



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Steve Jones, Vice Chairman
Katrina Foley
Brian Goodell
Patrick Harper
Gene Hernandez
Joe Muller

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

Wednesday, June 9, 2021 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 Orange County Transportation Authority (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 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 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/>



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 ClerkOffice@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 **90 minutes prior to the start time of the Board and Committee meeting date.**

Call to Order

Roll Call

Pledge of Allegiance

Director Muller

1. Public Comments

Special Calendar

2. Taxable Sales Forecast - Chapman University 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 2021. Raymond Sfeir, PhD, from Chapman University 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 10)

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 12, 2021.

4. Communications by Independent Financial Statement Auditor

Janet Sutter

Overview

Crowe LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2020-21 audit. In connection with the audit, Crowe LLP is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge of that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2021.

Recommendation

Receive and file as an information item.

5. Department of Motor Vehicles Employer Pull Notice Program

Serena Ng/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of the Department of Motor Vehicles Employer Pull Notice Program. Based on the audit, controls are in place to ensure compliance with regulatory requirements and policies and procedures; however, recommendations are being made to enhance review controls and documentation, to update policy and job descriptions to reflect current requirements, and to consistently and timely perform monitoring activities.



5. (Continued)

Recommendation

Direct staff to implement three recommendations provided in Department of Motor Vehicles Employer Pull Notice Program, Internal Audit Report No. 21-508.

6. 91 Express Lanes Update for the Period Ending - March 31, 2021

Kirk Avila

Overview

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since that time, traffic volumes and toll revenues have fluctuated with the changes in the economy, additional capacity added to the State Route 91 corridor, and the recent coronavirus pandemic. Over the last quarter, there were approximately 3.6 million trips taken on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the period ending March 31, 2021.

Recommendation

Receive and file as an information item.

7. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2021-22

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 XIIIB.

Recommendation

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2021-043 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,981,873,617, for fiscal year 2021-22.



8. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2021-22

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. 2021-044 to establish the Orange County Transportation Authority General Fund appropriations limit at \$13,113,890, for fiscal year 2021-22.

9. Orange County Transportation Authority Investment and Debt Programs Report - April 2021

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, 2021.

Recommendation

Receive and file as an information item.

10. Annual Update to Investment Policy

Robert Davis/Andrew Oftelie

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its proposed investment policy to be reviewed at a public meeting. Furthermore, the governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year.



10. (Continued)

Recommendations

- A. Adopt the Fiscal Year 2021-22 Investment Policy July 1, 2021.
- B. Authorize the Treasurer, Chief Financial Officer, Andrew Oftelie, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2021-22.

Regular Calendar

11. Establishment of Interstate 405 Improvement Project Custody Subaccounts

Robert Davis/Andrew Oftelie

Overview

The 2017 Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project required the Orange County Local Transportation Authority to secure a line of credit to show committed local funds to the project. Rather than continuing the use of a line of credit to show committed local funds to the project, staff is proposing to set aside \$500 million of Measure M2 funds to show committed local funds, which could save the agency approximately \$3.4 million over the next two years.

Recommendations

- A. Approve by resolution authorizing the establishment of a subaccount to be used solely to pay for the Interstate 405 Improvement Project.
- B. Approve the establishment of one or more Interstate 405 Improvement Project custody subaccounts.
- C. Approve the use of \$500 million of Measure M2 funds to fund the Interstate 405 Improvement Project custody subaccounts no later than June 28, 2021.
- D. Restrict withdrawals from the Interstate 405 Improvement Project custody subaccounts to be made solely for Interstate 405 Improvement Project construction costs.



- 12. Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team**
Robert Davis/Andrew Oftelie

Overview

This item requests authorizations required for the issuance of Bond Anticipation Notes to support the construction of the Interstate 405 Improvement Project and achieve interest cost savings. If a financing is approved, the selection of an underwriting team is recommended.

Recommendations

- A. Authorize the issuance of Bond Anticipation Notes as a short-term interim financing to support the construction of the Interstate 405 Improvement Project.
- B. Authorize staff to utilize a third-party bridge loan pending issuance of the Bond Anticipation Notes if to do so will generate additional savings over using cash to repay the 2017 Transportation Infrastructure Finance and Innovation Act Loan.
- C. Authorize the selection of Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc., and Wells Fargo Securities, from the Orange County Transportation Authority's underwriting pool, to assist with the issuance.
- D. Authorize the selection of Bank of America Securities and Barclays Capital, Inc., from the Orange County Transportation Authority's underwriting pool, to serve as the senior manager and co-senior manager, respectively, for the issuance.
- E. Direct staff to return to the Board of Directors for approval of the financing documents required to execute the closing of the transaction.



13. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2021-22 Budget and Personnel and Salary Resolution

Victor Velasquez/Andrew Oftelie

Overview

The Orange County Transportation Authority Fiscal Year 2021-22 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 2021-22 budget following the public hearing to be held at the Board of Directors' meeting on June 14, 2021, at the following Board of Directors' meeting on June 28, 2021, or in a special meeting convened at their discretion, on or before June 30, 2021. 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 2021-22 Budget.
- B. Approve the Personnel and Salary Resolution for fiscal year 2021-22.
- C. Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approve fiscal year 2021-22 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to \$39,152,549, including authorization of federal supplemental funding, in an amount up to \$39,152,549, to be drawn down directly by the Southern California Regional Rail Authority. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. Orange County Transportation Authority portion of the costs for capital is \$118,800 and \$15,047,906, for rehabilitation.



Discussion Items

14. Chief Executive Officer's Report

15. Committee Members' Reports

16. Closed Session

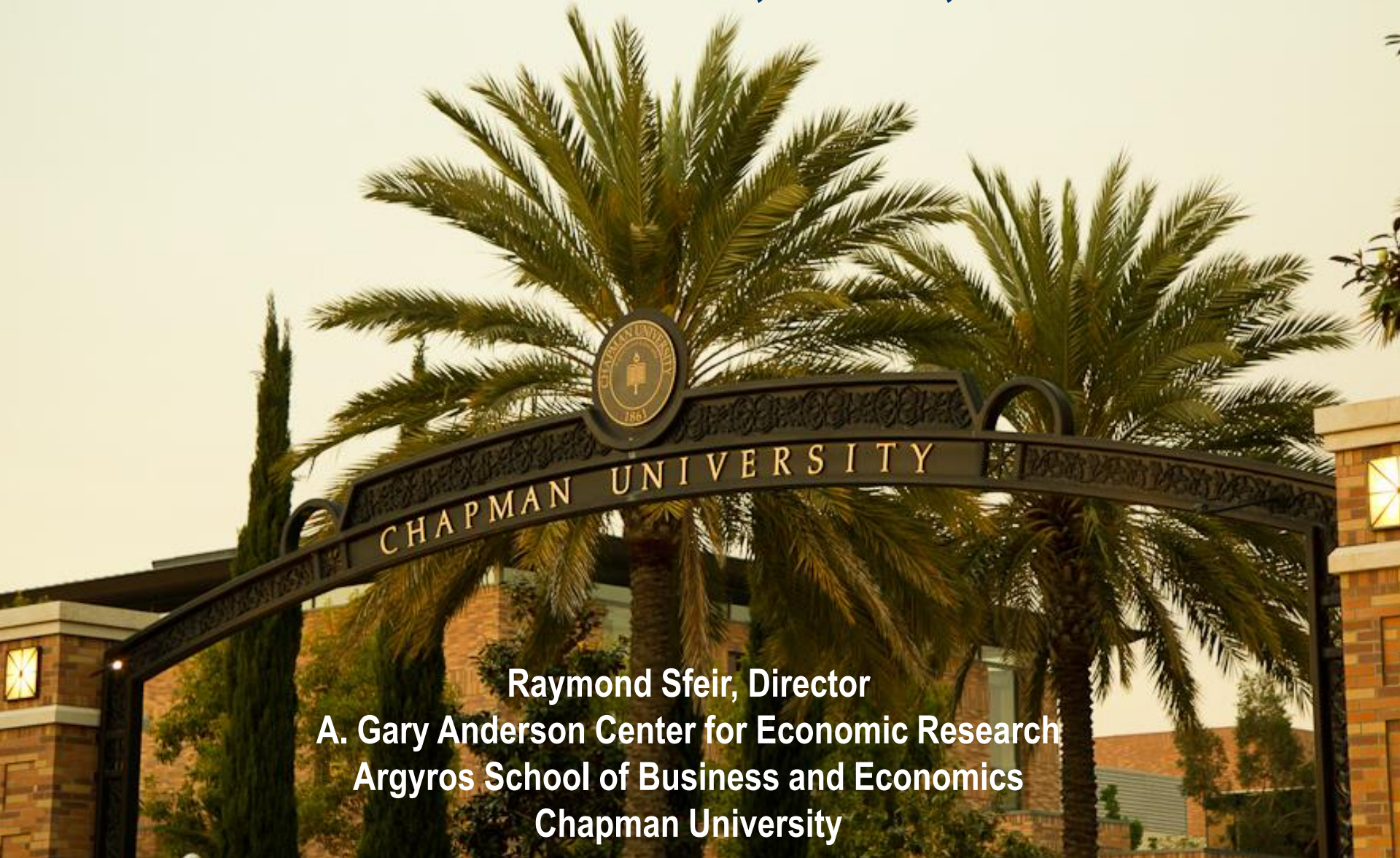
There are no Closed Session items scheduled.

17. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 23, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

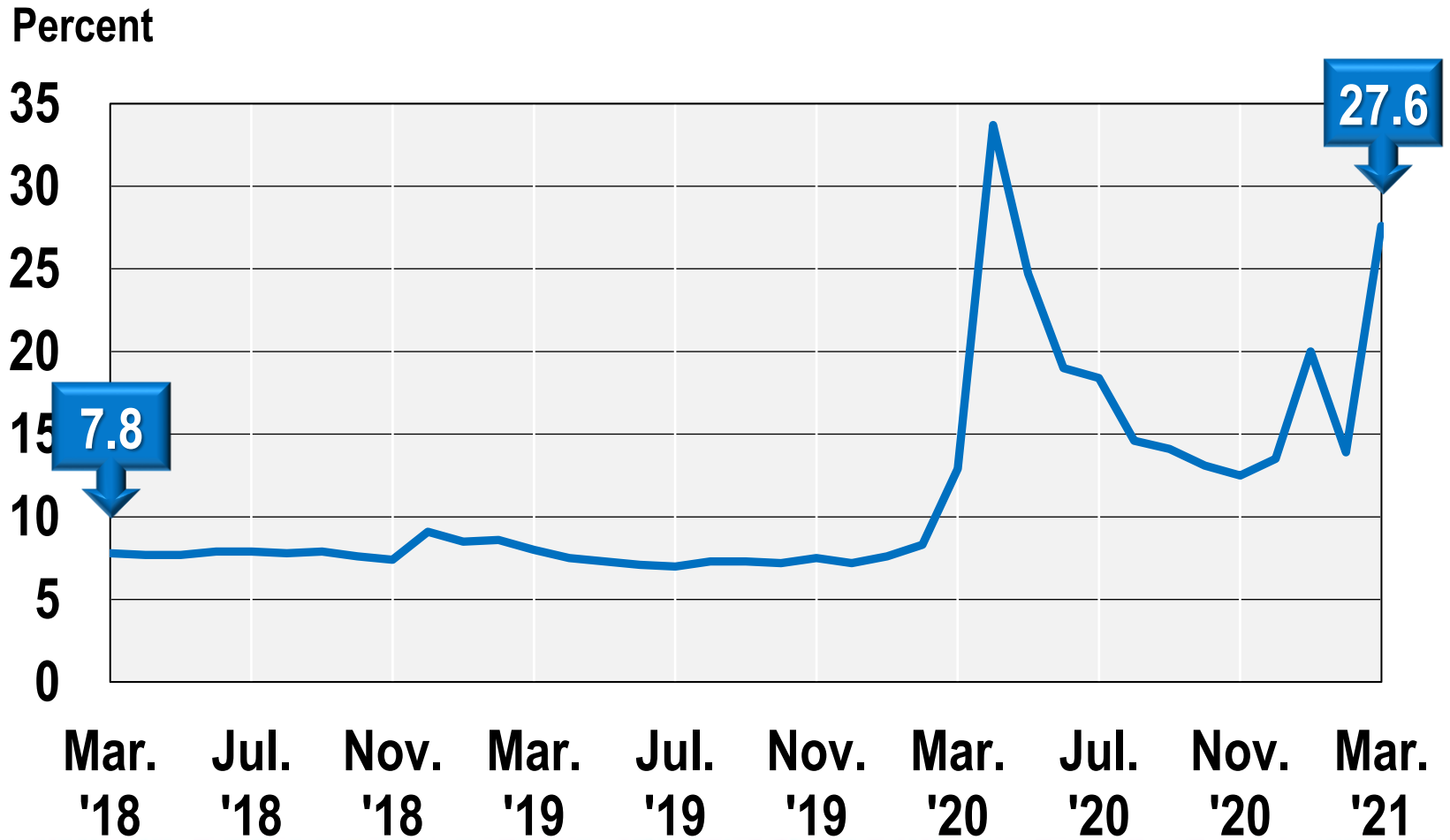
OCTA

Economic Forecast, June 9, 2021



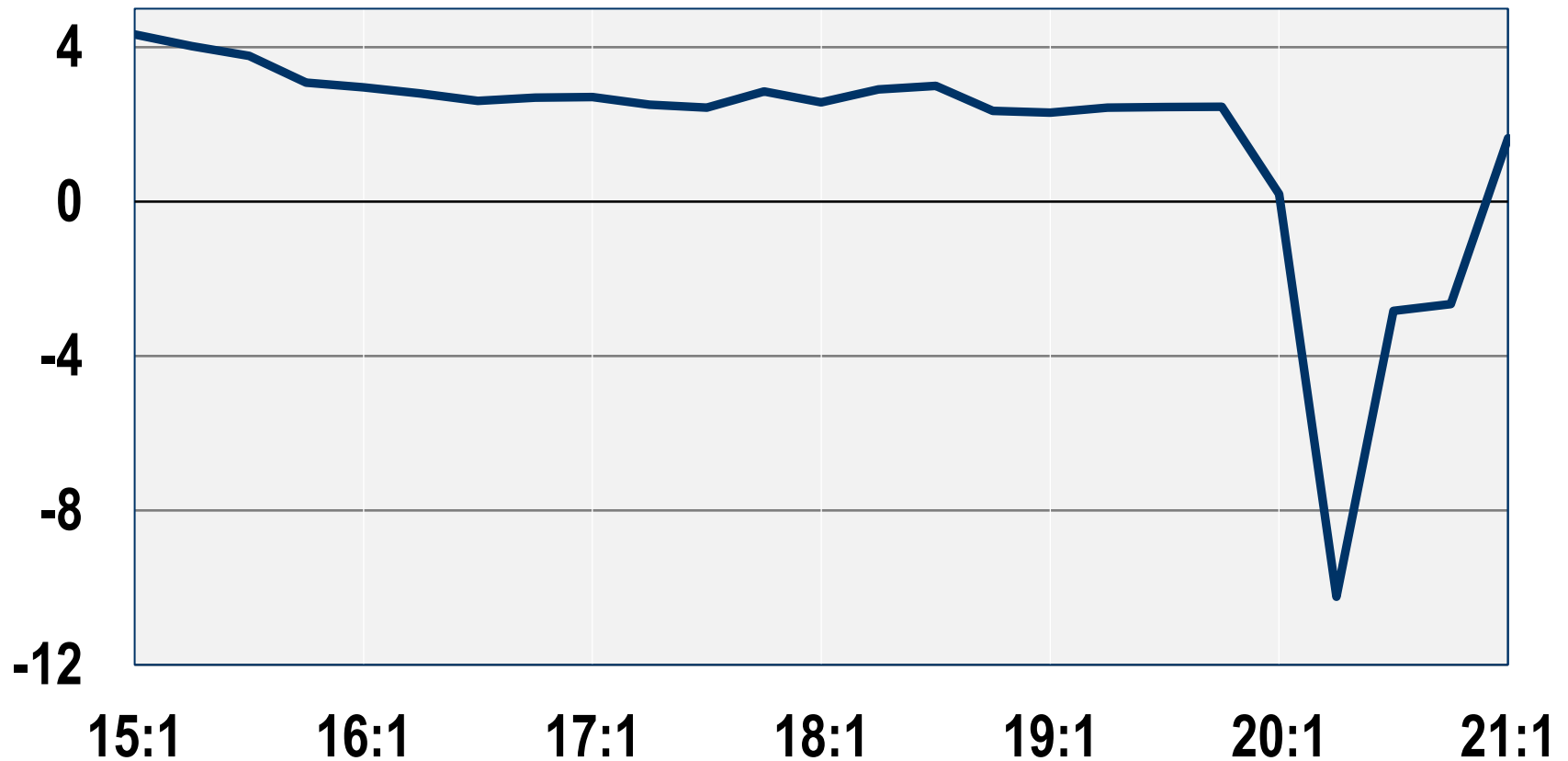
Raymond Sfeir, Director
A. Gary Anderson Center for Economic Research
Argyros School of Business and Economics
Chapman University

Personal Savings Rate



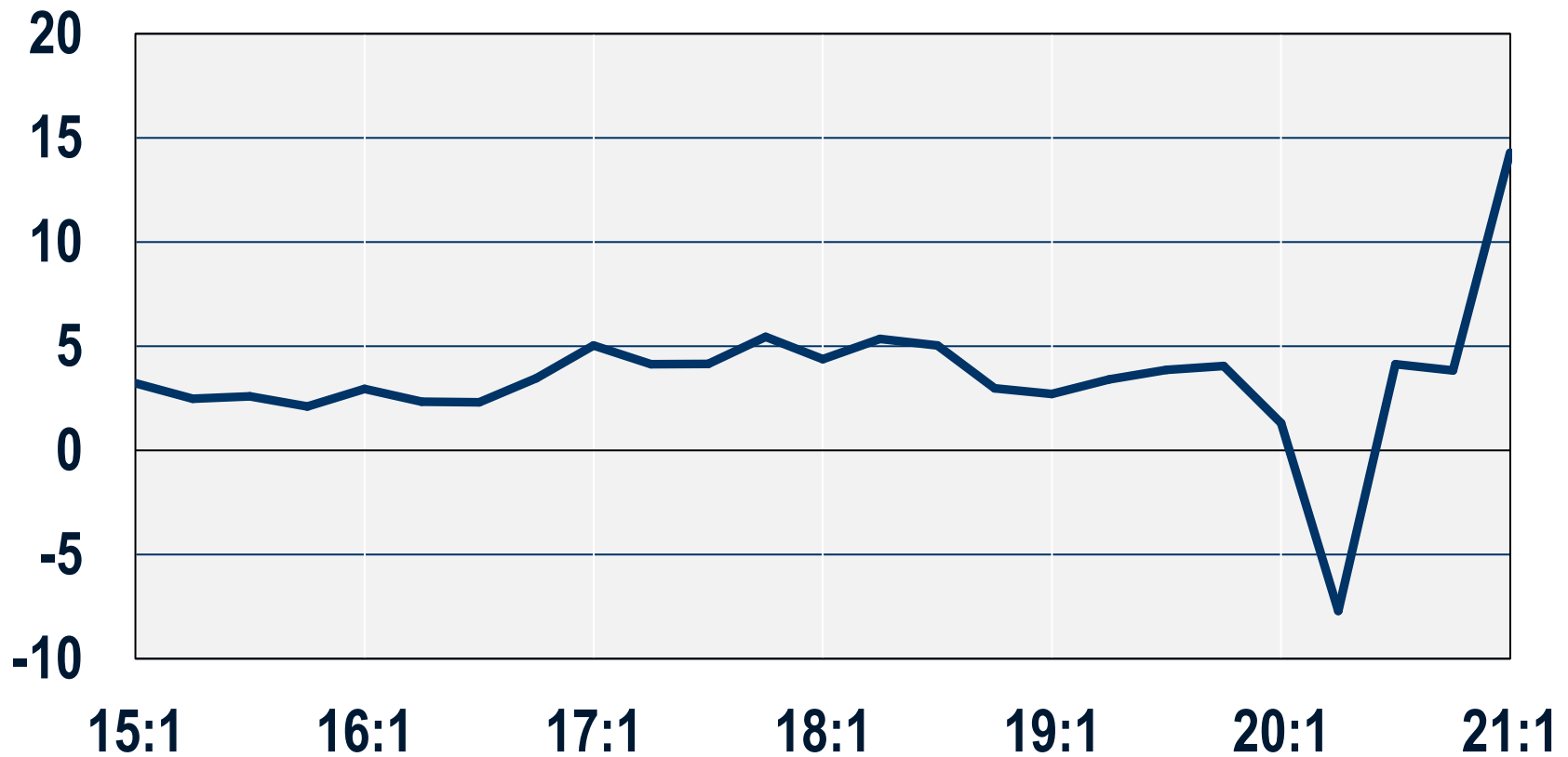
Real Consumption

Yr/Yr % Change



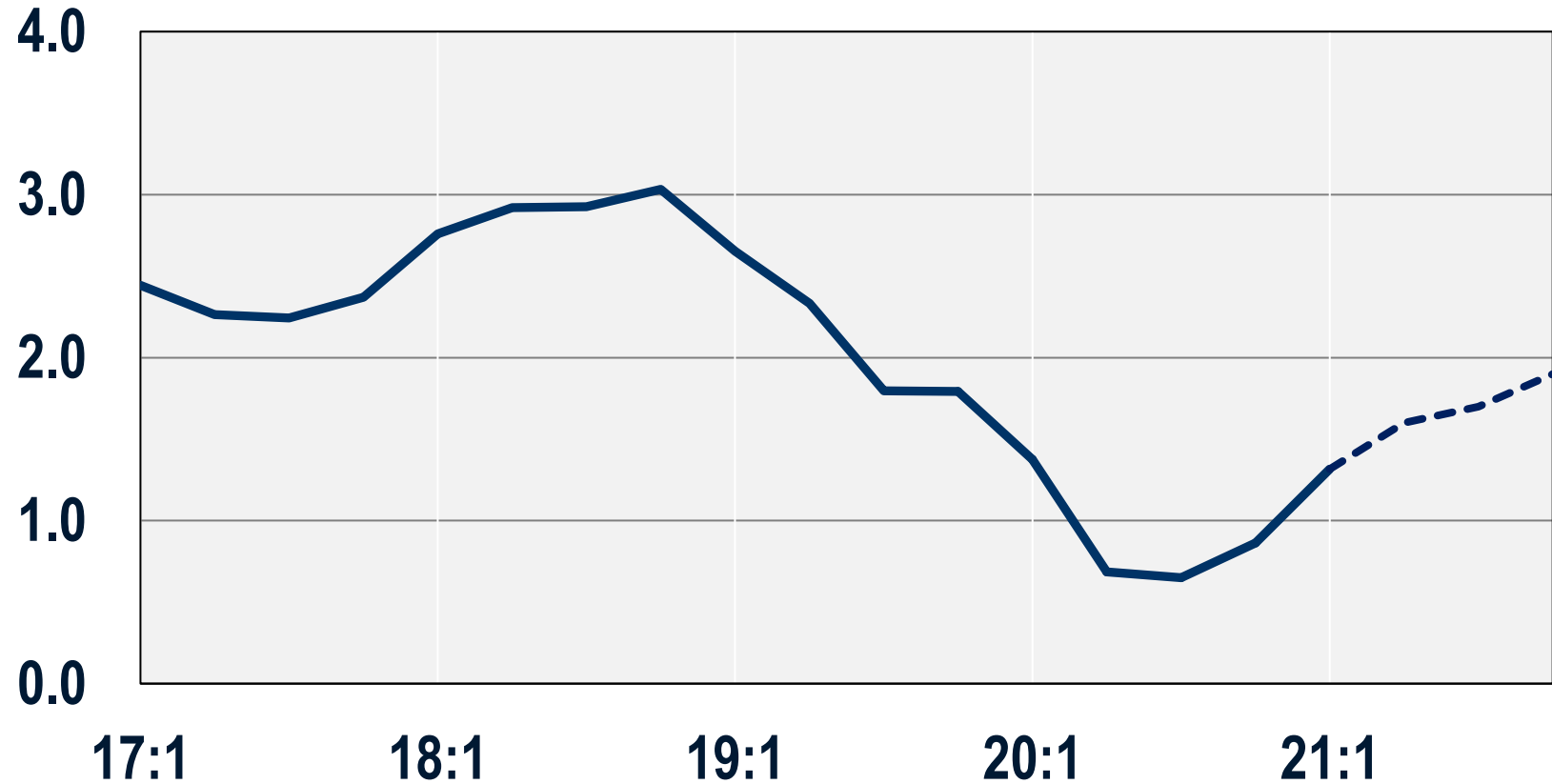
U.S. Retail Sales

Yr/Yr % Change



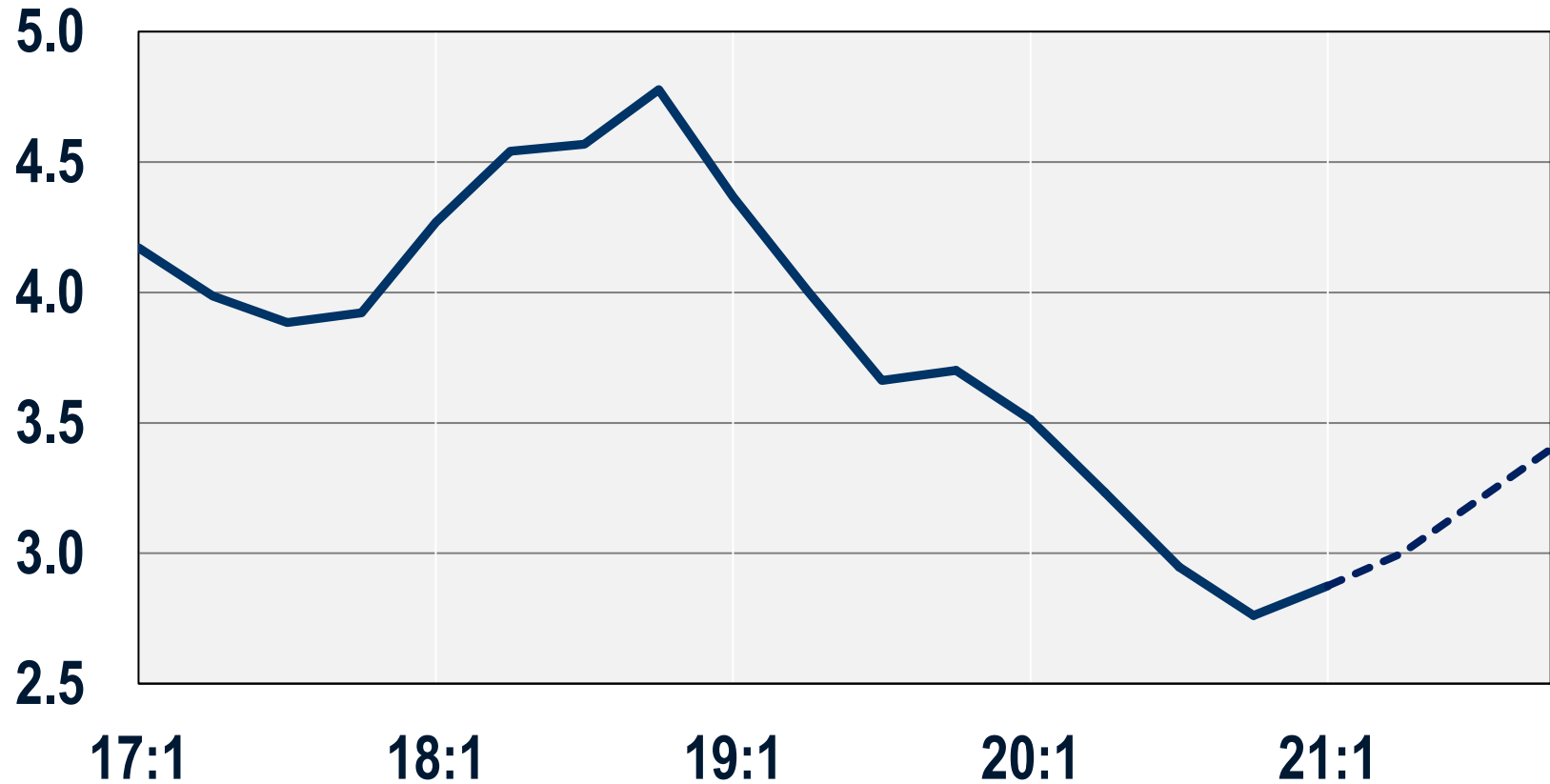
10-Year Treasury Bond

Percent



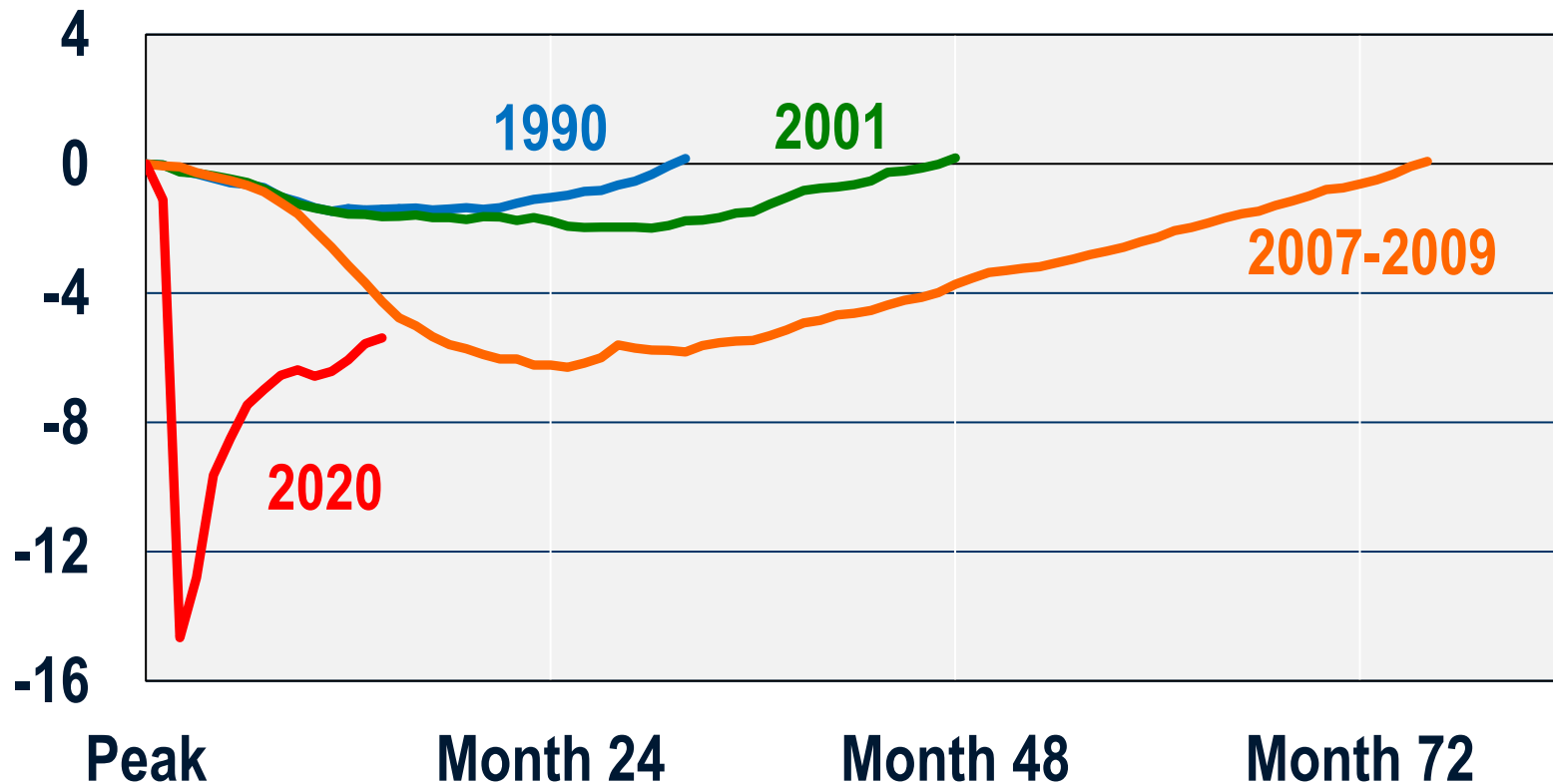
30-Year Mortgage Rate

Percent



Change in Employment from Business Peak

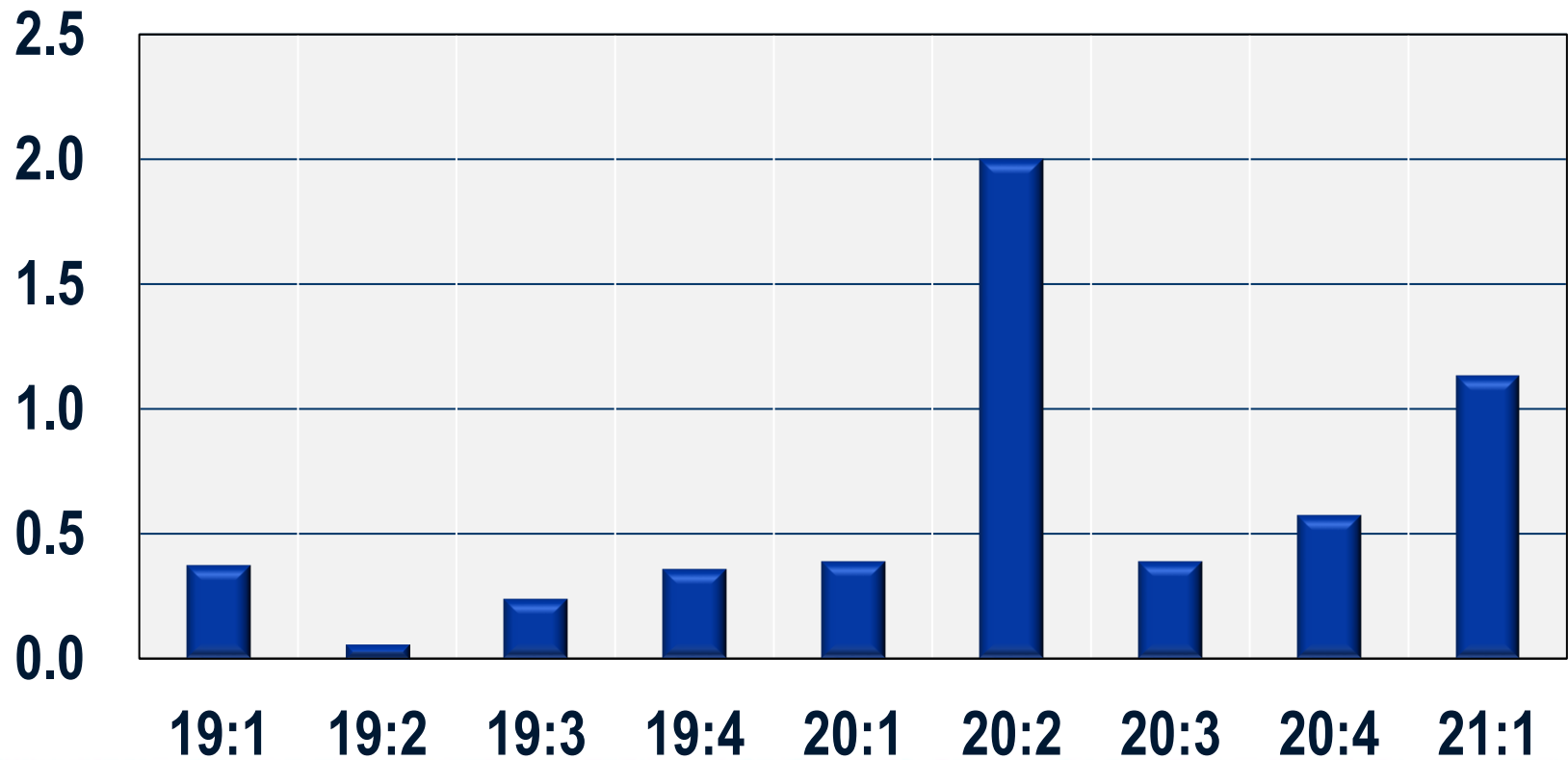
% Change



CHAPMAN
UNIVERSITY

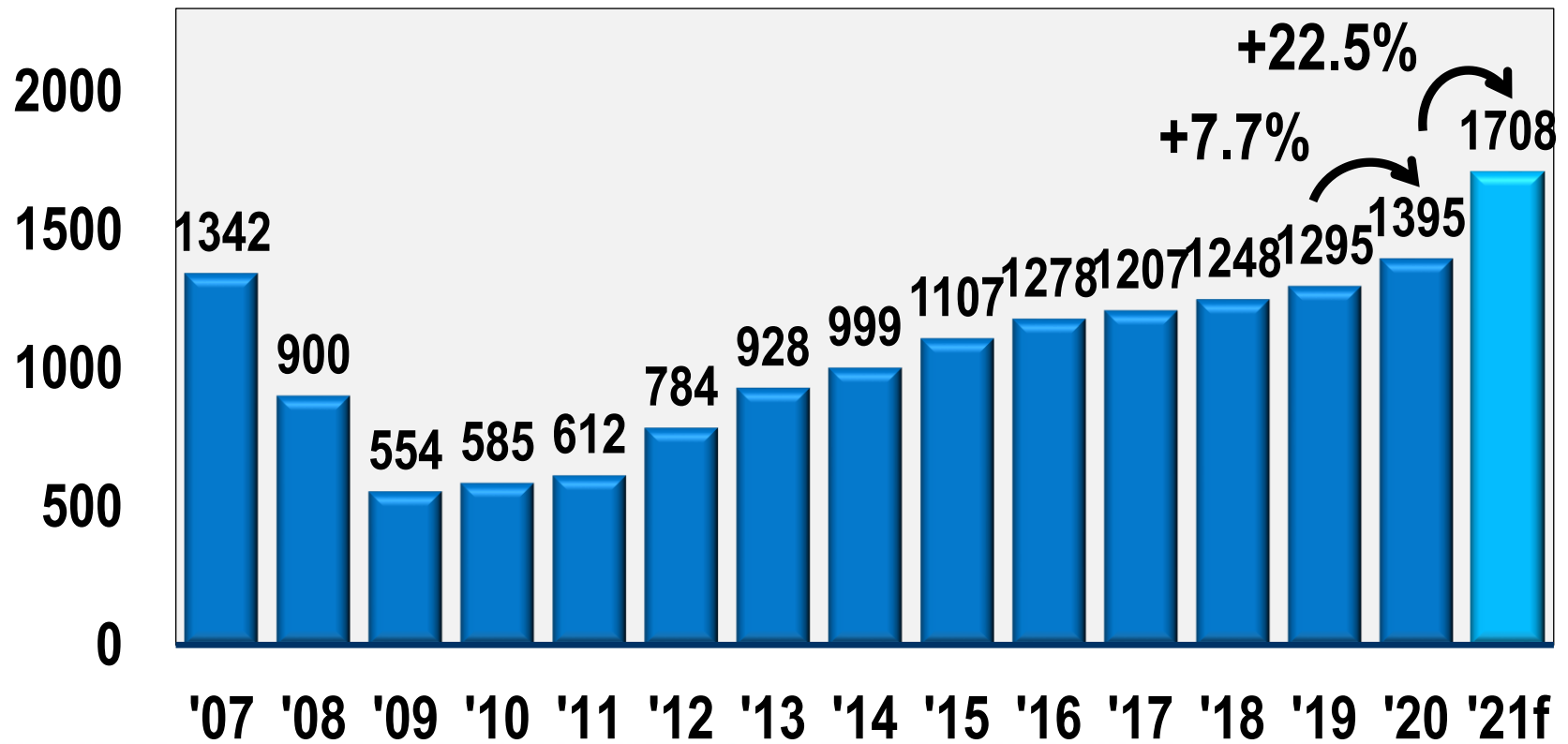
Federal Deficit

Trillions of \$

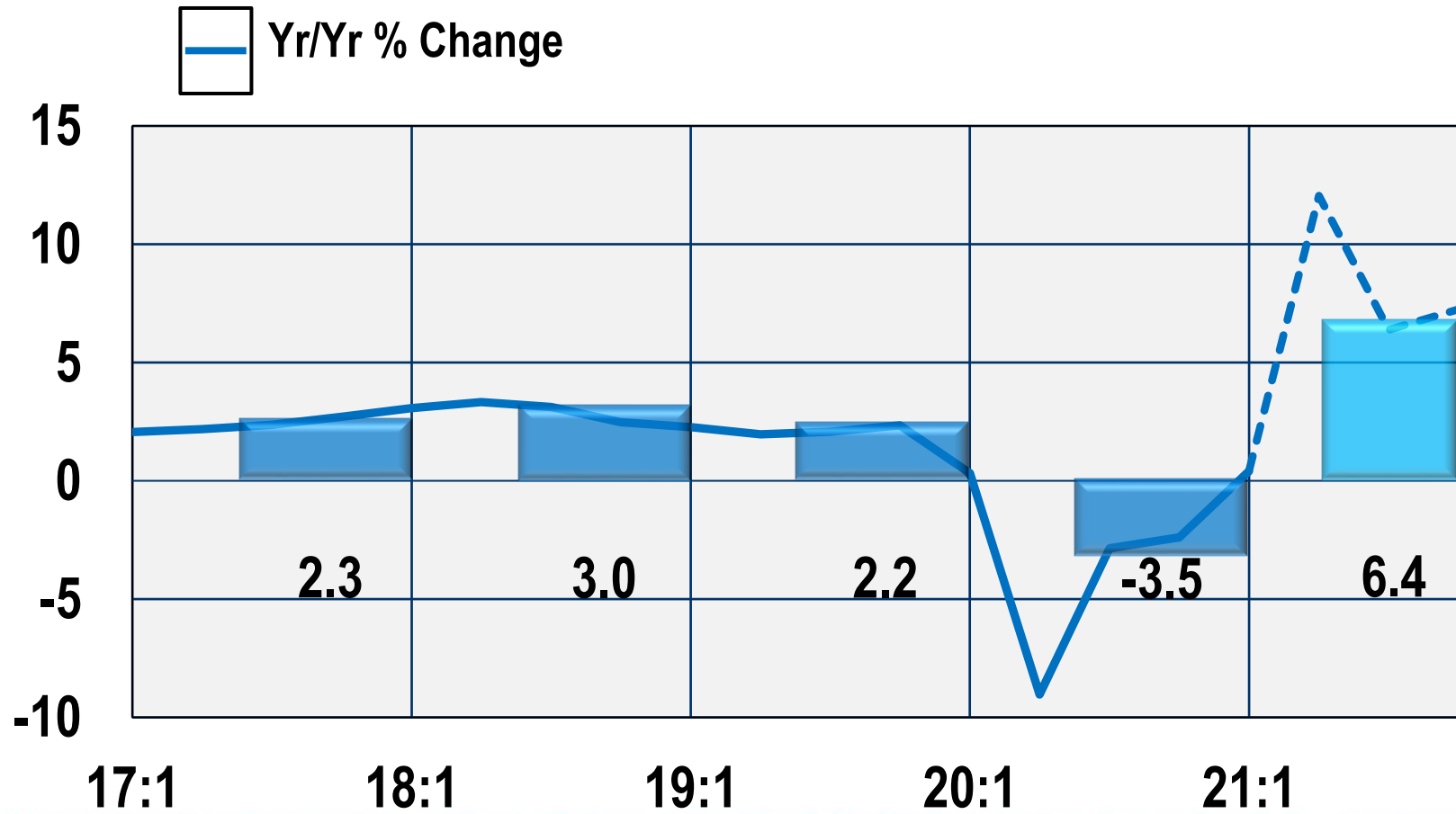


Housing Starts

Thousands of Units



Real GDP



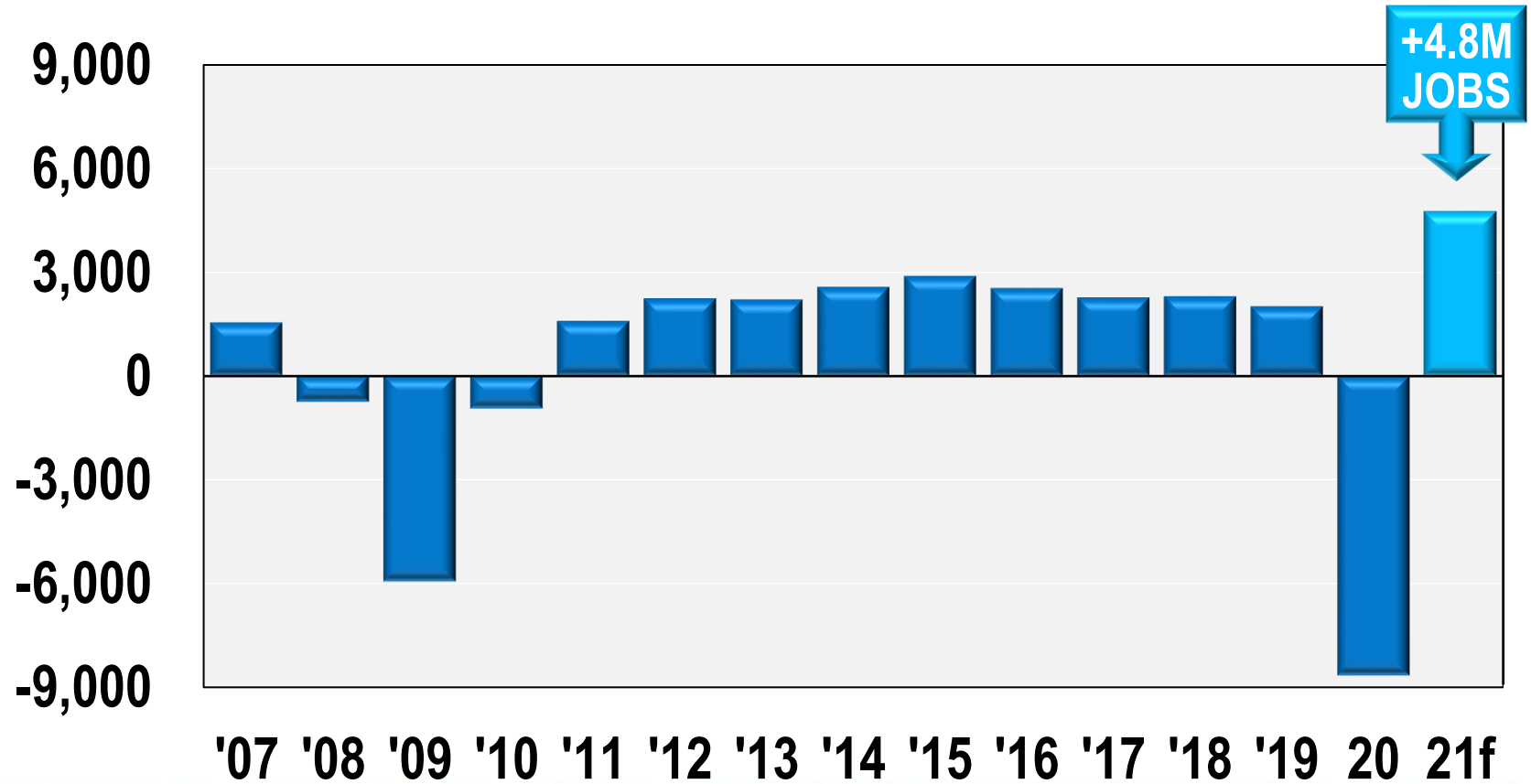
Consumer Price Index

Yr/Yr % Change

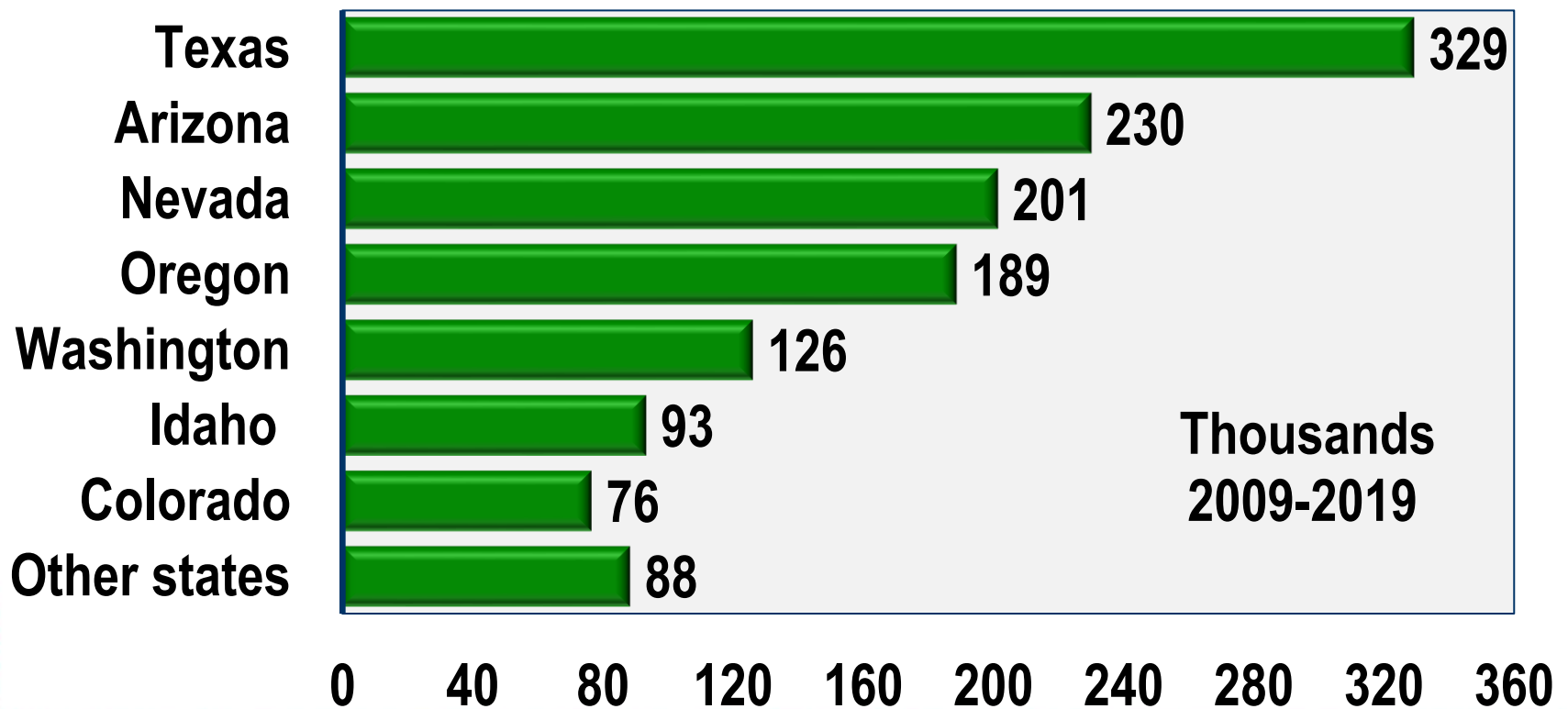


Change in U.S. Employment

Thousands



Net Population Outflow and Destination Out of California



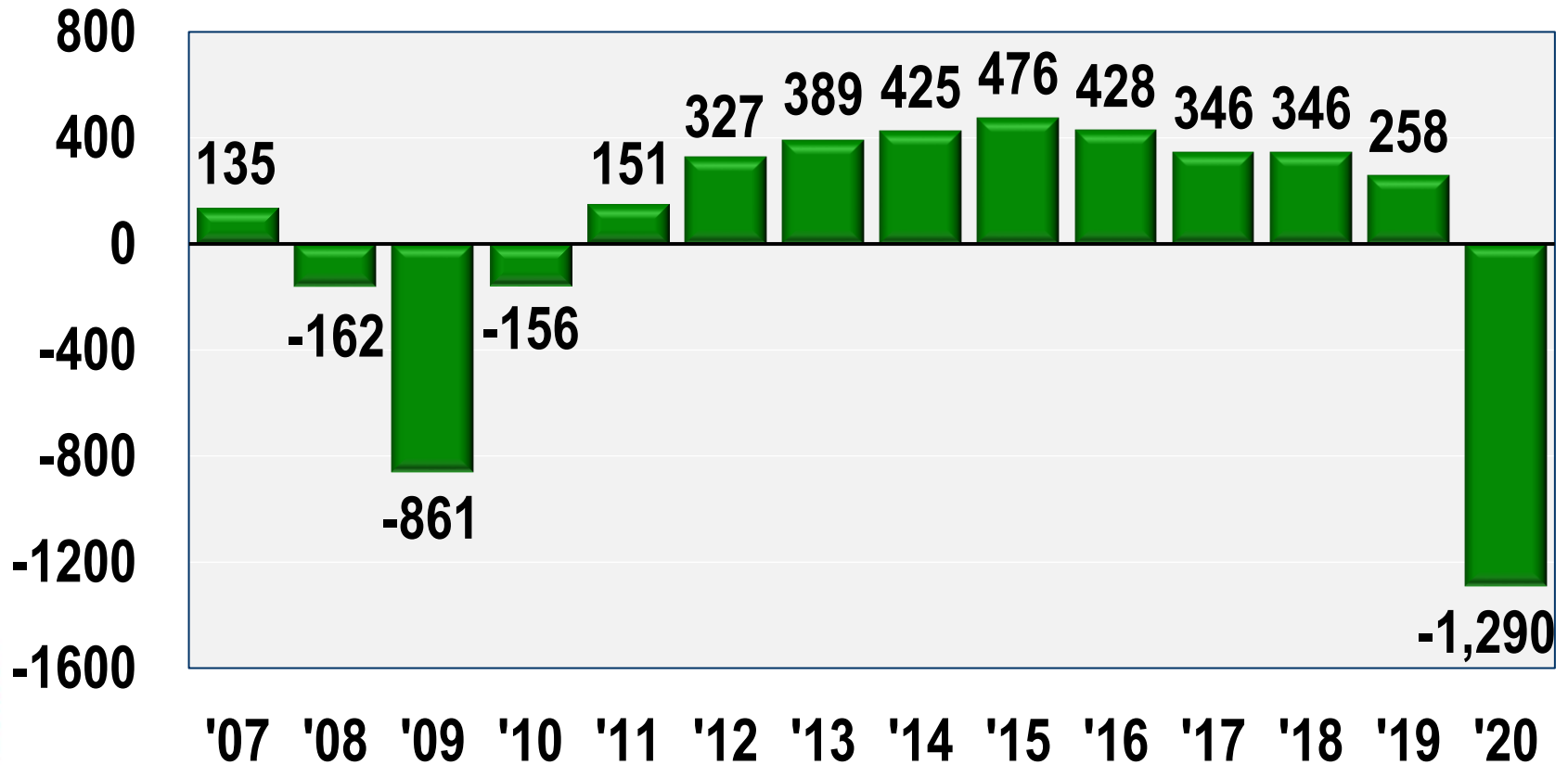
Business Tax Climate - California

2021	Rank
Corporate Tax	28
Individual Income Tax	49
Sales Tax	45
Unemployment Insurance Tax	21
Property Tax	14
Overall	49

Source: Tax Foundation

Change in California Employment

Thousands



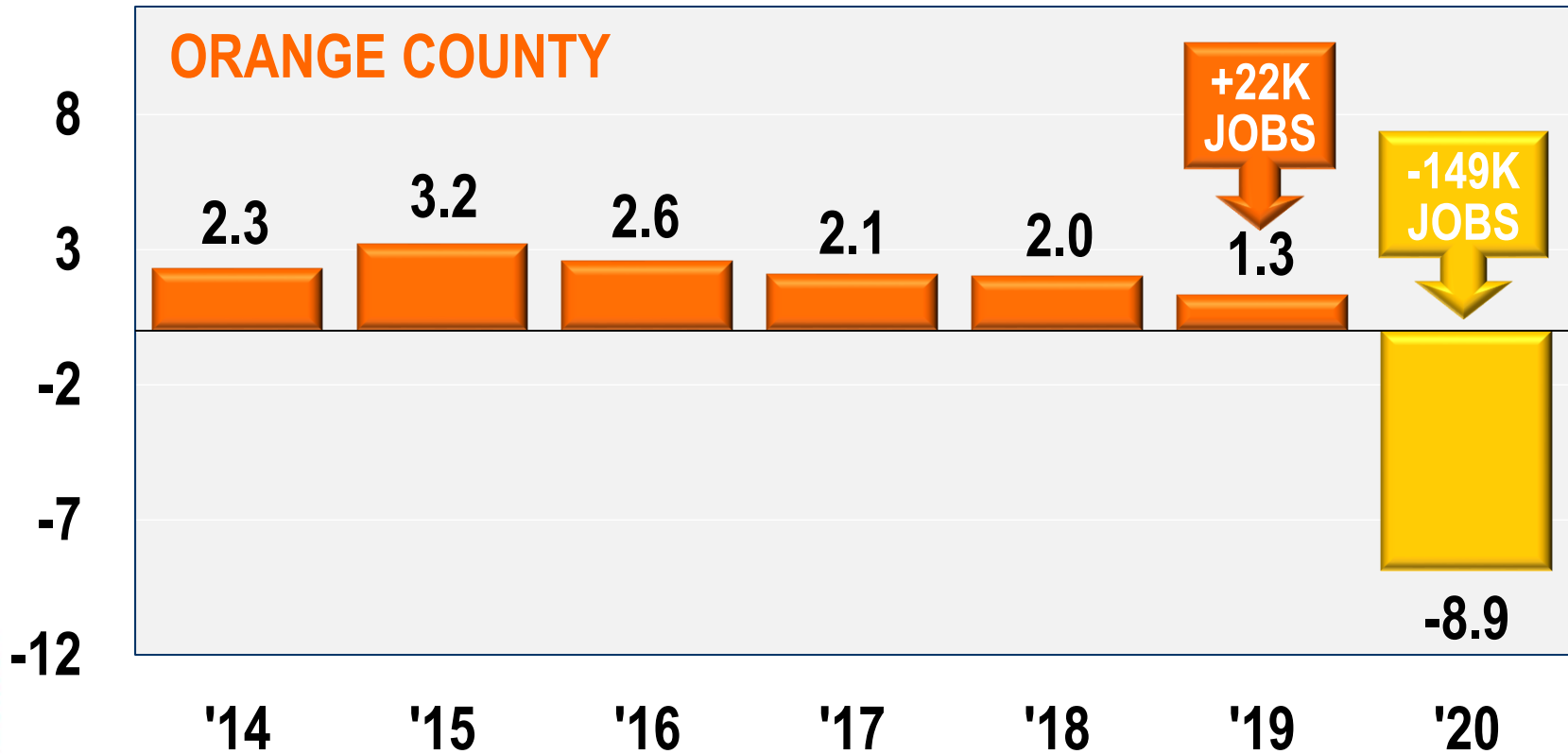
Orange County Economic Outlook



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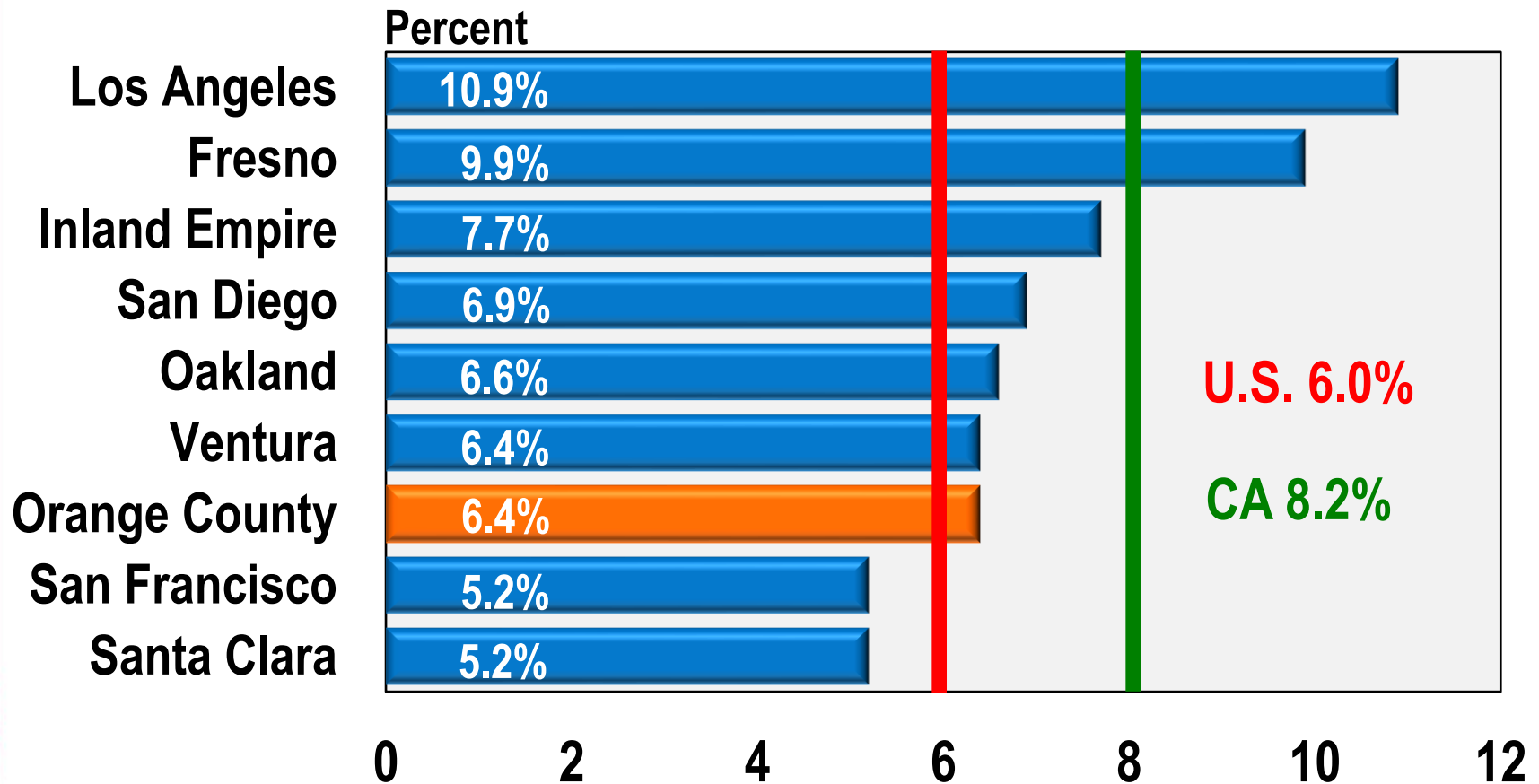
Job Growth

Annual % Change

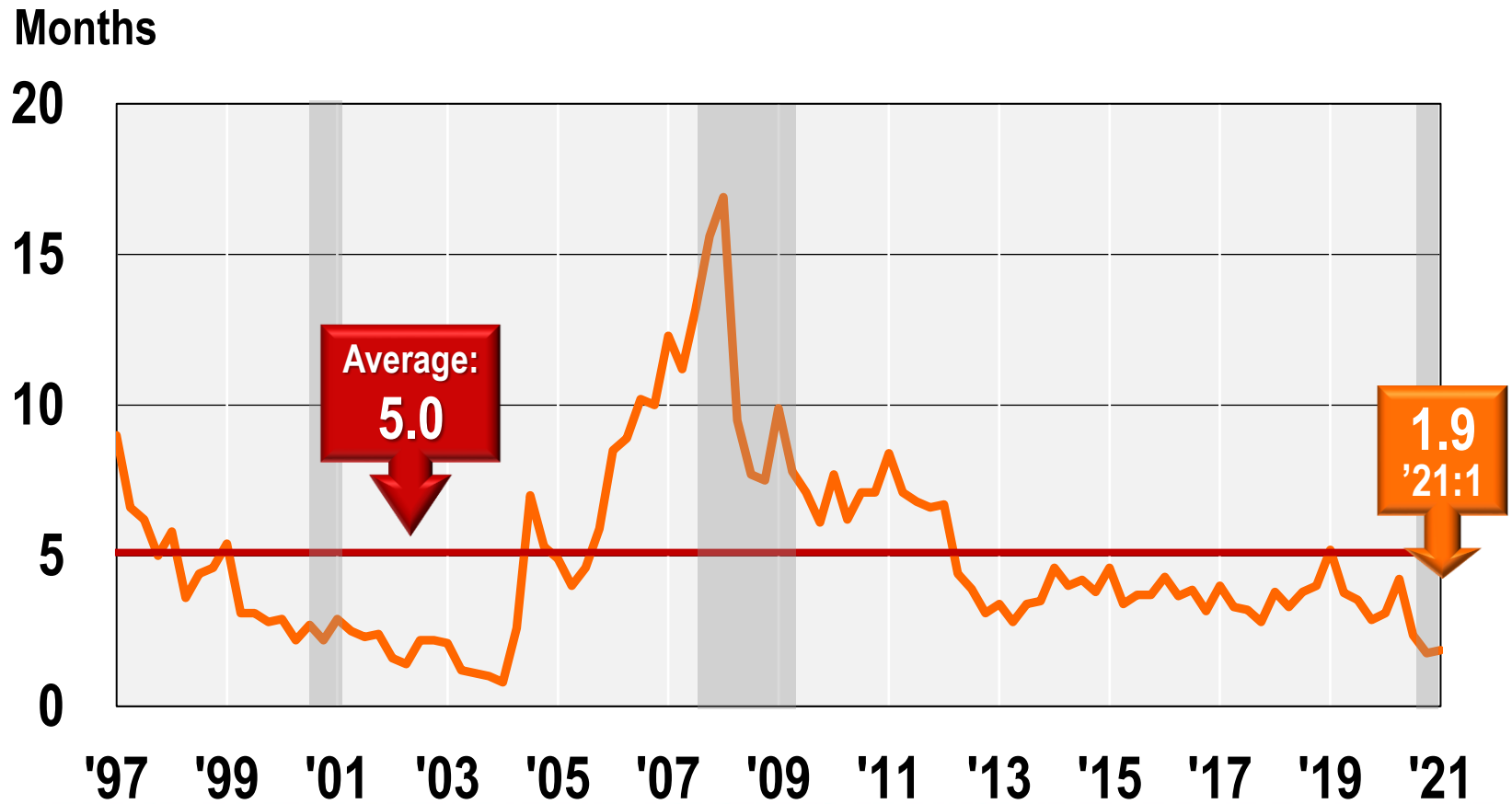


Unemployment Rate

March 2021

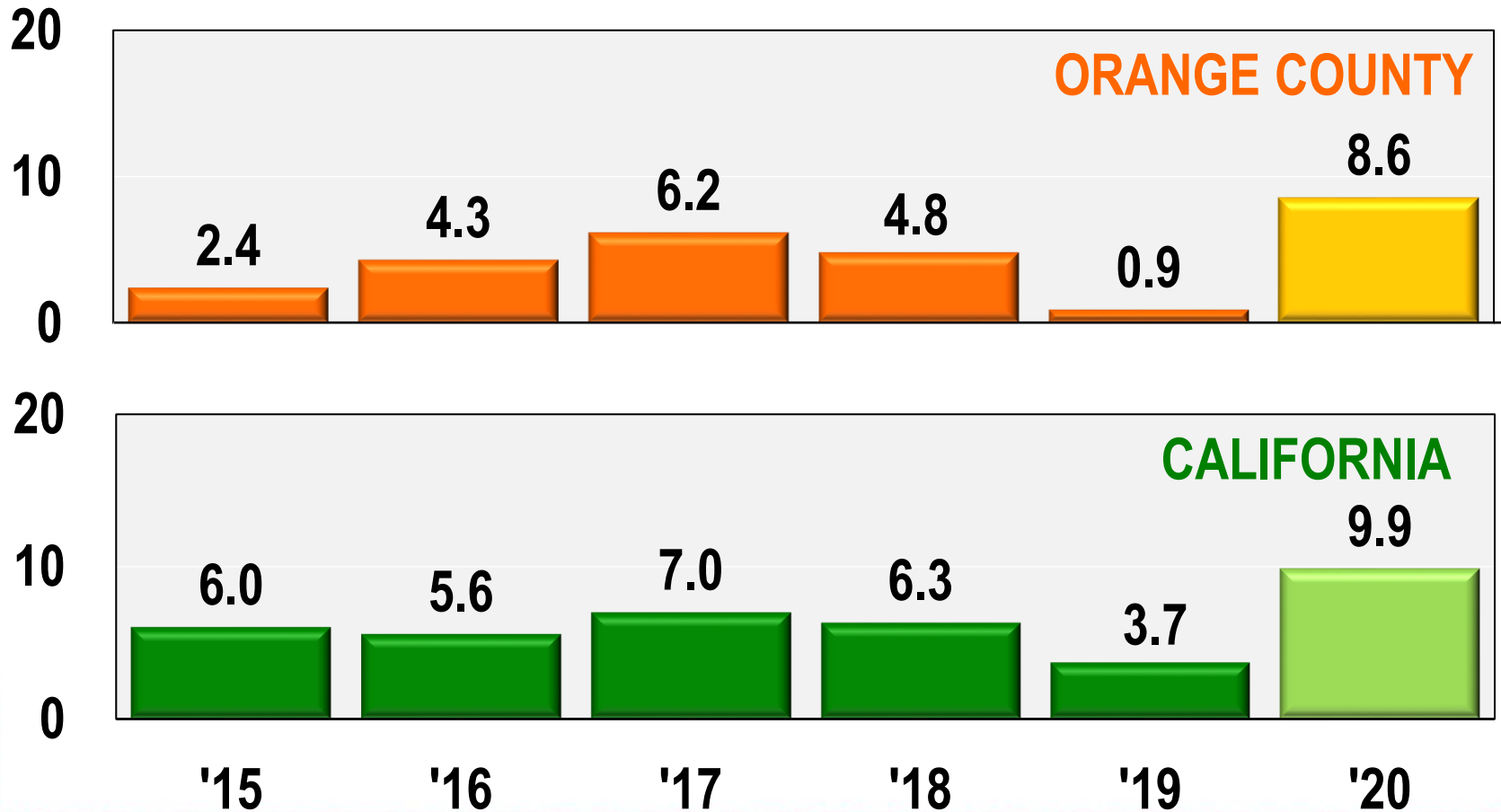


Months to sell Inventory



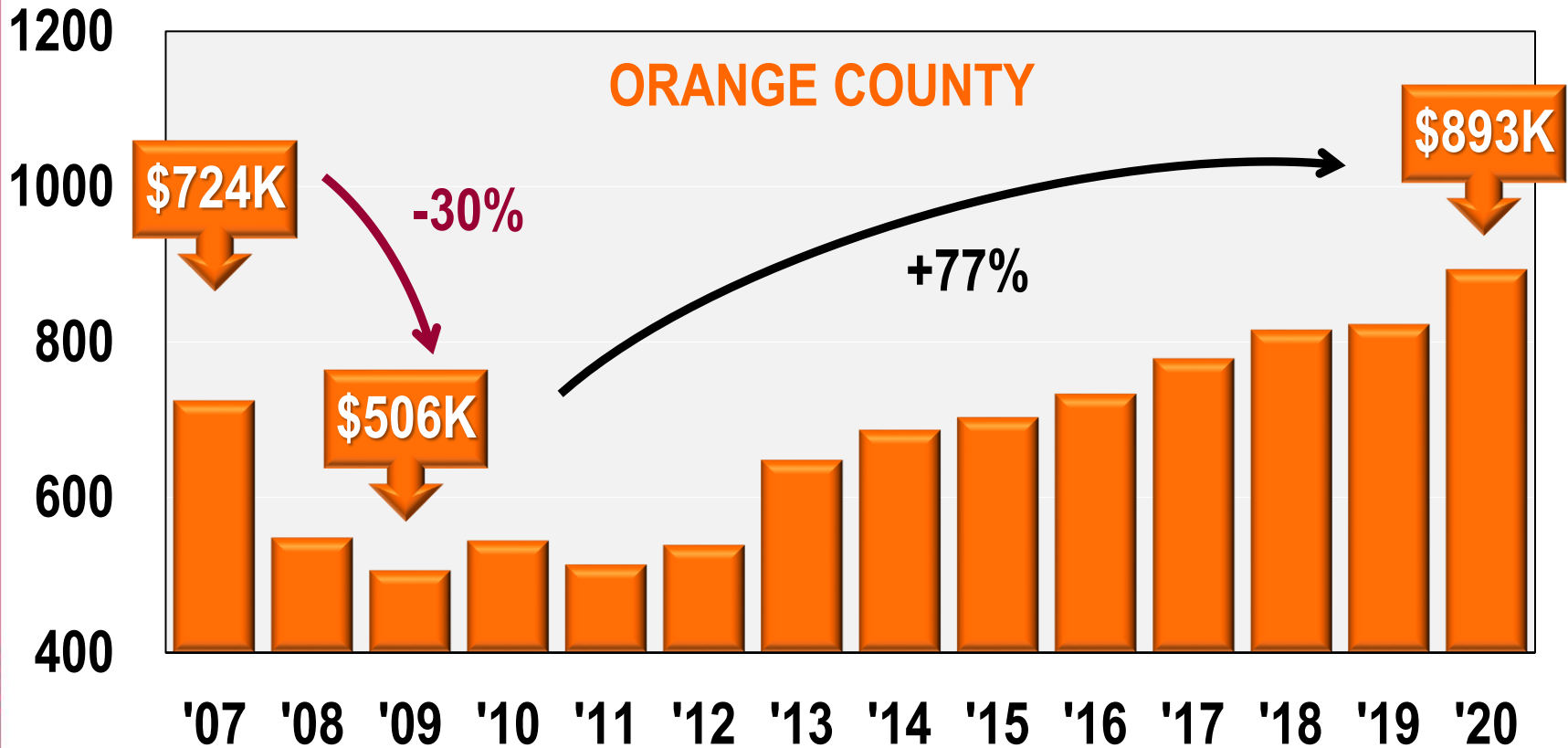
Median Single-Family Home Price

Annual % Change



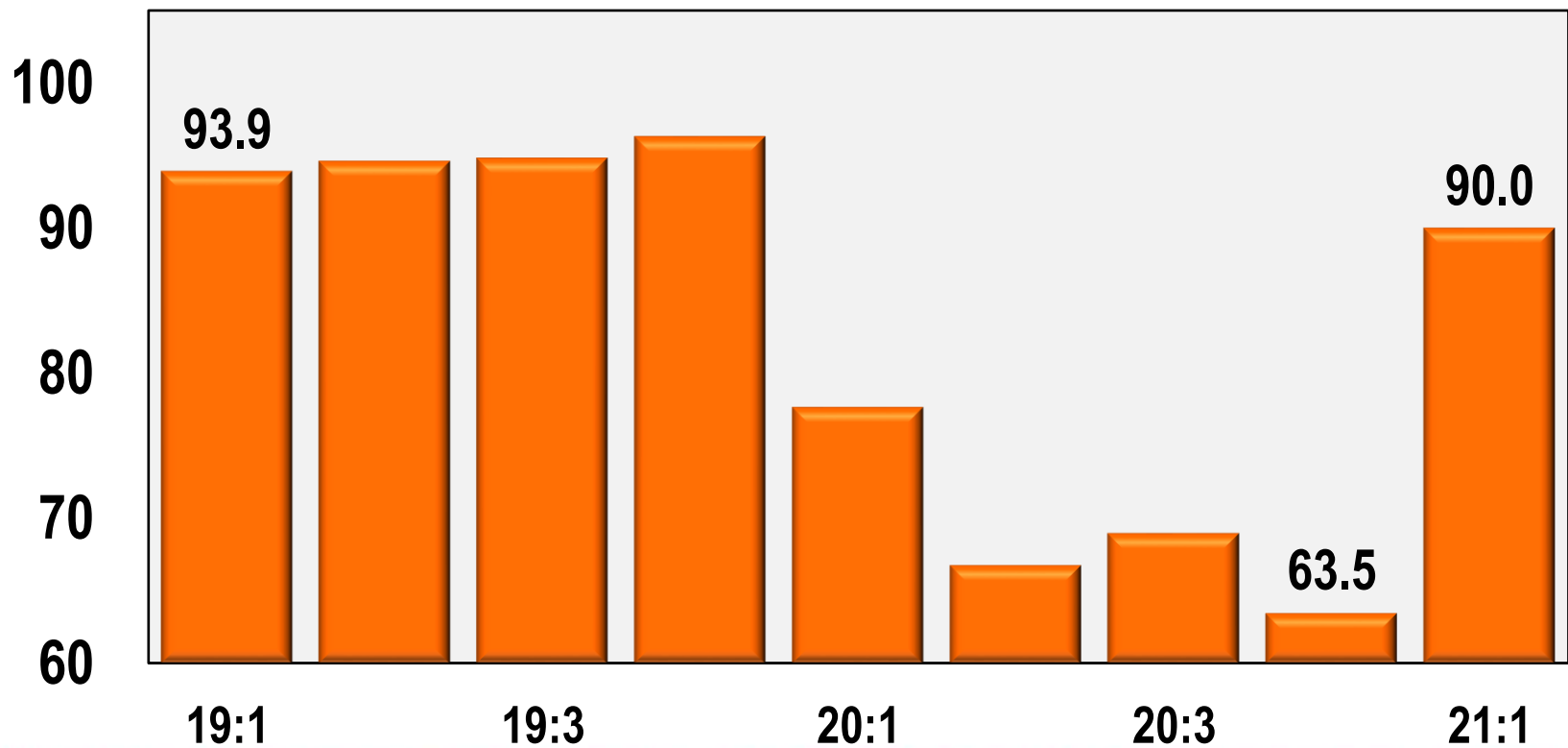
Median Single-Family Home Price

Thousands of \$



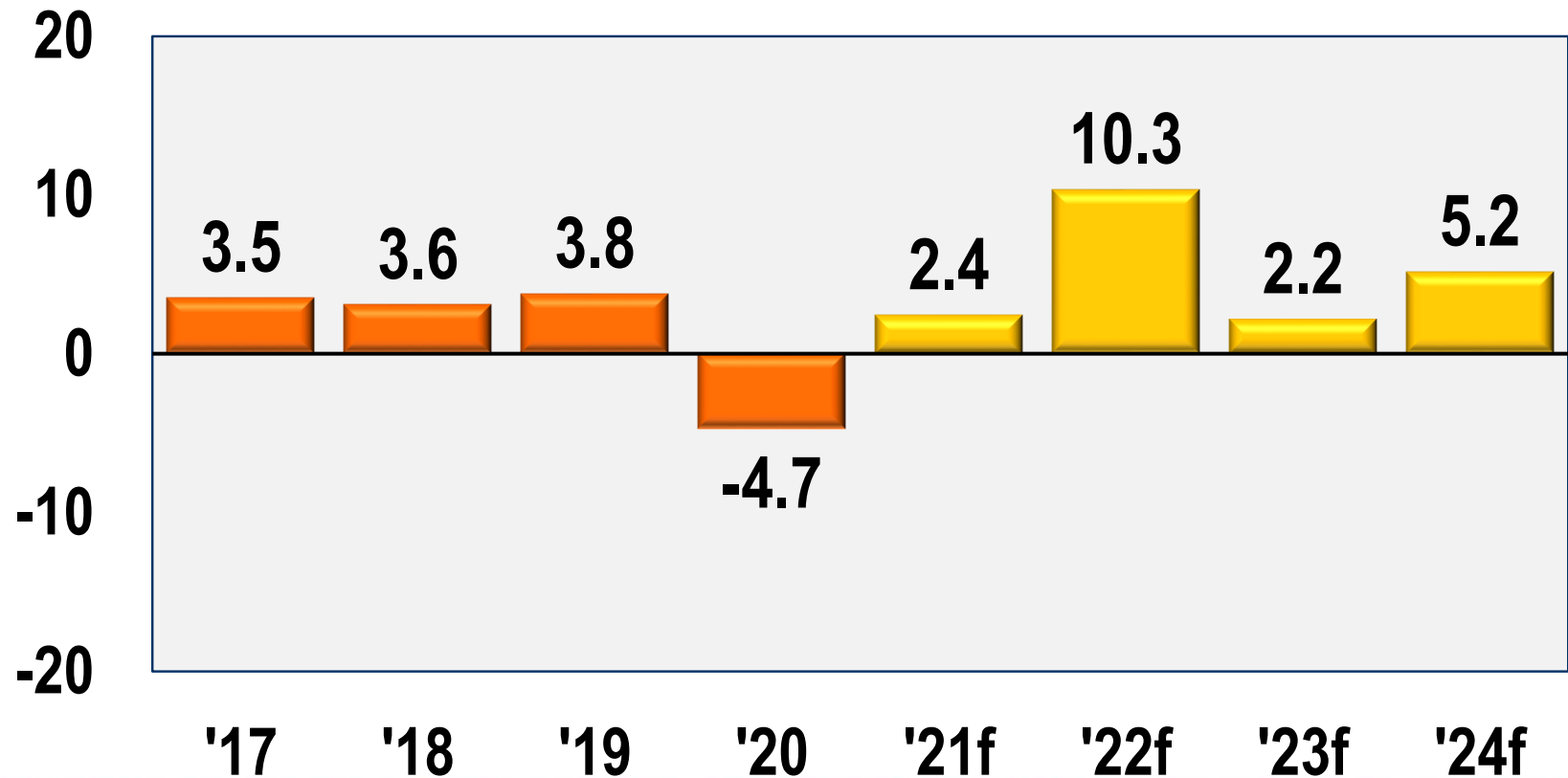
Orange County Consumer Sentiment Composite

Index



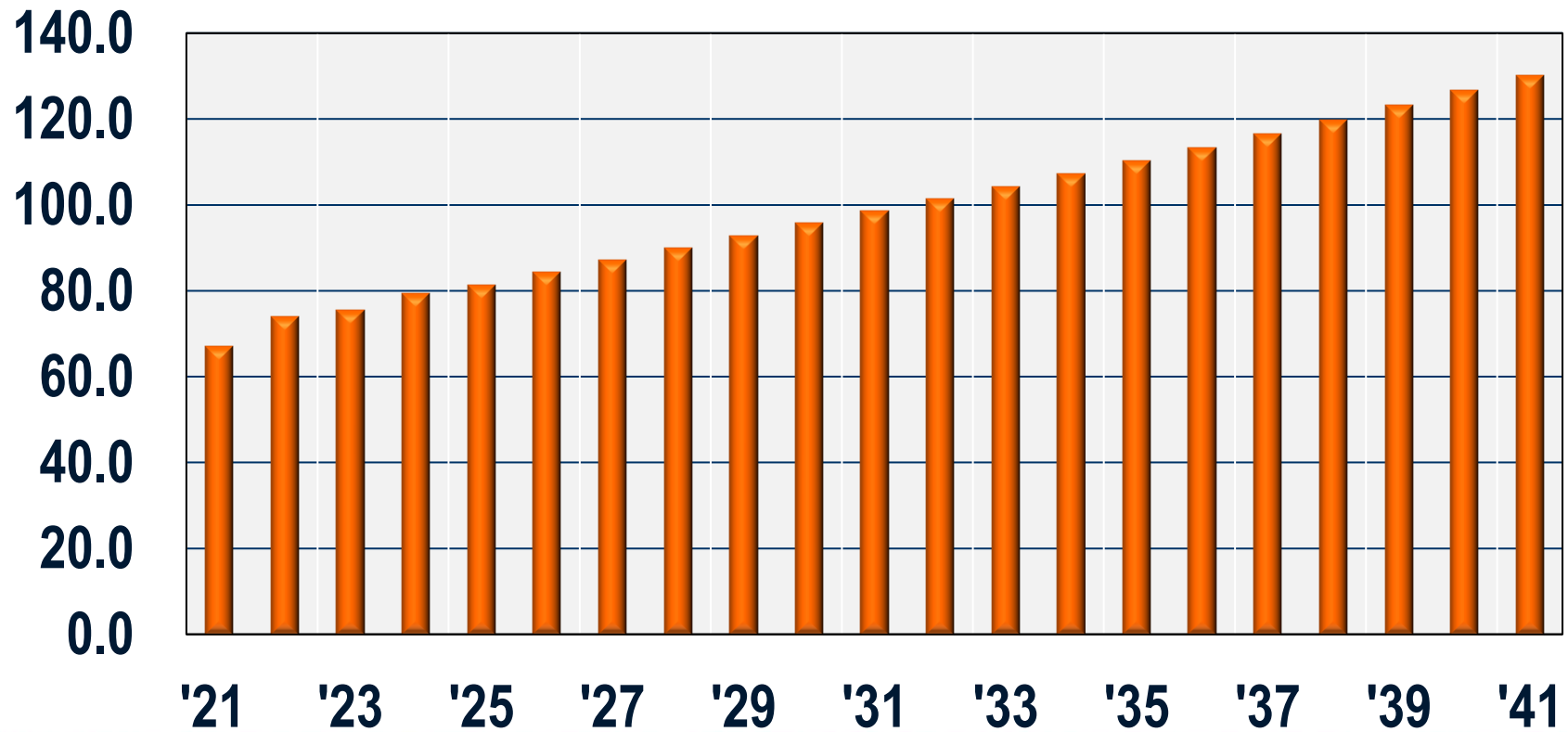
Taxable Sales, Fiscal Year

Annual % Change



Taxable Sales, Fiscal Year

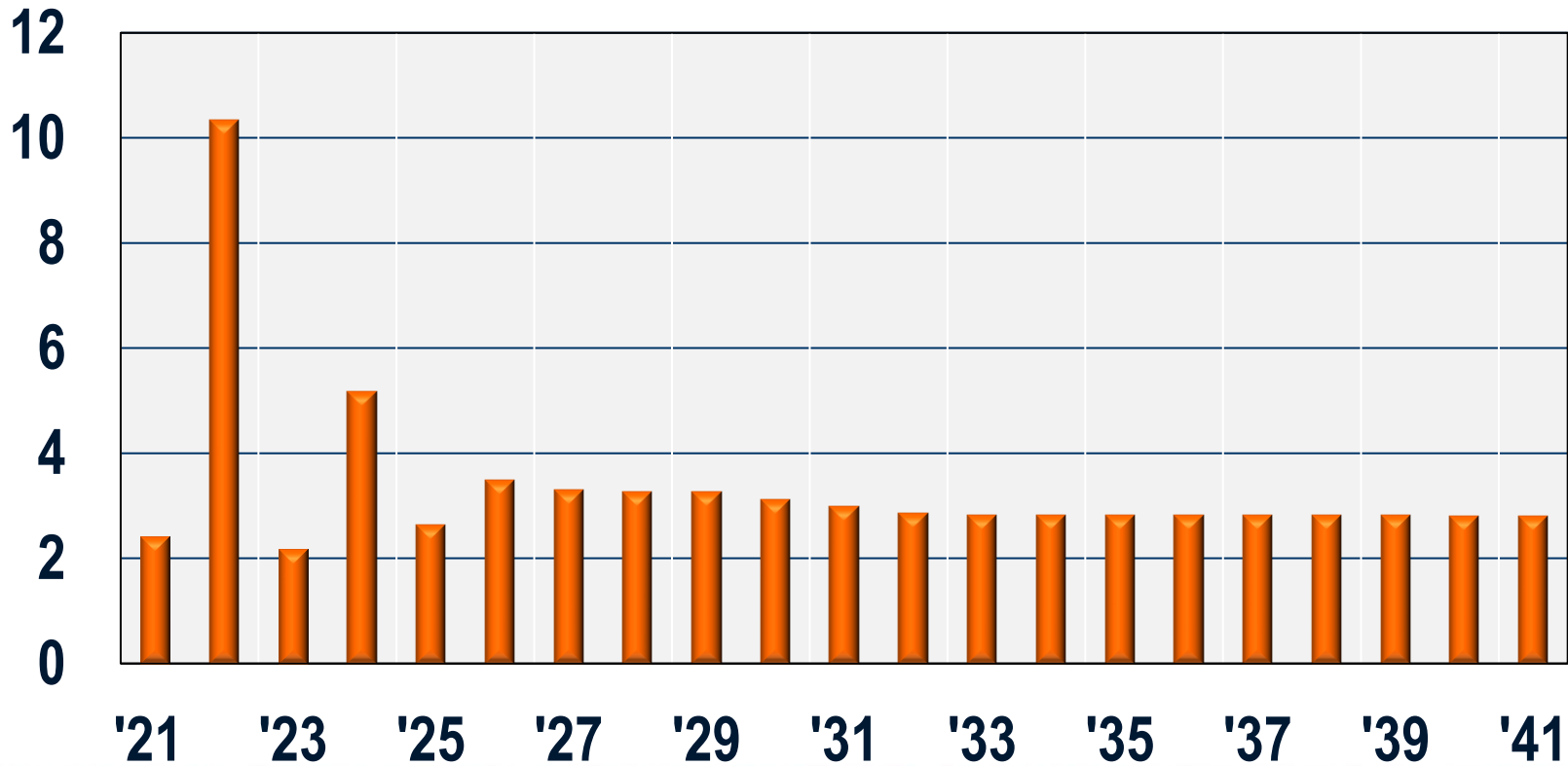
Billions of \$



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Taxable Sales, Fiscal Year

Yr/Yr % Change



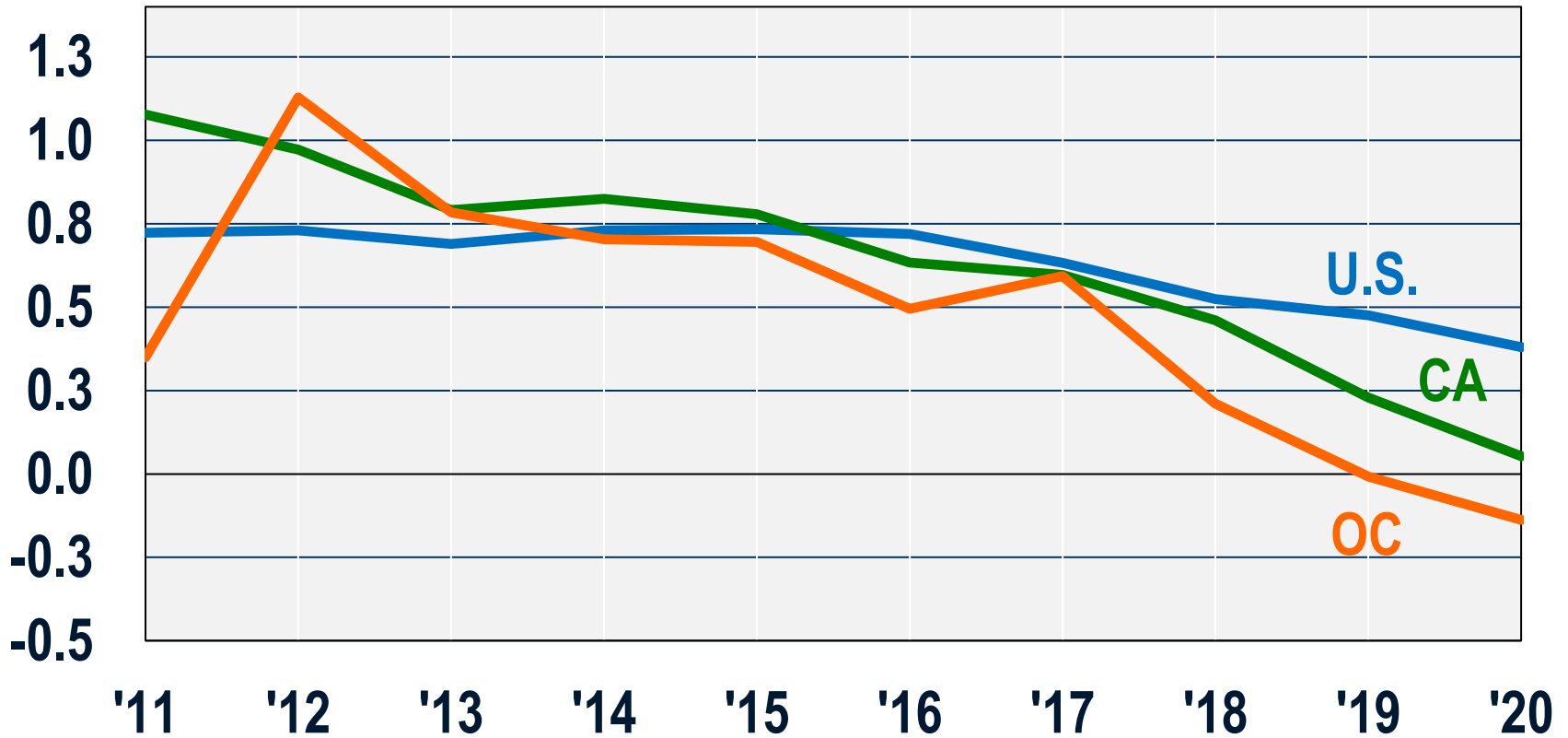
Challenges



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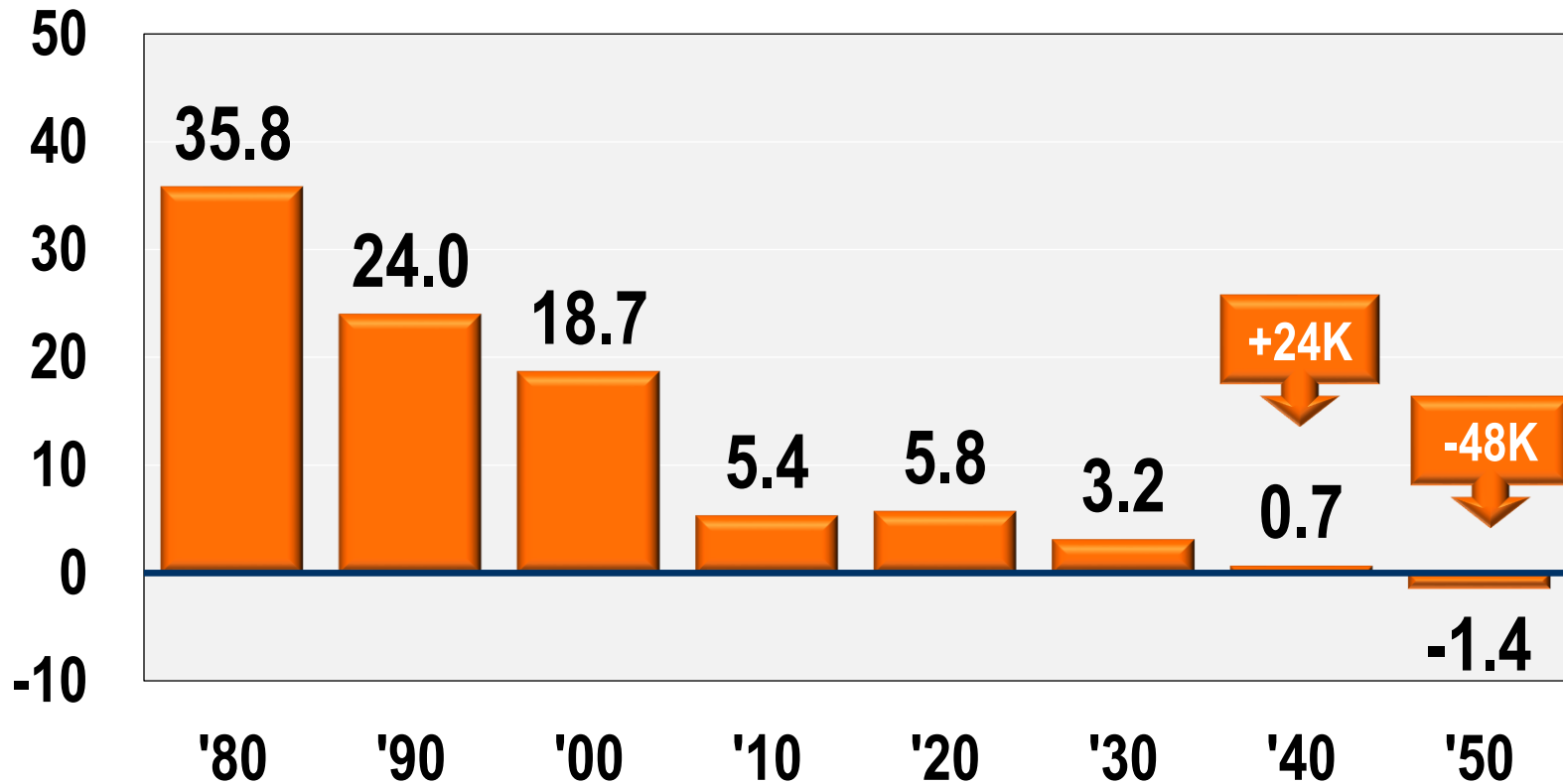
Change in Population

Yr/Yr % Change



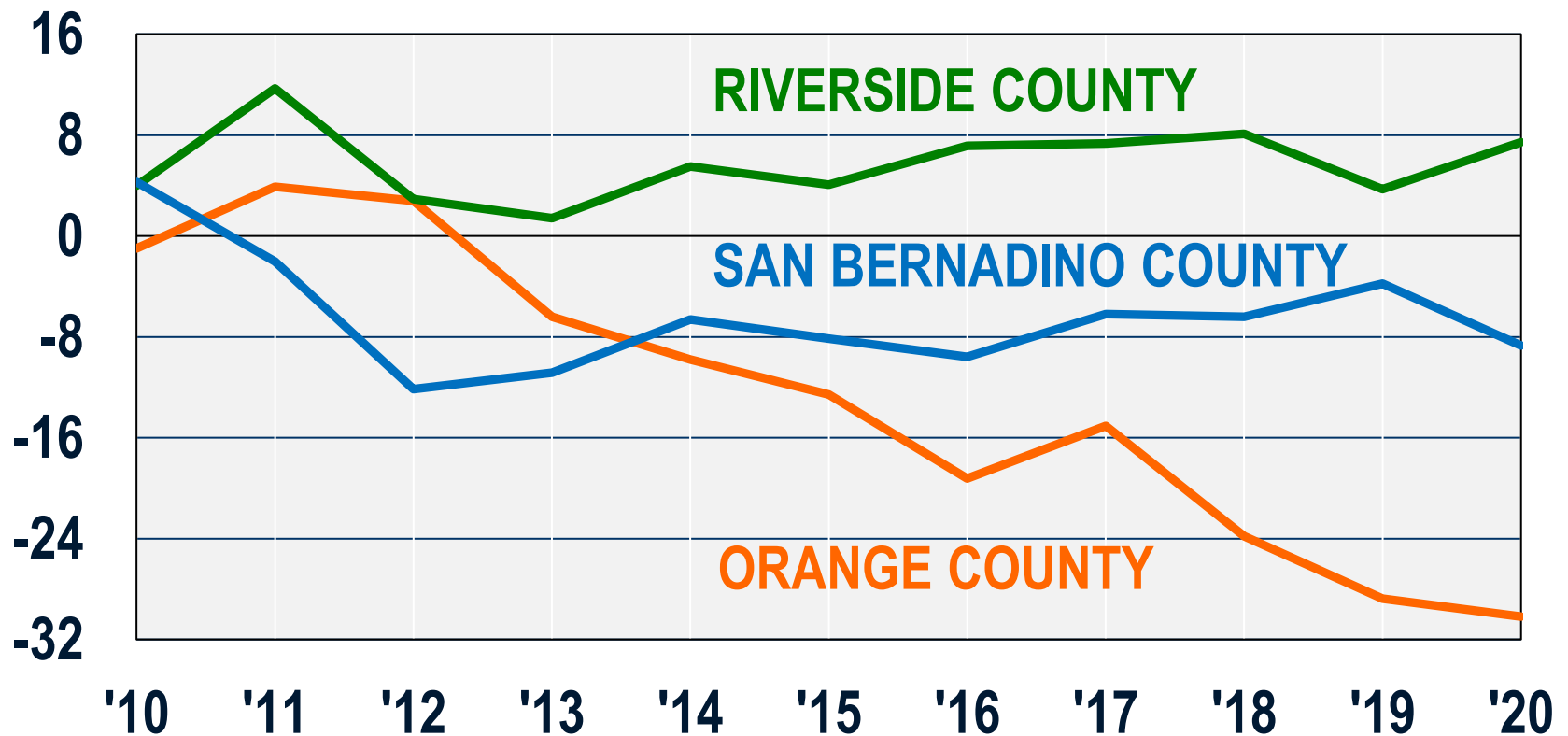
Orange County Population Growth

Percent Change



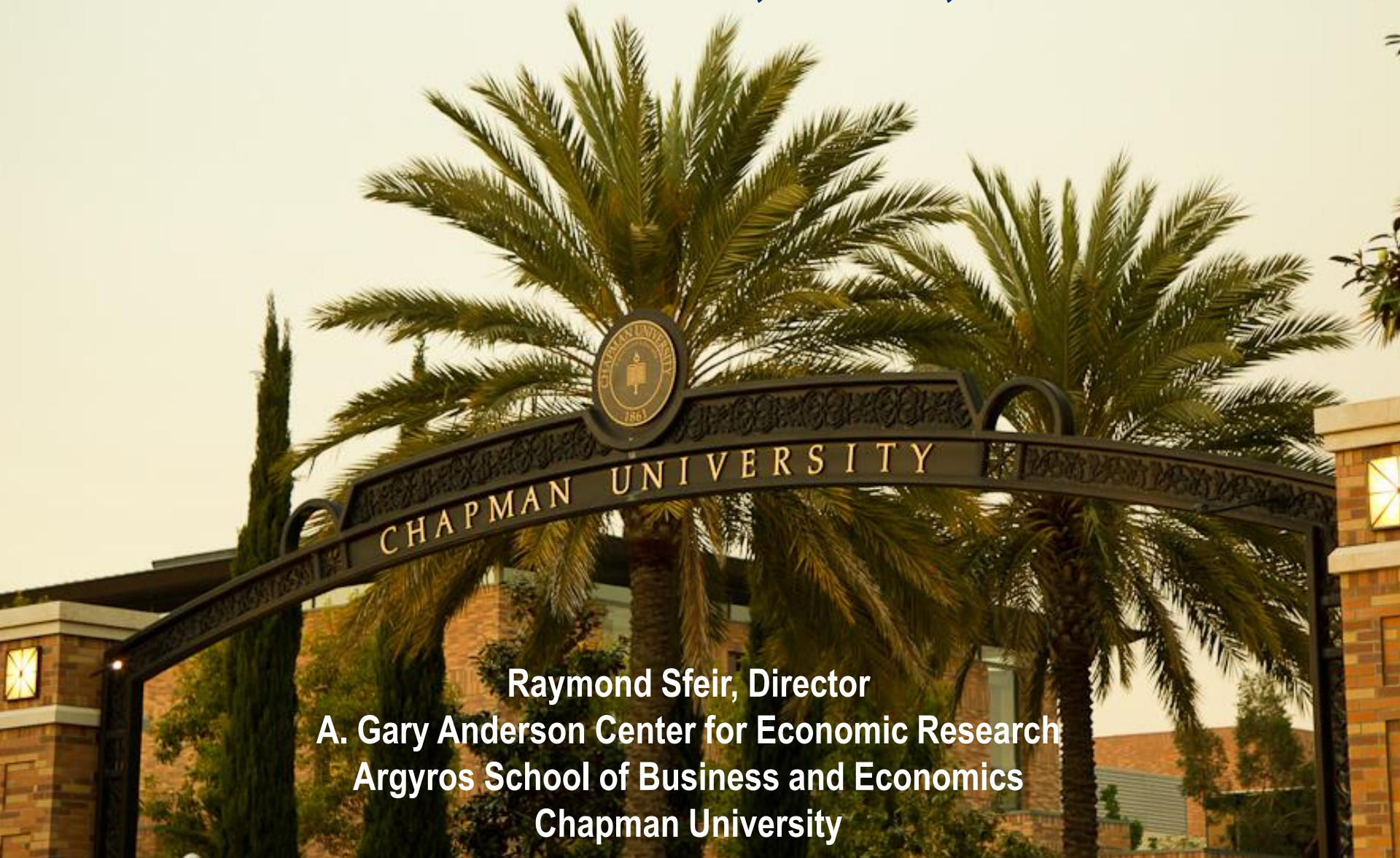
Net Domestic Migration

Thousands



OCTA

Economic Forecast, June 9, 2021



Raymond Sfeir, Director
A. Gary Anderson Center for Economic Research
Argyros School of Business and Economics
Chapman University



MINUTES

Finance and Administration Committee Meeting

Committee Members Present

Via Teleconference:

Michael Hennessey, Chairman
Steve Jones, Vice Chairman
Katrina Foley
Brian Goodell
Patrick Harper
Gene Hernandez
Joe Muller

Committee Members Absent

None

Staff Present

Jennifer L. Bergener, Deputy Chief Executive Officer
Allison Cheshire, Interim Deputy Clerk of the Board
Gina Ramirez, Deputy Clerk of the Board

Via Teleconference:

Darrell E. Johnson, Chief Executive Officer
Andrew Oftelie, Chief Financial Officer
James Donich, General Counsel
OCTA Staff Members

Call to Order

The May 12, 2021, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:34 a.m.

Roll Call

The Deputy Clerk of the Board conducted an attendance roll call and announced a quorum of the F&A Committee.

Pledge of Allegiance

Director Hernandez led in the Pledge of Allegiance.

1. Public Comments

There were no Public Comments.

Special Calendar

2. Taxable Sales Forecast - MuniServices

Andrew Oftelie, Chief Financial Officer, provided opening comments and introduced Fran Mancia, Vice President of Government Relations, and Tom Adams, Client Success Manager, from MuniServices.

Mr. Mancia and Mr. Adams presented a PowerPoint presentation on the update to the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.

2. (Continued)

A discussion ensued among the Committee Members and staff regarding the following:

- Effects of inflation;
- Work from home creating structural changes to the workplace;
- State restrictions due to the coronavirus would be eliminated by the end of 2021;
- Fiscal 2021-22 actuals may primarily be affected by actuals collected in 2021;
- Draft budget presented to the Board of Directors is based on more conservative sales tax projections; and
- People are leaving California, but housing prices are increasing.

Following the discussion, no action was taken on this information item.

Consent Calendar (Items 3 through 7)

3. Approval of Minutes

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of April 28, 2021.

Director Foley was not present to vote on this item.

4. Review of Oversight Controls and Contract Compliance Related to the Bridgestone/Firestone Tire Lease and Services Agreement No. C-9-1354, Internal Audit Report No. 21-506

Director Harper pulled this item to gain additional information.

Janet Sutter, Executive Director, Internal Audit, reported that staff reviewed the agreement with Bridgestone/Firestone for tire lease and services from May 2020. The audit was a review of OCTA oversight controls and testing of contract compliance. Since the contract's inception in October 2020, the vendor has not provided agreed-upon staffing levels or reports.

Ms. Sutter discussed the torque requirements on the ACCESS vehicles' not being met. Management took immediate steps to address the findings. The Maintenance Department committed to implementing the changes. She also stated that the last audit performed did not find these issues, and the current results are based on staffing issues.



4. (Continued)

A motion was made by Director Harper, seconded by Director Goodell and following a roll call vote, declared passed 6-0, to direct staff to implement four recommendations provided in the Review of Oversight Controls and Contract Compliance Related to the Bridgestone/Firestone Tire Lease and Services Agreement No. C-9-1354, Internal Audit Report No. 21-506.

Director Foley was not present to vote on this item.

5. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2020, Internal Audit Report No. 21-509

A motion was made by Director Muller, seconded by Director Hernandez and following a roll call vote, declared passed 6-0, direct staff to implement a recommendation provided in Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2020, Internal Audit Report No. 21-509.

Director Foley was not present to vote on this item.

6. Fiscal Year 2020-21 Third Quarter Grant Reimbursement Status Report

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Foley was not present to vote on this item.

7. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2021

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Foley was not present to vote on this item.

Regular Calendar

8. 91 Express Lanes Update for the Period Ending - March 31, 2021

Due to time constraints, this item was deferred to a future Finance and Administration Committee meeting.

Discussion Items

9. Fiscal Year 2021-22 Budget Workshop Follow-up

Anthony Baruch, Section Manager III, Financial Planning & Analysis, provided a verbal report on the follow-up questions, issues, or concerns that may have arisen from the budget workshop conducted with the Board of Directors on May 10, 2021.

10. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer (CEO), provided an update on the following:

WTS Webinar

- On May 19, Mr. Johnson and Jennifer L. Bergener, Deputy CEO, will present an update on OCTA activities and programs during a lunch webinar for Women's Transportation Seminar (WTS), Orange County. The focus is on the updated Measure M Next 10 plan recently approved by the Board of Directors (Board) and the draft budget presented to the Board at the budget workshop on Monday, May 10th.
- Mr. Johnson, CEO, noted that if any Committee members would like any information on this or want to attend, please let staff know.

Bike Month

- May is Bike Month, and the staff has several efforts underway to promote and highlight this. Through the Bike Everywhere campaign, OCTA staff ask people to pledge to ride their bikes, whether around the neighborhood, to the store, or to work. To date, OCTA has almost 500 pledges, and the goal is 700. Those who pledge will be entered to win prizes. Mr. Johnson stated that OCTA encourages people to check out octa.net/bikeeverywheremonth to find more information, safety tips, and resources for employers.

11. Committee Members' Reports

There were no Committee Members' Reports.

12. Closed Session

There were no Closed Session items scheduled.



13. Adjournment

The meeting was adjourned at 11:45 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 9, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Michael Hennessey
Committee Chairman

Allison Cheshire
Interim Deputy Clerk of the Board



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Communications by Independent Financial Statement Auditor

Overview

Crowe LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2020-21 audit. In connection with the audit, Crowe LLP is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge of that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2021.

Recommendation

Receive and file as an information item.

Background

In connection with its annual audit of the Orange County Transportation Authority's (OCTA) financial statements for the fiscal year ended June 30, 2021, Crowe LLP (Crowe) is required to make certain inquiries and communications.

Discussion

Crowe has prepared a letter (Attachment A) to the Finance and Administration Committee (Committee) and the OCTA Board of Directors (Board) with the purpose of making certain inquiries and communications. Specifically, Crowe has requested that the Committee and/or the Board inform Crowe of any matters of which the Committee and/or the Board may be aware of that could have a significant impact to the financial statements of OCTA taken as a whole. OCTA staff has provided the auditors with information related to claims, liabilities, and

contingencies; however, the auditors also welcome input from the Committee and the Board on any areas of concern.

Secondly, Crowe is required to provide certain communications to those charged with governance with regard to audit scope and timing. Page two of Attachment A reflects Crowe's plan to complete the audit and issue an opinion on the financial statements on approximately October 31, 2021.

Summary

OCTA's independent financial statement auditors are making certain inquiries and communications in relation to their audit of the financial statements of OCTA as of June 30, 2021.

Attachment

- A. Letter from Crowe, LLP, to the Board of Directors and Finance and Administration Committee, Orange County Transportation Authority, dated May 19, 2021

Authorized by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591



Crowe LLP
Independent Member Crowe Global

May 19, 2021

Board of Directors
Finance and Administration Committee
Orange County Transportation Authority
550 South Main Street
Orange, California 92863

We are pleased to serve OCTA as its independent auditors and look forward to our continued relationship. As part of our audit process, our professional standards require that we communicate certain information to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA) as of and for the year ended June 30, 2021. In addition to the report on the financial statements of OCTA, we will also audit and report on the financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), the 91 Express Lanes Fund, the Local Transportation Fund, and the State Transit Assistance Fund as of and for the year ended June 30, 2021.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain budgetary comparison information, and supplemental pension plan trend data and other postemployment benefit data be presented to supplement the basic financial statements. Such information is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We will apply certain limited procedures to the required supplementary information, however, we will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In addition to our report on the financial statements, we have been engaged to report on the combining and individual fund financial statements and schedules, certain budgetary comparison schedules, the schedule of expenditures of federal awards, and the Proposition 1B schedule of unspent funds and cash disbursements. We will subject such information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves. Our report will indicate whether this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section and statistical section of OCTA's comprehensive annual financial report and therefore will not express an opinion or provide any assurance on them.

Audit planning and interim procedures were conducted in May 2021, and year-end audit procedures will commence in September 2021. We expect to issue our report no later than October 30, 2021.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you or management of your responsibilities.

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with Federal statutes, regulations, and the terms and conditions of Federal awards and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we will consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OCTA's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the OCTA's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

REQUIRED COMMUNICATIONS

Professional auditing standards also require that we perform inquiries with those charged with governance surrounding matters that may impact our risk assessment.

Please communicate any matters or concerns that may have a material impact to the financial statements to Kathy Lai at Kathy.Lai@crowe.com or (714) 668-5376.

We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors, the Finance and Administration Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
May 19, 2021



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Department of Motor Vehicles Employer Pull Notice Program

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of the Department of Motor Vehicles Employer Pull Notice Program. Based on the audit, controls are in place to ensure compliance with regulatory requirements and policies and procedures; however, recommendations are being made to enhance review controls and documentation, to update policy and job descriptions to reflect current requirements, and to consistently and timely perform monitoring activities.

Recommendation

Direct staff to implement three recommendations provided in Department of Motor Vehicles Employer Pull Notice Program, Internal Audit Report No. 21-508.

Background

The State of California and Orange County Transportation Authority's (OCTA) Employee Qualifications to Drive Motor Vehicles Policy (policy) require the monitoring of employee driving records (pull notice) through the Department of Motor Vehicles Employer Pull Notice Program (Program). A pull notice is automatically generated and mailed to OCTA for newly enrolled drivers, upon an applicable action or activity such as driver's license suspensions or revocations, or annually for currently enrolled drivers. Regulated employees are those required by the California Vehicle Code (CVC) to enroll in the Program, whereas non-regulated employees are not subject to the CVC and include most administrative employees. OCTA monitors pull notices of approximately 1,400 employees using a software system called the Department of Motor Vehicles System (DMVS). The Health, Safety, and Environmental Compliance (HSEC)

Department staff obtains employee pull notices from the Program and administers the DMVS. Operations Division (Operations) staff digitally signs regulated employee pull notices after a review to determine if driver credentials are current and whether licenses have been suspended or revoked, and Human Resources (HR) Department staff performs the same process for non-regulated employees.

Annual base inspections include a review of commercial driver's licenses for a sample of both coach operators and maintenance employees. As an added monitoring control, the Maintenance Department conducts annual mock California Highway Patrol (CHP) inspections that include a review of driver credentials and pull notices for a sample of maintenance employees.

Discussion

HR staff does not monitor pull notices for six non-regulated staff and does not have a mechanism for documenting actions taken when investigating expired driver's licenses or license suspensions. There was also no evidence of follow-up by Operations staff for several regulated Bus Operations supervisors with expired medical certifications. Another 37 employee pull notices were not signed within 30 days of receiving the record, and three employees signed their own pull notices. Recommendations were made to improve review controls and documentation of activities. Management agreed and indicated that recommended actions will be implemented.

OCTA's policy identifies service workers and automotive mechanics as regulated employees; however, they are no longer required to hold commercial driver's licenses. In addition, a couple of job descriptions for positions no longer requiring a commercial driver's license need to be updated. Also, evidence of written notice provided to employees and their manager's confirming opt-out status is not retained. Finally, a few errors/omissions were identified on the No Drive listing maintained by HR. Internal Audit recommended the policy be updated, that evidence of required notices be retained, and that controls for updates to the No Drive listing be enhanced. Management agreed and indicated that recommendations will be implemented.

Thirteen employees were not timely removed from the DMVS upon termination or change in status and system access had not been removed for one terminated employee. In addition, a mock CHP inspection of the Santa Ana Base was not performed in 2020. Internal Audit recommended strengthening of DMVS controls and consistent performance of mock inspections, which serve as a monitoring control. Management responded that the DMVS issues will be addressed, and mock inspections, which were impacted by other priorities due to the pandemic, will be resumed on an annual basis.

Summary

Internal Audit made three recommendations to enhance review controls and documentation, update policy and job descriptions to reflect current requirements, and to consistently and timely perform monitoring activities.

Attachment

A. Department of Motor Vehicles Employer Pull Notice Program

Prepared by:

Serena K. Ng

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

Approved by:

Janet Sutter

Janet Sutter
Executive Director, Internal Audit
714-560-5591

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Department of Motor Vehicles Employer Pull Notice Program

Internal Audit Report No. 21-508

May 19, 2021



Performed by

Serena Ng, CPA, Senior Manager
Janet Sutter, CIA, Executive Director

Serena K. Ng

Distributed to:

Maggie McJilton, Executive Director, Human Resources and Organizational Development
Jennifer Bergener, Beth McCormick, Cliff Thorne, Ana Ripalda, Dayle Withers,
Matthew DesRosier, Karen DeCrescenzo, Bill Habibe, Steve Elkins

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May 19, 2021**

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Department of Motor Vehicles Employer Pull Notice Program
May 19, 2021

Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of the Department of Motor Vehicles (DMV) Employer Pull Notice Program (Program). Based on the audit, controls are in place to ensure compliance with DMV requirements and OCTA policies and procedures; however, recommendations are being made to enhance review controls and documentation, to update policy and job descriptions to reflect current requirements, and to consistently and timely perform monitoring activities.

Background

The State of California and OCTA's Employee Qualifications to Drive Motor Vehicles Policy (policy) require the monitoring of employee driving records (pull notice) through the Program. Under California Vehicle Code (CVC) Section 1808.1, the employer of a driver driving a vehicle for an operation requiring a commercial class A or B driver's license must participate in the Program. A pull notice is automatically generated and mailed to OCTA for newly enrolled drivers, upon an applicable action or activity such as driver's license suspensions or revocations, or annually for currently enrolled drivers. Regulated employees are those required by the CVC to enroll in the Program, and non-regulated employees are those not subject to the CVC and include most administrative employees. Minimum qualifications established in the policy include possession of a valid California driver's license, with regulated employees required to possess a valid California class A or B commercial driver's license and a valid DMV medical certification card. OCTA monitors pull notices of approximately 1,400 employees using a software system called the Department of Motor Vehicles System (DMVS). DMVS users are required to sign an Information Security Statement (security) form every year.

The policy defines Program responsibilities. Health, Safety, and Environmental Compliance (HSEC) Department staff obtain employee pull notices from the Program and administer the DMVS. Operations Division (Operations) staff review regulated employee driver records, Human Resources (HR) Department staff review non-regulated employee driver records and enforce driving-related policy rules, and Information Systems (IS) Department staff maintain the DMVS and data transfer links with the DMV. New employees fill out a form that authorizes release of pull notice information, with non-regulated employees being given a choice to opt out of the Program. HR maintains a listing of employees who have selected the No Drive option. Operations and HR staff review pull notices to determine if driver credentials are current, whether licenses have been suspended or revoked, and whether restrictions or points identify any concerns. Staff will perform follow-up, as necessary, and then digitally approve the pull notices.

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Annual mock California Highway Patrol (CHP) inspections include a review of driver credentials and pull notices for a sample of maintenance employees. Annual Chief Executive Officer (CEO) base inspections include a review of commercial driver's licenses for a sample of both coach operators and maintenance employees.

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Objectives, Scope, and Methodology

The objectives were to assess internal controls in place to ensure compliance with DMV requirements and OCTA policies and procedures.

According to Generally Accepted Government Auditing Standards (GAGAS), 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.¹ 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.
- Monitoring
 - OCTA selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

The methodology consisted of reviewing the policy, reconciling individuals in the DMVS to the employee roster and No Drive listing, reviewing the enrollment/No Drive forms for all employees that opted out of the Program, confirming that current security forms are on file for all authorized users of the DMVS, reviewing mock CHP and CEO base inspections, and testing pull notices for evidence of controls and compliance with policy and regulatory requirements.

The scope is limited to internal controls over the Program and compliance with related regulations. The scope included the mock CHP and CEO base inspections for the last three years. The scope also included pull notices for employees with expired driver credentials and/or license suspensions. The judgmental samples were selected to provide coverage of the more recent inspections and pull notices which identify potential issues. Since the samples were non-statistical, any conclusions are limited to the sample items tested.

We conducted this performance audit in accordance with GAGAS. 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.

¹ 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.

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We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Audit Comments, Recommendations, and Management Responses

Review of Pull Notices

HR does not review pull notices for six Materials Management and Motorist Services non-regulated staff, as indicated in the policy. In addition, HR does not have a tracking mechanism or process for documenting actions taken when investigating and performing follow-up of expired driver's licenses or license suspensions.

There was also no evidence of follow-up by Operations staff for several regulated employees with expired medical certifications, consisting of Bus Operations supervisors and section supervisors.

Additionally, 37 employee pull notices were not signed by HR or Operations staff within 30 days of receiving the record, and three Operations employees signed their own pull notices in the DMVS.

Recommendation 1:

Internal Audit recommends HR review pull notices, as indicated in the policy, for all non-regulated employees. HR should also log comments in the DMVS, or an alternative tracking mechanism, to evidence review of expired driver's licenses and license suspensions, and to evidence regular follow-up, as needed. Internal Audit also recommends that Operations staff review the medical certification card status for Bus Operations supervisors and section supervisors, periodically. Finally, pull notices should be reviewed and signed in a timely manner, and employees should be prohibited from signing their own pull notices.

Management Response (HR):

HR will review pull notices as indicated in the policy for all non-regulated employees. HR will log comments in the DMVS, or an alternative tracking mechanism, to evidence review of expired driver's licenses and license suspensions, and to evidence regular follow-up, as needed. Pull notices will be reviewed and signed within 30 days of receiving the record.

Management Response (Bus Operations):

Previously, reports available to OCTA through the Program had been used to monitor the renewal of credentials and overall compliance with the Program. Since March 2020, the accuracy of these reports has been inconsistent, and in response, in addition to reviewing the DMV reports, Bus Operations staff is now manually reviewing the medical certification card status for coach operators, Bus Operations supervisors, and section supervisors, on a regular basis. To track this manual activity, base staff has been putting comments into DMVS to document when records have been checked; however, the use of comments

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has been mostly limited to coach operator records. To ensure compliance and consistency in checking records, staff has been instructed to use comments when checking credentials for all Bus Operations staff, coach operators, and administrative staff. Additionally, all Bus Operations administrative staff checking credentials using DMVS were reminded that all pull notices should be reviewed and signed in a timely manner, and that each individual is prohibited from signing their own pull notice.

Policy and Compliance

OCTA's policy identifies coach operators, mechanics, service workers, field supervisors, and Operations trainers as regulated employees; however, service workers and automotive mechanics are no longer required to hold commercial driver's licenses. Additionally, the job descriptions of Automotive Mechanic I and Electronic Technicians need to be updated to remove the commercial driver's license requirement.

According to policy, non-regulated employees are assigned to the No Drive provision if they opt out of the program by signing a form or if they do not meet the minimum driver qualifications. Written notice of the No Drive status is then sent to the employee and their manager. Testing found there were no forms on file to support the opt-out status of three employees, and evidence that written notice is sent to employees and their managers is not maintained by HR. Additionally, HR's No Drive listing incorrectly included three employees who are currently enrolled in the Program and omitted two employees who opted out.

Recommendation 2:

Internal Audit recommends that HR update the policy and job descriptions to be consistent with the changes to commercial driver's license requirements. Internal Audit also recommends that controls be established to ensure the timely update of the No Drive listing, as supported by signed forms.

Management Response (HR):

HR will review the policy, along with HSEC, to determine if any updates are needed. Job descriptions are reviewed each time there is an active recruitment for a position, to make any necessary changes. Although there are incumbents in the Automotive Mechanic I classification, it is no longer a position that is recruited for and the job description is no longer used. The Electronic Technician position has not undergone a recruitment since 2017, which was before the requirement for a commercial driver's license was removed. Acknowledging the aforementioned and the discovery in this audit, HR will review the job description for Electronic Technician to remove the commercial driver's license requirement.

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HR will work with HSEC to ensure the timely update of the No Drive listing as supported by signed forms.

System and Monitoring Controls

Thirteen terminated or No Drive employees were not timely removed from the DMVS, and DMVS access had not been removed for one terminated employee.

In addition, Transit Technical Services (TTS) did not perform the annual mock CHP inspection at the Santa Ana Base in 2020. Mock CHP inspections are considered a monitoring control, as TTS reviews driver credentials and pull notices for a sample of maintenance employees.

Recommendation 3:

Internal Audit recommends that HSEC work with IS to develop DMVS user access controls and strengthen internal controls to ensure timely removal of terminated and No Drive employees from the DMVS. Internal Audit also recommends that TTS consistently perform the annual mock CHP inspections.

Management Response (HSEC):

HSEC agrees with the recommendation. Although sufficient user access controls and controls to ensure timely removal of terminated and No Drive employees do exist, the audit did discover a technical “glitch” concerning the DMVS database archive. Inactive data belonging to nine terminated employees and four “No Drive” employees was found within the DMVS archived data that was provided to Internal Audit by the programmer. However, this data was not accessible through the DMVS, nor viewable by DMVS users. HSEC has requested the programmer purge this data and will work with the programmer to remedy the glitch. Anticipated completion within 30 days.

The DMVS is accessed through the OCTA network. Upon termination, IS immediately disables employee access to that network. Subsequently, HSEC removes the employee from the user list during a monthly administrative process. Therefore, the single terminated user discovered during the audit did not have access to the DMVS after termination. However, the user’s name did remain on the list past the administrative cycle. This has been corrected and HSEC will be more diligent during the monthly administrative process.

Management Response (Maintenance):

The Maintenance Department (Maintenance) acknowledges the importance of annual mock CHP inspections as it pertains to a control measure. In 2020, TTS was inundated with high priority projects related to coronavirus mitigation projects which included

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designing, fabricating, and installing driver shields on all OCTA buses as well as hand sanitizer and face mask dispensers. In addition, TTS completed procurements for 299 40-foot buses, 117 paratransit buses, and ten battery electric buses. Due to the heavy workload, the Santa Ana Base mock CHP inspection was deferred and completed on February 17, 2021. Maintenance/TTS will continue conducting mock CHP inspections on an annual basis.



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 91 Express Lanes Update for the Period Ending - March 31, 2021

Overview

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since that time, traffic volumes and toll revenues have fluctuated with the changes in the economy, added capacity to the State Route 91 corridor, and the recent coronavirus pandemic. Over the last quarter, there were approximately 3.6 million trips taken on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the period ending March 31, 2021.

Recommendation

Receive and file as an information item.

Background

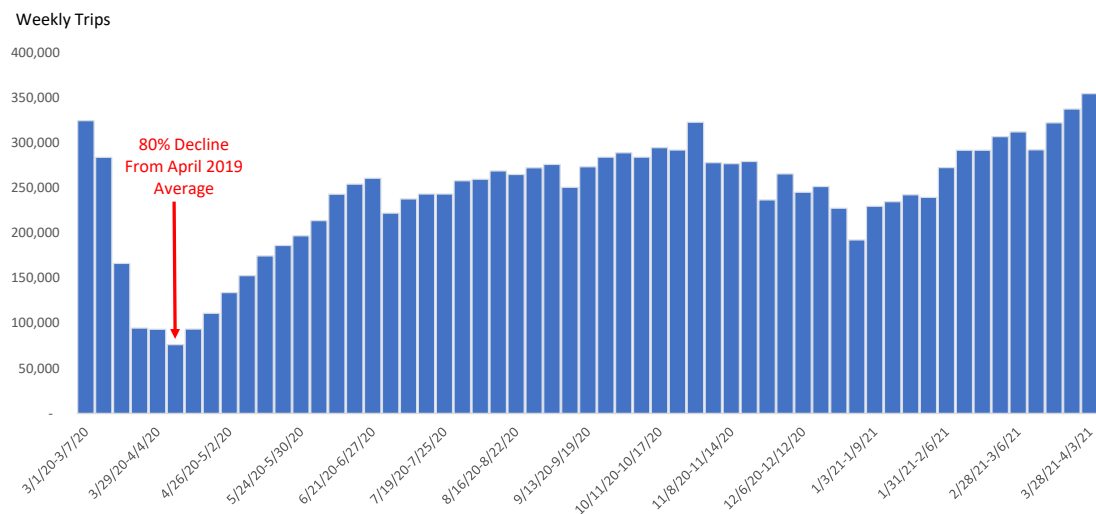
Since January 2003, the Orange County Transportation Authority (OCTA) has owned the 91 Express Lanes (91 EL), which is a two-lane managed lane facility in each direction in the median of the State Route 91 (SR-91) freeway from the State Route 55 (SR-55) to the Orange/Riverside County Line. During OCTA 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 from the Orange/Riverside County Line to Interstate 15 was completed by the Riverside County Transportation Commission (RCTC).

In addition to these events, the 91 EL experienced impacts of the coronavirus (COVID-19) pandemic and State of California's stay-at-home order. Over the past year, state and local governments across the United States issued orders for residents to self-quarantine and refrain from non-essential travel to

slow the spread of COVID-19. These efforts caused the economy to slow and resulted in decreases in traffic volumes and toll revenues.

Discussion

The graph below provides the weekly trips on the 91 EL since March 2020 through the end of March 2021. At the lowest point in April 2020, traffic volumes on the 91 EL dropped 80 percent from the average levels reached in 2019. Since then, traffic volumes have increased and reached a peak during the last week in March 2021. Since January 2021, traffic volumes have been increasing steadily through the first quarter of the calendar year. A graph of toll revenues would show a similar trend for the same period.



Traffic Volumes

Total traffic volume on the OCTA 91 EL for the month of March 2021 was 1,426,041. This represents a daily average of 46,001. This is a 57.5 percent increase in total traffic volume from the same period last year when traffic levels totaled 905,400. The lower traffic volumes in March 2020 were a direct result of the stay-at-home orders and therefore provide a lower amount for the base comparison to 2021. In looking at the quarter-ending period of March 2021, traffic volumes registered 3.6 million, which was a decrease of 4.4 percent over the same period the prior year. For the 12-month period ending March 2021, traffic volumes totaled 12.8 million and decreased by 25.9 percent over the same period the prior year. The decrease in traffic volumes during the last quarter and 12-month period are attributed to the stay-at-home order. Carpool percentage for the period ending March 2021 was 20.8 percent.

Gross Potential Toll Revenues (GPTR)

GPTR for the month of March 2021 was \$4,573,327, which represents an increase of 56.8 percent from the prior year's total of \$2,916,062. GPTR is equal to the toll rate times the number of vehicles traveling on the 91 EL (the amount does not consider violations or discounts). In looking at the previous 12 months, GPTR totaled \$41.9 million and decreased by 19.6 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, 2021, whereby two hours had toll rate increases and two hours had decreases. The rate increases occurred during the shoulder hours and the decreases during the peak periods. As of the end of March 2021, toll rates ranged from a minimum of \$1.70 to a maximum of \$8.10. The next scheduled toll adjustment will occur on April 1, 2021.

Number of Accounts and Transponders

The number of active accounts totaled 150,948, and 524,560 transponders were assigned to those accounts as of March 31, 2021. Over the past 12 months, the number of accounts has increased slightly while the number of transponders in circulation has increased by 228,885. The large increase in transponders is due to the distribution of 6C transponders to customers. In 2019, a new transponder protocol was adopted by California. The new transponders are referred to as 6C transponders. The single setting 6C transponders are in the form of a sticker, whereby they are affixed to the vehicle's windshield. The previous transponder protocol was portable if customers choose to move it from vehicle to vehicle. The new 6C transponders are assigned to a specific vehicle and therefore not portable. OCTA and RCTC have been distributing these 6C transponders to 91 Express Lanes customers over the past year.

Outstanding Debt

As of March 31, 2021, the outstanding amount of the 91 EL tax-exempt 2013 Senior Lien Toll Road Revenue Refunding Bonds (Bonds) totaled \$85.3 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 15, 2021.

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 funds are fully funded with a total balance of \$25.3 million as of March 31, 2021.

In addition to the required debt reserve funds, the OCTA Board elected to establish two additional reserve funds. An internal capital projects fund has a balance of \$24.4 million and is used for large capital projects for the 91 EL such as pavement rehabilitation and back-office systems. The other reserve fund was established in 2017 for two future Measure M2 projects on the SR-91 corridor. The balance in that reserve fund is \$72.9 million. Lastly, OCTA has approximately \$100.4 million set aside in excess toll revenues for various other SR-91 corridor projects.

Recent Events

In February 2021, Cofiroute USA, LLC (CUSA) notified OCTA and RCTC of a delay to the implementation of the new back-office system (BOS) for the 91 Express Lanes for both Orange and Riverside counties as a result of the COVID-19 pandemic. CUSA is the current operator of the 91 Express Lanes for both OCTA and RCTC and is the firm selected for the design, development, and implementation of the new BOS, as well as the customer service center operation, once the current contract expires on June 30, 2021.

In anticipation that the future contractor would not be able to meet the go-live date in July 2021, the OCTA and RCTC Boards approved an amendment to the current three-party agreement between CUSA, RCTC, and OCTA, which allowed for six one-month optional extension periods. Staff from both agencies is continuing to work with CUSA to meet the revised anticipated go-live date in October 2021.

The transition to 6C transponders and conversion account plans continues. It is anticipated that the distribution of transponders and conversion of accounts will be completed in July 2021.

Summary

An operational report for the 91 Express Lanes for the period ending March 31, 2021, 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 2021

Prepared by:

A handwritten signature in black ink, appearing to read "Kirk Avila". The signature is written in a cursive, flowing style.

Kirk Avila
General Manager,
Express Lanes Programs
(714) 560-5674



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



Status Report
March 2021

As of March 31, 2021

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OPERATIONS OVERVIEW OCTA

TRAFFIC AND REVENUE STATISTICS FOR OCTA

Total traffic volume on the 91 Express Lanes for March 2021 was 1,426,041. This represents a daily average of 46,001 vehicles. This is a 57.5 percent increase in total traffic volume from the same period last year, which totaled 905,400 and was the first month of the State of California's stay-at-home orders due to the coronavirus (COVID-19) pandemic. Potential toll revenue for March was \$4,573,327, which represents an increase of 56.8 percent from the prior year's total of \$2,916,062. Carpool percentage for March was 20.2 percent as compared to the previous year's rate of 22.7 percent. Traffic volumes remain lower than pre-COVID-19 levels but are beginning to improve as Southern California counties enter into less restrictive tiers of the State's Blueprint for a Safer Economy plan.

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 Orange County Transportation Authority (OCTA) 91 Express Lanes and associated potential revenue for the month of March 2021.

Current Month-to-Date (MTD) as of March 31, 2021

	Mar-21 MTD Actual	Mar-20 MTD Actual	Yr-to-Yr % Variance
Trips			
Full Toll Lanes	1,138,068	700,041	62.6%
3+ Lanes	287,973	205,359	40.2%
Total Gross Trips	1,426,041	905,400	57.5%
Revenue			
Full Toll Lanes	\$4,526,675	\$2,871,629	57.6%
3+ Lanes	\$46,652	\$44,433	5.0%
Total Gross Revenue	\$4,573,327	\$2,916,062	56.8%
Average Revenue per Trip			
Average Full Toll Lanes	\$3.98	\$4.10	(2.9%)
Average 3+ Lanes	\$0.16	\$0.22	(27.3%)
Average Gross Revenue	\$3.21	\$3.22	(0.3%)

The 2021 fiscal year-to-date traffic volume decreased by 17.1 percent and potential toll revenue decreased by 11.8 percent, when compared with the same period last year. Year-to-date average revenue per trip is \$3.25.

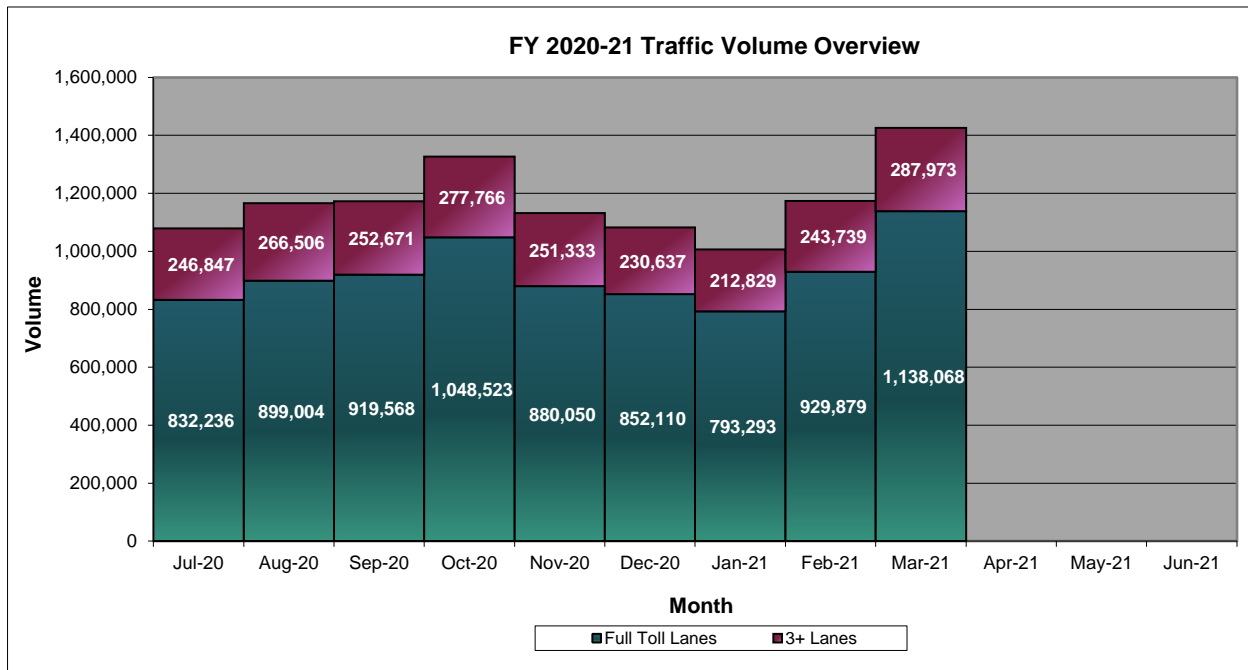
Fiscal year-to-date traffic and revenue data are summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the OCTA 91 Express Lanes and associated potential revenue for the months of July 2020 through March 2021.

Fiscal Year (FY) 2020-21 Year-to-Date as of March 31, 2021

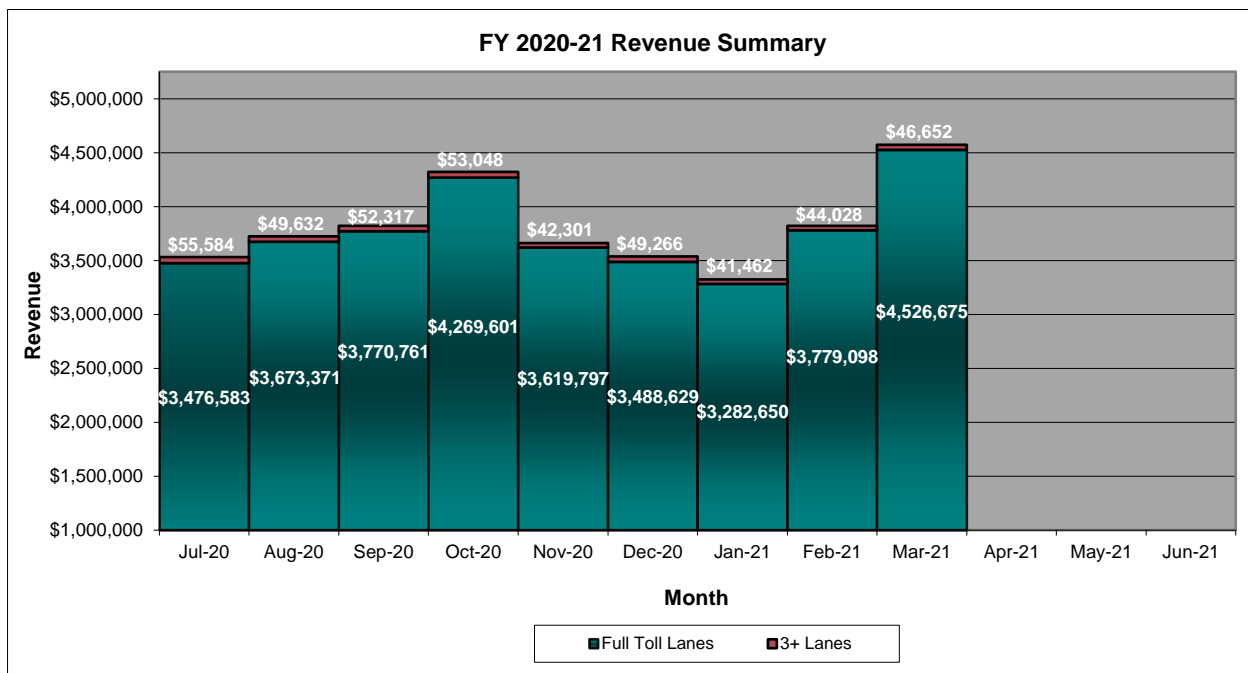
	FY 2020-21 YTD Actual	FY 2019-20 YTD Actual	Yr-to-Yr % Variance
Trips			
Full Toll Lanes	8,292,733	9,492,781	(12.6%)
3+ Lanes	2,270,302	3,251,508	(30.2%)
Total Gross Trips	10,563,035	12,744,289	(17.1%)
Revenue			
Full Toll Lanes	\$33,887,172	\$38,317,770	(11.6%)
3+ Lanes	\$434,291	\$592,798	(26.7%)
Total Gross Revenue	\$34,321,463	\$38,910,567	(11.8%)
Average Revenue per Trip			
Average Full Toll Lanes	\$4.09	\$4.04	1.2%
Average 3+ Lanes	\$0.19	\$0.18	5.6%
Average Gross Revenue	\$3.25	\$3.05	6.6%

OCTA Traffic and Revenue Summary

The chart below reflects the total trips breakdown between full toll trips and high-occupancy vehicle (HOV3+) trips for FY 2020-21 on a monthly basis.



The chart below reflects the gross potential revenue breakdown between full toll trips and HOV3+ trips for FY 2020-21 on a monthly basis.



OCTA EASTBOUND PEAK-HOUR VOLUMES

Peak-hour traffic in the eastbound direction reached or exceeded 90 percent of defined capacity 11 times during the month of March 2021. As demonstrated on the next chart, westbound peak-hour traffic volumes top out at 78 percent of defined capacity.

EASTBOUND WEEKDAY PEAK VOLUME:

PM Time	Monday 03/01/21				Tuesday 03/02/21				Wednesday 03/03/21				Thursday 03/04/21				Friday 03/05/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	323	2,319	68%	\$5.15	372	2,896	85%	\$5.15	294	2,667	78%	\$6.95	400	3,078	91%	\$8.10	523	2,982	88%
1500 - 1600	\$5.50	457	2,946	87%	\$5.25	459	2,808	83%	\$7.25	404	2,523	74%	\$7.25	498	2,667	78%	\$7.65	545	3,252	96%
1600 - 1700	\$4.85	332	2,965	87%	\$5.00	314	2,967	87%	\$7.00	278	2,631	77%	\$6.80	363	3,244	95%	\$7.95	364	2,455	72%
1700 - 1800	\$4.80	377	2,956	87%	\$4.90	355	2,835	83%	\$5.90	309	2,479	73%	\$7.20	301	2,522	74%	\$6.55	409	2,759	81%
1800 - 1900	\$5.50	413	2,024	60%	\$3.95	487	2,602	77%	\$3.95	318	1,684	50%	\$4.35	505	2,679	79%	\$6.55	564	2,686	79%
1900 - 2000	\$3.85	278	1,062	31%	\$3.85	329	1,315	39%	\$3.85	227	994	29%	\$5.60	404	1,566	46%	\$6.05	514	1,945	57%

PM Time	Monday 03/08/21				Tuesday 03/09/21				Wednesday 03/10/21				Thursday 03/11/21				Friday 03/12/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	341	2,610	77%	\$5.15	368	2,878	85%	\$5.15	325	2,549	75%	\$6.95	384	2,945	87%	\$8.10	465	2,951	87%
1500 - 1600	\$5.50	471	2,982	88%	\$5.25	471	2,835	83%	\$7.25	416	2,762	81%	\$7.25	490	2,897	85%	\$7.65	496	3,319	98%
1600 - 1700	\$4.85	326	2,964	87%	\$5.00	327	2,903	85%	\$7.00	274	2,633	77%	\$6.80	351	3,365	99%	\$7.95	127	742	22%
1700 - 1800	\$4.80	358	2,893	85%	\$4.90	365	3,001	88%	\$5.90	311	2,510	74%	\$7.20	275	2,210	65%	\$6.55	397	2,255	66%
1800 - 1900	\$5.50	444	2,293	67%	\$3.95	505	2,745	81%	\$3.95	364	1,850	54%	\$4.35	405	2,131	63%	\$6.55	595	2,844	84%
1900 - 2000	\$3.85	322	1,232	36%	\$3.85	367	1,588	47%	\$3.85	261	1,005	30%	\$5.60	332	1,243	37%	\$6.05	497	2,069	61%

PM Time	Monday 03/15/21				Tuesday 03/16/21				Wednesday 03/17/21				Thursday 03/18/21				Friday 03/19/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	307	2,261	67%	\$5.15	345	2,826	83%	\$5.15	373	3,034	89%	\$6.95	389	3,239	95%	\$8.10	427	2,647	78%
1500 - 1600	\$5.50	302	1,926	57%	\$5.25	473	2,659	78%	\$7.25	463	2,851	84%	\$7.25	509	2,734	80%	\$7.65	423	2,515	74%
1600 - 1700	\$4.85	327	2,586	76%	\$5.00	311	2,883	85%	\$7.00	317	2,857	84%	\$6.80	351	2,737	81%	\$7.95	305	1,874	55%
1700 - 1800	\$4.80	300	2,748	81%	\$4.90	319	2,806	83%	\$5.90	358	2,883	85%	\$7.20	321	2,483	73%	\$6.55	371	2,340	69%
1800 - 1900	\$5.50	307	1,745	51%	\$3.95	444	2,864	84%	\$3.95	436	2,745	81%	\$4.35	456	2,985	88%	\$6.55	601	2,860	84%
1900 - 2000	\$3.85	272	1,098	32%	\$3.85	313	1,506	44%	\$3.85	332	1,562	46%	\$5.60	397	1,892	56%	\$6.05	490	2,123	62%

PM Time	Monday 03/22/21				Tuesday 03/23/21				Wednesday 03/24/21				Thursday 03/25/21				Friday 03/26/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	388	2,663	78%	\$5.15	375	2,998	88%	\$5.15	446	3,183	94%	\$6.95	429	3,233	95%	\$8.10	472	2,768	81%
1500 - 1600	\$5.50	434	2,818	83%	\$5.25	487	2,780	82%	\$7.25	461	2,828	83%	\$7.25	509	2,726	80%	\$7.65	573	3,413	100%
1600 - 1700	\$4.85	333	2,867	84%	\$5.00	322	2,855	84%	\$7.00	297	2,799	82%	\$6.80	429	3,443	101%	\$7.95	387	2,604	77%
1700 - 1800	\$4.80	404	3,059	90%	\$4.90	356	2,927	86%	\$5.90	358	2,846	84%	\$7.20	354	2,512	74%	\$6.55	427	2,755	81%
1800 - 1900	\$5.50	341	2,089	61%	\$3.95	443	2,617	77%	\$3.95	514	2,910	86%	\$4.35	415	2,612	77%	\$6.55	458	2,373	70%
1900 - 2000	\$3.85	313	1,264	37%	\$3.85	361	1,455	43%	\$3.85	365	1,620	48%	\$5.60	373	1,565	46%	\$6.05	513	1,945	57%

PM Time	Monday 03/29/21				Tuesday 03/30/21				Wednesday 03/31/21				Thursday 04/01/21				Friday 04/02/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
1400 - 1500	\$5.15	428	2,628	77%	\$5.15	388	2,722	80%	\$5.15	433	3,024	89%								
1500 - 1600	\$5.50	470	2,864	84%	\$5.25	538	2,860	84%	\$7.25	564	2,774	82%								
1600 - 1700	\$4.85	369	2,873	85%	\$5.00	322	2,827	83%	\$7.00	316	2,526	74%								
1700 - 1800	\$4.80	367	2,890	85%	\$4.90	396	2,989	88%	\$5.90	393	2,810	83%								
1800 - 1900	\$5.50	413	2,205	65%	\$3.95	501	2,739	81%	\$3.95	573	2,882	85%								
1900 - 2000	\$3.85	387	1,454	43%	\$3.85	354	1,500	44%	\$3.85	540	2,129	63%								

OCTA WESTBOUND PEAK-HOUR VOLUMES

WESTBOUND WEEKDAY PEAK VOLUME:

AM Time	Monday 03/01/21				Tuesday 03/02/21				Wednesday 03/03/21				Thursday 03/04/21				Friday 03/05/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	394	1,442	42%	\$3.05	386	1,432	42%	\$3.05	386	1,397	41%	\$3.05	394	1,402	41%	\$3.05	316	1,083	32%
0500 - 0600	\$4.95	530	2,109	62%	\$4.95	629	2,642	78%	\$4.95	543	2,316	68%	\$4.95	566	2,419	71%	\$4.70	507	2,048	60%
0600 - 0700	\$5.15	302	2,086	62%	\$5.15	303	1,865	55%	\$5.15	262	1,794	53%	\$5.15	320	1,962	58%	\$4.95	288	2,073	61%
0700 - 0800	\$5.65	316	2,154	63%	\$5.65	314	2,203	65%	\$5.65	264	1,979	58%	\$5.65	294	2,197	65%	\$5.50	277	2,062	61%
0800 - 0900	\$5.15	191	1,906	57%	\$5.15	195	2,077	61%	\$5.15	144	1,603	47%	\$5.15	198	1,952	57%	\$4.95	193	1,836	54%
0900 - 1000	\$4.10	171	1,580	46%	\$4.10	152	1,810	53%	\$4.10	125	1,311	39%	\$4.10	194	1,722	51%	\$4.10	195	1,603	47%

AM Time	Monday 03/08/21				Tuesday 03/09/21				Wednesday 03/10/21				Thursday 03/11/21				Friday 03/12/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	392	1,423	42%	\$3.05	395	1,429	42%	\$3.05	365	1,348	40%	\$3.05	417	1,519	45%	\$3.05	336	1,089	32%
0500 - 0600	\$4.95	586	2,292	67%	\$4.95	621	2,632	77%	\$4.95	520	2,032	60%	\$4.95	549	2,209	65%	\$4.70	461	2,017	59%
0600 - 0700	\$5.15	294	2,092	62%	\$5.15	259	1,798	53%	\$5.15	258	1,615	48%	\$5.15	236	1,759	52%	\$4.95	277	1,965	58%
0700 - 0800	\$5.65	309	2,200	65%	\$5.65	293	2,199	65%	\$5.65	267	1,891	56%	\$5.65	267	1,999	59%	\$5.50	291	1,956	58%
0800 - 0900	\$5.15	171	1,872	55%	\$5.15	195	1,983	58%	\$5.15	160	1,689	50%	\$5.15	191	1,821	54%	\$4.95	200	1,858	55%
0900 - 1000	\$4.10	137	1,314	39%	\$4.10	175	1,707	50%	\$4.10	136	1,298	38%	\$4.10	126	1,248	37%	\$4.10	178	1,535	45%

AM Time	Monday 03/15/21				Tuesday 03/16/21				Wednesday 03/17/21				Thursday 03/18/21				Friday 03/19/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	401	1,359	40%	\$3.05	390	1,397	41%	\$3.05	413	1,489	43%	\$3.05	391	1,504	44%	\$3.05	302	1,078	32%
0500 - 0600	\$4.95	491	1,907	56%	\$4.95	604	2,533	75%	\$4.95	585	2,461	72%	\$4.95	544	2,371	70%	\$4.70	472	1,974	58%
0600 - 0700	\$5.15	253	1,801	53%	\$5.15	281	1,665	49%	\$5.15	329	1,941	57%	\$5.15	335	2,041	60%	\$4.95	317	2,068	61%
0700 - 0800	\$5.65	248	1,752	52%	\$5.65	281	2,108	62%	\$5.65	289	2,244	66%	\$5.65	309	2,188	64%	\$5.50	318	2,020	59%
0800 - 0900	\$5.15	159	1,839	54%	\$5.15	192	2,137	63%	\$5.15	179	2,040	60%	\$5.15	176	2,039	60%	\$4.95	214	1,804	53%
0900 - 1000	\$4.10	168	1,549	46%	\$4.10	129	1,621	48%	\$4.10	166	1,706	50%	\$4.10	164	1,670	55%	\$4.10	184	1,351	40%

AM Time	Monday 03/22/21				Tuesday 03/23/21				Wednesday 03/24/21				Thursday 03/25/21				Friday 03/26/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	384	1,266	37%	\$3.05	375	1,186	35%	\$3.05	384	1,306	38%	\$3.05	365	1,327	39%	\$3.05	301	979	29%
0500 - 0600	\$4.95	522	2,180	64%	\$4.95	578	2,332	69%	\$4.95	621	2,423	71%	\$4.95	602	2,292	67%	\$4.70	486	2,034	60%
0600 - 0700	\$5.15	349	2,343	69%	\$5.15	353	2,255	68%	\$5.15	316	2,078	61%	\$5.15	390	2,137	63%	\$4.95	297	1,846	54%
0700 - 0800	\$5.65	315	2,333	69%	\$5.65	321	2,306	68%	\$5.65	294	2,288	67%	\$5.65	329	2,261	67%	\$5.50	313	1,990	59%
0800 - 0900	\$5.15	222	2,063	61%	\$5.15	218	2,096	62%	\$5.15	208	2,079	61%	\$5.15	201	1,988	58%	\$4.95	202	1,621	48%
0900 - 1000	\$4.10	203	1,831	54%	\$4.10	226	1,966	58%	\$4.10	232	1,858	55%	\$4.10	176	1,670	49%	\$4.10	217	1,527	45%

AM Time	Monday 03/29/21				Tuesday 03/30/21				Wednesday 03/31/21				Thursday 04/01/21				Friday 04/02/21			
	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.	Price	HOV	Vol.	Cap.
0400 - 0500	\$3.05	329	1,068	31%	\$3.05	358	1,155	34%	\$3.05	370	1,137	33%								
0500 - 0600	\$4.95	586	2,270	67%	\$4.95	605	2,372	70%	\$4.95	556	2,135	63%								
0600 - 0700	\$5.15	337	2,160	64%	\$5.15	353	2,263	67%	\$5.15	348	2,294	67%								
0700 - 0800	\$5.65	317	2,165	64%	\$5.65	299	2,191	64%	\$5.65	304	2,157	63%								
0800 - 0900	\$5.15	233	2,021	59%	\$5.15	214	2,028	60%	\$5.15	258	2,044	60%								
0900 - 1000	\$4.10	242	1,764	52%	\$4.10	210	1,868	55%	\$4.10	340	2,058	61%								

OCTA OPERATIONAL HIGHLIGHTS

On-Road Operations

OCTA customer assistance specialists (CAS) responded to 114 calls during the month of March. Of those calls, 89 were to assist disabled vehicles and 15 calls to remove debris. The CAS provided assistance to ten accidents in the Express Lanes with four of those accidents originating in the State Route 91 general purpose lanes.

91 Express Lanes Back-Office System (BOS) Development Update

In February, Cofiroute USA, LLC (CUSA) notified OCTA and the Riverside County Transportation Commission (RCTC) of a delay to the implementation of the new BOS for the 91 Express Lanes for both Orange and Riverside counties as a result of the COVID-19 pandemic. CUSA is the current operator of the 91 Express Lanes for both OCTA and RCTC and is the firm selected for the design, development, and implementation of the new BOS, as well as the customer service center operation, once the current contract expires on June 30, 2021.

In anticipation that the future contractor would not be able to meet the go-live date in July 2021, the OCTA Board of Directors approved an amendment to the current three-party agreement between CUSA, RCTC, and OCTA, which allowed for six one-month optional extension periods. Staff from both agencies are continuing to work with CUSA to meet the revised anticipated go-live date in October 2021.

91 Express Lanes Toll Entrance Gantries Infrastructure Project Update

OCTA entered into an agreement 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 infrastructure at the three entrances of the OCTA 91 Express Lanes. In March, Caltrans advertised the project with project award anticipated for May. Upon completion of the Infrastructure Project, Kapsch TrafficCom USA, Inc., the toll lanes system integrator for the 91 Express Lanes, will install new Electronic Toll and Traffic Management system equipment onto the new gantries.

FINANCIAL HIGHLIGHTS OCTA

91 Express Lanes Operating Statement

Description	YTD as of : 3/31/2021		YTD Variance	
	Actual ⁽¹⁾	Budget ⁽¹⁾	Dollar \$	Percent (%)
Operating revenues:				
Toll Revenue	\$ 31,349,484.03	\$ 23,970,376.00	\$ 7,379,108.03	30.8
Fee Revenue	4,034,220.14	1,606,333.00	2,427,887.14	151.1
Total operating revenues	35,383,704.17	25,576,709.00	9,806,995.17	38.3
Operating expenses:				
Contracted Services	5,005,032.51	5,397,840.00	392,807.49	7.3
Administrative Fee	2,247,435.00	2,341,314.00	93,879.00	4.0
Other Professional Services	866,542.62	2,561,568.00	1,695,025.38	66.2
Credit Card Processing Fees	730,405.19	690,480.00	(39,925.19)	(5.8)
Toll Road Account Servicing	463,634.40	442,740.00	(20,894.40)	(4.7)
Other Insurance Expense	750,964.03	762,425.00	11,460.97	1.5
Toll Road Maintenance Supply Repairs	121,823.73	2,028,540.00	1,906,716.27	94.0
Patrol Services	592,835.57	782,167.00	189,331.43	24.2
Building Equipment Repairs and Maint	611,833.24	1,081,081.00	469,247.76	43.4
6C Transponders	-	187,500.00	187,500.00	100.0
Other Services ⁽⁵⁾	(983,780.32)	46,815.00	1,030,595.32	2,201.4
Utilities	41,004.24	86,220.00	45,215.76	52.4
Office Expense	9,911.50	73,473.00	63,561.50	86.5
Bad Debt Expense	131,662.22	-	(131,662.22)	N/A
Miscellaneous ⁽²⁾	39,080.74	117,414.00	78,333.26	66.7
Leases	357,817.17	363,600.00	5,782.83	1.6
Total operating expenses	10,986,201.84	16,963,177.00	5,976,975.16	35.2
Depreciation and Amortization ⁽³⁾	3,401,932.75	-	(3,401,932.75)	N/A
Operating income (loss)	20,995,569.58	8,613,532.00	12,382,037.58	143.8
Nonoperating revenues (expenses):				
Reimbursement from Other Agencies	389,046.66	937,500.00	(548,453.34)	(58.5)
Interest Income	3,347,529.24	1,103,616.00	2,243,913.24	203.3
Interest Expense	(3,220,274.77)	(3,299,211.00)	78,936.23	2.4
Other	462.08	-	462.08	N/A
Total nonoperating revenues (expenses)	516,763.21	(1,258,095.00)	1,774,858.21	141.1
Transfers In	-	-	-	N/A
Transfers Out ⁽⁴⁾	(3,233,476.22)	(33,680,300.00)	30,446,823.78	90.4
Net income (loss)	\$ 18,278,856.57	\$ (26,324,863.00)	\$ 44,603,719.57	(169.4)

¹Actual 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.

²Miscellaneous expenses include: Bond Insurance Costs, Bank Service Charge, Transponder Materials.

³Depreciation and amortization are not budgeted items.

⁴Transfers Out: For M2 Project I and Project J expense reimbursements.

⁵Litigation settlement was accrued, the negative will be offset once the litigation payment is issued.

Capital Asset Activity

During the nine months ending March 31, 2021, capital asset activities included \$11,453 for the replacement of the air-conditioning units for the eastbound toll plaza, \$810,223 for the BOS replacement project, and \$2,491,662 for payment of 6C implementation costs for the Electronic Toll and Traffic Management system

OPERATIONS OVERVIEW RCTC

TRAFFIC AND REVENUE STATISTICS FOR RCTC

Total traffic volume on the 91 Express Lanes for March 2021 was 1,230,614. This represents a daily average of 39,697 vehicles. This is a 52.2 percent increase in total traffic volume from the same period last year, which totaled 808,527 and was the first month of the COVID-19 stay-at-home order. Potential toll revenue for March was \$4,147,141, which represents an increase of 13.4 percent from the prior year's total of \$3,656,203. Carpool percentage for March was 19.2 percent as compared to the previous year's rate of 21.6 percent. Traffic volumes remain lower than pre-COVID-19 levels but are beginning to increase as Southern California counties enter less restrictive tiers of the State's Blueprint for a Safer Economy plan.

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 RCTC 91 Express Lanes and associated potential revenue for the month of March 2021.

Current Month-to-Date as of March 31, 2021

Trips	MAR-21 MTD Actual	Stantec MTD Projected	# Variance	% Variance	MAR-20 MTD Actual	Yr-to-Yr % Variance
Full Toll Lanes	994,294	1,073,671	(79,377)	(7.4%)	633,701	56.9%
3+ Lanes	236,320	351,057	(114,737)	(32.7%)	174,826	35.2%
Total Gross Trips	1,230,614	1,424,729	(194,115)	(13.6%)	808,527	52.2%
Revenue						
Full Toll Lanes	\$4,107,544	\$4,687,171	(\$579,628)	(12.4%)	\$3,632,038	13.1%
3+ Lanes	\$39,597	\$0	\$39,597		\$24,165	63.9%
Total Gross Revenue	\$4,147,141	\$4,687,171	(\$540,030)	(11.5%)	\$3,656,203	13.4%
Average Revenue per Trip						
Average Full Toll Lanes	\$4.13	\$4.37	(\$0.24)	(5.5%)	\$5.73	(27.9%)
Average 3+ Lanes	\$0.17	\$0.00	\$0.17		\$0.14	21.4%
Average Gross Revenue	\$3.37	\$3.29	\$0.08	2.4%	\$4.52	(25.4%)

The 2021 fiscal year-to-date traffic volume decreased by 20.1 percent and potential toll revenue decreased by 37.1 percent, when compared with the same period last year. Year-to-date average revenue per-trip is \$3.40.

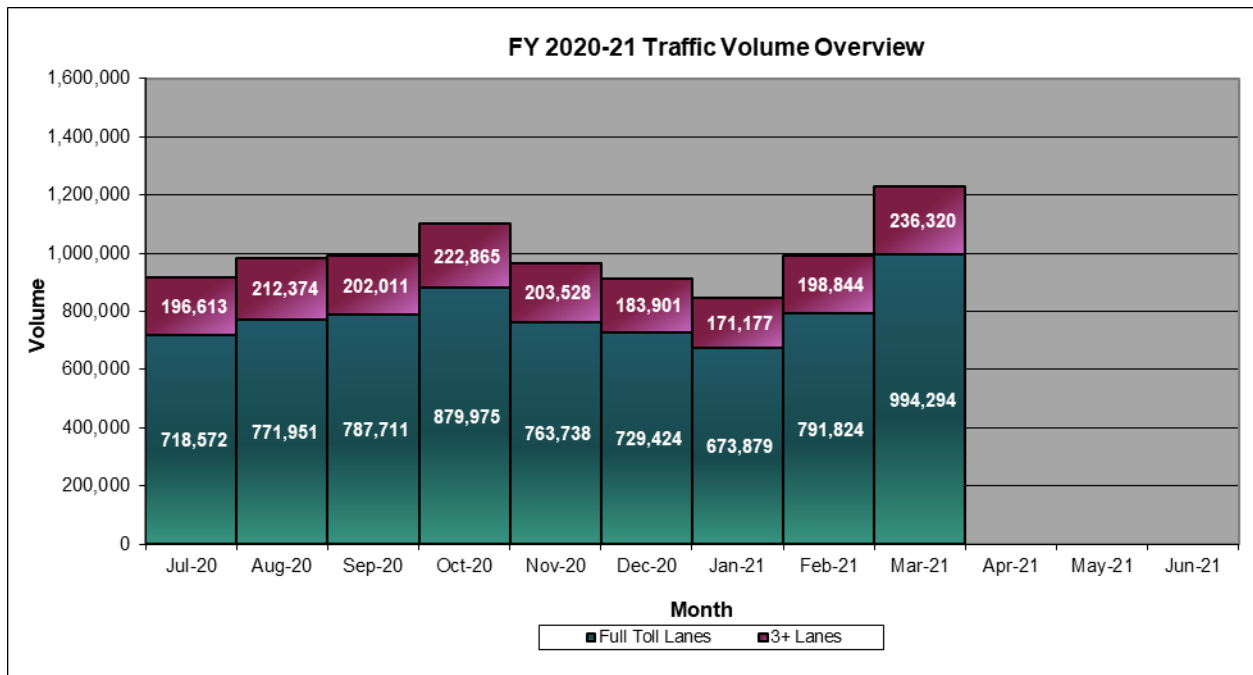
Fiscal year-to-date traffic and revenue data are summarized in the table below. The following trip and revenue statistics tables represent all trips taken on the RCTC 91 Express Lanes and associated potential revenue for the months of July 2020 through March 2021.

FY 2020-21 Year-to-Date as of March 31, 2021

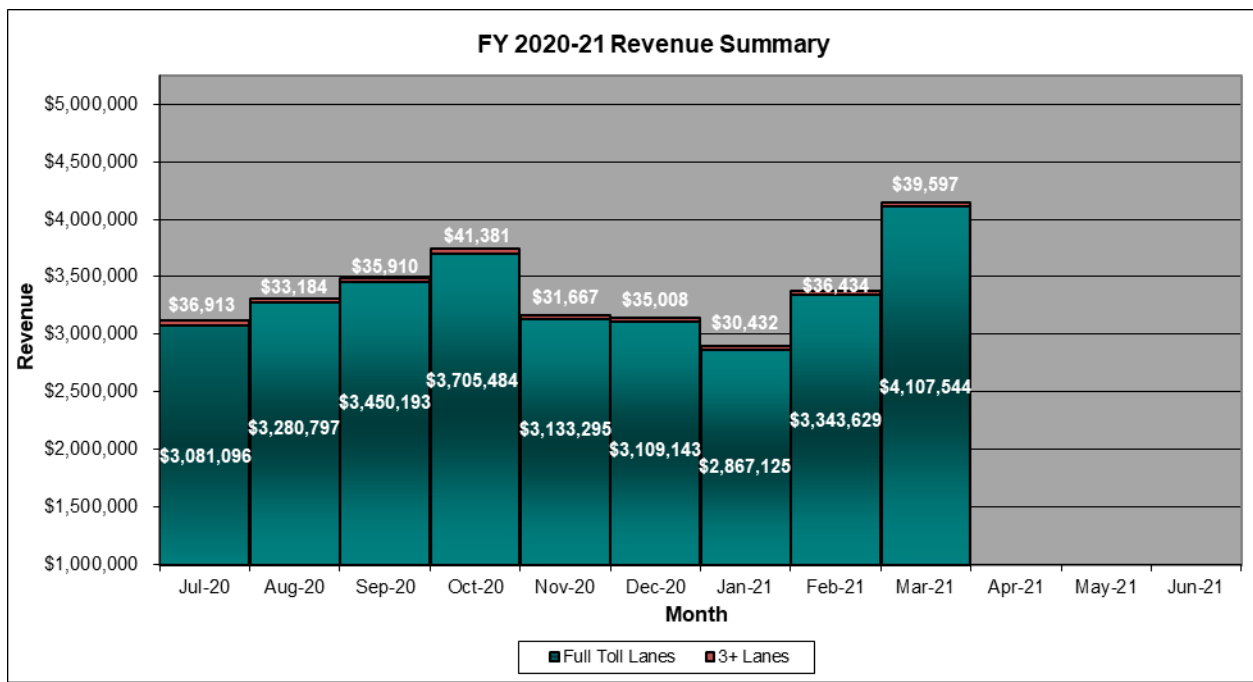
	FY 2020-21 YTD Actual	Stantec YTD Projected	# Variance	% Variance	FY 2019-20 YTD Actual	Yr-to-Yr % Variance
Trips						
Full Toll Lanes	7,111,368	9,009,671	(1,898,303)	(21.1%)	8,536,905	(16.7%)
3+ Lanes	1,827,633	2,922,457	(1,094,824)	(37.5%)	2,656,315	(31.2%)
Total Gross Trips	8,939,001	11,932,129	(2,993,128)	(25.1%)	11,193,220	(20.1%)
Revenue						
Full Toll Lanes	\$30,078,305	\$38,613,486	(\$8,535,180)	(22.1%)	\$47,991,940	(37.3%)
3+ Lanes	\$320,525	\$0	\$320,525		\$308,439	3.9%
Total Gross Revenue	\$30,398,831	\$38,613,486	(\$8,214,655)	(21.3%)	\$48,300,379	(37.1%)
Average Revenue per Trip						
Average Full Toll Lanes	\$4.23	\$4.29	(\$0.06)	(1.4%)	\$5.62	(24.7%)
Average 3+ Lanes	\$0.18	\$0.00	\$0.18		\$0.12	50.0%
Average Gross Revenue	\$3.40	\$3.24	\$0.16	4.9%	\$4.32	(21.3%)

RCTC Traffic and Revenue Summary

The chart below reflects the total trips broken down between full toll lanes and HOV3+ lanes for FY 2020-21 on a monthly basis.



The chart below reflects the gross potential revenue breakdown between full toll lanes and HOV3+ lanes for FY 2020-21 on a monthly basis.



RCTC PEAK-HOUR VOLUMES

In March, there were no toll rates adjusted in response to traffic. Traffic volumes are being reviewed regularly, and a plan is in place to monitor traffic volumes and adjust toll rates until traffic returns to pre-COVID-19 volumes.

RCTC EASTBOUND PEAK-HOUR VOLUMES

Eastbound PM Peak - County Line to McKinley

PM Time	Monday 03/01/21					Tuesday 03/02/21					Wednesday 03/03/21					Thursday 03/04/21					Friday 03/05/21				
	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	163	933	1,096	D	\$5.30	185	1133	1,318	F	\$7.95	158	971	1,129	D	\$10.95	208	1,167	1,375	F	\$22.95	341	1,164	1,505	F
1500 - 1600	\$8.95	248	992	1,240	E	\$9.95	249	973	1,222	E	\$13.95	199	798	997	C	\$14.95	271	930	1,201	E	\$23.95	313	1,198	1,511	F
1600 - 1700	\$6.95	183	1042	1,225	E	\$6.95	153	1070	1,223	E	\$6.95	136	922	1,058	D	\$7.95	200	1,221	1,421	F	\$14.95	322	1,308	1,630	F
1700 - 1800	\$5.30	187	1012	1,199	D	\$5.30	184	1008	1,192	D	\$5.30	148	778	926	C	\$5.30	180	995	1,175	D	\$7.95	325	1,116	1,441	F
1800 - 1900	\$4.20	179	647	826	C	\$4.20	203	853	1,056	D	\$5.30	159	486	645	B	\$5.30	188	903	1,091	D	\$5.30	343	1,010	1,353	F
1900 - 2000	\$2.25	124	332	456	B	\$2.25	145	452	597	B	\$2.25	99	290	389	A	\$2.25	166	565	731	B	\$2.25	252	783	1,035	D

PM Time	Monday 03/08/21					Tuesday 03/09/21					Wednesday 03/10/21					Thursday 03/11/21					Friday 03/12/21				
	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	179	1,011	1,190	D	\$5.30	203	1,120	1,323	F	\$7.95	184	958	1,142	D	\$10.95	200	1,092	1,292	E	\$22.95	286	1,147	1,433	F
1500 - 1600	\$8.95	244	968	1,212	E	\$9.95	242	972	1,214	E	\$13.95	205	865	1,070	D	\$14.95	243	1,014	1,257	E	\$23.95	306	1,157	1,463	F
1600 - 1700	\$6.95	158	1,047	1,205	E	\$6.95	183	1,032	1,215	E	\$6.95	128	905	1,033	D	\$7.95	161	1,228	1,389	F	\$14.95	100	405	505	B
1700 - 1800	\$5.30	206	987	1,193	D	\$5.30	188	1,042	1,230	E	\$5.30	149	829	978	C	\$5.30	143	827	970	C	\$7.95	210	823	1,033	D
1800 - 1900	\$4.20	209	719	928	C	\$4.20	220	888	1,108	D	\$5.30	165	603	768	B	\$5.30	164	662	826	C	\$5.30	320	1,174	1,494	F
1900 - 2000	\$2.25	135	387	522	B	\$2.25	178	566	744	B	\$2.25	112	286	398	A	\$2.25	138	411	549	B	\$2.25	282	947	1,229	E

PM Time	Monday 03/15/21					Tuesday 03/16/21					Wednesday 03/17/21					Thursday 03/18/21					Friday 03/19/21				
	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	154	837	991	C	\$5.30	183	1,036	1,219	E	\$7.95	199	1,181	1,380	F	\$10.95	203	1,232	1,435	F	\$22.95	287	1,115	1,402	F
1500 - 1600	\$8.95	141	654	795	B	\$9.95	210	910	1,120	D	\$13.95	247	969	1,216	E	\$14.95	268	953	1,221	E	\$23.95	301	1,043	1,344	F
1600 - 1700	\$6.95	143	931	1,074	D	\$6.95	144	1,038	1,182	D	\$6.95	162	1,136	1,298	E	\$7.95	173	1,075	1,248	E	\$14.95	201	1,022	1,223	E
1700 - 1800	\$5.30	117	913	1,030	D	\$5.30	167	1,036	1,203	E	\$5.30	192	1,048	1,240	E	\$5.30	179	1,038	1,217	E	\$7.95	243	1,091	1,334	F
1800 - 1900	\$4.20	127	557	684	B	\$4.20	213	925	1,138	D	\$5.30	220	974	1,194	D	\$5.30	207	1,052	1,259	E	\$5.30	349	1,209	1,558	F
1900 - 2000	\$2.25	88	353	441	B	\$2.25	139	471	610	B	\$2.25	152	578	730	B	\$2.25	192	726	918	C	\$2.25	298	1,012	1,310	F

PM Time	Monday 03/22/21					Tuesday 03/23/21					Wednesday 03/24/21					Thursday 03/25/21					Friday 03/26/21				
	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	197	997	1,194	D	\$5.30	216	1,113	1,329	F	\$7.95	239	1,160	1,399	F	\$10.95	237	1,218	1,455	F	\$22.95	340	1,228	1,568	F
1500 - 1600	\$8.95	241	925	1,166	D	\$9.95	286	994	1,280	E	\$13.95	285	1,011	1,296	E	\$14.95	302	957	1,259	E	\$23.95	399	1,134	1,533	F
1600 - 1700	\$6.95	173	1,063	1,236	E	\$6.95	151	1,099	1,250	E	\$6.95	212	1,320	1,532	F	\$7.95	230	1,231	1,461	F	\$14.95	268	1,073	1,341	F
1700 - 1800	\$5.30	198	1,107	1,305	F	\$5.30	196	1,078	1,274	E	\$5.30	203	1,007	1,210	E	\$5.30	207	950	1,157	D	\$7.95	262	1,023	1,285	E
1800 - 1900	\$4.20	182	790	972	C	\$4.20	222	893	1,115	D	\$5.30	261	924	1,185	D	\$5.30	216	886	1,102	D	\$5.30	274	911	1,185	D
1900 - 2000	\$2.25	142	404	546	B	\$2.25	149	509	658	B	\$2.25	186	591	777	B	\$2.25	175	586	761	B	\$2.25	275	842	1,117	D

PM Time	Monday 03/29/21					Tuesday 03/30/21					Wednesday 03/31/21					Thursday 04/01/21					Friday 04/02/21				
	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	214	1,000	1,214	E	\$5.30	211	1,083	1,294	E	\$7.95	239	1,228	1,467	F										
1500 - 1600	\$8.95	249	944	1,193	D	\$9.95	262	1,042	1,304	F	\$13.95	319	955	1,274	E										
1600 - 1700	\$6.95	199	993	1,192	D	\$6.95	146	1,005	1,151	D	\$6.95	185	999	1,184	D										
1700 - 1800	\$5.30	183	978	1,161	D	\$5.30	211	1,031	1,242	E	\$5.30	217	1,049	1,266	E										
1800 - 1900	\$4.20	228	752	980	C	\$4.20	249	890	1,139	D	\$5.30	284	1,013	1,297	E										
1900 - 2000	\$2.25	187	475	662	B	\$2.25	155	497	652	B	\$2.25	264	716	980	C										

Eastbound PM Peak - County Line to I-15 South

PM Time	Monday 03/01/21					Tuesday 03/02/21					Wednesday 03/03/21					Thursday 03/04/21					Friday 03/05/21				
	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	110	642	752	B	\$5.30	101	790	891	C	\$5.30	87	721	808	C	\$5.30	114	833	947	C	\$5.30	128	787	915	C
1500 - 1600	\$5.30	141	793	934	C	\$5.30	132	792	924	C	\$5.30	114	730	844	C	\$5.30	152	767	919	C	\$5.30	129	780	909	C
1600 - 1700	\$2.95	89	806	895	C	\$5.30	81	805	886	C	\$5.30	83	643	726	B	\$5.30	110	851	961	C	\$2.95	34	184	218	A
1700 - 1800	\$2.95	104	743	847	C	\$2.95	100	722	822	C	\$2.95	83	658	741	B	\$5.30	92	627	719	B	\$2.95	100	473	573	B
1800 - 1900	\$2.95	116	504	620	B	\$2.95	116	640	756	B	\$2.95	81	398	479	B	\$2.95	100	691	791	B	\$2.95	135	569	704	B
1900 - 2000	\$1.95	75	276	351	A	\$1.95	73	370	443	B	\$2.95	70	261	331	A	\$2.95	78	440	518	B	\$2.95	157	510	667	B

PM Time	Monday 03/08/21					Tuesday 03/09/21					Wednesday 03/10/21					Thursday 03/11/21					Friday 03/12/21				
	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	108	670	778	B	\$5.30	102	803	905	C	\$5.30	81	613	694	B	\$5.30	96	750	846	C	\$5.30	126	791	917	C
1500 - 1600	\$5.30	128	806	934	C	\$5.30	129	779	908	C	\$5.30	119	755	874	C	\$5.30	123	796	919	C	\$5.30	153	825	978	C
1600 - 1700	\$2.95	91	809	900	C	\$5.30	90	808	898	C	\$5.30	77	677	754	B	\$5.30	96	856	952	C	\$2.95	26	251	277	A
1700 - 1800	\$2.95	89	781	870	C	\$2.95	110	802	912	C	\$2.95	86	667	753	B	\$5.30	64	606	670	B	\$2.95	123	582	705	B
1800 - 1900	\$2.95	144	545	689	B	\$2.95	117	691	808	C	\$2.95	88	489	577	B	\$2.95	87	565	652	B	\$2.95	190	770	960	C
1900 - 2000	\$1.95	91	331	422	B	\$1.95	106	408	514	B	\$2.95	70	249	319	A	\$2.95	81	332	413	B	\$2.95	143	601	744	B

PM Time	Monday 03/15/21					Tuesday 03/16/21					Wednesday 03/17/21					Thursday 03/18/21					Friday 03/19/21				
	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	94	606	700	B	\$5.30	87	751	838	C	\$5.30	105	839	944	C	\$5.30	125	881	1,006	D	\$5.30	122	752	874	C
1500 - 1600	\$5.30	81	585	666	B	\$5.30	132	727	859	C	\$5.30	119	788	907	C	\$5.30	128	775	903	C	\$5.30	141	776	917	C
1600 - 1700	\$2.95	70	712	782	B	\$5.30	76	775	851	C	\$5.30	86	808	894	C	\$5.30	84	801	885	C	\$2.95	86	633	719	B
1700 - 1800	\$2.95	97	755	852	C	\$2.95	68	771	839	C	\$2.95	95	759	854	C	\$5.30	92	785	877	C	\$2.95	108	689	797	B
1800 - 1900	\$2.95	83	454	537	B	\$2.95	121	718	839	C	\$2.95	137	753	890	C	\$2.95	112	781	893	C	\$2.95	175	602	777	B
1900 - 2000	\$1.95	76	271	347	A	\$1.95	81	447	528	B	\$2.95	103	472	575	B	\$2.95	119	549	668	B	\$2.95	124	401	525	B

PM Time	Monday 03/22/21					Tuesday 03/23/21					Wednesday 03/24/21					Thursday 03/25/21					Friday 03/26/21				
	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	122	695	817	C	\$5.30	103	762	865	C	\$5.30	127	789	916	C	\$5.30	119	852	971	C	\$5.30	149	831	980	C
1500 - 1600	\$5.30	141	817	958	C	\$5.30	134	811	945	C	\$5.30	122	781	903	C	\$5.30	148	756	904	C	\$5.30	199	910	1,109	D
1600 - 1700	\$2.95	80	804	884	C	\$5.30	94	803	897	C	\$5.30	57	533	590	B	\$5.30	128	911	1,039	D	\$2.95	103	584	687	B
1700 - 1800	\$2.95	106	777	883	C	\$2.95	104	830	934	C	\$2.95	86	712	798	B	\$5.30	91	691	782	B	\$2.95	124	665	789	B
1800 - 1900	\$2.95	77	584	661	B	\$2.95	119	697	816	C	\$2.95	138	717	855	C	\$2.95	103	669	772	B	\$2.95	145	526	671	B
1900 - 2000	\$1.95	82	306	388	A	\$1.95	98	369	467	B	\$2.95	110	472	582	B	\$2.95	103	433	536	B	\$2.95	130	515	645	B

PM Time	Monday 03/29/21					Tuesday 03/30/21					Wednesday 03/31/21					Thursday 04/01/21					Friday 04/02/21				
	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	136	685	821	C	\$5.30	113	758	871	C	\$5.30	141	812	953	C										
1500 - 1600	\$5.30	144	783	927	C	\$5.30	157	829	986	C	\$5.30	167	792	959	C										
1600 - 1700	\$2.95	89	811	900	C	\$5.30	83	811	894	C	\$5.30	100	680	780	B										
1700 - 1800	\$2.95	115	776	891	C	\$2.95	108	838	946	C	\$2.95	129	813	942	C										
1800 - 1900	\$2.95	122	575	697	B	\$2.95	144	693	837	C	\$2.95	175	711	886	C										
1900 - 2000	\$1.95	119	322	441	B	\$1.95	108	411	519	B	\$2.95	153	577	730	B										

RCTC WESTBOUND PEAK-HOUR VOLUMES

Westbound AM Peak - McKinley to County Line

AM Time	Monday 03/01/21					Tuesday 03/02/21					Wednesday 03/03/21					Thursday 03/04/21					Friday 03/05/21				
	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	174	582	756	B	\$5.30	180	597	777	B	\$5.30	173	606	779	B	\$5.30	172	623	795	B	\$2.25	139	357	496	B
0500 - 0600	\$9.95	270	927	1,197	D	\$9.95	400	1596	1,996	F	\$9.95	241	1133	1,374	F	\$9.95	260	1,156	1,416	F	\$6.95	242	917	1,159	D
0600 - 0700	\$9.95	165	1066	1,231	E	\$10.95	194	595	789	B	\$10.95	165	630	795	B	\$10.95	182	864	1,046	D	\$6.95	195	1,186	1,381	F
0700 - 0800	\$6.95	211	1208	1,419	F	\$6.95	188	1244	1,432	F	\$6.95	175	1134	1,309	E	\$6.95	193	1,318	1,511	F	\$5.30	186	1,124	1,310	E
0800 - 0900	\$5.30	127	983	1,110	D	\$5.30	98	1176	1,274	E	\$5.30	75	745	820	C	\$5.30	131	1,009	1,140	D	\$2.25	104	925	1,029	D
0900 - 1000	\$5.30	102	584	686	B	\$5.30	100	812	912	C	\$5.30	65	509	574	B	\$5.30	103	640	743	B	\$2.25	104	630	734	B

AM Time	Monday 03/08/21					Tuesday 03/09/21					Wednesday 03/10/21					Thursday 03/11/21					Friday 03/12/21				
	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	194	694	888	C	\$5.30	183	616	799	B	\$5.30	151	573	724	B	\$5.30	182	538	720	B	\$2.25	150	348	498	B
0500 - 0600	\$9.95	332	1,030	1,362	F	\$9.95	337	1,497	1,834	F	\$9.95	242	935	1,177	D	\$9.95	277	925	1,202	E	\$6.95	222	904	1,126	D
0600 - 0700	\$9.95	205	1,205	1,410	F	\$10.95	148	531	679	B	\$10.95	136	582	718	B	\$10.95	153	685	838	C	\$6.95	187	1,119	1,306	E
0700 - 0800	\$6.95	206	1,415	1,621	F	\$6.95	214	1,276	1,490	F	\$6.95	203	1,083	1,286	E	\$6.95	152	1,139	1,291	E	\$5.30	196	1,075	1,271	E
0800 - 0900	\$5.30	70	903	973	C	\$5.30	101	1,081	1,182	D	\$5.30	92	793	885	C	\$5.30	111	806	917	C	\$2.25	113	935	1,048	D
0900 - 1000	\$5.30	65	518	583	B	\$5.30	101	681	782	B	\$5.30	68	552	620	B	\$5.30	67	544	611	B	\$2.25	92	563	655	B

AM Time	Monday 03/15/21					Tuesday 03/16/21					Wednesday 03/17/21					Thursday 03/18/21					Friday 03/19/21				
	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	163	543	706	B	\$5.30	171	567	738	B	\$5.30	194	622	816	C	\$5.30	141	705	846	C	\$2.25	136	377	513	B
0500 - 0600	\$9.95	240	676	916	C	\$9.95	348	1,379	1,727	F	\$9.95	291	1,226	1,517	F	\$9.95	268	1,137	1,405	F	\$6.95	256	868	1,124	D
0600 - 0700	\$9.95	133	810	943	C	\$10.95	186	504	690	B	\$10.95	198	751	949	C	\$10.95	198	854	1,052	D	\$6.95	215	1,061	1,276	E
0700 - 0800	\$6.95	155	1,046	1,201	E	\$6.95	195	1,195	1,390	F	\$6.95	180	1,328	1,508	F	\$6.95	208	1,295	1,503	F	\$5.30	194	1,066	1,260	E
0800 - 0900	\$5.30	103	880	983	C	\$5.30	124	1,096	1,220	E	\$5.30	103	1,111	1,214	E	\$5.30	120	1,032	1,152	D	\$2.25	114	820	934	C
0900 - 1000	\$5.30	88	610	698	B	\$5.30	86	706	792	B	\$5.30	88	648	736	B	\$5.30	95	717	812	C	\$2.25	98	574	672	B

AM Time	Monday 03/22/21					Tuesday 03/23/21					Wednesday 03/24/21					Thursday 03/25/21					Friday 03/26/21				
	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	184	595	779	B	\$5.30	185	599	784	B	\$5.30	201	617	818	C	\$5.30	193	663	856	C	\$2.25	118	370	488	B
0500 - 0600	\$9.95	308	913	1,221	E	\$9.95	333	1,466	1,799	F	\$9.95	312	1,235	1,547	F	\$9.95	328	1,120	1,448	F	\$6.95	231	907	1,138	D
0600 - 0700	\$9.95	206	1,123	1,329	E	\$10.95	172	579	751	B	\$10.95	174	732	906	C	\$10.95	230	773	1,003	D	\$6.95	178	996	1,174	D
0700 - 0800	\$6.95	223	1,289	1,512	F	\$6.95	236	1,315	1,551	F	\$6.95	186	1,317	1,503	F	\$6.95	221	1,365	1,586	F	\$5.30	179	1,000	1,179	D
0800 - 0900	\$5.30	146	1,080	1,226	E	\$5.30	124	1,130	1,254	E	\$5.30	128	1,035	1,163	D	\$5.30	125	1,105	1,230	E	\$2.25	107	835	942	C
0900 - 1000	\$5.30	106	666	772	B	\$5.30	117	711	828	C	\$5.30	165	689	854	C	\$5.30	111	669	780	B	\$2.25	140	577	717	B

AM Time	Monday 03/29/21					Tuesday 03/30/21					Wednesday 03/31/21					Thursday 04/01/21					Friday 04/02/21				
	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	161	469	630	B	\$5.30	152	614	766	B	\$5.30	184	660	844	C										
0500 - 0600	\$9.95	343	984	1,327	E	\$9.95	380	1,549	1,929	F	\$9.95	302	1,125	1,427	F										
0600 - 0700	\$9.95	196	1,080	1,276	E	\$10.95	163	509	672	B	\$10.95	210	733	943	C										
0700 - 0800	\$6.95	213	1,229	1,442	F	\$6.95	226	1,314	1,540	F	\$6.95	207	1,299	1,506	F										
0800 - 0900	\$5.30	116	1,007	1,123	D	\$5.30	120	1,087	1,207	E	\$5.30	140	980	1,120	D										
0900 - 1000	\$5.30	127	664	791	B	\$5.30	130	707	837	C	\$5.30	183	727	910	C										

Westbound AM Peak - I-15 North to County Line

AM Time	Monday 03/01/21					Tuesday 03/02/21					Wednesday 03/03/21					Thursday 03/04/21					Friday 03/05/21				
	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	\$2.95	117	402	519	B	\$2.95	113	371	484	B	\$2.95	91	378	469	B	\$2.95	78	378	456	B	\$2.95	75	330	405	B
0500 - 0600	\$6.85	151	760	911	C	\$6.85	193	799	992	C	\$6.85	147	789	936	C	\$6.85	152	850	1,002	D	\$5.30	136	688	824	C
0600 - 0700	\$6.85	132	952	1,084	D	\$6.85	136	1016	1,152	D	\$6.85	113	910	1,023	D	\$6.85	103	968	1,071	D	\$5.30	126	894	1,020	D
0700 - 0800	\$6.85	106	886	992	C	\$6.85	95	865	960	C	\$6.85	88	796	884	C	\$6.85	117	913	1,030	D	\$2.95	101	815	916	C
0800 - 0900	\$2.95	61	831	892	C	\$2.95	71	988	1,059	D	\$2.95	48	725	773	B	\$2.95	71	828	899	C	\$2.95	69	688	757	B
0900 - 1000	\$2.95	53	552	605	B	\$2.95	40	701	741	B	\$2.95	52	529	581	B	\$2.95	61	624	685	B	\$2.95	66	486	552	B

AM Time	Monday 03/08/21					Tuesday 03/09/21					Wednesday 03/10/21					Thursday 03/11/21					Friday 03/12/21				
	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	\$2.95	113	400	513	B	\$2.95	109	365	474	B	\$2.95	90	371	461	B	\$2.95	98	380	478	B	\$2.95	83	332	415	B
0500 - 0600	\$6.85	213	788	1,001	D	\$6.85	170	864	1,034	D	\$6.85	145	657	802	C	\$6.85	180	740	920	C	\$5.30	137	701	838	C
0600 - 0700	\$6.85	119	906	1,025	D	\$6.85	121	995	1,116	D	\$6.85	96	790	886	C	\$6.85	96	858	954	C	\$5.30	91	817	908	C
0700 - 0800	\$6.85	92	870	962	C	\$6.85	102	921	1,023	D	\$6.85	99	765	864	C	\$6.85	97	836	933	C	\$2.95	97	838	935	C
0800 - 0900	\$2.95	65	738	803	C	\$2.95	81	814	895	C	\$2.95	69	717	786	B	\$2.95	66	763	829	C	\$2.95	80	700	780	B
0900 - 1000	\$2.95	45	504	549	B	\$2.95	59	559	618	B	\$2.95	62	388	450	B	\$2.95	49	489	538	B	\$2.95	60	511	571	B

AM Time	Monday 03/15/21					Tuesday 03/16/21					Wednesday 03/17/21					Thursday 03/18/21					Friday 03/19/21				
	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	\$2.95	115	401	516	B	\$2.95	118	377	495	B	\$2.95	107	388	495	B	\$2.95	80	412	492	B	\$2.95	78	334	412	B
0500 - 0600	\$6.85	153	690	843	C	\$6.85	170	788	958	C	\$6.85	179	768	947	C	\$6.85	134	820	954	C	\$5.30	124	727	851	C
0600 - 0700	\$6.85	98	850	948	C	\$6.85	125	854	979	C	\$6.85	130	1,012	1,142	D	\$6.85	113	950	1,063	D	\$5.30	114	848	962	C
0700 - 0800	\$6.85	72	770	842	C	\$6.85	100	986	1,086	D	\$6.85	81	952	1,033	D	\$6.85	106	876	982	C	\$2.95	95	802	897	C
0800 - 0900	\$2.95	62	763	825	C	\$2.95	67	946	1,013	D	\$2.95	67	841	908	C	\$2.95	64	825	889	C	\$2.95	59	683	742	B
0900 - 1000	\$2.95	63	515	578	B	\$2.95	64	692	756	B	\$2.95	49	638	687	B	\$2.95	56	682	738	B	\$2.95	74	538	612	B

AM Time	Monday 03/22/21					Tuesday 03/23/21					Wednesday 03/24/21					Thursday 03/25/21					Friday 03/26/21				
	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	\$2.95	105	449	554	B	\$2.95	104	387	491	B	\$2.95	108	390	498	B	\$2.95	99	385	484	B	\$2.95	74	315	389	A
0500 - 0600	\$6.85	202	758	960	C	\$6.85	178	813	991	C	\$6.85	193	798	991	C	\$6.85	203	813	1,016	D	\$5.30	129	679	808	C
0600 - 0700	\$6.85	135	997	1,132	D	\$6.85	137	1,040	1,177	D	\$6.85	106	1,027	1,133	D	\$6.85	146	974	1,120	D	\$5.30	90	852	942	C
0700 - 0800	\$6.85	103	960	1,063	D	\$6.85	109	959	1,068	D	\$6.85	90	952	1,042	D	\$6.85	117	965	1,082	D	\$2.95	88	834	922	C
0800 - 0900	\$2.95	80	896	976	C	\$2.95	80	868	948	C	\$2.95	63	875	938	C	\$2.95	68	843	911	C	\$2.95	67	681	748	B
0900 - 1000	\$2.95	64	612	676	B	\$2.95	74	750	824	C	\$2.95	69	662	731	B	\$2.95	69	618	687	B	\$2.95	65	512	577	B

AM Time	Monday 03/29/21					Tuesday 03/30/21					Wednesday 03/31/21					Thursday 04/01/21					Friday 04/02/21				
	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	\$2.95	116	369	485	B	\$2.95	105	367	472	B	\$2.95	109	329	438	B										
0500 - 0600	\$6.85	198	757	955	C	\$6.85	194	771	965	C	\$6.85	166	660	826	C										
0600 - 0700	\$6.85	132	970	1,102	D	\$6.85	136	1,058	1,194	D	\$6.85	139	1,060	1,199	D										
0700 - 0800	\$6.85	123	896	1,019	D	\$6.85	106	951	1,057	D	\$6.85	118	931	1,049	D										
0800 - 0900	\$2.95	86	787	873	C	\$2.95	88	826	914	C	\$2.95	104	773	877	C										
0900 - 1000	\$2.95	87	570	657	B	\$2.95	84	594	678	B	\$2.95	118	660	778	B										

RCTC OPERATIONAL HIGHLIGHTS

On-Road Operations

RCTC Freeway Service Patrol responded to 110 calls during the month of March. Of those calls, 70 were to assist disabled vehicles, 12 calls to remove debris, and 28 were in response to accidents in the Express Lanes.

91 Express Lanes Back-Office System (BOS) Development Update

In February, Cofiroute USA, LLC (CUSA) notified OCTA and RCTC of a delay to the implementation of the new BOS for the 91 Express Lanes for both Orange and Riverside counties as a result of the COVID-19 pandemic. CUSA is the current operator of the 91 Express Lanes for both OCTA and RCTC and is the firm selected for the design, development, and implementation of the new BOS, as well as the customer service center operation, once the current contract expires on June 30, 2021.

In anticipation that the future contractor would not be able to meet the go-live date in July 2021, the OCTA Board of Directors approved an amendment to the current three-party agreement between CUSA, RCTC, and OCTA, which allowed for six one-month optional extension periods. Staff from both agencies are continuing to work with CUSA to meet the revised anticipated go-live date in October 2021.

FINANCIAL HIGHLIGHTS RCTC

RCTC 91 Express Lanes Operating Statement

Description	YTD as of : 3/31/2021		YTD Variance	
	Actual ¹	Budget	Dollar \$	Percent (%)
Operating revenues:				
Toll Revenue	\$ 27,641,290.61	\$ 19,315,800.00	\$ 8,325,490.61	43.1
Fee Revenue	4,596,586.43	1,837,875.00	2,758,711.43	150.1
Total operating revenues	32,237,877.04	21,153,675.00	11,084,202.04	52.4
Operating expenses:				
Salaries and Benefits	452,487.98	506,625.00	54,137.02	10.7
Legal Services	79,747.63	262,500.00	182,752.37	69.6
Advisory Services	40,606.95	56,250.00	15,643.05	27.8
Audit and Accounting Fees	31,550.00	27,000.00	(4,550.00)	(16.9)
Service Fees	1,541.32	15,000.00	13,458.68	89.7
Other Professional Services	358,374.41	1,965,750.00	1,607,375.59	81.8
Lease Expense	194,923.69	367,650.00	172,726.31	47.0
Operations	1,346,890.06	2,240,250.00	893,359.94	39.9
Utilities	19,861.60	61,200.00	41,338.40	67.5
Supplies and Materials	4,640.32	22,500.00	17,859.68	79.4
Membership and Subscription Fees	28,281.50	22,500.00	(5,781.50)	(25.7)
Office Equipment & Furniture (Non-Capital)	4,706.87	11,250.00	6,543.13	58.2
Maintenance/Repairs	93,131.19	273,825.00	180,693.81	66.0
Training Seminars and Conferences	(720.00)	1,725.00	2,445.00	141.7
Transportation Expenses	-	3,000.00	3,000.00	100.0
Lodging	-	2,625.00	2,625.00	100.0
Meals	-	375.00	375.00	100.0
Other Staff Expenses	-	375.00	375.00	100.0
Advertising	4,611.25	206,250.00	201,638.75	97.8
Program Management	55,294.60	124,575.00	69,280.40	55.6
Program Operations	5,579,869.18	6,476,775.00	896,905.82	13.8
Litigation Settlement	-	-	-	N/A
Furniture & Equipment	-	228,750.00	228,750.00	100.0
Improvements	-	-	-	N/A
Bad Debt Expense	18.11	-	(18.11)	N/A
Total operating expenses	8,295,816.66	12,876,750.00	4,580,933.34	35.6
Operating income (loss)	23,942,060.38	8,276,925.00	15,665,135.38	189.3
Nonoperating revenues (expenses):				
Interest Revenue	276,760.38	518,925.00	(242,164.62)	46.7
Other Miscellaneous Revenue	52,434.43	75.00	52,359.43	(69,812.6)
Interest Expense	(22,234,617.17)	(5,339,925.00)	(16,894,692.17)	316.4
Total nonoperating revenues (expenses)	(21,905,422.36)	(4,820,925.00)	(17,084,497.36)	(354.4)
Transfers In	-	-	-	N/A
Transfers Out	(489,200.00)	(768,975.00)	279,775.00	(36.4)
Net income (loss)	\$ 1,547,438.02	\$ 2,687,025.00	\$ (1,139,586.98)	(42.4)

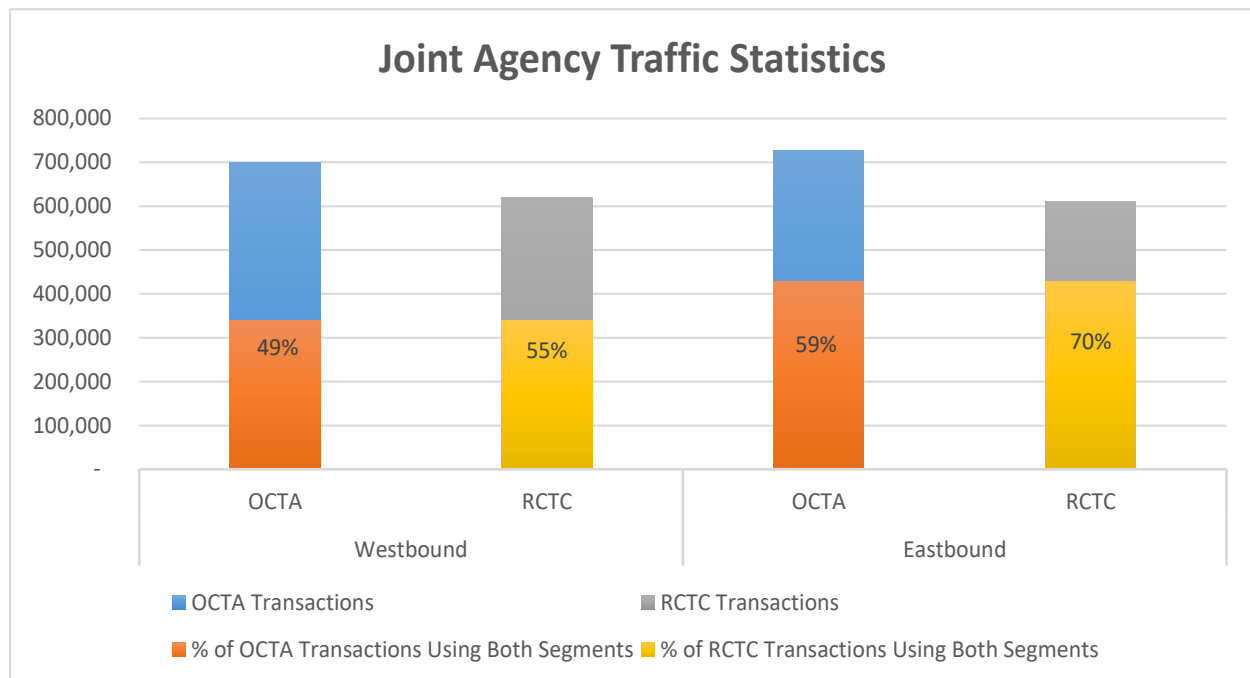
¹ Unaudited

JOINT AGENCY TRIP AND REVENUE STATISTICS

MONTH ENDING **March 31, 2021**

MTD	Transactions by Agency	Transactions Using Both Segments	% Using Both Segments	Revenue
Westbound				
OCTA	698,205	339,796	49%	\$1,959,659
RCTC	619,374	339,796	55%	\$2,004,637
I-15	253,932	184,795	73%	\$753,288
McKinley	365,442	155,001	42%	\$1,251,349
Eastbound				
OCTA	727,836	427,547	59%	\$2,613,668
RCTC	611,244	427,547	70%	\$2,142,525
I-15	235,416	170,525	72%	\$619,915
McKinley	375,828	257,022	68%	\$1,522,611

JOINT AGENCY TRAFFIC STATISTICS



JOINT AGENCY PERFORMANCE MEASURES

REPORTING REQUIREMENT	Reporting Period	PERFORMANCE STANDARD	Mar-21 Performance
CUSTOMER SERVICE			
Call Wait Time	Monthly	Not to exceed 2 minutes	1:20
Abandon Rate	Monthly	No more than 4.0%	1.6%
Customer Satisfaction	Monthly	At least 75 outbound calls	77
VIOLATION PROCESSING			
Response Time	Monthly	Within 2 business days of receipt	0.6
CUSA Violation Collection Rate	Quarterly	70% or more	
CUSA Violation Collection Rate	Annually	74% or more	
TRAFFIC OPERATIONS			
Initial & Secondary Review s	Monthly	Equal to or less than 15 days	1.3
* Plate Misread Errors	Monthly	Equal to or less than 0.4%	0.02%
CAS Response Time	Monthly	0:20 (minutes) per call	0:08
ACCOUNTING			
OCTA Exceptions	Monthly	No more than 3	0
RCTC Exceptions	Monthly	No more than 3	0
INFORMATION TECHNOLOGY			
Back-office System Uptime	Monthly	99% Availability	100%
Netw ork Uptime	Monthly	99% Availability	100%

CUSA = Cofiroute 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

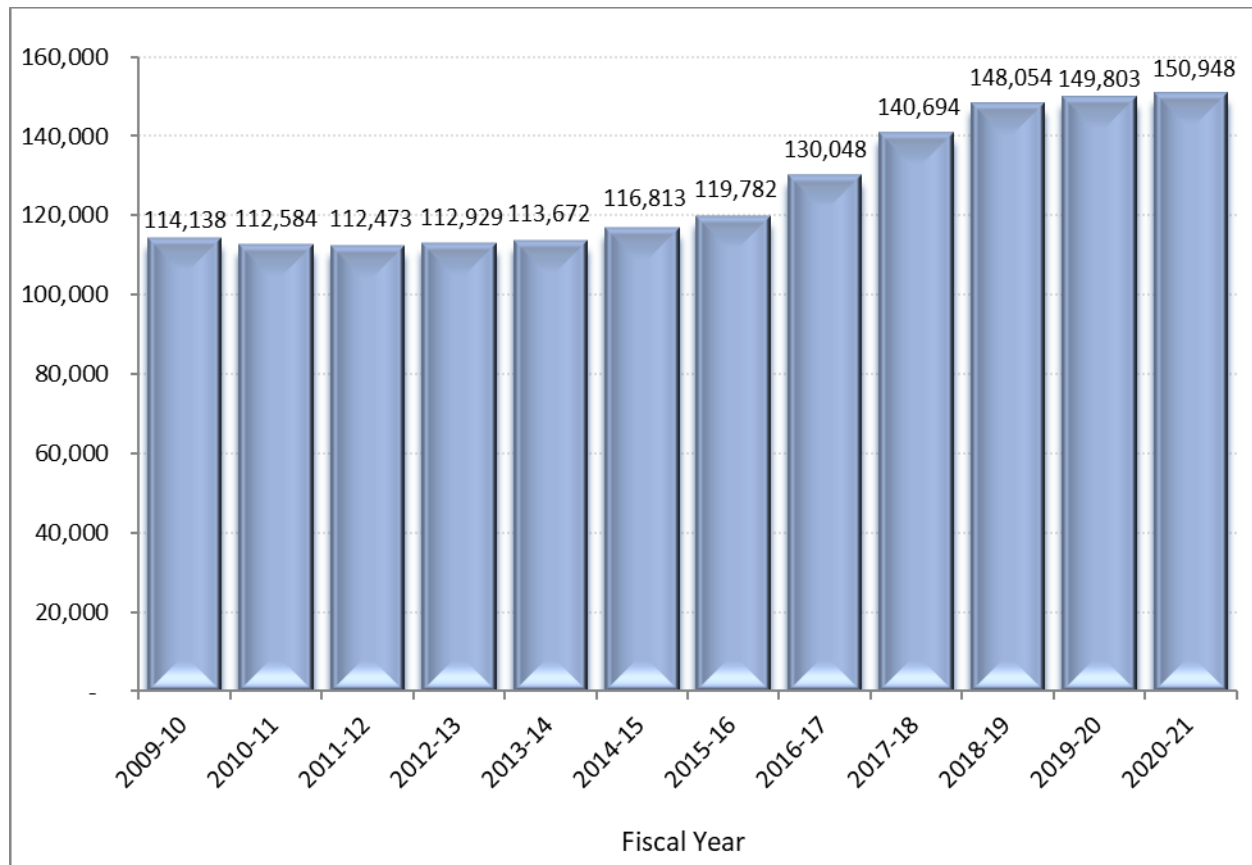
T21 TRANSPONDER DISTRIBUTION	March-21		February-21		FY 2020-21	
	Tags	% of Total	Tags	% of Total	Average To-Date	
Issued						
To New Accounts	1,378	98.1%	866	96.3%	2,225	96.8%
Additional Tags to Existing Accounts	15	1.1%	19	2.1%	45	2.0%
Replacement Transponders	11	0.8%	14	1.6%	29	1.3%
Total Issued	1,404		899		2,299	
Returned						
Account Closures					2,299	21.1%
Accounts Down sizing					0	0.0%
Defective Transponders	5,821	100.0%	173	100.0%	8,586	78.9%
Total Returned	5,821		173		10,885	

6C TRANSPONDER DISTRIBUTION	March-21		February-21		FY 2020-21	
	Tags	% of Total	Tags	% of Total	Average To-Date	
Issued						
To New Accounts	66,550	99.9%	53,930	100.0%	82,368	99.9%
Additional Tags to Existing Accounts	55	0.1%	18	0.0%	83	0.1%
Replacement Transponders	0	0.0%	0	0.0%	5	0.0%
Total Issued	66,605		53,948		82,455	
Returned						
Account Closures						
Accounts Down sizing						
Defective Transponders						
Total Returned						

At the end of March 2021, the 91 Express Lanes had 150,948 active customer accounts and 524,560 transponders classified as assigned.

Number of Accounts by FY

As of March 31, 2021



Incoming Email Activity

During March, the Anaheim Processing Center received 4,573 emails.

Operational Activity

Amid concerns about the spread of COVID-19 and following the State of California's guidance to help reduce its spread, the 91 Express Lanes Customer Walk-In Center was closed in March 2020 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.



June 9, 2021

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 2021-22

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. 2021-043 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,981,873,617, for fiscal year 2021-22.

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 appropriations 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) 2021-22 at \$1,981,873,617, 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 2021-22 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. 2021-043, which will establish the fiscal year 2021-22 appropriation limit at \$1,981,873,617, for the Orange County Local Transportation Authority.

Attachments

- A. Resolution No. 2021-043 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2021-22
- B. Orange County Local Transportation Authority/Measure M2 GANN Appropriations Limit Calculation for Fiscal Year 2021-22

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. 2021-043 OF THE
ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY/MEASURE M2
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2021-22**

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 2021-22 is \$1,981,873,617.
2. The total amount authorized to be expended by the Orange County Local Transportation Authority/Measure M2 during fiscal year 2021-22 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$319,737,837.
3. The appropriations limit for fiscal year 2020-21 exceeds proceeds of taxes for fiscal year 2021-22 by \$1,662,135,780.

ADOPTED SIGNED AND APPROVED this 28th day of June 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Andrea West
Interim Clerk of the Board

Andrew Do, Chairman
Orange County Local Transportation Authority

**Orange County Local Transportation Authority/Measure M2
GANN Appropriations Limit Calculation for
Fiscal Year 2021-22**

GANN FACTOR

<u>PER CAPITA CHANGE¹</u>	<u>%</u>	<u>RATIO</u>	<u>GANN FACTOR</u>
California per capita personal income change	5.73%	1.0573	
<u>POPULATION CHANGE²</u>			
County of Orange	-0.84%	0.9916	
<u>GANN FACTOR</u>	1.0573	x	0.9916 = 1.0484

FY 2021-22 APPROPRIATION LIMIT

Prior Year Appropriations Limit	\$ 1,890,379,261
GANN Factor (Rounded)	x 1.0484
	\$ 1,981,873,617

ITEMS SUBJECT TO GANN LIMIT³

<u>Line Item</u>	<u>Amount</u>
1/2 cent sales tax (Measure M2)	\$ 309,554,163
CDTFA Fees	\$ 3,405,096
Interest Revenue	\$ 6,778,578
	\$ 319,737,837

FY 2021-22 APPROPRIATION LIMIT

	<u>Amount</u>
FY 2021-22 Appropriations Limit	\$ 1,981,873,617
Less Items Subject to GANN Limit	(319,737,837)
Appropriation Limit that exceeds the proceeds of taxes:	\$ 1,662,135,780

Note:

CDTFA - California Department of Tax and Fee Administration

^{1,2}Price Factor and Population Information provided by the Department of Finance.

³Items subject to GANN Limit provided from proposed FY 2021-22 budget



June 9, 2021

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 2021-22

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. 2021-044 to establish the Orange County Transportation Authority General Fund appropriations limit at \$13,113,890, for fiscal year 2021-22.

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) 2021-22 at \$13,113,890, 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 2021-22 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. 2021-044, which will establish the FY 2021-22 appropriation limit at \$13,113,890.

Attachments

- A. Resolution No. 2021-044 of the Orange County Transportation Authority - General Fund Establishing Appropriations Limit for Fiscal Year 2021-22
- B. Orange County Transportation Authority - General Fund GANN Appropriations Limit Calculation for Fiscal Year 2021-22

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. 2021-044 OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY - GENERAL FUND
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2021-22**

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 2021-22 is \$13,113,890.
2. The total amount authorized to be expended by the Orange County Transportation Authority - General Fund during Fiscal Year 2021-22 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$4,708,197.
3. The appropriations limit for Fiscal Year 2021-22 exceeds proceeds of taxes for Fiscal Year 2021-22 by \$8,405,693.

ADOPTED, SIGNED, AND APPROVED this 28th day of June 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Andrea West
Interim Clerk of the Board

Andrew Do, Chairman
Orange County Transportation Authority

**Orange County Transportation Authority - General Fund
GANN Appropriations Limit Calculation for
Fiscal Year 2021-22**

GANN FACTOR

<u>PER CAPITA CHANGE¹</u>	<u>%</u>	<u>RATIO</u>	<u>GANN FACTOR</u>
California per capita personal income change	5.73%	1.0573	
<u>POPULATION CHANGE²</u>			
County of Orange	-0.84%	0.9916	
<u>GANN FACTOR</u>	1.0573	x	0.9916
		=	1.0484

FY 2021-22 APPROPRIATION LIMIT

Prior Year Appropriations Limit	\$	12,508,480
GANN Factor (Rounded)	x	1.0484
	\$	13,113,890

ITEMS SUBJECT TO GANN LIMIT³

<i>Line Item</i>	<i>Amount</i>
Transfers in from the LTF (CTC Administration and Planning)	\$ 3,772,510
Interest Revenue	\$ 935,687
	\$ 4,708,197

FY 2021-22 APPROPRIATION LIMIT

	<i>Amount</i>
FY 2021-22 Appropriations Limit	\$ 13,113,890
Less Items Subject to GANN Limit	\$ (4,708,197)
Appropriation Limit that Exceeds the Proceeds of Taxes:	\$ 8,405,693

Note:

LTF - Local Transportation Fund

CTC - County Transportation Commission

^{1,2}Price Factor and Population Information provided by the Department of Finance.

³Items subject to GANN Limit provided from proposed FY 2021-22 budget



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – April 2021

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, 2021.

Recommendation

Receive and file as an information item.

Discussion

As of April 30, 2021, 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 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for the OCTA portfolio is 1.1 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.

OCTA's month-end balance in the Local Agency Investment Fund was \$70,996,561, with an average monthly effective yield of 0.3 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$718,438. For the month of March, the monthly gross yield for the OCIP was 0.6 percent. Yields for the month of April will be received in May.

During the month of April, one security held within OCTA's investment portfolio was downgraded on April 29, 2021. The security matured as scheduled, on May 11, 2021, with no financial impact as a result of the downgrade. The total number of securities on the Negative Credit Watch list decreased to one security for the month. Please refer to A-8 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details. As of April 30, 2021, the securities reflected on A-8 still meet the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan. The debt program currently has an outstanding principal balance of \$990 million as of April 30, 2021. Approximately 62 percent of the outstanding balance is comprised of M2 debt, nine percent is associated with the 91 Express Lanes Program, and 29 percent is for the TIFIA 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, 2021.

Attachments

- A. Orange County Transportation Authority Investment and Debt Programs
– For the Period Ending April 30, 2021
- B. Orange County Transportation Authority Portfolio Listing as of
April 30, 2021

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, 2021**

OCTA Investment Dashboard

4/30/2021

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of April 2021:

Not applicable.

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

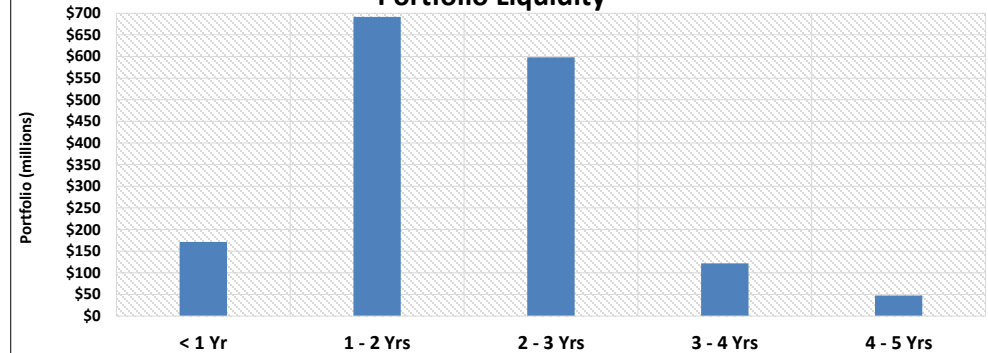
Not applicable.

Securities downgraded or placed on Negative Credit Watch during the month of April 2021, but remain in compliance with OCTA's Investment Policy:

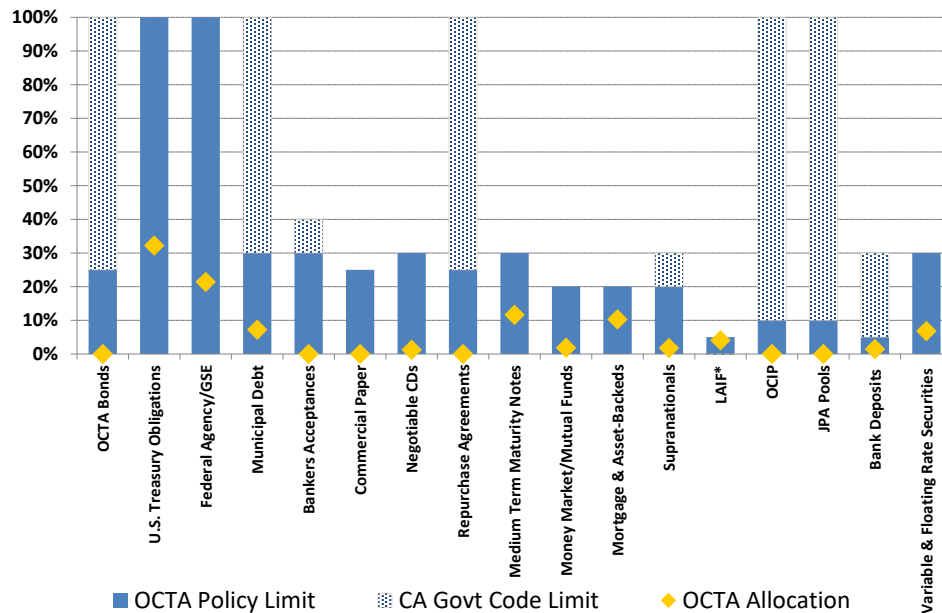
One security held within OCTA's investment portfolio was downgraded during the month. The total number of securities on the Negative Credit Watch list decreased to one security for the month.

For further details please refer to A-8 of this report.

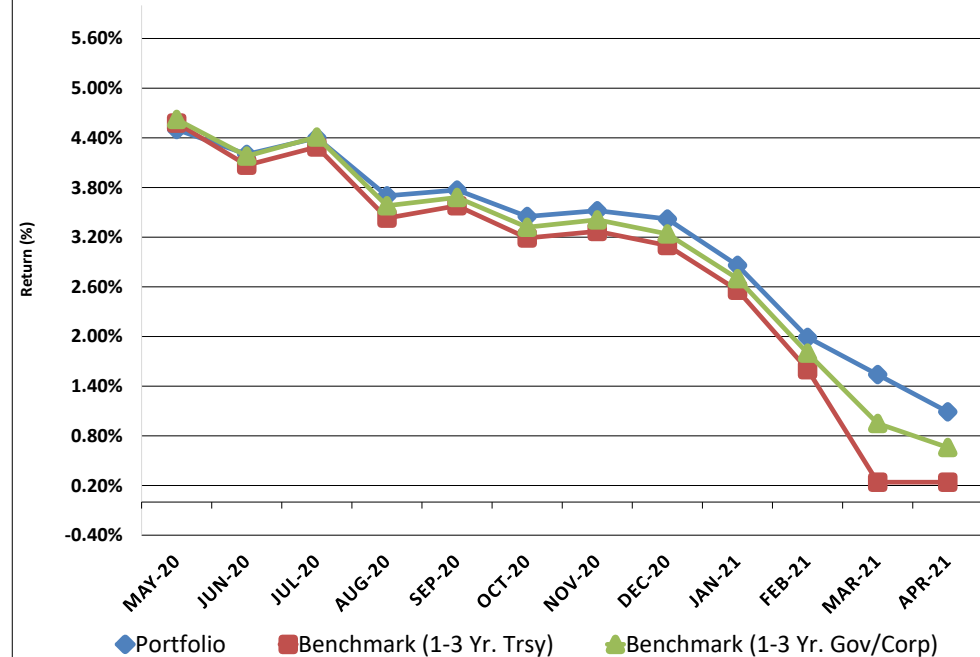
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



*Per CA Government Code LAIF limit is \$75 million

Investment Compliance

4/30/2021

Portfolio Subject to Investment Policy			
Short-Term/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasury Obligations	\$ 562,359,133	32.2%	100%
Federal Agency/GSE	374,028,747	21.4%	100%
Municipal Debt	126,572,661	7.2%	30%
Commercial Paper	-	0.0%	25%
Negotiable Certificates of Deposit	21,800,000	1.2%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	203,133,775	11.6%	30%
Money Market/Mutual Funds	32,187,562	1.8%	20%
Mortgage & Asset-Backed	179,229,903	10.3%	20%*
Supranationals	30,904,063	1.8%	20%
Local Agency Investment Fund**	70,996,561	4.1%	\$ 75 Million
Orange County Investment Pool	718,438	0.0%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	25,588,892	1.5%	5%
Variable & Floating Rate Securities	118,775,959	6.8%	30%
Total Short-Term/Liquid Portfolio	\$ 1,746,295,693	100.0%	

1. Excludes portion of Liquid Portfolio subject to Indenture

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

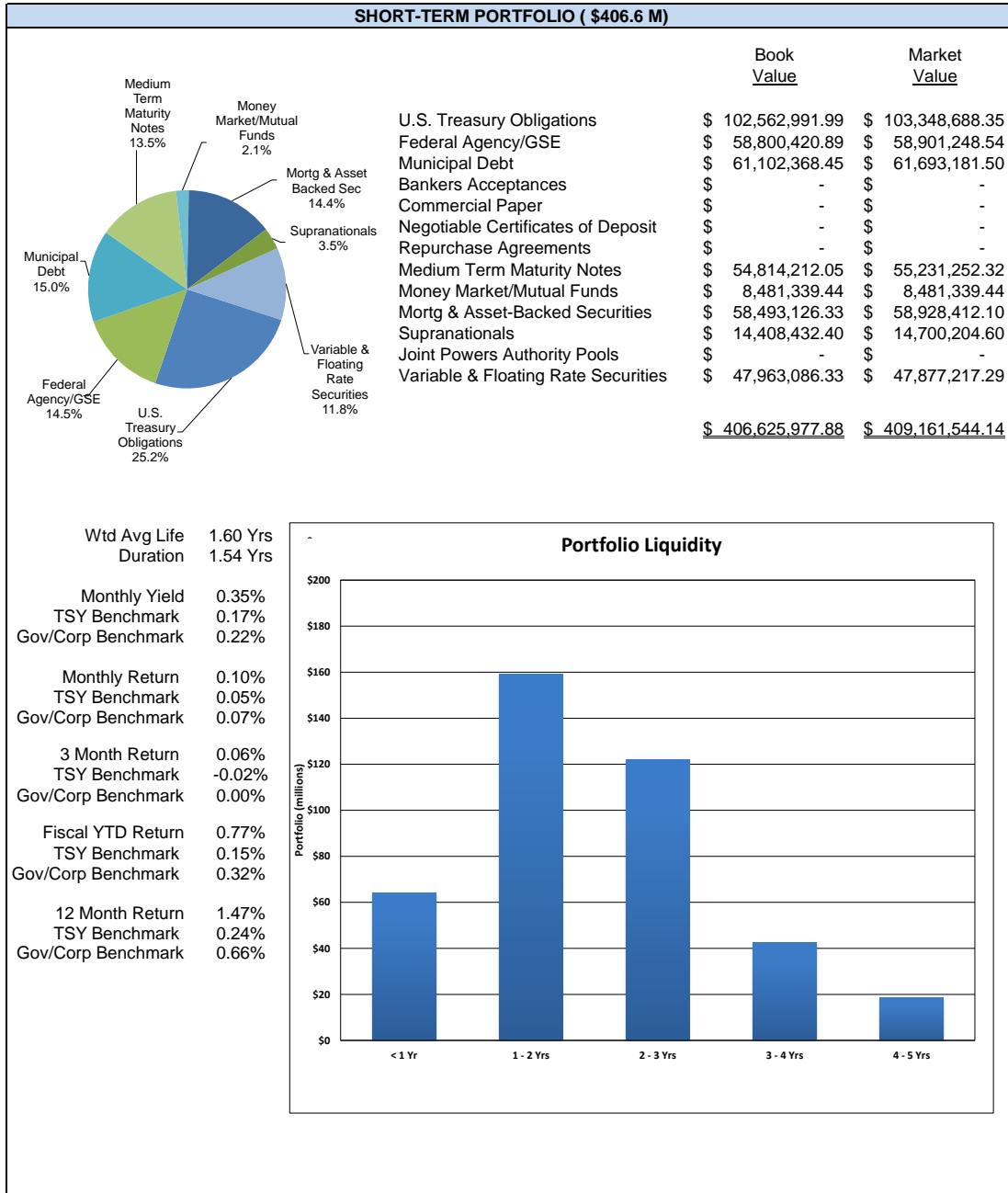
**OCTA has increased the balance in the LAIF (Pool) from \$46m to \$71m during the month of February. The move allowed OCTA to increase yield from 0.10% to 0.41% on the funds while maintaining liquidity and safety of funds.

Portfolio Subject to Indenture					
	Dollar Amount Invested	Credit Quality	OCTA Term	Indenture Requirements Credit Quality	Term
Liquid Portfolio*					
Money Market Funds	\$ 50,332,467	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Total Liquid Portfolio	\$ 50,332,467				
Bond Proceeds Portfolio					
Money Market Funds	\$ 171,153,284	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Total Bond Proceeds Portfolio	\$ 171,153,284				
Reserve Funds Portfolio					
Commercial Paper	\$ 25,084,570	P-1/F-1	60-150 days	Min. A-1/P-1	Max. 180 days
Bank Deposits	\$ 218,921				
US Treasuries Obligations	68	AAA/Aaa	30 days	Min. A2/A	Max. 5 years
Total Reserve Funds Portfolio	\$ 25,303,558				
Total Portfolio Subject to Indenture	\$ 196,456,842				
Portfolio Total	\$ 1,993,085,002				

*Reflects portion of Liquid Portfolio subject to Indenture

Investment Manager Diversification and Maturity Schedules

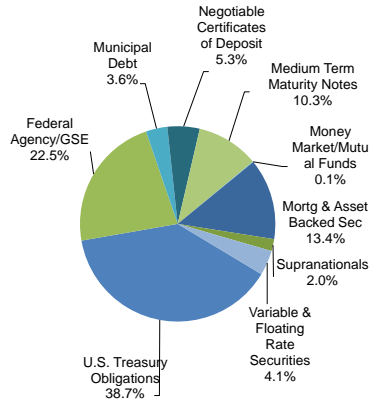
MetLife Investment Management
4/30/2021



Investment Manager Diversification and Maturity Schedules

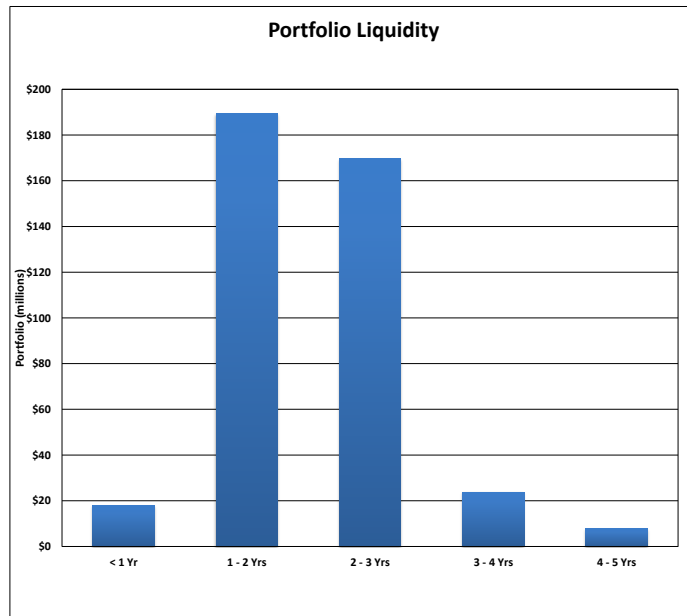
PFM
4/30/2021

SHORT-TERM PORTFOLIO (\$408.6 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 157,905,535.58	\$ 160,208,518.00
Federal Agency/GSE	\$ 91,904,922.28	\$ 92,133,842.20
Municipal Debt	\$ 14,512,759.95	\$ 14,578,010.25
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 21,800,000.00	\$ 22,144,340.50
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 42,258,029.10	\$ 42,799,990.20
Money Market/Mutual Funds	\$ 419,104.04	\$ 419,104.04
Mortg & Asset-Backed Securities	\$ 54,811,640.19	\$ 55,486,957.83
Supranationals	\$ 8,102,487.95	\$ 8,118,662.70
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 16,868,837.96	\$ 16,635,782.80
	<u>\$ 408,583,317.05</u>	<u>\$ 412,525,208.52</u>

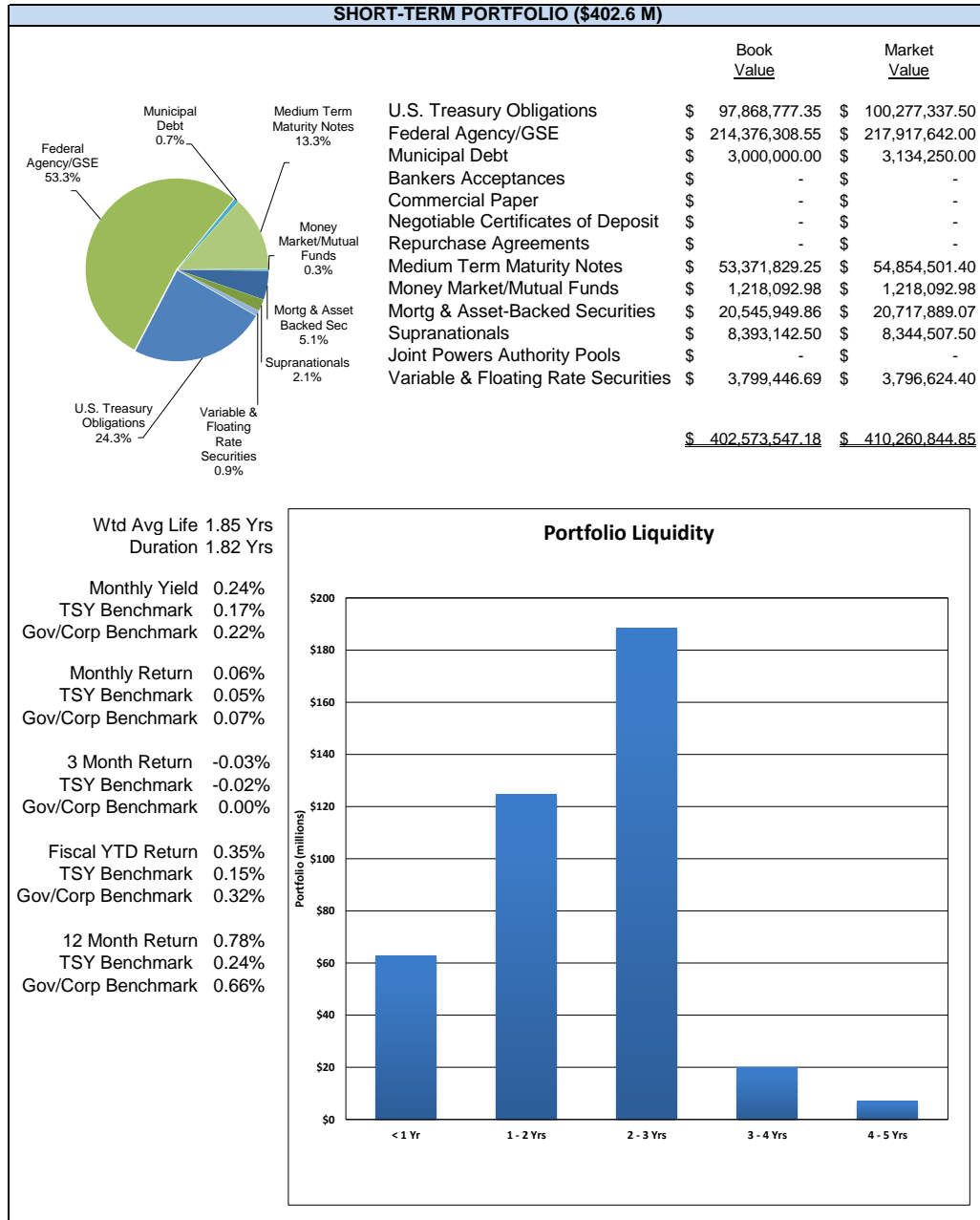
Wtd Avg Life	1.82 Yrs
Duration	1.81 Yrs
Monthly Yield	0.27%
TSY Benchmark	0.17%
Gov/Corp Benchmark	0.22%
Monthly Return	0.08%
TSY Benchmark	0.05%
Gov/Corp Benchmark	0.07%
3 Month Return	0.02%
TSY Benchmark	-0.02%
Gov/Corp Benchmark	0.00%
Fiscal YTD Return	0.46%
TSY Benchmark	0.15%
Gov/Corp Benchmark	0.32%
12 Month Return	0.94%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.66%



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

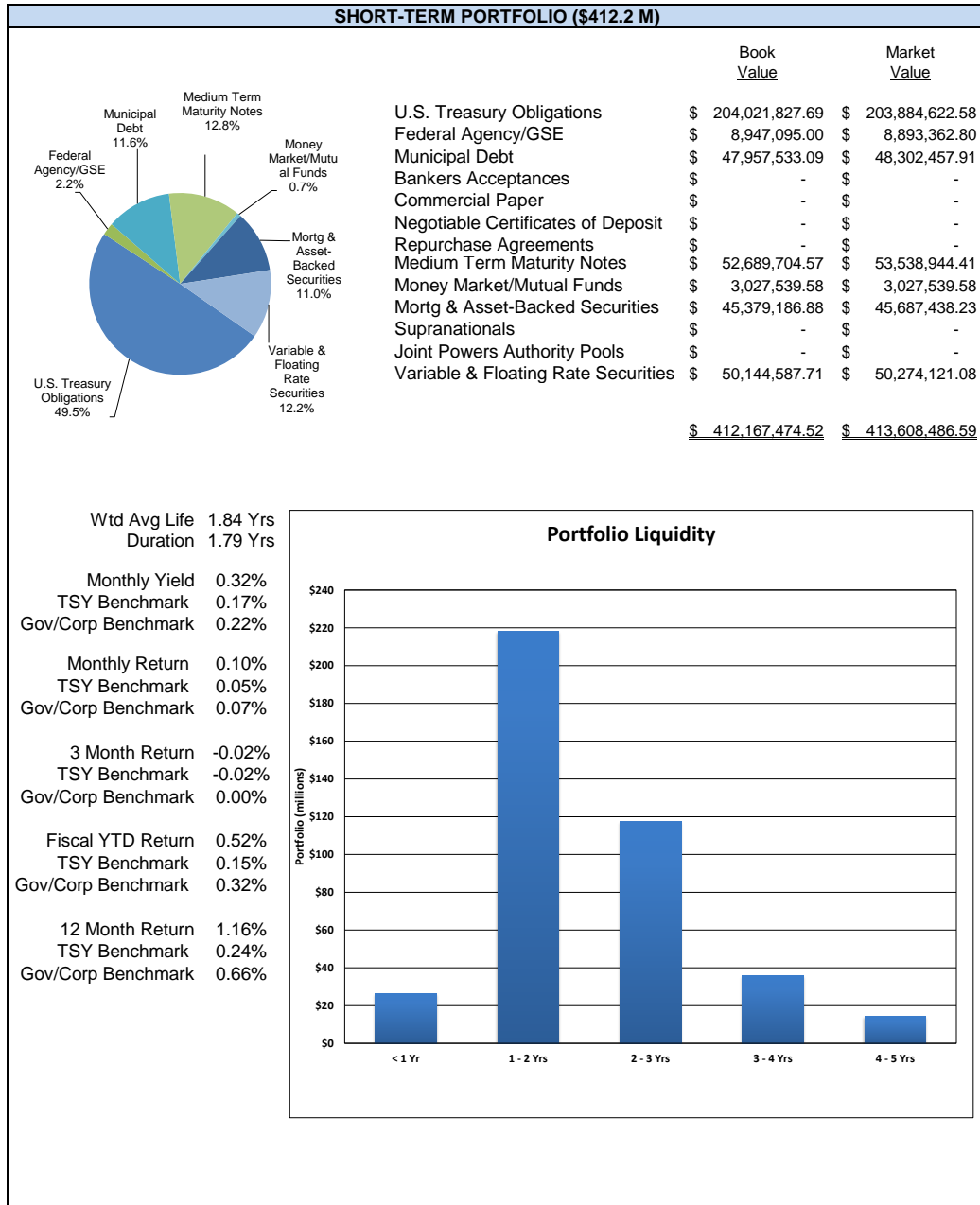
4/30/2021



Investment Manager Diversification and Maturity Schedules

Payden & Rygel

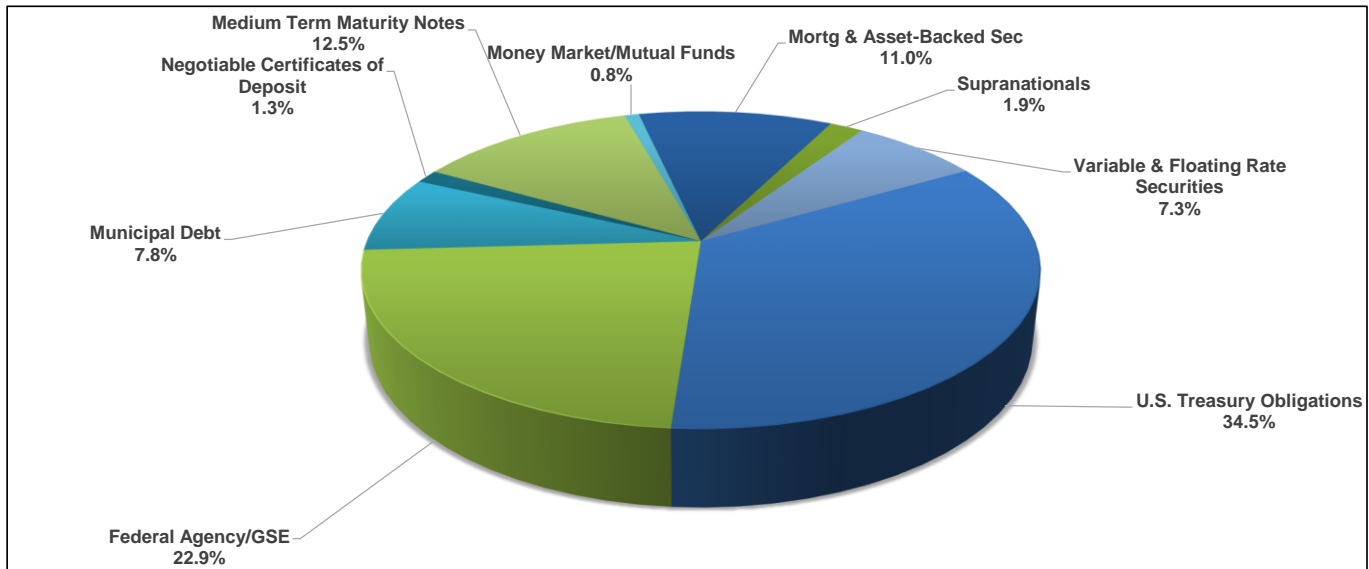
4/30/2021



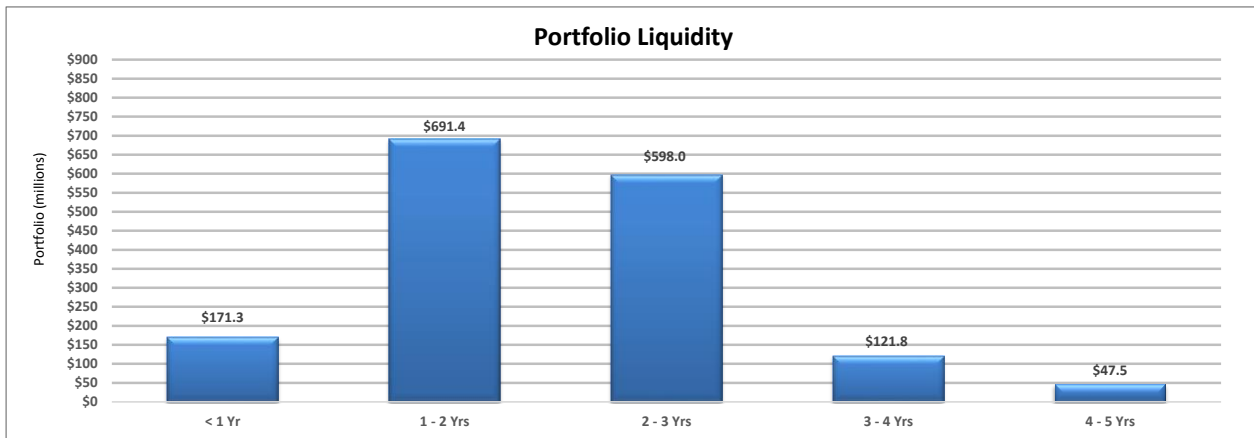
Short-Term Portfolio

4/30/2021

Portfolio Composition



Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

4/30/2021

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
Rating Downgrades:					
Chandler Asset Management					
General Dynamics Corporation	\$ 4,000,000	5/11/2021*	A-	A2	N/A
On April 29, 2021, S&P downgraded the long-term ratings of the General Dynamics Corporation (General Dynamics) from A to A-. The downgrade is due to General Dynamics weakened margins in 2020 due to the impact of the pandemic on business jet volumes, affecting the company's aerospace division. The security complies with the requirements of the Investment Policy, and the manager is comfortable holding the security due to the company's diversified portfolio of products and the short amount of time until maturity.					
Negative Credit Watch:					
Chandler Asset Management					
US Bancorp	\$ 4,500,000	Various**	A+	A1	A+
On March 16, 2021, Moody's placed the long-term ratings of US Bancorp (US Bank) under review for possible downgrade. The credit watch placement is due to the narrowing outperformance of US Bank compared to its peers which is currently attributed to coronavirus related struggles. The security remains in compliance with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due US Bank's consistent financial performance and the quality of their balance sheet.					

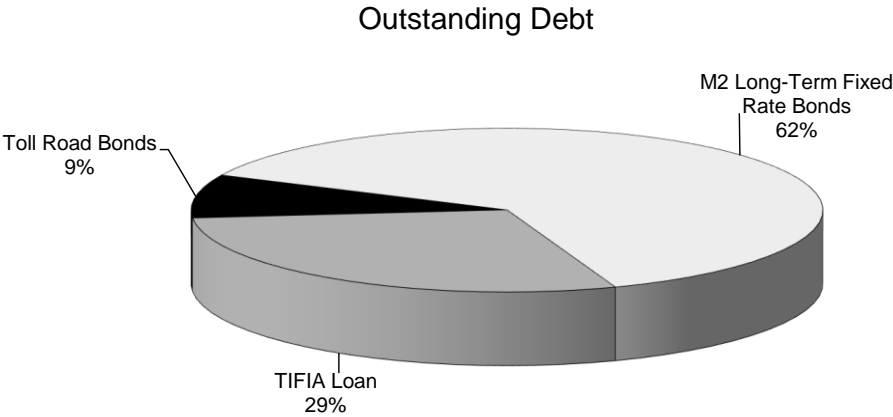
*Security matured as scheduled with no financial impact as a result of the downgrade

**2/5/24 & 7/30/24

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2017 TIFIA Loan (I-405))

Total Outstanding Debt*
As of 4/30/21



TOTAL OUTSTANDING DEBT: \$990,890,000

*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.

Outstanding Debt*

As of 4/30/21

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 2021:		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:		368,625,000
Debt Service FY 2021:		26,569,650
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:		85,265,000
Debt Service FY 2021:		10,795,075
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 Interest:		23,015,310
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's):		Baa2
Final Maturity:		2058

*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.

**Orange County Transportation Authority
Portfolio Listing
As of April 30, 2021**

ATTACHMENT B

LIQUID PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>CASH EQUIVALENTS</u>				
BANK DEPOSITS	4/30/2021	25,588,892.00	25,588,892.00	
MONEY MARKET DEMAND ACCOUNT	N/A	19,041,485.76	19,041,485.76	0.10%
FIDELITY TREASURY OBLIGATIONS FUND	N/A	39,374,510.75	39,374,510.75	0.01%
FEDERATED TREASURY OBLIGATIONS FUND	N/A	10,957,956.00	10,957,956.00	0.04%
SUB-TOTAL		94,962,844.51	94,962,844.51	
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>				
	N/A	70,996,561.09	70,996,561.09	0.34%
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>				
	N/A	718,437.52	718,437.52	0.62%
LIQUID PORTFOLIO - TOTAL		\$ 166,677,843.12	\$ 166,677,843.12	

SHORT-TERM PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>Money Market Funds</u>				
FIRST AMER:GVT OBLG Z	4/30/2021	419,104.04	419,104.04	0.03
FIRST AMER:GVT OBLG Z	4/30/2021	3,027,539.58	3,027,539.58	0.03
FIRST AMER:GVT OBLG Z	4/30/2021	8,481,339.44	8,481,339.44	0.03
FIRST AMER:GVT OBLG Z	4/30/2021	1,218,092.98	1,218,092.98	0.03
SUB-TOTAL		13,146,076.04	13,146,076.04	
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u>				
Credit Suisse AG, New York Branch	3/17/2023	3,100,000.00	3,103,658.00	0.53
DNB Bank ASA, New York Branch	12/2/2022	3,875,000.00	3,976,796.25	0.40
Nordea Bank Abp, New York Branch	8/26/2022	3,875,000.00	3,965,055.00	0.11
Skandinaviska Enskilda Banken AB (publ.)	8/26/2022	3,875,000.00	3,965,946.25	0.11
Societe Generale, New York Branch	2/14/2022	4,000,000.00	4,056,040.00	0.02
Sumitomo Mitsui Banking Corporation, New York Branch	7/8/2022	3,075,000.00	3,076,845.00	0.65
SUB-TOTAL		21,800,000.00	22,144,340.50	

<u>U.S. TREASURY OBLIGATIONS</u>				
UNITED STATES TREASURY	7/31/2022	4,097,668.75	4,181,084.30	0.10
UNITED STATES TREASURY	7/31/2022	7,004,300.00	7,278,562.40	0.10
UNITED STATES TREASURY	7/31/2022	6,005,625.00	6,133,620.00	0.10
UNITED STATES TREASURY	7/31/2022	5,216,656.25	5,315,804.00	0.10
UNITED STATES TREASURY	9/30/2022	7,534,603.16	7,747,563.60	0.12
UNITED STATES TREASURY	10/31/2022	5,360,733.97	5,540,973.90	0.13
UNITED STATES TREASURY	2/28/2023	5,538,052.36	5,789,300.00	0.17
UNITED STATES TREASURY	12/31/2022	4,326,890.63	4,493,071.50	0.15
UNITED STATES TREASURY	12/31/2022	6,439,408.22	6,806,745.10	0.15
UNITED STATES TREASURY	1/31/2023	1,253,320.31	1,284,862.50	0.16
UNITED STATES TREASURY	1/31/2023	2,911,894.53	2,980,881.00	0.16
UNITED STATES TREASURY	3/31/2023	15,308,789.06	15,383,250.00	0.17
UNITED STATES TREASURY	6/30/2023	4,097,187.50	4,101,400.00	0.20
UNITED STATES TREASURY	11/15/2022	3,995,937.50	4,091,720.00	0.14
UNITED STATES TREASURY	4/30/2022	1,658,803.13	1,710,055.20	0.08
UNITED STATES TREASURY	4/30/2024	4,455,693.36	4,459,355.00	0.35
UNITED STATES TREASURY	5/31/2022	9,031,289.06	9,162,450.00	0.09
UNITED STATES TREASURY	6/30/2022	2,010,156.25	2,038,600.00	0.10
UNITED STATES TREASURY	10/15/2022	745,312.50	763,650.00	0.13
UNITED STATES TREASURY	1/15/2023	2,713,289.06	2,762,451.00	0.15
UNITED STATES TREASURY	1/15/2023	4,101,875.00	4,092,520.00	0.15
UNITED STATES TREASURY	5/15/2023	2,192,093.75	2,197,602.00	0.18
UNITED STATES TREASURY	6/15/2023	4,003,281.25	4,005,320.00	0.19
UNITED STATES TREASURY	6/15/2023	1,051,927.73	1,051,396.50	0.19
UNITED STATES TREASURY	10/15/2023	9,980,859.38	9,973,100.00	0.23
UNITED STATES TREASURY	11/15/2023	4,123,057.81	4,120,000.00	0.25
UNITED STATES TREASURY	11/30/2022	874,179.69	875,000.00	0.12
UNITED STATES TREASURY	12/15/2023	1,995,468.75	1,992,420.00	0.27
UNITED STATES TREASURY	12/15/2023	2,418,842.77	2,415,809.25	0.27
UNITED STATES TREASURY	12/31/2022	1,924,849.61	1,924,557.25	0.14
UNITED STATES TREASURY	1/31/2023	7,001,640.62	6,997,270.00	0.15
UNITED STATES TREASURY	2/15/2024	5,127,669.92	5,126,258.50	0.29
UNITED STATES TREASURY	3/15/2024	5,658,817.38	5,664,785.00	0.31
UNITED STATES TREASURY	3/15/2024	2,744,306.64	2,745,050.00	0.31
UNITED STATES TREASURY	3/31/2023	1,998,828.13	1,998,760.00	0.16
UNITED STATES TREASURY	4/15/2024	3,002,226.56	3,003,270.00	0.34
UNITED STATES TREASURY	12/31/2022	40,254,000.00	40,244,741.58	0.14
UNITED STATES TREASURY	12/31/2022	549,829.97	549,873.50	0.14
UNITED STATES TREASURY	12/31/2022	36,440,759.77	36,446,615.35	0.14
UNITED STATES TREASURY	12/31/2022	3,749,560.55	3,749,137.50	0.14
UNITED STATES TREASURY	12/31/2022	5,799,668.82	5,798,666.00	0.14
UNITED STATES TREASURY	12/31/2022	3,935,153.71	3,934,094.95	0.14
UNITED STATES TREASURY	1/15/2024	25,227,616.56	25,196,868.92	0.29
UNITED STATES TREASURY	1/15/2024	11,192,214.69	11,178,573.52	0.29
UNITED STATES TREASURY	1/15/2024	6,956,193.75	6,947,715.48	0.29
UNITED STATES TREASURY	1/15/2024	1,087,871.09	1,085,269.40	0.29
UNITED STATES TREASURY	1/15/2024	2,804,621.48	2,797,804.60	0.29
UNITED STATES TREASURY	1/15/2024	16,557,790.23	16,513,021.10	0.29
UNITED STATES TREASURY	1/31/2023	45,000.00	44,982.45	0.15
UNITED STATES TREASURY	1/31/2023	8,817,010.26	8,811,162.31	0.15
UNITED STATES TREASURY	1/31/2023	8,816,838.12	8,811,162.31	0.15
UNITED STATES TREASURY	1/31/2023	4,417,707.64	4,414,777.57	0.15
UNITED STATES TREASURY	1/31/2023	759,507.62	759,003.87	0.15
UNITED STATES TREASURY	1/31/2023	3,980,777.34	3,978,447.80	0.15
UNITED STATES TREASURY	1/31/2023	910,213.28	909,645.10	0.15
UNITED STATES TREASURY	1/31/2023	2,320,725.00	2,319,095.20	0.15
UNITED STATES TREASURY	1/31/2023	4,351,359.38	4,348,303.50	0.15
UNITED STATES TREASURY	1/31/2023	3,110,242.97	3,108,787.10	0.15
UNITED STATES TREASURY	1/31/2023	1,034,959.57	1,034,596.35	0.15
UNITED STATES TREASURY	3/31/2023	3,858,190.63	3,857,606.80	0.16
UNITED STATES TREASURY	4/15/2024	7,044,015.26	7,044,670.33	0.34
UNITED STATES TREASURY	5/15/2022	7,940,162.11	7,980,443.55	0.09
UNITED STATES TREASURY	5/15/2022	1,979,554.69	1,991,281.50	0.09
UNITED STATES TREASURY	9/30/2022	9,196,083.40	9,356,523.85	0.12
UNITED STATES TREASURY	9/30/2022	7,699,007.81	7,826,944.50	0.12
UNITED STATES TREASURY	9/30/2022	10,407,680.66	10,563,817.25	0.12
UNITED STATES TREASURY	9/30/2022	4,212,140.63	4,297,146.00	0.12
UNITED STATES TREASURY	10/15/2022	6,859,031.25	7,025,580.00	0.13
UNITED STATES TREASURY	10/15/2022	3,944,908.20	4,021,890.00	0.13
UNITED STATES TREASURY	3/15/2023	4,087,313.28	4,080,992.55	0.16
UNITED STATES TREASURY	3/15/2023	5,110,995.70	5,102,498.70	0.16

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DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	3/15/2023	3,678,658.20	3,673,396.50	0.16
UNITED STATES TREASURY	3/15/2023	4,132,031.25	4,126,281.00	0.16
UNITED STATES TREASURY	3/15/2023	2,821,000.00	2,817,948.00	0.16
UNITED STATES TREASURY	3/15/2023	614,622.66	613,910.10	0.16
UNITED STATES TREASURY	5/15/2023	4,098,078.13	4,095,531.00	0.18
UNITED STATES TREASURY	5/15/2023	5,623,022.46	5,618,868.75	0.18
UNITED STATES TREASURY	10/15/2023	4,989,843.75	4,986,550.00	0.23
UNITED STATES TREASURY	10/15/2023	4,096,476.56	4,088,971.00	0.23
UNITED STATES TREASURY	10/15/2023	6,972,656.25	6,981,170.00	0.23
UNITED STATES TREASURY	10/15/2023	4,099,725.00	4,098,944.10	0.23
UNITED STATES TREASURY	7/31/2022	6,061,226.56	6,338,074.00	0.10
UNITED STATES TREASURY	8/31/2022	4,470,357.42	4,758,996.00	0.12
UNITED STATES TREASURY	8/31/2022	2,874,960.94	3,070,320.00	0.12
UNITED STATES TREASURY	11/30/2022	7,718,648.44	8,029,710.00	0.14
UNITED STATES TREASURY	4/30/2023	5,234,208.98	5,401,777.50	0.18
UNITED STATES TREASURY	5/31/2023	7,787,187.50	8,238,480.00	0.19
UNITED STATES TREASURY	10/31/2023	8,007,187.50	8,273,760.00	0.25
UNITED STATES TREASURY	6/30/2022	4,329,843.75	4,586,850.00	0.10
UNITED STATES TREASURY	8/15/2022	6,983,046.88	7,126,910.00	0.10
UNITED STATES TREASURY	10/15/2022	7,957,187.50	8,145,600.00	0.13
UNITED STATES TREASURY	1/31/2025	8,313,750.00	8,246,880.00	0.54
UNITED STATES TREASURY	2/28/2022	10,149,609.38	10,088,300.00	0.07
UNITED STATES TREASURY	3/31/2025	1,989,687.50	1,993,280.00	0.59
UNITED STATES TREASURY	12/15/2023	7,978,437.50	7,969,680.00	0.27
UNITED STATES TREASURY	4/15/2024	8,013,437.50	8,008,720.00	0.34
SUB-TOTAL		562,359,132.62	567,719,166.43	
FEDERAL AGENCY/GSE				
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	6,921,676.00	6,937,118.75	0.09
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	8,160,363.15	8,195,804.20	0.19
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	7,758,283.75	7,780,909.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	7,526,137.50	7,573,218.30	0.18
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,146,997.00	7,175,025.00	0.20
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,383,377.40	7,409,739.20	0.22
FEDERAL HOME LOAN MORTGAGE CORP	7/25/2022	4,963,756.50	4,977,189.00	0.09
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	9,190,616.00	9,201,932.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,275,963.27	5,275,949.50	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	6,997,690.00	7,001,260.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	3,088,437.00	3,089,584.00	0.26
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,991,720.00	1,993,280.00	0.26
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	8,192,620.00	8,197,950.00	0.26
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	6,918,144.25	6,921,329.75	0.27
FHMS K-727 A1	10/25/2023	389,140.46	403,553.50	0.45
FEDERAL HOME LOAN BANKS	2/12/2026	4,147,095.00	4,095,386.00	0.88
FEDERAL HOME LOAN BANKS	3/12/2024	1,840,000.00	1,840,147.20	0.48
FEDERAL HOME LOAN MORTGAGE CORP	11/25/2024	2,250,000.00	2,243,385.00	0.53
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	8/1/2021	710,000.00	714,444.60	0.09
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,098,470.00	5,101,377.00	0.20
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,839,084.50	5,836,575.45	0.20
FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490.00	4,072,202.00	0.76
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	4,084,387.25	4,088,063.75	0.12
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	3,999,600.00	4,003,000.00	0.12
FEDERAL HOME LOAN MORTGAGE CORP	10/13/2023	4,097,950.00	4,096,638.00	0.33
FEDERAL HOME LOAN MORTGAGE CORP	11/24/2023	2,035,000.00	2,033,677.25	0.38
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	251,800.00	253,295.00	0.06
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,610,864.00	5,673,808.00	0.06
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,677,685.00	5,724,467.00	0.06
FEDERAL NATIONAL MORTGAGE ASSOCIATION	10/27/2023	6,098,475.00	6,101,159.00	0.26
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,652,771.25	5,665,147.75	0.07
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,663,313.58	5,665,147.75	0.07
FN 468861	8/1/2021	595,530.31	586,690.59	3.03
FEDERAL HOME LOAN BANKS	9/8/2023	4,135,800.00	4,198,040.00	0.27
FEDERAL HOME LOAN BANKS	9/8/2023	4,104,600.00	4,198,040.00	0.27
FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750.00	5,215,350.00	0.36
FEDERAL HOME LOAN BANKS	3/10/2023	5,053,550.00	5,234,700.00	0.22
FEDERAL HOME LOAN BANKS	6/10/2022	4,988,900.00	5,147,250.00	0.10
FEDERAL HOME LOAN BANKS	12/9/2022	7,058,660.00	7,316,330.00	0.18
FEDERAL HOME LOAN BANKS	3/11/2022	3,046,221.55	3,142,658.65	0.09
FEDERAL HOME LOAN BANKS	3/11/2022	1,160,218.50	1,196,960.75	0.09
FEDERAL HOME LOAN BANKS	6/9/2023	3,977,720.00	4,160,840.00	0.21
FEDERAL HOME LOAN BANKS	6/9/2023	4,029,880.00	4,160,840.00	0.21
FEDERAL HOME LOAN BANKS	9/9/2022	6,828,560.00	7,077,236.00	0.12
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/17/2021	6,022,920.00	6,103,260.00	0.07
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2021	7,034,930.00	7,111,230.00	0.11
FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200.00	5,293,900.00	0.21
FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450.00	7,237,090.00	0.19
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/1/2023	4,996,450.00	5,148,750.00	0.15
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550.00	5,156,750.00	0.23
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	7,983,280.00	7,996,160.00	0.22
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/21/2023	5,000,600.00	5,117,550.00	0.15
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/8/2022	7,204,321.80	7,236,212.10	0.06
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/6/2022	8,124,668.55	8,149,724.35	0.07
FEDERAL FARM CREDIT BANKS FUNDING CORP	10/2/2023	4,994,600.00	4,993,100.00	0.26
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	6,111,548.70	6,138,091.60	0.19
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,203,098.50	3,212,439.60	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	5,000,300.00	5,003,800.00	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/27/2023	1,797,948.00	1,799,334.00	0.26
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	6,815,760.00	7,092,260.00	0.06
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	4,411,710.00	4,670,685.00	0.16
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	2,233,875.00	2,387,239.00	0.16
FEDERAL NATIONAL MORTGAGE ASSOCIATION	4/12/2022	6,370,496.00	6,531,648.00	0.08
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	3,986,080.00	4,067,040.00	0.13
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	8,248,720.00	8,129,360.00	0.07
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,621,797.50	7,651,687.50	0.20
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,143.80	7,489,790.40	0.22
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	8,001,840.00	8,001,680.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,098,317.00	5,100,918.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	3,001,860.00	3,000,540.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	6,376,128.00	6,378,496.00	0.26
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	4,705,761.00	4,708,822.50	0.26
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	5,959,094.65	5,961,838.55	0.27
SUB-TOTAL		374,028,746.71	377,846,095.54	
MEDIUM TERM NOTES				
ADOBE INC	2/1/2023	449,383.50	461,250.00	0.27
AMAZON.COM INC	6/3/2023	2,022,165.00	2,032,634.25	0.22
AMERICAN HONDA FINANCE CORP	6/27/2022	3,796,504.00	3,886,108.00	0.24
APPLE INC	9/11/2022	589,899.70	601,864.90	0.22
APPLE INC	5/11/2023	1,475,974.40	1,494,400.40	0.27

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BANK OF NEW YORK MELLON CORP	8/23/2022	1,724,448.00	1,764,933.75	0.19
BANK OF NEW YORK MELLON CORP	1/27/2023	1,099,230.00	1,130,294.00	0.20
BANK OF NEW YORK MELLON CORP	4/24/2025	1,279,625.00	1,286,850.00	0.83
BRISTOL-MYERS SQUIBB CO	11/13/2023	1,900,000.00	1,902,033.00	0.34
BURLINGTON NORTHERN SANTA FE LLC	4/1/2025	753,641.00	752,850.00	0.90
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,048,540.50	1,074,328.50	0.18
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	499,770.00	513,440.00	0.21
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	1,124,370.00	1,132,762.50	0.33
CHEVRON USA INC	8/11/2023	450,000.00	451,471.50	0.28
CHEVRON CORP	5/11/2023	875,000.00	889,840.00	0.30
JOHN DEERE CAPITAL CORP	7/5/2023	399,672.00	403,440.00	0.30
JOHN DEERE CAPITAL CORP	10/10/2023	499,420.00	501,115.00	0.31
JOHN DEERE CAPITAL CORP	1/17/2024	794,435.55	795,079.50	0.45
GOLDMAN SACHS GROUP INC	3/3/2024	440,856.00	437,012.00	0.71
GOLDMAN SACHS GROUP INC	1/27/2023	1,000,000.00	1,000,560.00	0.41
HONEYWELL INTERNATIONAL INC	8/8/2022	779,212.20	797,846.40	0.22
HONEYWELL INTERNATIONAL INC	8/19/2022	1,875,000.00	1,876,612.50	0.20
INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	1,027,845.50	1,016,120.60	0.48
JPMORGAN CHASE & CO	4/1/2023	1,000,000.00	1,026,080.00	0.36
MORGAN STANLEY	5/19/2022	496,685.00	512,880.00	0.30
MORGAN STANLEY	2/25/2023	1,063,280.00	1,059,960.00	0.44
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1/21/2022	1,099,032.00	1,110,725.00	0.40
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/8/2024	809,441.10	808,274.70	0.43
NORTHERN TRUST CORP	8/2/2022	1,012,140.00	1,027,130.00	0.21
PNC BANK NA	2/24/2023	800,000.00	809,272.00	0.32
PACCAR FINANCIAL CORP	5/10/2022	999,460.00	1,024,670.00	0.25
PACCAR FINANCIAL CORP	8/11/2023	449,410.50	449,154.00	0.43
PEPSICO INC	5/1/2023	923,168.50	934,185.25	0.25
CHARLES SCHWAB CORP	3/18/2024	1,279,360.00	1,288,204.80	0.52
TOYOTA MOTOR CREDIT CORP	1/11/2022	3,686,662.50	3,809,962.50	0.30
TOYOTA MOTOR CREDIT CORP	1/11/2024	2,149,871.00	2,149,720.50	0.45
TOYOTA MOTOR CREDIT CORP	4/6/2023	584,526.15	586,924.65	0.23
ADOBE INC	2/1/2023	1,103,486.15	1,132,625.00	0.27
AMERICAN EXPRESS CO	5/20/2022	1,558,128.00	1,597,658.40	0.26
AMERIPRISE FINANCIAL INC	3/22/2022	1,535,888.20	1,577,298.80	0.29
AMERIPRISE FINANCIAL INC	3/22/2022	119,877.60	122,906.40	0.29
APPLE INC	5/11/2023	1,441,069.60	1,459,059.85	0.27
TRUIST FINANCIAL CORP	6/20/2022	2,048,120.00	2,058,520.00	0.27
TRUIST FINANCIAL CORP	3/16/2023	1,943,560.70	2,009,340.60	0.34
BANK OF AMERICA CORP	5/17/2022	1,075,000.00	1,076,225.50	1.07
BANK OF NEW YORK MELLON CORP	4/28/2023	1,352,323.95	1,383,863.67	0.22
CATERPILLAR FINANCIAL SERVICES CORP	11/29/2022	859,078.00	880,778.50	0.25
CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	1,713,679.45	1,732,235.75	0.30
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,353,116.55	1,386,395.35	0.18
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	1,469,323.80	1,509,513.60	0.21
CHEVRON CORP	5/11/2023	455,000.00	462,716.80	0.30
CISCO SYSTEMS INC	9/20/2021	1,894,243.00	1,909,576.00	0.20
CITIGROUP INC	12/8/2021	1,012,830.00	1,013,670.00	0.28
COMERICA INC	7/31/2023	2,120,020.00	2,138,040.00	0.49
CONSUMERS ENERGY CO	6/1/2023	579,802.80	579,309.80	0.41
JOHN DEERE CAPITAL CORP	6/13/2022	1,438,142.40	1,467,230.40	0.26
JOHN DEERE CAPITAL CORP	4/6/2023	519,875.20	529,599.20	0.24
DUKE ENERGY CAROLINAS LLC	3/15/2023	2,502,051.75	2,563,110.00	0.41
ERP OPERATING LP	4/15/2023	1,933,786.40	1,923,918.64	0.35
ENTERGY LOUISIANA LLC	11/17/2023	759,863.20	760,843.60	0.42
ENTERGY LOUISIANA LLC	11/17/2023	740,355.20	740,821.40	0.42
FIFTH THIRD BANK NA (OHIO)	1/30/2023	1,473,761.00	1,511,049.00	0.33
HUNTINGTON NATIONAL BANK	2/3/2023	1,568,681.20	1,609,155.80	0.31
KEYBANK NA	3/7/2023	694,840.24	704,940.40	0.38
KEYBANK NA	3/7/2023	311,595.00	316,590.00	0.38
KEYBANK NA	3/7/2023	150,524.50	153,018.50	0.38
KEYBANK NA	3/7/2023	821,620.13	830,521.10	0.38
MORGAN STANLEY	5/19/2022	1,031,611.25	1,051,404.00	0.30
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	4/25/2022	1,208,052.00	1,222,536.00	0.32
NIKE INC	3/27/2025	134,816.40	142,925.85	0.84
PNC BANK NA	7/22/2022	1,925,000.00	1,933,296.75	0.34
PNC BANK NA	2/24/2023	315,000.00	318,650.85	0.32
PACCAR FINANCIAL CORP	9/26/2022	714,127.70	731,924.05	0.31
PACCAR FINANCIAL CORP	2/7/2023	1,999,900.00	2,056,300.00	0.30
PRECISION CASTPARTS CORP	1/15/2023	1,965,015.00	2,011,678.50	0.32
CHARLES SCHWAB CORP	3/18/2024	1,754,122.50	1,766,249.55	0.52
TRUIST BANK	5/17/2022	1,978,990.20	2,029,480.20	0.20
WALMART INC	12/15/2022	1,323,622.40	1,320,947.20	0.27
WELLS FARGO BANK NA	10/22/2021	1,789,803.10	1,813,019.40	0.34
AMERICAN EXPRESS CO	8/1/2022	3,103,260.00	3,076,230.00	0.32
ASSOCIATION OF AMERICAN MEDICAL COLLEGES	10/1/2022	2,990,000.00	3,015,684.10	1.31
TRUIST FINANCIAL CORP	6/20/2022	2,339,167.50	2,315,835.00	0.27
TRUIST FINANCIAL CORP	3/16/2023	2,947,817.00	3,047,586.00	0.34
BAYCARE HEALTH SYSTEM INC	11/15/2022	1,456,344.00	1,486,569.60	0.50
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	3,053,289.20	3,076,079.50	0.33
COMCAST CORP	10/15/2025	4,042,256.85	4,055,053.95	1.04
CREDIT SUISSE AG (NEW YORK BRANCH)	2/2/2024	2,655,000.00	2,633,706.90	0.79
GEORGIA-PACIFIC LLC	5/15/2024	3,064,049.85	3,056,571.25	0.72
HONEYWELL INTERNATIONAL INC	8/19/2022	4,015,000.00	4,018,452.90	0.20
HUNTINGTON NATIONAL BANK	8/7/2022	2,024,431.10	2,021,436.70	0.29
KEYBANK NA	11/22/2021	1,785,864.60	1,851,197.32	0.24
KEYBANK NA	11/22/2021	1,953,600.00	2,025,380.00	0.24
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	3,982,648.85	4,021,462.75	0.41
NATIONAL SECURITIES CLEARING CORP	4/23/2023	3,162,024.90	3,220,577.40	0.31
NEW YORK LIFE GLOBAL FUNDING	5/5/2023	2,084,562.15	2,114,565.30	0.39
PACIFIC LIFE GLOBAL FUNDING II	9/23/2023	2,022,468.75	2,028,604.50	0.43
PROTECTIVE LIFE GLOBAL FUNDING	6/9/2023	3,500,000.00	3,543,750.00	0.49
TOYOTA MOTOR CREDIT CORP	1/11/2024	2,544,847.30	2,544,669.15	0.45
VIRGINIA ELECTRIC AND POWER CO	3/15/2023	2,087,580.00	2,077,840.00	0.35
AMERICAN HONDA FINANCE CORP	11/16/2022	2,021,300.00	2,067,240.00	0.41
AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215.00	1,624,335.00	0.46
APPLE INC	5/3/2023	1,977,040.00	2,084,220.00	0.30
APPLE INC	2/23/2023	2,949,060.00	3,128,760.00	0.24
BANK OF AMERICA CORP	1/11/2023	3,034,740.00	3,151,440.00	0.32
BANK OF NEW YORK MELLON CORP	1/29/2023	2,944,320.00	3,131,580.00	0.31
BERKSHIRE HATHAWAY INC	3/15/2023	2,924,460.00	3,123,930.00	0.32
BERKSHIRE HATHAWAY INC	3/15/2023	2,014,300.00	2,082,620.00	0.32
DEERE & CO	6/8/2022	1,466,700.00	1,530,615.00	0.21
JOHN DEERE CAPITAL CORP	1/17/2024	3,512,504.35	3,515,351.50	0.45
GENERAL DYNAMICS CORP	5/11/2021	3,985,000.00	4,002,440.00	0.99
PACCAR FINANCIAL CORP	9/26/2022	1,498,170.00	1,535,505.00	0.31
PACCAR FINANCIAL CORP	2/7/2023	2,274,886.25	2,339,041.25	0.30
PACCAR FINANCIAL CORP	2/2/2024	1,618,120.80	1,611,721.80	0.54
CHARLES SCHWAB CORP	5/21/2021	1,554,953.35	1,555,777.50	1.43

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DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CHARLES SCHWAB CORP	3/18/2024	2,333,832.50	2,349,967.35	0.52
CHARLES SCHWAB CORP	3/18/2024	2,006,720.00	2,012,820.00	0.52
TOYOTA MOTOR CREDIT CORP	4/6/2023	1,798,542.00	1,805,922.00	0.23
U.S. BANCORP	2/5/2024	2,107,940.00	2,156,920.00	0.43
U.S. BANCORP	7/30/2024	2,662,075.00	2,643,375.00	0.57
VISA INC	12/14/2022	1,962,480.00	2,075,920.00	0.19
WALMART INC	6/26/2023	3,083,010.00	3,195,000.00	0.25
WALMART INC	6/26/2023	2,056,460.00	2,130,000.00	0.25
SUB-TOTAL		203,133,774.97	206,424,688.33	
<u>MORTGAGE AND ASSET-BACK SECURITIES</u>				
ALLYA 2019-1 A3	9/15/2023	839,989.93	851,012.60	1.06
BMWLT 2021-1 A3	1/25/2024	769,975.59	769,507.20	0.33
COMET 2019-2 A	9/15/2022	2,749,307.55	2,803,817.50	0.29
COPAR 2019-1 A3	11/15/2023	691,231.64	699,709.65	1.01
CARMX 2021-2 A3	2/17/2026	1,314,716.62	1,315,341.90	0.51
CARMX 2020-4 A3	8/15/2025	474,895.45	476,064.00	0.41
CARMX 2021-1 A3	12/15/2025	649,871.56	649,005.50	0.40
DCENT 2019-3 A	10/15/2024	999,785.20	1,023,690.00	0.27
FNA 2012-M5 A2	2/25/2022	436,628.65	441,854.00	1.34
FNA 2013-M1 A2	8/25/2022	811,614.92	819,527.90	0.19
FNA 2013-M7 A2	12/25/2022	648,064.03	655,822.75	0.04
FHMS K-018 A2	1/25/2022	3,150,787.53	3,207,079.62	0.37
FHMS K-019 A2	3/25/2022	2,330,221.72	2,393,679.91	0.27
FHMS K-020 A1	1/25/2022	13,659.47	14,000.60	0.25
FHMS K-022 A2	7/25/2022	1,203,426.01	1,224,382.69	0.35
FHMS K-023 A1	4/25/2022	301,581.95	310,794.22	0.28
FHMS K-023 A2	8/25/2022	1,775,839.84	1,790,460.00	0.32
FHMS K-026 A2	11/25/2022	3,462,687.50	3,502,034.00	0.33
FHMS K-026 A2	11/25/2022	510,800.78	515,005.00	0.33
FHMS K-029 A1	10/25/2022	199,990.40	202,533.07	0.20
FHMS K-029 A1	10/25/2022	365,362.61	370,471.98	0.20
FHMS K-034 A1	2/25/2023	706,925.78	724,723.35	0.26
FHMS K-035 A1	3/25/2023	565,941.43	579,512.57	0.24
FHMS K-717 A2	9/25/2021	718,835.85	721,686.50	0.42
FHMS K-720 A2	6/25/2022	2,196,304.69	2,243,384.00	0.38
FHMS K-720 A2	6/25/2022	1,005,312.50	1,019,720.00	0.38
FHMS K-P05 A	7/25/2023	228,175.47	232,614.18	0.98
FHMS K-J27 A1	7/25/2024	973,405.66	1,002,729.23	0.44
FITAT 2019-1 A3	12/15/2023	439,903.72	446,186.84	0.85
FORDL 2019-A A3	5/15/2022	94,655.08	94,767.55	0.21
FORDO 2021-A A3	8/15/2025	859,927.50	859,286.20	0.33
GMCAR 2019-1 A3	11/16/2023	1,195,228.37	1,210,458.10	1.12
GMCAR 2020-3 A3	4/16/2025	899,794.08	902,304.00	0.33
GMCAR 2020-4 A3	8/18/2025	424,909.18	425,263.50	0.35
GMALT 2021-1 A3	2/20/2024	1,084,888.90	1,084,359.85	0.29
GMALT 2019-3 A3	6/20/2022	477,527.20	479,480.65	0.87
HDMOT 2020-A A3	10/15/2024	874,809.16	887,731.25	0.52
HAROT 2018-4 A3	1/15/2023	501,489.99	507,648.96	0.69
HAROT 2018-3 A3	8/22/2022	409,029.42	412,051.42	0.76
HALST 2021-A A3	1/16/2024	494,938.22	495,242.55	0.30
HART 2019-A A3	6/15/2023	305,313.74	309,088.40	0.66
HART 2021-A A3	9/15/2025	869,908.48	870,017.40	0.38
KCOT 211 A3	8/15/2025	914,812.79	915,000.00	0.62
MBALT 2020-B A3	11/15/2023	259,986.82	260,291.20	0.33
MBART 2020-1 A3	2/18/2025	624,951.19	627,168.75	0.35
MBART 2018-1 A3	1/15/2023	442,664.60	445,997.29	0.96
NALT 2019-B A3	7/15/2022	345,523.99	347,050.19	0.61
NAROT 2018-C A3	6/15/2023	522,671.83	530,540.38	0.87
NAROT 2020-B A3	7/15/2024	1,149,968.49	1,154,209.00	0.30
NAROT 2018-B A3	3/15/2023	649,649.95	656,895.34	0.89
NAROT 2019-C A3	7/15/2024	899,952.48	914,643.00	0.63
NAROT 2019-A A3	10/16/2023	1,674,639.00	1,698,642.72	1.03
NALT 2019-A A3	3/15/2022	68,279.18	68,523.13	0.03
TAOT 2018-D A3	3/15/2023	546,182.41	552,888.96	0.78
TAOT 2018-B A3	9/15/2022	369,344.19	371,536.25	0.70
TAOT 2019-C A3	9/15/2023	1,099,990.98	1,111,517.00	0.57
VZOT 2020-B A	2/20/2025	799,832.00	803,064.00	0.23
VZOT 2019-C A1A	4/22/2024	1,424,890.13	1,448,484.00	0.27
VZOT 2020-A A1A	7/22/2024	999,882.90	1,019,480.00	0.24
VWALT 2019-A A3	11/21/2022	899,985.78	908,253.00	0.38
VALET 2018-2 A3	4/20/2023	1,090,846.52	1,103,983.05	0.68
WOART 2020-B A3	5/15/2025	999,921.60	1,004,740.00	0.38
BMWLT 2021-1 A4	7/25/2024	1,349,946.41	1,348,609.50	0.42
COPAR 2020-1 A3	11/15/2024	2,129,547.16	2,163,164.10	0.62
CARMX 2021-2 A3	2/17/2026	3,349,278.08	3,350,871.00	0.51
DRIVE 2020-2 A3	5/15/2024	629,975.93	632,003.40	0.43
DRIVE 2021-1 A3	11/15/2024	1,299,923.56	1,301,209.00	0.38
FNA 2011-M5 A2	7/25/2021	149,197.33	143,120.88	-0.05
FHMS K-020 A2	5/25/2022	2,714,871.09	2,746,980.00	0.30
FHMS K-SMC A2	1/25/2023	1,483,888.67	1,548,184.50	0.26
FHMS K-SMC A2	1/25/2023	2,030,198.44	2,119,662.00	0.26
FHMS K-SMC A2	1/25/2023	410,500.00	415,620.00	0.26
FHMS K-717 A2	9/25/2021	1,496,950.40	1,488,478.41	0.42
FHMS K-724 A1	3/25/2023	903,760.03	922,165.61	0.46
FHMS K-J33 A1	12/25/2025	1,443,401.16	1,436,201.24	0.59
FHMS K-727 A2	7/25/2024	4,493,337.89	4,440,758.10	0.73
FHMS K-J23 A2	12/25/2022	1,231,739.33	1,236,487.14	1.06
FHMS K-J30 A1	1/25/2025	1,582,604.82	1,578,709.96	0.60
GMCAR 212 A3	4/16/2026	649,942.87	651,085.50	0.46
HDMOT 2019-A A3	2/15/2024	3,129,398.43	3,163,346.90	0.64
HAROT 2019-3 A3	8/15/2023	1,809,984.98	1,830,181.50	0.53
JDOT 2019 A3	7/17/2023	1,161,436.23	1,176,958.29	0.55
JDOT 2020 A3	8/15/2024	2,799,828.92	2,823,716.00	0.55
MBALT 2020-A A3	12/15/2022	1,029,864.25	1,039,733.50	0.51
SDART 2020-3	7/15/2024	2,469,763.87	2,473,532.10	0.37
SDART 2021-1 A3	9/16/2024	2,949,875.51	2,949,705.00	0.33
TAOT 2018-A A3	5/16/2022	0.00	0.00	0.34
TAOT 2019-C A3	9/15/2023	1,829,984.99	1,849,160.10	0.57
VWALT 2019-A A3	11/21/2022	849,986.52	857,794.50	0.38
BMWLT 2019-1 A4	8/22/2022	4,179,346.35	4,136,388.23	0.44
CNH 2020-A A2	7/17/2023	358,864.35	359,705.68	0.45
CARMX 2019-3 A2A	12/15/2022	0.01	0.01	0.55
CARMX 2020-1 A3	12/16/2024	1,024,798.90	1,048,739.00	0.55
CARMX 2020-1 A4	6/16/2025	4,262,480.39	4,249,490.34	0.83
FH G12952	12/1/2022	84,084.37	83,219.65	0.81
FNA 2012-M9 A2	4/25/2022	259,955.05	261,518.78	0.42
FNA 2012-M9 A2	4/25/2022	53,564.41	53,888.72	0.42
FNA 2012-M17 A2	11/25/2022	371,758.78	394,103.53	0.14

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
FNR 2013-136 CV	6/25/2023	149,364.61	146,460.79	-0.02
FHR 3806 L	2/15/2026	302,029.61	302,860.76	0.26
FHMS K-015 A2	7/25/2021	345,893.58	346,298.62	0.30
FHMS K-015 A2	7/25/2021	94,603.08	93,234.24	0.30
FHMS 2011-K016 A2	10/25/2021	2,064,413.73	2,085,437.98	0.29
FHMS 2011-K016 A2	10/25/2021	595,898.09	590,646.92	0.29
FHMS K-020 A2	5/25/2022	487,851.56	508,700.00	0.30
FHMS K-020 A2	5/25/2022	97,562.50	101,740.00	0.30
FHMS K-020 A2	5/25/2022	194,437.50	203,480.00	0.30
FHMS K-021 A2	6/25/2022	979,257.81	1,019,390.00	0.34
FHMS K-023 A1	4/25/2022	30,031.47	31,079.42	0.28
FHMS K-023 A1	4/25/2022	146,864.30	149,958.21	0.28
FHMS K-025 A1	4/25/2022	88,450.52	89,665.77	0.25
FHMS K-025 A2	10/25/2022	500,603.91	505,170.40	0.31
FHMS K-025 A2	10/25/2022	3,611,499.61	3,644,443.60	0.31
FHMS K-S01 A2	1/25/2023	202,159.20	212,275.49	0.42
FHMS K-027 A1	9/25/2022	31,726.58	32,851.90	0.25
FHMS K-027 A2	1/25/2023	2,101,558.59	2,172,513.00	0.34
FHMS K-027 A2	1/25/2023	1,875,366.21	1,939,743.75	0.34
FHR 4285 BA	12/15/2023	510,291.01	509,693.70	0.57
FHMS K-041 A1	8/25/2024	1,917,967.27	1,906,967.45	0.33
FHMS K-046 A1	1/25/2025	641,923.92	641,502.02	0.22
FHMS K-047 A1	12/25/2024	717,894.34	733,542.03	0.29
FHMS K-050 A1	1/25/2025	2,777,855.25	2,765,156.95	0.20
FN AM0359	8/1/2022	2,657,137.61	2,672,945.87	0.94
FN AM1999	7/1/2021	2,163,568.16	2,223,411.35	1.44
FN AN0429	1/1/2025	988,238.91	979,044.30	0.80
FNR 0338C MP	5/25/2023	173,506.49	173,203.16	0.66
FNR 0338C MP	5/25/2023	190,982.92	190,191.37	0.66
FNR 0333J LB	5/25/2023	108,029.04	107,710.81	1.09
FNR 0364L HQ	7/25/2023	117,002.57	117,453.95	0.64
FHR 2666 OD	8/15/2023	107,973.98	108,497.88	0.56
FHR 2666 OD	8/15/2023	112,339.48	112,697.80	0.56
FHR 2756 KA	2/15/2024	435,980.48	431,561.99	1.01
FNR 2008-45 DB	6/25/2023	150,321.02	150,191.91	0.47
FN BM6007	5/1/2023	433,826.27	426,658.68	1.01
FORDF 2017-3 A	9/15/2022	776,132.81	772,222.50	0.32
FORDF 2019-2 B	4/15/2024	1,831,369.92	1,830,948.30	0.83
FORDF 2020-1 A1	9/15/2025	1,007,617.19	1,004,620.00	0.50
GMALT 2020-2 B	7/22/2024	4,078,992.65	4,158,132.00	0.51
MMAF 20B A3	8/14/2025	3,469,950.38	3,466,009.50	0.55
MMAF 20A A2	4/9/2024	1,598,436.64	1,605,331.34	0.12
PFSFC 2019-A A2	4/15/2024	517,893.52	514,719.90	0.42
PFSFC 20B A	6/17/2024	1,564,789.51	1,578,865.90	0.42
PFSFC 20E A	10/15/2025	302,156.25	302,388.00	0.67
PFSFC 20E A	10/15/2025	1,007,421.87	1,007,960.00	0.67
SCART 20A A	10/15/2024	1,664,439.89	1,677,359.93	0.63
TFET 191 A3	4/24/2023	1,974,661.88	1,996,428.75	0.43
HAROT 2020-1 A3	4/22/2024	2,939,423.76	2,985,893.40	0.54
HAROT 2019-3 A3	8/15/2023	2,764,977.05	2,795,829.75	0.53
HART 2021-A A3	9/15/2025	1,759,814.85	1,760,035.20	0.38
JDOT 2019-B A3	12/15/2023	1,203,207.47	1,220,335.52	0.38
JDOT 2020 A3	8/15/2024	2,124,870.16	2,142,998.75	0.55
MBALT 2020-A A3	12/15/2022	1,409,814.16	1,423,324.50	0.51
NAROT 2019-C A3	7/15/2024	2,954,843.98	3,003,077.85	0.63
TAOT 2020-D A3	1/15/2025	1,689,685.15	1,689,983.10	0.35
TAOT 2021-A A3	5/15/2025	3,699,313.28	3,696,411.00	0.30
SUB-TOTAL		179,229,903.25	180,820,697.23	

Municipal Debt

CALIFORNIA EARTHQUAKE AUTH REV	7/1/2022	815,000.00	824,527.35	0.33
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2022	625,000.00	625,981.25	0.25
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	230,000.00	229,960.90	0.42
CALIFORNIA ST UNIV REV	11/1/2023	1,000,000.00	1,000,960.00	0.44
CONNECTICUT ST	7/1/2023	226,343.25	232,672.50	0.42
FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	1,025,000.00	1,034,542.75	1.03
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2023	760,000.00	761,178.00	0.38
MARYLAND ST	8/1/2023	2,125,000.00	2,131,906.25	0.27
MISSISSIPPI ST	11/1/2023	925,000.00	926,970.25	0.34
NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	850,000.00	849,643.00	0.91
NEW YORK ST URBAN DEV CORP REV	3/15/2023	915,000.00	915,549.00	0.45
NEW YORK ST URBAN DEV CORP REV	3/15/2024	2,790,000.00	2,789,553.60	0.63
PORT AUTH N Y & N J	7/1/2023	1,125,000.00	1,142,516.25	0.37
PORT AUTH N Y & N J	7/1/2023	1,101,416.70	1,112,049.15	0.37
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	6/1/2022	1,275,187.50	1,286,975.00	0.27
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	3,700,000.00	3,822,174.00	0.45
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,534,485.00	1,524,195.00	0.37
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	790,000.00	815,611.80	0.53
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	365,000.00	373,110.30	0.45
CALIFORNIA ST	3/1/2022	901,032.00	869,599.50	0.18
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	597,068.67	576,631.30	0.49
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	333,842.71	334,446.10	0.49
CALIFORNIA ST UNIV REV	11/1/2023	1,090,000.00	1,091,046.40	0.44
CALIFORNIA STATEWIDE CMNTYS DEV AUTH REV	2/1/2023	875,000.00	872,777.50	0.49
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2021	1,000,000.00	1,003,710.00	0.23
LOS ALTOS CALIF SCH DIST	8/1/2023	2,790,000.00	2,801,076.30	-2.44
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2025	1,600,000.00	1,585,120.00	1.16
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	1,019,560.00	1,036,770.00	0.53
MASSACHUSETTS (COMMONWEALTH OF)	5/1/2022	1,186,968.00	1,168,203.60	0.16
OAKLAND-ALAMEDA CNTY CALIF COLISEUM AUTH LEASE REV	2/1/2023	1,058,440.00	1,048,140.00	0.58
PALM DESERT CALIF REDEV AGY SUCCESSOR AGY TAX ALLO	10/1/2022	1,114,074.90	1,127,817.15	0.63
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2024	1,410,000.00	1,405,713.60	0.73
RIVERSIDE CALIF UNI SCH DIST	2/1/2022	750,000.00	758,625.00	0.27
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	1,375,000.00	1,418,188.75	0.60
SACRAMENTO CNTY CALIF SANTN DIST FING AUTH REV	12/1/2023	1,500,000.00	1,506,435.00	0.59
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	890,000.00	899,843.40	0.60
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2021	1,285,000.00	1,290,525.50	0.23
SAN DIEGO CALIF PUB FACS FING AUTH LEASE REV	10/15/2021	1,325,000.00	1,340,582.00	0.42
SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	11/1/2022	630,000.00	645,838.20	0.27
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2021	2,800,000.00	2,800,000.00	2.89
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,350,000.00	2,416,387.50	0.22
SANTA BARBARA CNTY CALIF SOLID WASTE SYS REV CTFS	12/1/2021	375,000.00	381,206.25	0.47
SEMITROPIC IMPT DIST SEMITROPIC WTR STORAGE DIST C	12/1/2022	1,637,622.60	1,623,228.80	0.43
SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	7/1/2023	2,735,000.00	2,739,458.05	0.45
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2022	1,577,512.50	1,575,683.50	0.29
UNIVERSITY CALIF REVS	5/15/2021	860,000.00	860,524.60	0.64
UNIVERSITY CALIF REVS	5/15/2022	1,926,739.20	1,981,401.60	0.21
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2022	2,460,000.00	2,468,929.80	0.24
VALLEJO CALIF WTR REV	5/1/2023	840,000.00	852,482.40	0.72
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	2,865,000.00	2,911,212.45	0.37

Orange County Transportation Authority
Portfolio Listing
As of April 30, 2021

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,105,500.00	1,117,743.00	0.37
CALIFORNIA HEALTH FACS FING AUTH REV	6/1/2021	2,140,000.00	2,142,846.20	0.35
CALIFORNIA ST	4/1/2024	3,239,373.40	3,310,698.60	0.47
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2024	2,120,000.00	2,113,470.40	0.65
CHAFFEE CMNTY COLLEGE DIST CALIF	6/1/2022	715,000.00	724,716.85	0.35
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2022	1,000,000.00	1,016,710.00	0.31
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	1/12/2024	4,332,008.85	4,321,691.55	0.49
EL CAJON CALIF	4/1/2023	610,000.00	609,939.00	0.65
EL CAJON CALIF	4/1/2024	540,000.00	538,342.20	1.03
EL DORADO CALIF IRR DIST REV	3/1/2023	720,000.00	725,479.20	0.45
EL DORADO CALIF IRR DIST REV	3/1/2024	720,000.00	728,294.40	0.67
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2022	715,000.00	725,002.85	0.62
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000.00	737,851.40	0.98
LOS ANGELES CALIF DEPT ARPTS ARPT REV	5/15/2021	1,006,380.00	1,000,620.00	0.80
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	1,620,000.00	1,615,431.60	0.51
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	900,000.00	900,081.00	0.51
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2023	720,000.00	719,712.00	0.67
LOS ANGELES CNTY CALIF PUB WKS FING AUTH LEASE REV	12/1/2021	1,537,050.00	1,525,020.00	0.33
MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	10/15/2022	1,800,000.00	1,844,676.00	0.26
MASSACHUSETTS ST WTR RES AUTH IAM COML PAPER NTS 3	8/1/2023	2,365,000.00	2,441,389.50	0.33
MISSISSIPPI ST	11/1/2023	4,540,000.00	4,549,670.20	0.34
OHIO ST SPL OBLIG	10/1/2023	1,180,000.00	1,184,295.20	0.41
OHIONE CALIF CMNTY COLLEGE DIST	8/1/2022	800,000.00	814,904.00	0.21
PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2021	400,000.00	406,520.00	0.45
PENNSYLVANIA ST TPK COMMN TPK REV	12/1/2021	876,767.50	884,992.50	0.32
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2023	865,000.00	863,737.10	0.48
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2021	480,000.00	484,651.20	0.47
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2022	400,000.00	409,836.00	0.60
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2022	2,420,000.00	2,453,371.80	0.52
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2022	1,500,000.00	1,531,860.00	0.24
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	1,440,000.00	1,444,766.40	0.48
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,138,837.50	2,183,101.20	0.48
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2023	1,635,140.00	1,692,270.60	0.73
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2021	290,000.00	290,449.50	0.14
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2022	430,000.00	432,829.40	0.21
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2023	430,000.00	431,419.00	0.36
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2023	2,590,000.00	2,604,737.10	0.43
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2024	2,625,000.00	2,642,666.25	0.62
UTAH HSG CORP SINGLE FAMILY MTG REV	1/1/2022	1,300,000.00	1,312,636.00	0.64
UTAH HSG CORP SINGLE FAMILY MTG REV	7/1/2022	545,000.00	553,812.65	0.76
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2022	560,000.00	563,483.20	0.43
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	720,000.00	728,748.00	0.56
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	722,793.60	728,748.00	0.56
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	728,517.60	728,748.00	0.56
NEW YORK ST	2/15/2024	3,000,000.00	3,134,250.00	0.40
SUB-TOTAL		126,572,661.49	127,707,899.66	
<i>Variable & Floating Rate</i>				
BANK OF AMERICA CORP	3/5/2024	1,064,260.00	1,053,360.00	0.64
BANK OF AMERICA CORP	5/19/2024	1,425,000.00	1,448,897.25	0.66
BANK OF AMERICA CORP	4/22/2025	850,000.00	851,895.50	0.85
CARMX 2020-3 A3	3/17/2025	774,867.17	778,371.25	0.39
CITIGROUP INC	10/30/2024	2,500,000.00	2,502,775.00	0.79
CITIGROUP INC	11/4/2022	599,999.91	312,858.20	0.50
GMALT 2020-3 A3	8/21/2023	624,940.13	626,406.25	0.28
GMCAR 2021-1 A3	10/16/2025	369,941.10	370,033.30	0.35
GOLDMAN SACHS GROUP INC	11/17/2023	1,675,000.00	1,676,993.25	0.55
JPMORGAN CHASE & CO	6/1/2024	1,575,000.00	1,605,066.75	0.91
JPMORGAN CHASE & CO	9/16/2024	300,000.00	300,447.00	0.68
JPMORGAN CHASE & CO	2/16/2025	815,000.00	810,069.25	0.73
JPMORGAN CHASE & CO	3/16/2024	1,000,000.00	1,003,340.00	0.58
MORGAN STANLEY	1/25/2024	1,535,000.00	1,533,971.55	0.53
MORGAN STANLEY	4/5/2024	250,000.00	250,580.00	0.61
NALT 2020-B A3	10/16/2023	424,956.27	425,718.25	0.32
TL0T-21A-A3	4/20/2024	1,084,873.38	1,085,000.00	0.00
BANK OF AMERICA CORP	10/24/2024	2,155,000.00	2,158,814.35	0.74
BANK OF AMERICA CORP	4/22/2025	1,745,000.00	1,748,891.35	0.85
CITIGROUP INC	10/30/2024	2,065,000.00	2,067,292.15	0.79
CITIBANK NA	5/20/2022	298,510.50	295,345.15	0.78
CITIBANK NA	5/20/2022	1,319,576.85	1,306,526.85	0.78
FNA 2014-M8 A2	6/25/2024	2,052,518.63	2,020,146.21	0.53
FNA 2018-M5 A2	9/25/2021	95,976.18	94,440.31	1.08
FHMS K-029 A2	2/25/2023	1,078,080.08	1,081,149.80	0.29
FHMS K-029 A2	2/25/2023	1,716,426.56	1,721,442.40	0.29
FHMS K-029 A2	2/25/2023	820,581.64	829,231.40	0.29
FHMS K-029 A2	2/25/2023	1,797,539.45	1,773,925.40	0.29
FHMS K-031 A2	4/25/2023	3,771,482.81	3,731,761.80	0.37
FHMS K-032 A2	5/25/2023	3,805,596.09	3,953,254.80	0.38
FHMS K-033 A2	7/25/2023	3,809,798.44	3,825,874.80	0.39
FHMS K-05 A	7/25/2024	1,143,213.25	1,145,191.00	0.27
FIRST REPUBLIC BANK	2/12/2024	500,000.00	512,155.00	0.54
GOLDMAN SACHS GROUP INC	6/5/2023	2,177,282.40	2,175,480.40	0.51
GOLDMAN SACHS GROUP INC	3/8/2024	2,115,000.00	2,117,749.50	0.60
GOLDMAN SACHS GROUP INC	10/31/2022	1,573,456.50	1,579,331.25	0.42
JPMORGAN CHASE & CO	9/16/2024	1,160,000.00	1,161,728.40	0.68
JPMORGAN CHASE & CO	2/16/2025	915,000.00	909,464.25	0.73
JPMORGAN CHASE & CO	3/16/2024	2,110,000.00	2,117,047.40	0.58
JDOT 2021 A3	9/15/2025	2,349,548.33	2,344,548.00	0.46
KEYBANK NA	1/3/2024	1,450,000.00	1,453,059.50	0.30
MORGAN STANLEY	10/21/2025	615,000.00	614,077.50	0.87
MORGAN STANLEY	11/10/2023	1,160,000.00	1,161,252.80	0.48
MORGAN STANLEY	1/25/2024	1,840,000.00	1,838,767.20	0.53
MORGAN STANLEY	4/5/2024	875,000.00	877,030.00	0.61
PNC BANK NA	12/9/2022	1,640,000.00	1,656,744.40	0.35
WELLS FARGO BANK NA	9/9/2022	1,990,000.00	2,002,397.70	0.34
BMW US CAPITAL LLC	4/1/2024	2,410,000.00	2,423,206.80	0.35
BANK OF AMERICA CORP	12/20/2023	2,879,411.20	2,848,175.20	0.58
BANK OF AMERICA CORP	10/24/2024	2,256,637.50	2,253,982.50	0.74
BANK OF AMERICA CORP	10/24/2024	802,424.00	801,416.00	0.74
FNA 2014-M6 A2	5/25/2021	21,098.46	21,371.52	0.96
FN AL3382	3/1/2023	727,610.27	734,157.86	0.87
GOLDMAN SACHS GROUP INC	11/17/2023	3,560,000.00	3,564,236.40	0.55
GOLDMAN SACHS GROUP INC	11/17/2023	3,604,680.00	3,604,284.00	0.55
JPMORGAN CHASE & CO	12/5/2024	964,932.50	947,362.50	0.80
JPMORGAN CHASE & CO	12/5/2024	3,132,832.40	3,074,868.00	0.80
JPMORGAN CHASE & CO	12/5/2024	3,961,872.00	3,897,720.00	0.80
KEYBANK NA	2/1/2022	4,180,000.00	4,197,556.00	0.30
MORGAN STANLEY	11/10/2023	5,725,000.00	5,731,183.00	0.48
MORGAN STANLEY	11/10/2023	1,801,008.00	1,801,944.00	0.48
PNC BANK NA	2/24/2023	4,045,000.00	4,052,281.00	0.30

**Orange County Transportation Authority
Portfolio Listing
As of April 30, 2021**

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
STATE STREET CORP	3/30/2023	1,750,000.00	1,789,672.50	0.35
WELLS FARGO & CO	6/2/2024	6,140,580.00	6,133,800.00	0.58
JDOT 2021 A3	9/15/2025	1,454,720.35	1,451,624.40	0.46
TLOT-21A-A3	4/20/2024	2,344,726.34	2,345,000.00	0.00
SUB-TOTAL		118,775,958.69	118,583,745.56	
<i>Supranationals</i>				
INTER-AMERICAN DEVELOPMENT BANK	5/24/2023	2,599,116.00	2,614,066.00	0.24
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	11/24/2023	2,644,302.50	2,645,097.50	0.32
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	4/20/2023	2,859,069.45	2,859,499.20	0.22
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,934,593.40	1,959,413.20	0.15
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,177,726.00	1,192,907.00	0.15
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	811,863.00	822,344.40	0.15
INTER-AMERICAN DEVELOPMENT BANK	9/14/2022	10,484,250.00	10,725,540.00	0.18
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	3/19/2024	5,349,700.00	5,300,150.00	0.41
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	11/24/2023	3,043,442.50	3,044,357.50	0.32
SUB-TOTAL		30,904,062.85	31,163,374.80	
SHORT-TERM PORTFOLIO - TOTAL		\$ 1,629,950,316.62	\$ 1,633,628,101.03	
BOND PROCEEDS PORTFOLIO				
<i>GUARANTEED INVESTMENT CONTRACT (GIC)</i>				
BNY MELLON-MONEY MARKET FUND	N/A	171,153,283.76	171,153,283.76	0.06%
BOND PROCEEDS PORTFOLIO-TOTAL		\$ 171,153,283.76	\$ 171,153,283.76	
DEBT SERVICE RESERVE FUNDS				
DESCRIPTION	MATURITY DATE	BOOK VALUE	REQUIRED AMOUNT	YIELD
<i>91 EXPRESS LANES 2013 BONDS</i>	2030		10,799,437.46	
US BANK COMMERCIAL PAPER	7/6/2021	11,490,414.08		0.09%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	67.59		0.01%
<i>91 EXPRESS LANES 2013 BONDS - OPERATING & MAINTENANCE RESERVES</i>			13,000,000.00	
BANK DEPOSITS	N/A	218,920.72		
OPERATING RESERVE	7/13/2021	3,098,667.86		0.13%
MAINTENANCE RESERVE	7/13/2021	10,495,487.92		0.13%
DEBT SERVICE RESERVE FUNDS - TOTAL		\$ 25,303,558.17		
TOTAL PORTFOLIO				
		Book Value	Market Value	
		\$ 1,993,085,001.67	\$ 1,996,762,786.08	



June 9, 2021

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Annual Update to Investment Policy

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its proposed investment policy to be reviewed at a public meeting. Furthermore, the governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year.

Recommendations

- A. Adopt the Fiscal Year 2021-22 Investment Policy July 1, 2021.
- B. Authorize the Treasurer, Chief Financial Officer Andrew Oftelie, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2021-22.

Background

The Investment Policy (Policy) sets forth the guidelines for all Orange County Transportation Authority (OCTA) investments that must conform to the California Government Code (Code). The main objectives of the Policy continue to be the preservation of capital, liquidity, diversification, and a market average rate of return through economic cycles.

The Policy is reviewed, updated and approved by the Board of Directors (Board) at least annually. However, relevant changes to the Code may warrant amendments to the Policy throughout the year.

Discussion

The Proposed Fiscal Year 2021-22 Policy is being submitted for review and adoption by the Board. OCTA's four investment managers performed an objective evaluation of the policy as it relates to effectiveness and risk. Based on their feedback, staff is recommending changes be made to the policy.

Historically, OCTA's Policy has been more conservative than the Code and, despite the recommended changes, will remain more conservative than the Code in most areas. Staff believes that the current structure and recommendations are a good match for the risk tolerance of OCTA, while providing sufficient latitude to navigate the fixed-income market.

The proposed changes to the Policy, consisting of changes to align requirements to the Code, can be found in Attachment A. The attachment describes the current policy, recommended change, rationale for the recommended change, and the source of the recommended change.

A high-level summary of the recommended changes and the source of the recommendations are as follows:

- Adjust Credit Rating Action language to allow Investment Managers the discretion to trade a security that has been placed on Negative Credit Watch or Downgraded, but is still within OCTA's Investment Policy limits (investment managers)
- Increase Commercial Paper limit to reflect Code changes as of January 1, 2021, to 40 percent, with a ten percent maximum in a single issuer (investment manager and OCTA)
- Adjust Mortgage and Asset-Backed Security limit to a 20 percent mix between both security types (investment manager and OCTA)

The Proposed Fiscal Year 2021-22 Policy can be found in Attachment B, and as reference, a black line copy of the Policy (reflecting all proposed changes, including minor adjustments) can be found in Attachment C.

Next Steps

If the Board approves the Proposed Fiscal Year 2021-22 Policy, a copy of the final Policy will be provided to each portfolio manager. Each portfolio manager will be required to acknowledge receipt and understanding of the Investment Policy changes.

Summary

California Government Code Section 53646(a)(2) recommends that local agencies annually review their Investment Policy at a public meeting. The Treasurer is submitting the Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy for approval by the Board of Directors. Further, the Orange County Transportation Authority requests approval by the Board of Directors, authorizing the Treasurer, for a period of one year, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2021-22.

Attachments

- A. Proposed Primary Changes to Investment Policy
- B. Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy, July 1, 2021
- C. Black-line Copy of Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy, July 1, 2021

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Proposed Primary Changes to Investment Policy

Section of Investment Policy	Page	Current Policy	Recommendation	Rationale	Recommended By
Credit Rating Actions	8	Investment managers must inform and receive approval from OCTA to retain or sell a security once it has been placed on Negative Credit Watch or Downgraded within OCTA's Investment Policy limits as well as outside of the Investment Policy limits.	Provide the investment manager discretion to retain or sell a security that has been placed on Negative Credit Watch or Downgraded but is still within OCTA's Investment Policy requirements. The investment manager must still inform OCTA of the credit watch placement or Downgrade along with providing rationale of the hold or sell.	Gives the investment manager discretion to conduct investment activities at their discretion for securities that remain within OCTA's Investment Policy requirements.	Investment Manager
Authorized Investments, Issuer Concentration & Maturity Restrictions Commercial Paper	9	25%, 10% of a single issuer	40%, 10% of a single issuer	As of January 1, 2021, the California Government Code (CA Code) allows for agencies with funds greater than \$100,000,000 to invest 40% of their portfolio into Commercial Paper given the safe and conservative nature of this security type.	Investment Manager and OCTA
Authorized Investments, Issuer Concentration & Maturity Restrictions Mortgage Pass – Through and Asset-Backed Securities	10	20%, no more than 10% in Asset-Backed Securities (ABS), no more than 5% in any single issuer	20%	To align with the Government Code. Allows additional flexibility within structured investment types. ABS are less sensitive to prepayments, removing the 10% limitation assists the investment manager with stabilizing the average life of the portfolio over time.	Investment Manager and OCTA

OCTA - Orange County Transportation Authority

**Orange County Transportation Authority
Proposed Fiscal Year 2021-22 Investment Policy
July 1, 2021**

1. PURPOSE

This Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA). The objective of this Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Investment Policy. The OCTA Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

2. SCOPE

The policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

- a. **Safety of Principal** -- Safety of principal is the foremost objective of the OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.
- b. **Liquidity** -- It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- c. **Total Return** -- The OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.
- d. **Diversification** -- Finally, the OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Investment Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Investment Policy and ensuring investments are made in compliance with this Investment Policy. This Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board of Directors. The OCTA provides a monthly report to the Finance and Administration Committee and the Board of Directors in accordance with Section 53607 of the Code

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

The OCTA has provided each of its portfolio managers with a copy of this Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Investment Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the Finance and Administration Committee and the Board of Directors.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the Finance and Administration Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations. OCTA may terminate services for its convenience any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, the Authority uses two nationally recognized fixed income security performance benchmarks to evaluate return on investments.

The ICE/BAML 1-3-year Treasury Index and the ICE/BAML 1–3-year AAA-A U.S. Corporate and Government Index benchmarks are used for OCTA's short-term portfolios.

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Investment Policy. If an eligible security already contained in the Authority's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three Nationally Recognized Statistical Rating Organizations (NRSROs), or a purchase is made of a security already on "Negative Credit Watch" (Credit Watch) by any of the three NRSROs, which is permitted under this Investment Policy, then the security will be handled under the provisions of Credit Rating Actions. Percentage holding limits and credit quality minimums in this section are applicable at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

- A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the local agency.
- C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet the following conditions:

- A. be issued by corporations that have debt other than commercial paper, if any, that is rated in the ratings category of A or its equivalent or higher by two NRSROs
- B. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000)
- C. may not purchase more than 10 percent of the outstanding paper of any single issuer.

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federally licensed or state licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC provided:

- A. a Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM TERM NOTES

Medium term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

11-10. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Shares may not represent more than 10 percent of the funds or pool's asset and no more than 10% of the total portfolio may be invested in shares of any one money market mutual fund.

11-11. MORTGAGE OR ASSET-BACKED SECURITIES

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

11-12. SUPRANATIONALS

US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Government Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate) or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Government Code section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating is on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Investment Policy.

For any security, whose credit rating falls below the minimum required rating as per the California Government Code and the Investment Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the Investment Manager, and OCTA will be notified immediately of the decision along with rationale regarding the decision to retain or sell.

The Authority will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements, will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Proposed Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	CA Code Maximum Maturity	CA Code Maximum % of Portfolio	CA Code Minimum Quality Requirements	OCTA Maximum % of Portfolio*	OCTA Code Minimum Quality Requirements
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agency's or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	270 Days	40% of the agency's money	"A-1" rated, or its equivalent or higher by an NRSRO	40%, no more than 10% by any one single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1" rated, or its equivalent

					or higher, by 2 NRSROs
Medium Term Maturity Notes	5 Years	30%	"A" rating category, or its equivalent or higher, by an NRSRO	30% total, no more than 5% in any one issuer	Same as CA Code
Money Market/Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of fund's assets, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)**	N/A	\$75 million per account	None	\$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

*Additional portfolio restrictions include bank deposits (5%) and variable and floating rate securities (30%)

**Current deposit limits for LAIF regular account are set by the State Treasurer

Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

Issuer/Counter-Party Diversification Guidelines for OCTA's Debt

The Authority can purchase all or a portion of the Orange County Transportation Authority's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunseting on January 1, 2026,
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.
- Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least \$100,000,000 in securities owned and invested.

13. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

14. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Investment Policy.

15. INVESTMENT POLICY REVIEW

This Investment Policy shall be reviewed annually by the Finance and Administration Committee of the OCTA Board of Directors to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends.

16. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ%, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the

investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers' acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the 12 Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Global Ratings; Moody's Investor Services, Inc., Fitch Ratings and Kroll Bond Rating Agency, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Orange County Transportation Authority
Fiscal Year 2021-2022 Investment Policy
July 1, ~~June 9-10, 2021~~

1. PURPOSE

This Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA) invested on and after ~~July 1, 2021~~ June 9-10, 2021. The objective of this Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Investment Policy. ~~—~~The OCTA Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. ~~—~~Irrespective of these policy provisions, ~~—~~should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered ~~—~~to.

2. SCOPE

The policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

- a. **Safety of Principal** -- Safety of principal is the foremost objective of the OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.
- b. **Liquidity** -- It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- c. **Total Return** -- The OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.
- d. **Diversification** -- Finally, the OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Investment Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Investment Policy and ensuring investments are made in compliance with this Investment Policy. This Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board of Directors. The OCTA provides a monthly report to the Finance and Administration Committee and the Board of Directors in accordance with Section 53607 of the Code

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

The OCTA has provided each of its portfolio managers with a copy of this Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Investment Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the Finance and Administration Committee and the Board of Directors.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the Finance and Administration Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations. OCTA may terminate services for its convenience any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, the Authority uses two nationally recognized fixed income security performance benchmarks to evaluate return on investments. The ICE/BAML 1-3-year Treasury Index and the ICE/BAML 1–3-year AAA-A U.S. Corporate and Government Index benchmarks are used for OCTA’s short-term portfolios.

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Investment Policy. If an eligible security already contained in the Authority’s portfolio is subsequently placed on “Negative Credit Watch” (Credit Watch) by any of the three Nationally Recognized Statistical Rating Organizations (NRSROs), or a purchase is made of a security already on “Negative Credit Watch” (Credit Watch) by any of the three NRSROs, which is permitted under this Investment Policy, then the security will be handled under the provisions of Credit Rating Actions. Percentage holding limits and credit quality minimums in this section are applicable at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

- A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the local agency.
- C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet the following conditions:

- A. be issued by corporations that have debt other than commercial paper, if any, that is rated in the ratings category of A or its equivalent or higher by two NRSROs
- B. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000)

- C. may not purchase more than 10 percent of the outstanding paper of any single issuer.

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federally licensed or state licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC provided:

- A. a Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM TERM NOTES

Medium term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

11-10. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the

Investment Company Act of 1940. Shares may not represent more than 10 percent of the funds or pool's asset and no more than 10% of the total portfolio may be invested in shares of any one money market mutual fund.

11-11. MORTGAGE OR ASSET-BACKED SECURITIES

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

11-12. SUPRANATIONALS

US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Government Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate) or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Government Code section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating **is** on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Investment Policy.

For any security, whose credit rating falls below the minimum required rating as per the California Government Code and the Investment Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the Investment Manager, and OCTA will be notified immediately of the decision along with rationale regarding the decision to retain or sell.

~~Investment Managers are to notify OCTA (the Director of Finance and Administration, the Department Manager for Treasury and Public Finance, and the Department Analyst) regarding any security whose credit rating has been placed on Credit Watch or downgraded. The notice shall include a risk assessment based on OCTA's Investment Objectives, and a recommendation to retain or sell the security. The security shall be immediately reviewed by~~

~~the Treasurer for action. The decision to retain the security, sell the security, or other action shall be approved by the Treasurer.~~

The Authority will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements, will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Proposed Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	CA Code Maximum Maturity	CA Code Maximum % of Portfolio	CA Code Minimum Quality Requirements	OCTA Maximum % of Portfolio*	OCTA Code Minimum Quality Requirements
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agency's or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	270 Days	<u>40% of the agency's money 25%, 10% in a single issuer</u>	"A-1" rated, or its equivalent or higher by an NRSRO	<u>40%, no more than 10% by any one single issuer</u> <u>Same as CA Code</u>	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Medium Term Maturity Notes	5 Years	30%	"A" rating category, or its	30% total, no more	Same as CA Code

			equivalent or higher, by an NRSRO	than 5% in any one issuer	
Money Market/Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of fund's assets, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code 20%, no more than 10% in Asset-backed Securities, no more than 5% in any single issuer	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)**	N/A	\$75 million per account	None	\$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

*Additional portfolio restrictions include bank deposits (5%) and variable and floating rate securities (30%)

**Current deposit limits for LAIF regular account are set by the State Treasurer

Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

Issuer/Counter-Party Diversification Guidelines for OCTA's Debt

The Authority can purchase all or a portion of the Orange County Transportation Authority's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunseting on January 1, 2026.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.
- Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least \$100,000,000 in securities owned and invested.

132. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

143. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Investment Policy.

154. INVESTMENT POLICY REVIEW

This Investment Policy shall be reviewed annually by the Finance and Administration Committee of the OCTA Board of Directors to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends.

165. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ%, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers' acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the 12 Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by which the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result of changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Global Ratings; Moody's Investor Services, Inc., Fitch Ratings and Kroll Bond Rating Agency, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Establishment of Interstate 405 Improvement Project Custody Subaccounts

Overview

The 2017 Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project required the Orange County Local Transportation Authority to secure a line of credit to show committed local funds to the project. Rather than continuing the use of a line of credit to show committed local funds to the project, staff is proposing to set aside \$500 million of Measure M2 funds to show committed local funds, which could save the agency approximately \$3.4 million over the next two years.

Recommendations

- A. Approve by resolution authorizing the establishment of a subaccount to be used solely to pay for the Interstate 405 Improvement Project.
- B. Approve the establishment of one or more Interstate 405 Improvement Project custody subaccounts.
- C. Approve the use of \$500 million of Measure M2 funds to fund the Interstate 405 Improvement Project custody subaccounts no later than June 28, 2021.
- D. Restrict withdrawals from the Interstate 405 Improvement Project custody subaccounts to be made solely for Interstate 405 Improvement Project construction costs.

Background

In July 2017, the Orange County Local Transportation Authority (OCLTA) secured a line of credit from the Bank of America N.A. (Bank of America) for \$900 million to satisfy a requirement of the Transportation Infrastructure Finance

and Innovation Act (TIFIA) loan for the Interstate 405 Improvement Project (Project). The line of credit was structured in two commitment tranches, the OCLTA 2019 Credit Agreement, in an amount of \$400 million, and the OCLTA 2021 Credit Agreement, in an amount of \$500 million. The 2019 Credit Agreement was terminated in 2019 when OCLTA issued its Measure M2 (M2) Sales Tax Revenue Bonds, Series 2019, to finance the project. The remaining line of credit of \$500 million remains open with Bank of America.

Discussion

Orange County Transportation Authority (OCTA) staff proposed to the Build America Bureau (Bureau), the agency which oversees OCTA's TIFIA loan, to deposit \$500 million of M2 funds into subaccounts under its existing custody account arrangement with US Bank to show committed local funds to the project. The Bureau has agreed with OCTA's approach contingent upon an OCTA Board of Directors (Board) resolution on the use of the funds (Attachment A). OCTA would be required to deposit the funds with US Bank and the funds would be used solely for Project construction costs. In addition, any amounts expended from the subaccounts would correspondingly reduce the amount of committed funds required by the Bureau in the future. OCTA would be able to invest the funds per OCTA's Investment Policy and this action would have no impact on OCTA's ability to fund M2 projects based on current revenue and expenditure assumptions. The current line of credit costs the agency approximately \$1.7 million annually. The term of any new line of credit would be for approximately two years, so this approach could save the agency approximately \$3.4 million in line of credit fees and expenses.

Summary

Staff is requesting Board approval to use \$500 million in M2 funds to establish Project custody subaccounts to show committed local funds as required by OCTA's TIFIA loan. Creating the subaccounts will eliminate the requirement for a line of credit, which could save OCTA approximately \$3.4 million over the next two years.

Attachment

- A. Resolution of the Board of Directors of the Orange County Transportation Authority Authorizing the Establishment of a Subaccount to be Used Solely to Pay for the Interstate 405 Improvement Project

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

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY
TRANSPORTATION AUTHORITY AUTHORIZING THE ESTABLISHMENT OF A
SUBACCOUNT TO BE USED SOLELY TO PAY FOR THE INTERSTATE 405
IMPROVEMENT PROJECT**

WHEREAS, the Orange County Transportation Authority (OCTA) has established a custody account (Custody Account) with US Bank pursuant to Agreement No. C-9-1361 dated as of November 1, 2019 (Custody Account Agreement);

WHEREAS, the Custody Account Agreement authorizes OCTA to establish subaccounts under the Custody Account;

WHEREAS, the finance plan for the funding of the Interstate 405 Improvement Project (Project) includes the issuance of up to \$500 million of Measure M2 (M2) Sales Tax Revenue Bonds (M2 Bonds) to pay for Project costs;

WHEREAS, to demonstrate its commitment to issue the M2 Bonds to pay for Project costs, this Board of Directors (Board) deems it appropriate to authorize the establishment of one or more Project subaccounts under the Custody Account, subject to the terms and conditions set forth in this Resolution.

NOW, THEREFORE, the OCTA Board hereby finds and resolves as follows:

SECTION 1. The Board authorizes the OCTA Treasurer to establish one or more subaccounts pursuant to the Custody Account Agreement and to fund the subaccounts with M2 Sales Tax Revenues in the amount of \$500 million no later than June 28, 2021. No federal funds shall be used to fund the subaccounts.

SECTION 2. Amounts on deposit in the subaccounts shall only be used to pay or reimburse OCTA for costs related to the Project construction. Any amounts withdrawn to pay for Project costs shall reduce dollar for dollar the amount of M2 Bonds to be issued to pay or reimburse OCTA for construction costs related to the Project.

SECTION 3. This Resolution shall be effective as of the date of its adoption.

ADOPTED, SIGNED, AND APPROVED this 14th day of June 2021.

AYES:

NOES:

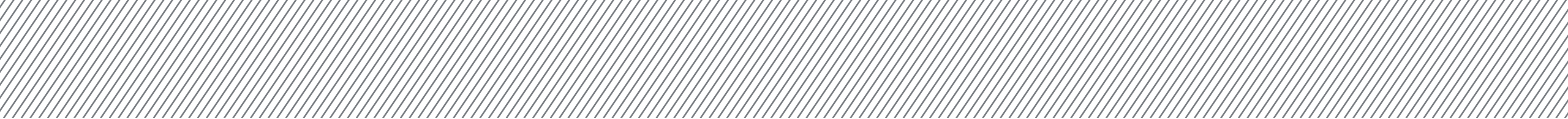
ABSTAIN:

ABSENT:

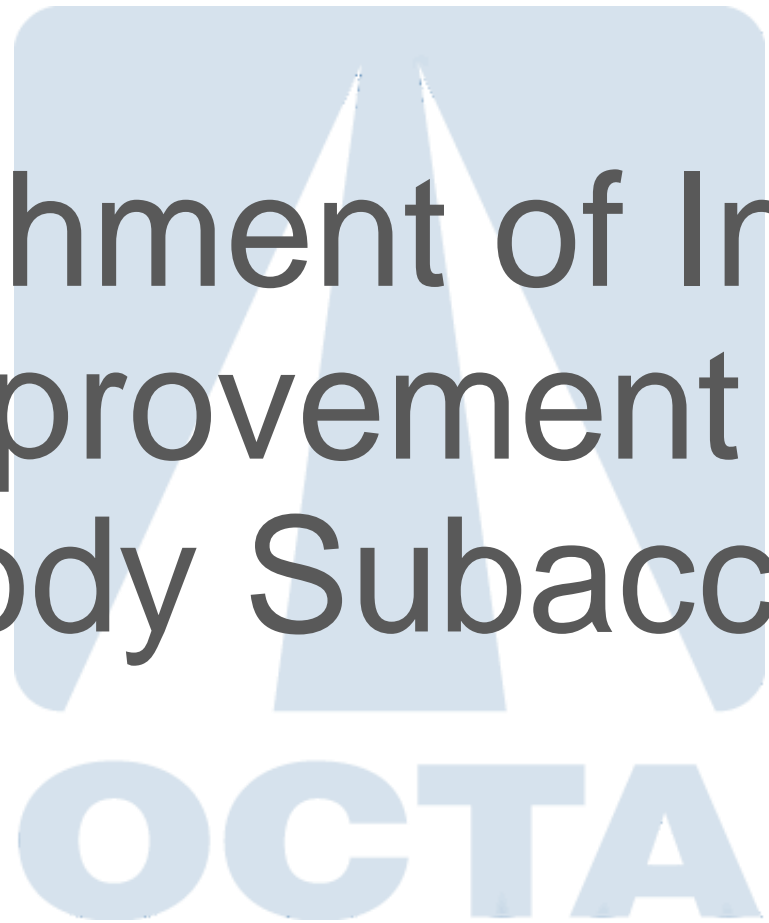
ATTEST:

Andrea West
Interim Clerk of the Board

Andrew Do, Chairman
Orange County Transportation Authority



Establishment of Interstate 405 Improvement Project Custody Subaccounts



Background

- The 2017 Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Interstate 405 (I-405) Improvement Project required the Orange County Transportation Authority (OCTA) to provide \$900 million in committed local funds
- A line of credit (LOC) of \$900 million was used to meet the requirement
- The LOC was structured in two commitment tranches including a 2019 Credit Agreement, in an amount of \$400 million, and a 2021 Credit Agreement, in an amount of \$500 million
- OCTA eliminated the requirement for the 2019 Credit Agreement based on the issuance of Measure M2 (M2) sales tax revenue bonds in February 2019

Status of Remaining Line of Credit

- The 2021 Credit Agreement of \$500 million is being used to show committed local funds
- It is anticipated that committed local funds will be required until mid-to-late 2023
- The total cost of the LOC for the next two years is estimated to be \$3.4 million
- OCTA staff has worked with the Build America Bureau on an approach to eliminate the line of credit requirement using M2 funds

Use of M2 Funds to Eliminate the LOC

- Deposit \$500 million of M2 funds into subaccounts under its existing custody account with the trustee
- Funds would only be used for construction costs related to the I-405 Improvement Project
- Any amounts expended from the subaccounts would reduce the amount of committed local funds required for the TIFIA loan
- Funds would be deposited no later than June 28, 2021
- LOC requirement would be eliminated saving \$3.4 million

Recommendations

- Approve by resolution authorizing the establishment of a subaccount to be used solely to pay for the I-405 Improvement Project
- Approve the establishment of one or more I-405 Improvement Project custody subaccounts
- Approve the use of \$500 million of M2 funds to fund the I-405 Improvement Project custody subaccounts no later than June 28, 2021
- Restrict withdrawals from the I-405 Improvement Project custody subaccounts to be made solely for I-405 Improvement Project construction costs



June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team

Overview

This item requests authorizations required for the issuance of Bond Anticipation Notes to support the construction of the Interstate 405 Improvement Project and achieve interest cost savings. If a financing is approved, the selection of an underwriting team is recommended.

Recommendations

- A. Authorize the issuance of Bond Anticipation Notes as a short-term interim financing to support the construction of the Interstate 405 Improvement Project.
- B. Authorize staff to utilize a third-party bridge loan pending issuance of the Bond Anticipation Notes if to do so will generate additional savings over using cash to repay the 2017 Transportation Infrastructure Finance and Innovation Act Loan.
- C. Authorize the selection of Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc., and Wells Fargo Securities, from the Orange County Transportation Authority's underwriting pool, to assist with the issuance.
- D. Authorize the selection of Bank of America Securities and Barclays Capital, Inc., from the Orange County Transportation Authority's underwriting pool, to serve as the senior manager and co-senior manager, respectively, for the issuance.

Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team **Page 2**

- E. Direct staff to return to the Board of Directors for approval of the financing documents required to execute the closing of the transaction.

Background

2017 Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan

On July 26, 2017, the Orange County Transportation Authority (OCTA) and the United States Department of Transportation Build America Bureau Credit Programs Office (Bureau) executed a TIFIA Loan for \$628.9 million (2017 TIFIA Loan) as a direct borrowing for the Interstate 405 (I-405) Improvement Project (Project).

The interest rate on the 2017 TIFIA Loan is 2.91 percent fixed for the life of the loan. As of June 30, 2020, OCTA had drawn \$287 million on the 2017 TIFIA Loan. The amount outstanding under the 2017 TIFIA loan on June 30, 2020, including capitalized interest, was \$302.7 million.

TIFIA Loan Interest Rate Reset

Since August 2020, OCTA staff has been working with the Bureau regarding the possibility of lowering the interest rate on the 2017 TIFIA Loan, as a result of historically low United States (U.S.) Treasury rates. It is expected that savings could be achieved if the 2017 TIFIA Loan is replaced with a new TIFIA Loan (2021 TIFIA Loan), by resetting the 2.91 percent interest rate based on current 30-year U.S. Treasury bond yields.

On October 26, 2020, the OCTA Board of Directors (Board) authorized staff to proceed with pursuing an interest rate reset on the 2017 TIFIA Loan, and on March 22, 2021, the Board approved the substantially final form of the financing documents for the proposed transaction. Based on the estimated timeline provided by the Bureau, OCTA was targeting a financial close for the 2021 TIFIA Loan in late March 2021. However, the approval process for resetting TIFIA Loans was put on hold while internal discussions occurred between the U.S. Department of Transportation (DOT) and Office of Management and Budget (OMB).

On May 20, 2021, the Bureau notified OCTA that an agreement had been reached after several internal discussions between the DOT and OMB, and therefore the Council on Credit and Finance voted to approve the

Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team **Page 3**

2021 TIFIA Loan on May 19, 2021. The Bureau has set a tentative closing date for the transaction for June 22, 2021.

Discussion

Summary of the Proposed Short-Term Interim Financing

In addition to the opportunity to refinance the existing 2017 TIFIA Loan, OCTA has an opportunity to complete a short-term interim financing to lock in low-cost funding during the remaining construction period of the Project, as a result of short-term tax-exempt rates remaining near all-time lows while long-term rates have risen. This can be accomplished through the issuance of Bond Anticipation Notes (BANs).

BANs are a short-term financing vehicle used during the construction of projects that create flexibility by cost-effectively delaying draws on and repayment of the TIFA loan, while taking advantage of lower short-term interest rates on the borrowed amounts.

Pursuant to the TIFIA statute, borrowers are not required to draw on a TIFIA Loan until one year beyond substantial completion. Based on the Project's substantial completion date of October 31, 2023, OCTA can issue BANs out to October 2024 at a rate lower than TIFIA rates, providing interest cost savings during the construction of the Project.

BANs for projects with TIFIA loans currently have three-year yields below one percent, which is significantly lower than the current cost of OCTA's 2017 TIFIA Loan of 2.91 percent, and the requested 2021 TIFIA Loan of approximately 2.32 percent (rate estimate as of May 24, 2021). By using the BANs proceeds to pay for Project construction draws, delaying draws on the TIFIA loan until October 2024 and paying off the BANs with TIFIA loan proceeds, OCTA can save approximately \$25 million based on today's short-term yields. These yields are estimates and the actual yields will be determined at the time of pricing. Even though TIFIA Loan proceeds will be used to repay the BANs, in order to achieve the lowest possible yields for the issuance, OCTA is pledging other available revenues, including Measure M2 sales tax revenue, to back the BANs.

OCTA may have the opportunity to generate additional savings by using a bridge loan in lieu of using its own funds to pay off the 2017 TIFIA loan. Staff will work with its underwriters to pursue bridge loan opportunities and determine if it would generate additional savings for OCTA.

Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team **Page 4**

Once the underwriting team is approved, OCTA staff will work with the financing team to develop a detailed financing plan to be provided to the Board when staff returns for approval of the financing documents.

Underwriting Team

In order to proceed with the recommended financing approach, OCTA will need to select underwriters for a BANs issuance.

On March 11, 2021, OCTA's contracted financial advisory consultant, Sperry Capital, Inc. (Sperry), issued a request for proposals to the 11 firms from the Board-approved underwriting pool, which was established in September 2016, for the short-term financing. On March 24, 2021, nine proposals were received.

On April 2, 2021, a Best and Final Offer was issued by Sperry and all nine firms responded. With the assistance of the Contracts Administration and Materials Management Department, an evaluation committee consisting of OCTA staff from the Express Lanes Programs, Finance and Administration, as well as external representatives from Sperry, met to review all proposals received. The evaluation committee recommends four firms to serve on the underwriting team for the BANs issuance. The recommended firms are Bank of America Securities (Bank of America), Barclays Capital, Inc. (Barclays), Citigroup Global Markets, Inc. (Citigroup), and Wells Fargo Securities (Wells Fargo).

The evaluation committee also recommends naming Bank of America as the senior manager, and Barclays as the co-senior manager for the proposed BANs issuance. Bank of America will be responsible for maintaining the underwriting books for the debt transaction, while Barclays will assist Bank of America with the financing. Bank of America proposed the lowest overall cost for the BANs issuance, while Barclays proposed the second lowest overall cost. The other two firms: Citigroup and Wells Fargo, will serve as co-managers on the transaction.

In their proposals, Bank of America and Barclays highlighted their respective firms' extensive experience with short-term capital markets financings and understanding of OCTA's debt structure. Both firms' technical proposals included work plans with supporting recommendations and a detailed discussion on moving forward with OCTA's BANs issuance.

Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team **Page 5**

Anticipated Cost of Issuance Expenses and Underwriting Fees

Cost of issuance expenses for debt issuances are paid at the closing of a financing transaction. These costs include legal fees, financial advisory fees, trustee fees, credit rating fees, printing, roadshow, and other miscellaneous expenditures. The estimated cost of issuance expenses for the TIFIA BANs will total approximately \$500,000. In addition to these costs, the projected underwriting fees for the transaction are estimated at approximately \$500,000. Staff will determine a more precise estimate for the cost of issuance in coordination with the underwriting firms and will provide the estimate with the financing documents in the early August timeframe.

Next Steps

If the Board approves the recommended financing and selection of underwriters, staff will work with its financing team to develop the documents required for the transaction. Prior to execution of the transaction, staff would return to the Board for approval of the financing documents.

Summary

Board of Directors' approval is requested for the issuance of Bond Anticipation Notes as interim financing for the Interstate 405 Improvement Project to achieve interest cost savings. If the financing is approved, the selection of an underwriting team is recommended.

Attachment

None.

Prepared by:



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Treasury and Public Finance
714-560-5675

Approved by:



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

Authorize the Issuance of Bond
Anticipation Notes as a
Short-term Interim Financing to Support
the Construction of the Interstate 405
Improvement Project and Selection of
Underwriting Team

Background

- In July 2017, OCTA secured a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the I-405 Improvement Project (Project) in the amount of \$628.9 million
- The interest rate is fixed at 2.91 percent for the life of the loan
- OCTA has made draws on the TIFIA loan of \$287 million
- The balance on the loan as of June 30, 2020, is \$302.7 million including capitalized interest

Interest Rate Reset on 2017 TIFIA Loan

- Staff has been working with the Build America Bureau (Bureau) since August 2020 to lower the interest rate on the 2017 TIFIA loan
- The Bureau notified OCTA on May 20, 2021, that the interest rate reset has been approved
- Tentative closing date on the loan is June 22, 2021
- Interest rate will be determined at the time of closing and will be the 30-year Treasury rate plus one basis point

Use of Bond Anticipation Notes

- Bond Anticipation Notes (BANs) are a short-term financing vehicle used during the construction of projects
- BANs would allow OCTA to take advantage of lower short-term interest rates by using BANs instead of drawing on OCTA's TIFIA loan
- BANs for projects with TIFIA loans have three-year yields less than one percent
- The interest rate on OCTA's 2017 TIFIA loan is 2.91 percent and current 30-year Treasury rates are approximately 2.31 percent

BANs Process and Estimated Savings

- OCTA is not required to draw on the TIFIA loan until one year after substantial completion of the Project, which is scheduled for October 2024
- OCTA can issue BANs in the amount of the TIFIA loan which is \$628.9 million
- OCTA would use BANs to pay for construction costs
- In October 2024, OCTA would use the TIFIA loan proceeds to pay off the BANs
- Estimated savings would be \$25 million based on today's short-term rates

Selection of Underwriting Team

- OCTA will require an underwriting team to support the issuance of BANs
- A request for proposals was issued to OCTA's existing Board of Directors (Board)-approved underwriting pool
- The evaluation committee recommended four firms, including Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc., and Wells Fargo Securities
- Bank of America Securities was recommended as senior manager and Barclays Capital, Inc. was recommended as co-senior manager

Recommendations

- Authorize staff to pursue the Issuance of BANs as a short-term interim financing to support the construction of the Project
- Authorize staff to utilize a third-party bridge loan pending issuance of the BANs if to do so will generate additional savings over using cash to repay the 2017 TIFIA loan.
- Authorize the selection of Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc. and Wells Fargo Securities, from the OCTA's underwriting pool to assist with the issuance
- Authorize the selection of Bank of America Securities to serve as senior manager and Barclays Capital, Inc. to serve as co-senior manager for the issuance
- Direct staff to return to the Board for approval of the financing documents required to execute the closing of the transaction

Next Steps

- If the Board approves the recommendations, then staff will work with the financing team to develop the documentation required for the issuance of the BANs
- Staff would return to the Board for the approval of the financing documents in the early August timeframe



June 9, 2021

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 2021-22 Budget and Personnel and Salary Resolution

Overview

The Orange County Transportation Authority Fiscal Year 2021-22 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 2021-22 budget following the public hearing to be held at the Board of Directors' meeting on June 14, 2021, at the following Board of Directors' meeting on June 28, 2021, or in a special meeting convened at their discretion, on or before June 30, 2021. 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 2021-22 Budget.
- B. Approve the Personnel and Salary Resolution for fiscal year 2021-22.
- C. Authorize the Chief Executive Officer or his designee to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approve fiscal year 2021-22 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to \$39,152,549, including authorization of federal supplemental funding, in an amount up to \$39,152,549, to be drawn down directly by the Southern California Regional Rail Authority. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. Orange County

Transportation Authority portion of the costs for capital is \$118,800 and \$15,047,906, for rehabilitation.

Background

The preparation of the Orange County Transportation Authority's (OCTA) annual budget began in December 2020 with the development of initial revenue projections, a service plan, and program goals and objectives for the upcoming fiscal year (FY). Through sound financial planning, OCTA is in a strong position to propose a budget that has the flexibility to adapt to increased demand for services and programs. The service plan, program goals, and objectives included in the budget 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, the Comprehensive Business Plan, and the 2020 Next 10 Delivery Plan.

The development of the FY 2021-22 proposed budget was based on a series of programmatic assumptions that were presented to the Finance and Administration (F&A) Committee on March 24, 2021, and the OCTA Board on April 12, 2021. The presentation covered the guiding principles and assumptions used to develop the budget for OCTA's major programs including: Measure M2 (M2), transit, motorist services, and the 91 Express Lanes.

Staff presented the FY 2021-22 budget in an informal workshop setting on May 10, 2021. 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 14, 2021, Board meeting, after which staff anticipates seeking Board approval of the budget.

Discussion

The FY 2021-22 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.

The combination of estimated revenues and planned uses of prior year designations produces available funding of \$1,267.1 million, while proposed expenditures and designations yield a total use of funds of \$1,267.1 million. On a year-over-year comparison to the amended FY 2020-21 budget, the FY 2021-22 proposed budget is 18.2 percent, or \$282 million, less than the FY 2020-21 amended budget.

Under the M2 Program, sales tax revenues are anticipated to begin recovering from the impacts of the coronavirus (COVID-19) and there is financial capacity within the program to continue to improve freeways, streets and roads throughout Orange County, as well as fund multiple transit programs. Included in the proposed budget is \$398 million to help fund freeway improvement projects on State Route 55, Interstate 405, Interstate 5, State Route 57, and State Route 91. Approximately \$141.5 million is budgeted to improve streets and roads, including \$54 million to fund the Local Fair Share Program, \$44.1 million for the Regional Capacity Program, and \$43.4 million for regional traffic signal synchronization. In addition, the budget also includes \$63.7 million for M2 transit, including \$35.5 million for ongoing construction of the OC Streetcar.

The FY 2021-22 budget supports up to 1.45 million fixed-route service hours, which is an increase of approximately 250,000 service hours from current service levels and brings service to approximately 90 percent of pre-pandemic levels. The additional service will be added based on demand and public health considerations and is largely enabled by federal supplemental funding. Service hours budgeted assume approximately 60 percent of the hours will be directly operated by OCTA and approximately 40 percent of the hours will be provided by OCTA's contractor. Paratransit service trips are anticipated to increase from current levels of 447,000 to 980,000. The large increase in paratransit trips is the result of anticipated demand following the dramatic trip declines of 80 percent

due to the COVID-19 pandemic. In addition, OC Flex service will continue at 58,000 service hours.

The federal supplemental funding will also provide OCTA with the ability to continue OCTA's Metrolink subsidy contribution to accommodate current service levels. The budget assumes a total of 41 weekday trips and 16 weekend trips for Metrolink service within Orange County. The 91 Express Lanes is recovering from traffic declines due to COVID-19 and anticipates traffic volumes will increase by over 28 percent when compared to the FY 2020-21 budget.

Staff has attended and will continue to attend and be available to present, review, and/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 12
Transit Committee	May 13
Legislative and Communications	May 20
Executive Committee	June 7
Regional Planning and Highways	June 7
Finance and Administration (Preview of Public Hearing)	June 9
Transit Committee	June 10

Personnel and Salary Resolution

The FY 2021-22 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 a four percent merit pool and three percent special performance award (bonus pool). The PSR also includes an adjustment of three percent to the maximum salary for each salary grade. Salary grade adjustments do not automatically increase employee salaries unless they are below the minimum of the new range. Currently, there are seven OCTA employees that fall below the proposed minimum grade range, which would require an automatic salary increase totaling \$5,886.

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 and multi-year 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.

The Carahsoft vendor listed on the sole source list provides security licenses for our active monitoring, detection, and response platform, which includes incident management response services. Though other firms offer this service, 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 regarding cyber security remediation. On a cumulative basis, the software and hardware licensing, maintenance, and emergency support agreements will not exceed \$8.2 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 of \$39,152,549, including authorization of federal supplemental funding in an amount up to \$39,152,549, to be drawn down directly by SCRRA.

In addition to the annual 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. The SCRRA budget (Attachment E) provides a detailed list of projects and the associated costs by member agency. OCTA's portion of the costs for capital is \$118,800 and \$15,047,906, for rehabilitation.

Summary

The Orange County Transportation Authority Fiscal Year 2021-22 Budget was reviewed by the Board of Directors in a workshop setting on May 10, 2021. The Board of Directors may approve the fiscal year 2021-22 budget following the public hearing on June 14, 2021, at the regularly scheduled meeting on June 28, 2021, or in a special meeting convened at their discretion, on or before June 30, 2021.

Attachments

- A. Resolution of the Board of Directors for the Orange County Transportation Authority Approving an Operating and Capital Budget Fiscal Year 2021-22, OCTA Resolution No. 2021-037
- B. Orange County Transportation Authority Budget Summary Fiscal Year 2021-22
- C. Proposed Changes for the Personnel and Salary Resolution (PSR) FY21-22
- D. Orange County Transportation Authority Licensing and Maintenance Agreements Sole Source List - Fiscal Year 2021/2022
- E. Transmittal of the Metrolink Southern California Regional Rail Authority Proposed FY 2021-22 Budget

Prepared by:



Victor Velasquez
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Approved by:



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

**RESOLUTION OF THE BOARD OF DIRECTORS FOR
THE ORANGE COUNTY TRANSPORTATION AUTHORITY
APPROVING AN OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2021-22**

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 \$1,267.1 million for fiscal year 2021-22;

WHEREAS, said Chief Executive Officer and staff did conduct a public workshop before the Board of Directors on May 10, 2021, in the Board Chambers, at which time the proposed budget was considered;

WHEREAS, a public hearing was conducted on June 14, 2021, 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, 2021 through June 30, 2022, 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 14th day of June 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Andrea West
Interim Clerk of the Board

Andrew Do, Chairman
Orange County Transportation Authority



Orange County Transportation Authority
Budget Summary
Fiscal Year 2021-22

\$ in millions

Estimated Revenues	\$ 971.1
Use of Prior Year Designations	296.0
	<hr/>
Total Sources of Funds	\$ 1,267.1

Appropriate Funds to:

Salaries & Benefits	\$ 177.9
Services & Supplies	368.9
Contributions to Other Agencies	171.0
Debt Service	65.7
Capital / Fixed Assets	416.1
	<hr/>
Total Expenses	\$ 1,199.6
Designation of Funds	\$ 67.5
	<hr/>
Total Uses of Funds	\$ 1,267.1

**Proposed Changes for the
Personnel and Salary Resolution (PSR) FY21-22**

Subject	Page	Section	Proposed Change	Reason
Various formatting and language changes				Throughout document, substituted language to improve clarity of document.
Compensation	p.8	2.3	Change language	Reworded sentence to improve clarity and meaning.
Exempt Employees	p. 11	3.1	Removed Language	Removed unnecessary language.
Sick Leave	p. 24	4.8F	Removed Language	Removed the word “and” because it was not correct.
Merit Adjustments	p.30	5.6	Change Language	For fiscal year 2021-2022, a merit pool may be established based upon the availability of financial resources, as approved by the Board of Directors.
Special Performance Awards	p.30	5.7	Change Language	For fiscal year 2021-2022, a special performance award pool may be established based upon the availability of financial resources, as approved by the Board of Directors.
Salary Grade Structure	p. 32 – p. 41		Structure and Title Changes	Recommended 3% salary structure change. Recommended title changes.

PERSONNEL AND SALARY RESOLUTION

FISCAL YEAR 202~~10~~-202~~21~~

Effective: June 20~~1~~, 202~~10~~

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 ~~148~~, 202~~10~~.

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 and more frequently as necessary. 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.

Commented [A1]: This is a suggestion to change the wording because the other wording was awkward.

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~~.

Commented [A2]: We already stated that exempt employees are not eligible for 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 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

Board Members and former Board Members, who are serving on regional boards at the direction and request of the Board of Directors, are 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 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 holidays observed 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.

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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 90th 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 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 [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 2021-22, a pool for merit-based salary increases ~~up to of 4% has~~ been established for administrative positions, based on the availability of financial resources, as approved 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

For fiscal year 2021-22, a special performance award pool ~~of 3% has been~~ may be established for administrative positions based on the availability of financial resources, as approved by the Board of Directors.

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 <u>17.00</u>	16.00 <u>18.00</u>	18.00 <u>20.00</u>
	Intern			

Grade	Period	Minimum	Midpoint	Maximum
F	Hourly	17.97 <u>18.73</u>	21.59 <u>22.35</u>	25.20 <u>25.96</u>
	Monthly	3,114.80 <u>3,246.54</u>	3,741.40 <u>3,874.00</u>	4,368.00 <u>4,499.74</u>
	Annual	37,377.60 <u>38,958.40</u>	44,896.80 <u>46,488.00</u>	52,416.00 <u>53,996.80</u>
	General Services Specialist, Assistant Office Specialist, Assistant On-Board Evaluator			

Grade	Period	Minimum	Midpoint	Maximum
G	Hourly	19.00 <u>19.81</u>	22.92 <u>23.73</u>	26.84 <u>27.65</u>
	Monthly	3,293.34 <u>3,433.74</u>	3,972.81 <u>4,113.20</u>	4,652.27 <u>4,792.67</u>
	Annual	39,520.00 <u>41,204.80</u>	47,673.60 <u>49,358.40</u>	55,827.20 <u>57,512.00</u>
	Customer Relations Representative			

Grade	Period	Minimum	Midpoint	Maximum
H	Hourly	20.22 <u>21.09</u>	24.46 <u>25.33</u>	28.69 <u>29.56</u>
	Monthly	3,504.80 <u>3,655.60</u>	4,238.87 <u>4,390.54</u>	4,972.94 <u>5,123.74</u>
	Annual	42,057.60 <u>43,867.20</u>	50,866.40 <u>52,686.40</u>	59,675.20 <u>61,484.80</u>
	Accounting Specialist, Associate General Services Specialist Office Specialist Schedule Checker			

Grade	Period	Minimum	Midpoint	Maximum
J	Hourly	21,432.35	26,032.95	30,633.55
	Monthly	3,714,543,874.00	4,511,874,671.34	5,309,205,468.67
	Annual	44,574,404,488.00	54,142,405,056.00	63,710,406,624.00
	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	22,842.83	27,852.84	32,863.85
	Monthly	3,958,944,130.54	4,827,344,998.94	5,695,745,867.34
	Annual	47,507,204,566.40	57,928,005,987.20	68,348,807,408.00
	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	24.7025.78	30.2831.36	35.8536.93
	Monthly	4,281.344,468.54	5,247.675,435.74	6,214.006,401.20
	Annual	51,376.0053,622.40	62,972.0065,228.80	74,568.0076,814.40
	Accounting Specialist, Senior			
	Administrative Specialist			
	Benefits Analyst, Associate			
	Clerk of the Board Specialist, Assistant			
	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			
	DBE Specialist, Associate			
	Executive Assistant I			
	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			
	Public Records Administrator, Associate			
	Pass Sales Coordinator			
	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 28.32	33.26 34.45	39.38 40.57
	Monthly	4,702.54 4,908.80	5,764.21 5,971.34	6,825.87 7,032.14
	Annual	56,430.40 58,905.60	69,170.40 71,656.00	81,910.40 84,385.60
	Accountant, Associate			
	Business Systems Analyst, Associate			
	Business Unit Analyst			
	Buyer			
	Claims Representative			
	Clerk of the Board Specialist			
	Code Administrator, Senior			
	Communications Specialist, Associate			
	Community Relations Specialist			
	Compensation Analyst, Associate			
	Creative Services Specialist			
	Customer Relations Specialist			
	DBE Specialist			
	Desktop Support Technician, Associate			
	Employee Programs Specialist			
	Executive Assistant II			
	Financial Analyst, Associate			
	Help Desk Technician, Senior			
	Internal Auditor, Associate			
	Intranet/Multimedia Specialist			
	Learning and Development Administrator, Associate			
	LOSSAN Accounting Analyst, Associate			
	LOSSAN Marketing Specialist			
	Marketing Specialist			
	Payroll Administrator			
	Program Management Analyst, Associate			
	Programmer Analyst, Associate			
	Public Records Administrator			
	Rail Maintenance-of-Way Administrator			
	Revenue Administrator, Associate			
	Records Administrator, Senior			
	Section Supervisor II			
	Security Systems Administrator, Associate			
	Stops and Zones Analyst			
	Stops and Zones Planner			
	Warranty Coordinator, Senior			
	Web Data Analyst			

Grade	Period	Minimum	Midpoint	Maximum
N	Hourly	<u>29,853.16</u>	<u>36,603.79</u>	<u>43,344.65</u>
	Monthly	<u>5,174,005,401.07</u>	<u>6,343,146,571.07</u>	<u>7,512,277,739.34</u>
	Annual	<u>62,088,006,812.80</u>	<u>76,117,607,852.80</u>	<u>90,147,209,872.00</u>
	Accountant			
	Benefits Analyst			
	Bus Operations Supervisor			
	Business Relations Administrator			
	Business Unit Analyst, Senior			
	Clerk of the Board <u>Assistant Specialist, Senior</u>			
	Compensation Analyst			
	Contract Administrator			
	Creative Services Specialist, Senior			
	<u>DBE Specialist, Senior</u>			
	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, <u>Associate</u>			
	<u>Intranet/Multimedia Specialist, Senior</u>			
	IS Security Analyst, Associate			
	Learning and Development Administrator			
	LOSSAN Accounting Analyst			
	LOSSAN Executive Administrative Assistant			
	<u>Network Administrator, Associate</u>			
	Network Analyst, Associate			
	<u>Program Management Analyst, Associate</u>			
	Programmer Analyst			
	Project Controls Analyst			
	Rail Maintenance-of-Way Administrator, Senior			
	Real Property Agent, Associate			
	Schedule Analyst			
	Section Supervisor III			
	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	<u>33,0934.53</u>	<u>40,4241.86</u>	<u>47,7449.18</u>
	Monthly	<u>5,735.605,985.20</u>	<u>7,005.277,255.74</u>	<u>8,274.948,524.54</u>
	Annual	<u>68,827.2071,822.40</u>	<u>84,063.2087,068.80</u>	<u>99,299.20102,294.40</u>
	Business Computing Solutions Specialist, Associate Business Intelligence Analyst, Associate Business Systems Analyst Business Unit Analyst, Principal Buyer, Senior Civil Engineer Claims Representative, Senior <u>Clerk of the Board Specialist, Principal</u> Communications Specialist, Senior Community Relations Specialist, Senior Community Transportation Coordinator Creative Services Specialist, Principal Customer Relations Specialist, Senior Data Warehouse Architect, Associate 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 <u>Revenue Administrator</u> Schedule Analyst, Senior Section Supervisor IV Security Systems Administrator 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	<u>36,683.28</u>	<u>45,004.40</u>	<u>53,325.92</u>
	Monthly	<u>6,357,876.63</u>	<u>7,800,018.07</u>	<u>9,242,149.51</u>
	Annual	<u>76,294,407.62</u>	<u>93,600,009.62</u>	<u>110,905,601.42</u>
	Accountant, Senior			
	Benefits Analyst, Senior			
	Business Computing Solutions Specialist			
	Business Intelligence Analyst			
	Business Systems Analyst, Senior			
	Communications Specialist, Principal Senior			
	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			
	Internal Auditor			
	Inventory Analyst			
	IS Project Manager I			
	IS Security Analyst			
	LOSSAN Accounting Analyst, Senior			
	LOSSAN Marketing Specialist, Principal			
	LOSSAN Transportation Analyst, Senior			
	LOSSAN Transportation Funding Analyst, Senior			
	Maintenance Field Administrator, Senior			
	Maintenance Instructor, Senior			
	Maintenance Planner			
	Maintenance Resource Analyst, Senior			
	Maintenance Supervisor			
	Marketing Specialist, Principal			
	Materials Management Planner			
	Network Administrator ?			
	Network Analyst			
	OCTAP Administrator			
	Operations Analyst, Principal			
	Program Management Analyst, Senior			
	Project Controls Analyst, Senior			
	Project Manager I			
	Revenue Administrator, Senior			
	Section Manager I			
	Security Systems Administrator, Senior			
	Service Planning Analyst, Senior			
	Social Media Manager			
	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	41,204 3.00	50,535 2.33	59,856 1.65
	Monthly	7,141.34 7,453.34	8,757.67 9,070.54	10,374.00 10,686.00
	Annual	85,696.00 89,440.00	105,092.00 108,846.40	124,488.00 128,232.00

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
[Communications Specialist, Principal](#)
 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 Administrator, Senior](#)
 Network Analyst, Senior
 Program Management Analyst, Principal
 Programmer Analyst, Senior
 Project Controls Analyst, Principal
 Project Manager II
 Real Property Agent, Senior
[Revenue Administrator, Principal](#)
 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	<u>46,294.31</u>	<u>56,665.68</u>	<u>67,026.04</u>
	Monthly	<u>8,023,603,373.74</u>	<u>9,820,201,171.20</u>	<u>11,616,801,966.94</u>
	Annual	<u>96,283,201,004,84.80</u>	<u>117,842,401,22,054.40</u>	<u>139,401,601,43,603.20</u>
	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 Streetcar Program Manager Systems Software Analyst, Senior Transit Project Manager III			

Grade	Period	Minimum	Midpoint	Maximum
U	Hourly	<u>53,095.42</u>	<u>65,306.63</u>	<u>77,517.84</u>
	Monthly	<u>9,202,279,606.14</u>	<u>11,318,671,722.54</u>	<u>13,435,071,838.94</u>
	Annual	<u>110,427,201,15,273.60</u>	<u>135,824,001,40,670.40</u>	<u>161,220,801,66,067.20</u>
	Data Warehouse Architect, Principal Internal Audit, Senior Manager IS Project Manager, Senior LOSSAN Planning and Analysis Manager LOSSAN Project Manager, Senior Project Manager, Senior Section Manager, Senior Strategic Plan Administrator			

Grade	Period	Minimum	Midpoint	Maximum
V	Hourly	61,596 4.23	74,797 7.43	87,999 0.63
	Monthly	10,675.60 11,133.20	12,963.60 13,421.20	15,251.60 15,709.20
	Annual	128,107.20 133,598.40	155,563.20 161,054.40	183,019.20 188,510.40
Communications Manager Department Manager LOSSAN Deputy Managing Director LOSSAN Finance and Administration Manager LOSSAN Operations Compliance and Safety Manager LOSSAN Planning & Communication Manager LOSSAN Program Manager LOSSAN Programming & Grants Manager Program Manager				

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Grade	Period	Minimum	Midpoint	Maximum
W	Hourly	66,836 9.83	83,358 6.35	99,861 02.86
	Monthly	11,583.87 12,103.87	14,446.47 14,967.34	17,309.07 17,829.07
	Annual	139,006.40 145,246.40	173,357.60 179,608.00	207,708.80 213,948.80
Communications Manager Department Manager, Senior LOSSAN Chief Financial Officer Senior Manager, Finance & Administration Program Manager, Senior				

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GLOSSARY OF TERMS

ADMINISTRATIVE EMPLOYEE	Any employee of OCTA not covered by a collective bargaining agreement.
APPOINTING AUTHORITY	The CEO; he/she may delegate this responsibility.
AT-WILL EMPLOYMENT	An employee's employment status may be changed, including, but not limited to, separation of employment, by OCTA or the employee, at any time for any reason.
BOARD	The Board of Directors of OCTA.
CATASTROPHIC LEAVE	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.
CLASSIFICATION OR CLASSIFICATION TITLE	The title that identifies the type of work being performed by one or more incumbents in a position.
DOMESTIC PARTNER	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.
ELIGIBLE DEPENDENT	Spouse, registered domestic partner, and dependent children up to the age 26.
EQUITY INCREASE	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.

EXECUTIVE EMPLOYEE	An employee classified as CEO, Deputy CEO, COO, CFO, Executive Director, Director, and General Manager.
EXEMPT EMPLOYEE	An employee in a position that is not covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and recordkeeping.
EXTRA-HELP EMPLOYEE	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.
FULL-TIME EMPLOYEE	An administrative employee in a position with a normal workweek that totals at least 40 hours.
INTERN	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.
NON-EXEMPT EMPLOYEE	An employee in a position that is covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and record keeping.
PART-TIME EMPLOYEE	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.
POSITION	Full-time and part-time positions in the Board-approved fiscal year budget.
PROMOTION	Movement of an employee from one position to a different position in a higher salary grade through the recruitment process.
PROMOTION – "IN-FAMILY"	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.

RECLASSIFICATION	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.
REHIRE	To employ someone who previously separated his/her employment with OCTA (normally following a voluntary resignation) without restoring prior service.
REINSTATE	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).
SALARY RANGE	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.
TEMPORARY HELP	A person acquired through a temporary help agency to perform work on a limited term basis, not an OCTA employee.
TRANSFER	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 2021/2022**

The Standard Contracts

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 21/22	Owner
1st Run Computer Services	ECM Scanner Maintenance	\$ 30,000	\$ 28,000	Lloyd Sullivan
Anderson Howard	AV Maintenance and Support	\$ 30,000	\$ 10,000	Ron Wolf
AvePoint	Cloud BackUp	\$ 50,000	\$ 45,000	Barry Reynolds
Bytemark	License and Maintenance for the Bytemark mobile ticketing solution.	\$ 80,000	\$ 77,600	Isaac Herrera
Carahsoft Multi-year	Secureworks Detection and Response Services	\$ 750,000	\$ 750,000	Michael Cardoza
Carahsoft Single-year	UI Path Licenses, UIPATH Advanced Robotics Process Automation (RPA)	\$ 129,000	\$ 129,000	Lloyd Sullivan
Citrix	XenDesktop, XenApp, Access Gateway, Citrix Repeater Plug-in, Premier Support	\$ 60,000	\$ 57,252	Michael Beerer
Clever Devices	Ridecheck Plus, Replaced PCR	\$ 65,000	\$ 56,000	Tom Young
Computer SOS	Point of Sale Web Site Hosting	\$ 40,000	\$ 40,000	Tom Young
Dun & Bradstreet, Inc.	Business Credit Reporting	\$ 68,000	\$ 66,000	Laura Foster
Ecointeractive	OCfundTracker Subscription Service	\$ 190,000	\$ 190,000	Ben Ku
Everbridge	Transit NOTO	\$ 60,000	\$ 50,000	Tom Young
Giro	Map / HASTUS / Vehicle/ Crew/ Crew Opt/ Roster/ Minbus/ ATP/ Interface Program/ Geo Hastus Map/ Hastinfo/ Hastinfo - Web/DailyVehicle/DailyCrew/Bid/BidWeb/ SelfService/EPM/Bing/ plus annual hosting fees.	\$ 400,000	\$ 270,000	Tom Young
Granicus	Hosting Services for Granicus Board and Committee meeting webcasts for OCTA and LOSSAN, eForms	\$ 100,000	\$ 68,000	Tom Young
GovQA/WebQA	Hosting and Maintenance for Public Records Request and Subpoena apps	\$ 100,000	\$ 75,000	Tom Young
Halogen	Performance Management Application	\$ 125,000	\$ 125,000	Karen DeCrescenzo
Harris Insite Telecom	ITMS Fixed Radio Components	\$ 60,000	\$ 50,000	Michael Beerer
Informatica	PowerCenter SE (4-7) & Partitioning Option (4-7)	\$ 120,000	\$ 120,000	Lloyd Sullivan
Init	Second Option Term - Extended Warranty and Annual Maintenance	\$ 155,000	\$ 152,250	Isaac Herrera
ICIMS	Applicant Tracking Application	\$ 125,000	\$ 125,000	Karen DeCrescenzo
Intellitime	Electronic Timesheet, Annual Hosting, Maintenance and Support	\$ 97,000	\$ 55,000	Tom Young
Kronos	Workforce Connect Software & Hardware; Annual Hosting, V8 On-Prem upgrade, Migration to Saas, Training Maintenance and Support.	\$ 100,000	\$ 75,000	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

The Standard Contracts

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 21/22	Owner
MHC Software, Inc. AKA Safeguard	Check Printing Software, W2 and 1099 Printing, ACA Reporting, electronic W2/Paystubs, Document Express 1099-NEC and MHC DSS mhckBA	\$ 50,000	\$ 40,000	Cherie Finona and Karen DeCresenzo
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
Origami Risk LLC	Origami Risk Software	\$ 100,000	\$ -	Tom Young
Payscale	HR contracted salary research service	\$ 35,000	\$ 35,000	Lynn Huson
Salesforce AKA ExactTarget	Proprietary Platform for Email and Text Messaging Services and Customer Relations Case Management	\$ 225,000	\$ 180,000	Jennifer O'Connor & Ryan Armstrong
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	\$ 60,000	\$ 53,000	Ryan Armstrong
SPX Corp.	Annual support services for GFI Genfare.	\$ 74,000	\$ 70,000	Tom Young
Swiftly	Insights (GPS Playback & On-Time Performance) Transitime (Real Time Passenger Info, Rider Alerts, SMS Text4Next)	\$ 470,000	\$ 465,999	Lloyd Sullivan/Tim Beseau
Talentwise	Hosted Onboarding Solution	\$ 35,000	\$ 35,000	Karen DeCresenzo
Trackit	Training assignment and evaluator software	\$ 30,000	\$ 26,000	Tom Young
Trapeze AKA Vontas	Trapeze EZ Wallet, Drivemate, 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; IPA Module	\$ 630,000	\$ 597,000	Tom Young
Trinet	CAMMNET Support	\$ 80,000	\$ 80,000	Marcus Estrada
TripSpark	Vanpool: RidePro, RidePro Mobile App	\$ 30,000	\$ 24,000	Tom Young
Vertosoft LLC	Comprehensive Annual Financial Report Preparation Software	\$ 58,000	\$ 55,500	Changsu Lee
Virtual Consulting	Crystal, Business Objects, and Java support for DataWarehouse and OTS systems. Annual maintenance and support for Qlikview licenses.	\$ 150,000	\$ 120,000	Lloyd Sullivan
Conduent (aka Xerox Corporation)	Annual Maint & Support for ITMS	\$ 575,000	\$ 575,000	Michael Beerer
XenaTech Software Integration Service LLC	Motorist Services Hosting and maintenance for Freeway Service Patrol's LATATrax / InteliTraxx system	\$ 38,000	\$ 38,000	Patrick Sampson
Xerox Corporation	Xerox maintenance, printing equipment, software, parts and supplies	\$ 375,000	\$ 335,000	Sara Belovsky

Subtotal \$ 7,849,000 \$ 7,023,601

The Standard Contracts

With Emergency Support

(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.)

Vendor Name	Software / Hardware Product	Sole Source Amount	Budgeted FY 21/22	Owner
Infor (US), Ciber	Annual certified support:	\$ 55,000	\$ 50,000	Tom Young
	Lawson Custom Interfaces & Modifications			
	Certified on-call support	\$ 5,000	\$ 5,000	
	Lawson HR/Payroll software & Lawson Business Intelligence	\$ 180,000	\$ 140,000	
ABB/Ventyx	Educational Services - Lawson Learning Suite subscription (CloudSuite)	\$ 7,000	\$ 5,000	Tom Young
	Ellipse Software Hosting	\$ 400,000	\$ 275,000	
	Maintenance	\$ 150,000	\$ -	
	Ellipse Interface and Emergency Support	\$ 50,000	\$ -	
IFAS/Superion/One Solution/ Central Square/ Finance Enterprise	ONESolution Enterprise Core SQL-SQL-IFAS Maintenance One Solution / CentralSquare Contract Management module			Tom Young
	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			
Hewlett Packard Enterprise	Emergency support on an as-needed basis with no guaranteed usage	\$ 225,000	\$ 200,000	Michael Beerer
	Ellipse Interface Support	\$ 25,000	\$ 20,000	
	Hewlett-Packard Computers Maintenance	\$ 120,000	\$ 97,400	
	Emergency Support	\$ 20,000	\$ 20,000	
Konica Minolta	Nintex, Kofax, Valo & Adobe Esign maintenance	\$ 175,000	\$ 150,000	Lloyd Sullivan
	Emergency Support	\$ 185,000	\$ 185,000	
	Business Process Outsourcing (BPO)	\$ 50,000	\$ -	

Subtotal	\$ 1,647,000	\$ 1,147,400
Grand Total of Contracts	\$ 9,496,000	\$ 8,171,001



METROLINK®

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

metrolinktrains.com/meeting**ITEM 12.B**

ITEM ID: 2020-326-0

TRANSMITTAL DATE: April 2, 2021

MEETING DATE: April 23, 2021

TO: Board of Directors

FROM: Stephanie Wiggins, Chief Executive Officer

SUBJECT: Request for Approval to Transmit Proposed FY2021-22 (FY22) Operating and Capital Budget to Member Agencies

Issue

The Authority is required under the Joint Powers Agreement to provide to its Member Agencies, on or before May 1 of each year, a Proposed Budget for the coming fiscal year (which begins July 1) for individual agency consideration and approval.

Recommendation

AUDIT AND FINANCE COMMITTEE RECOMMENDED (5-0) the Board transmit the Proposed Fiscal Year 2021- 22 (FY22) Budget to its Member Agencies no later than May 1 for their consideration and adoption as required in the Joint Powers Agreement.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve.
- **Customers Are Our Business :** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.
- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless,

sustainable alternatives to driving.

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California.

The FY22 Budget has been constructed to provide support to each of Metrolink's strategic goals.

Background

The FY22 budget development process began in January 2021 with a virtual Budget Kick-off Meeting attended by over 50 employees and included budgetary guidance. Budget requests were compiled and submitted by those assigned by Chiefs to process the cost centers under their remit. Budget division staff subsequently analyzed and reviewed the requests. The interim CFO then held meetings with each Chief, and, subsequently, the Chief Executive Officer. The primary purpose of the meetings was to consider the necessity for each budget amount requested taking into consideration such factors as:

- Funding at a level which will meet the goals of the Authority;
- Historic levels of spending;
- Current levels of spending;
- Known adjustments for the forthcoming year;
- Overarching goal of safety, fiscal sustainability and operational efficiency; and
- Consideration of the COVID-19 pandemic impact on activities and funding.

This series of internal meetings was concluded in March.

The FY22 Proposed Budget was reviewed with the Member Agency Advisory Committee (MAAC) members on March 9th, March 26th, and April 1st.

An overview of the FY22 Proposed Budget for Operations and the Capital Program detailing the Total Request for Funding was reviewed in individual conversations with each of the Member Agencies' Chief Financial Officers (CFOs) and Chief Executive Officers (CEOs) during the months of March and April 2021. During these individual meetings, substantive agreement was reached on concurrence with the Operating and Capital Program portions of the FY22 Budget as proposed.

Discussion

Foundation for FY22 Proposed Budget

The FY22 Proposed Budget provides funding to achieve the following:

- Recovery of ridership and revenue
 - Returning Commuters
 - Assistance for Low Income Riders
 - Expansion of ridership base to include ridership for entertainment, day trips, shopping.
- Continued emphasis on safe operations, with updates and maintenance of intraoperative Positive Train Control (PTC) as the centerpiece of Metrolink's efforts
- Grant funded efforts to reduce the number of trespasser injuries.
- Additional New Service on the Ventura Line
 - Service was added to provide an additional round trip each Saturday
- Investment in existing assets to maintain a state of good repair by:
 - Funding critical rehabilitation projects,
 - Improving processes to accelerate project delivery

Budget Assumptions:

Service

- Maintain 30% Service Reduction – any change would be based on load factors. If service does increase due to load factors/unplanned ridership demand, the financial impact would be addressed during the Mid-Year Budget review. Only
- added service Ventura Line Saturday round trip

• **Revenue**

- Ridership Recovery Forecast Scenario 2B (see Attachment A)

• **Expense**

- 3% Merit Pool for FY22
- No COLA for FY22
- Contractor Increases Only as Mandated by Agreements 1
- New FTE headcount (Manager II - Cybersecurity)

• **Funding**

- Continued Dependency on use of COVID-19 pandemic Relief Funds

• **Reporting**

- Monthly
- Formal Mid-Year Budget Review

• **Arrow Service**

- Will be presented as part of the Mid-Year Budget Adjustment

Operating Budget

The Operating Revenues are \$59.4M and reflect a projected net increase of \$15.9M or 36.5% from FY21. The year over year changes are detailed below in the Operating Revenues section. The Expenditures are \$253.0M and reflect a decrease of \$7.5M or 2.9% lower than FY21. Details of the year over year change are explained below in the Operating Expenditures section. The required Operating Subsidy is \$193.7M and is a decrease of \$23.3M from the FY21 Adopted Budget (see Attachment B).

The FY22 Proposed Budget Operating Statement by detailed categories compared to FY21 adopted budget, by Member Agency, by Line and historically over the last five years are included as Attachments C, D, E and F.

Discussion of FY22 Proposed Budget Operating

Statement Operating Revenues

Operating Revenues include Farebox, Dispatching, Maintenance-of-Way (MOW) Revenues, interest, other minor miscellaneous revenues, and are estimated to total \$59.4M for FY22, an increase of \$15.9M or 36.5% compared to the FY21 Adopted Budget.

Farebox Revenues which are the largest component of the operating revenue, are projected at \$45.2M, an increase \$18.0M or 66.5% compared to the FY21 Adopted Budget. This increase reflects the steady recovery of ridership which was so negatively impacted by the COVID-19 pandemic for all of FY21.

Dispatching and MOW revenues from the freight railroads and Amtrak are based on existing agreements at the current rate of usage. The service reductions by Amtrak passenger rail in response to the COVID-19 pandemic have negatively affected the Revenues for both Dispatching and MOW. The budget of \$2.1M for Dispatching Revenue and \$11.6M for MOW Revenue reflect decreases of \$0.3M and \$1.4M respectively as compared to the FY21 Budget. Lack of advertising, and reduced filming revenues have contributed to the \$0.5 reduction in Other Revenues.

Operating Expenditures

Operating Expenditures are presented in the following four categories: Train Operations, Maintenance-of-Way (MOW), Administration and Services, and Insurance. Comparisons are to Adjusted Budget.

The Train Operations component of the Operating budget contains those costs necessary to provide Metrolink commuter rail services across the six-county service area, which includes

the direct costs of railroad operations, equipment maintenance, required support costs, and other administrative and operating costs. The FY21 Proposed Budget for expenditures related to Train Operations includes contingency and is \$141.3M.

Ordinary MOW expenditures are those costs necessary to perform the inspections and repairs needed to ensure reliable, safe, efficient operation of trains and safety of the public. The FY22 proposed budgeted amount for expenditures related to MOW is \$47.1M.

Administration and Services include internal expenditures related to Train Operations. The FY22 Proposed Budget for expenditures related to Administration & Services is \$47.8M.

The Category of Insurance and Legal is \$16.8M for the FY22 Proposed Budget.

Overall, the total FY22 Proposed Budget for expenditures is \$253.0M, and has decreased from the FY21 Adopted Budget by \$7.5M or 2.9%. The components of this change are as described below.

- Total Train Operations have decreased by \$10.1M or 6.7%. The primary drivers of this decrease are:
 - Train Operations Services have decreased \$2.3M as the result of a new contract;
 - Equipment Maintenance decreased by \$1.1M due to efficiencies in maintenance, and reduced material for Rolling Stock repairs;
 - Fuel expense decreased by \$0.8M due to the 30% service reduction;
 - Operating Facilities Maintenance decreased by \$0.7M created by efficiencies in operation;
 - TVD Maintenance/Revenue Collection decreased by \$1.6M due to reduced ridership, lower credit card fees;
 - Amtrak Transfers decreased by \$1.0M as a function of reduced service;
 - Rail Agreements decreased by \$2.1M caused by the 30% service reduction; and
 - Special Train costs have decreased by \$0.4M as an impact of the pandemic.
- MOW has decreased by \$0.8M or 1.6% from the FY21 Adjusted Budget primarily as a result of a new Track and Signals Contract.
- Administration and Services have increased from FY21 Adjusted Budget by \$1.6M or 3.5%, The primary drivers of this increase are:
 - An increase of Labor distribution to Operations Salaries for \$2.2M, in conjunction with an increase in medical insurance benefit costs;
 - Offset by a decrease of \$0.6M in charges to Indirect Administrative costs (overhead).
 - It is noteworthy that overall total Salaries in the Operations budget have increased by only 1.1%.

- Total Insurance expense has increased by \$1.9M or 12.5% from the FY21 budget, primarily as a result of the Rail insurance market shrinking and becoming increasingly costly.
 - Property and Liability Insurance premiums are higher by \$1.8M.

Member Agency Operating Subsidy

- Member Agency subsidies are required to fund the difference between the total costs of operations and available revenues. The FY22 Proposed Budget estimates total Member Agency subsidies to equal \$193.7M, a decrease of \$23.3M, or 10.8% less than the FY21 Budget.
- The Budget Summary Comparison (Attachment B) includes a year over year comparison of net operating subsidy by Member Agency. In response to Member Agency requests, this schedule reflects the FY22 Proposed member subsidy in whole dollars which are required to create Member Agency Board requests.

Capital Program Budget

Rehabilitation

The FY22 Proposed Rehabilitation Budget was developed based on the Metrolink Rehabilitation Plan (MRP) which was created in fulfillment of the Transit Asset Management (TAM) requirement, and to address the Authority's State of Good Repair (SOGR) needs. The MRP addresses two critical elements:

Backlog or total cost of renovating assets to achieve a current

SOGR **SOGR** - Annual cost of keeping assets in a SOGR.

In light of the financial stress created by the COVID -19 pandemic, the FY22 budget request addresses only the SOGR or annual cost of keeping assets in a SOGR. The FY22 Proposed Budget does not address the current backlog which is estimated to be over \$500M.

The Rehabilitation authorization request for FY22 was identified as necessary investments to maintain a SOGR. These projects total \$90.4M and are presented by Member Agency and by Line in Attachment G. Grants paid directly to Metrolink cover \$26.1M of this request. The total amount requested from Member Agencies will therefore be \$64.3M.

A listing of the individual projects, their location and description are provided in Attachment H.

New Capital

The New Capital authorization request for FY22 was identified as necessary for safe and efficient rail operations. These projects total \$8.6M and are shown by Member Agency and by Line in Attachment I. Grants paid directly to Metrolink cover \$ 8.0M of this request. The total amount requested from Member Agencies will therefore be \$0.6M. The Authority is also endeavoring to secure a Grant to cover this \$0.6M.

A listing of the individual projects, their location and description are provided in Attachment J.

The FY22 Proposed Capital Program Budget request is \$99.0M by asset type as shown below:

CAPITAL PROGRAM	FY2021-22
Facilities	\$2,946
Grade Crossing	\$8,000
Rolling Stock	\$3,000
Structures	\$20,787
Track	\$42,440
Train Control	\$18,610
Vehicles	\$3,250
Total Capital Investment	<u>\$99,033</u>
Annual Cash Flow	\$4,952

Completion of the FY22 Proposed Capital Program projects are multi-year in nature. As such, the funding for the FY22 Budget requests may be viewed as each having a four-year funding commitment which would have the estimated cashflow impact over the subsequent fiscal years as shown in Attachment K.

Operating Budget Attachments

The attachments as listed below provide additional detail on the FY22 Proposed Budget for the Operating as described:

- **Attachment A - Ridership Recovery Forecast Scenarios**
- **Attachment B - Budget Summary Comparison FY21 vs FY22**
- **Attachment C - Comparative Detailed Operating Statement** - a detail of the Operating Revenues, Expenses and Subsidy adopted for FY19 and proposed for FY20. This attachment also shows variances between FY19 Adopted Budget and FY20 Proposed Budget in dollars and percentages
- **Attachment D - Budget by Member Agency**
- **Attachment E - Budget by Line**
- **Attachment F - Historical Actual and Budgeted Operating Statements** . Actual Operating expense for FY17, FY18, FY19, FY20 and Adopted Operating Budget for FY21 and Proposed Operating Budget for FY22, with a variance comparison between FY21 Adopted Budget and FY22 Proposed Budget

Capital Program Budget Attachments

The attachments as listed below provide additional detail on the FY22 Proposed Budget for the Capital Program as described:

- **Attachment G - FY22 Proposed Rehabilitation by Member Agency and Line**
- **Attachment H - FY22 Proposed Rehabilitation Projects Detail list** – Presents original request and funded amounts by subdivision, project category and Member Agency share.
- **Attachment I - FY22 Proposed New Capital by Member Agency and Line**
- **Attachment J - FY22 Proposed New Capital Projects Detail list** - Presents original request and funded amounts by subdivision, project category and Member Agency share.
- **Attachment K - FY22 Proposed Capital Program Cashflow**

Budget Impact

This report and the transmittal of the Proposed FY22 Budget has no impact on the Budget.

Alternatives Considered

The Committee may recommend the transmission of the FY22 Budget with specific modifications. Staff does not recommend this approach as the Member Agency CEO's have provided general concurrence with the proposed subsidy amounts.

Next Steps

April – June, 2021 Staff present at Member Agencies' Committee and Board meetings as may be requested

June 11, 2021 FY22 Proposed Budget to AFCOM for recommendation to Adopt

June 25, 2021 FY22 Proposed Budget to Metrolink Board for Adoption

Prepared by: Christine J. Wilson, Senior Manager, Finance

Approved by: Arnold Hackett, Interim Chief Financial Officer

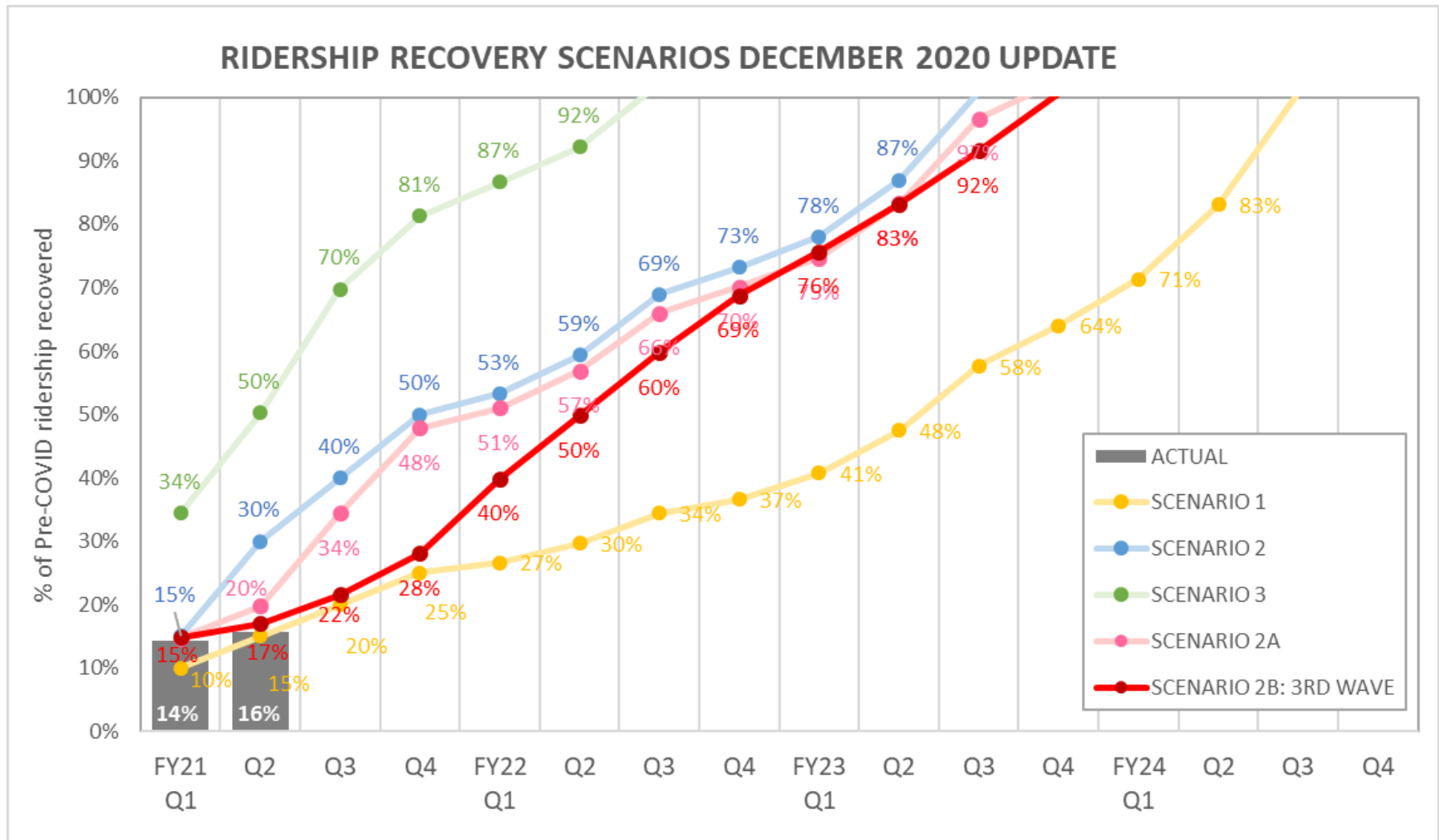
Attachment(s)

Attachment A - Ridership Recovery Forecast Scenarios
Attachment B - Budget Summary Comparison FY21 vs FY22
Attachment C - Comparative Detailed Operating Statement FY21 vs FY22
Attachment D - Budget by Member Agency
Attachment E - Budget by Line
Attachment F - Historical Budget Comparison
Attachment G - FY22 Proposed Rehab by MA & Line
Attachment H - FY22 Proposed Rehabilitation Project list
Attachment I - FY22 Proposed New Capital by MA & Line
Attachment J - FY22 Proposed New Capital Project list
Attachment K - FY22 Proposed Capital Program Cashflow

Ridership Recovery Forecast Scenarios

Planning Scenarios:

- 1 - Muted Recovery (Worst Case): Major economic downturn. Ridership recovery prolonged until FY24 Q3.
- 2 - Recession (Medium Case): Medical crisis triggers recession. Ridership recovery by FY23 Q3.
- 2A - Surge (Adjusted Medium Case): Surge in infections delays ridership recovery to FY23 Q4.
- 2B – 3rd Wave (Adjusted Medium 2A Case): Surge in infections delays ridership recovery to FY23 Q4.**
- 3 - No Recession (Best Case): Ridership recovery by FY22 Q3.



**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY21 and FY22 BUDGET SUMMARY COMPARISON**

FY22 Proposed Budget	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Revenues	29,213,825	15,604,054	5,044,779	7,252,509	2,244,130	59,359,297
Total Expenses	127,593,263	54,756,602	26,519,363	29,770,267	14,394,215	253,033,710
Net Loss	(98,379,438)	(39,152,549)	(21,474,584)	(22,517,758)	(12,150,085)	(193,674,413)

FY21 Adopted Budget	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Total Revenues	22,184,541	10,860,507	3,453,373	5,205,265	1,796,594	43,500,280
Total Expenses	132,107,013	56,793,223	27,233,210	30,272,432	14,101,906	260,507,784
Net Loss	(109,922,472)	(45,932,716)	(23,779,837)	(25,067,166)	(12,305,312)	(217,007,504)

Comparison: FY22 to FY21	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL	Variance (%)
Total Revenues	7,029,284	4,743,547	1,591,406	2,047,243	447,536	15,859,016	36.46%
Total Expenses	(4,513,750)	(2,036,621)	(713,847)	(502,165)	292,308	(7,474,075)	(2.87%)
Net Loss	11,543,035	6,780,168	2,305,253	2,549,408	155,227	23,333,091	(10.75%)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY FY21 and FY22 BUDGET COMPARISON							
	<u>FY21 ADOPTED BUDGET</u>	<u>FY21 ADJUSTED BUDGET</u>	<u>FY22 PROPOSED BUDGET</u>	<u>VARIANCE FROM FY21 ADOPTED BUDGET OVER/(UNDER)</u>		<u>VARIANCE FROM FY21 ADJUSTED BUDGET OVER/(UNDER)</u>	
				<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Operating Revenue							
Farebox Revenue	26,218,749	26,218,749	41,547,178	15,328,429	58.46%	15,328,429	58.46%
Farebox Reduction Subsidy	700,000	700,000	1,125,608	425,608	60.80%	425,608	60.80%
Other Train Subsidies	0	0	2,351,912	2,351,912	0.00%	2,351,912	0.00%
Special Trains	218,887	218,887	150,000	(68,887)	(31.47%)	(68,887)	(31.47%)
Subtotal Pro Forma Farebox	27,137,636	27,137,636	45,174,698	18,037,061	66.47%	18,037,061	66.47%
Dispatching	2,327,307	2,327,307	2,053,871	(273,436)	(11.75%)	(273,436)	(11.75%)
Other Revenues	1,075,000	1,075,000	575,000	(500,000)	(46.51%)	(500,000)	(46.51%)
MOW Revenues	12,960,337	12,960,337	11,555,728	(1,404,609)	(10.84%)	(1,404,609)	(10.84%)
Total Operating Revenues	43,500,280	43,500,280	59,359,297	15,859,017	36.46%	15,859,017	36.46%
Operating Expenses							
<u>Operations & Services</u>							
Train Operations	49,978,200	47,448,200	45,095,901	(4,882,299)	(9.77%)	(2,352,299)	(4.96%)
Equipment Maintenance	39,202,056	38,728,622	37,594,367	(1,607,689)	(4.10%)	(1,134,255)	(2.93%)
Fuel	20,538,530	20,212,070	19,416,673	(1,121,857)	(5.46%)	(795,397)	(3.94%)
Non-Sched Rolling Stock Repairs	140,000	140,000	100,000	(40,000)	(28.57%)	(40,000)	(28.57%)
Operating Facilities Maintenance	1,745,225	2,303,649	1,654,008	(91,217)	(5.23%)	(649,641)	(28.20%)
Other Operating Train Services	983,682	989,081	916,115	(67,567)	(6.87%)	(72,966)	(7.38%)
Rolling Stock Lease	230,000	230,460	0	(230,000)	(100.00%)	(230,460)	(100.00%)
Security	10,762,704	13,762,704	13,533,013	2,770,309	25.74%	(229,691)	(1.67%)
Public Safety Program	105,404	102,151	102,194	(3,210)	(3.05%)	43	0.04%
Passenger Relations	1,811,841	1,811,841	1,869,975	58,134	3.21%	58,134	3.21%
TVM Maint/Revenue Collection	6,827,191	6,178,669	4,613,646	(2,213,545)	(32.42%)	(1,565,023)	(25.33%)
Marketing	2,408,141	2,408,141	2,867,500	459,359	19.08%	459,359	19.08%
Media & External Communications	480,775	495,775	361,900	(118,875)	(24.73%)	(133,875)	(27.00%)
Utilities / Leases	3,066,332	3,057,812	2,965,010	(101,322)	(3.30%)	(92,802)	(3.03%)
Transfers to Other Operators	2,982,650	2,880,900	3,276,436	293,786	9.85%	395,536	13.73%
Amtrak Transfers	1,853,998	1,853,998	823,581	(1,030,417)	(55.58%)	(1,030,417)	(55.58%)
Station Maintenance	2,297,810	2,281,933	2,065,000	(232,810)	(10.13%)	(216,933)	(9.51%)
Rail Agreements	5,804,314	5,715,314	3,640,851	(2,163,463)	(37.27%)	(2,074,463)	(36.30%)
Holiday Trains	255,000	255,000	265,000	10,000	3.92%	10,000	3.92%
Special Trains	524,100	524,100	92,000	(432,100)	(82.45%)	(432,100)	(82.45%)
Subtotal Operations & Services	151,997,953	151,380,420	141,253,170	(10,744,783)	(7.07%)	(10,127,250)	(6.69%)
<u>Maintenance-of-Way</u>							
MoW - Line Segments	46,611,431	46,826,045	46,395,469	(215,961)	(0.46%)	(430,575)	(0.92%)
MoW - Extraordinary Maintenance	1,050,207	1,050,207	697,300	(352,907)	(33.60%)	(352,907)	(33.60%)
Subtotal Maintenance-of-Way	47,661,638	47,876,252	47,092,769	(568,868)	(1.19%)	(783,482)	(1.64%)
<u>Administration & Services</u>							
Ops Salaries & Fringe Benefits	14,626,597	14,626,597	16,816,671	2,190,074	14.97%	2,190,074	14.97%
Ops Non-Labor Expenses	7,518,370	8,820,333	8,653,705	1,135,335	15.10%	(166,628)	(1.89%)
Indirect Administrative Expenses	20,977,819	20,519,263	19,889,450	(1,088,370)	(5.19%)	(629,813)	(3.07%)
Ops Professional Services	2,558,508	2,163,021	2,398,236	(160,272)	(6.26%)	235,215	10.87%
Subtotal Administration & Services	45,681,294	46,129,214	47,758,061	2,076,767	4.55%	1,628,848	3.53%
Contingency	200,000	154,999	90,000	(110,000)	(55.00%)	(64,999)	(41.94%)
Total Operating Expenses	245,540,885	245,540,884	236,194,001	(9,346,884)	(3.81%)	(9,346,884)	(3.81%)
<u>Insurance Expense (Recoveries)</u>							
Liability/Property/Auto/Misc	12,864,528	12,864,528	14,677,210	1,812,682	14.09%	1,812,682	14.09%
Net Claims / SI	1,000,000	1,000,000	990,000	(10,000)	(1.00%)	(10,000)	(1.00%)
Claims Administration	1,102,371	1,102,371	1,172,499	70,128	6.36%	70,128	6.36%
Subtotal Insurance Expense (Recoveries)	14,966,899	14,966,899	16,839,709	1,872,810	12.51%	1,872,810	12.51%
Total Expenses	260,507,784	260,507,784	253,033,710	(7,474,074)	(2.87%)	(7,474,075)	(2.87%)
Net Loss - Subsidy	(217,007,504)	(217,007,504)	(193,674,413)	23,333,091	(10.75%)	23,333,091	(10.75%)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2021-22 PROPOSED BUDGET
Annual Operating Budget Distribution by Cost Component

Attachment D

	Proposed FY2021-22 Budget					
(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	\$ 18,685	\$ 12,159	\$ 4,264	\$ 4,963	\$ 1,477	\$ 41,547
Fare Reduction Subsidy	673	-	-	452	-	\$ 1,126
Other Train Subsidies	2,352	-	-	-	-	\$ 2,352
Special Trains	53	50	9	8	30	\$ 150
Subtotal-Pro Forma FareBox	21,763	12,209	4,273	5,423	1,507	\$ 45,175
Dispatching	1,060	647	14	96	237	\$ 2,054
Other Revenues	288	142	51	72	21	\$ 575
MOW Revenues	6,103	2,606	706	1,661	479	\$ 11,556
Total Operating Revenue	29,214	15,604	5,045	7,253	2,244	\$ 59,359
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	23,859	9,933	3,952	5,401	1,951	\$ 45,096
Equipment Maintenance	18,434	8,720	4,346	4,453	1,641	\$ 37,594
Fuel	9,830	4,606	1,701	2,450	829	\$ 19,417
Non-Scheduled Rolling Stock Repairs	51	24	10	12	3	\$ 100
Operating Facilities Maintenance	846	398	167	191	51	\$ 1,654
Other Operating Train Services	455	127	110	152	73	\$ 916
Rolling Stock Lease	-	-	-	-	-	-
Security	7,101	2,812	1,434	1,518	668	\$ 13,533
Public Safety Program	48	18	15	11	10	\$ 102
Passenger Relations	920	498	157	234	60	\$ 1,870
TVM Maintenance/Revenue Collection	1,919	1,070	812	517	295	\$ 4,614
Marketing	1,441	722	245	360	99	\$ 2,868
Media & External Communications	172	62	54	38	36	\$ 362
Utilities/Leases	1,407	511	441	311	295	\$ 2,965
Transfers to Other Operators	1,743	850	235	343	106	\$ 3,276
Amtrak Transfers	253	519	-	-	51	\$ 824
Station Maintenance	1,199	331	142	294	98	\$ 2,065
Rail Agreements	1,359	955	876	197	254	\$ 3,641
Holiday Trains	77	87	-	21	81	\$ 265
Special Trains	44	32	16	-	-	\$ 92
Subtotal Operations & Services	71,159	32,275	14,715	16,501	6,604	\$ 141,253
<u>Maintenance-of-Way</u>						
MoW - Line Segments	24,566	9,543	3,231	6,146	2,910	\$ 46,395
MoW - Extraordinary Maintenance	408	100	66	74	48	\$ 697
Subtotal Maintenance-of-Way	24,974	9,643	3,298	6,220	2,958	\$ 47,093
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	7,978	2,910	2,494	1,767	1,667	\$ 16,817
Ops Non-Labor Expenses	4,253	2,017	980	989	415	\$ 8,654
Indirect Administrative Expenses	9,436	3,427	2,960	2,088	1,979	\$ 19,889
Ops Professional Services	1,138	413	357	252	239	\$ 2,398
Subtotal Admin & Services	22,804	8,768	6,791	5,097	4,300	\$ 47,758
<u>Contingency</u>	43	16	13	9	9	\$ 90
Total Operating Expenses	118,979	50,701	24,816	27,828	13,870	\$ 236,194
<u>Insurance and Legal</u>						
Liability/Property/Auto	7,508	3,535	1,484	1,693	457	\$ 14,677
Net Claims / SI	506	238	100	114	31	\$ 990
Claims Administration	600	282	119	135	36	\$ 1,172
Total Net Insurance and Legal	8,614	4,056	1,703	1,943	524	\$ 16,840
Total Expense	127,593	54,757	26,519	29,770	14,394	\$ 253,034
Loss / Member Subsidy	(98,379)	(39,153)	(21,475)	(22,518)	(12,150)	(193,674)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FISCAL YEAR 2021-22 PROPOSED BUDGET
Annual Operating Budget Distribution by Cost Component

Attachment E

	Proposed FY2021-22 Budget - Line Allocation								
(000's)	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	TOTAL
Operating Revenue									
Farebox Revenue	\$ 8,836	\$ 3,745	\$ 5,438	\$ 3,824	\$ 11,054	\$ 120	\$ 4,839	\$ 3,689	\$ 41,547
Fare Reduction Subsidy	1,126	-	-	-	-	-	-	-	\$ 1,126
Other Train Subsidies	750	93	912	299	183	-	-	115	\$ 2,352
Special Trains	46	18	36	-	33	-	-	18	\$ 150
Subtotal-Pro Forma FareBox	10,758	3,856	6,386	4,124	11,270	120	4,839	3,822	\$ 45,175
Dispatching	331	467	307	2	915	5	6	22	\$ 2,054
Other Revenues	145	55	94	46	124	4	64	44	\$ 575
MOW Revenues	3,486	1,407	2,907	183	1,540	7	1,281	745	\$ 11,556
Total Operating Revenue	14,719	5,784	9,693	4,355	13,849	137	6,190	4,633	\$ 59,359
Operating Expenses									
Operations & Services									
Train Operations	11,335	4,570	9,833	2,597	5,803	764	6,116	4,078	\$ 45,096
Equipment Maintenance	8,464	3,851	7,335	2,621	5,492	1,136	4,466	4,229	\$ 37,594
Fuel	4,788	1,828	3,716	1,209	2,875	207	3,025	1,769	\$ 19,417
Non-Scheduled Rolling Stock Repairs	23	8	21	7	16	2	12	11	\$ 100
Operating Facilities Maintenance	388	136	341	108	267	38	199	176	\$ 1,654
Other Operating Train Services	287	122	133	110	57	20	83	103	\$ 916
Rolling Stock Lease	-	-	-	-	-	-	-	-	\$ -
Security	2,840	1,328	3,246	1,144	1,746	276	1,587	1,366	\$ 13,533
Public Safety Program	15	17	18	15	8	3	12	14	\$ 102
Passenger Relations	475	158	315	135	422	10	227	129	\$ 1,870
TVM Maintenance/Revenue Collection	818	670	744	363	511	209	677	621	\$ 4,614
Marketing	733	262	460	226	646	15	311	215	\$ 2,868
Media & External Communications	53	60	65	54	28	10	41	51	\$ 362
Utilities/Leases	433	493	535	444	228	81	336	415	\$ 2,965
Transfers to Other Operators	704	272	678	243	952	-	166	262	\$ 3,276
Amtrak Transfers	-	123	-	-	700	-	-	-	\$ 824
Station Maintenance	646	278	392	136	373	5	14	222	\$ 2,065
Rail Agreements	-	596	-	1,149	472	-	669	755	\$ 3,641
Holiday Trains	81	-	51	-	87	-	-	47	\$ 265
Special Trains	28	32	31	-	-	-	-	-	\$ 92
Subtotal Operations & Services	32,111	14,806	27,914	10,562	20,681	2,778	17,941	14,462	\$ 141,253
Maintenance-of-Way									
MoW - Line Segments	13,327	7,254	10,231	1,192	6,207	26	4,977	3,181	\$ 46,395
MoW - Extraordinary Maintenance	153	105	111	97	117	-	94	21	\$ 697
Subtotal Maintenance-of-Way	13,480	7,359	10,342	1,288	6,325	26	5,071	3,201	\$ 47,093
Administration & Services									
Ops Salaries & Fringe Benefits	2,463	2,784	3,045	2,509	1,309	459	1,904	2,344	\$ 16,817
Ops Non-Labor Expenses	1,897	905	1,635	634	1,409	55	1,184	934	\$ 8,654
Indirect Administrative Expenses	2,902	3,306	3,592	2,979	1,531	545	2,251	2,783	\$ 19,889
Ops Professional Services	350	399	433	359	185	66	271	336	\$ 2,398
Subtotal Admin & Services	7,612	7,394	8,705	6,482	4,434	1,125	5,610	6,396	\$ 47,758
Contingency	13	15	16	13	7	2	10	13	\$ 90
Total Operating Expenses	53,216	29,574	46,977	18,346	31,447	3,931	28,632	24,071	\$ 236,194
Insurance and Legal									
Liability/Property/Auto	3,443	1,209	3,025	960	2,371	337	1,770	1,563	\$ 14,677
Net Claims / SI	232	82	204	65	160	23	119	105	\$ 990
Claims Administration	275	97	242	77	189	27	141	125	\$ 1,172
Total Net Insurance and Legal	3,951	1,387	3,470	1,101	2,720	386	2,031	1,793	\$ 16,840
Total Expense	57,167	30,961	50,447	19,448	34,167	4,317	30,663	25,864	\$ 253,034
Loss / Member Subsidy	(42,448)	(25,177)	(40,754)	(15,093)	(20,318)	(4,181)	(24,473)	(21,231)	(193,674)

Annual Operating Budget by Cost Component by Fiscal Year
(\$000s)

	FY2016-17 Actual	FY2017-18 Actual	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Adopted Budget	FY2021-22 Proposed Budget	FY2021-22 Proposed Budget vs FY2020-21 Adopted Budget	
							\$ Variance	% Variance
Operating Revenue								
Farebox Revenue	82,883	82,542	79,007	61,843	26,219	41,547	15,328	58.5%
Fare Reduction Subsidy	490	157	3,147	1,090	700	1,126	426	60.8%
Other Train Subsidies	-	-	-	-	-	2,352	2,352	n/a
Special Trains	-	-	-	171	219	150	(69)	-31.5%
Subtotal-Pro Forma FareBox	83,373	82,699	82,154	63,104	27,138	45,175	18,037	66.5%
Dispatching	2,016	2,133	2,136	2,300	2,327	2,054	(273)	-11.7%
Other Revenues	762	463	790	254	1,075	575	(500)	-46.5%
MOW Revenues	12,384	12,789	13,017	13,301	12,960	11,556	(1,405)	-10.8%
Total Operating Revenue	98,535	98,084	98,097	78,958	43,500	59,359	15,859	36.5%
Operating Expenses								
<u>Operations & Services</u>								
Train Operations	41,616	42,116	43,093	45,701	49,978	45,096	(4,882)	-9.8%
Equipment Maintenance	35,422	34,242	36,642	36,861	39,202	37,594	(1,608)	-4.1%
Fuel	18,207	17,577	23,582	21,150	20,539	19,417	(1,122)	-5.5%
Non-Scheduled Rolling Stock Repairs	1	56	87	92	140	100	(40)	-28.6%
Operating Facilities Maintenance	1,475	1,493	1,683	1,569	1,745	1,654	(91)	-5.2%
Other Operating Train Services	449	722	1,069	863	984	916	(68)	-6.9%
Rolling Stock Lease	230	11	230	231	230	-	(230)	-100.0%
Security	7,315	7,821	8,715	9,367	10,763	13,533	2,770	25.7%
Public Safety Program	203	193	209	55	105	102	(3)	-3.0%
Passenger Relations	1,868	1,723	1,769	1,786	1,812	1,870	58	3.2%
TVM Maintenance/Revenue Collection	7,934	8,188	7,871	7,594	6,827	4,614	(2,214)	-32.4%
Marketing	716	1,307	4,304	1,359	2,408	2,868	459	19.1%
Media & External Communications	249	320	348	410	481	362	(119)	-24.7%
Utilities/Leases	2,614	2,804	2,775	2,762	3,066	2,965	(101)	-3.3%
Transfers to Other Operators	6,003	3,818	5,608	5,394	2,983	3,276	294	9.8%
Amtrak Transfers	1,307	1,678	1,497	1,166	1,854	824	(1,030)	-55.6%
Station Maintenance	1,196	1,575	1,847	1,980	2,298	2,065	(233)	-10.1%
Rail Agreements	5,155	4,938	5,696	5,159	5,804	3,641	(2,163)	-37.3%
Holiday Trains	-	-	-	57	255	265	10	3.9%
Special Trains	-	-	-	524	524	92	(432)	-82.4%
Subtotal Operations & Services	131,960	130,582	147,026	144,081	151,998	141,253	(10,745)	-7.1%
<u>Maintenance-of-Way</u>								
MoW - Line Segments	37,355	42,411	43,112	43,375	46,611	46,395	(216)	-0.5%
MoW - Extraordinary Maintenance	1,260	594	801	864	1,050	697	(353)	-33.6%
Subtotal Maintenance-of-Way	38,615	43,005	43,913	44,239	47,662	47,093	(569)	-1.2%
<u>Administration & Services</u>								
Ops Salaries & Fringe Benefits	13,808	12,507	13,484	15,497	14,627	16,817	2,190	15.0%
Ops Non-Labor Expenses	5,046	5,890	6,725	7,645	7,518	8,654	1,135	15.1%
Indirect Administrative Expenses	14,090	19,333	16,151	18,254	20,978	19,889	(1,088)	-5.2%
Ops Professional Services	1,963	2,687	2,423	3,019	2,559	2,398	(160)	-6.3%
Subtotal Admin & Services	34,907	40,417	38,784	44,415	45,681	47,758	2,077	4.5%
Contingency (Non-Train Ops)	2	15	-	11	200	90	(110)	-55.0%
Total Operating Expenses	205,484	214,019	229,723	232,745	245,541	236,194	(9,347)	-3.8%
Insurance and Legal								
Liability/Property/Auto	11,061	9,748	9,429	9,870	12,865	14,677	1,813	14.1%
Net Claims / SI	5,116	8,551	1,212	2,303	1,000	990	(10)	-1.0%
Claims Administration	704	585	682	367	1,102	1,172	70	6.4%
Net Insurance and Legal	16,880	18,883	11,324	12,540	14,967	16,840	1,873	12.5%
Total BNSF Lease Expenses	5,669	-	-	-	-	-	-	n/a
TOTAL EXPENSES	228,033	232,902	241,046	245,285	260,508	253,034	(7,474)	-2.9%
Net Loss	(129,498)	(134,818)	(142,949)	(166,327)	(217,008)	(193,674)	23,333	-10.8%
All Member Subsidies	141,989	142,399	150,550	156,578	217,008	193,674	(23,333)	-10.8%
Surplus / (Deficit)	12,491	7,581	7,600	(9,748)	-	-	-	n/a

Numbers may not foot due to rounding.

NOTE: All Historical Comparisons are to the Adopted Budget

FY22 PROPOSED REHABILITATION BY MEMBER AGENCY & LINE

By Member Agency

FY2022 PROPOSED REHABILITATION REQUEST	<u>TOTAL REQUEST</u>	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER¹</u>
	\$90,433,000	\$33,064,794	\$15,047,906	\$4,226,859	\$7,279,641	\$4,711,300	\$26,102,500

By Line

FY2022 PROPOSED REHABILITATION REQUEST	<u>TOTAL REQUEST</u>	<u>Systemwide</u>	<u>San Bernardino</u>	<u>Ventura County</u>	<u>Antelope Valley</u>	<u>Riverside</u>	<u>Orange County</u>	<u>IEOC</u>	<u>91/PVL</u>
	\$90,433,000	\$16,890,000	\$12,112,000	\$31,005,000	\$16,376,000	\$0	\$11,700,000	\$0	\$2,350,000

¹“Other” are Grants directly to Metrolink



REHABILITATION PROJECT PROPOSALS FOR FY2022 BUDGET

02/26/21

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
1	2380	Rehab	All	All	NA	Worn	High	Track	SYSTEMWIDE TRACK REHABILITATION	Systemwide Track Rehabilitation addresses the following recurring requirements to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail Grinding: ongoing systemwide program - Surfacing Program to restore track profiles and cross sections - Infrastructure study & planning and data collection for condition assessments	5,000,000	2,375,000	990,000	555,000	720,000	360,000	-
2	2403	Rehab	All	All	NA	Worn	High	Train Control	SYSTEMWIDE TRAIN CONTROL SYSTEMS REHABILITATION	Systemwide Train Control Systems Rehabilitation addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog. See the justification section for discussion on aged assets and standard life. Train Control Back Office: 1) DOC/MOC Backup Systems 2) Workstations/Laptops 3) CAD/BOS/MDM/IC3 4) Routers/Switches 5) On-Board Train Control Systems 6) Software/Hardware for Locomotives & Cab Cars	5,000,000	2,375,000	990,000	555,000	720,000	360,000	-
3	2404	Rehab	All	All	NA	Worn	High	Non-Revenue Fleet	MAINTENANCE-OF-WAY (MOW) VEHICLES & EQUIPMENT - REPLACEMENT & OVERHAUL	MOW vehicles and equipment major overhaul and replacement via new acquisition or lease-to-purchase addresses the fleet of specialized & ops. vehicles, equipment and tools that support the timely repair and rehabilitation of the overall rail corridor right-of-way. Replacement of MOW equipment and vehicles; Rehabilitation of MOW equipment. 1) Front loader 2) Freightliner 108SD 3) Various MOW equipment (light towers, air compressors, portable generators) 4) Dynamic Rail rider/Excavator 5) All terrain Fork Lift 6) HY rail SUV 7) Five (5) SUV's 8) Three (3) signal maintainers 9) Two (2) Brush trucks Ford F-350 4X4	2,650,000	1,258,750	524,700	294,150	381,600	190,800	-
4	2405	Rehab	All	All	NA	Worn	High	Facilities	FACILITIES REHABILITATION	Facilities rehabilitation addresses components and subcomponents that support the maintenance of rolling stock and offices for staff duties. Specific work to include: - Building storage facility for new locomotive battery storage - Phase 1: MOW health and welfare facilities installation, rehab and utility connections - Phase 1: Facilities equipment purchase and replacement - Pilot a design to automotive and install predictive failure notifications for facilities equipment to detect and repair failures before they become impact to rail operations	1,000,000	475,000	198,000	111,000	144,000	72,000	-
5	2406	Rehab	All	All	NA	Worn	High	Rolling Stock	ROLLING STOCK REHABILITATION	Rolling Stock rehabilitation addresses the revenue fleet of railcars and cab cars. Specific work for the FY22 Budget includes rehabilitation of the highest priority HVAC systems and other critical systems on rail car fleet.	3,000,000	1,425,000	594,000	333,000	432,000	216,000	-
ALL SHARE PROJECT PROPOSAL REQUEST											16,650,000	7,908,750	3,296,700	1,848,150	2,397,600	1,198,800	-
6	2376	Rehab	SB Shortway	All	0.42 - 2.1	Worn	High	Track	SHORT WAY SUBDIVISION TRACK REHABILITATION	Short Way Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: rehabilitation of 553 ft of rail, in-kind, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards.	240,000	122,844	51,206	28,709	37,241	-	-
SHORTWAY PROJECT PROPOSAL REQUEST											240,000	122,844	51,206	28,709	37,241	-	-

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
7	2357	Rehab	San Gabriel	San Bernardino Line	1.08 - 56.52	Worn	High	Track	SAN GABRIEL SUBDIVISION TRACK REHABILITATION	San Gabriel Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work includes: replacement of 7,000 wood ties and rehabilitation of seven crossings, in-kind, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards.	5,350,000	3,210,000	-	-	2,140,000	-	-
8	2382	Rehab	San Gabriel	San Bernardino Line	1.08 - 56.52	Worn	High	Structures	SAN GABRIEL SUBDIVISION STRUCTURES REHABILITATION	San Gabriel Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Load rating updates for Bridges on San Gabriel sub and hydrology analysis, design, and replacement of one Railtop bridge based on the current condition of the structure.	2,762,000	1,657,200	-	-	1,104,800	-	-
9	2397	Rehab	San Gabriel	San Bernardino Line	1.08 - 56.52	Worn	High	Train Control	SAN GABRIEL SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	San Gabriel Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Positive Train Control (PTC) systems - Signal systems - Crossing systems - Communication systems - Centralized train control systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) Amar Road MP 16.43 2) Hamburger Lane MP 16.90 3) Merced Avenue MP 18.03 4) Macdevitt Street MP18.36 5) Vincent Avenue MP 20.90 6) Lark Ellen Avenue MP 21.40 7) Azusa Avenue MP 21.91 8) Hollenbeck Avenue MP 22.41	4,000,000	2,400,000	-	-	1,600,000	-	-
										SAN GABRIEL PROJECTS REQUEST	12,112,000	7,267,200	-	-	4,844,800	-	-
10	2356	Rehab	Valley	Antelope Valley Line	3.67 - 76.63	Worn	High	Track	VALLEY SUBDIVISION TRACK REHABILITATION	Valley Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: replacement of 35,000 ft of rail; removal and replacement of four crossings; rehabilitation of two turnouts. All trackwork will bring the existing track conditions up to current Metrolink Standards.	8,000,000	8,000,000	-	-	-	-	-
11	2381	Rehab	Valley	Antelope Valley Line	3.67 - 76.63	Worn	High	Structures	VALLEY SUBDIVISION STRUCTURES REHABILITATION	Valley Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Scope of work for these project will include design, environmental permitting, load rating updates in accordance with FRA regulations, r/w grading near the limits of structures. Construction funds will be requested in subsequent FY's.	3,180,000	3,180,000	-	-	-	-	-

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
12	2396	Rehab	Valley	Antelope Valley Line	3.67 - 76.63	Worn	High	Train Control	VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Valley Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) Head Out Signal MP 5.4 (Terry Lumber Spur) - Replace EC4 Unit with New EC5 Controller 2) Rainbow Glen Drive MP 36.33 - Replace crossing house and internal control equipment 3) CP Portal MP 28.0 - Replace CP House, internal control equipment, & power switch machine 4) CP Hood MP 30.20 - Replace CP House, internal control equipment, & power switch machine 5) CP Canyon MP 33.4 - Replace CP House, internal control equipment, & power switch machine 6) CP Honby MP 38.6 - Replace CP House, internal control equipment, & power switch machine 7) HBD / DED MP 7.7 - Replace wayside detector	3,250,000	3,250,000	-	-	-	-	-
13	2407	Rehab	Valley	Antelope Valley Line	76.4 - 76.5	Worn	High	Facilities	LANCASTER CREW BASE REPLACEMENT	The Lancaster Crew Base houses train operation crews that serve Los Angeles County. This project will lease parcel and purchase/install new modular building and portable weather resistant communication shelter for train operations and mechanical crews. This is a critical interim solution that bridges the gap until a new Lancaster terminal is in service. The current Antelope Valley Line Capital and Service Improvements Program does not specifically address the crew base in its Lancaster Improvement Project statement of work.	1,946,000	1,946,000	-	-	-	-	-
14	2398	Rehab	Ventura - LA County	Ventura County Line	441.24 - 462.39	Worn	High	Train Control	VENTURA (LA) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Ventura (LA) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) CP Bernson MP 446.7 - Rehab Signal House and internal control equipment 2) DeSoto Avenue MP 446.73 - Rehab Crossing House and internal control equipment 3) CP Topange MP 444.4 - Purchase New House and control equipment only (no construction work)	1,390,000	1,390,000	-	-	-	-	-
										METRO PROJECT PROPOSAL REQUEST	17,766,000	17,766,000	-	-	-	-	-
15	2359	Rehab	Orange	Orange Line	165.08 - 207.4	Worn	High	Track	ORANGE SUBDIVISION TRACK REHABILITATION	Orange Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include replacement of 15,000 ties, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards.	6,460,000	-	6,460,000	-	-	-	-
16	2384	Rehab	Orange	Orange Line	165.08 - 207.4	Worn	High	Structures	ORANGE SUBDIVISION STRUCTURES REHABILITATION	Orange Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Construction funding for Calafia culverts.	2,240,000	-	2,240,000	-	-	-	-

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
17	2399	Rehab	Orange	Orange Line	165.08 - 207.4	Worn	High	Train Control	ORANGE SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Orange Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) CP La Palma MP 167.3 - Rehab Signal House, internal control equipment, and replace power switch machines 2) CP College MP 169.8 - Rehab Signal House and internal control equipment 3) CP Maple MP 172.4 - Rehab Signal House , internal control equipment, and replace power switch machines 4) Rehab old NAS Crossing Data Recorder with new Micro-Aide Data recorder at five (5) crossing locations	3,000,000	-	3,000,000	-	-	-	-
										OCTA PROJECT PROPOSAL REQUEST	11,700,000	-	11,700,000	-	-	-	-
18	2377	Rehab	San Jacinto (PVL)	Perris Valley Line	65 - 85.4	Worn	High	Structures	PERRIS VALLEY SUBDIVISION REHABILITATION - CONSTRUCTION PHASE SERVICES	Right-of-Way fencing/wall by UCR: Secure the open railroad right-of-way (RR ROW) with block walls and fencing to prevent trespassers and students from UCR using the RR ROW as a shortcut to and from UCR. Construction Phase for Citrus Retaining Wall & Drainage; Box Springs Drainage Design phase and partial Construction phase was funded in FY21 budget: Adopted last year, FY21, were Project 521910 for \$1.8M Design; Project 521920 for \$2.3M Construction phase services for the area between MP 70.7 and MP 70.9. The first 2 projects to be completed in this area will be at CP Citrus with the extension of an existing retaining wall and at MP 70.85 which will add 4-60” RCP across the tracks and perform track side grading and ditching between MP 70.83 and MP 70.9. Work has not yet started, pending FTA grant execution. The FY22 request for \$1.58M will complete funding of the construction phase for remaining drainage and culvert projects for this area. This is an estimated cost for construction and could change upon completion of final design.	1,580,000	-	-	1,580,000	-	-	-
19	2400	Rehab	San Jacinto (PVL)	Perris Valley Line	65 - 85.4	Worn	High	Train Control	PERRIS VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Perris Valley Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Positive Train Control (PTC) systems - Signal systems - Crossing systems - Communication systems - Centralized train control systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB, RIVERSIDE STATION SIGNS SIGNALS: 1) Replace unreliable and unsupported NAS Crossing Data Recorders with New Micro-Aide Data Recorders at 18 crossing locations 2) Replace unreliable and unsupported Exit Gate Management System (EGMS) at three (3) crossing locations	770,000	-	-	770,000	-	-	-
										RCTC PROJECT PROPOSAL REQUEST	2,350,000	-	-	2,350,000	-	-	-

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
20	2401	Rehab	Ventura - VC County	Ventura County Line	426.4 - 441.24	Worn	High	Train Control	VENTURA (VC) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION	Ventura (VC) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) E. Los Angeles Road MP 437.74 - Replace crossing house and internal control equipment. Rehab gate mechanisms. 2) Tapo Street MP 437.31 - Replace crossing house and internal control equipment. Rehab gate mechanisms.	1,200,000	-	-	-	-	1,200,000	-
21	2385	Rehab	Ventura - VC County	Ventura County Line	426.4 - 441.24	Worn	High	Structures	VENTURA (VC) SUBDIVISION STRUCTURES REHABILITATION - PARTIAL FUNDED VIA FRA GRANT	Ventura Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work involves the Arroyo Simi bridge - this request is for \$2.24M to meet the 50% match requirement for expenditures for the Arroyo Simi project.	4,625,000	-	-	-	-	2,312,500	2,312,500
										VCTC PROJECT PROPSAL REQUEST	5,825,000	-	-	-	-	3,512,500	2,312,500
22	2358	Rehab	Ventura - LA County	Ventura County Line	441.24 - 462.39	Worn	High	Track	VENTURA (LA) SUBDIVISION TRACK REHABILITATION - FUNDED VIA FRA GRANT	Ventura (LA County) Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work involves Tunnel 26 Rehabilitation, tie replacement, ballast replacement, removing of mud, surfacing, and rehab of electrical systems. All trackwork will bring the existing conditions up to current Metrolink Standards.	3,000,000	-	-	-	-	-	3,000,000
23	2378	Rehab	Ventura - LA/VC	Ventura County Line	426.4 - 462.39	Worn	High	Track	VENTURA (LA/VC) LINE TRACK REHABILITATION - FUNDED VIA FRA GRANT	Ventura (LA/VC) Line Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work involves replacement of rail, ties, fasteners at various locations. Perform 2,000 ft of undercutting. Replacement of five (5) #20 turnouts. Rehabilitation or completely remove three (3) turnouts. Rehabilitate one (1) at-grade crossing. ROW grading. All trackwork will bring the existing track conditions up to current Metrolink Standards.	14,390,000	-	-	-	-	-	14,390,000
24	2383	Rehab	Ventura - LA/VC	Ventura County Line	426.4 - 462.39	Worn	High	Structures	VENTURA (LA/VC) LINE STRUCTURES REHABILITATION - FUNDED VIA FRA GRANT	Ventura (LA/VC) Line Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work involves rehabilitation of eight (8) culverts on the Ventura Line.	6,400,000	-	-	-	-	-	6,400,000
										OTHER FUNDING PROJECT PROPSAL REQUEST	23,790,000	-	-	-	-	-	23,790,000
										FY2022 PROPOSED REHABILITATION REQUEST	90,433,000	33,064,794	15,047,906	4,226,859	7,279,641	4,711,300	26,102,500



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2380.00

PROJECT : SYSTEMWIDE TRACK REHABILITATION

SCOPE				TYPE: REHAB MRP					
Systemwide Track Rehabilitation addresses the following recurring requirements to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail Grinding: ongoing systemwide program - Surfacing Program to restore track profiles and cross sections - Infrastructure study & planning and data collection for condition assessments									
Mile Posts: n/a				Division: All County: ALL Asset Type: Track					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Track rehabilitation is identified by the Metrolink Rehabilitation Plan (MRP) and aligns with the combined track & signals maintenance RFP scope and implementation. Rail Grinding and surfacing addresses "rolling contact fatigue" (RCF) resulting in rail life savings. This work also addresses noise concerns and positively impacts ride quality.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service.									
Current Age: 120 Year(s) Standard Lifespan: 0 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$250,000	\$250,000
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$375,000	\$375,000	\$375,000	\$375,000	\$1,500,000
CONSTRUCTION	\$4,500,000								
SPECIAL RAIL EQUIP				2025	\$375,000	\$375,000	\$375,000	\$375,000	\$1,500,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRA STAFF	\$325,000								
* PROCUREMENT STAFF	\$175,000			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$5,000,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2403.00

PROJECT : SYSTEMWIDE TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE				TYPE: REHAB MRP						
Systemwide Train Control Systems Rehabilitation addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog. See the justification section for discussion on aged assets and standard life.										
Train Control Back Office:										
1) DOC/MOC Backup Systems										
2) Workstations/Laptops										
3) CAD/BOS/MDM/IC3										
4) Routers/Switches										
5) On-Board Train Control Systems										
6) Software/Hardware for Locomotives & Cab Cars										
Mile Posts: n/a				Division: All County: ALL Asset Type: Train Control						
OBJECTIVES				RISKS CAUSING PROJECT DELAY						
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair										
2. (Goal 4: Retain and Grow Ridership) Improve service reliability										
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost										
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents										
JUSTIFICATION				RANKING // PROJECT READINESS						
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes PTC and Centralized train control systems and equipment. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards. Some of the PTC hardware is already 10 years old and some of the design was 5 years earlier than that. The office element consists mainly of computers (servers, field laptops, etc.) that date back to 2011, 2012. Mission critical computers are usually rehabbed every 5 years. Our onboard and wayside cellular systems that were implemented back in 2012 were state of the art 3G systems that will be unsupported and completely sun-setted by the Telco companies at the end of last year.				1. Condition of Asset..... Worn						
				2. System Impact..... High						
RISK CREATED BY NON-IMPLEMENTATION										
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.										
Current Age: 11 Year(s) Standard Lifespan: 5 Year(s)										
BUDGET				CASH FLOW						
		AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0			2022	\$0	\$0	\$0	\$250,000	\$250,000
DESIGN		\$0								
ENVIRONMENTAL		\$0			2023	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000
ROW ACQUISITION		\$0								
MATERIAL		\$0			2024	\$375,000	\$375,000	\$375,000	\$375,000	\$1,500,000
CONSTRUCTION		\$4,500,000								
SPECIAL RAIL EQUIP					2025	\$375,000	\$375,000	\$375,000	\$375,000	\$1,500,000
FLAGGING										
BUS BRIDGES					2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0								
PROJECT MANAGEMENT					2027	\$0	\$0	\$0	\$0	\$0
* SCRRA STAFF		\$325,000								
* PROCUREMENT STAFF		\$175,000								
* CONSULTANT		\$0								
CONTINGENCY		\$0								

TOTAL	\$5,000,000	Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%
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PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2405.00

PROJECT : FACILITIES REHABILITATION

SCOPE				TYPE: REHAB MRP					
Facilities rehabilitation addresses components and subcomponents that support the maintenance of rolling stock and offices for staff duties. Specific work to include: - Build storage facility for new locomotive battery storage - Phase 1: MOW health and welfare facilities installation, rehab and utility connections. - Phase 1: Facilities equipment purchase and replacement - Pilot a design to automate and install predictive failure notifications for facilities equipment to detect and repair failures before they become impact to rail operation									
Mile Posts: NA				Division: All County: ALL Asset Type: Facilities					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Facilities rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes components and subcomponents in use at maintenance facilities, layover facilities, and the Pomona campus. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff, industry standards and regulations.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Ages of particular assets and components vary within each facility, with a range of conditions that include marginal and poor ratings.									
Current Age: 31 Year(s) Standard Lifespan: 30 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0								
DESIGN	\$0			2022	\$0	\$0	\$0	\$50,000	\$50,000
ENVIRONMENTAL	\$0								
ROW ACQUISITION	\$0			2023	\$87,500	\$87,500	\$87,500	\$87,500	\$350,000
MATERIAL	\$0								
CONSTRUCTION	\$900,000			2024	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
SPECIAL RAIL EQUIP									
FLAGGING				2025	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
BUS BRIDGES									
CLOSE OUT	\$0			2026	\$0	\$0	\$0	\$0	\$0
PROJECT MANAGEMENT									
* SCRRA STAFF	\$65,000			2027	\$0	\$0	\$0	\$0	\$0
* PROCUREMENT STAFF	\$35,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$1,000,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2406.00

PROJECT : ROLLING STOCK REHABILITATION

SCOPE				TYPE: REHAB MRP					
Rolling Stock rehabilitation addresses the revenue fleet of railcars and cab cars.									
Specific work for the FY22 Budget includes rehabilitation of the highest priority HVAC systems and other critical systems on rail car fleet.									
Mile Posts: NA				Division: All County: ALL Asset Type: Rolling Stock					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair									
2. (Goal 4: Retain and Grow Ridership) Improve service reliability									
3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost									
4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Rolling Stock rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Locomotives, Rail Cars and Cab Cars. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards. The useful life for rolling stock is 30 years inclusive of a mid-life overhaul. Many rolling stock assets are past due for their mid-life overhaul.				1. Condition of Asset..... Worn					
				2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Ages of particular fleets, and components within fleets, vary within the rolling stock asset category, with a range of conditions that include marginal and poor ratings.									
Current Age: 30 Year(s) Standard Lifespan: 30 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$150,000	\$150,000
DESIGN	\$0			2023	\$262,500	\$262,500	\$262,500	\$262,500	\$1,050,000
ENVIRONMENTAL	\$0			2024	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
ROW ACQUISITION	\$0			2025	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
MATERIAL	\$0			2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION	\$2,700,000			2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP									
FLAGGING									
BUS BRIDGES									
CLOSE OUT	\$0								
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$175,000								
* PROCUREMENT STAFF	\$125,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$3,000,000								
				Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2376.00

PROJECT : SHORT WAY SUBDIVISION TRACK REHABILITATION

SCOPE				TYPE: REHAB MRP					
Short Way Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: rehabilitation of 553 ft of rail, in-kind, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards. Mile Posts: 0.42 - 2.1 Division: SB Shortway County: SB Asset Type: Track									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service. Current Age: 121 Year(s) Standard Lifespan: 0 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$12,000	\$12,000
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$21,000	\$21,000	\$21,000	\$21,000	\$84,000
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$18,000	\$18,000	\$18,000	\$18,000	\$72,000
CONSTRUCTION		\$216,000							
SPECIAL RAIL EQUIP				2025	\$18,000	\$18,000	\$18,000	\$18,000	\$72,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF		\$18,000							
* PROCUREMENT STAFF		\$6,000							
* CONSULTANT		\$0							
CONTINGENCY		\$0		Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL		\$240,000							



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2357.00

PROJECT : SAN GABRIEL SUBDIVISION TRACK REHABILITATION

SCOPE				TYPE: REHAB MRP					
San Gabriel Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work includes: replacement of 7,000 wood ties and rehabilitation of seven crossings, in-kind, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards. Mile Posts: 1.08 - 56.52 Division: San Gabriel County: LA / SB Asset Type: Track									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service.									
Current Age: 121 Year(s) Standard Lifespan: 65 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$267,500	\$267,500
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$468,125	\$468,125	\$468,125	\$468,125	\$1,872,500
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$401,250	\$401,250	\$401,250	\$401,250	\$1,605,000
CONSTRUCTION		\$4,815,000							
SPECIAL RAIL EQUIP				2025	\$401,250	\$401,250	\$401,250	\$401,250	\$1,605,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF		\$350,000							
* PROCUREMENT STAFF		\$185,000							
* CONSULTANT		\$0							
CONTINGENCY		\$0		Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL		\$5,350,000							



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2382.00

PROJECT : SAN GABRIEL SUBDIVISION STRUCTURES REHABILITATION

SCOPE				TYPE: REHAB MRP					
San Gabriel Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Load rating updates for Bridges on San Gabriel sub and hydrology analysis, design, and replacement of one Railtop bridge based on the current condition of the structure. Mile Posts: 1.08 - 56.52 Division: San Gabriel County: LA / SB Asset Type: Structures									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Current Age: 121 Year(s) Standard Lifespan: 100 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$138,100	\$138,100
DESIGN		\$0		2023	\$241,675	\$241,675	\$241,675	\$241,675	\$966,700
ENVIRONMENTAL		\$0		2024	\$207,150	\$207,150	\$207,150	\$207,150	\$828,600
ROW ACQUISITION		\$0		2025	\$207,150	\$207,150	\$207,150	\$207,150	\$828,600
MATERIAL		\$0		2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION		\$2,511,000		2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP				Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
FLAGGING									
BUS BRIDGES									
CLOSE OUT		\$0							
PROJECT MANAGEMENT									
* SCRRRA STAFF		\$175,000							
* PROCUREMENT STAFF		\$76,000							
* CONSULTANT		\$0							
CONTINGENCY		\$0							
TOTAL		\$2,762,000							



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2397.00

PROJECT : SAN GABRIEL SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE				TYPE: REHAB MRP					
San Gabriel Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Positive Train Control (PTC) systems - Signal systems - Crossing systems - Communication systems - Centralized train control systems									
COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB									
SIGNALS: 1) Amar Road MP 16.43 2) Hamburger Lane MP 16.90 3) Merced Avenue MP 18.03 4) Macdevitt Street MP18.36 5) Vincent Avenue MP 20.90 6) Lark Ellen Avenue MP 21.40 7) Azusa Avenue MP 21.91 8) Hollenbeck Avenue MP 22.41									
Mile Posts: 1.08 - 56.52				Division: San Gabriel County: LA / SB Asset Type: Train Control					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.									
Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$200,000	\$200,000
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
CONSTRUCTION		\$3,600,000							
SPECIAL RAIL EQUIP				2025	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT									
* SCRRRA STAFF		\$315,000							
* PROCUREMENT STAFF		\$85,000							

* CONSULTANT	\$0	2027	\$0	\$0	\$0	\$0	\$0
CONTINGENCY	\$0						
TOTAL	\$4,000,000	Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2356.00

PROJECT : VALLEY SUBDIVISION TRACK REHABILITATION

SCOPE				TYPE: REHAB MRP					
Valley Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include: replacement of 35,000 ft of rail; removal and replacement of four crossings; rehabilitation of two turnouts. All trackwork will bring the existing track conditions up to current Metrolink Standards. Mile Posts: 3.67 - 76.63									
				Division: Valley County: LA Asset Type: Track					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service. Current Age: 121 Year(s) Standard Lifespan: 65 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0								
DESIGN	\$0			2022	\$0	\$0	\$0	\$400,000	\$400,000
ENVIRONMENTAL	\$0								
ROW ACQUISITION	\$0			2023	\$700,000	\$700,000	\$700,000	\$700,000	\$2,800,000
MATERIAL	\$0								
CONSTRUCTION	\$7,200,000			2024	\$600,000	\$600,000	\$600,000	\$600,000	\$2,400,000
SPECIAL RAIL EQUIP									
FLAGGING				2025	\$600,000	\$600,000	\$600,000	\$600,000	\$2,400,000
BUS BRIDGES									
CLOSE OUT	\$0			2026	\$0	\$0	\$0	\$0	\$0
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$350,000								
* PROCUREMENT STAFF	\$450,000			2027	\$0	\$0	\$0	\$0	\$0
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$8,000,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2381.00

PROJECT : VALLEY SUBDIVISION STRUCTURES REHABILITATION

SCOPE				TYPE: REHAB MRP					
Valley Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Scope of work for these project will include design, environmental permitting, load rating updates in accordance with FRA regulations, r/w grading near the limits of structures. Construction funds will be requested in subsequent FY's. Mile Posts: 3.67 - 76.63									
				Division: Valley County: LA Asset Type: Structures					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.									
Current Age: 121 Year(s) Standard Lifespan: 100 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$159,000	\$159,000
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$278,250	\$278,250	\$278,250	\$278,250	\$1,113,000
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$238,500	\$238,500	\$238,500	\$238,500	\$954,000
CONSTRUCTION		\$2,862,000							
SPECIAL RAIL EQUIP				2025	\$238,500	\$238,500	\$238,500	\$238,500	\$954,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRA STAFF		\$175,000							
* PROCUREMENT STAFF		\$143,000							
* CONSULTANT		\$0							
CONTINGENCY		\$0		Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL		\$3,180,000							



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2396.00

PROJECT : VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE				TYPE: REHAB MRP					
Valley Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems									
COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB									
SIGNALS: 1) Head Out Signal MP 5.4 (Terry Lumber Spur) - Replace EC4 Unit with New EC5 Controller 2) Rainbow Glen Drive MP 36.33 - Replace crossing house and internalk control equipment 3) CP Portal MP 28.0 - Replace CP House, internal control equipment, and power switch machine 4) CP Hood MP 30.20 - Replace CP House, internal control equipment, and power switch machine 5) CP Canyon MP 33.4 - Replace CP House, internal control equipment, and power switch machine 6) CP Honby MP 38.6 - Replace CP House, internal control equipment, and power switch machine 7) HBD / DED MP 7.7 - Replace wayside detector									
Mile Posts: 3.67 - 76.63				Division: Valley County: LA Asset Type: Train Control					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents				1. Condition of Asset..... Worn 2. System Impact..... High					
JUSTIFICATION									
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.									
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.									
Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$162,500	\$162,500
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$284,375	\$284,375	\$284,375	\$284,375	\$1,137,500
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$243,750	\$243,750	\$243,750	\$243,750	\$975,000
CONSTRUCTION		\$2,925,000							
SPECIAL RAIL EQUIP				2025	\$243,750	\$243,750	\$243,750	\$243,750	\$975,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF		\$175,000							
* PROCUREMENT STAFF		\$150,000							
* CONSULTANT		\$0							
CONTINGENCY		\$0							

TOTAL	\$3,250,000	Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%
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PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2407.00

PROJECT : LANCASTER CREW BASE REPLACEMENT

SCOPE				TYPE: REHAB MRP					
The Lancaster Crew Base houses train operation crews that serve Los Angeles County. This project will lease parcel and purchase/install new modular building and portable weather resistant communication shelter for train operations and mechanical crews. This is a critical interim solution that bridges the gap until a new Lancaster terminal is in service. The current Antelope Valley Line Capital and Service Improvements Program does not specifically address the crew base in its Lancaster Improvement Project statement of work.									
Mile Posts: 76.4 - 76.5				Division: Valley County: LA Asset Type: Facilities					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 3. (Goal 4: Retain and Grow Ridership) Improve service reliability 4. (Goal 3: Invest in People and Assets) Reduce employee turnover 5. (Goal 4: Retain and Grow Ridership) Increase system utilization									
JUSTIFICATION				RANKING // PROJECT READINESS					
Building will be purchased. Budget includes furniture. IT equipment will be requested the year property will be ready for occupancy. Old rental trailer will be demobilized. The small permanent office space can serve as a security office. This is an interim solution for next 7-15 years until such time as a new Lancaster terminal is developed. Project has been identified because the asset has fallen below a State of Good Repair and is in need of rehabilitation based on limits set by SCRRRA staff and industry standards. The existing Lancaster Crew Base currently has 18 crew members reporting daily. The facility is only large enough to comfortably seat 2 people.				1. Condition of Asset..... Worn 2. System Impact..... High Acquisition of property or lease agreement can start immediately after funding is available.					
RISK CREATED BY NON-IMPLEMENTATION									
If the project is not implemented in full, the remaining projects that are beyond the rehabilitation limits will be added to the backlog in future years. This situation has to be addressed before it escalates into a safety issue. We are required to provide reasonable accommodations for Conductors and Engineers to break and fill out paperwork. Current Age: 26 Year(s) Standard Lifespan: 30 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$3,000								
DESIGN	\$200,000			2022	\$0	\$0	\$0	\$97,300	\$97,300
ENVIRONMENTAL	\$0								
ROW ACQUISITION	\$0			2023	\$170,275	\$170,275	\$170,275	\$170,275	\$681,100
MATERIAL	\$0								
CONSTRUCTION	\$1,365,000			2024	\$145,950	\$145,950	\$145,950	\$145,950	\$583,800
SPECIAL RAIL EQUIP									
FLAGGING									
BUS BRIDGES				2025	\$145,950	\$145,950	\$145,950	\$145,950	\$583,800
CLOSE OUT	\$1,000								
PROJECT MANAGEMENT				2026	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF	\$112,000								
* PROCUREMENT STAFF	\$88,000			2027	\$0	\$0	\$0	\$0	\$0
* CONSULTANT	\$0								
CONTINGENCY	\$177,000			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$1,946,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2398.00

PROJECT : VENTURA (LA) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE	TYPE: REHAB MRP
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Ventura (LA) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:

- Signal systems
- Crossing systems
- Communication systems

COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB

SIGNALS:

- 1) CP Bernson MP 446.7 - Rehab Signal House and internal control equipment
- 2) DeSoto Avenue MP 446.73 - Rehab Crossing House and internal control equipment
- 3) CP Topange MP 444.4 - Purchase New House and control equipment only (no construction work)

Mile Posts: 441.24 - 462.39

Division: Ventura - LA County County: LA Asset Type: Train Control

OBJECTIVES	RISKS CAUSING PROJECT DELAY
<ol style="list-style-type: none">1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair2. (Goal 4: Retain and Grow Ridership) Improve service reliability3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents	

JUSTIFICATION	RANKING // PROJECT READINESS
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.	<ol style="list-style-type: none">1. Condition of Asset..... Worn2. System Impact..... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)

BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$69,500	\$69,500
DESIGN	\$0			2023	\$121,625	\$121,625	\$121,625	\$121,625	\$486,500
ENVIRONMENTAL	\$0			2024	\$104,250	\$104,250	\$104,250	\$104,250	\$417,000
ROW ACQUISITION	\$0			2025	\$104,250	\$104,250	\$104,250	\$104,250	\$417,000
MATERIAL	\$0			2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION	\$1,251,000			2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP									
FLAGGING									
BUS BRIDGES									
CLOSE OUT	\$0								
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$70,000								
* PROCUREMENT STAFF	\$69,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$1,390,000								

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2359.00

PROJECT : ORANGE SUBDIVISION TRACK REHABILITATION

SCOPE				TYPE: REHAB MRP					
Orange Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work will include replacement of 15,000 ties, based on wear, age, condition and historical performance. All trackwork will bring the existing track conditions up to current Metrolink Standards. <div>Mile Posts: 165.08 - 207.4<div>Division: OrangeCounty: OCAsset Type: Track</div></div>									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service. <div>Current Age: 121 Year(s)Standard Lifespan: 0 Year(s)</div>									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$323,000	\$323,000
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$565,250	\$565,250	\$565,250	\$565,250	\$2,261,000
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$484,500	\$484,500	\$484,500	\$484,500	\$1,938,000
CONSTRUCTION	\$5,814,000								
SPECIAL RAIL EQUIP				2025	\$484,500	\$484,500	\$484,500	\$484,500	\$1,938,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF	\$350,000								
* PROCUREMENT STAFF	\$296,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$6,460,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2384.00

PROJECT : ORANGE SUBDIVISION STRUCTURES REHABILITATION

SCOPE				TYPE: REHAB MRP					
Orange Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Construction funding for Calafia culverts. Mile Posts: 165.08 - 207.4 Division: Orange County: OC Asset Type: Structures									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Current Age: 121 Year(s) Standard Lifespan: 100 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$112,000	\$112,000
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$196,000	\$196,000	\$196,000	\$196,000	\$784,000
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$168,000	\$168,000	\$168,000	\$168,000	\$672,000
CONSTRUCTION	\$2,016,000								
SPECIAL RAIL EQUIP				2025	\$168,000	\$168,000	\$168,000	\$168,000	\$672,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF	\$175,000								
* PROCUREMENT STAFF	\$49,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$2,240,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2399.00

PROJECT : ORANGE SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE	TYPE: REHAB MRP
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Orange Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:

- Signal systems
- Crossing systems
- Communication systems

COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB

SIGNALS:

- 1) CP La Palma MP 167.3 - Rehab Signal House, internal control equipment, and replace power switch machines
- 2) CP College MP 169.8 - Rehab Signal House and internal control equipment
- 3) CP Maple MP 172.4 - Rehab Signal House , internal control equipment, and replace power switch machines
- 4) Rehab old NAS Crossing Data Recorder with new Micro-Aide Data recorder at five (5) crossing locations

Mile Posts: 165.08 - 207.4

Division: Orange County: OC Asset Type: Train Control

OBJECTIVES	RISKS CAUSING PROJECT DELAY
<ol style="list-style-type: none">1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair2. (Goal 4: Retain and Grow Ridership) Improve service reliability3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents	

JUSTIFICATION	RANKING // PROJECT READINESS
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.	<ol style="list-style-type: none">1. Condition of Asset..... Worn2. System Impact..... High

RISK CREATED BY NON-IMPLEMENTATION

If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.

Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)

BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$150,000	\$150,000
DESIGN	\$0			2023	\$262,500	\$262,500	\$262,500	\$262,500	\$1,050,000
ENVIRONMENTAL	\$0			2024	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
ROW ACQUISITION	\$0			2025	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
MATERIAL	\$0			2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION	\$2,700,000			2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP									
FLAGGING									
BUS BRIDGES									
CLOSE OUT	\$0								
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$175,000								
* PROCUREMENT STAFF	\$125,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$3,000,000								

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2377.00

PROJECT : PERRIS VALLEY SUBDIVISION REHABILITATION - CONSTRUCTION PHASE SERVICES

SCOPE				TYPE: REHAB MRP											
Right-of-Way fencing/wall by UCR: Secure the open railroad right-of-way (RR ROW) with block walls and fencing to prevent trespassers and students from UCR using the RR ROW as a shortcut to and from UCR.															
Construction Phase for Citrus Retaining Wall & Drainage; Box Springs Drainage															
Design phase and partial Construction phase was funded in FY21 budget: Adopted last year, FY21, were Project 521910 for \$1.8M Design; Project 521920 for \$2.3M Construction phase services for the area between MP 70.7 and MP 70.9. The first 2 projects to be completed in this area will be at CP Citrus with the extension of an existing retaining wall and at MP 70.85 which will add 4-60" RCP across the tracks and perform track side grading and ditching between MP 70.83 and MP 70.9. Work has not yet started, pending FTA grant execution.															
The FY22 request for \$1.58M will complete funding of the construction phase for remaining drainage and culvert projects for this area. This is an estimated cost for construction and could change upon completion of final design.															
Mile Posts: 65 - 85.4				Division: San Jacinto (PVL) County: RV Asset Type: Structures											
OBJECTIVES				RISKS CAUSING PROJECT DELAY											
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents															
JUSTIFICATION										RANKING // PROJECT READINESS					
Due to drainage conditions in the surrounding area surrounding the Box Springs areas of the Perris Valley Line, the newly constructed Perris Valley line is experiencing flooding and erosion issues in specific areas. There is a wall and existing wall at Citrus Avenue that is currently experiencing undermining and the slope is eroding away from the wall which could become a safety issue in the future. The wall will be extended, and grading and drainage improvements will be made to repair the existing erosion and prevent future erosion. During FY19 SCRRA conducted a Hydrology and Hydraulics analysis, and the study identified a need for approximately 15 new or larger culverts through the box springs area. This project will address one of the highest priority areas by installing 4-60" RCP culverts, and performing regrading.										1. Condition of Asset..... Worn 2. System Impact..... High Design and partial Construction funded in FY21 budget.					
RISK CREATED BY NON-IMPLEMENTATION															
If project is not completed the drainage issues along the PVL will continue into the future and possibly cause issues that could result in the need for emergency maintenance and effect Metrolink service.															
Current Age: 6 Year(s) Standard Lifespan: 50 Year(s)															
BUDGET				CASH FLOW											
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL						
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$79,000	\$79,000						
DESIGN	\$0														
ENVIRONMENTAL	\$0			2023	\$138,250	\$138,250	\$138,250	\$138,250	\$553,000						
ROW ACQUISITION	\$0														
MATERIAL	\$0			2024	\$118,500	\$118,500	\$118,500	\$118,500	\$474,000						
CONSTRUCTION	\$1,422,000														
SPECIAL RAIL EQUIP				2025	\$118,500	\$118,500	\$118,500	\$118,500	\$474,000						
FLAGGING															
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0						
CLOSE OUT	\$0														
PROJECT MANAGEMENT															
* SCRRA STAFF	\$105,000														

* PROCUREMENT STAFF	\$53,000	2027	\$0	\$0	\$0	\$0	\$0
* CONSULTANT	\$0						
CONTINGENCY	\$0	Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$1,580,000						



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2400.00

PROJECT : PERRIS VALLEY SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE				TYPE: REHAB MRP					
<p>Perris Valley Sub Train Control Systems Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:</p> <ul style="list-style-type: none">- Positive Train Control (PTC) systems- Signal systems- Crossing systems- Communication systems- Centralized train control systems <p>COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB, RIVERSIDE STATION SIGNS</p> <p>SIGNALS:</p> <p>1) Replace unreliable and unsupported NAS Crossing Data Recorders with New Micro-Aide Data Recorders at 18 crossing locations</p> <p>2) Replace unreliable and unsupported Exit Gate Management System (EGMS) at three (3) crossing locations</p> <p>Mile Posts: 65 - 85.4</p> <p>Division: San Jacinto (PVL) County: RV Asset Type: Train Control</p>									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
<p>1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair</p> <p>2. (Goal 4: Retain and Grow Ridership) Improve service reliability</p> <p>3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost</p> <p>4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents</p>									
JUSTIFICATION				RANKING // PROJECT READINESS					
<p>Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.</p>				<p>1. Condition of Asset..... Worn</p> <p>2. System Impact..... High</p>					
RISK CREATED BY NON-IMPLEMENTATION									
<p>If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.</p> <p>Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)</p>									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$38,500	\$38,500
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$67,375	\$67,375	\$67,375	\$67,375	\$269,500
ROW ACQUISITION	\$0								
MATERIAL	\$0								
CONSTRUCTION	\$693,000			2024	\$57,750	\$57,750	\$57,750	\$57,750	\$231,000
SPECIAL RAIL EQUIP									
FLAGGING				2025	\$57,750	\$57,750	\$57,750	\$57,750	\$231,000
BUS BRIDGES									
CLOSE OUT	\$0			2026	\$0	\$0	\$0	\$0	\$0
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$63,000			2027	\$0	\$0	\$0	\$0	\$0
* PROCUREMENT STAFF	\$14,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$770,000			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2401.00

PROJECT : VENTURA (VC) SUBDIVISION TRAIN CONTROL SYSTEMS REHABILITATION

SCOPE				TYPE: REHAB MRP					
Ventura (VC) Sub Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Signal systems - Crossing systems - Communication systems COMMUNICATIONS: WMS-UPGRADE, AC REHAB, BATTERY REHAB, FIBER - REHAB, RADIO REHAB - PTC/VHF/UHF, CIS REHAB SIGNALS: 1) E. Los Angeles Road MP 437.74 - Replace crossing house and internal control equipment. Rehab gate mechanisms. 2) Tapo Street MP 437.31 - Replace crossing house and internal control equipment. Rehab gate mechanisms. Mile Posts: 426.4 - 441.24 Division: Ventura - VC County County: VN Asset Type: Train Control									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents				1. Condition of Asset..... Worn 2. System Impact..... High					
JUSTIFICATION									
Train Control Systems rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Signal systems, Crossing systems, Communications systems. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.									
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years.									
Current Age: 31 Year(s) Standard Lifespan: 20 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$60,000	\$60,000
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$105,000	\$105,000	\$105,000	\$105,000	\$420,000
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$90,000	\$90,000	\$90,000	\$90,000	\$360,000
CONSTRUCTION	\$1,008,000								
SPECIAL RAIL EQUIP				2025	\$90,000	\$90,000	\$90,000	\$90,000	\$360,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF	\$123,000								
* PROCUREMENT STAFF	\$69,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$1,200,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2385.00

PROJECT : VENTURA (VC) SUBDIVISION STRUCTURES REHABILITATION

SCOPE				TYPE: REHAB MRP					
Ventura Sub Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work involves the Arroyo Simi bridge - this request is for \$2.24M to meet the 50% match requirement for expenditures for the Arroyo Simi project. Mile Posts: 426.4 - 441.24 <div>Division: Ventura - VC County County: VN Asset Type: Structures</div>									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Current Age: 121 Year(s) Standard Lifespan: 100 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$231,250	\$231,250
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$404,688	\$404,688	\$404,688	\$404,686	\$1,618,750
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$346,875	\$346,875	\$346,875	\$346,875	\$1,387,500
CONSTRUCTION	\$4,163,000								
SPECIAL RAIL EQUIP				2025	\$346,875	\$346,875	\$346,875	\$346,875	\$1,387,500
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF	\$350,000								
* PROCUREMENT STAFF	\$112,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$4,625,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2358.00

PROJECT : VENTURA (LA) SUBDIVISION TRACK REHABILITATION - FUNDED VIA FRA GRANT

SCOPE				TYPE: REHAB MRP					
Ventura (LA County) Sub Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Rail - Ties - Crossings - Special Trackwork - Ballast Specific work involves Tunnel 26 Rehabilitation, tie replacement, ballast replacement, removing of mud, surfacing, and rehab of electrical systems. All trackwork will bring the existing conditions up to current Metrolink Standards.									
Mile Posts: 441.24 - 462.39				Division: Ventura - LA County County: LA Asset Type: Track					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents				1. Condition of Asset..... Worn 2. System Impact..... High					
JUSTIFICATION									
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.									
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service.									
Current Age: 121 Year(s) Standard Lifespan: 0 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$150,000	\$150,000
DESIGN	\$0								
ENVIRONMENTAL	\$0			2023	\$262,500	\$262,500	\$262,500	\$262,500	\$1,050,000
ROW ACQUISITION	\$0								
MATERIAL	\$0			2024	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
CONSTRUCTION	\$2,702,000								
SPECIAL RAIL EQUIP				2025	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT	\$0								
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRA STAFF	\$175,000								
* PROCUREMENT STAFF	\$123,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0			Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL	\$3,000,000								



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2378.00

PROJECT : VENTURA (LA/VC) LINE TRACK REHABILITATION - FUNDED VIA FRA GRANT

SCOPE	TYPE: REHAB MRP
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Ventura (LA/VC) Line Track Rehabilitation addresses five major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog:

- Rail
- Ties
- Crossings
- Special Trackwork
- Ballast

Specific work involves replacement of rail, ties, fasteners at various locations. Perform 2,000 ft of undercutting. Replacement of five (5) #20 turnouts. Rehabilitation or completely remove three (3) turnouts. Rehabilitate one (1) at-grade crossing. ROW grading. All trackwork will bring the existing track conditions up to current Metrolink Standards.

Mile Posts: 426.4 - 462.39

Division: Ventura (LA & VC) County: LA / VC Asset Type: Track

OBJECTIVES	RISKS CAUSING PROJECT DELAY
<ol style="list-style-type: none">1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair2. (Goal 4: Retain and Grow Ridership) Improve service reliability3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents	

JUSTIFICATION	RANKING // PROJECT READINESS
Track rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes rail, ties, crossings, special trackwork and ballast. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRA staff and industry standards.	<ol style="list-style-type: none">1. Condition of Asset..... Worn2. System Impact..... High
RISK CREATED BY NON-IMPLEMENTATION	
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards would require slow orders with potential delays to passenger service.	
Current Age: 121 Year(s) Standard Lifespan: 0 Year(s)	

BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$719,500	\$719,500
DESIGN	\$0			2023	\$1,259,125	\$1,259,125	\$1,259,125	\$1,259,125	\$5,036,500
ENVIRONMENTAL	\$0			2024	\$1,079,250	\$1,079,250	\$1,079,250	\$1,079,250	\$4,317,000
ROW ACQUISITION	\$0			2025	\$1,079,250	\$1,079,250	\$1,079,250	\$1,079,250	\$4,317,000
MATERIAL	\$0			2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION	\$13,340,000			2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP									
FLAGGING									
BUS BRIDGES									
CLOSE OUT	\$0								
PROJECT MANAGEMENT									
* SCRRA STAFF	\$700,000								
* PROCUREMENT STAFF	\$350,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$14,390,000								

Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2383.00

PROJECT : VENTURA (LA/VC) LINE STRUCTURES REHABILITATION - FUNDED VIA FRA GRANT

SCOPE				TYPE: REHAB MRP					
Ventura (LA/VC) Line Structures Rehabilitation addresses three major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog: - Bridges - Culverts - Tunnels Specific work involves rehabilitation of eight (8) culverts on the Ventura Line. Mile Posts: 426.4 - 462.39 Division: Ventura (LA & VC) County: LA / VC Asset Type: Structures									
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 3: Invest in People and Assets) Maintain State of Good Repair 2. (Goal 4: Retain and Grow Ridership) Improve service reliability 3. (Goal 2: Maintain Fiscal Sustainability) Reduce operating cost 4. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents									
JUSTIFICATION				RANKING // PROJECT READINESS					
Structures rehabilitation identified by the Metrolink Rehabilitation Plan (MRP) includes Bridges, Culverts and Tunnels. The need has been identified because the assets have fallen below a State of Good Repair and are in need of rehabilitation based on limits set by SCRRRA staff and industry standards.				1. Condition of Asset..... Worn 2. System Impact..... High					
RISK CREATED BY NON-IMPLEMENTATION									
If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Current Age: 121 Year(s) Standard Lifespan: 100 Year(s)									
BUDGET				CASH FLOW					
	AMOUNT	START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING	\$0			2022	\$0	\$0	\$0	\$320,000	\$320,000
DESIGN	\$0			2023	\$560,000	\$560,000	\$560,000	\$560,000	\$2,240,000
ENVIRONMENTAL	\$0			2024	\$480,000	\$480,000	\$480,000	\$480,000	\$1,920,000
ROW ACQUISITION	\$0			2025	\$480,000	\$480,000	\$480,000	\$480,000	\$1,920,000
MATERIAL	\$0			2026	\$0	\$0	\$0	\$0	\$0
CONSTRUCTION	\$6,000,000			2027	\$0	\$0	\$0	\$0	\$0
SPECIAL RAIL EQUIP				Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
FLAGGING									
BUS BRIDGES									
CLOSE OUT	\$0								
PROJECT MANAGEMENT									
* SCRRRA STAFF	\$280,000								
* PROCUREMENT STAFF	\$120,000								
* CONSULTANT	\$0								
CONTINGENCY	\$0								
TOTAL	\$6,400,000								

FY22 PROPOSED NEW CAPITAL BY MEMBER AGENCY & LINE

By Member Agency

FY2022 PROPOSED NEW CAPITAL REQUEST	<u>TOTAL REQUEST</u>	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER¹</u>
	\$8,600,000	\$ 285,000	\$118,800	\$66,600	\$86,400	\$43,200	\$8,000,000

By Line

FY2022 PROPOSED NEW CAPITAL REQUEST	<u>TOTAL REQUEST</u>	<u>Systemwide</u>	<u>San Bernardino</u>	<u>Ventura County</u>	<u>Antelope Valley</u>	<u>Riverside</u>	<u>Orange County</u>	<u>IEOC</u>	<u>91/PVL</u>
	\$8,600,000	\$600,000 ²	\$0	\$8,000,000	\$0	\$0	\$0	\$0	\$0

¹ "Other" are Grants directly to Metrolink

² Applied for Carl Moyer Grant – Grant Award in Oct/Nov



NEW CAPITAL PROJECT PROPOSALS FOR FY2022 BUDGET

02/26/21

ROW#	PROJECT #	TYPE	SUBDIVISION	ROUTE LINE	MILE POSTS	CONDITION	IMPACT	ASSET TYPE	PROJECT	SCOPE	TOTAL REQUEST	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER
1	2201	Capital	All	All	NA	NA	NA	Non-Revenue Fleet	SPECIALIZED MAINTENANCE EQUIPMENT - ELECTRIC CAR MOVER	The electrical car mover will replace use of locomotive at CMF when repositioning equipment around the yard. Benefits include less noise (electric engine is silent), zero emissions, and fuel conservation.	600,000	285,000	118,800	66,600	86,400	43,200	-
2	2516	Capital	Ventura - LA County	Ventura County Line	NA	NA	NA	Grade Crossing	DEVONSHIRE STREET GRADE CROSSING - FUNDED VIA FRA GRANT	Funded through the FRA SGR Grant with matching funded provided through TIRCP, this FY22 capital project required zero member agencies contribution.	8,000,000	-	-	-	-	-	8,000,000
FY2022 PROPOSED NEW CAPITAL REQUEST											8,600,000	285,000	118,800	66,600	86,400	43,200	8,000,000



PROJECT PROPOSAL

FY22

HOLMANS PROJECT# 2516.00

PROJECT : DEVONSHIRE STREET GRADE CROSSING - FUNDED VIA FRA GRANT

SCOPE				TYPE: CAPITAL NON-MRP					
Funded through the FRA SGR Grant with matching funds provided through TIRCP, this FY22 capital project required zero member agencies contribution. The project will provide for new safety upgrades to the Devonshire Street at-grade crossing.									
Mile Posts: 441.24 - 462.39				Division: Ventura - LA County County: LA Asset Type: Grade Crossing					
OBJECTIVES				RISKS CAUSING PROJECT DELAY					
1. (Goal 4: Retain and Grow Ridership) Improve service reliability 2. (Goal 1: Ensure a Safe Operating Environment) Reduce train accidents 3. (Goal 4: Retain and Grow Ridership) Improve service reliability									
JUSTIFICATION				RANKING // PROJECT READINESS					
To improve the safety of vehicles and passengers and to ensure operating safety and efficiencies.				1. System Reliability..... Moderate 2. Ridership Increase..... Moderate 3. Capacity Improvements..... Moderate 4. Safety & Security..... Moderate 5. Environmental..... Low					
RISK CREATED BY NON-IMPLEMENTATION									
This project if funded by the Federal Railroad Administration under their 2020 Federal-State Partnership for State of Good Repair (Partnership Program) Grant Program. Failing to implement this project would risk losing the funds and risk the safety of the crossing. Current Age: New Standard Lifespan: 20 Year(s)									
BUDGET				CASH FLOW					
AMOUNT		START	END	FY	Q1	Q2	Q3	Q4	TOTAL
CONTRACT PACKAGING		\$0		2022	\$0	\$0	\$0	\$400,000	\$400,000
DESIGN		\$0							
ENVIRONMENTAL		\$0		2023	\$700,000	\$700,000	\$700,000	\$700,000	\$2,800,000
ROW ACQUISITION		\$0							
MATERIAL		\$0		2024	\$600,000	\$600,000	\$600,000	\$600,000	\$2,400,000
CONSTRUCTION		\$7,200,000							
SPECIAL RAIL EQUIP				2025	\$600,000	\$600,000	\$600,000	\$600,000	\$2,400,000
FLAGGING									
BUS BRIDGES				2026	\$0	\$0	\$0	\$0	\$0
CLOSE OUT		\$0							
PROJECT MANAGEMENT				2027	\$0	\$0	\$0	\$0	\$0
* SCRRRA STAFF		\$350,000							
* PROCUREMENT STAFF		\$69,000							
* CONSULTANT		\$0							
CONTINGENCY		\$381,000		Cash Flow is constructed based on overall % of project completion as determined by project management office. 1st year = 5%; 2nd year = 35%; 3rd year = 30%; 4th year = 30%					
TOTAL		\$8,000,000							

FY22 PROPOSED CAPITAL PROGRAM CASHFLOW

Rehabilitation

Cash Basis							
	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
FY22 Rehabilitation	\$33.1M	\$15.0M	\$4.2M	\$7.3M	\$4.7M	\$26.1M	\$90.4M
	CASH OUTLAY						
2021-22	\$1.7M	\$0.8M	\$0.2M	\$0.4M	\$0.2M	\$1.3M	\$4.5M
2022-23	\$11.6M	\$5.3M	\$1.5M	\$2.5M	\$1.6M	\$9.1M	\$31.7M
2023-24	\$9.9M	\$4.5M	\$1.3M	\$2.2M	\$1.4M	\$7.8M	\$27.1M
2024-25	\$9.9M	\$4.5M	\$1.3M	\$2.2M	\$1.4M	\$7.8M	\$27.1M
Totals	\$33.1M	\$15.0M	\$4.2M	\$7.3M	\$4.7M	\$26.1M	\$90.4M

New Capital

Cash Basis							
	METRO	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
FY22 New Capital	\$0.3M	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$8.0M	\$8.6M
	CASH OUTLAY						
2021-22	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.4M	\$0.4M
2022-23	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$2.8M	\$3.0M
2023-24	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$2.4M	\$2.6M
2024-25	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$2.4M	\$2.6M
Totals	\$0.3M	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$8.0M	\$8.6M

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY23 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

	FY23 BUDGET FORECAST					
(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	\$ 31,667	\$ 19,300	\$ 6,996	\$ 7,941	\$ 2,236	\$ 68,140
Fare Reduction Subsidy	286	-	-	192	-	\$ 479
Other Train Subsidies	2,446	-	-	-	-	\$ 2,446
Special Trains	78	60	33	16	27	\$ 214
Subtotal-Pro Forma FareBox	34,477	19,360	7,029	8,149	2,264	\$ 71,279
Dispatching	1,253	849	15	98	305	\$ 2,519
Other Revenues	367	182	65	92	27	\$ 733
MOW Revenues	6,362	2,834	720	1,695	518	\$ 12,128
Total Operating Revenue	42,459	23,225	7,828	10,034	3,113	\$ 86,659
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	25,722	9,710	4,419	5,384	1,770	\$ 47,005
Equipment Maintenance	19,775	9,361	4,554	4,755	1,756	\$ 40,201
Fuel	10,522	4,792	1,925	2,287	667	\$ 20,193
Non-Scheduled Rolling Stock Repairs	53	25	11	12	3	\$ 104
Operating Facilities Maintenance	880	414	174	198	54	\$ 1,720
Other Operating Train Services	473	132	114	158	76	\$ 953
Rolling Stock Lease	-	-	-	-	-	-
Security	7,305	2,903	1,483	1,562	690	\$ 13,943
Public Safety Program	50	18	16	11	11	\$ 106
Passenger Relations	958	517	164	244	63	\$ 1,945
TVM Maintenance/Revenue Collection	1,996	1,113	844	537	307	\$ 4,798
Marketing	1,499	751	255	374	103	\$ 2,982
Media & External Communications	179	65	56	40	37	\$ 376
Utilities/Leases	1,463	531	459	324	307	\$ 3,084
Transfers to Other Operators	2,968	1,153	364	589	169	\$ 5,242
Amtrak Transfers	402	879	1	1	34	\$ 1,318
Station Maintenance	1,334	319	143	270	81	\$ 2,147
Rail Agreements	2,086	1,456	1,288	326	202	\$ 5,357
Holiday Trains	74	83	-	20	78	\$ 255
Special Trains	237	165	177	29	-	\$ 608
Subtotal Operations & Services	77,977	34,387	16,447	17,120	6,407	\$ 152,338
<u>Maintenance-of-Way</u>						
MoW - Line Segments	25,824	10,087	3,255	6,313	2,874	\$ 48,354
MoW - Extraordinary Maintenance	451	110	73	82	53	\$ 770
Subtotal Maintenance-of-Way	26,275	10,197	3,328	6,395	2,928	\$ 49,124
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	8,408	3,067	2,629	1,863	1,757	\$ 17,724
Ops Non-Labor Expenses	4,603	2,014	993	980	409	\$ 9,000
Indirect Administrative Expenses	10,238	3,718	3,211	2,266	2,147	\$ 21,580
Ops Professional Services	1,183	430	371	262	248	\$ 2,494
Subtotal Admin & Services	24,432	9,229	7,205	5,370	4,562	\$ 50,798
<u>Contingency</u>	44	16	14	10	9	\$ 94
Total Operating Expenses	128,729	53,830	26,994	28,896	13,905	\$ 252,354
<u>Insurance and Legal</u>						
Liability/Property/Auto	7,883	3,712	1,559	1,778	480	\$ 15,411
Net Claims / SI	527	248	104	119	32	\$ 1,030
Claims Administration	624	294	123	141	38	\$ 1,219
Total Net Insurance and Legal	9,034	4,253	1,786	2,037	550	\$ 17,660
Total Expense	137,763	58,083	28,780	30,933	14,455	\$ 270,014
Loss	(95,304)	(34,858)	(20,951)	(20,899)	(11,342)	(183,355)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY23 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

(000's)	FY23 BUDGET FORECAST BY LINE								TOTAL
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	
Operating Revenue									
Farebox Revenue	\$ 14,642	\$ 6,053	\$ 9,265	\$ 6,313	\$ 17,876	\$ 194	\$ 7,793	\$ 6,004	\$ 68,140
Fare Reduction Subsidy	479	-	-	-	-	-	-	-	479
Other Train Subsidies	780	97	948	311	190	-	-	120	2,446
Special Trains	14	29	38	-	52	-	39	41	214
Subtotal-Pro Forma FareBox	15,915	6,179	10,251	6,625	18,118	194	7,833	6,165	71,279
Dispatching	341	591	346	2	1,206	5	6	22	2,519
Other Revenues	185	69	119	59	160	5	81	55	733
MOW Revenues	3,572	1,522	3,001	197	1,728	140	1,206	762	12,128
Total Operating Revenue	20,013	8,361	13,717	6,882	21,212	343	9,125	7,005	86,659
Operating Expenses									
<u>Operations & Services</u>									
Train Operations	11,444	5,306	10,728	3,093	6,457	891	4,949	4,138	47,005
Equipment Maintenance	9,030	4,121	7,869	2,808	5,873	1,215	4,770	4,515	40,201
Fuel	4,633	2,028	4,168	1,350	3,285	683	2,362	1,684	20,193
Non-Scheduled Rolling Stock Repairs	24	9	21	7	17	2	13	11	104
Operating Facilities Maintenance	404	142	354	113	278	39	207	183	1,720
Other Operating Train Services	299	127	138	115	59	21	87	107	953
Rolling Stock Lease	-	-	-	-	-	-	-	-	-
Security	2,924	1,373	3,326	1,183	1,802	286	1,635	1,414	13,943
Public Safety Program	16	18	19	16	8	3	12	15	106
Passenger Relations	494	165	327	140	439	11	235	134	1,945
TVM Maintenance/Revenue Collection	851	697	774	378	531	217	704	646	4,798
Marketing	762	273	478	235	672	16	324	223	2,982
Media & External Communications	55	63	68	56	29	10	43	53	376
Utilities/Leases	450	512	557	462	237	84	349	431	3,084
Transfers to Other Operators	1,189	473	1,140	528	1,372	-	147	394	5,242
Amtrak Transfers	-	105	-	-	1,212	-	-	-	1,318
Station Maintenance	607	260	457	178	394	5	14	231	2,147
Rail Agreements	-	624	-	1,874	851	-	972	1,037	5,357
Holiday Trains	-	78	49	-	83	-	-	45	255
Special Trains	52	8	69	1	87	-	177	214	608
Subtotal Operations & Services	33,232	16,381	30,543	12,536	23,687	3,484	16,998	15,476	152,338
<u>Maintenance-of-Way</u>									
MoW - Line Segments	13,831	7,567	10,657	1,249	6,679	493	4,570	3,308	48,354
MoW - Extraordinary Maintenance	169	116	123	107	130	-	103	23	770
Subtotal Maintenance-of-Way	14,000	7,683	10,779	1,355	6,809	493	4,674	3,330	49,124
<u>Administration & Services</u>									
Ops Salaries & Fringe Benefits	2,596	2,935	3,208	2,645	1,379	484	2,006	2,471	17,724
Ops Non-Labor Expenses	1,867	917	1,892	738	1,406	165	1,011	1,004	9,000
Indirect Administrative Expenses	3,149	3,587	3,897	3,233	1,662	591	2,443	3,019	21,580
Ops Professional Services	364	415	450	374	192	68	282	349	2,494
Subtotal Admin & Services	7,975	7,853	9,448	6,989	4,638	1,309	5,742	6,843	50,798
Contingency	14	16	17	14	7	3	11	13	94
Total Operating Expenses	55,220	31,933	50,788	20,895	35,142	5,289	27,425	25,663	252,354
Insurance and Legal									
Liability/Property/Auto	3,616	1,270	3,176	1,008	2,489	354	1,859	1,641	15,411
Net Claims / SI	242	85	212	67	166	24	124	110	1,030
Claims Administration	286	100	251	80	197	28	147	130	1,219
Total Net Insurance and Legal	4,143	1,455	3,639	1,155	2,852	405	2,130	1,880	17,660
Total Expense	59,363	33,388	54,427	22,050	37,994	5,695	29,555	27,543	270,014
Loss	(39,350)	(25,027)	(40,710)	(15,167)	(16,782)	(5,351)	(20,430)	(20,538)	(183,355)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY24 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

	FY24 BUDGET FORECAST					
(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	\$ 40,486	\$ 24,349	\$ 8,828	\$ 10,021	\$ 2,816	\$ 86,500
Fare Reduction Subsidy	-	-	-	-	-	-
Other Train Subsidies	2,544	-	-	-	-	\$ 2,544
Special Trains	86	70	33	18	37	\$ 244
Subtotal-Pro Forma FareBox	43,116	24,419	8,861	10,038	2,853	\$ 89,288
Dispatching	1,272	866	15	100	310	\$ 2,563
Other Revenues	415	206	73	104	30	\$ 828
MOW Revenues	6,489	2,890	735	1,729	528	\$ 12,371
Total Operating Revenue	51,292	28,381	9,684	11,971	3,722	\$ 105,050
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	26,513	10,006	4,563	5,547	1,830	\$ 48,459
Equipment Maintenance	20,488	9,692	4,717	4,927	1,819	\$ 41,643
Fuel	10,955	4,960	2,008	2,380	699	\$ 21,001
Non-Scheduled Rolling Stock Repairs	55	26	11	12	3	\$ 108
Operating Facilities Maintenance	915	431	181	206	56	\$ 1,789
Other Operating Train Services	492	137	118	164	79	\$ 991
Rolling Stock Lease	-	-	-	-	-	-
Security	7,515	2,996	1,533	1,608	713	\$ 14,365
Public Safety Program	52	19	16	12	11	\$ 111
Passenger Relations	997	536	171	253	66	\$ 2,023
TVM Maintenance/Revenue Collection	2,076	1,158	878	559	319	\$ 4,990
Marketing	1,558	781	265	389	107	\$ 3,101
Media & External Communications	186	67	58	41	39	\$ 391
Utilities/Leases	1,521	553	477	337	319	\$ 3,207
Transfers to Other Operators	3,773	1,463	453	753	216	\$ 6,658
Amtrak Transfers	511	1,122	1	1	39	\$ 1,674
Station Maintenance	1,387	332	149	280	84	\$ 2,232
Rail Agreements	2,170	1,514	1,339	339	210	\$ 5,572
Holiday Trains	77	86	-	20	80	\$ 263
Special Trains	244	170	183	30	-	\$ 626
Subtotal Operations & Services	81,485	36,049	17,120	17,859	6,689	\$ 159,203
<u>Maintenance-of-Way</u>						
MoW - Line Segments	26,737	10,425	3,373	6,528	2,976	\$ 50,038
MoW - Extraordinary Maintenance	465	114	76	85	55	\$ 794
Subtotal Maintenance-of-Way	27,202	10,539	3,449	6,613	3,031	\$ 50,833
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	8,863	3,232	2,772	1,963	1,853	\$ 18,684
Ops Non-Labor Expenses	4,787	2,095	1,033	1,019	425	\$ 9,360
Indirect Administrative Expenses	10,701	3,887	3,356	2,368	2,244	\$ 22,557
Ops Professional Services	1,231	447	386	272	258	\$ 2,594
Subtotal Admin & Services	25,582	9,661	7,548	5,623	4,780	\$ 53,194
<u>Contingency</u>	46	17	14	10	10	\$ 97
Total Operating Expenses	134,315	56,265	28,131	30,105	14,510	\$ 263,327
<u>Insurance and Legal</u>						
Liability/Property/Auto	8,278	3,897	1,637	1,867	504	\$ 16,182
Net Claims / SI	548	258	108	124	33	\$ 1,071
Claims Administration	649	305	128	146	39	\$ 1,268
Total Net Insurance and Legal	9,474	4,461	1,873	2,136	576	\$ 18,521
Total Expense	143,789	60,726	30,004	32,242	15,086	\$ 281,847
Loss	(92,497)	(32,345)	(20,321)	(20,271)	(11,365)	(176,798)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY24 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

(000's)	FY24 BUDGET FORECAST BY LINE								TOTAL
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	
Operating Revenue									
Farebox Revenue	\$ 18,652	\$ 7,648	\$ 11,899	\$ 8,026	\$ 22,585	\$ 244	\$ 9,840	\$ 7,607	\$ 86,500
Fare Reduction Subsidy	-	-	-	-	-	-	-	-	-
Other Train Subsidies	811	100	986	324	198	-	-	125	\$ 2,544
Special Trains	14	38	43	-	62	-	39	47	\$ 244
Subtotal-Pro Forma FareBox	19,478	7,787	12,928	8,350	22,845	244	9,879	7,778	89,288
Dispatching	347	601	350	2	1,230	5	6	23	2,563
Other Revenues	209	78	134	66	181	5	91	63	828
MOW Revenues	3,644	1,553	3,061	201	1,763	142	1,230	778	12,371
Total Operating Revenue	23,678	10,018	16,473	8,619	26,019	397	11,206	8,641	105,050
Operating Expenses									
<u>Operations & Services</u>									
Train Operations	11,783	5,489	11,042	3,199	6,662	903	5,114	4,266	48,459
Equipment Maintenance	9,355	4,270	8,152	2,911	6,084	1,255	4,942	4,674	41,643
Fuel	4,813	2,125	4,336	1,417	3,410	683	2,461	1,756	21,001
Non-Scheduled Rolling Stock Repairs	25	9	22	7	17	2	13	12	108
Operating Facilities Maintenance	420	147	369	117	289	41	216	190	1,789
Other Operating Train Services	311	132	144	119	61	22	90	111	991
Rolling Stock Lease	-	-	-	-	-	-	-	-	-
Security	3,010	1,420	3,409	1,223	1,860	296	1,685	1,464	14,365
Public Safety Program	16	18	20	17	9	3	13	15	111
Passenger Relations	514	172	339	147	456	11	243	140	2,023
TVM Maintenance/Revenue Collection	885	725	805	393	552	226	732	672	4,990
Marketing	792	283	497	244	698	17	337	232	3,101
Media & External Communications	57	65	71	59	30	11	44	55	391
Utilities/Leases	468	533	579	480	247	88	363	449	3,207
Transfers to Other Operators	1,530	603	1,441	656	1,759	-	167	501	6,658
Amtrak Transfers	-	120	-	-	1,554	-	-	-	1,674
Station Maintenance	631	271	476	185	410	5	15	240	2,232
Rail Agreements	-	649	-	1,949	885	-	1,011	1,078	5,572
Holiday Trains	-	80	50	-	86	-	-	47	263
Special Trains	53	8	71	1	90	-	182	221	626
Subtotal Operations & Services	34,664	17,121	31,822	13,124	25,159	3,563	17,627	16,122	159,203
<u>Maintenance-of-Way</u>									
MoW - Line Segments	14,315	7,830	11,035	1,289	6,909	511	4,728	3,421	50,038
MoW - Extraordinary Maintenance	174	120	126	110	134	-	107	23	794
Subtotal Maintenance-of-Way	14,489	7,950	11,161	1,399	7,042	511	4,835	3,444	50,833
<u>Administration & Services</u>									
Ops Salaries & Fringe Benefits	2,736	3,095	3,382	2,789	1,453	510	2,115	2,605	18,684
Ops Non-Labor Expenses	1,941	954	1,968	767	1,462	172	1,051	1,045	9,360
Indirect Administrative Expenses	3,291	3,749	4,074	3,379	1,737	618	2,553	3,156	22,557
Ops Professional Services	378	431	468	389	200	71	294	363	2,594
Subtotal Admin & Services	8,346	8,229	9,892	7,324	4,851	1,371	6,013	7,168	53,194
<u>Contingency</u>	14	16	18	15	7	3	11	14	97
Total Operating Expenses	57,514	33,316	52,892	21,862	37,061	5,447	28,486	26,749	263,327
Insurance and Legal									
Liability/Property/Auto	3,796	1,333	3,335	1,058	2,614	371	1,952	1,723	16,182
Net Claims / SI	251	88	221	70	173	25	129	114	1,071
Claims Administration	298	104	261	83	205	29	153	135	1,268
Total Net Insurance and Legal	4,345	1,526	3,817	1,211	2,991	425	2,234	1,972	18,521
Total Expense	61,859	34,842	56,709	23,073	40,052	5,872	30,720	28,720	281,847
Loss	(38,182)	(24,824)	(40,236)	(14,455)	(14,033)	(5,475)	(19,514)	(20,080)	(176,798)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY25 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

	FY25 BUDGET FORECAST					
(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	\$ 45,841	\$ 27,437	\$ 9,948	\$ 11,291	\$ 3,173	\$ 97,690
Fare Reduction Subsidy	-	-	-	-	-	-
Other Train Subsidies	2,646	-	-	-	-	\$ 2,646
Special Trains	86	70	33	18	37	\$ 244
Subtotal-Pro Forma FareBox	48,573	27,507	9,981	11,309	3,209	\$ 100,580
Dispatching	1,292	883	15	102	316	\$ 2,607
Other Revenues	471	234	82	118	34	\$ 939
MOW Revenues	6,619	2,948	749	1,763	539	\$ 12,618
Total Operating Revenue	56,954	31,572	10,828	13,292	4,098	\$ 116,744
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	27,331	10,312	4,711	5,715	1,893	\$ 49,962
Equipment Maintenance	21,226	10,036	4,885	5,106	1,885	\$ 43,137
Fuel	11,405	5,135	2,094	2,476	732	\$ 21,841
Non-Scheduled Rolling Stock Repairs	58	27	11	13	4	\$ 112
Operating Facilities Maintenance	952	448	188	215	58	\$ 1,861
Other Operating Train Services	511	143	123	171	82	\$ 1,031
Rolling Stock Lease	-	-	-	-	-	-
Security	7,732	3,092	1,584	1,657	736	\$ 14,800
Public Safety Program	55	20	17	12	11	\$ 115
Passenger Relations	1,038	556	178	263	68	\$ 2,103
TVM Maintenance/Revenue Collection	2,159	1,204	913	581	332	\$ 5,190
Marketing	1,621	813	276	404	112	\$ 3,226
Media & External Communications	193	70	61	43	41	\$ 407
Utilities/Leases	1,582	575	496	350	332	\$ 3,335
Transfers to Other Operators	4,264	1,652	501	855	245	\$ 7,517
Amtrak Transfers	576	1,273	1	1	39	\$ 1,889
Station Maintenance	1,442	345	155	291	88	\$ 2,320
Rail Agreements	2,256	1,574	1,393	353	218	\$ 5,794
Holiday Trains	79	88	-	21	82	\$ 271
Special Trains	251	175	188	31	-	\$ 645
Subtotal Operations & Services	84,730	37,537	17,774	18,558	6,957	\$ 165,556
<u>Maintenance-of-Way</u>						
MoW - Line Segments	27,684	10,775	3,496	6,751	3,081	\$ 51,787
MoW - Extraordinary Maintenance	480	117	78	87	57	\$ 819
Subtotal Maintenance-of-Way	28,164	10,893	3,574	6,838	3,138	\$ 52,607
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	9,346	3,407	2,924	2,070	1,954	\$ 19,701
Ops Non-Labor Expenses	4,979	2,179	1,074	1,060	442	\$ 9,734
Indirect Administrative Expenses	11,186	4,063	3,509	2,476	2,346	\$ 23,580
Ops Professional Services	1,280	465	401	283	268	\$ 2,698
Subtotal Admin & Services	26,791	10,114	7,908	5,889	5,011	\$ 55,713
<u>Contingency</u>	48	17	15	11	10	\$ 101
Total Operating Expenses	139,734	58,561	29,271	31,297	15,115	\$ 273,977
<u>Insurance and Legal</u>						
Liability/Property/Auto	8,691	4,092	1,718	1,960	529	\$ 16,990
Net Claims / SI	570	268	113	128	35	\$ 1,114
Claims Administration	675	318	133	152	41	\$ 1,319
Total Net Insurance and Legal	9,936	4,678	1,964	2,241	604	\$ 19,423
Total Expense	149,669	63,238	31,236	33,537	15,720	\$ 293,400
Loss	(92,715)	(31,666)	(20,408)	(20,245)	(11,622)	(176,656)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY25 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

Attachment Q

(000's)	FY25 BUDGET FORECAST BY LINE								TOTAL
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	
Operating Revenue									
Farebox Revenue	\$ 21,088	\$ 8,625	\$ 13,493	\$ 9,072	\$ 25,466	\$ 275	\$ 11,087	\$ 8,582	\$ 97,690
Fare Reduction Subsidy	-	-	-	-	-	-	-	-	-
Other Train Subsidies	844	105	1,025	337	206	-	-	130	\$ 2,646
Special Trains	14	38	43	-	62	-	39	47	\$ 244
Subtotal-Pro Forma FareBox	21,946	8,768	14,562	9,408	25,734	275	11,127	8,758	100,580
Dispatching	353	611	353	2	1,254	5	6	23	2,607
Other Revenues	237	88	152	75	206	6	103	71	939
MOW Revenues	3,717	1,584	3,122	205	1,798	145	1,254	793	12,618
Total Operating Revenue	26,254	11,051	18,189	9,690	28,993	432	12,490	9,645	116,744
Operating Expenses									
<u>Operations & Services</u>									
Train Operations	12,134	5,678	11,366	3,310	6,874	916	5,285	4,399	49,962
Equipment Maintenance	9,692	4,425	8,445	3,018	6,303	1,296	5,120	4,838	43,137
Fuel	5,000	2,227	4,510	1,486	3,540	683	2,564	1,831	21,841
Non-Scheduled Rolling Stock Repairs	26	9	23	7	18	3	14	12	112
Operating Facilities Maintenance	437	153	383	122	300	43	224	198	1,861
Other Operating Train Services	323	138	150	124	64	23	94	116	1,031
Rolling Stock Lease	-	-	-	-	-	-	-	-	-
Security	3,099	1,468	3,494	1,264	1,919	306	1,736	1,514	14,800
Public Safety Program	17	19	21	17	9	3	13	16	115
Passenger Relations	535	179	352	153	474	12	252	146	2,103
TVM Maintenance/Revenue Collection	920	754	837	408	575	235	761	699	5,190
Marketing	824	295	517	254	726	17	350	242	3,226
Media & External Communications	59	68	74	61	31	11	46	57	407
Utilities/Leases	487	554	602	500	257	91	378	467	3,335
Transfers to Other Operators	1,749	684	1,621	726	2,004	-	167	565	7,517
Amtrak Transfers	-	120	-	-	1,770	-	-	-	1,889
Station Maintenance	656	281	495	192	426	6	15	249	2,320
Rail Agreements	-	675	-	2,027	920	-	1,051	1,121	5,794
Holiday Trains	-	82	52	-	88	-	-	48	271
Special Trains	55	9	73	1	92	-	187	227	645
Subtotal Operations & Services	36,014	17,819	33,015	13,671	26,392	3,644	18,257	16,746	165,556
<u>Maintenance-of-Way</u>									
MoW - Line Segments	14,818	8,104	11,427	1,331	7,146	528	4,893	3,539	51,787
MoW - Extraordinary Maintenance	180	124	130	113	138	-	110	24	819
Subtotal Maintenance-of-Way	14,998	8,228	11,557	1,444	7,284	528	5,003	3,563	52,607
<u>Administration & Services</u>									
Ops Salaries & Fringe Benefits	2,884	3,264	3,565	2,942	1,531	538	2,230	2,747	19,701
Ops Non-Labor Expenses	2,019	992	2,047	798	1,520	179	1,093	1,086	9,734
Indirect Administrative Expenses	3,440	3,919	4,259	3,532	1,816	646	2,669	3,299	23,580
Ops Professional Services	394	448	487	404	208	74	305	377	2,698
Subtotal Admin & Services	8,737	8,623	10,358	7,676	5,075	1,437	6,298	7,510	55,713
<u>Contingency</u>	15	17	18	15	8	3	11	14	101
Total Operating Expenses	59,764	34,687	54,948	22,806	38,759	5,612	29,569	27,833	273,977
Insurance and Legal									
Liability/Property/Auto	3,986	1,400	3,501	1,111	2,744	390	2,049	1,809	16,990
Net Claims / SI	261	92	229	73	180	26	134	119	1,114
Claims Administration	309	109	272	86	213	30	159	140	1,319
Total Net Insurance and Legal	4,557	1,600	4,003	1,270	3,137	446	2,342	2,068	19,423
Total Expense	64,320	36,287	58,951	24,077	41,896	6,058	31,911	29,900	293,400
Loss	(38,067)	(25,237)	(40,761)	(14,386)	(12,903)	(5,626)	(19,421)	(20,255)	(176,656)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY26 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

	FY26 BUDGET FORECAST					
(000's)	METRO	OCTA	RCTC	SBCTA	VCTC	TOTAL
Operating Revenue						
Farebox Revenue	\$ 51,183	\$ 30,520	\$ 11,066	\$ 12,561	\$ 3,529	\$ 108,860
Fare Reduction Subsidy	-	-	-	-	-	-
Other Train Subsidies	2,751	-	-	-	-	\$ 2,751
Special Trains	86	70	33	18	37	\$ 244
Subtotal-Pro Forma FareBox	54,021	30,591	11,099	12,579	3,566	\$ 111,855
Dispatching	1,311	901	15	104	321	\$ 2,653
Other Revenues	535	266	93	134	38	\$ 1,067
MOW Revenues	6,751	3,007	764	1,798	550	\$ 12,871
Total Operating Revenue	62,618	34,765	11,973	14,615	4,475	\$ 128,446
Operating Expenses						
<u>Operations & Services</u>						
Train Operations	28,177	10,629	4,864	5,889	1,957	\$ 51,517
Equipment Maintenance	21,992	10,392	5,060	5,290	1,953	\$ 44,686
Fuel	11,873	5,317	2,183	2,576	766	\$ 22,715
Non-Scheduled Rolling Stock Repairs	60	28	12	13	4	\$ 117
Operating Facilities Maintenance	990	466	196	223	60	\$ 1,935
Other Operating Train Services	532	148	128	178	86	\$ 1,072
Rolling Stock Lease	-	-	-	-	-	-
Security	7,955	3,190	1,636	1,707	760	\$ 15,248
Public Safety Program	57	21	18	13	12	\$ 120
Passenger Relations	1,080	578	185	274	71	\$ 2,188
TVM Maintenance/Revenue Collection	2,245	1,252	950	604	345	\$ 5,397
Marketing	1,686	845	287	421	116	\$ 3,355
Media & External Communications	201	73	63	44	42	\$ 423
Utilities/Leases	1,646	598	516	364	345	\$ 3,469
Transfers to Other Operators	4,547	1,762	527	911	261	\$ 8,008
Amtrak Transfers	628	1,394	1	1	39	\$ 2,063
Station Maintenance	1,499	358	161	303	91	\$ 2,412
Rail Agreements	2,347	1,637	1,448	367	227	\$ 6,026
Holiday Trains	81	91	-	22	85	\$ 279
Special Trains	236	180	194	32	-	\$ 641
Subtotal Operations & Services	87,830	38,959	18,429	19,232	7,220	\$ 171,670
<u>Maintenance-of-Way</u>						
MoW - Line Segments	28,669	11,139	3,623	6,982	3,190	\$ 53,603
MoW - Extraordinary Maintenance	495	121	80	90	59	\$ 845
Subtotal Maintenance-of-Way	29,164	11,260	3,704	7,072	3,249	\$ 54,448
<u>Administration & Services</u>						
Ops Salaries & Fringe Benefits	9,856	3,593	3,084	2,183	2,061	\$ 20,777
Ops Non-Labor Expenses	5,178	2,266	1,117	1,102	460	\$ 10,124
Indirect Administrative Expenses	11,695	4,248	3,668	2,589	2,453	\$ 24,653
Ops Professional Services	1,331	483	417	295	279	\$ 2,806
Subtotal Admin & Services	28,061	10,590	8,287	6,169	5,253	\$ 58,359
<u>Contingency</u>	50	18	16	11	10	\$ 105
Total Operating Expenses	145,104	60,826	30,435	32,484	15,733	\$ 284,582
<u>Insurance and Legal</u>						
Liability/Property/Auto	9,126	4,297	1,804	2,058	555	\$ 17,840
Net Claims / SI	592	279	117	134	36	\$ 1,158
Claims Administration	702	330	139	158	43	\$ 1,372
Total Net Insurance and Legal	10,420	4,906	2,060	2,350	634	\$ 20,370
Total Expense	155,524	65,732	32,495	34,834	16,367	\$ 304,952
Loss	(92,906)	(30,968)	(20,522)	(20,219)	(11,891)	(176,506)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FY26 BUDGET FORECAST
Annual Operating Budget Distribution by Cost Component

Attachment S

(000's)	FY26 BUDGET FORECAST BY LINE								TOTAL
	San Bernardino	Ventura County	Antelope Valley	Riverside	Orange County	OC MSEP	IEOC	91/PVL	
Operating Revenue									
Farebox Revenue	\$ 23,521	\$ 9,602	\$ 15,084	\$ 10,113	\$ 28,341	\$ 306	\$ 12,336	\$ 9,557	\$ 108,860
Fare Reduction Subsidy	-	-	-	-	-	-	-	-	-
Other Train Subsidies	878	109	1,066	350	214	-	-	135	\$ 2,751
Special Trains	14	38	43	-	62	-	39	47	\$ 244
Subtotal-Pro Forma FareBox	24,413	9,749	16,194	10,463	28,616	306	12,375	9,739	111,855
Dispatching	360	621	356	2	1,279	5	6	23	2,653
Other Revenues	270	100	173	85	235	7	117	81	1,067
MOW Revenues	3,791	1,616	3,185	209	1,834	148	1,279	809	12,871
Total Operating Revenue	28,834	12,085	19,907	10,760	31,965	466	13,778	10,652	128,446
Operating Expenses									
<u>Operations & Services</u>									
Train Operations	12,498	5,874	11,702	3,423	7,093	929	5,461	4,536	51,517
Equipment Maintenance	10,042	4,585	8,749	3,129	6,530	1,338	5,305	5,008	44,686
Fuel	5,195	2,333	4,691	1,559	3,675	683	2,670	1,909	22,715
Non-Scheduled Rolling Stock Repairs	27	10	24	8	19	3	14	12	117
Operating Facilities Maintenance	454	159	399	127	313	44	233	206	1,935
Other Operating Train Services	336	143	156	129	66	24	97	120	1,072
Rolling Stock Lease	-	-	-	-	-	-	-	-	-
Security	3,191	1,517	3,581	1,306	1,980	317	1,789	1,567	15,248
Public Safety Program	17	20	22	18	9	3	14	17	120
Passenger Relations	556	187	366	160	493	12	261	153	2,188
TVM Maintenance/Revenue Collection	957	784	871	425	597	244	792	727	5,397
Marketing	857	307	538	264	755	18	364	251	3,355
Media & External Communications	62	70	76	63	33	12	48	59	423
Utilities/Leases	506	576	626	520	267	95	393	485	3,469
Transfers to Other Operators	1,868	728	1,730	764	2,150	-	167	601	8,008
Amtrak Transfers	-	120	-	-	1,943	-	-	-	2,063
Station Maintenance	682	293	514	200	443	6	16	259	2,412
Rail Agreements	-	702	-	2,108	957	-	1,093	1,166	6,026
Holiday Trains	-	85	53	-	91	-	-	50	279
Special Trains	50	9	69	1	90	-	190	232	641
Subtotal Operations & Services	37,299	18,503	34,167	14,203	27,504	3,728	18,906	17,358	171,670
<u>Maintenance-of-Way</u>									
MoW - Line Segments	15,341	8,389	11,835	1,374	7,393	547	5,063	3,661	53,603
MoW - Extraordinary Maintenance	185	128	134	117	142	-	113	25	845
Subtotal Maintenance-of-Way	15,526	8,516	11,969	1,491	7,535	547	5,177	3,686	54,448
<u>Administration & Services</u>									
Ops Salaries & Fringe Benefits	3,041	3,442	3,760	3,103	1,614	568	2,352	2,898	20,777
Ops Non-Labor Expenses	2,100	1,032	2,128	830	1,581	186	1,137	1,130	10,124
Indirect Administrative Expenses	3,597	4,097	4,452	3,693	1,898	675	2,791	3,449	24,653
Ops Professional Services	409	466	507	420	216	77	318	393	2,806
Subtotal Admin & Services	9,147	9,038	10,847	8,046	5,309	1,506	6,597	7,869	58,359
<u>Contingency</u>	15	17	19	16	8	3	12	15	105
Total Operating Expenses	61,987	36,075	57,003	23,756	40,357	5,784	30,693	28,928	284,582
Insurance and Legal									
Liability/Property/Auto	4,185	1,470	3,676	1,167	2,881	409	2,152	1,899	17,840
Net Claims / SI	272	95	239	76	187	27	140	123	1,158
Claims Administration	322	113	283	90	222	31	165	146	1,372
Total Net Insurance and Legal	4,779	1,678	4,198	1,332	3,290	467	2,457	2,169	20,370
Total Expense	66,766	37,753	61,200	25,088	43,647	6,252	33,149	31,096	304,952
Loss	(37,932)	(25,668)	(41,293)	(14,329)	(11,682)	(5,785)	(19,372)	(20,444)	(176,506)

FY2023-26 Forecast of Rehabilitation Budget by Asset Category**(000's)**

Asset Category	FY2022-23	FY2023-24	FY2024-25	FY2025-26	TOTAL
Tracks	47,111	59,671	63,035	52,352	222,170
Structures	28,373	41,934	45,005	31,995	147,307
Systems	34,016	45,040	47,810	37,951	164,816
Vehicles	5,157	6,994	7,442	5,767	25,360
Rolling Stock	38,796	48,870	51,593	43,090	182,349
Facilities	3,747	4,491	4,714	4,144	17,098
Rehabilitation Total	157,200	207,000	219,600	175,300	759,100
<i>Numbers may not foot due to rounding.</i>					

FY2023-26 Forecast of Rehabilitation Budget by Member Agency**(000's)**

Member Agency	FY2022-23	FY2023-24	FY2024-25	FY2025-26	TOTAL
METRO	82,379	109,572	116,366	91,949	400,265
OCTA	29,892	37,718	39,828	33,206	140,644
RCTC	9,752	12,106	12,759	10,818	45,434
SBCTA	22,458	30,287	32,211	25,099	110,055
VCTC	12,720	17,318	18,436	14,228	62,702
Rehabilitation Total	157,200	207,000	219,600	175,300	759,100
<i>Numbers may not foot due to rounding.</i>					

FY2023-26 Forecast of New Capital Budget by Asset Category

(000's)

Asset Category	FY2022-23	FY2023-24	FY2024-25	FY2025-26	TOTAL
Tracks	-	29,962	-	-	29,962
Structures	-	-	-	-	-
Systems	2,902	-	-	-	2,902
Vehicles	-	-	-	-	-
Rolling Stock	28,727	54,522	101,100	178,200	362,549
Facilities	48,371	32,217	-	-	80,588
New Capital Total	80,000	116,700	101,100	178,200	476,000
<i>Numbers may not foot due to rounding.</i>					

FY2023-26 Forecast of New Capital Budget by Member Agency

(000's)

Member Agency	FY2022-23	FY2023-24	FY2024-25	FY2025-26	TOTAL
METRO	38,000	71,162	48,023	84,645	241,830
OCTA	15,840	17,174	20,018	35,284	88,316
RCTC	8,880	9,628	11,222	19,780	49,510
SBCTA	11,520	12,490	14,558	25,661	64,230
VCTC	5,760	6,245	7,279	12,830	32,115
New Capital Total	80,000	116,700	101,100	178,200	476,000
<i>Numbers may not foot due to rounding.</i>					



FY2021-22 REHABILITATION CARRYOVER PROJECTS

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
514018	Valley - RR Communications & Equip	Valley	Communications	-	-	-	-	4,021	-	4,021
514037	River Sub Communications Upgrade &RR	River	Communications	12,789	6,659	3,722	4,838	1,061	-	29,068
514046	Systemwide Online,Onboard TKT Sales	Systemwide	Information Technology	13,991	15,628	10,266	11,260	5,630	16,522	73,298
515105	Orange Sub Culvert & Bridge	Orange	Structures	-	207,711	-	37,943	-	-	245,653
515129	Ventura LA Bridge Repair	Ventura - LA County	Structures	16,552	-	-	-	-	30,104	46,656
515133	Ventura Sub VC Communications System	Ventura - VC County	Communications	-	-	-	-	11,158	-	11,158
515144	River EB Zone 2 Tie & Rail	River- East Bank	Track	28,399	10,579	5,931	7,747	3,794	118,354	174,804
515160	River EB Zone 3 Tie & Rail	River- East Bank	Track	24,426	10,183	5,709	7,405	3,702	165,422	216,846
516050	Rail Car Restoration	Systemwide	Rolling Stock	-	-	-	-	-	173,077	173,077
516610	Orange Sub Rail Grinding	Orange	Track	-	-	2,082	-	-	-	2,082
516620	Orange Bridge Rehab, ROW	Orange	Structures	-	3,710	-	-	-	-	3,710
516621	Orange Sub San Juan Creek Bridge	Orange	Structures	-	1,237,426	-	-	-	-	1,237,426
516631	Orange Sub Signal Replacement	Orange	Signal	-	65,425	-	-	-	-	65,425
516640	Orange Signal & Grade Rehab	Orange	Signal	-	31,924	-	-	-	-	31,924
516820	Downtown Riverside Layover Improvement	Riverside	Facilities	-	-	35,495	-	-	-	35,495
516930	PVL Signal Engineering	Perris Valley	Signal	-	-	60,417	-	-	-	60,417
517030	Systemwide Repl Sig Shelter Locks	Systemwide	Facilities	18,061	4,459	-	-	-	-	22,520
517040	Systemwide Comm & PTC Upgrade	Systemwide	Communications	7,310	3,047	1,709	2,216	1,108	-	15,390
517052	Systemwide Loco Wash Rack Drainage	Systemwide	Facilities	103,766	47,687	22,565	32,932	18,874	-	225,824
517130	Ventura VC Repl Signal Battery & Cables	Ventura - VC County	Signal	-	-	-	-	257,118	-	257,118
517320	Valley Culvert Rehab	Valley	Structures	5,134	-	-	-	-	-	5,134
517410	San Gabriel Tie Panel Replacement	San Gabriel	Track	33,129	-	-	22,026	-	-	55,155
517420	San Gabriel Culvert Rehab	San Gabriel	Structures	29,094	-	-	19,396	-	-	48,490
517610	Orange Repl Rail MP 201-207	Orange	Track	-	159,006	14,668	29,403	-	-	203,076
517620	Orange Sub Repl 36" Pipe 201.4	Orange	Structures	-	400,254	-	-	-	-	400,254
517712	River EB Zone 2 Rail & Tie	River- East Bank	Track	72,986	30,437	17,068	22,097	11,104	340,463	494,155
517713	River EB Zone 3 Tie & Rail	River- East Bank	Track	26,583	11,080	6,213	8,058	4,030	180,031	235,995
517731	River EB Rehab Signal Ctls	River- East Bank	Signal	4,817	2,006	1,127	1,460	732	22,363	32,505
518050	Systemwide - Bombardier (Sentinel) OH	Systemwide	Rolling Stock	1,852,750	733,434	432,922	121,276	60,833	7,610,659	10,811,874
518110	Ventura VC Rpl Tie & Ballast	Ventura - VC County	Track	-	-	-	-	49,738	-	49,738
518620	Orange Sub Structure-San Clemente	Orange	Structures	-	147,190	-	166,169	-	-	313,358
518630	Orange Sub Grade Xing Rehab	Orange	Track	-	184,344	-	-	-	-	184,344
518640	Wayside Comm Systems Rpl-Olive&Orange	Orange & Olive	Communications	-	4,176	-	-	-	-	4,176
519001	Sys Bk Office Hd&Sftwre Replmt	Systemwide	Signal	198,771	82,856	46,450	60,259	30,129	-	418,466

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
519002	Sys Bk Office Sys Upgrd&Test	Systemwide	Signal	4,593	1,914	1,074	1,392	696	-	9,669
519003	Sys PTC Lab Sys Support&Test	Systemwide	Communications	331,644	138,243	77,500	100,541	50,270	-	698,199
519011	System Track Asset Cond Assmnt	Systemwide	Track	56,412	23,514	13,183	17,102	8,551	-	118,762
519012	System SOGR Prioritization	Systemwide	Track	121,909	50,817	28,488	36,958	18,479	-	256,651
519020	System Arryo Seco Bridge Design	River	Structures	382,643	159,502	89,418	116,001	58,001	-	805,565
519033	Shortway Grade Xing Rehab	Shortway	Signal	394,026	164,248	92,084	119,451	-	-	769,809
519034	Shortway EMF Improvement	Shortway	Facilities	300,395	125,217	70,203	91,066	-	-	586,881
519040	System PTC Software Updates	Systemwide	Communications	115,370	48,091	26,960	34,976	17,488	-	242,885
519050	System Bombardier Midlf O/Haul	Systemwide	Rolling Stock	9,618,750	4,009,500	2,247,750	2,916,000	1,458,000	-	20,250,000
519051	System Loco & Cab Camdvr Repl	Systemwide	Rolling Stock	385,087	160,520	89,988	116,742	58,371	-	810,708
519052	System O/Haul ROTEM Sidedr Mtr	Systemwide	Rolling Stock	153,395	63,941	35,846	46,503	23,251	-	322,937
519053	System HVAC O/Haul 40 ROTEM Cars	Systemwide	Rolling Stock	316,862	132,082	74,045	96,059	48,029	-	667,077
519054	System Rubber Window Gasket Repl	Systemwide	Rolling Stock	223,024	92,965	52,117	67,611	33,806	-	469,523
519055	System Pshbak Cplr O/Haul ROTEM	Systemwide	Rolling Stock	1,390,605	579,663	324,962	421,573	210,786	-	2,927,590
519060	System CMF Car Shop Jacks	Systemwide	Facilities	272,088	113,418	63,582	82,486	41,243	-	572,818
519062	System Restroom Reno CMF MOC	Systemwide	Facilities	249,493	103,999	58,303	75,636	37,818	-	525,248
519063	System MOW Vehicle Replacement	Systemwide	Vehicle	345,403	143,979	80,715	104,712	52,357	-	727,166
519064	System Station Envlpe Rpr/Repl	Systemwide	Facilities	134,705	64,671	26,941	43,124	26,941	-	296,382
519070	System Switch Equipment Repl	Systemwide	Communications	13,911	21,532	12,071	15,659	7,830	-	71,002
519090	System Entrprs Asst Mgmt Migr	Systemwide	Track	515,000	214,674	120,347	156,126	78,063	-	1,084,211
519091	System TVM Components	Systemwide	Information Technology	56,917	23,725	13,301	17,255	8,627	-	119,825
519092	System Cond Based Maint Equipment	Systemwide	Information Technology	36,159	15,073	8,450	10,962	5,481	-	76,125
519093	System Upgrade	Systemwide	Information Technology	380,279	158,516	88,865	115,285	57,642	-	800,588
519120	VC Ventura ArryoSimi Scour Prtn	Ventura - VC County	Structures	-	-	-	-	1,167,227	-	1,167,227
519130	Ventura VC Grade Xing Rehab & Tunnel 26	Ventura - VC County	Track	-	-	-	-	734,693	-	734,693
519160	Ventura VC Repl Moorpark Tlr	Ventura - VC County	Facilities	-	-	-	-	1,270,094	-	1,270,094
519210	Ventura LA Track Rehab	Ventura - LA County	Track	527,162	-	-	-	-	-	527,162
519211	Ventura LA Station Pdstrn Xing	Ventura - LA County	Track	227,174	-	-	-	-	-	227,174
519220	Ventura LA ROW Grading/Ditching	Ventura - LA County	Track	52,289	-	-	-	-	-	52,289
519230	Ventura LA Tunnel 26 Elec Srv Rpl	Ventura - LA County	Signal	251,860	-	-	-	-	-	251,860
519240	Ventura LA FY19 Comm Rehab	Ventura - LA County	Communications	2,969	-	-	-	-	-	2,969
519310	Valley Tunnel 25 Track Rehab	Valley	Track	580,188	-	-	-	-	-	580,188
519320	Valley ROW Grading/Ditching	Valley	Track	68,466	-	-	-	-	-	68,466
519330	Valley FY19 Signal Rehab	Valley	Signal	216,095	-	-	-	-	-	216,095
519340	Valley FY19 Communications Rehab	Valley	Communications	34,672	-	-	-	-	-	34,672
519410	San Gabriel FY19 Track Rehab	San Gabriel	Track	776,230	-	-	517,505	-	-	1,293,735
519411	San Gabriel Replace Turnouts	San Gabriel	Track	528,626	-	-	352,417	-	-	881,044
519420	San Gabriel LA Bridge Repl	San Gabriel	Structures	208,889	-	-	139,259	-	-	348,148
519430	San Gabriel Grade Xing Rehab	San Gabriel	Signal	1,896,049	-	-	1,264,033	-	-	3,160,082
519440	San Gabriel Wysd Comm Repl Pts	San Gabriel	Communications	60,319	-	-	40,213	-	-	100,532

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
519510	Orange/Olive Track Rehab	Orange & Olive	Track	-	1,138,738	-	-	57,281	-	1,196,018
519520	Orange/Olive ROW Grading/Ditching	Orange & Olive	Track	-	136,318	-	-	-	-	136,318
519621	Orange Bridge Repl Des MP206	Orange	Structures	-	748,053	-	-	-	-	748,053
519630	Orange Signal Rehab	Orange	Signal	-	1,145,337	-	-	-	-	1,145,337
519640	Orange Communications Rehab	Orange	Communications	-	43,829	-	-	-	-	43,829
519710	River LA Union Station Rehab	River	Track	5,102,612	2,126,983	1,192,400	1,546,897	773,449	-	10,742,340
519730	River Signal Rehab	River	Signal	573,564	239,085	134,033	173,881	86,940	-	1,207,501
519731	River EB Zone 2 Signal Rehab	River- East Bank	Signal	23,385	9,748	5,465	7,090	3,545	346,577	395,810
519732	River WB P1 Sig Sys Rehab	River- West Bank	Signal	1,216,605	507,132	284,301	368,824	184,412	-	2,561,273
519733	River EB Zone 1 Repl AC Meter□	River- East Bank	Signal	-	-	-	-	-	124,827	124,827
519740	River WB Communications Rplc Prts	River - West Bank	Communications	66,022	27,521	15,428	20,015	10,007	-	138,994
519741	River EB Communications Rehab	River- East Bank	Communications	7,306	3,045	1,707	2,215	1,107	44,131	59,512
519910	PVL Track Rehab	Perris Valley	Track	-	-	780,797	-	-	-	780,797
519911	PVL Box Springs Drainage	Perris Valley	Structures	-	-	18,053	-	-	-	18,053
519940	PVL Communications Rehab	Perris Valley	Communications	-	-	33,975	-	-	-	33,975
520010	Rail Grinding FY20	Systemwide	Track	178,779	74,522	41,778	54,198	27,099	-	376,376
520011	Sys Lub Study & Implementation	Systemwide	Track	526,257	219,366	122,978	159,539	79,770	-	1,107,909
520050	GEN1 HVAC Overhaul(Add'l 40)	Systemwide	Rolling Stock	216,647	90,308	50,627	65,678	32,839	-	456,098
520051	HVAC Overhaul 40 ROTEM Cars Ph2	Systemwide	Rolling Stock	617,710	257,488	144,349	187,264	93,632	-	1,300,442
520052	Overhaul ROTEM Dr Mech & Compo	Systemwide	Rolling Stock	250,848	104,564	58,619	76,046	38,023	-	528,099
520053	MP36 Loco & Tier IV Study	Systemwide	Rolling Stock	97,276	40,549	22,732	29,490	14,745	-	204,791
520060	Facilities Rehab	Systemwide	Facilities	1,170,683	487,990	273,570	354,902	177,451	-	2,464,596
520061	Overhaul Curr Spec MOW Eq Ph1	Systemwide	Facilities	383,412	159,822	89,597	116,234	58,117	-	807,182
520062	MOW Vehicle Replacement	Systemwide	Vehicle	630,518	262,827	147,341	191,147	90,468	-	1,322,300
520063	CMF & EMF MOD Study	Systemwide	Facilities	89,166	37,168	20,837	27,031	13,516	-	187,717
520110	Ventura Sub (VC) Track Rehab	Ventura - VC County	Track	-	-	-	-	1,013,144	-	1,013,144
520120	Ventura (VC) County - Structure Rehab	Ventura - VC County	Structures	-	-	-	-	2,393,616	-	2,393,616
520130	Ventura (VC) FY20 Signal Rehab	Ventura - VC County	Signal	-	-	-	-	3,560,848	-	3,560,848
520140	Ventura ATCS/PTC/CIS/Backhaul	Ventura - VC County	Communications	-	-	-	-	70,237	-	70,237
520210	Ventura Sub (LA) Track Rehab	Ventura - LA County	Track	1,684,524	-	-	-	-	-	1,684,524
520240	Ventura (LA) ATCS/PTC/CIS/Backhaul	Ventura - LA County	Communications	184,542	-	-	-	-	-	184,542
520310	Valley Sub Track Rehab	Valley	Track	6,235,416	-	-	-	-	-	6,235,416
520330	Valley FY20 Signal Rehab	Valley	Signal	2,170,325	-	-	-	-	-	2,170,325
520331	Pedestrian Gates at Stations	Valley	Signal	974,690	-	-	-	-	-	974,690
520340	Valley ATCS/PTC/CIS/Backhaul	Valley	Communications	276,783	-	-	-	-	-	276,783
520410	San Gabriel Sub Track Rehab	San Gabriel	Track	3,778,375	-	-	2,046,774	-	-	5,825,149
520420	San Gabriel Sub - Structure Rehab	San Gabriel	Structures	1,365,217	-	-	910,145	-	-	2,275,362
520430	San Gabriel FY20 Signal Rehab	San Gabriel	Signal	3,187,598	-	-	2,125,066	-	-	5,312,665
520440	San Gabriel Sub ATCS/PTC/CIS/Backhaul	San Gabriel	Communications	105,242	-	-	70,161	-	-	175,403
520610	Orange/Olive Sub Track Rehab	Orange & Olive	Track	-	4,951,617	-	-	-	-	4,951,617

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
520620	Orange County Structures Rehab	Orange	Structures	-	2,327,765	-	-	-	-	2,327,765
520640	Orange ATCS/PTC/CIS/Backhaul	Orange	Communications	-	350,899	-	-	-	-	350,899
520740	River ATCS/PTC/CIS/Backhaul	River	Communications	106,144	44,246	24,805	32,178	16,090	-	223,463
520940	PVL ATCS/PTC/CIS/Backhaul	Perris Valley	Communications	-	-	267,337	-	-	-	267,337
521010	Systemwide Rail Grinding	Systemwide	Track	475,000	198,000	111,000	144,000	72,000	-	1,000,000
521011	Rail Surfacing Program	Systemwide	Track	1,187,500	495,000	277,500	360,000	180,000	-	2,500,000
521012	Track Infrastructure Study & Planning	Systemwide	Track	712,500	297,000	166,500	216,000	108,000	-	1,500,000
521040	Train Control Systems (on-board)	Systemwide	Train Control	1,092,500	455,400	255,300	331,200	165,600	-	2,300,000
521041	Train Control Systems (back office)	Systemwide	Train Control	1,197,000	498,960	279,720	362,880	181,440	-	2,520,000
521050	Equipment Rehab	Systemwide	Rolling Stock	2,803,497	1,168,616	655,133	849,902	424,951	-	5,902,099
521051	HVAC Overhaul ROTEM Rail Car	Systemwide	Rolling Stock	1,799,728	750,202	420,568	545,602	272,801	-	3,788,901
521052	Loco Preliminary Engineering	Systemwide	Rolling Stock	475,000	198,000	111,000	144,000	72,000	-	1,000,000
521060	Facilities Rehab	Systemwide	Facilities	1,629,250	679,140	380,730	493,920	246,960	-	3,430,000
521070	Project Management System	Systemwide	Business Systems	475,000	198,000	111,000	144,000	72,000	-	1,000,000
521071	IT San Upgrade & Rehab	Systemwide	Business Systems	413,250	172,260	96,570	125,280	62,640	-	870,000
521090	MOW Vehicles & Equipment	Systemwide	Vehicle	2,512,750	1,047,420	587,190	761,760	380,880	-	5,290,000
521110	Ventura (VC) Sub Track Rehab	Ventura - VC County	Track	-	-	-	-	2,000,000	-	2,000,000
521120	Ventura (VC) Sub Structures Rehab	Ventura - VC County	Structures	-	-	-	-	726,000	-	726,000
521130	Signal Rehab	Ventura - VC County	Train Control	-	-	-	-	1,000,000	-	1,000,000
521140	Communications Rehab	Ventura - VC County	Train Control	-	-	-	-	734,000	-	734,000
521410	Short Way Sub Track Rehab	Shortway	Track	138,200	57,607	32,297	41,896	-	-	270,000
521411	San Gabriel Sub Track Rehab	San Gabriel	Track	1,986,000	-	-	1,324,000	-	-	3,310,000
521420	San Gabriel Sub Structures Rehab	San Gabriel	Structures	742,200	-	-	494,800	-	-	1,237,000
521520	Olive Sub Structures Rehab	Orange	Structures	-	320,000	-	-	-	-	320,000
521530	Olive Sub Train Control Systems Rehab	Olive	Train Control	-	317,000	-	-	-	-	317,000
521610	Orange Sub Track Rehab	Orange	Track	-	2,604,000	-	-	-	-	2,604,000
521620	Orange Sub Structures Rehab	Orange	Structures	-	1,354,000	-	-	-	-	1,354,000
521630	Orange Sub Train Control Systems Rehab	Orange	Train Control	-	1,267,000	-	-	-	-	1,267,000
521710	River Sub Track Rehab	River	Track	1,132,400	472,032	264,624	343,296	171,648	-	2,384,000
521720	River Sub Structures Rehab	River	Structures	172,900	72,072	40,404	52,416	26,208	-	364,000
521730	Signal Rehab - River EB	River- East Bank	Train Control	147,725	61,578	34,521	44,784	22,392	689,000	1,000,000
521740	Communications - River EB	River- East Bank	Train Control	32,056	13,362	7,491	9,718	4,859	149,513	217,000
521910	Design - Perris Valley	Perris Valley	Track	-	-	1,830,000	-	-	-	1,830,000
521920	Perris Valley - Construction Phase	Perris Valley	Structures	-	-	2,300,000	-	-	-	2,300,000
572001	Orange /Olive Communications Rehab	Orange & Olive	Communications	-	167,677	-	-	-	-	167,677
572002	Calafia Beach Crossing Rehab	Orange	Signal	-	841,386	-	-	-	-	841,386
572003	Irvine Station LED-CIS Monitor	Orange	Information Technology	-	8,711	-	-	-	-	8,711
572004	LAUS Platform Track	River	Track	849,870	353,679	197,712	257,593	129,269	6,707,596	8,495,718
572005	CP Terminal Track	River	Track	-	-	-	-	-	2,045,559	2,045,559
572006	CP Terminal Switch Machines	River	Track	-	-	-	-	-	871,696	871,696

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
572007	CP Terminal Microprocessors	River	Track	-	-	-	-	-	11,503,207	11,503,207
572008	LAUS LEAD Track	River	Track	-	-	-	-	-	949,883	949,883
572009	CP MISSION Track	River	Track	403,085	168,031	94,212	122,171	61,086	6,263,135	7,111,720
572010	CP Mission Switch Machines	River	Track	-	-	-	-	-	1,701,193	1,701,193
572011	CP Mission Microprocessors	River	Track	-	-	-	-	-	120,375	120,375
572012	LAUS Insulated Joints	River	Track	67,679	28,211	15,815	20,517	10,259	2,115,866	2,258,348
572013	Camarillo Station LED-CIS Monitor	Ventura - VC County	Information Technology	-	-	-	-	-	7,086	7,086
572014	Permit Reporting & Close-Out	Valley	Track	47,644	-	-	-	-	-	47,644
591802	CP Beech Turnout Replacements	San Gabriel	Track	-	-	-	-	-	25,390	25,390
591804	Ventura VC Safety Improvements	Ventura - VC County	Facilities	-	-	-	-	141,769	60,360	202,129
591806	LAUS Track & Signal Mod	River	Track	-	-	-	-	-	1,941,723	1,941,723
591902	Orange Sub Slop Stabilization	Orange	Track	-	442,897	-	-	-	-	442,897
592110	Ventura (VC) Track SOGR	Ventura - VC County	Track	-	-	-	-	9,486	-	9,486
592111	Turnout at CP Santa Susana	Ventura - VC County	Track	-	-	-	-	51,053	-	51,053
592120	VC Bridge and Culvert Rehab	Ventura - LA County	Structures	-	-	-	-	678,948	-	678,948
592210	Ventura -LA Tie & Turnout Repl	Ventura - LA County	Track	29,919	-	-	-	-	-	29,919
592220	Ventura -LA Bridge MP 458.71	Ventura - LA County	Structures	128,944	-	-	-	-	-	128,944
592310	Valley Tie Repl MP 46-64	Valley	Track	45,620	-	-	-	-	-	45,620
592320	Valley Bridge MP 50.64	Valley	Structures	130,252	-	-	-	-	-	130,252
592321	Valley Bridge MP 50.51	Valley	Structures	104,233	-	-	-	-	-	104,233
592322	Valley Bridge MP 50.77	Valley	Structures	120,506	-	-	-	-	-	120,506
592323	Valley Bridge MP 47.45	Valley	Structures	60,053	-	-	-	-	-	60,053
592324	Valley Bridge MP 50.46	Valley	Structures	138,939	-	-	-	-	-	138,939
592420	San Gabriel Repl Bridge MP 40.12 SOGR	San Gabriel	Structures	42,101	-	-	28,080	-	-	70,181
592711	River Repl CP Taylor Turnouts	River	Track	35,728	14,893	8,349	10,831	5,416		75,218
592712	River EB Zone 1 Rail & Tie	River- East Bank	Track	57,355	23,907	13,392	17,395	8,698	2,611,338	2,732,084
592713	River EB Zone 2 Turnouts SOGR	River- East Bank	Track	15,204	6,343	3,559	4,606	2,314	70,945	102,971
593220	Ventura LA Bridge 452.1	Ventura - LA County	Structures	38,511	-	-	-	-	-	38,511
593310	Valley Sub Lang,Actn To,Ties	Valley	Track	64,285	-	-	-	-	-	64,285
593320	Valley Bridge SOGR Ph 2	Valley	Structures	169,370	-	-	-	-	-	169,370
593410	San Gabriel Sub Lark Ellen Xing	San Gabriel	Track	102,762	-	-	68,507	-	-	171,269
			TOTAL	76,674,378	40,296,326	16,387,853	23,555,059	22,755,787	47,006,394	226,675,797

FY2021-22 NEW CAPITAL CARRYOVER PROJECTS

PROJECT #	PROJECT NAME	SUBDIVISION	CATEGORY	MEMBER AGENCY					OTHER	TOTAL CARRYOVER
				METRO	OCTA	RCTC	SBCTA	VCTC		
409006	Empire Ave./I5 Widening Burbank	Systemwide	Track	-	-	-	-	-	386,819	386,819
416001	Maint Facility Hardening	Systemwide	Security	-	-	-	-	-	1,075,405	1,075,405
416002	Systemwide SOC at DOC Enh	Systemwide	Security	-	-	-	-	-	21,032	21,032
417001	Station Surveillance	Systemwide	Security	-	-	-	-	-	1,846,162	1,846,162
418001	Security Data Network	Systemwide	Communications	-	-	-	-	-	2,805,269	2,805,269
418003	San Juan Capistrano Siding-Con	Orange	Signal	-	237,449	-	-	-	111,726	349,175
418004	San Gabriel Redlands Pass. Rail PTC	San Gabriel	Communications	-	-	-	4,789,734	-	-	4,789,734
418005	CMF N End Connect Des	River	Track	168,088	-	27,723	35,965	-	17,983	249,759
418006	Tunnel 25 Safety & Security	Valley	Structures	-	-	-	-	-	2,580,773	2,580,773
419001	Orange Irvine Maint Fac Ph 1	Orange	Facilities	-	84,486	-	-	-	-	84,486
419002	Santiago Peak Microwaves	Perris Valley	Communications	-	-	103,936	-	-	-	103,936
419003	Riverside Layover Facility-Con	Riverside	Structures	-	-	32,121	-	-	-	32,121
419004	Orange/San Juan Creek Bridge	Orange	Structures	-	17,577,932	-	-	-	20,683,590	38,261,522
419005	Improv to Anaheim Canyon Stn	Olive	Track	-	9,321,875	-	-	-	-	9,321,875
420001	Riverside Yard Switch	River	Signal	150,640	-	212,353	70,690	-	-	433,683
420002	Syst PTC Shake Alert	Systemwide	Communications	-	-	-	-	-	2,318,956	2,318,956
420310	Burbank Corridor Safety Improv	Valley	Track	-	-	-	-	-	889,248	889,248
450110	PTC Phase II	Systemwide	Information Technology	-	952,018	-	-	-	349,994	1,302,013
450120	PTC Upscaling Project Admin	Systemwide	Communications	-	-	-	-	-	142,167	142,167
450121	PTC Upscaling Onboard	Systemwide	Communications	-	-	-	-	-	1,484,106	1,484,106
450122	PTS Wayside Upgrade	Systemwide	Communications	-	-	-	-	-	966,617	966,617
450123	PTC Wayside Hardware	Systemwide	Communications	-	-	-	-	-	4,893,999	4,893,999
450124	PTC Backoffice Upgrade	Systemwide	Communications	-	-	-	-	-	151,670	151,670
472001	SCRRA Climate Vulnerability	Systemwide	Structures	-	-	-	-	-	354,874	354,874
472002	Climate Vulnerability Match	Systemwide	Structures	-	-	-	-	-	12,706	12,706
492000	Mobile Ticketing App Improv	Systemwide	Information Technology	-	-	-	-	-	417,751	417,751
613003	Tier 4 - Locomotive Service & Mater	Systemwide	Rolling Stock	-	-	-	-	-	1,645,153	1,645,153
613005	Tier 4 Locomotive Proc- T/Task	Systemwide	Rolling Stock	-	-	-	-	-	51,625,359	51,625,359
616002	Tier 4 Locomotives 21-37	Systemwide	Rolling Stock	-	-	-	-	-	16,008,383	16,008,383
616003	Tier 4 Locomotives 38-39 Non-Fed	Systemwide	Rolling Stock	514,708	-	-	-	-	1,115,056	1,629,764
618001	Ticket Vending Machines Repl	Systemwide	Information Technology	5,002,251	1,859,158	2,378,227	1,901,340	2,646,672	30,795	13,818,444
620001	Pur&Setup Trailerized Bkup Gen	Systemwide	Signal	50,036	20,857	11,121	15,169	7,584	-	104,767
620002	Tamper, Stabilizer, Regulator	Systemwide	Facilities	233,483	168,756	94,605	122,731	61,365	2,858,922	3,539,862
620003	Specialized Maint Equip Phase 1	Systemwide	Facilities	324,743	135,367	75,887	98,448	49,224	-	683,669
			TOTAL	6,443,949	30,357,897	2,935,974	7,034,077	2,764,845	114,794,518	164,331,261

Preview to the Public Hearing on
Orange County Transportation
Authority's Fiscal Year 2021-22
Budget and Personnel and Salary
Resolution

Budget Themes

- Emerging from the pandemic: Conservative fiscal planning and decisive action allow for uninterrupted delivery of balanced and sustainable transportation
- Consistent with the Board-approved Fiscal Year (FY) 2020-21 Comprehensive Business Plan
- Federal supplemental funding to support ongoing transit programs
- Measure M2 budget consistent with the Board-approved 2020 Next 10 Delivery Plan
- 91 Express Lanes anticipated to increase from 10.9 million to 14 million trips
- Use of reserves per Board-approved reserve policy
 - No unplanned use of reserves

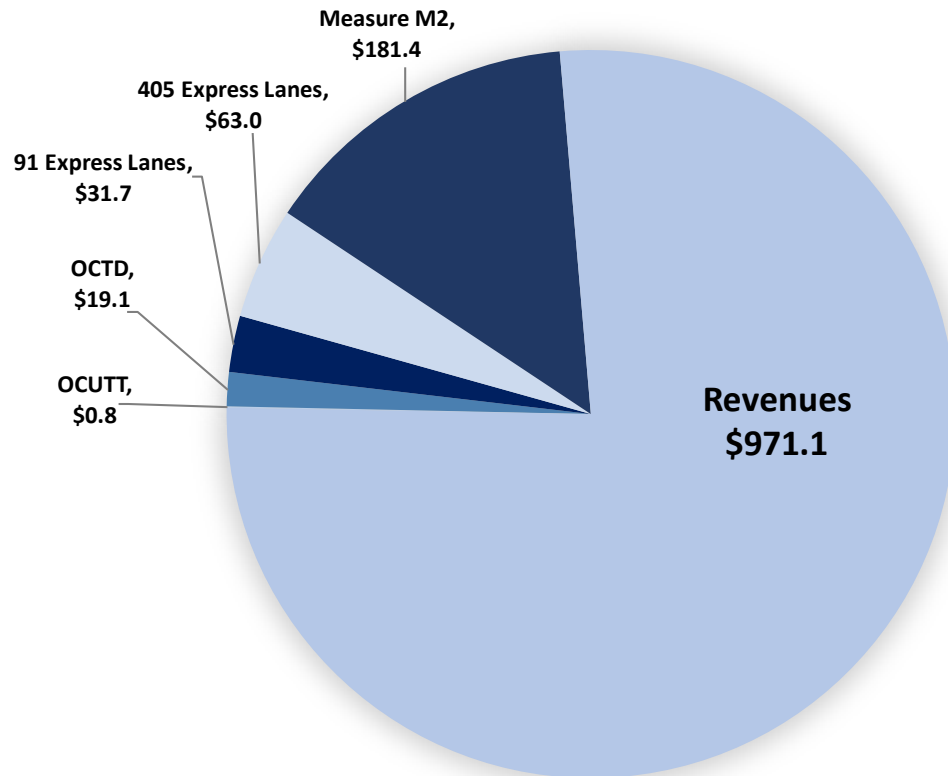
Key Takeaways

- All Measure M2 projects on track to meet voter commitments
- 91 Express Lanes traffic volume has bounced back
- Bus service can be restored to approximately 90 percent of pre-pandemic levels

Budget Overview

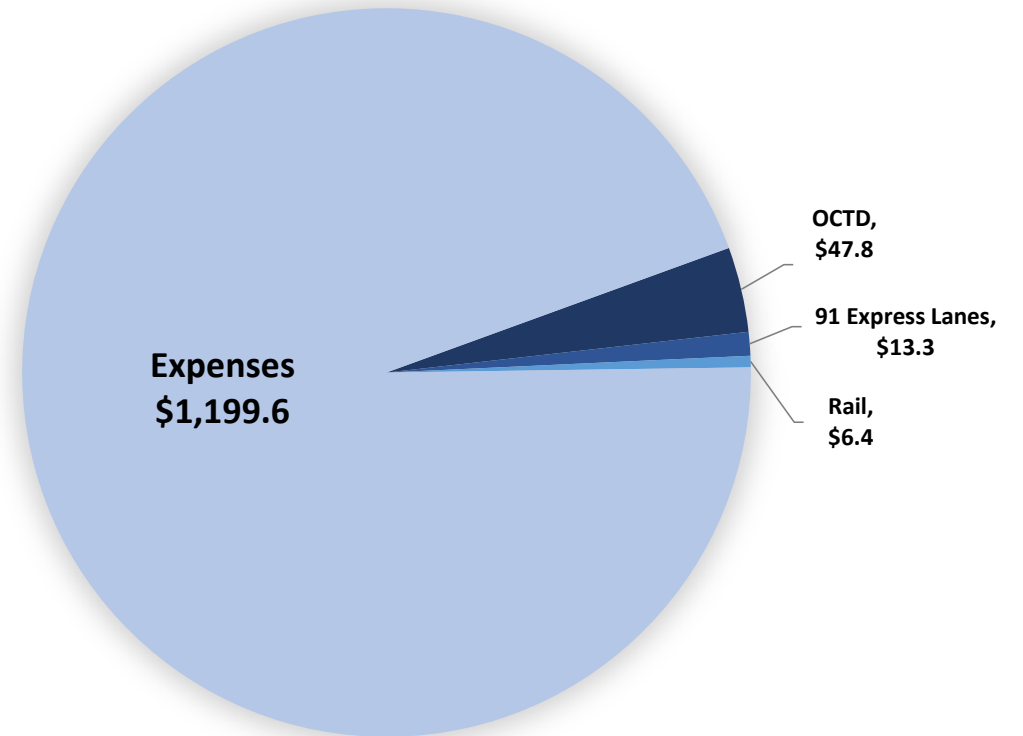
Use of Prior Year
Designations
\$296.0 million

Source of Funds
\$1,267.1 million



Use of Funds
\$1,267.1 million

Designations
\$67.5 million



Budget Adjustments – Sources and Uses

Sources

Adjustment

Revenues

Federal Supplemental Funding Pass-through to ATN	\$	3,504,231
Federal Supplemental Funding Pass-through to Laguna Beach		430,821

Total Revenues	\$	3,935,052
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Uses

Adjustment

Expenses

Federal Supplemental Funding Pass-through to ATN	\$	3,504,231
Federal Supplemental Funding Pass-through to Laguna Beach		430,821

Total Expenses	\$	3,935,052
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ATN – Anaheim Transportation Network

Budget Sources and Uses

In Millions	FY 2020-21	FY 2021-22		
Sources	Amended Budget	Proposed Budget	Change \$	Change %
Revenues	\$ 973.4	\$ 971.1	\$ (2.3)	-0.2%
Use of Prior Year Designations	575.7	296.0	(279.7)	-48.6%
Total Revenue / Use of Designations	\$ 1,549.1	\$ 1,267.1	\$ (282.0)	-18.2%
Uses				
Salaries and Benefits	\$ 169.0	\$ 174.1	\$ 5.1	3.0%
LOSSAN Salaries and Benefits	3.2	3.8	0.6	18.8%
Services and Supplies	393.3	368.9	(24.4)	-6.2%
Contributions to Other Agencies	173.1	171.0	(2.1)	-1.2%
Interest/Debt Service	66.2	65.7	(0.5)	-0.8%
Capital	685.5	416.1	(269.4)	-39.3%
Designations	58.8	67.5	8.7	14.8%
Total Expenditures / Designations	\$ 1,549.1	\$ 1,267.1	\$ (282.0)	-18.2%

LOSSAN – The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

Staffing Levels

OCTA Staffing	FY 2020-21 Full-time Equivalent	FY 2021-22 Full-time Equivalent	FY 2021-22 New Hires	FY 2021-22 Reductions	Difference
Administrative	498.5	504.0	6.0	(0.5)	5.5
Union	834.0	791.0	1.0	(44.0)	(43.0)
Coach Operators	634.0	600.0	-	(34.0)	(34.0)
Maintenance	163.0	153.0	-	(10.0)	(10.0)
Facility Technicians and Parts Clerks	37.0	38.0	1.0	-	1.0
OCTA Positions	1,332.5	1,295.0	7.0	(44.5)	(37.5)
LOSSAN	18.0	18.0	-	-	-
Total Authority Positions	1,350.5	1,313.0	7.0	(44.5)	(37.5)

OCTA – Orange County Transportation Authority

Personnel and Salary Resolutions

- Incorporate any legal recommendations and minor clarifications
- Pertaining to administrative employees
 - Employees are at-will
 - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
 - Due to the coronavirus (COVID-19), merit increases and bonuses were suspended in FY 2020-21
 - Merit and bonus pool resumes as part of comprehensive recruitment and retention strategy
- Merit pool of 4 percent
 - Salary increases are based on a pay-for-performance program
 - Every employee has a performance plan and receives an annual performance review
 - Base-building adjustment to annual salary
- Bonus pool of 3 percent
 - Non-base building – does not increase annual salary
 - Bonuses are given throughout the year for specific, exceptional performance in a defined goal area
 - Part of employee rewards and recognition strategy

Recommendations

- Approve by Resolution OCTA's FY 2021-22 budget
- Approve the Personnel and Salary Resolution for FY 2021-22
- Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements
- Approve of FY 2021-22 OCTA member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to \$39,152,549, including authorization of federal supplemental funding in an amount up to \$39,152,549, to be drawn down directly by the Southern California Regional Rail Authority. In addition, approve capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. OCTA portion of the costs for capital is \$118,800 and \$15,047,906, for rehabilitation.

Next Steps

- Public hearing and budget approval June 14
- Back-up approval date (if necessary) June 28