# Orange County Transportation Authority
# Fiscal Year 2017-18
# Budget Workshop

# Budget Themes

- Budget in accordance with the Chair and CEO goals
- Sales tax revenue assumption consistent with Board-approved sales tax forecasting methodology
- Incorporate impacts of transportation Senate Bill 1 (SB-1)
- Budget in accordance with the objectives of Next 10 Plan
- Bus program budget is consistent with objectives of OC Bus 360°
- OCTAP model is unsustainable
- Budget is balanced

# Budget Initiatives & Challenges

## Initiatives

- Measure M2
  - Continued funding for project delivery of the freeway, streets and roads, and transit modes
  - Major Capital projects include
    - OC Streetcar
    - 405 Improvement Project
    - I-5 Improvement Project
    - SR-55 Improvement Project
- Bus Program
  - OC Bus 360° is ongoing
  - Bus system productivity improvements
  - Transit Master Plan

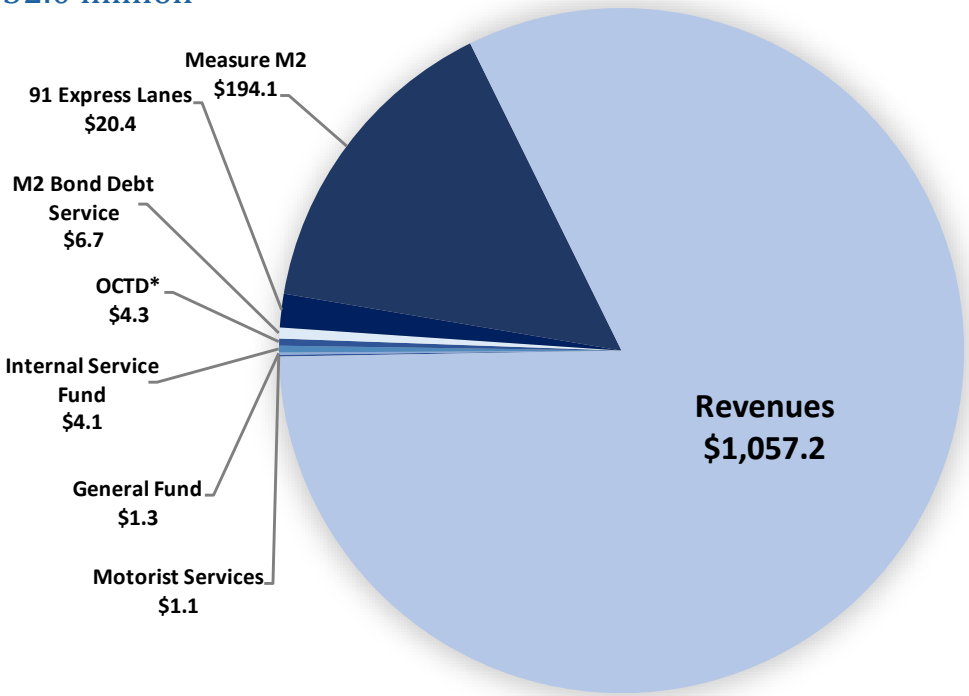
## Challenges

- Measure M2
  - External funding uncertainties
  - Continued pressure on costs
  - LTA not meeting projections
- Bus Program
  - $20 million funding gap erased by the impacts of SB-1
  - Assumes current ridership trends and a corresponding decrease in fare revenues
  - LTF not meeting projections

# Budget Overview

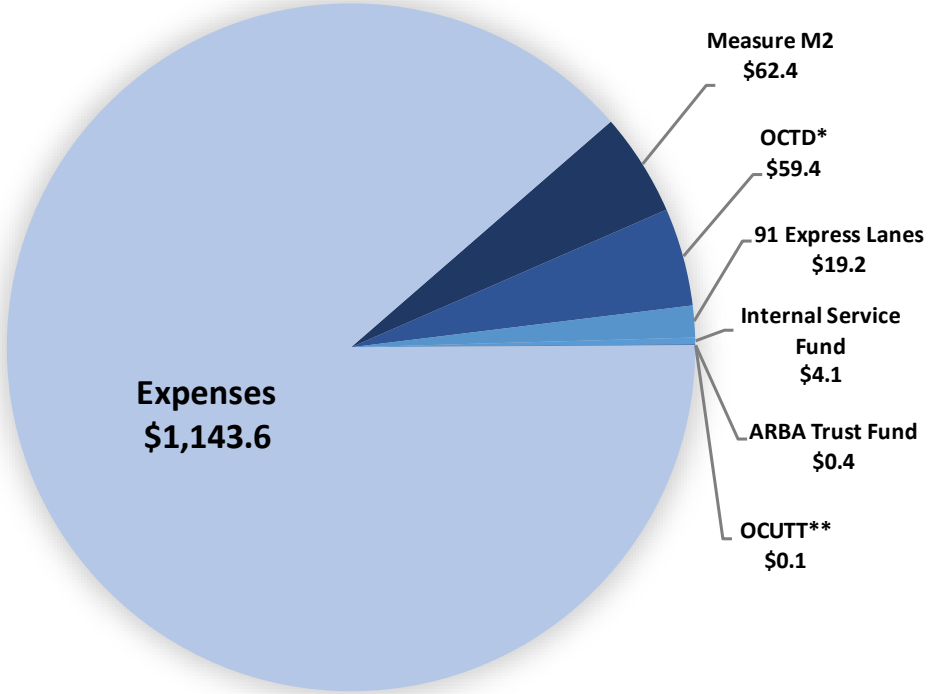
## Source of Funds
## $1,289.2 million

Use of Prior Year Designations
$232.0 million




## Use of Funds
## $1,289.2 million

Designations
$145.6 million




*Orange County Transit District
**Orange County Unified Transportation Trust

# Budget Sources & Uses

| In Millions<br>Sources | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| Revenues | $ 972.2 | $ 1,057.2 | $ 85.0 | 8.7% |
| Use of Prior Year Designations | 189.3 | 232.0 | 42.7 | 22.6% |
| **Total Revenue / Use of Designations** | **$ 1,161.5** | **$ 1,289.2** | **$ 127.7** | **11.0%** |
| **Uses** | | | | |
| Salaries and Benefits | $ 157.1 | $ 158.8 | $ 1.7 | 1.1% |
| LOSSAN Salaries and Benefits | 1.5 | 1.4 | (0.1) | -6.7% |
| Services and Supplies | 330.9 | 306.8 | (24.1) | -7.3% |
| Contributions to Other Agencies | 203.4 | 185.9 | (17.5) | -8.6% |
| Interest/Debt Service | 34.3 | 34.6 | 0.3 | 0.9% |
| Capital | 365.5 | 456.1 | 90.6 | 24.8% |
| Designations | 68.8 | 145.6 | 76.8 | 111.6% |
| **Total Expenditures / Designations** | **$ 1,161.5** | **$ 1,289.2** | **$ 127.7** | **11.0%** |

# Revenues

| In Millions<br>Sources | FY 2016-17<br>Approved<br>Budget | FY 2017-18<br>Proposed<br>Budget | Change<br>$ | <br>% |
|---|---|---|---|---|
| Federal Grants | $272.2 | $338.1 | $65.9 | 24.2% |
| M2 Local Transportation Authority 1/2 Cent Sales Tax | 314.3 | 317.4 | 3.1 | 1.0% |
| Local Transportation Fund 1/4 Cent Sales Tax | 161.0 | 162.2 | 1.2 | 0.7% |
| State Grants | 63.6 | 67.2 | 3.6 | 5.7% |
| Passenger Fares | 53.6 | 47.9 | (5.7) | -10.6% |
| 91 Express Lanes (Toll & Non-Toll) | 43.5 | 46.7 | 3.2 | 7.4% |
| State Transit Assistance | 17.2 | 28.9 | 11.7 | 68.0% |
| Interest | 21.9 | 21.6 | (0.3) | -1.4% |
| Property Tax | 13.4 | 15.2 | 1.8 | 13.4% |
| Other | 6.8 | 8.0 | 1.1 | 16.6% |
| Advertising | 4.7 | 4.0 | (0.7) | -14.9% |
| **Subtotal Sources** | **$ 972.2** | **$ 1,057.2** | **$ 85.0** | **8.7%** |
| Use of Prior Year Designations | 189.3 | 232.0 | 42.7 | 22.6% |
| **Total Revenues / Use of Designations** | **$ 1,161.5** | **$ 1,289.2** | **$ 127.7** | **11.0%** |

# Planned Use of Prior Year Designations

**In Millions**

| Planned Use of Prior Year Designations By Fund | | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget |
|---|---|---|---|
| Local Transportation Authority Measure M2 | *Freeway Projects, OC Streetcar and Grade Separation Projects* | $ 87.4 | $ 163.3 |
| Commuter Rail | *Metrolink Operations and Rail Capital* | 37.9 | 30.8 |
| 91 Express Lanes | *Placentia Metrolink Station and ETTM System* | 32.0 | 20.4 |
| Measure M2 Bond Debt Service | *Build America Bonds Subsidy* | 7.0 | 6.7 |
| Orange County Transit District | *Capital Improvements and Bristol Street Widening Project* | 18.3 | 4.3 |
| Internal Service Fund - Public Liability and Property Damage | *PL & PD Claim Expense Budget* | 4.2 | 4.1 |
| General Fund | *West County Connectors* | 1.7 | 1.3 |
| Service Authority for Freeway Emergencies | *Freeway Service Patrol* | 0.5 | 0.9 |
| Orange County Taxi Administration Program | *Ongoing Operations* | 0.3 | 0.2 |
| **Total Use of Prior Year Designations** | | **$ 189.3** | **$ 232.0** |

# Expenditures

| In Millions<br>Uses | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| **Salaries and Benefits** | **$ 158.6** | **$ 160.2** | **$ 1.6** | **1.0%** |
| OCTA Salaries and Benefits | 157.1 | 158.8 | 1.7 | 1.1% |
| LOSSAN Salaries and Benefits | 1.5 | 1.4 | (0.1) | -6.7% |
| **Services and Supplies** | **$ 330.9** | **$ 306.8** | **$ (24.1)** | **-7.3%** |
| Professional and Outside Services | 204.0 | 171.1 | (32.9) | -16.1% |
| Contract Transportation Services | 90.4 | 97.1 | 6.7 | 7.4% |
| Maintenance Parts & Fuel | 15.6 | 16.8 | 1.2 | 7.7% |
| General & Administration | 11.7 | 13.2 | 1.5 | 12.8% |
| Insurance Claims/Premiums | 9.2 | 8.6 | (0.6) | -6.5% |
| **Contributions to Other Agencies** | **$ 203.4** | **$ 185.9** | **$ (17.5)** | **-8.6%** |
| Contributions to Other Agencies | 98.6 | 80.1 | (18.5) | -18.8% |
| Measure M2 Local Fair Share | 52.8 | 53.8 | 1.0 | 1.9% |
| Measure M2 Regional Capacity | 52.0 | 52.0 | - | 0.0% |
| **Interest / Debt Service** | **$ 34.3** | **$ 34.6** | **$ 0.3** | **0.9%** |
| Long-Term Debt Principal Payments | 7.5 | 7.8 | 0.3 | 4.0% |
| Interest Expense | 26.8 | 26.8 | - | 0.0% |
| **Capital** | **$ 365.5** | **$ 456.1** | **$ 90.6** | **24.8%** |
| **Subtotal Uses** | **$ 1,092.7** | **$ 1,143.6** | **$ 50.9** | **4.7%** |
| Designations | 68.8 | 145.6 | 76.8 | 111.6% |
| **Total Expenditures / Designations** | **$ 1,161.5** | **$ 1,289.2** | **$ 127.7** | **11.0%** |

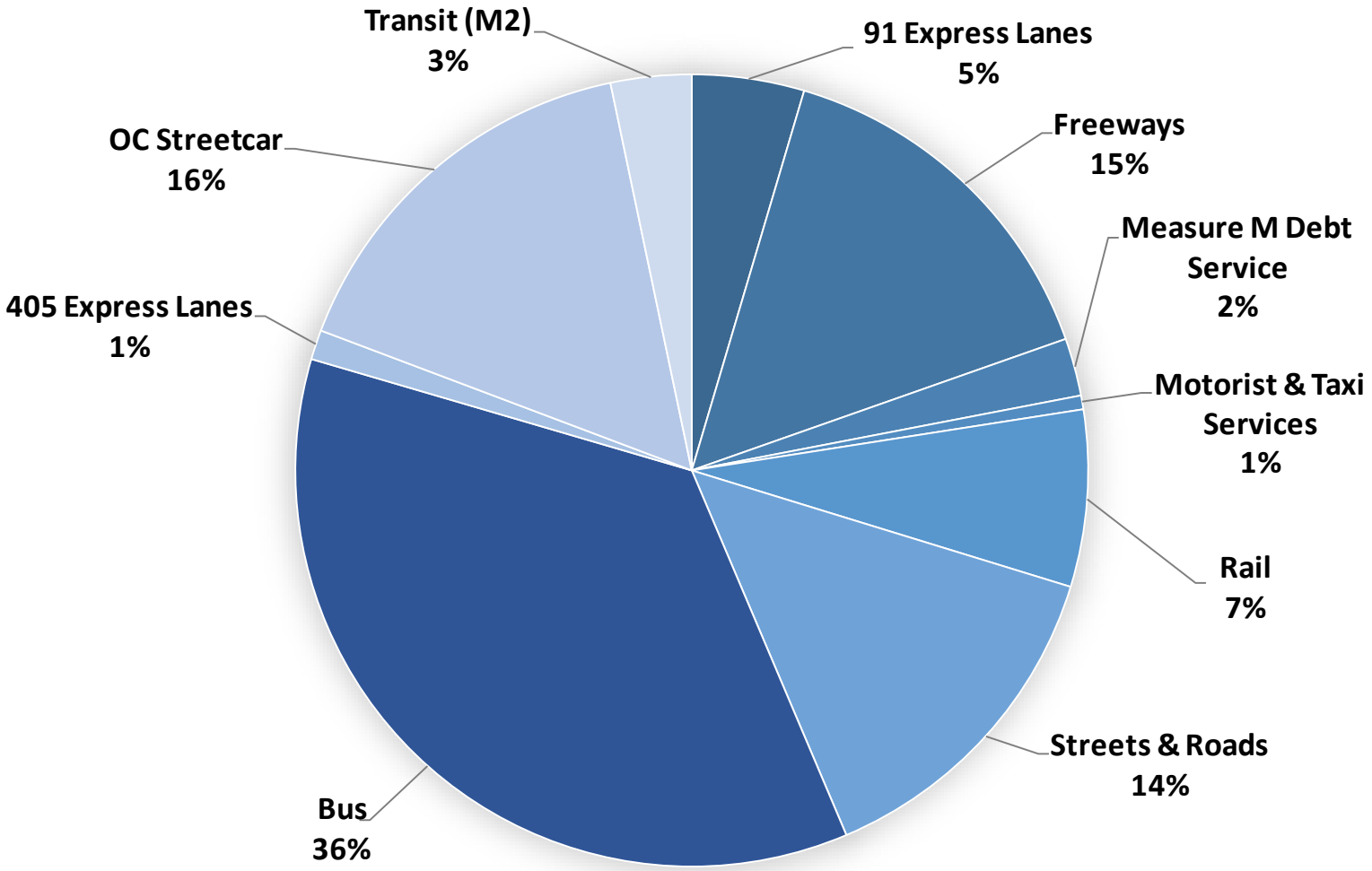
# Key Expenditures by Fund

| | | | | |
|---|---|---|---|---|
| Measure M2 | I-405, San Diego Freeway from I-605 to SR-55 (Project K) | $ | 90,335,827 | ROW support & capital, utilities, PMC services and CMC support |
| | Local Fair Share (Project Q) | | 54,014,941 | Local Fair Share - 18% of net revenues from M2 sales tax for streets and roads |
| | Regional Capacity Program (Project O) | | 52,470,000 | Competitive funding for local agency streets and roads projects |
| | I-5, Santa Ana Freeway (Project C) | | 43,594,903 | ROW capital, construction, construction management, and property acquisition |
| | O.C. Bridges (Project O) | | 22,213,900 | Grade separation COOP agreements, ROW acquisition, and relocation assistance |
| | Grade Crossings & Other Rail Capital Projects (Project R) | | 19,192,500 | Construction, construction management, ROW, and design services |
| | Regional Traffic Signal Synchronization (Project P) | | 17,129,643 | Signal synchronization implementation along OC Corridors and M2 Project P payments |
| | Costa Mesa Freeway (SR-55) Improvements (Project F) | | 15,222,500 | PS&E, PAED, ROW utilities and ROW support |
| | Clean-up Highway/Street Runoff (Project X) | | 10,565,500 | M2 environmental cleanup program and M2 Project X payments |
| | Community Based Transit Circulator (Project V) | | 8,393,698 | M2 Project V payments and community transit circulator for Mission Viejo, Westminster & La Habra |
| | Freeway Environmental Mitigation | | 7,124,700 | M2 mitigation program endowment, property acquisition and restoration projects |
| | Senior Mobility and Non-Emergency Medical Programs (Project U) | | 6,298,036 | Senior Non-Emergency Medical Transportation and SMP for cities in Orange County |
| | Orange Freeway (SR-57) Improvements (Project G) | | 6,017,500 | Landscape and PS&E |
| | SR-91, Riverside Freeway Improvements from I-5 to SR-57 (Project H) | | 2,535,000 | Landscape, construction management, ROW capital and PS&E |
| | I-5, SR-55 to SR-57 (Project A) | | 2,470,000 | Construction management and PS&E |
| 405 Express Lanes | 405 Express Lanes | $ | 18,197,976 | Project management, ROW capital & utilities and design/build expenses |
| Transit Development Capital Project | OC Streetcar | $ | 239,911,080 | OC Streetcar construction, vehicle manufacturing, ROW acquisition and utility relocation |
| Measure M2 Debt | Taxable/Tax-Exempt Bonds | $ | 28,793,588 | Interest and principal payment for Measure M2 bonds |
| Commuter Rail | Placentia Metrolink Rail Station | $ | 24,209,800 | Placentia Metrolink Station construction, construction management and engineering support |
| | Laguna Niguel to San Juan Capistrano Passing Siding | | 23,490,500 | Construction, construction management services and SCRRA COOP construction support |
| | Southern California Regional Rail Authority (SCRRA) Budget | | 21,654,000 | SCRRA operating subsidy |
| | Orange Transportation Center Parking Expansion | | 20,918,108 | Construction and construction management services |
| | Rail Station Improvements | | 4,830,500 | PS&E, construction, SCRRA Coop construction and ROW services |
| | Orange Subdivision Slope Stabilization | | 3,330,000 | Construction and SCRRA cooperative agreement |
| | OCTA Rail Support Services | | 3,094,049 | Rail ROW maintenance services and outreach |
| | Transit Police Services | | 2,086,632 | Orange County Sheriff's contract for railroad ROW transit police services |
| | Positive Train Control | | 1,700,000 | Monitoring and controlling train movements to provide increased safety and avoid accidents |

# Key Expenditures by Fund (Continued)

| | | | | |
|---|---|---|---|---|
| OCTD | Paratransit | $ | 44,894,747 | Primary ACCESS service RVH, ADA supplemental taxi, same-day taxi, and special agency services |
| | Contracted Fixed Route Services | | 37,189,171 | Contracted fixed route variable & fixed costs |
| | Fuels | | 10,745,268 | CNG, LNG, diesel & gasoline and CNG electricity costs |
| | Directly Operated Fixed Route Services and Supplies | | 9,675,858 | Miscellaneous shop and repair equipment at directly operated facilities |
| | Bus Base and Transit Center Projects | | 8,087,380 | Storage tank, security system, and fueling station updates at bus bases and transit centers |
| | Transit Security Services | | 5,330,030 | Orange County sheriff's transit police services |
| | Contracted Special Agency Services | | 4,987,333 | OCTA subsidy of transportation services provided by agencies for senior and disabled passengers |
| | Maintenance Parts | | 3,722,767 | Maintenance, parts and safety system upgrades for buses |
| | Vanpool Program | | 2,819,482 | OCTA Vanpool program subsidy and outreach for vanpools |
| | CNG Equipment Operations & Maintenance | | 2,770,559 | Operations and maintenance of CNG equipment at all bases |
| | Utilities | | 2,164,004 | Gas, electric, water, waste management for all locations |
| | Tires | | 2,035,843 | Tire replacement and leasing for OCTA owned fleet |
| | Transit Security & Operations Center | | 1,831,652 | Transit security & operations center design |
| | OCTA Vocational Visions Transportation Program | | 1,373,839 | Program to provide persons with disabilities access to employment programs beyond ADA requirements |
| | New Freedoms & Job Access and Reverse Commute Programs | | 1,219,131 | Transportation services for persons of low income, seniors, and persons with disabilities |
| | Radio Communications | | 1,132,168 | Integrated transportation management system for radio communication and administration of the OBVSS |
| | Customer Information Center | | 1,066,300 | Operation of a call center to provide information on OCTA's bus program |
| General Fund | Technical Infrastructure and Business Systems Support | $ | 8,397,529 | Software and hardware acquisition, maintenance, and licensing |
| | Office Space Leases | | 3,609,398 | Leases for headquarters and storage facility |
| | Transportation Planning and Studies | | 1,500,000 | Transit corridor study, long range transportation plan and air quality planning |
| | iShuttle | | 1,206,554 | Contribution to the Irvine iShuttle as part of the repayment of Proposition 116 funds |
| | General Counsel | | 1,200,000 | Legal costs for general counsel expenses |
| | Bikeway and Pedestrian Facilities | | 1,000,000 | Externally funded OCTA awards to local agencies |
| Motorist Services | Motorist Services | $ | 8,064,678 | FSP tow service, CHP, 511 program and call box maintenance |
| 91 Express Lanes | 91 Express Lanes Operating Expense | $ | 23,878,605 | Contract to operate toll road and direct administration of the 91 Express Lanes |
| | 91 Express Lanes Capital Expense | | 11,515,300 | Replacement of electronic toll & traffic management system, transponders and leasehold improvements |
| ARBA | Additional Retiree Benefit Account (ARBA) Payments | $ | 1,035,469 | ARBA benefit payment and investment expenses |
| Internal Service Funds | Workers' Compensation | $ | 6,326,843 | Claims expense and liability insurance related to workers' compensation |
| | PL & PD Legal, Insurance and Claims Expense | | 4,077,852 | Legal fees, liability & property insurance and broker services |
| | | **$** | **962,652,640** | **These items represent 84% of the proposed budget expenditures** |

# Total Budget by Program



# M2 Program Summary

- Budget consistent with Next 10 delivery plan adopted by Board on November 14, 2016
  - Fiscal Year 2017-18 Budget
    - Freeway Programs - $170 million
    - Streets & Roads - $157 million
    - M2 Transit - $92 million

# Freeway Program Summary

| In Millions<br>**Freeways** | **FY 2017-18 Proposed** |
|---|---|
| I-405, San Diego Freeway from I-605 to SR-55 (Project K) | $ 90.3 |
| I-5, Santa Ana Freeway (Project C) | 43.6 |
| Costa Mesa Freeway (SR-55) Improvements (Project F) | 15.2 |
| Freeway Environmental Mitigation | 7.1 |
| Orange Freeway (SR-57) Improvements (Project G) | 6.0 |
| SR-91, Riverside Freeway Improvements from I-5 to SR-57 (Project H) | 2.5 |
| I-5, SR-55 to SR-57 (Project A) | 2.5 |
| West County Connectors (Measure M1) | 1.0 |
| I-5, I-405 to SR-55 (Project B) | 0.7 |
| I-405, San Diego Freeway from SR-55 to I-5 (Project L) | 0.6 |
| SR-91, Riverside Freeway Improvements from SR-57 to SR-55 (Project I) | 0.6 |
| San Gabriel (I-605) Freeway Improvements (Project M) | 0.2 |
| I-5, Santa Ana Freeway Interchange Improvements (Project D) | 0.1 |
| **Total** | **$ 170.4** |

# Streets & Roads

In Millions

| Streets & Roads | FY 2017-18 Proposed |
|---|---|
| Local Fair Share (Project Q) | $ 54.0 |
| Regional Capacity Program (Project O) | 52.5 |
| O.C. Bridges (Project O) | 22.2 |
| Regional Traffic Signal Synchronization (Project P) | 17.1 |
| Clean-up Highway/Street Runoff (Project X) | 10.6 |
| Bristol Street Widening Project | 0.4 |
| **Total** | **$ 156.8** |

# Rail Program Summary

- 60 daily weekday trains sustained through M2
- Revenue
  - Operating
    - M2 high frequency Metrolink service
  - Capital
    - Federal Transportation Administration consistent with the Fixing America's Surface Transportation Act
- Expenditures
  - Operating subsidy of $27.7 million including authorization of Federal Transit Administration (FTA) funds, in the amount of approximately $6 million to be drawn down directly by Metrolink
    - Metrolink capital rehabilitation budget of $7.3 million, offset by $6 million in Rotem repayment
    - The balance of $1.3 million of FTA funds to be drawn down directly by Metrolink
  - Major capital projects
    - Placentia Metrolink Station construction
    - Laguna Niguel to San Juan Capistrano passing siding
    - Orange Transportation Center parking expansion

# Rail Program – Operating

In Millions

| Rail Program Operating | | FY 2017-18 Proposed |
|---|---|---|
| Southern California Regional Rail Authority (SCRRA) Budget | $ | 21.7 |
| OCTA Rail Support Services | | 3.1 |
| Transit Police Services | | 2.1 |
| Transit Extensions to Metrolink (Project S) | | 1.4 |
| iShuttle (Proposition 116) | | 1.2 |
| Metrolink Angels Express Operations | | 0.3 |
| **Total** | **$** | **29.8** |

# Rail Program – Capital

In Millions

| Rail Program Capital | FY 2017-18 Proposed |
|---|---|
| Placentia Metrolink Rail Station | $ 24.2 |
| Laguna Niguel to San Juan Capistrano Passing Siding | 23.5 |
| Orange Transportation Center Parking Expansion | 20.9 |
| San Juan Creek Bridge Replacement | 15.4 |
| Rail Station Improvements | 4.8 |
| Orange Subdivision Slope Stabilization | 3.3 |
| Control Point at 4th Street | 2.7 |
| Positive Train Control | 1.7 |
| Grade Crossings & Other Rail Capital Projects (Project R) | 1.2 |
| **Total** | **$ 97.7** |

# OC Streetcar Summary

| In Millions | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| **Sources** | | | | |
| Federal Capital Assistance | 26.0 | 194.1 | 168.1 | 646.3% |
| Measure M2 | 41.3 | 45.8 | 4.5 | 11.0% |
| Use of Prior Year Designations | - | - | - | 0.0% |
| **Total Revenue / Use of Designations** | **$ 67.3** | **$ 239.9** | **$ 172.6** | **256.5%** |
| **Uses** | | | | |
| Overhead Allocation | $ 6.2 | $ 6.3 | $ 0.1 | 1.6% |
| Professional Services | 6.9 | 7.2 | 0.3 | 4.8% |
| Contributions to Other Agencies | 0.7 | 1.5 | 0.8 | 116.2% |
| Capital | 53.5 | 224.9 | 171.4 | 320.5% |
| **Total Expenditures / Designations** | **$ 67.3** | **$ 239.9** | **$ 172.6** | **256.5%** |

# 91 Express Lanes Summary

| In Millions | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| **Sources** | | | | |
| Toll Revenue | $ 35.9 | $ 40.1 | $ 4.2 | 11.7% |
| Non-Toll Revenue | 7.6 | 6.6 | (1.0) | -13.2% |
| Reimbursement from Other Agencies | 0.2 | 0.9 | 0.7 | 466.7% |
| Interest Income | 0.9 | 0.9 | (0.0) | -2.9% |
| Use of Prior Year Designations | 32.0 | 20.4 | (11.6) | -36.3% |
| **Total Revenue / Use of Designations** | **$ 76.6** | **$ 68.9** | **$ (7.7)** | **-10.0%** |
| **Uses** | | | | |
| Tollroad Management Contract | $ 8.3 | $ 7.2 | $ (1.1) | -13.3% |
| Overhead Allocation | 2.4 | 2.8 | 0.4 | 15.2% |
| Pavement Rehabilitation and Other Technical Support | 26.7 | 7.2 | (19.5) | -73.1% |
| Insurance Claims/Premiums | 0.8 | 0.8 | - | 0.0% |
| Leases & Other Office Expenses | 0.5 | 0.7 | 0.2 | 33.5% |
| Interest Expense | 5.5 | 5.3 | (0.2) | -4.4% |
| Operating Transfers Out | 8.3 | 14.3 | 6.0 | 72.3% |
| Capital | 2.4 | 11.5 | 9.1 | 385.7% |
| Designations | 21.8 | 19.2 | (2.6) | -11.8% |
| **Total Expenditures / Designations** | **$ 76.6** | **$ 68.9** | **$ (7.7)** | **-10.0%** |

# Motorist Services Program Summary

## Service Authority for Freeway Emergencies (SAFE)

- Freeway Service Patrol contracted service costs
- Call Box equipment maintenance
- Call Box call center
- 511 Program

## Orange County Taxi Administration Program (OCTAP)

- Expenditures out-pacing revenues
- Drastic revenue decline due to shift in market demand
- Reduction of 1.4 FTEs
- Program dependent on external revenues
- Without additional changes, the program will exhaust operating reserves by mid fiscal year 2017-18

# Orange County Taxi Administration Program

| In Thousands | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| **Sources** | | | | |
| License Fees | $ 520.3 | $ 368.2 | $ (152.1) | -29.2% |
| Reimbursements from Other Agencies | - | 148.7 | 148.7 | 0.0% |
| Interest Income | 7.7 | 3.6 | (4.1) | -53.8% |
| Other Non-Operating Revenue | 13.3 | 1.2 | (12.1) | -91.0% |
| Use of Prior Year Designations | 254.5 | 168.7 | (85.8) | -33.7% |
| **Total Revenue / Use of Designations** | **$ 795.8** | **$ 690.4** | **$ (105.4)** | **-13.2%** |
| **Uses** | | | | |
| Salaries and Benefits | $ 475.6 | $ 405.9 | $ (69.7) | -14.6% |
| Overhead Allocation | 251.3 | 251.3 | 0.0 | 0.0% |
| Leases & Other Office Expenses | 69.0 | 33.2 | (35.8) | -51.9% |
| **Total Expenditures / Designations** | **$ 795.8** | **$ 690.4** | **$ (105.4)** | **-13.2%** |

# Bus Program Assumptions

- OC Bus 360° ongoing – No change in level of service
- $20 million funding gap erased by the impacts of Senate Bill 1 (SB-1)
- Decrease in fare revenues
- No fare increase in fiscal year 2017-18
  - No fare increase since 2013
- $14.5 million one-time revenue source
- Anticipated paratransit trip growth

# Bus Service Levels

- Fixed-route service
  - Base revenue hours
    - FY 2017-18 budget – 1,603,817
      - No change in service hours
    - Directly operated service revenue hours
      - 60 percent
    - Contracted services revenue hours
      - 40 percent

- Paratransit service
  - Primary service revenue hours
    - FY 2017-18 budget – 527,440
      - Increase of 24,035 revenue hours
  - Supplemental service trips
    - FY 2017-18 budget – 333,295
      - Increase of 62,097 trips
  - Same-day taxi trips
    - FY 2017-18 budget – 147,697
      - Decrease of 10,204 trips
  - Special agency trips
    - FY 2017-18 budget – 279,000
      - Increase of 45,800 trips

# Cost Summary

## FY 2017-18 Proposed Budget

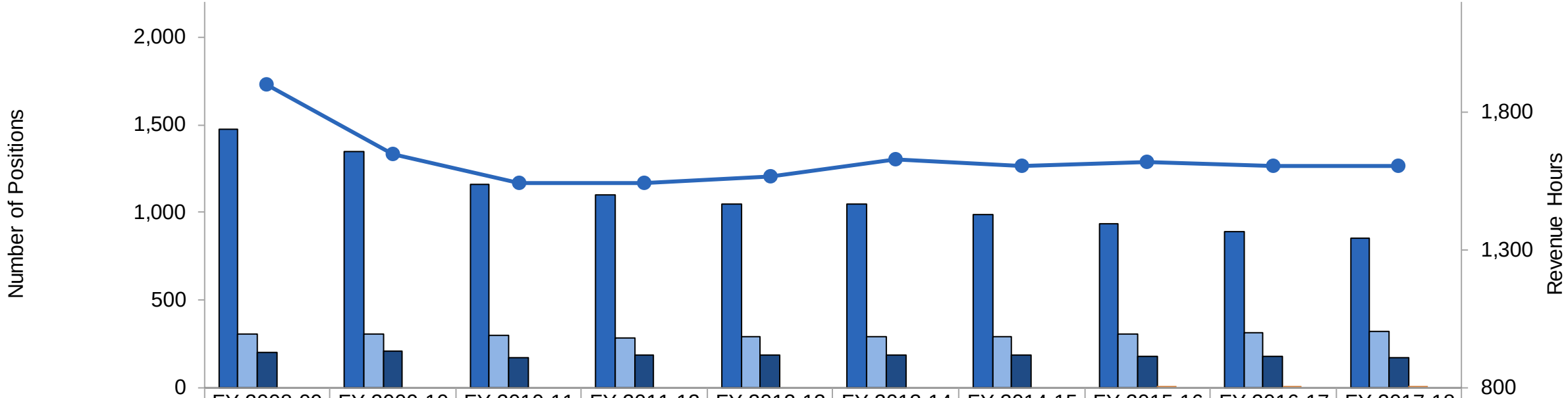
| | Performance Indicators | Directly Operated Fixed Route | Contracted Fixed Route | ACCESS | ADA Taxi Service | Same Day Taxi Service | Special Agency Services | System Total |
|---|---|---|---|---|---|---|---|---|
| Service Provided | Vehicle Hours (VH) | 1,056,965 | 730,050 | 705,929 | | | | 2,492,943 |
| | Vehicle Miles (VM) | 13,482,888 | 10,662,346 | 9,501,571 | | | | 33,646,805 |
| | Revenue Hours (RVH) | 969,944 | 633,873 | 527,440 | | | | 2,131,257 |
| | Revenue Miles (RVM) | 11,392,003 | 8,200,874 | 7,899,806 | | | | 27,492,684 |
| Passenger Usage | Boardings | 25,730,412 | 11,218,605 | 972,377 | 333,295 | 147,697 | 279,000 | 38,681,386 |
| | Boardings per VH | 24.34 | 15.37 | 1.38 | | | | 15.52 |
| | Boardings per VM | 1.91 | 1.05 | 0.10 | | | | 1.15 |
| | Boardings per RVH | 26.53 | 17.70 | 1.84 | | | | 18.15 |
| | Boardings per RVM | 2.26 | 1.37 | 0.12 | | | | 1.41 |
| Operating Costs | Costs | $133,736,764 | $66,373,992 | $47,812,850 | $16,990,715 | $1,849,239 | $7,309,261 | $274,072,821 |
| | Cost per VH | $126.53 | $90.92 | $67.73 | | | | $109.94 |
| | Cost per VM | $9.92 | $6.23 | $5.03 | | | | $8.15 |
| | Cost per RVH | $137.88 | $104.71 | $90.65 | | | | $128.60 |
| | Cost per RVM | $11.74 | $8.09 | $6.05 | | | | $9.97 |
| | Cost per Boarding | $5.20 | $5.92 | $49.17 | | | | $7.09 |
| Fare Revenues | Revenue | $28,721,567 | $12,590,450 | $5,266,429 | $1,295,554 | | | $47,874,000 |
| | Revenue per VH | $27.17 | $17.25 | $8.61 | | | | $19.20 |
| | Revenue per VM | $2.13 | $1.18 | $0.64 | | | | $1.42 |
| | Revenue per RVH | $29.61 | $19.86 | $11.52 | | | | $22.46 |
| | Revenue per RVM | $2.52 | $1.54 | $0.77 | | | | $1.74 |
| | Revenue per Boarding | $1.12 | $1.12 | $6.25 | | | | $1.24 |
| **Farebox Recovery Ratio** | | **21.48%** | **18.97%** | **11.01%** | | | | **17.47%** |
| **Farebox Recovery Ratio (Per Senate Bill 508: Revisions to the Transportation Development Act)** | | | | | | | | **24.49%** |

* All paratransit boardings are reported in terms of trips.

# OCTD Sources & Uses

| In Millions | FY 2016-17 Approved Budget | FY 2017-18 Proposed Budget | Change $ | Change % |
|---|---|---|---|---|
| **Sources** | | | | |
| Local Transportation Fund (LTF) | $ 153.3 | $ 154.4 | $ 1.1 | 0.7% |
| Federal Operating Assistance Grants | 54.2 | 56.1 | 1.9 | 3.5% |
| Passenger Fares | 53.6 | 47.9 | (5.7) | -10.6% |
| State Transit Assistance Fund (STAF) | 17.2 | 28.9 | 11.7 | 67.8% |
| Property Taxes | 13.4 | 15.2 | 1.8 | 13.6% |
| Grant Revenue (One Time) | - | 14.5 | 14.5 | 0.0% |
| Other Non-Operating Revenue | 5.3 | 6.1 | 0.8 | 15.3% |
| Measure M2 | 1.1 | 6.0 | 4.9 | 448.3% |
| Interest Income | 4.3 | 4.9 | 0.6 | 13.2% |
| Federal Capital Assistance Grants | 14.2 | 4.6 | (9.6) | -67.6% |
| Reimbursements from Other Agencies | 3.2 | 3.4 | 0.2 | 6.6% |
| Vanpool Revenue | 2.6 | 2.8 | 0.2 | 7.1% |
| Proposition 1B | 1.2 | 0.2 | (1.0) | -80.0% |
| Commuter Urban Rail Endowment (CURE) | 3.2 | - | (3.2) | -100.0% |
| Use of Prior Year Designations | 18.3 | 4.3 | (14.0) | -76.6% |
| **Total Revenue / Use of Designations** | **$ 345.1** | **$ 349.4** | **$ 4.3** | **1.2%** |
| **Uses** | | | | |
| Salary and Benefits | $ 111.6 | $ 110.1 | $ (1.5) | -1.3% |
| Operating Services & Supplies | 123.1 | 133.2 | 10.1 | 8.2% |
| Overhead Allocation | 31.7 | 30.8 | (0.9) | -2.8% |
| Bus Capital Projects | 18.7 | 8.6 | (10.1) | -54.1% |
| Special Programs | 4.9 | 4.2 | (0.7) | -13.8% |
| Rail, M2 Transit and Streets & Roads Programs | 13.0 | 3.1 | (9.9) | -75.9% |
| Designations | 42.1 | 59.4 | 17.3 | 41.0% |
| **Total Expenditures / Designations** | **$ 345.1** | **$ 349.4** | **$ 4.3** | **1.2%** |

# Historical Staffing Levels Comparison




| | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bargaining Unit | 1,477.0 | 1,349.0 | 1,157.0 | 1,101.0 | 1,047.0 | 1,051.0 | 991.0 | 932.0 | 888.0 | 851.0 |
| Administrative | 305.0 | 303.0 | 299.0 | 284.0 | 287.0 | 287.0 | 288.0 | 305.0 | 312.0 | 318.0 |
| Ops Support | 201.0 | 206.0 | 169.0 | 182.0 | 184.0 | 184.0 | 184.0 | 175.0 | 177.5 | 168.5 |
| LOSSAN | - | - | - | - | - | - | - | 9.0 | 9.0 | 9.0 |
| Total Employees | 1,983.0 | 1,858.0 | 1,625.0 | 1,567.0 | 1,518.0 | 1,522.0 | 1,463.0 | 1,421.0 | 1,386.5 | 1,346.5 |
| Annualized RH | 1,899 | 1,646 | 1,545 | 1,545 | 1,567 | 1,630 | 1,603 | 1,617 | 1,604 | 1,604 |

# Staffing Levels

| OCTA Staffing | FY 2016-17 FTE | FY 2017-18 FTE | FY 2017-18 New Hires | FY 2017-18 Reductions | Difference |
|---|---|---|---|---|---|
| **Administrative** | **489.5** | **486.5** | **1.0** | **(4.0)** | **(3.0)** |
| **Union** | **888.0** | **851.0** | **-** | **(37.0)** | **(37.0)** |
| Coach Operators | 680.0 | 643.0 | - | (37.0) | (37.0) |
| Maintenance | 171.0 | 171.0 | - | - | - |
| Facility Technicians and Parts Clerks | 37.0 | 37.0 | - | - | - |
| **OCTA Positions** | **1,377.5** | **1,337.5** | **1.0** | **(41.0)** | **(40.0)** |
| **LOSSAN** | **9.0** | **9.0** | | | **-** |
| **Total Authority Positions** | **1,386.5** | **1,346.5** | **1.0** | **(41.0)** | **(40.0)** |

# Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach operators
    - Collective bargaining agreement effective through April 30, 2017
  - Maintenance
    - Collective bargaining agreement effective through September 30, 2019
  - Facilities technicians and parts clerks
    - Collective bargaining agreement effective through May 31, 2020
- Administrative Employees
  - Continue pay-for-performance program
  - Employees governed by the Personnel and Salary Resolution, which is approved annually as part of the budget

# Personnel and Salary Resolution

- Board-approved action for administrative employees to pay 100 percent of employee share of OCERS began January 1, 2017
  - This provides an estimated savings of $5 million per year
- Salary range adjustment of 2 percent
  - 3 employees would receive salary increases
- Position reclassifications based on market analysis
- Deferred compensation employer-paid matching contribution adjustments
- Personal paid holidays to change from 5 days to 6 days, with no change to fixed holidays
- Special performance award pool of 3 percent
- Merit pool of 3.5 percent

# Next Steps

| | |
|---|---|
| • Committee meetings and one-on-one meetings with Board Members | May 9 - June 9 |
| • Public Hearing Preview – Finance and Administration Committee | May 24 |
| • Public Hearing – Board (Public Hearing and approval) | June 12 |
| • Back-up Public Hearing – Board (Public Hearing and approval) | June 26 |