service plan, program goals, and objectives that are in accordance with those of the Board of Directors (Board) and Chief Executive Officer (CEO).

Each division developed and submitted its budget requests in January, which were subject to successive internal reviews. The proposed budget was reviewed by a CEO-appointed internal budget review committee, consisting of the Deputy CEO, Chief Financial Officer, and Executive Director of Human Resources and Organizational Development, to ensure a balanced and fiscally-responsible budget is delivered consistent with the Board's goals, CEO's goals, OCTA Strategic Plan, Comprehensive Business Plan, and the Next 10 Delivery Plan.

The development of the FY 2020-21 proposed budget was based on a series of programmatic assumptions that were presented to the Finance and Administration (F&A) Committee on February 28, 2020, and the OCTA Board on March 11, 2020. However, due to the COVID-19 pandemic, revised budget assumptions were presented to the F&A Committee on April 8, 2020, and the OCTA Board on April 13, 2020. The presentation covered the changed economic landscape based on the COVID-19 pandemic and revised revenue and expense assumptions used to develop the budget for OCTA's major programs including: Measure M2 (M2), Transit, Commuter Rail, Motorist Services, and 91 Express Lanes.

Staff presented the FY 2020-21 budget in detail in an informal workshop setting on May 11, 2020. The presentation included a discussion of program goals and objectives, proposed staffing plan, and the sources and uses of funds planned to meet specified program goals. The presentation was solely informational for the Board. No public hearing was held at the meeting, nor was the Board asked to vote on the budget at the meeting. A public hearing for the budget is scheduled to occur at the June 8, 2020, Board meeting, after which staff anticipates seeking Board approval of the budget.

### ***Discussion***

The FY 2020-21 proposed budget represents a balanced plan of sources and uses of funds. Sources of funds include new revenues received within the year, as well as planned uses of prior year designations. Planned uses of prior year designations are funds set aside (designated) in prior FYs to be utilized in the

current FY. The uses of these funds are planned and do not represent a utilization of funds as a result of deficit spending. Expenditures include current year expenditures, as well as funds designated in the current FY to be used in a future FY.

OCTA received revised revenue forecasts from MuniServices for the M2 Program half cent Local Transportation Authority sales tax revenue measure and the bus program quarter cent Local Transportation Fund sales tax revenue measure. In addition, OCTA also reviewed the State of California May 2020 revised estimate for the State Transit Assistance and Road Repair and Accountability Act revenues. As a result, the FY 2020-21 proposed budget was revised from when it was presented on May 11, 2020, to the Board at the budget workshop. OCTA was able to balance the impact of reduction in revenues through a combination of adjustments to salaries and benefits, travel and training, various M2 projects, and both use of prior year designations, as well as designations to be used in future years.

The combination of estimated revenues and planned use of reserves produces available funding of \$1,427.6 million, while proposed expenditures and designations yield a total use of funds of \$1,427.6 million. On a year-over-year comparison to the approved FY 2019-20 budget, the FY 2020-21 proposed budget is \$97.6 million less than the FY 2019-20 budget. This is primarily due to bus purchases that are included the FY 2019-20 budget and are not included in the FY 2020-21 budget.

Under the M2 Program, while the COVID-19 pandemic is expected to impact sales tax revenues, there is financial capacity within the program to continue to improve freeways, and streets and roads throughout Orange County, as well as fund multiple transit programs through FY 2020-21. Staff will continue to model the impact of COVID-19 to the M2 Program, as the revenue impacts become more defined in the coming months. Included in the proposed budget is \$417.7 million to help fund freeway improvement projects on Interstate 405, Interstate 5, State Route 55, State Route 57, and State Route 91. Approximately \$145.8 million is budgeted to improve streets and roads, including \$55.6 million for the Regional Capacity Program, \$48.6 million to fund the Local Fair Share Program, and \$35.8 million for Regional Traffic Signal Synchronization. In addition, the budget also includes \$59.9 million for M2 Transit, including \$31.6 million for ongoing construction of the OC Streetcar.

With the help of the CARES Act, the FY 2020-21 budget will include the same level of fixed-route bus service, as was included in the FY 2019-20 budget. A

total of 1.63 million revenue hours will be budgeted with 62 percent of the hours directly operated by OCTA and 38 percent of the hours provided by OCTA's contractor. While the budget assumes pre-COVID-19 pandemic levels of bus service, actual restoration of service will occur throughout the year based on ridership demand and public health considerations. Paratransit service trips are anticipated to decrease by 2 percent to 1.7 million. In addition, OC Flex service will be budgeted at 23.6 thousand revenue hours, which is consistent with the FY 2019-20 budget.

The proposed OCTA budget assumes a three-month extension of the current agreement with Metrolink at their request. It is anticipated Metrolink will submit a budget proposal for the balance of FY 2020-21 and OCTA staff will request a budget amendment during FY 2020-21 to include the remaining three quarters of operating subsidy, which will include authorization of Federal Transit Administration funds to be drawn directly by SCRRRA. The amendment will also include the approval of the capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation expenditure budgets. The CARES Act provides funds that enable OCTA to support up to pre-COVID-19 service levels through FY 2020-21 if needed based on demand. That is a total of 54 weekday trips and 16 weekend trips for Metrolink service within Orange County.

The COVID-19 pandemic has not only caused the economy to slow but has resulted in severe traffic declines well in excess of peak losses during the Great Recession for the 91 Express Lanes Program. The 91 Express Lanes are currently experiencing traffic declines of approximately 60 percent when compared to the same period last year. Due to strong reserves, the 91 Express Lanes are able to meet all operating, capital, and debt-related expenditures. As a result, revenues and expenses are balanced for the 91 Express Lanes Program for FY 2020-21.

Staff will be available to present, review, or answer questions about the budget at the following committees, as well as to individual Board Members upon request.

Committee	Date
Finance and Administration	May 13
Transit Committee	May 14
Legislative and Communications	May 21
Finance and Administration (Preview of Public Hearing)	May 27
Executive Committee	June 1
Regional Planning and Highways	June 1

#### Personnel and Salary Resolution

The FY 2020-21 Personnel and Salary Resolution (PSR) (Attachment C) governs administrative employees and is approved annually as part of the budget. Changes have been made to the PSR to include minor clarifications, where necessary.

The PSR includes no increases for merit or bonus pools and no changes to salary structures.

#### Information Systems Licensing and Maintenance Agreements

Each year, in conjunction with approving the budget, the Board approves OCTA's software and hardware licensing and maintenance agreements. OCTA follows industry practice to ensure proper maintenance and to receive critical product upgrades of its licensed software and purchased hardware. The annual licensing and maintenance agreements are executed with each hardware and software developer on a sole source basis, for an amount not to exceed the contracted value for each vendor. The sole source list includes licensing and maintenance agreements, as well as emergency support after hours, weekends, and holidays.

Two specific firms that appear on the sole source list are Coastline Consulting Services and Compucom. These firms provide emergency malware support in the event of a cyber attack or related incident. Although other vendors could provide these services, OCTA included them on the sole source list based on the criticality of their services and prior knowledge and experience with OCTA, as well as their standing in the industry in regard to cyber security remediation. On a cumulative basis, the software and hardware licensing, maintenance, and emergency support agreements will not exceed \$7.5 million. A list of the agreements is included as Attachment D.

**Southern California Regional Rail Authority (SCRRA) Budget**

Under the Joint Powers Agreement that governs the SCRRA, each member agency must approve its financial contribution to the SCRRA budget. The FY 2020-21 SCRRA budget estimates the OCTA operating funding allocation for the first quarter to be \$7,274,000.

In addition to the operating funding allocation, OCTA is also responsible for a portion of the costs for capital and rehabilitation projects. These projects are typically led by the SCRRA, and the grant funds to pay for them are drawn down directly by the SCRRA. As a result, these projects are not typically included in OCTA's budget. It is anticipated staff will request a budget amendment during FY 2020-21 to include the remaining three quarters of operating subsidy, which will include authorization of Federal Transit Administration funds to be drawn directly by SCRRA. The amendment will also include the approval of the capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation expenditure budgets.

***Summary***

The Orange County Transportation Authority Fiscal Year 2020-21 Budget was reviewed by the Board of Directors in a workshop setting on May 11, 2020. The Board of Directors may approve the fiscal year 2020-21 budget following the public hearing on June 8, 2020, at the regularly scheduled meeting on June 22, 2020, or in a special meeting convened at their discretion.

***Attachments***

- A. Resolution of the Board of Directors for the Orange County Transportation Authority Approving an Operating and Capital Budget Fiscal Year 2020-21, OCTA Resolution No. 2020-021
- B. Orange County Transportation Authority Budget Summary Fiscal Year 2020-21
- C. Proposed Changes for the Personnel and Salary Resolution Fiscal Year 2020-21
- D. Orange County Transportation Authority Licensing and Maintenance Agreements Sole Source List - Fiscal Year 2020-21

**Prepared by:**



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Financial Planning and Analysis  
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**Approved by:**



Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
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**RESOLUTION OF THE BOARD OF DIRECTORS FOR  
THE ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPROVING AN OPERATING AND CAPITAL BUDGET  
FISCAL YEAR 2020-21**

**WHEREAS**, the Chief Executive Officer and staff have prepared and presented to the Board of Directors a proposed operating and capital budget in the amount of \$1,427.6 million for Fiscal Year 2020-21;

**WHEREAS**, said Chief Executive Officer and staff did conduct a public workshop before the Board of Directors on May 11, 2020, in the Board Chambers, at which time the proposed budget was considered;

**WHEREAS**, a public hearing was conducted on June 8, 2020, at which the public was invited to express its views and objections to said budget; and;

**WHEREAS**, the original of said proposed budget will be revised to reflect each and all of the amendments, changes, and modifications which the Board of Directors, up to the time of the approval of this resolution, believes should be made in said proposed budget as so submitted and to correct any non-substantive errors or omissions.

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Directors of the Orange County Transportation Authority as follows:

1. The operating and capital budget of the Orange County Transportation Authority and all affiliated agencies for the Fiscal Year July 1, 2020 through June 30, 2021, is hereby approved, a copy of which is on file with the Clerk of the Board.
2. The Clerk of the Board shall certify to the passage and approval of this resolution, and it shall thereupon be in full force and effect.

ADOPTED, SIGNED, AND APPROVED this 8th day of June 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Laurena Weinert  
Clerk of the Board

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Steve Jones, Chairman  
Orange County Transportation Authority





Orange County Transportation Authority  
Budget Summary  
Fiscal Year 2020-21

*\$ in millions*

Estimated Revenues	\$ 1,004.2
Use of Prior Year Designations	423.4
	<hr/>
<b>Total Sources of Funds</b>	<b>\$ 1,427.6</b>

**Appropriate Funds to:**

Salaries & Benefits	\$ 172.6
Services & Supplies	405.3
Contributions to Other Agencies	172.3
Debt Service	66.1
Capital / Fixed Assets	549.9
	<hr/>
<b>Total Expenses</b>	<b>\$ 1,366.2</b>
<b>Designation of Funds</b>	<b>\$ 61.4</b>
	<hr/>
<b>Total Uses of Funds</b>	<b>\$ 1,427.6</b>

**Proposed Changes for the  
Personnel and Salary Resolution Fiscal Year 2020-21**

<b>Subject</b>	<b>Page</b>	<b>Section</b>	<b>Proposed Change</b>	<b>Reason</b>
Various formatting and language changes				Throughout document; substituted "termination" for more neutral term "separation".
Layoff Benefits	p.16	2.8A	Add Language	Provide clarification, consistent with existing policy, on when benefits are to be reinstated if employment is recalled within six months.
Compensation	p.22	4.1F	Add Section	Section was added due to an audit recommendation and for consistency with policy revised in November 2019.
Life Insurance	23	4.3B	Add Language	Provide clarification, consistent with existing policy, on maximum benefit amount.
Holidays and Personal Paid Holidays	p.30 -31	4.8D	Add Language	Include language that notes the listing of the holidays observed for the year, and Personal Paid Holiday accrual, will be posted on the OCTA Intranet.
Merit Adjustments	p.37	5.6	Change Language	For Fiscal year 2020-2021, a merit pool may be established based upon the availability of financial resources, as approved by the Board of Directors.
Special Performance Awards	p.37	5.7	Change Language	For Fiscal year 2020-2021, a special performance award pool may be established based upon the availability of financial resources, as approved by the Board of Directors.

# PERSONNEL AND SALARY RESOLUTION

FISCAL YEAR 20~~2019~~-202~~19~~

Effective: June 2~~23~~, 20~~2019~~

This document provides information on general policies regarding employment practices, employee benefits, compensation and salary structure for administrative employees at the Orange County Transportation Authority and was approved by the Orange County Transportation Authority Board of Directors on June ~~810~~, 20~~2019~~.

Prepared by:

*Human Resources and Organizational Development Division*



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# **SECTION 1**

## **PURPOSE AND PROCEDURES**

### **1.1 PURPOSE OF PERSONNEL AND SALARY RESOLUTION**

In an effort to establish an equitable and consistent plan for managing Human Resources matters, to attract, develop and retain top talent, and to ensure consistent selection, promotion, and compensation practices based on merit, ability, and performance, the following Human Resources policies for administrative employees are hereby adopted.

The Orange County Transportation Authority (OCTA) reserves and maintains the right to eliminate, modify or otherwise change, at any time, for any reason, any provision(s) of this Personnel and Salary Resolution (PSR), as established and approved by the Board of Directors, including, but not limited to, any employee benefit or right provided in this PSR.

### **1.2 HUMAN RESOURCES POLICIES AND PROCEDURES**

The Chief Executive Officer (CEO), acting as the Appointing Authority (AA), may elect to delegate certain responsibilities. The CEO is charged with ensuring OCTA Human Resources policies and procedures provide for an effective and efficient organization, staffed with qualified employees receiving fair and equitable treatment. The Executive Director of Human Resources and Organizational Development (HROD) is responsible for managing the Human Resources functions and is responsible for developing and administering Human Resources policies and procedures that are in the best interest of OCTA and its employees.

The CEO makes the final determination on the interpretation of OCTA Human Resources policies and is authorized to establish and maintain Human Resources procedures that are consistent with those policies.

Exceptions to the PSR may be authorized in writing by the CEO. This exception authority may not be delegated.

Please refer to specific policies and procedures for additional information.



## **SECTION 2 EMPLOYMENT**

### **2.1 AT-WILL EMPLOYMENT**

OCTA employees whose employment is governed by the provisions of this PSR are at-will. The AA has the right to reassign, dismiss, reduce pay, or suspend without pay any employee, at any time, for any reason. Similarly, OCTA employees may separate their employment at any time without prior notice.

### **2.2 APPROVAL AUTHORITY FOR EMPLOYEE ACTIONS**

The CEO is the AA for the selection and separation of all employees in all positions except those reporting directly to the Board. The CEO is authorized to approve revisions in classification titles and grades, provided that any such changes are in accordance with established OCTA Policies and Procedures and the Board-adopted fiscal year budget.

### **2.3 COMPENSATION**

OCTA will maintain a compensation philosophy and salary structure for full-time and part-time employees as stated in the PSR.

Salary ranges, rates, and employee benefits are reviewed and considered for adjustment not less often than annually. This permits OCTA an opportunity to periodically assess the competitiveness of the compensation plan, including the salary structure, and make necessary adjustments to reflect changes in internal equity and labor market conditions.

### **2.4 INTERNSHIPS**

A person employed in a College Intern position will be compensated at an hourly rate to be determined by the AA. A College Intern is not eligible for employee benefits paid by OCTA, except as required by law.

### **2.5 OUTSIDE EMPLOYMENT ACTIVITIES**

An administrative employee may not engage in outside employment or other outside activities incompatible with the full and proper discharge of the duties and responsibilities of his/her OCTA employment. Before accepting or engaging in any outside employment, an employee must obtain written permission from the AA.

## 2.6 PERFORMANCE PLANNING AND REVIEW PROGRAM

The AA is responsible for developing and administering a formal performance planning and review program for all full-time and part-time administrative employees.

## 2.7 RELOCATION EXPENSES

OCTA may provide relocation assistance as defined in the “Reimbursement of Relocation Expenses Policy.”

## 2.8 ELIMINATION OF POSITIONS AND WORKFORCE REDUCTIONS

Whenever it becomes necessary, the CEO may eliminate any position. The CEO has the authority to reduce the workforce and to layoff full-time or part-time employees because of the elimination of a position, lack of funds, lack of work, or for operational efficiencies. An employee who is laid-off because of the elimination of a position or reduction in the workforce may be placed in another position for which the employee is qualified at the same level or below, provided an opening exists. Workforce reductions may allow for the position to remain vacant until the AA finds it necessary to fill the position.

### 2.8A LAYOFF BENEFITS

An employee recalled within six months may be reinstated to the same position if the position is available. For purposes of this section, benefits based on length of service will be reinstated to the level prior to layoff if an employee is reinstated to the same or a different position within six months following the date of layoff.

An employee placed on layoff may be granted paid health insurance in accordance with the following schedule:

Years of Service	Length of Coverage
Less than 3	1 month
3 but less than 5	2 months
5 but less than 10	3 months
10 or more	4 months

Upon separation from OCTA due to layoff, all unused or unpaid vacation, personal paid holidays, and sick leave will be paid to the affected employee.

If- employment is recalled within six months, health insurance coverage will take effect on the first day of the following month from the -rehire date. However, if the granted paid health insurance is still in effect, then coverage will be effective the first day of the month from the return to work date-.

## 2.8B LAYOFF SEVERANCE PAY

The CEO may authorize the payment of severance pay to full-time and part-time employees in accordance with the following schedule:

Years of Service	Weeks of Severance Pay
Less than 3	2 weeks
3 but less than 5	3 weeks
5 but less than 10	4 weeks
10 or more	5 weeks

Severance pay for part-time employees is prorated in accordance with their regularly scheduled pay.

## **SECTION 3**

### **EXEMPT AND NON-EXEMPT EMPLOYEE, WORKWEEK, SCHEDULES, OVERTIME AND MAKE-UP TIME**

#### **3.1 EXEMPT EMPLOYEES**

Exempt employees are those in positions that are not covered under the provisions of the Fair Labor Standards Act (FLSA) regarding minimum wage, overtime, maximum hours and recordkeeping.

An exempt employee, either part-time or full-time, is not eligible for overtime payment, compensatory time or any additional compensation for time worked in excess of eight hours per day or 40 hours per workweek, or time worked in excess of his/her regular schedule.

Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours excluding overtime.

#### **3.2 NON-EXEMPT EMPLOYEES**

Non-exempt employees are those in positions that are covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours and recordkeeping. All hours worked, holidays, and benefit time taken must be accurately recorded on a timesheet and approved by the supervisor. Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours excluding overtime.

Non-exempt employees are strictly prohibited from volunteering or donating their time to OCTA by performing any work or function that is the same or similar to their regularly scheduled duties while in an unpaid status.

#### **3.3 WORKWEEK**

The FLSA defines workweek as a period of 168 hours consisting of seven consecutive 24-hour periods. The employer can determine the day and hour that the workweek begins. Each workweek is considered on its own to determine minimum wage and overtime payments: there is no averaging of two or more workweeks. The Department of Labor uses workweek to determine compliance with federal regulations such as requirements for wage payments and overtime. Workweek and overtime will be administered consistent with any applicable state and federal laws.

The regular workweek for a full-time OCTA employee is 40 hours per week, Sunday through Saturday, unless otherwise established with an alternative work schedule. The workweek does not need to coincide with the calendar week.

### **3.4 ALTERNATIVE WORK SCHEDULES**

The AA has the authority to designate flexible starting, ending, and core times for the performance of work during the standard workday consistent with OCTA's "Workweek and Overtime Policy."

The AA also has the authority to designate alternative workweek schedules, such as 4/10 or 9/80, provided the administration of such schedules is consistent with OCTA policy and any applicable state and federal laws.

The AA may establish necessary guidelines to administer alternative workweek schedules at the department and section level.

### **3.5 OVERTIME**

Overtime must be authorized prior to performance of such work. Authorized work performed in excess of eight hours per day or in excess of 40 hours per workweek by a full-time or part-time non-exempt employee is considered overtime. This does not apply to a non-exempt employee who regularly works a 9/80 work schedule or who regularly works any other work schedule totaling 40 hours per workweek. All paid hours except sick time will be considered hours worked.

Excluding employees on an alternative work schedule, non-exempt employees will be paid 1-1/2 times their regular rate for all time worked in excess of eight (hours in a workday or 40 hours in a workweek). Non-exempt employees on alternative work schedules will be eligible for daily overtime for hours worked in excess of their regular schedule or 40 hours in a workweek.

For purposes of calculating overtime compensation, paid holidays not worked and pre-approved vacation not worked are treated as authorized work performed. If a designated holiday occurs on a regularly scheduled day off, these hours are not considered hours worked. Hours away from work due to illness, even when compensated, are not included in overtime calculations.

A non-exempt employee who is required to work on a designated holiday will be paid 1-1/2 times his/her regular rate for authorized work performed, in addition to regular holiday pay. Added pay for holiday hours worked will not be considered when calculating overtime on more than 40 hours in a workweek.

OCTA does not permit the accrual of compensatory time in lieu of payment of overtime.

In no case may a non-exempt employee's workweek be changed when the purpose of the change is to avoid compensating the employee at 1-1/2 times his/her regular rate for work performed in excess of his/her regular work schedule.

If, in the judgment of the employee's supervisor, work beyond the normal workday, workweek, or work period is required, such work may be authorized.

### **3.6 MAKE-UP TIME**

Consistent with OCTA policy, when a non-exempt employee requests to leave or miss certain hours of a day and then to make it up by working longer hours on another day, it is called make-up time. Make-up time is permitted when requested by the employee due to the employee's personal obligation. The employee must request to use make-up time in writing before taking the time off or working the make-up hours, and the supervisor must approve it. The time must be made up within the same workweek as the time that was taken off. The made-up time cannot cause the employee to work more than 11 hours in a day or more than 40 hours in a workweek, as this will require overtime to be paid. Managers and/or Supervisors are prohibited from encouraging or soliciting an employee to request make-up time.

## **SECTION 4 EMPLOYEE BENEFITS**

### **4.1 BOARD MEMBER BENEFITS**

The AA may establish and be responsible for health (medical, dental, and vision), and life (life and accidental death and dismemberment) insurance benefits for Board Members at a cost not to exceed the amount established by the Board in the annual budget.

#### **4.1A BENEFITS ELIGIBILITY**

For Public Board Members and for Board Members who do not receive health benefits from the public entity they are elected to serve: The Board Members will have the same premium cost and the same health benefits as full-time employees paid by OCTA, which may change to reflect the current programs offered.

For Board Members who receive health benefits and/or a cash waiver from the public entity they are elected to serve: The Board Members may choose to receive the same health benefits as full-time employees, provided the Board Member pays 100 percent of the OCTA premium, which may change to reflect the current programs offered.

#### **4.1B DEFERRED COMPENSATION**

Board Members may participate in OCTA's Deferred Compensation Program.

#### **4.1C RETIREMENT PLAN**

Board Members are required to participate in the 3121 Federal Insurance Contributions Act (FICA) Alternative plan, because they are not eligible to participate in the Orange County Employee Retirement System. Board Members contribute 7.50 percent of OCTA pay. The 3121 FICA Alternative plan is required under the Omnibus Budget Reconciliation Act (OBRA) and is administered by a ~~third party~~third-party administrator.

#### **4.1D LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE**

Life Insurance will be provided by OCTA in the amount of \$50,000 coverage for each Board Member.

Voluntary Board Member-paid supplemental life insurance may be offered by OCTA for Board Members and/or their dependents.

#### 4.1E REIMBURSEMENT OF EXPENSES

OCTA will reimburse Board Members and former Board Members who are serving on regional boards at the direction and request of the Board of Directors for actual and necessary expenses incurred in the performance of their duties, as provided in the “Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.”

#### 4.1F COMPENSATION

A Board Members and former Board Members, who are serving on regional boards at the direction and request of the Board of Directors, are is authorized to receive compensation in the amount of one hundred dollars (\$100) per day, not to exceed five hundred dollars (\$500) in any calendar month, for attending any of the activities outlined in section III of the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

### 4.2 GRANDFATHERED BENEFITS

The following exceptions to policy as otherwise outlined in this PSR result from the consolidation of the Orange County Transit District and the Orange County Transportation Commission.

The following benefits apply only to those employees who were employees of the Orange County Transportation Commission, as of June 19, 1991.

#### 4.2A GRANDFATHERED LEAVE

Each non-exempt employee covered under this section will be entitled to 16 hours of paid Administrative Leave per fiscal year. Each exempt employee covered under this section will be entitled to 32 hours of paid Administrative Leave per fiscal year.

Approval will be by the AA. Any unused Administrative Leave for the current fiscal year will be paid to the employee in the event of separation or retirement. The maximum accrual amount for non-exempt employees will be 24 hours. The maximum accrual amount for exempt employees will be 48 hours.

#### 4.2B GRANDFATHERED RETIREMENT

An employee covered under this section may continue to participate in the California Public Employees’ Retirement System and shall be governed by its rules and regulations.



Commencing January 1, 2017, employees shall pay 100 percent of the employee contribution.

### **4.3 HEALTH, LIFE, AND DISABILITY INSURANCE BENEFITS**

#### **4.3A HEALTH INSURANCE**

The AA will offer health (medical, dental, and vision), life (life and accidental death and dismemberment), and disability insurance programs for all full-time and part-time employees as determined by the Board.

Employees who are scheduled to work a minimum of 20 hours per week or more and meet the criteria under the Affordable Care Act, are eligible to participate in the health, life and disability insurance programs on the first day of the month following 30 days of employment. Employees may be required to pay a portion of the premiums. Part-time employees will pay the same portion of the premiums as full-time employees.

Administrative and Transportation Communications International Union (TCU) employees who elect to waive an OCTA medical, dental and vision plan are eligible to receive an employer contribution of \$92.31 per pay period into a 401(a) deferred compensation plan, not to exceed the annual IRS maximum contribution. The employee must provide verification annually from the employer or the insurance carrier which verifies proof of other medical plan coverage in order to receive a contribution into the 401(a) plan. An employee who is a spouse, child or any other dependent of an OCTA Administrative/TCU employee is not eligible if he/she is covered under an OCTA medical, dental or vision plan.

#### **4.3B LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE**

Life insurance will be provided by OCTA to full-time and part-time employees in the amount of two times the annual salary, for a maximum benefit of \$500,000. Voluntary employee-paid supplemental life insurance may be offered by OCTA for employees and/or eligible dependents (IRS).

#### **4.3C DISABILITY INSURANCE**

Employer-paid short-term disability and long-term disability insurance programs will be provided to full-time and part-time employees. Coordination of state provided disability payments may be required.

#### **4.3D SURVIVOR BENEFIT**

When OCTA is notified of the death of an employee, his/her dependents who were previously enrolled dependents, may be eligible for coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). If eligible for

COBRA, OCTA will reimburse the cost of the OCTA-sponsored health benefit plan premium to the dependent(s) for a maximum of three months.

#### **4.3E COBRA AND CONTINUED COVERAGE**

All full-time or part-time employees separating employment may elect continuing health (medical, dental, and vision) insurance pursuant to the governing provisions of the program in which they are enrolled. The employee will be required to pay the premium for the coverage selected in accordance with the provisions of COBRA, except as provided in the “Layoff and Workforce Reduction Policy”. Health coverage ends the last day of the month in which the employee separates employment.

#### **4.3F CONTINUATION OF HEALTH BENEFITS FOR RETIREES**

An employee who retires from OCTA is eligible to continue medical, dental, and/or vision coverage, provided the retiree continues to pay 100 percent of the full monthly premium. Current group health benefits may continue up to age 65.

An employee who defers retirement is not eligible for this benefit.

For additional information regarding retiree health benefits that may apply under the Additional Retiree Benefit Account Plan (ARBA) please refer to section 4.7C.

### **4.4 MISCELLANEOUS BENEFITS**

#### **4.4A EMPLOYEE RECREATION ASSOCIATION**

The AA will be responsible for monitoring the Employee Recreation Association (ERA), which is administered by the Human Resources Department. The ERA is a council of 11 members who meet to discuss various employee recognition activities and events and how best to fund them.

#### **4.4B EMPLOYEE USE OF TRANSPORTATION SYSTEM**

The AA has established policies and procedures regarding employees and eligible dependents’ free transportation on OCTA’s transportation services. See the “Employee Identification Cards and Dependent Transportation Passes Policy”.

#### **4.4C MILEAGE REIMBURSEMENT**

An employee will be reimbursed for use of his/her private automobile for official business of OCTA at the rate established by the Internal Revenue Service (IRS).

The AA will determine what constitutes official OCTA business, which would require use of an employee's private automobile. Local travel for mileage reimbursement purposes will include travel in Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties. Executive employees are referenced in section 4.6A.

#### **4.4D OUT-OF-POCKET EXPENSES**

OCTA will reimburse its employees for out-of-pocket expenses incurred while conducting official business for OCTA as provided in the policies regarding travel and conference expenses.

#### **4.4E PROFESSIONAL LICENSES AND CERTIFICATES**

OCTA will pay for any work-related professional licenses, certificates, or renewal fees as approved by the AA.

#### **4.4F RECOGNITION AND AWARD PROGRAMS**

The AA may establish and maintain an employee service award program and employee appreciation programs to provide recognition to employees for performance, continuous service, safety, and commitment to public transportation.

### **4.5 LEAVES OF ABSENCE**

Leaves of absence may be granted by the AA to employees with or without pay. This policy will be interpreted and applied in accordance with all applicable state and federal laws. For a detailed description of the various leaves of absence, please refer to the "Leave of Absence Policy" and the "Military Leave Policy."

#### **4.5A PERSONAL LEAVE**

When requested, the AA may grant a personal leave of absence without pay for an initial period of 30 calendar days and extensions may be granted to a maximum of six months from the beginning date of the personal leave.

A personal leave of absence may be granted once all accrued/benefit hours have been exhausted, including vacation hours, sick hours, and Personal Paid Holiday (PPH) hours.

If the personal leave of absence extends for 30 calendar days or less, an employee will be returned to his/her original classification. If the personal leave of absence extends for more than 30 calendar days, OCTA will not guarantee the employee's classification or employment with ~~OCTA, but~~OCTA but will attempt to reinstate the employee to a like or similar classification.

During the initial 30 calendar days following the date on which the personal leave of absence begins, OCTA will continue to offer life insurance, medical, dental and vision benefits at the same employee coverage cost and the same contribution for dependent premiums at the current applicable rate. To continue health coverage, employees on an unpaid status are responsible for submitting health insurance contributions, at the same rate and frequency as active employees. Failure to pay the employee's contribution may result in a lapse of coverage.

After the initial 30-day period, the employee will be required to remit in advance each month, 100 percent of the monthly cost of the group insurance premiums incurred during the remainder of the leave of absence in order to continue group insurance. Non-receipt of premium reimbursements will result in the termination of the employee's insurance.

If an employee returns to work from a personal leave of absence, the employee will be responsible for 100 percent of the monthly cost of the group insurance premiums for the month in which the employee returns to work.

## **4.6 REIMBURSEMENTS AND ALLOWANCES**

### **4.6A AUTOMOBILE ALLOWANCE AND ASSIGNMENT OF AUTOMOBILES**

OCTA may elect to provide both an assigned automobile and all related expenses, or to provide a monthly automobile allowance to Executive employees. The monthly allowance will be in lieu of the IRS standard mileage reimbursement rate that would otherwise apply in the use of his/her personal automobile in the performance of his/her duties. An Executive employee may not receive the automobile allowance for any month during which the employee's driver license has expired, been revoked, or suspended for a moving violation while operating an automobile.

The automobile allowance will be in the same amount as is provided to the County of Orange managers at the department head or agency head level as determined by the Orange County Board of Supervisors.

OCTA may assign vehicles on a 24-hour basis to designated positions, in accordance with the "Non-Revenue Vehicle Fleet Policy". Each OCTA operating base and administrative facility will be assigned a pool of non-revenue vehicles for authorized OCTA business.

Special purpose vehicles will be assigned to a division based on business need as referenced in the “Non-Revenue Vehicle Fleet Policy”.

#### **4.6B EDUCATIONAL REIMBURSEMENT PROGRAM**

OCTA may provide an Educational Reimbursement Program to reimburse a full-time employee for reasonable educational expenses for work-related courses. The AA will be responsible for developing, administering, and maintaining the program.

As authorized by the “Educational Reimbursement Plan Policy”, a full-time employee who satisfactorily completed approved, work-related educational courses as defined in the Educational Reimbursement Program Policy, will be reimbursed in full for eligible expenses up to a maximum of \$3,675 per calendar year. Increases to the tuition reimbursement amount will be indexed to California State University system tuition rates not to exceed the IRS tax-free amount (currently \$5250). If an employee separates employment or gives notice of separation prior to completion of the course, no reimbursement will be made. Newly hired employees may be eligible for educational reimbursement after six months of employment.

#### **4.6C TABLET PURCHASE REIMBURSEMENT PROGRAM**

OCTA may reimburse an employee for up to \$400 or 50 percent, whichever is less, of actual expenditures for the cost of a personal tablet as authorized by the “Business Equipment Use Policy”.

An employee may not receive more than \$400 during any 24-month period. Newly hired employees may be eligible for tablet reimbursement after six months of employment.

#### **4.6D UNIFORMS**

An Administrative employee who is required to wear a uniform on the job will be granted an allowance up to \$500 per year for the purchase of uniforms at OCTA’s authorized uniform supplier. Uniform purchases must comply with the guidelines established by the appropriate division.

#### **4.6E SAFETY SHOES**

Executive Directors are authorized to approve the cost of a pair of work-required safety shoes approved by the employee’s manager.

### **4.7 RETIREMENT AND DEFERRED COMPENSATION**

## 4.7A DEFERRED COMPENSATION

OCTA may provide all full-time, part-time, and extra-help employees, including those covered by a collective bargaining agreement, with a deferred compensation program. The Deferred Compensation program is a benefit available to eligible employees to help them to save for retirement. The AA will be responsible for the establishment and administration of this program, utilizing the services of an outside administrator. This service will be provided at no cost to OCTA.

The Deferred Compensation Program is overseen by the Deferred Compensation Plan Committee. The Charter of the Deferred Compensation Plan Committee for the OCTA Retirement Plan Program constitutes the articles governing the operation of the committee. The Authority has delegated to the CEO the responsibility of determining the committee members which comprise the Deferred Compensation Plan Committee, as well as the duties and responsibilities of the committee members.

Enrollment in this program will be offered to employees on a voluntary basis, unless mandated by state or federal law. Employee contributions to the program will be made by a payroll deduction. The CEO may authorize OCTA to pay all or part of the employee contribution for designated classes of employees.

Administrative employees will receive OCTA-paid matching contributions to 401 (a) plans based on years of service as set forth below, provided employees are making contributions of at least that amount to the OCTA 457 (b) plan:

Years of Service	Percent of Base Pay
New Hire but less than 5	1%
5 but less than 10	2%
10 or more	3%

In addition to the above scale, employees in Salary Grade V and above will receive an employer-paid matching contribution of up to two percent of base salary to the 401 (a) plan upon hire or promotion, provided employees are making contributions of at least that amount to the OCTA 457(b) plan.

## 4.7B RETIREMENT

All full-time and part-time employees of OCTA will participate in the Orange County Employees Retirement System (OCERS) and will be governed by its rules and regulations. All employees shall pay 100 percent of the OCERS employee contribution rate each pay period.

## 4.7C ADDITIONAL RETIREE BENEFIT ACCOUNT PLAN

An employee who retires from OCTA after January 1, 1995 who is in good standing with OCTA may be eligible for a benefit under the Additional Retiree Benefit Account Plan (ARBA). The retiring employee is eligible if the following conditions are met:

- at least ten years of service and at least 50 years of age at retirement, and
- receives a retirement benefit under OCERS within 30 days from the date of separation.

The benefit amount represents \$10.00 per month, per year of service, not to exceed a monthly benefit of \$150.00

OCTA reserves the right to modify or terminate this plan at any time by action of the Board. Administration of the ARBA Plan will be in accordance with the plan document.

Exceptions to the above policy resulting from the consolidation of the Orange County Transit District and the Orange County Transportation Commission are addressed in Grandfathered Benefits referenced in section 4.2.

## **4.8 TIME OFF BENEFITS**

### **4.8A TIME OFF ACCRUALS**

All paid time-off benefits will accrue during a leave of absence for only the period during which the employee is paid. An employee on unpaid leave of absence does not earn service credit for purposes of retirement benefits. An employee who returns to work from a leave of absence retains all accumulated service credit. Service credit for retirement benefits will be based on the specifications of the retirement system.

### **4.8B BEREAVEMENT LEAVE**

In accordance with the “Bereavement Leave Policy”, a full-time or part-time employee will be granted paid bereavement leave for time actually lost, up to three regularly scheduled workdays, upon the death of an immediate family member.

Immediate family member includes: spouse, parent, child, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepchild, stepparent, stepbrother, stepsister, grandparent, grandchild, legal guardian/ward, or registered domestic partner. Bereavement leave may be granted for each occurrence.

An eligible employee who travels outside the state of California or outside a 350-mile radius from the OCTA Headquarters following the death of an immediate family member, will be granted up to five days paid bereavement leave.

The paid bereavement leave will not be chargeable to sick leave or vacation. The AA will authorize such absence from work.

Additional leave, if required, to make arrangements and/or attend the funeral, cremation, or memorial service of an immediate family member may be approved by the AA and will be charged against accrued sick or vacation leave.

#### 4.8C CATASTROPHIC LEAVE DONATIONS

Employees may elect to donate accrued sick and/or vacation leave for use by an employee who has met the eligibility requirements under the Catastrophic Leave policy. For a detailed description, please refer to the “Catastrophic Leave Donation Policy.”

#### 4.8D HOLIDAYS AND PERSONAL PAID HOLIDAYS

OCTA will observe 12 paid holidays consisting of designated holidays and Personal Paid Holidays (PPH) as determined by the CEO. Annually, the listing of holidays observed for the year will be posted on the OCTA Intranet.

A full-time, non-exempt employee will receive the equivalent of 12 days of holiday pay at his/her regular rate during the calendar year. A full-time non-exempt employee who works an alternative work schedule will receive holiday pay for each of the above holidays based on his/her normally scheduled workday.

When a holiday falls on a Saturday, the previous day will be observed as the holiday, and when a holiday falls on a Sunday, the next day will be observed as the holiday, unless otherwise designated by the CEO. When a holiday falls on an employee’s scheduled day off, either the previous working day or the next scheduled working day will be observed by the employee as the holiday.

A full-time or part-time non-exempt employee who is required to work on a holiday will be paid at 1-1/2 times his/her regular hourly rate for all hours worked in addition to pay for his/her regularly-scheduled workday. An exempt employee will receive no premium pay for work on a scheduled OCTA holiday.

A full-time, exempt employee will receive holiday pay for each of the ~~above~~ observed holidays and will be paid based on his/her normally scheduled workday.

All part-time employees will receive holiday pay for each holiday at his/her regular rate on a pro-rated basis.

PPHs are taken at an employee’s discretion following supervisory approval. An employee will be paid for any unused PPHs for the current calendar year in the event of separation or retirement. The maximum number of PPHs that an employee may accrue will be two days over the current calendar year’s entitlement. For new hires, the PPH accrual



schedule for their first year will be posted on the OCTA Intranet- and given to them during orientation.

#### 4.8E JURY DUTY

A full-time or part-time employee who is called for jury duty or for examination for jury duty will receive compensation at his/her regular rate of pay for those days that coincide with the employee's regularly-scheduled workdays.

Full-time and part-time employees are not eligible to receive additional compensation from the court system.

#### 4.8F SICK LEAVE – FULL-TIME AND PART-TIME EMPLOYEES

OCTA provides a plan for full-time and part-time employees to accrue sick leave.

Sick leave may be used for an absence from employment for any of the following reasons:

- the employee is physically or mentally unable to perform his/her duties due to illness, injury, or medical condition of the employee;
- the absence is for the purpose of obtaining professional diagnosis or treatment for a medical condition of the employee;
- the employee is a victim of domestic abuse, sexual assault and/or stalking; and
- the absence is to care for a qualified family member. A qualified family member is defined as a spouse, registered domestic partner, parent, child, grandparent, grandchild, or sibling.

An employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rates as provided in the following table:

Years of Service	Accrual Rates	Approximate Accrual
Less than 3 years	.0347 Hours	9 days per year
3 years or more	.0462 Hours	12 days per year

Sick leave will be paid consistent with an employee's regularly scheduled workday. Accrued sick leave will be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a fraction of the pay period during which an employee separates service.

An employee who separates from OCTA with ten years or more of continuous service and who is in good standing with OCTA will receive payment of any earned but unused sick leave up to a maximum of 160 hours.

Upon the death of an employee, the employee's estate will be paid 100 percent of the employee's unused or unpaid sick leave.

Upon retirement from OCTA, provided the employee has ten years or more of continuous service and is in good standing with OCTA, the employee will be paid a maximum of 240 hours of his/her unused sick leave. An employee is considered retired if he/she begins receiving a retirement benefit from OCERS at the time of his/her separation. This benefit does not apply to deferred retirement.

Upon separation from OCTA due to layoff, all unused or unpaid sick leave will be paid to the affected employee.

An employee, who is injured on the job, resulting in loss of time, will be paid for the balance of the assignment on the day of injury at the regular rate of pay. The employee will also be paid for the time lost during the waiting period (first three days following date of injury, for which no Workers' Compensation benefits are provided). This payment will be at benefit rates provided under the Workers' Compensation Act. Payments under this section will not be charged against the employee's accumulated sick leave. Vacation and sick leave accruals will continue during the three-day period and the employee will be credited as if he/she had worked his/her regularly scheduled hours each day.

For group insurance purposes only, time lost due to an on-the-job injury will not be considered an unpaid leave of absence. OCTA will continue to maintain and pay for the employee's group health coverage at the same level as active employees. To continue health coverage, an employee will be responsible for submitting health insurance contributions at the same rate and frequency as active employees. Failure to pay the employee's contribution may result in a lapse of coverage.

#### Extra-Help Employees and Interns

OCTA provides a plan for extra-help employees and interns to accrue sick leave. The employee will be eligible to use their sick leave on the 90<sup>th</sup> day of employment.

Sick leave may be used for an absence from employment for any of the following reasons:

- the employee is physically or mentally unable to perform his/her duties due to illness, injury or medical condition of the employee;
- the employee is a victim of domestic violence, sexual assault, and/or stalking;
- the absence is to care for a qualified family member. A qualified family member is defined as a spouse, registered domestic partner, parent, child, grandparent, grandchild, or sibling.

An employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rate as provided in the following table:

Accrual Rate	Approximate Accrual
.0334 Hours	3 days per year

#### 4.8G SICK LEAVE SELLBACK

An employee who has accumulated sick leave in excess of 120 hours, as of the close of the first pay period ending in November, may choose to retain all unused accumulated sick leave and continue to accrue sick leave or to receive a single payment at his/her current rate of pay for any amount in excess of 120 hours. If the employee elects to receive payment, it will be paid no later than the pay date of the final payroll of that year.

#### 4.8H VACATION

OCTA provides vacation leave with pay for full-time and part-time employees. Vacation leave is differentiated from other types of leave because it is intended for the rest, relaxation, and renewal of employees.

Accrued vacation leave will be applied to the employee's vacation accumulation account only upon completion of each pay period, except when an employee separates employment.

Upon separation, all unused vacation leave accrued through the employee's separation date will be paid.

Upon hire, an employee with less than two years of service will earn .0577 hours of vacation leave for each straight time hour of pay in a regularly scheduled workweek, unless otherwise approved by the AA and authorized by the Department Manager, Human Resources.

Accrual rates change beginning with the pay period following the pay period that begins the next year of service.

The maximum allowable accrued vacation leave at any time for full-time or part-time employees is listed below.

At the Beginning of Year:	The Employee Shall Earn:	To a Maximum Per Year of:	Maximum Accrued Vacation Leave
0 through year 2	.0577 hours	120 hours	240 hours
3 through year 4	.0577 hours	120 hours	300 hours
5 through year 9	.0770 hours	160 hours	300 hours
10 through year 14	.0962 hours	200 hours	390 hours

15 through year 18	.1039 hours	216 hours	390 hours
19 or more	.1154 hours	240 hours	440 hours

An employee will not accrue vacation leave in excess of the maximum amount unless authorized by the CEO. The CEO is exempt from a maximum accrual. Vacations will be scheduled consistent with efficient OCTA operations.

#### 4.8I VACATION SELLBACK

An employee has the option of selling back up to 200 hours of vacation pay each calendar year for accrued but unused vacation. An employee must use at least 40 hours of vacation during the previous 12 months before exercising the sellback option.

The sellback option may be exercised twice in any given calendar year and may not exceed 200 hours.

Under unusual circumstances involving verifiable emergencies, the AA may authorize a cash value payment to an employee for an amount up to the total amount of accrued vacation.

An employee separating from OCTA will be paid, in a lump sum payment, for all unused vacation leave accrued through his/her separation ~~termination~~ date at his/her current rate of pay.

## **SECTION 5 COMPENSATION**

### **5.1 COMPENSATION PHILOSOPHY**

OCTA's objective is to provide competitive wages based on the market value for comparable work. Human Resources strives to administer the compensation program in a flexible but consistent manner. The purpose of the compensation program is to attract, retain, and motivate employees.

Employees are recognized for their contributions through performance-based merit increases.

#### **5.1A SALARY RESOLUTION**

The purpose of the Salary Resolution is to:

- attract and retain a workforce dedicated to excellence, thereby ensuring OCTA's ability to meet the present and future business objectives of the organization;
- maintain a salary program that will give maximum incentive to real accomplishments and compensate individuals on the basis of merit without discrimination, while providing necessary administrative control of salary costs; and
- provide salary structures that are internally equitable and externally competitive.

#### **5.1B SALARY STRUCTURE**

The Salary Structure is designed to provide:

- salary grade ranges for classifications based upon the scope and level of responsibility of work performed in comparison to other work performed within OCTA, and in comparison to the external market; and
- salaries paid to employees that reflect the level of responsibilities of the classification and the performance of the individual.

### **5.2 ADMINISTRATION OF COMPENSATION**

The AA is responsible for the establishment of definitive guidelines for adjusting individual salaries and salary ranges. The development and administration of these guidelines may be delegated to appropriate staff.

Within guidelines established by the AA, compensation adjustments may be given:

- as an increase to base pay; and
- in a lump sum payment.

The AA is authorized to adjust an incumbent's salary. The salary of each Executive employee will be determined by the CEO.

### **5.3 NEWLY HIRED/PROMOTED EMPLOYEES**

An employee may be hired or promoted into a position at any salary within the range for the classification; such salary is to be determined based on individual qualifications. Approval by the Division Executive Director is required for starting salaries at or above the midpoint of the salary grade for external hires. Approval by the CEO is required for starting salaries at or above the midpoint of the salary grade for external hires in salary grade V or for employee salary increases over ten percent. All promotions and salary increases must have an effective date that is the first day of a pay period.

For new hires, after six months of employment, the employee's performance will be evaluated.

The performance of promoted employees may be evaluated after six months, as determined by the hiring manager prior to the job offer. The six-month review date is calculated from the beginning of the pay period in which they were promoted.

Subsequent performance reviews will be conducted annually on a common review date and merit increases may be authorized at that time.

### **5.4 RECLASSIFICATIONS**

When a position is changed to a different classification in a higher salary grade, a lower salary grade, or in the same salary grade, it will be considered a reclassification. This action is based on substantial changes in the kind, difficulty, and/or responsibility level of the duties performed. [\(Refer to the See Reclassification Policy\).](#)

Any employee in a position that is reclassified to a higher salary grade will be paid at least the minimum of the new salary grade. An employee in a position that is reclassified to a lower salary grade may have his/her salary reduced to the maximum of the new salary grade or with approval of the AA, may retain his/her salary paid prior to the reclassification.

## 5.5 CLASSIFICATION TITLES

All filled positions must have classification titles that are included in the PSR. The CEO or the Board may authorize the addition of new classification titles to the PSR and assign or authorize changes to classification salary grade assignments at any time during the year.

## 5.6 MERIT ADJUSTMENTS

For fiscal year ~~2020-21~~2019-20, ~~a pool for merit-based salary increases may be established the total dollar amount of all merit increases granted pursuant to the provisions above shall not exceed four percent of the total budgeted salaries for administrative positions, based on the availability of financial resources, as approved authorized by the Board of Directors.~~

An employee may receive a merit increase based on his/her performance evaluation rating at the time of the common review unless the overall rating is "Does Not Meet Expectations."

Individual merit increases may vary in amount depending on performance.

An employee's performance may be reviewed at any time during the year as appropriate, but his/her salary may not be adjusted other than as provided in this PSR.

## 5.7 SPECIAL PERFORMANCE AWARDS

~~The AA may authorize special performance awards for full time and part time employees based on individual employee performance. Each award will be a single lump sum payment and will not increase an employee's base salary. Employees who have not completed six months of employment are not eligible to receive a Special Performance Award. An employee may not receive over six percent of their total salary in Special Performance Awards per fiscal year.~~

For fiscal year ~~2020-21~~2019-20, ~~a special performance award pool may be established for administrative positions based on the availability of financial resources, as approved by the Board of Directors. the total dollar amount for all special performance awards granted pursuant to the provisions above shall not exceed four percent of the total budgeted salaries for positions authorized by the Board.~~

Should a special performance award pool be established, the AA may authorize special performance awards for full-time and part-time employees based on individual employee performance. Each award will be a single lump sum payment and will not increase an employee's base salary. Employees who have not completed six months of employment are not eligible to receive a Special Performance Award.

## **5.8 TEMPORARY ASSIGNMENTS**

When an employee is temporarily assigned duties of a different position with the same or higher salary grade, the employee's salary may be increased by an amount not to exceed five percent per salary grade for the difference between the employee's current classification and the temporary assignment. Such increases may be made only in those instances where the assignment will last at least 30 days and will not, in any event, be paid for a period in excess of 180 days, without written authorization by the CEO. Temporary increases must be effective the first day of a pay period.

## **5.9 EQUITY ADJUSTMENTS**

The AA is authorized to adjust an incumbent's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated and a base salary adjustment is appropriate.

Equity adjustments should be used sparingly and should not be done in lieu of or in combination with, a promotion, reclassification, transfer, or merit adjustment. The types of situations in which an equity adjustment is appropriate include, but are not limited to:

- a. retention of critical staff;
- b. salary compression issues;
- c. impact of new hires whose hiring rate exceeds those of current staff;
- d. offer from another employer;
- e. assignment of more complex duties that do not meet the criteria for reclassification; and
- f. equity with peers in the same classification with similar education and experience levels.

Equity adjustments may not increase an incumbent's salary outside the specified salary range. Additionally, equity adjustments do not affect any established merit pool approved by the Board.

Equity adjustments may only be approved by the CEO.





## SALARY GRADE STRUCTURE

Grade	Period	Minimum	Midpoint	Maximum
C	Hourly	15.00	16.00	18.00
	Intern			

Grade	Period	Minimum	Midpoint	Maximum
F	Hourly	17.97	21.59	25.20
	Monthly	3,114.80	3,741.40	4,368.00
	Annual	37,377.60	44,896.80	52,416.00
	General Services Specialist, Assistant Office Specialist, Assistant On-Board Evaluator			

Grade	Period	Minimum	Midpoint	Maximum
G	Hourly	19.00	22.92	26.84
	Monthly	3,293.34	3,972.81	4,652.27
	Annual	39,520.00	47,673.60	55,827.20
	Customer Relations Representative			

Grade	Period	Minimum	Midpoint	Maximum
H	Hourly	20.22	24.46	28.69
	Monthly	3,504.80	4,238.87	4,972.94
	Annual	42,057.60	50,866.40	59,675.20
	Accounting Specialist, Associate General Services Specialist Office Specialist Schedule Checker			

Grade	Period	Minimum	Midpoint	Maximum
J	Hourly	21.43	26.03	30.63
	Monthly	3,714.54	4,511.87	5,309.20
	Annual	44,574.40	54,142.40	63,710.40
	Customer Relations Representative, Senior Digital/Reprographic Specialist General Services Specialist, Senior Marketing Specialist, Assistant Office Specialist, Senior Schedule Checker, Senior Warranty Coordinator, Associate			

Grade	Period	Minimum	Midpoint	Maximum
K	Hourly	22.84	27.85	32.86
	Monthly	3,958.94	4,827.34	5,695.74
	Annual	47,507.20	57,928.00	68,348.80
	Accounting Specialist Asset Management Administrator Buyer, Associate Digital/Reprographic Specialist, Senior Grants Technician Help Desk Technician, Associate HR Assistant			

Grade	Period	Minimum	Midpoint	Maximum
L	Hourly	24.70	30.28	35.85
	Monthly	4,281.34	5,247.67	6,214.00
	Annual	51,376.00	62,972.00	74,568.00
	Accounting Specialist, Senior			
	Administrative Specialist			
	Benefits Analyst, Associate			
	Board Specialist			
	Business Unit Analyst, Associate			
	Claims Representative, Associate			
	Code Administrator			
	Communications Specialist, Associate			
	Community Relations Specialist, Associate			
	Contract Administrator, Associate			
	Creative Services Specialist, Associate			
	Customer Relations Specialist, Associate			
	Executive Assistant I			
	<del>External Affairs Administrator</del>			
	Fleet Analyst, Associate			
	Health, Safety & Compliance Specialist, Associate			
	Help Desk Technician			
	Human Resources Representative, Associate			
	Intranet/Multimedia Specialist, Associate			
	LOSSAN Marketing Specialist, Associate			
	Marketing Specialist, Associate			
	<u>Pass Sales Coordinator</u>			
	Records Administrator			
	Schedule Analyst, Associate			
	Service Planning Analyst, Associate			
	Stops and Zones Analyst, Associate			
	Stops and Zones Planner, Associate			
	Section Supervisor I			
	Talent Acquisition Specialist, Associate			
	Transportation Funding Specialist			
	Warranty Coordinator			
	Web Data Analyst, Associate			

Grade	Period	Minimum	Midpoint	Maximum
M	Hourly	27.13	33.26	39.38
	Monthly	4,702.54	5,764.21	6,825.87
	Annual	56,430.40	69,170.40	81,910.40
	Accountant, Associate Business Systems Analyst, Associate Business Unit Analyst Buyer Claims Representative Code Administrator, Senior Communications Specialist Community Relations Specialist Compensation Analyst, Associate Creative Services Specialist Customer Relations Specialist Desktop Support Technician, Associate Employee Programs Specialist Executive Assistant II <del>External Affairs Administrator, Senior</del> Financial Analyst, Associate Help Desk Technician, Senior Internal Auditor, Associate Intranet/Multimedia Specialist Learning and Development Administrator, Associate <del>LOSSAN Accounting Analyst, Associate</del> LOSSAN Marketing Specialist Marketing Specialist Payroll Administrator Program Management Analyst, Associate Programmer Analyst, Associate Rail Maintenance-of-Way Administrator Records Administrator, Senior Section Supervisor II <del>Security Systems Administrator, Associate</del> Stops and Zones Analyst Stops and Zones Planner Warranty Coordinator, Senior Web Data Analyst			

Grade	Period	Minimum	Midpoint	Maximum
N	Hourly	29.85	36.60	43.34
	Monthly	5,174.00	6,343.14	7,512.27
	Annual	62,088.00	76,117.60	90,147.20
	Accountant			
	Benefits Analyst			
	Bus Operations Supervisor			
	Business Relations Administrator			
	Business Unit Analyst, Senior			
	Clerk of the Board Assistant			
	Compensation Analyst			
	Contract Administrator			
	Creative Services Specialist, Senior			
	Desktop Support Technician			
	Employee Relations Representative, Associate			
	Executive Assistant III			
	Field Administrator			
	Fleet Analyst			
	GIS Analyst, Associate			
	Government Relations Representative, Associate			
	HR Business Partner, Associate			
	Human Resources Representative			
	Internal Auditor			
	Intranet/Multimedia Specialist, Senior			
	IS Security Analyst, Associate			
	Learning and Development Administrator			
	<del>LOSSAN Accounting Analyst</del>			
	LOSSAN Executive Administrative Assistant			
	Network Analyst, Associate			
	Programmer Analyst			
	Project Controls Analyst			
	Rail Maintenance-of-Way Administrator, Senior			
	Real Property Agent, Associate			
	Schedule Analyst			
	Section Supervisor III			
	<del>Security Access Administrator</del>			
	Service Planning Analyst			
	Stops and Zones Analyst, Senior			
	Stops and Zones Planner, Senior			
	Talent Acquisition Specialist			
	Transportation Analyst, Associate			
	Transportation Funding Analyst, Associate			
	Transportation Modeling Analyst, Associate			
	Web Data Analyst, Senior			

Grade	Period	Minimum	Midpoint	Maximum
P	Hourly	33.09	40.42	47.74
	Monthly	5,735.60	7,005.27	8,274.94
	Annual	68,827.20	84,063.20	99,299.20
	Business Computing Solutions Specialist, Associate Business Intelligence Analyst, Associate Business Systems Analyst Business Unit Analyst, Principal Buyer, Senior Civil Engineer Claims Representative, Senior Communications Specialist, Senior Community Relations Specialist, Senior Community Transportation Coordinator Creative Services Specialist, Principal Customer Relations Specialist, Senior <a href="#">Data Warehouse Architect, Associate</a> Desktop Support Technician, Senior Employee Programs Administrator Employee Relations Representative Executive Assistant IV Field Administrator, Senior Financial Analyst GIS Analyst Government Relations Representative Health, Safety & Environmental Compliance Specialist Human Resources Business Partner Human Resources Representative, Senior Learning & Development Administrator, Senior LOSSAN Marketing Specialist, Senior Maintenance Field Administrator Maintenance Resource Analyst Maintenance Instructor Marketing Specialist, Senior Program Management Analyst Real Property Agent Schedule Analyst, Senior Section Supervisor IV <a href="#">Security Systems Administrator</a> Stops and Zones Analyst, Principal Systems Software Analyst, Associate Talent Acquisition Specialist, Senior Telecommunications Administrator Telecommunications Technician Transportation Analyst Transportation Funding Analyst Transportation Modeling Analyst Web Developer Wellness Coordinator Worker's Compensation Program Specialist			

Grade	Period	Minimum	Midpoint	Maximum
R	Hourly	36.68	45.00	53.32
	Monthly	6,357.87	7,800.01	9,242.14
	Annual	76,294.40	93,600.00	110,905.60
	Accountant, Senior			
	Benefits Analyst, Senior			
	Business Computing Solutions Specialist			
	Business Intelligence Analyst			
	Business Systems Analyst, Senior			
	Communications Specialist, Principal			
	Community Relations Specialist, Principal			
	Community Transportation Coordinator, Senior			
	Compensation Analyst, Senior			
	Contract Administrator, Senior			
	Database Administrator			
	Employee Relations Representative, Senior			
	Executive Assistant V			
	Facilities Maintenance Supervisor			
	Financial Analyst, Senior			
	Fleet Analyst, Senior			
	GIS Analyst, Senior			
	Government Relations Representative, Senior			
	Health, Safety & Environmental Compliance Specialist, Senior			
	Human Resources Business Partner, Senior			
	Inventory Analyst			
	IS Project Manager I			
	IS Security Analyst			
	LOSSAN Accounting Analyst, Senior			
	LOSSAN Marketing Specialist, Principal			
	LOSSAN Transportation Analyst, Senior			
	<a href="#">LOSSAN Transportation Funding Analyst, Senior</a>			
	Maintenance Field Administrator, Senior			
	Maintenance Instructor, Senior			
	Maintenance Planner			
	Maintenance Resource Analyst, Senior			
	Maintenance Supervisor			
	Marketing Specialist, Principal			
	Materials Management Planner			
	Network Analyst			
	OCTAP Administrator			
	Operations Analyst, Principal			
	Program Management Analyst, Senior			
	Project Controls Analyst, Senior			
	Project Manager I			
	Revenue Administrator			
	Section Manager I			
	<a href="#">Security Systems Administrator, Senior</a>			
	Service Planning Analyst, Senior			
	Talent Acquisition Specialist, Principal			
	Transit Project Manager I			
	Transportation Analyst, Senior			
	Transportation Funding Analyst, Senior			
	Transportation Modeling Analyst, Senior			
	Web Developer, Senior			



Grade	Period	Minimum	Midpoint	Maximum
S	Hourly	41.20	50.53	59.85
	Monthly	7,141.34	8,757.67	10,374.00
	Annual	85,696.00	105,092.00	124,488.00
	Accountant Principal Assistant Base Manager Benefits Analyst, Principal Business Computing Solutions Specialist, Senior Business Intelligence Analyst, Senior Business Systems Analyst, Principal Civil Engineer, Senior Claims Manager Community Transportation Coordinator, Principal Compensation Analyst, Principal Construction Safety Specialist, Principal Data Warehouse Architect Database Administrator, Senior Emergency Management Specialist Employee Relations Representative, Principal Financial Analyst, Principal Government Relations Representative, Principal GIS Analyst, Principal Health, Safety & Environmental Compliance Specialist, Principal Internal Auditor, Senior IS Project Manager II Learning & Development Administrator, Principal LOSSAN Marketing and Communications Manager LOSSAN Transportation Analyst, Principal Maintenance Field Administrator, Principal Network Analyst, Senior Program Management Analyst, Principal Programmer Analyst, Senior Project Controls Analyst, Principal Project Manager II Real Property Agent, Senior Section Manager II SharePoint System Architect Systems Software Analyst Transit Project Manager II Transportation Analyst, Principal Transportation Funding Analyst, Principal Transportation Modeling Analyst, Principal Web Developer, Principal			

Grade	Period	Minimum	Midpoint	Maximum
T	Hourly	46.29	56.66	67.02
	Monthly	8,023.60	9,820.20	11,616.80
	Annual	96,283.20	117,842.40	139,401.60
	Analysis Project Manager Base Manager Business Computing Solutions Specialist, Lead Civil Engineer, Principal Construction Safety Section Manager Contract Administrator, Principal  Data Warehouse Architect, Senior Database Administrator, Principal Deputy Treasurer Internal Auditor, Principal IS Business Strategist IS Enterprise Architect IS Project Manager III IS Security Analyst, Senior LOSSAN Equipment and Mechanical Manager Operations Project Manager Project Manager III Rail Systems Safety Specialist, Principal Real Property Agent, Principal Section Manager III Service Planning Analyst, Principal SMS Program Manager <u>Streetcar Program Manager</u> Systems Software Analyst, Senior Transit Project Manager III			

Grade	Period	Minimum	Midpoint	Maximum
U	Hourly	53.09	65.30	77.51
	Monthly	9,202.27	11,318.67	13,435.07
	Annual	110,427.20	135,824.00	161,220.80
	Data Warehouse Architect, Principal Internal Audit, Senior Manager <u>IS Project Manager, Senior</u> LOSSAN Planning and Analysis Manager <u>LOSSAN Project Manager, Senior</u> Project Manager, Senior Section Manager, Senior Strategic Plan Administrator			

Grade	Period	Minimum	Midpoint	Maximum
V	Hourly	61.59	74.79	87.99
	Monthly	10,675.60	12,963.60	15,251.60
	Annual	128,107.20	155,563.20	183,019.20
	Communications Manager Department Manager LOSSAN Deputy Managing Director LOSSAN Finance and Administration Manager LOSSAN Operations Compliance and Safety Manager LOSSAN Program Manager LOSSAN <del>Strategic Planning and Customer Experience</del> <u>Programming &amp; Grants</u> Manager Program Manager			

Grade	Period	Minimum	Midpoint	Maximum
W	Hourly	66.83	83.35	99.86
	Monthly	11,583.87	14,446.47	17,309.07
	Annual	139,006.40	173,357.60	207,708.80
	<u>Department Manager, Senior</u> Program Manager, Senior			

## GLOSSARY OF TERMS

<b>ADMINISTRATIVE EMPLOYEE</b>	Any employee of OCTA not covered by a collective bargaining agreement.
<b>APPOINTING AUTHORITY</b>	The CEO; he/she may delegate this responsibility.
<b>AT-WILL EMPLOYMENT</b>	An employee's employment status may be changed, including, but not limited to, <del>termination</del> <u>separation</u> of employment, by OCTA or the employee, at any time for any reason.
<b>BOARD</b>	The Board of Directors of OCTA.
<b>CATASTROPHIC LEAVE</b>	An extended leave due to an employee's own serious illness or medical condition, or that of an immediate family member where the employee is the primary caregiver, that incapacitates the employee and where the employee is expected to use up his/her entire accrued leave.
<b>CLASSIFICATION OR CLASSIFICATION TITLE</b>	The title that identifies the type of work being performed by one or more incumbents in a position.
<b>DOMESTIC PARTNER</b>	A domestic partnership is established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State. A domestic partner is further defined by California's Family Code, Section 297-297.5.
<b>ELIGIBLE DEPENDENT</b>	Spouse, registered domestic partner, and dependent children up to the age 26.
<b>EQUITY INCREASE</b>	An adjustment to an employee's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated and a base salary adjustment is appropriate.

<b>EXECUTIVE EMPLOYEE</b>	An employee classified as CEO, Deputy CEO, <u>COO, CFO</u> , Executive Director, Director, and General Manager.
<b>EXEMPT EMPLOYEE</b>	An employee in a position that is not covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and recordkeeping.
<b>EXTRA-HELP EMPLOYEE</b>	An employee hired to serve as part-time augmentation of staff in which the duty or task defined generally requires less than 20 hours of work per week and no more than 1,000 work hours within a continuous 12-month period. An extra-help employee is not eligible for employee benefits.
<b>FULL-TIME EMPLOYEE</b>	An administrative employee in a position with a normal workweek that totals at least 40 hours.
<b>INTERN</b>	An employee enrolled as a full-time student at a two- or four-year college or university pursuing a course of study that will lead to an undergraduate or graduate degree, or a recent graduate, in a field of study applicable to the hiring department's specialty. The intern provides assistance to departments by performing a variety of duties related to the intern's career field. Guidelines for extra-help employees also apply to interns.
<b>NON-EXEMPT EMPLOYEE</b>	An employee in a position that is covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and record keeping.
<b>PART-TIME EMPLOYEE</b>	An administrative employee in a position with a normal workweek that totals at least 20 hours but not more than 39 hours, and not more than 1040 hours annually.
<b>POSITION</b>	Full-time and part-time positions in the Board-approved fiscal year budget.
<b>PROMOTION</b>	Movement of an employee from one position to a different position in a higher salary grade through the recruitment process.
<b>PROMOTION – "IN-FAMILY"</b>	Movement of an employee through recruitment to a similar position within the same specialty or "family" series. The duties performed are similar in nature and they continue to be reviewed during the Annual Performance Review Cycle.

<b>RECLASSIFICATION</b>	When a position is changed to a different classification in a higher, lower, or the same salary grade, as a result of an evaluation process.
<b>REHIRE</b>	To employ someone who previously separated his/her employment with OCTA (normally following a voluntary resignation) without restoring prior service.
<b>REINSTATE</b>	To return, within six months, an employee, previously separated due to layoff, to active employment with OCTA and to restore prior service and benefit eligibility, with no formal break in service. Vacation, sick, and holiday hours for which the employee was paid at the time of separation are not restored. (This action is unrelated to retirement service credit).
<b>SALARY RANGE</b>	The minimum and maximum of the salary grade for a position. It is based upon the scope and responsibility of work performed in comparison with other work performed within OCTA and in comparison with the competitive labor market.
<b>TEMPORARY HELP</b>	A person acquired through a temporary help agency to perform work on a limited term basis, not an OCTA employee.
<b>TRANSFER</b>	When an employee retains the same job title and work responsibilities but is moved from one location or section/department to a different location or section/department.

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**ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING  
AND MAINTENANCE AGREEMENTS  
SOLE SOURCE LIST - FISCAL YEAR 2020-21**

**The Standard Contracts**

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 20/21	Owner
1st Run Computer Services	ECM Scanner Maintenance	\$ 30,000	\$ 28,000	Lloyd Sullivan
Agile Access Control	Fleet Commander-Cloud based motor pool management system	\$ 40,000	\$ 40,000	Lloyd Sullivan
Anderson Howard	AV Maintenance and Support	\$ 36,000	\$ 12,000	Ron Wolf
Carahsoft	Security Information and Event Management Services (SIEM)	\$ 225,000	\$ 240,000	Michael Cardoza
Citrix	XenDesktop, XenApp, Access Gateway, Citrix Repeater Plug-in, Premier Support	\$ 60,000	\$ 57,252	Michael Beerer
Clever Devices	Ridecheck Plus, Replaced PCR	\$ 60,000	\$ 56,000	Tom Young
Computer SOS	Point of Sale Web Site Hosting	\$ 35,000	\$ 31,000	Tom Young
Dun & Bradstreet, Inc.	Business Credit Reporting	\$ 68,000	\$ 66,000	Laura Foster
Ecointeractive	OCfundTracker Subscription Service	\$ 180,000	\$ 180,000	Ben Ku
ESRI	ARC INFO / Arcview	\$ 30,000	\$ 23,000	Michael Beerer
Giro	Map / HASTUS / Vehicle/ Crew/ Crew Opt/ Roster/ Minibus/ ATP/ Interface Program/ Geo Hastus Map/ Hastinfo/ Hastinfo - Web/DailyVehicle/DailyCrew/Bid/BidWeb/ SelfService/EPM/Bing/ plus annual hosting fees.	\$ 400,000	\$ 260,000	Tom Young
Granicus	Hosting Services for Granicus Board and Committee meeting webcasts for OCTA and LOSSAN	\$ 50,000	\$ 46,000	Tom Young
GovQA/WebQA	Hosting and Maintenance for Public Records Request and Subpoena apps	\$ 85,000	\$ 75,000	Tom Young
Halogen	Performance Management Application	\$ 125,000	\$ 125,000	Karen DeCrescenzo
Harris Insite Telecom	ITMS Fixed Radio Components	\$ 60,000	\$ 60,000	Michael Beerer
Informatica	PowerCenter SE (4-7) & Partitioning Option (4-7)	\$ 120,000	\$ 120,000	Lloyd Sullivan
ICIMS	Applicant Tracking Application	\$ 125,000	\$ 125,000	Karen DeCrescenzo
Intellitime	Electronic Timesheet, Annual Hosting, Maintenance and Support	\$ 65,000	\$ 50,000	Tom Young
Kronos	Workforce Connect Software & Hardware; Annual Hosting, V8 On-Prem upgrade, Migration to Saas, Training Maintenance and Support.	\$ 125,000	\$ 83,300	Tom Young
March Networks	OBVSS Maintenance and Administration Contract	\$ 1,300,000	\$ 1,100,000	Michael Beerer
McLean	Employee engagement, pulse, and exit surveys	\$ 30,000	\$ 30,000	Karen DeCrescenzo
MHC Software, Inc. AKA Safeguard	Check Printing Software, W2 and 1099 Printing, ACA Reporting.	\$ 50,000	\$ 30,000	Cherie Finona and Karen DeCrescenzo
Moovel	Transit Mobile Ticketing Application	\$ 160,000	\$ 150,000	Isaac Herrera
Oracle	Oracle Annual Software Support and Maintenance & Training	\$ 300,000	\$ 300,000	Michael Beerer
Payscale	HR contracted salary research service	\$ 30,000	\$ 30,000	Lynn Huson
Salesforce AKA ExactTarget	Proprietary Platform for Email and Text Messaging Services and Customer Relations Case Management	\$ 425,000	\$ 425,000	Ryan Armstrong Ryan Maloney

## The Standard Contracts

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 20/21	Owner
Santa Catalina Conservancy	Catalina radio frequency site, and service	\$ 50,000	\$ 50,000	Barry Reynolds
SAP America, Inc. (Previously Business Objects)	Annual Maint & Support for Crystal and BO WEBI	\$ 60,000	\$ 50,000	Lloyd Sullivan
Sprinklr	Social media management system for advertising, tracking and reporting marketing programs	\$ 53,000	\$ 53,000	Ryan Armstrong
SPX Corp.	Annual support services for GFI Genfare.	\$ 74,000	\$ 70,000	Tom Young
Swiftly	Predictive Data analytics for improved real time Bus arrival information and Text 4 Next.	\$ 250,000	\$ 225,000	Lloyd Sullivan
Talentwise	Hosted Onboarding Solution	\$ 35,000	\$ 35,000	Karen DeCrescenzo
Trackit	Training assignment and evaluator software	\$ 30,000	\$ 25,000	Tom Young
Trapeze Software Group	Trapeze EZ Wallet, Drivermate, Trapeze Pass 4, IVR Confirm/Cancel & Real-time & Call back & Trip booking & Gateway & Viewpoint & Map Maker & Eligibility Suite(Pass-Cert) & Srv Infractions(Pass-SUS) & 2 MDT-MON/MDC Software & Hardware with Map Maker and VoiceGenie, PASS-MON-SPV up to 12 Paratransit vehicles, Trapeze 14 ODB & DCC 14 Units, ViewPoint for PASS, SUS -Trip Broker Trip Licensing; PASS-MON Vehicle (MDT); PASS Trapeze User Licenses - Work Stations; Maps & Service Area Polygons; Trapeze Web - Online Booking; Trapeze Viewpoint – Dashboard.	\$ 600,000	\$ 575,000	Tom Young
Trinet	CAMMNET Support	\$ 80,000	\$ 80,000	Neal Johnson
TripSpark	Vanpool: RidePro, RidePro Mobile App	\$ 30,000	\$ 24,000	Tom Young
Virtual Consulting	Crystal, Business Objects, and Java support for DataWarehouse and OTS systems. Annual maintenance and support for Qlikview licenses.	\$ 120,000	\$ 120,000	Lloyd Sullivan
Conduent (aka Xerox Corporation)	Annual Maint & Support for ITMS	\$ 560,000	\$ 548,000	Michael Beerer
XenaTech Software Integration Service LLC	Motorist Services Hosting and maintenance for Freeway Service Patrol's LATATrax / IntelliTraxx system	\$ 38,000	\$ 38,000	Patrick Sampson
Xerox Corporation	Xerox maintenance, printing equipment, software, parts and supplies	\$ 375,000	\$ 300,000	Sara Belovsky

**Subtotal \$ 6,569,000 \$ 5,935,552**

## The Standard Contracts

Vendor Name	Software / Hardware Product With Emergency Support	Sole Source Amount	Budgeted FY 20/21	Owner
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*(The vendors listed below have been detailed to reflect the cost of the emergency support that is required for these vendors. This support is not covered in the basic contract. It will be used for emergency support during after hours, weekends & holidays.)*

Infor (US), Ciber	Annual certified support: Lawson Custom Interfaces & Modifications	\$ 55,000	\$ 50,000	Tom Young
	Certified on-call support	\$ 5,000	\$ 4,000	
	Lawson HR/Payroll software & Lawson Business Intelligence	\$ 180,000	\$ 134,000	
	Educational Services - Lawson Learning Suite subscription (CloudSuite)	\$ 5,000	\$ 4,400	
ABB/Ventyx	Ellipse Software Hosting	\$ 400,000	\$ 261,000	Tom Young
	Maintenance	\$ 275,000	\$ 250,000	
	Ellipse Emergency Support	\$ 25,000	\$ 25,000	
IFAS/Superion/One Solution/ Central Square/ Finance Enterprise	ONESolution Enterprise Core SQL-SQL-IFAS Maintenance MKS SQL Annual Maintenance Fee TEST: IFAS - MKS Connectivity Suite Maintenance MicroFocus Server Express Runtime Annual Maintenance Fee OS and TEST: QS - MicroFocus Runtime COBOL NetExpress 3.1 Annual maintenance and support for IFAS application Emergency support on an as-needed basis with no guaranteed usage	\$ 140,000	\$ 135,000	Tom Young
	Ellipse Interface Support	\$ 25,000	\$ 20,000	
Coastline Consulting Services AKA CISOShare	Emergency Support. Malware.	\$ 50,000	\$ 50,000	Lloyd Sullivan
Hewlett Packard Enterprise	Hewlett-Packard Computers Maintenance	\$ 180,000	\$ 97,400	Michael Beerer
	Emergency Support	\$ 20,000	\$ 20,000	
Konica Minolta	Nintex, Collabware, Kofax, Valo & Esign maintenance	\$ 100,000	\$ 85,000	Lloyd Sullivan
	Emergency Support	\$ 185,000	\$ 185,000	
Microsoft AKA CompuCom	Emergency Support. Malware.	\$ 150,000	\$ 150,000	Lloyd Sullivan

**Subtotal**    \$ 1,795,000    \$ 1,470,800

**Grand Total of Contracts**    \$ 8,364,000    \$ 7,406,352

# Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2020-21 Budget and Personnel and Salary Resolution

# Budget Themes

- Conservative budget planning due to novel coronavirus (COVID-19) economic uncertainty
- CARES\* Act funds available for transit operations programs
- Demand-based approach to restore up to 1.6 million hours of OC Bus Service
- Continuation of Measure M2 Next 10 Plan
- Three-month extension for Metrolink Service
- 91 Express Lanes anticipate a reduction in trips to 10.9 million
- No new positions or new initiatives added to budget

\*Coronavirus Aid, Relief, and Economic Security Act

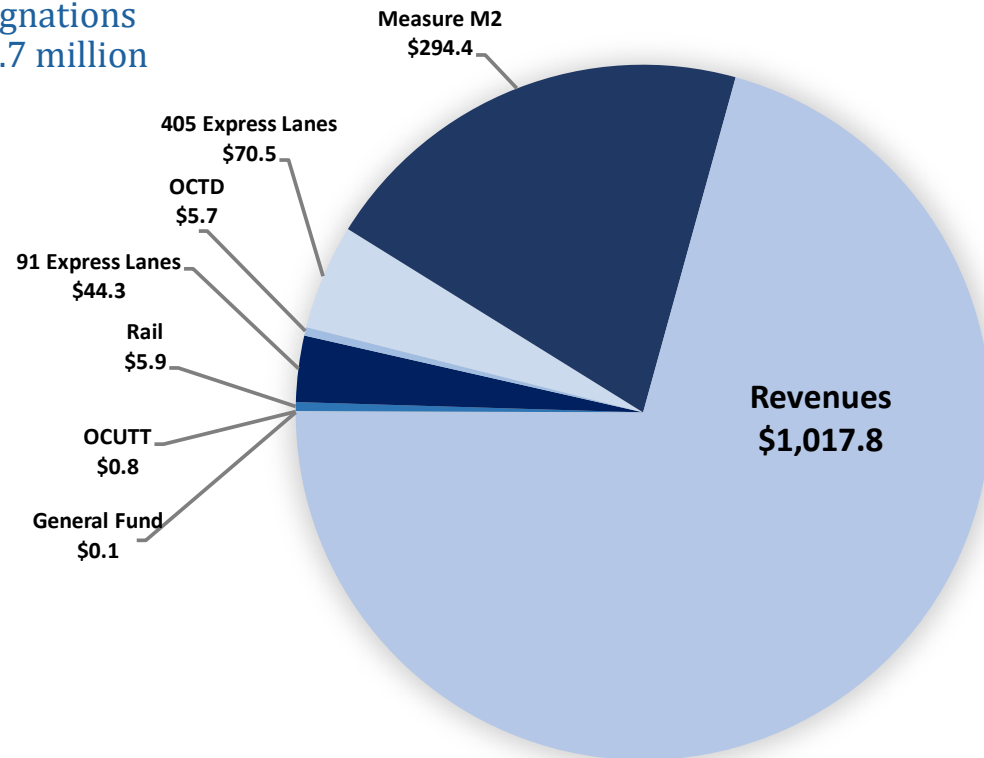
# COVID-19 Impacts

- Response and planning for short-term and long-term impacts
- Long-standing conservative fiscal policies and reserves beneficial to weather volatility
- Severe declines expected in top sales-tax generators, recovery time unknown
- Additional economic recovery packages possible: federal and state
- Closely monitor financial markets for potential impacts
- Continuous analysis and flexibility key, with amendments likely

# Budget Overview – *Budget Workshop Proposed*

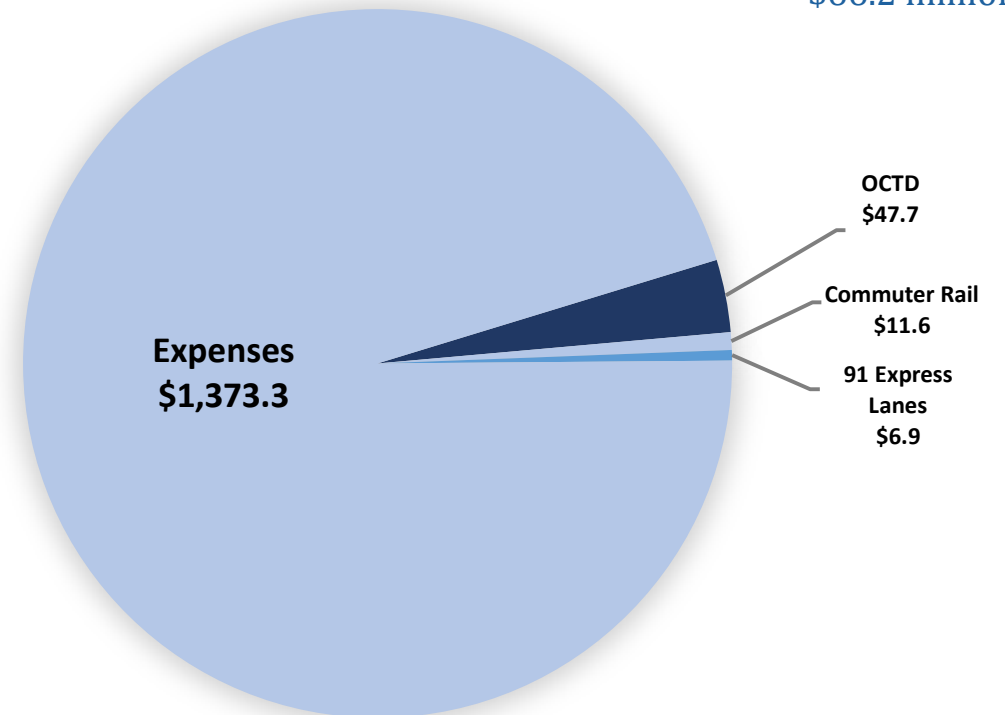
## Source of Funds \$1,439.5 million

Use of Prior Year  
Designations  
\$421.7 million



## Use of Funds \$1,439.5 million

Designations  
\$66.2 million

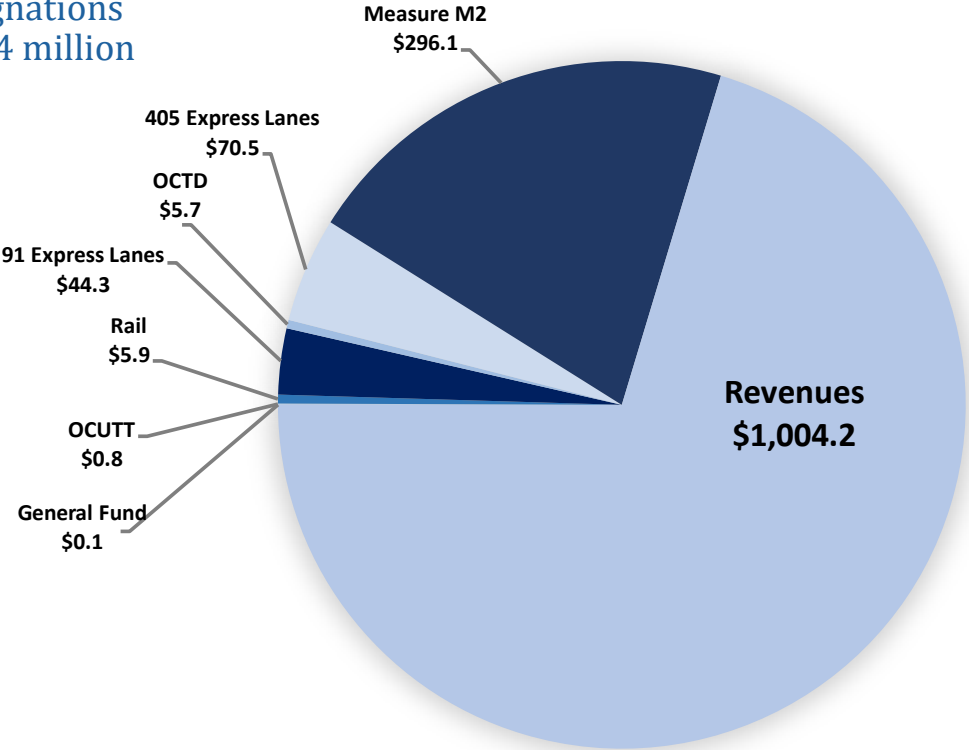




# Budget Overview – *Current Proposed*

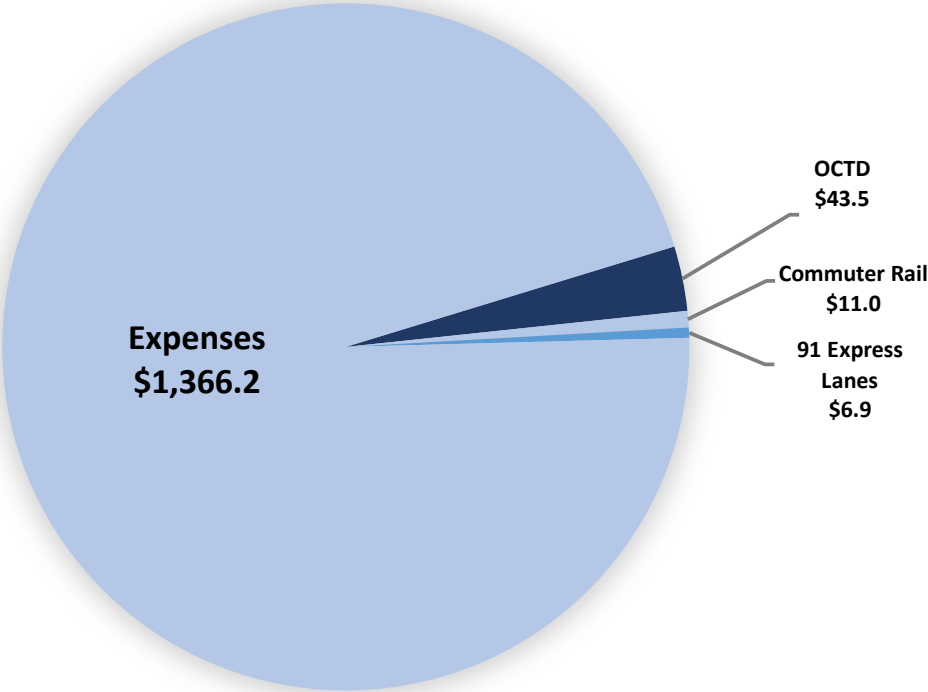
Sources of Funds  
\$1,427.6 million

Use of Prior Year  
Designations  
\$423.4 million



Uses of Funds  
\$1,427.6 million

Designations  
\$61.4 million



# Budget Adjustments – Sources and Uses

## In Millions

### Sources

### Adjustment

#### Revenue

Local Transportation Fund (LTF) Sales Tax	\$ (7.8)
Local Transportation Authority (LTA) Sales Tax	(7.3)
State Transit Assistance Fund (STAF)	(5.6)
Road Repair and Accountability Act Operating	(4.8)
Road Repair and Accountability Act Capital	0.7
Use of Prior Year Designations	1.6
Coronavirus Aid, Relief, and Economic Security (CARES) Act	11.3
<b>Total Revenues</b>	<b>\$ (11.9)</b>

## In Millions

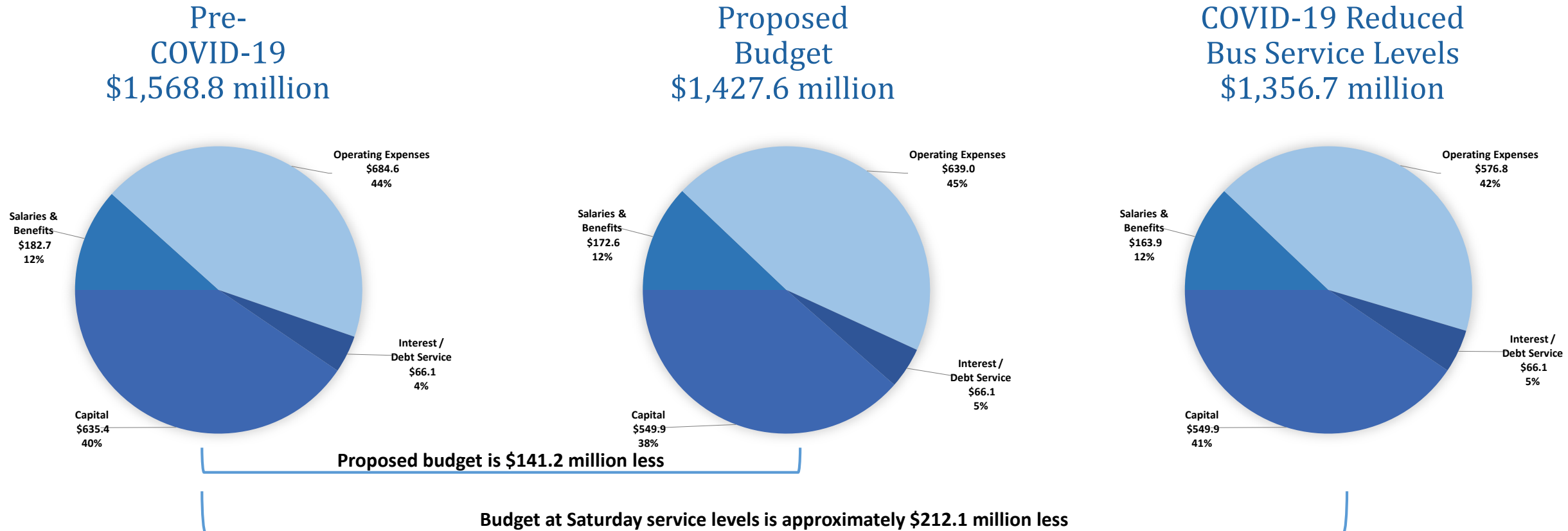
### Uses

### Adjustment

#### Expenses

Designations	\$ (4.8)
Salaries and Benefits	(4.6)
Local Fair Share	(1.2)
Local Transportation Fund (LTF) Administration Fees and Contributions	(0.5)
Travel and Training	(0.4)
Local Transportation Authority (LTA) Administration Fees	(0.3)
Senior Mobility Program and Senior Non-Emergency Medical Transportation	(0.1)
<b>Total Expenses</b>	<b>\$ (11.9)</b>

# COVID-19 Budget Reductions



# Budget Sources & Uses

In Millions Sources	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	Change \$	Change %
Revenues	\$ 1,159.8	\$ 1,004.2	\$ (155.6)	-13.4%
Use of Prior Year Designations	365.4	423.4	58.0	15.9%
<b>Total Revenue / Use of Designations</b>	<b>\$ 1,525.2</b>	<b>\$ 1,427.6</b>	<b>\$ (97.6)</b>	<b>-6.4%</b>
Uses				
Salaries and Benefits	\$ 169.7	\$ 169.9	\$ 0.2	0.1%
LOSSAN Salaries and Benefits	2.7	2.7	-	0.0%
Services and Supplies	373.6	405.3	31.7	8.5%
Contributions to Other Agencies	169.7	172.3	2.6	1.5%
Interest/Debt Service	59.0	66.1	7.1	12.0%
Capital	667.8	549.9	(117.9)	-17.7%
Designations	82.7	61.4	(21.3)	-25.8%
<b>Total Expenditures / Designations</b>	<b>\$ 1,525.2</b>	<b>\$ 1,427.6</b>	<b>\$ (97.6)</b>	<b>-6.4%</b>

# Staffing Levels

OCTA Staffing		FY 2019-20 Full-time Equivalent	FY 2020-21 Full-time Equivalent
<b>Administrative</b>		<b>498.5</b>	<b>498.5</b>
<b>Union</b>		<b>834.0</b>	<b>834.0</b>
Coach Operators		634.0	634.0
Maintenance		163.0	163.0
Facility Technicians and Parts Clerks		37.0	37.0
<b>OCTA Positions</b>		<b>1,332.5</b>	<b>1,332.5</b>
<b>LOSSAN</b>		<b>14.0</b>	<b>14.0</b>
<b>Total Authority Positions</b>		<b>1,346.5</b>	<b>1,346.5</b>

# Recommendations

- Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2020-21 budget
- Approve the Personnel and Salary Resolution for Fiscal Year 2020-21
- Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements
- Approval of fiscal year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, first quarter operating subsidy, in an amount up to \$7,274,000

# Next Steps

- Public Hearing – Board of Directors (public hearing and approval) June 8
- Back-up Public Hearing – Board of Directors (public hearing and approval) June 22