

# Fiscal Year 2017-18 Budget Assumptions

OCTA

# Key Issues

- Bus program sustainability
  - Assumes all prior Board of Directors' actions
  - \$20 million funding gap
  - One time infusion of \$14.5 million
  - 50,000 hour reduction in service levels
  - Thorough review of ongoing cost and capital projects
- Strategies to address remaining funding gap to be determined in fiscal year 2017-18
- Orange County Taxi Administration Program
  - Assumes external contributions
- Rail
  - Anticipate increase in Metrolink's proposed operating subsidy

# M2 Program Assumptions

- Revenue
  - Local Transportation Authority sales tax revenue
    - Fiscal Year (FY) 2016-17 budget - \$310.9 million
      - FY 2016-17 estimate - \$303.9 million
    - FY 2017-18 budget - \$314.0 million
      - Based on MuniServices forecast of 3.3 percent
- Expenditures
  - Major Capital Projects
    - OC Street Car (Project S)
    - I-405 San Diego Freeway (Project K)
    - I-5 Freeway Improvements (Project C)

# Rail Program Assumptions

- Revenue

- Operating

- Measure M2 High-Frequency Metrolink Service

- Capital

- Federal Transportation Administration (Section 5307 and 5337) consistent with the Fixing America's Surface Transportation Act

- Expenditures

- Operating subsidy of \$26.7 million, which is an increase of 6 percent over Metrolink's final FY 2016-17 adopted subsidy of \$25.2 million (excludes BNSF costs)

- Major capital projects

- Placentia Metrolink Station
    - Laguna Niguel to San Juan Capistrano Passing Siding
    - Orange Transportation Center

# 91 Express Lanes Program Assumptions

- Revenue

- Toll revenue budget based on 95 percent of Stantec's projection
- Revenue budget projected at \$48.5 million
  - Toll revenue: \$40.1 million
  - Non-Toll revenue: \$6.6 million
  - Other: \$1.8 million

- Major Expenditures

- Cofiroute operating contract
  - Proposed budget reduced by \$1 million due to cost sharing with Riverside County Transportation Commission
- Replacement of the Electronic Toll & Traffic Management System
- Contribution to Placentia rail station

# Motorist Services Program Assumptions

- SAFE

- Revenue

- DMV fees consistent with prior year at \$3 million
    - Freeway Service Patrol revenues are relatively flat at \$2.6 million
    - Also supported by Measure M2 revenues

- Expenditures

- Freeway Service Patrol
      - Scheduled service hours increased from 83,654 to 85,393
      - Two new beats to service
      - Call box and 511 Programs

- OCTAP

- Revenue

- Permit fees have decreased by 29.2 percent (\$152,000 per year)
    - External contributions necessary to balance the programs budget

- Expenditures

- Expenses outpacing revenues
    - Reduction of 1.4 full-time equivalent
    - Without additional changes, the program will exhaust operating reserves by mid FY 2017-18

# Bus Program Assumptions

- OC Bus 360° Plan is ongoing
- Flat fixed-route ridership
- No fare increase in FY 2017-18
- Additional \$14.5 million revenue source
- Plan to reduce revenue vehicle hours by 50,000
- Paratransit trip growth assumption of 5.8 percent

# Bus Program Revenue Assumptions

- Operating Revenue

- Local Transportation Fund Sales Tax

- FY 2016-17 budget - \$159.3M
  - FY 2016-17 estimate - \$156.7M
- FY 2017-18 budget - \$160.5M
  - Based on MuniServices forecast of 2.4%

- Federal formula grant funding is consistent with Moving Ahead for Progress in the 21st Century Act (MAP-21)

- Fare Revenue

- FY 2016-17 budget - \$53.0M
  - FY 2016-17 estimate - \$47.9M
- FY 2017-18 budget - \$47.9M

- Capital Revenue

- State Transit Assistance

- FY 2016-17 budget - \$17.2M
  - FY 2016-17 estimate - \$14.5M
- FY 2017-18 budget - \$14.0M
  - Based on State Controller's Office estimate

- Continued use of prior year designations consistent with the Capital replacement plan
- Designations for future capital expenditures will be subject to future service delivery model



# Bus Operations Service Assumptions

- Fixed-route service levels

- Base revenue hours
  - FY 2016-17 budget – 1,603,817
  - FY 2017-18 budget – 1,572,568
- Directly operated service revenue hours
  - FY 2016-17 budget – 60 percent
  - FY 2017-18 budget – 60 percent
- Contracted service revenue hours
  - FY 2016-17 budget – 40 percent
  - FY 2017-18 budget – 40 percent

- ACCESS service

- Primary service revenue hours
  - FY 2016-17 budget – 503,405
    - FY 2016-17 estimate – 517,878
  - FY 2017-18 budget – 529,840
- Supplemental service trips
  - FY 2016-17 budget – 271,198
    - FY 2016-17 estimate – 303,475
  - FY 2017-18 budget – 310,771
- Same day taxi trips
  - FY 2016-17 budget – 157,907
    - FY 2016-17 estimate – 124,654
  - FY 2017-18 budget – 147,697

# Next Steps

- Preview Budget Workshop Presentation – F and A Committee April 26
- Budget Workshop Presentation – Board May 8
- Committee meetings and One-on-One meetings with Board Members May 9-June 9
- Public Hearing Preview – F and A Committee May 24
- Public Hearing – Board (public hearing and approval) June 12
- Back-up Public Hearing – Board (public hearing and approval) June 26