

# Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2017-18 Budget and Personnel and Salary Resolution

# 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

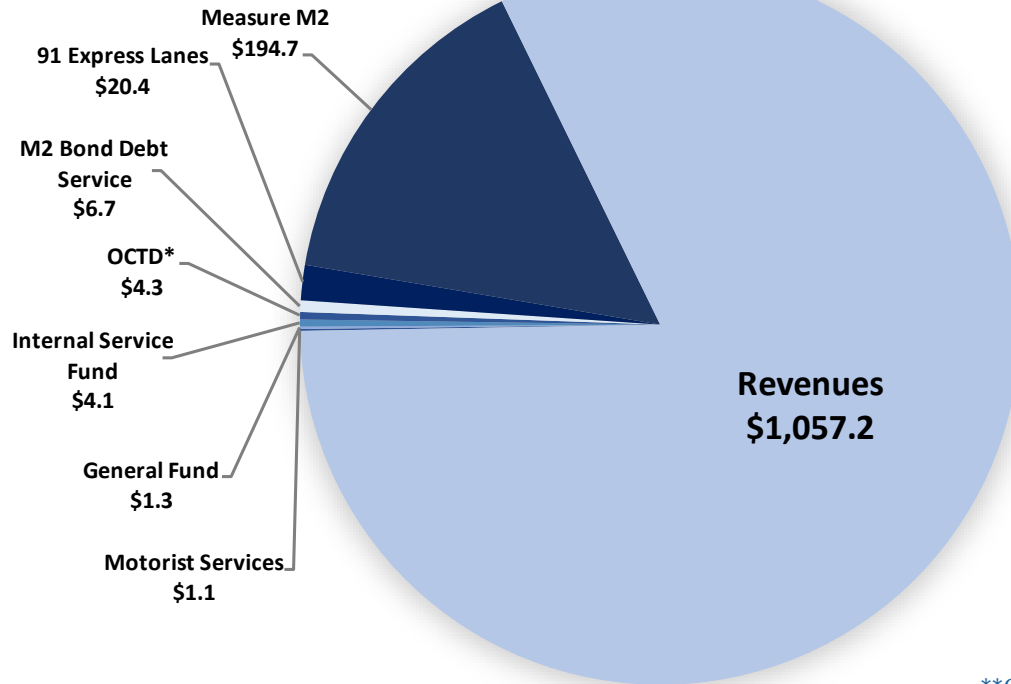
- Measure M2
  - External funding uncertainties
  - Continued pressure on costs
  - LTA not meeting projections
- Bus Program
  - \$20 million funding gap erased by the impacts of SB-1
  - Assumes current ridership trends and a corresponding decrease in fare revenues
  - LTF not meeting projections

# Budget Overview



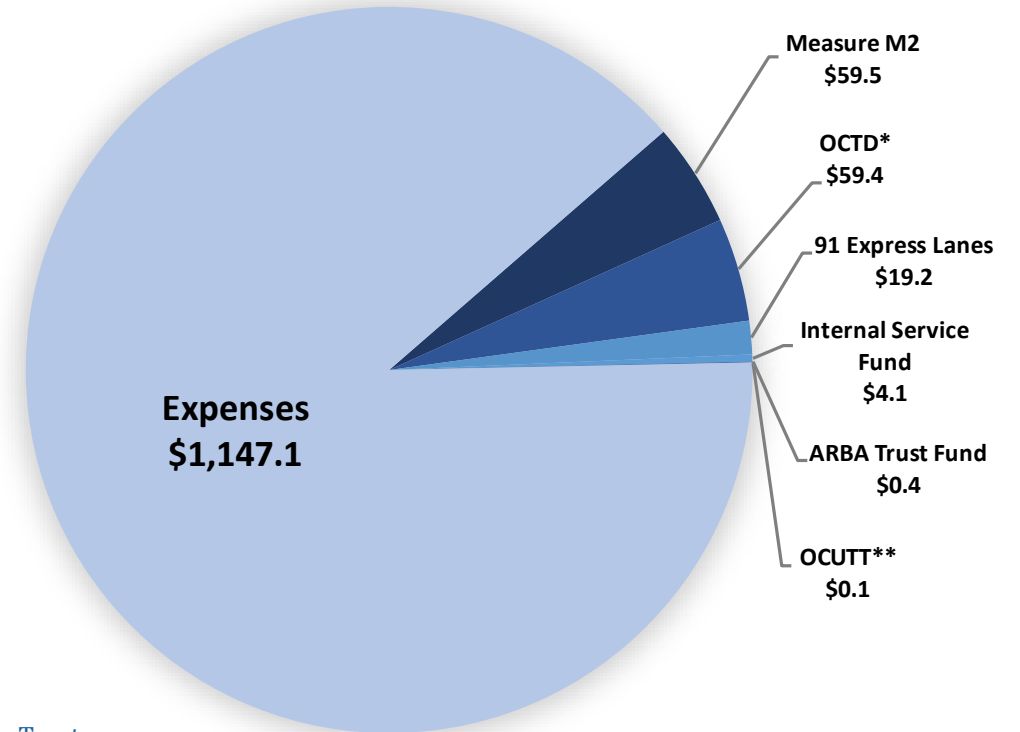
## Source of Funds \$1,289.8 million

Use of Prior Year  
Designations  
\$232.6 million



## Use of Funds \$1,289.8 million

Designations  
\$142.7 million



\*Orange County Transit District

\*\*Orange County Unified Transportation Trust

# Budget Sources & Uses



In Millions	FY 2016-17	FY 2017-18	Change	
Sources	Approved Budget	Proposed Budget	\$	%
Revenues	\$ 972.2	\$ 1,057.2	\$ 85.0	8.7%
Use of Prior Year Designations	189.3	232.6	43.3	22.9%
<b>Total Revenue / Use of Designations</b>	<b>\$ 1,161.5</b>	<b>\$ 1,289.8</b>	<b>\$ 128.3</b>	<b>11.0%</b>
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	294.7	(36.2)	-10.9%
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	471.7	106.2	29.1%
Designations	68.8	142.7	73.9	107.4%
<b>Total Expenditures / Designations</b>	<b>\$ 1,161.5</b>	<b>\$ 1,289.8</b>	<b>\$ 128.3</b>	<b>11.0%</b>

# Budget Adjustments - Uses



In Millions

## Uses

Amount

### Services and Supplies

Metrolink Operating Subsidy	\$ 0.6
405 Improvement Project TIFIA Letter of Credit	2.9
405 Improvement Project Construction Management	(11.7)
405 Improvement Project (Express Lanes) Construction Management	(3.9)

### Capital

405 Improvement Project Construction Management	11.7
405 Improvement Project (Express Lanes) Construction Management	3.9

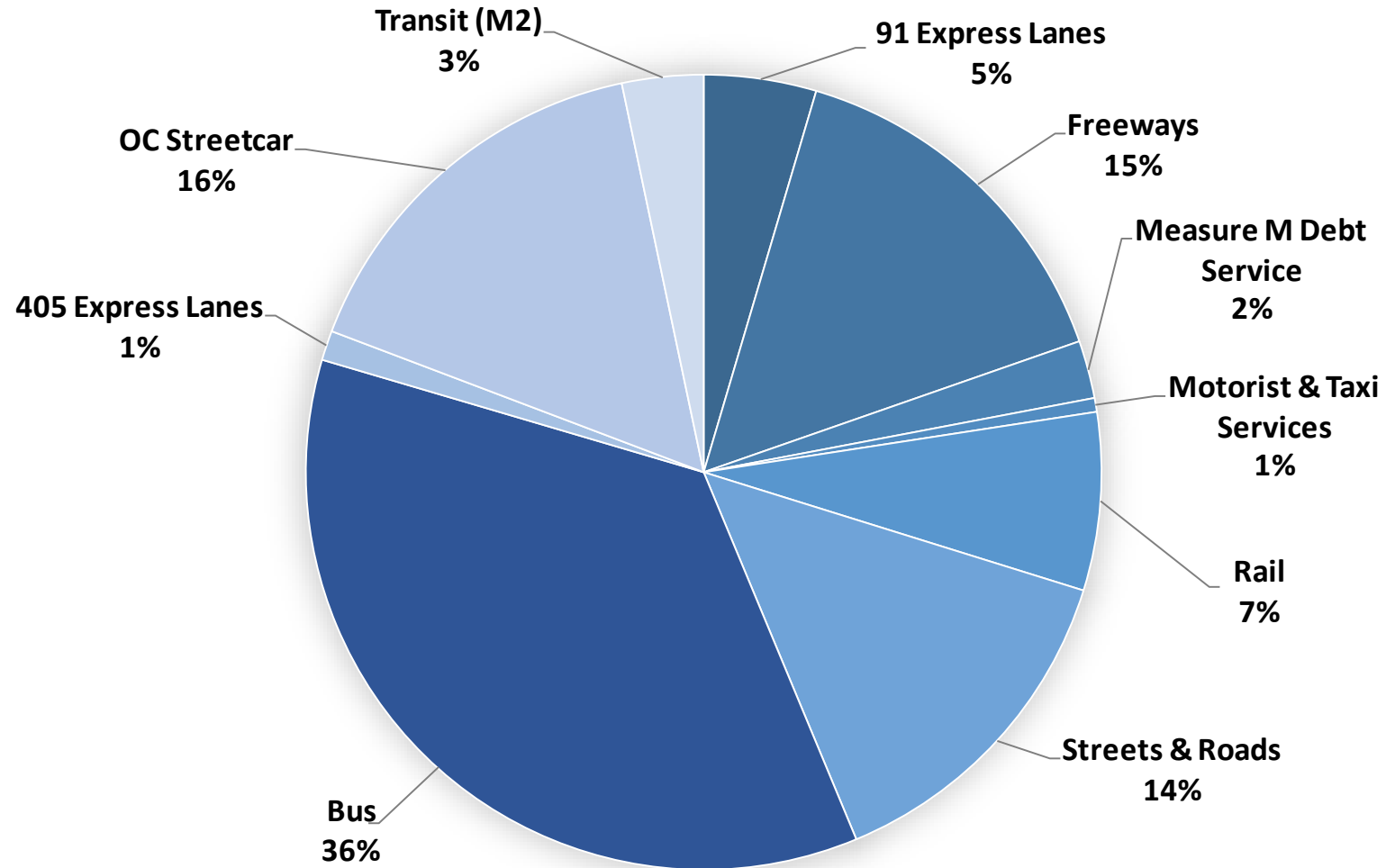
### Designations

Measure M2	(2.9)
------------	-------

### Total Expenditures / Designations

\$ 0.6

# Total Budget by Program



# Staffing Levels



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



# Employee Compensation Assumptions



- Administrative Employees
  - Non-represented employees
  - Employees governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
  - Continue pay-for-performance program
  - No automatic step increases or Cost-of-Living Adjustments (COLA)
  - Subject to annual performance review

# 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

# Recommendations



- Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2017-18 budget
- Approve the Personnel and Salary Resolution for Fiscal Year 2017-18
- Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements
- Approve fiscal year 2017-18 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority in an amount up to \$28,238,881, including authorization of Federal Transit Administration funds, in the amount of \$6,000,000 to be drawn down directly by SCRRA. In addition, capital rehabilitation in the amount of \$7,344,982, offset by \$6,059,016 in Rotem repayment, the balance includes Federal Transit Administration authorization and will be drawn down directly by SCRRA

# Next Steps



- Public Hearing – Board (Public Hearing and approval) June 12
- Back-up Public Hearing – Board (Public Hearing and approval) June 26