

MEASURE M2 PERFORMANCE ASSESSMENT REPORT

MARCH 4, 2019

ORANGE COUNTY TRANSPORTATION AUTHORITY

Presented by:
Catherine Brady
Lien Luu

ASSESSMENT FOCUS

- Triennial Performance Assessment required by M2 Ordinance — 4th assessment to date
- Main areas of focus included project delivery, program management & responsiveness, compliance, fiscal responsibility, and transparency & accountability.
- Additional review of status of prior assessment findings, performance of OCTA's delivery of M2 projects and programs, and opportunities for improvement.

OVERALL SUMMARY AND PROGRAM GOALS

RESULTS

- On track with meeting primary goals of M2 Ordinance and fulfilling promises.
- Significant progress made in all M2 areas.
- Incorporated many leading industry practices.
- Sound Fiscal Practices in place.
- Aligns well with peers reviewed.

RECOMMENDATIONS

- ✓ Consider identifying measures to capture progress towards M2 Goals on a periodic basis

PROGRESS ON M2 GOALS

#	M2 Goal	Results Thus Far (as of June 30, 2018)
1	Relieve Congestion	<ul style="list-style-type: none"> • Congestion increased overall, but so did Vehicle Miles Traveled. • Delay is down on SR-91.
2	Fix Potholes & Resurface Streets	<ul style="list-style-type: none"> • PCI improved from 77 in 2014 to 79 in 2016—best in State.
3	Expand Metrolink Rail	<ul style="list-style-type: none"> • 8 of 13 currently identified expansion projects were completed. • Includes 50 at-grade rail crossing enhancements. • OC Streetcar ready to start construction.
4	Provide Reduced Cost Transit Services to Seniors and Persons with Disabilities	<ul style="list-style-type: none"> • \$22 million provided to stabilize fares. • \$36.4 million provided to projects to expand senior transportation services. • 6.8 million reduced fare passes issued to seniors FY15/16 to FY17/18. • 2.7 million reduced fare passes issued to persons with disabilities FY15/16 to FY17/18. • 96 million fare stabilization program-related boardings provided.
5	Synchronize Traffic Lights	<ul style="list-style-type: none"> • 2,258 traffic lights synchronized.
6	Reduce Air and Water Pollution and Protect Local Beaches through Cleanup of Roadway Oil Runoff	<ul style="list-style-type: none"> • 6.2 million cubic feet of trash removed. • 1,300 acres preserved as open space and 350 acres restored.

STRONG PROGRAM MANAGEMENT EXISTS

RESULTS

- PMO oversight is strong and more robust than peers reviewed.
- Clear roles and functions ensured appropriate oversight and buy-in.
- Continuous improvement valued and prior assessments findings implemented.
- Administrative costs closely monitored and compliant.
- Strong framework and leading practices in place over cybersecurity.

RECOMMENDATIONS

- ✓ Implement in-progress plans to update cybersecurity training policy and require annual training.
- ✓ Regularly monitor cybersecurity training status including identification of responsibilities, frequency, verification, results, and documentation of monitoring efforts.

SIGNIFICANT PROGRESS & ACCOMPLISHMENTS

RESULTS

- Many accomplishments to date such as:
 - 43 new freeway miles
 - 5 new interchanges
 - 8 railroad grade separations
 - \$342 million in fair share dollars provided to cities to improve local infrastructure
 - 6.2 million cubic feet trash collected, 1,300 acres of open space preserved, and 350 acres restored
- Good controls in place over capital budgets and schedule—although some challenges faced.
- Solid Policies & Procedures over contracting and construction were followed.

RECOMMENDATIONS

- ✓ Create a methodology to gather and track outputs and accomplishments against M2 anticipated goals.
- ✓ Demonstrate a stronger link between capital project selection guidance and project prioritization by memorializing discussions and/or decisions.

APPROACHES ENSURED COMPLIANCE

RESULTS

- Philosophy of adherence to voter promises permeated throughout the organization.
- Robust system used to track compliance—well beyond peers reviewed.
- Local eligibility requirements were robust and thoroughly reviewed by OCTA—again, leading the peer group reviewed.
- Grant award and monitoring practices were sound.

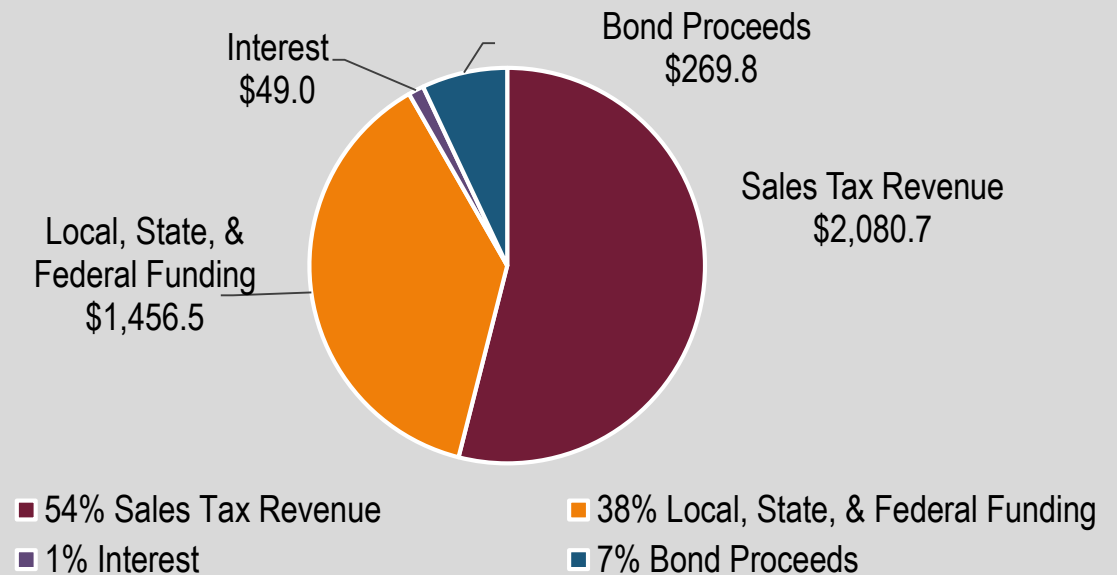
RECOMMENDATIONS

- ✓ Ensure PMO's Compliance Matrix includes links, where appropriate, to underlying support, further demonstrating and validating compliance.

GOOD FISCAL PRACTICES IN PLACE

RESULTS

- Used a careful and modest approach allowing great progress when faced with rising costs and declining revenues.
- Forecast methodology was sound and cash flow practices were more robust than many peers.
- Although future construction cost increases could pose a risk, OCTA adopted a cost pressure index to monitor risk and built in an economic uncertainty factor into cash flow projections to mitigate risk.
- Leveraged approximately \$1.5 Billion in external revenue sources program-wide.



No recommendations.

GOOD FISCAL PRACTICES IN PLACE (CONT.)

- OCTA's approach to debt financing was conservative, consistent with the Ordinance, in-line with similar transportation agencies, and debt service coverage appeared sufficient to meet future repayment obligations.

Agency	Program Duration	Financing Method	Budgeted Sales Tax Revenue for Fiscal Year 2017-2018	Annual Debt Service	Outstanding Debt
RCTC (Riverside County Transportation Committee, Riverside County, CA)	9th year of 30-year program	Debt	\$187.0 M	\$96.6 M	\$878.9 M
SANDAG (San Diego Association of Governments, San Diego County, CA)	10th Year of 40-year program	Debt (2008-2021) Pay-go (2022-2048)	\$292.1 M	\$105.3 M	\$2,263.2 M
RTA (Regional Transportation Authority, Pima County, AZ)	13th year of 20-year program	Debt	\$88.2 M	\$17.4 M	\$248.2 M
MAG (Maricopa Association of Governments, Maricopa County, AZ)	12th year of 20-year program	Pay-go	\$458.6 M	N/A	N/A
OCTA	7th year of 30-year program	Debt	\$316.5 M	\$44.4 M	\$310.2 M

OCTA IS TRANSPARENT & ACCOUNTABLE

RESULTS

- Highly focused on accountability with great transparency of actions, decisions, and data communicated to Board and public stakeholders.
- Outreach efforts aligned with peers reviewed.
- Public perception results were positive and showed more awareness.
- TOC functioned as envisioned and internal audit function provides additional layer of accountability.

RECOMMENDATIONS

- ✓ Enhance awareness of M2/OC Go on social media through more M2-focused content or through media dedicated solely to M2/OC Go.
- ✓ Add TOC member bios on website to enhance transparency of those providing taxpayer oversight.

QUESTIONS

Sjoberg Evashenk appreciates the cooperation and assistance from OCTA, Caltrans, and stakeholders.

Questions?