

Fiscal Year 2020-21 Budget Workshop



Budget Themes

- Conservative budget planning due to novel coronavirus (COVID-19) economic uncertainty
- CARES* Act funds available for transit operations programs
- Demand-based approach to restore up to 1.6 million hours of OC Bus service
- Continuation of Measure M2 Next 10 Plan
- Three-month extension of current funding levels for Metrolink Service
- 91 Express Lanes anticipate a reduction in trips to 10.9 million
- No added positions or new initiatives added to budget

*Coronavirus Aid, Relief, and Economic Security Act

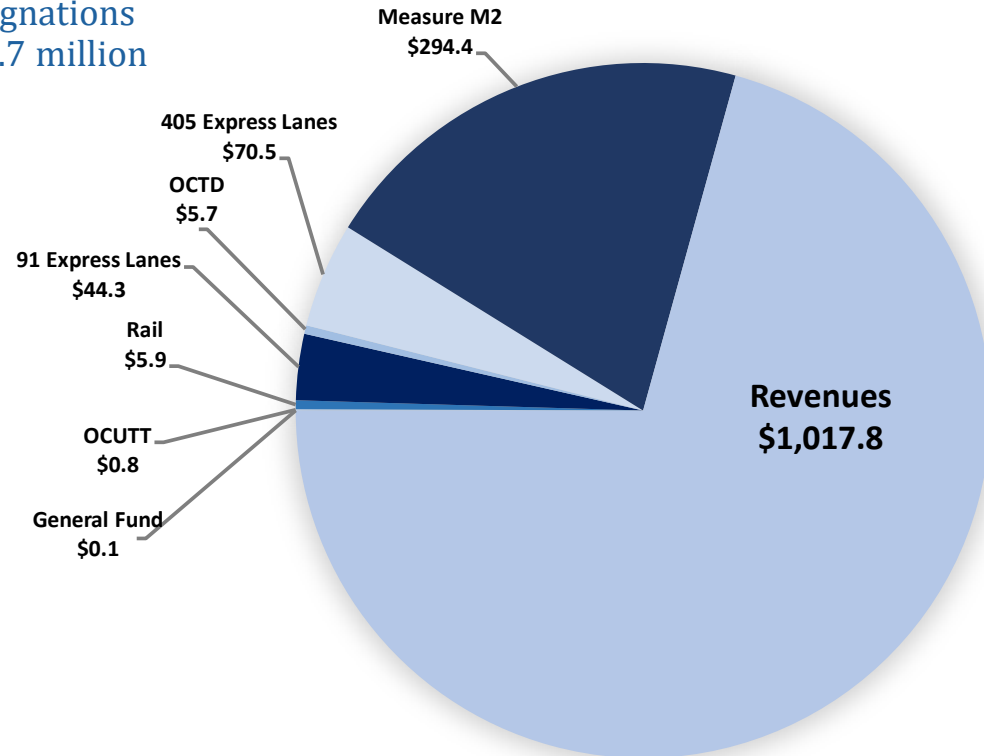
COVID-19 Impacts

- Response and planning for short-term and long-term impacts
- Well-positioned to weather uncertainty through long-standing conservative fiscal policies and reserves
- Significant declines expected in top sales-tax generators, recovery time unknown
- Additional economic recovery packages possible: federal and state
- Closely monitor financial markets for potential impacts
- Continuous analysis and flexibility key, with amendments possible

Budget Overview – COVID-19 - *Impact: Moderate*

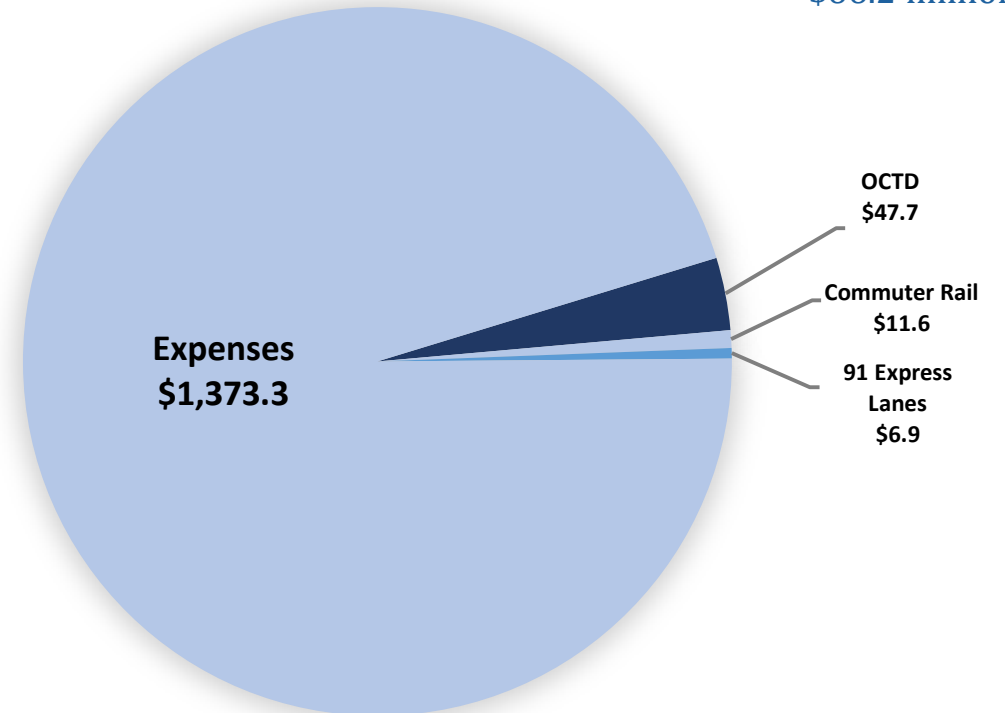
Source of Funds
\$1,439.5 million

Use of Prior Year
Designations
\$421.7 million



Use of Funds
\$1,439.5 million

Designations
\$66.2 million



Planned Use of Prior Year Designations – *Impact: Low*

In Millions Fund	Program	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget
Local Transportation Authority Measure M2	<i>Freeways, Streets & Roads, and M2 Transit</i>	\$ 144.7	\$ 294.4
405 Express Lanes	<i>Freeways</i>	63.5	70.5
91 Express Lanes	<i>Freeways</i>	50.1	44.3
Commuter Rail	<i>Rail Capital</i>	29.6	5.9
Orange County Transit District	<i>Bus Capital</i>	76.4	5.7
Orange County Unified Transportation Trust	<i>Studies</i>	-	0.8
General Fund	<i>Measure M1</i>	0.5	0.1
Orange County Taxi Administration Program	<i>Motorist Services</i>	-	0.0
Service Authority for Freeway Emergencies	<i>Motorist Services</i>	0.6	-
Total Use of Prior Year Designations		\$ 365.4	\$ 421.7

Budget Sources & Uses – *Impact: Moderate*

In Millions	FY 2019-20	FY 2020-21	Change	Change
Sources	Approved Budget	Proposed Budget	\$	%
Revenues	\$ 1,159.8	\$ 1,017.8	\$ (142.0)	-12.2%
Use of Prior Year Designations	365.4	421.7	56.3	15.4%
Total Revenue / Use of Designations	\$ 1,525.2	\$ 1,439.5	\$ (85.7)	-5.6%
Uses				
Salaries and Benefits	\$ 169.7	\$ 174.3	\$ 4.6	2.7%
LOSSAN Salaries and Benefits	2.7	2.9	0.2	7.4%
Services and Supplies	373.6	406.5	32.9	8.8%
Contributions to Other Agencies	169.7	173.6	3.9	2.3%
Interest/Debt Service	59.0	66.1	7.1	12.0%
Capital	667.8	549.9	(117.9)	-17.7%
Designations	82.7	66.2	(16.5)	-20.0%
Total Expenditures / Designations	\$ 1,525.2	\$ 1,439.5	\$ (85.7)	-5.6%

Revenues – *Impact: High*

In Millions Sources	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	Change \$	Change %
Federal Grants	\$328.4	\$315.6	(\$12.8)	-3.9%
M2 Local Transportation Authority 1/2 Cent Sales Tax	340.9	290.2	(50.7)	-14.9%
Local Transportation Fund 1/4 Cent Sales Tax	176.7	153.6	(23.1)	-13.1%
CARES Stimulus	-	47.4	47.4	100.0%
State Grants	58.2	40.2	(18.0)	-30.9%
91 Express Lanes (Toll and Non-Toll)	60.5	35.0	(25.5)	-42.1%
Passenger Fares	47.9	28.4	(19.5)	-40.7%
Interest	49.9	24.2	(25.7)	-51.5%
Road Repair and Accountability Act (State Transit)	24.3	21.9	(2.4)	-9.9%
State Transit Assistance	22.5	17.9	(4.6)	-20.4%
Other	15.8	17.2	1.4	8.9%
Property Tax	16.6	17.0	0.4	2.4%
Road Repair and Accountability Act (Competitive)	14.1	6.2	(7.9)	-56.0%
Advertising	4.0	3.0	(1.0)	-25.0%
Subtotal Sources	\$ 1,159.8	\$ 1,017.8	\$ (142.0)	-12.2%
Use of Prior Year Designations	365.4	421.7	56.3	15.4%
Total Revenues / Use of Designations	\$ 1,525.2	\$ 1,439.5	\$ (85.7)	-5.6%

Sales Tax Revenue – *Impact: High*

Net Sales Tax

	LTA		TDA	
Final FY 2018-19 Collections		\$330.8		\$175.7
Estimated FY 2019-20 Decrease		-\$27.6		-\$15.2
Estimated FY 2019-20 Collections	\$	303.2	\$	160.5
MuniServices FY 2020-21 Growth Rate		-4.3%		-4.3%
FY 2020-21 Budget	\$	290.2	\$	153.6

Expenditures – *Impact: Moderate*

In Millions Uses	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	Change \$	Change %
Salaries and Benefits	\$ 172.4	\$ 177.2	\$ 4.8	2.8%
OCTA Salaries and Benefits	169.7	174.3	4.6	2.7%
LOSSAN Salaries and Benefits	2.7	2.9	0.2	7.4%
Services and Supplies	\$ 373.6	\$ 406.5	\$ 32.9	8.8%
Professional and Outside Services	223.2	250.7	27.5	12.3%
Contract Transportation Services	104.1	112.1	8.0	7.7%
Maintenance Parts & Fuel	21.5	17.8	(3.7)	-17.2%
General & Administration	16.1	14.3	(1.8)	-11.2%
Insurance Claims/Premiums	8.7	11.6	2.9	33.3%
Contributions to Other Agencies	\$ 169.7	\$ 173.6	\$ 3.9	2.3%
Contributions to Other Agencies	55.0	69.1	14.1	25.6%
Measure M2 Regional Capacity	57.0	55.0	(2.0)	-3.5%
Measure M2 Local Fair Share	57.7	49.5	(8.2)	-14.2%
Interest / Debt Service	\$ 59.0	\$ 66.1	\$ 7.1	12.0%
Long-Term Debt Principal Payments	8.5	14.5	6.0	70.6%
Interest Expense	50.5	51.6	1.1	2.2%
Capital	\$ 667.8	\$ 549.9	\$ (117.9)	-17.7%
Subtotal Uses	\$ 1,442.5	\$ 1,373.3	\$ (69.2)	-4.8%
Designations	82.7	66.2	(16.5)	-20.0%
Total Expenditures / Designations	\$ 1,525.2	\$ 1,439.5	\$ (85.7)	-5.6%

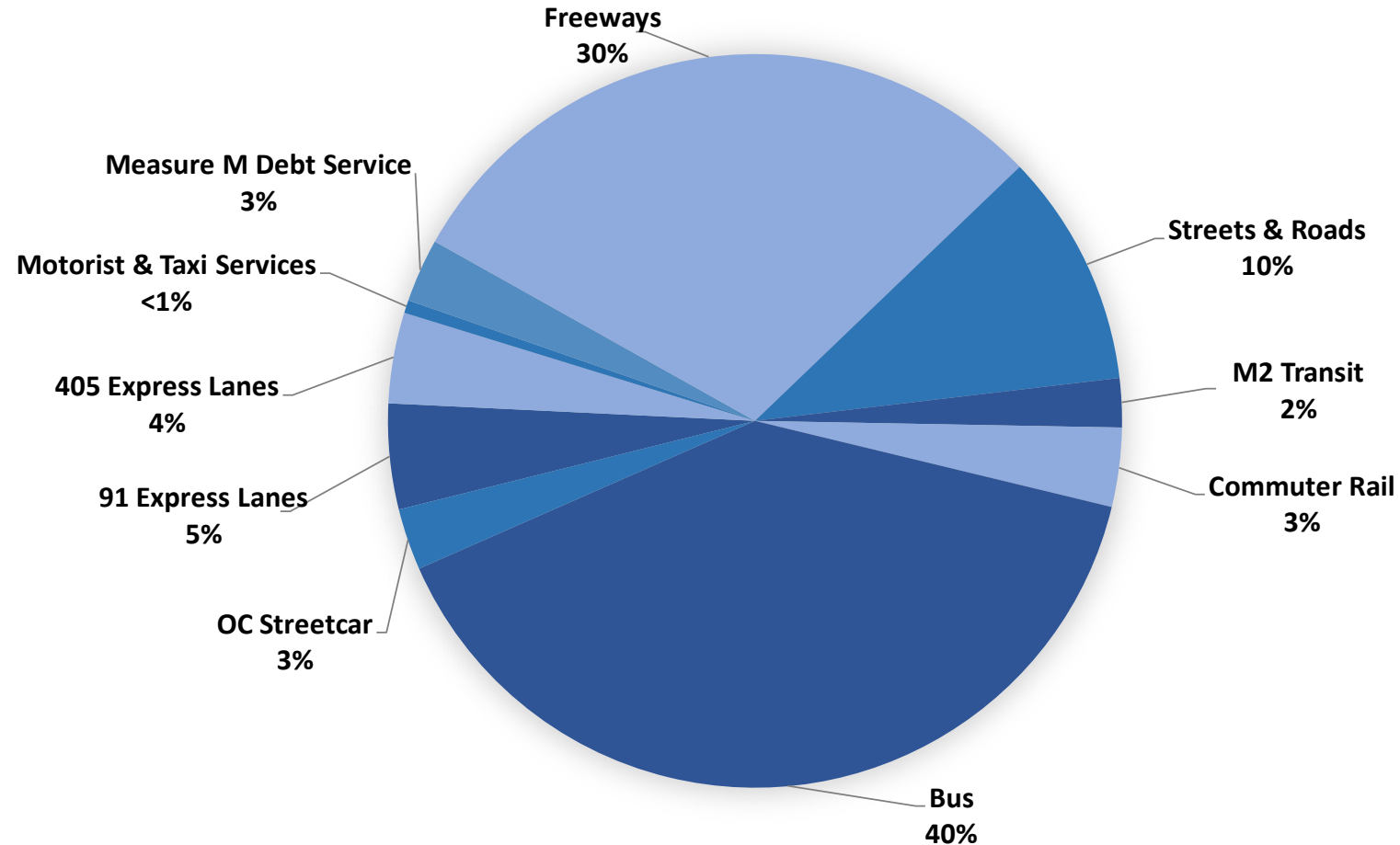
Key Expenditures by Fund – *Impact: Moderate*

Measure M2	I-405, SR-73 to I-605 (Project K)	\$ 128,962,769	Right-of-way capital and utilities, project management consultant services, and support
	I-5, Santa Ana Freeway (Project C)	\$ 100,723,645	Construction capital, right-of-way capital, and construction management services
	SR-55, Costa Mesa Freeway (Project F)	\$ 99,141,057	Right-of-way capital, utilities, and support
	Regional Capacity Program (Project O)	\$ 55,558,300	Competitive funding for local agency streets and roads projects
	Local Fair Share (Project Q)	\$ 49,720,369	18 percent of M2 net revenues to local agencies for streets and roads
	Regional Traffic Signal Synchronization (Project P)	\$ 35,797,240	Signal synchronization projects to be implemented along OC Corridors
	I-5, I-405 to SR-55 (Project B)	\$ 35,655,987	Environmental services
	SR-91, SR-55 to SR-57 (Project I)	\$ 30,000,000	Consultant design and environmental services
	Community-Based Transit Circulator (Project V)	\$ 13,034,109	M2 Project V payments and community transit circulators
	SR-91, SR-241 to SR-71 (Project J)	\$ 12,100,000	OCTA contribution to Riverside County Transportation Commission (RCTC) for design and construction
	Clean-up Highway/Street Runoff (Project X)	\$ 5,841,400	Payments for M2 environmental cleanup program projects
	Senior Mobility and Non-Emergency Medical Programs (Project U)	\$ 5,688,193	Senior Non-Emergency Medical Transportation and Senior Mobility Program for local agencies
	Freeway Environmental Mitigation	\$ 5,665,863	M2 mitigation program endowment, property acquisition, and restoration projects
	California Department of Tax and Fee Administration (CDTFA)	\$ 3,157,200	Local Transportation Authority (LTA) CDTFA fees for the collection and distribution of the local sales tax (1.1 percent)
	Safe Transit Stops (Project W)	\$ 2,900,000	Enhancements for lighting, information systems, and easier access to transit stops
	I-605, San Gabriel Freeway Improvements (Project M)	\$ 2,500,000	Project approval and environmental services
	I-5, SR-55 to SR-57 (Project A)	\$ 1,700,000	Construction management and design services
405 Express Lanes	405 Express Lanes	\$ 67,042,099	Back-office system implementation, right-of-way capital and utilities, and TIFIA loan interest
OC Streetcar	OC Streetcar	\$ 43,938,702	Right-of-way utilities, construction, and construction management services
91 Express Lanes	91 Express Lanes	\$ 30,263,699	Annual operating, debt repayment, and customer service center improvements
Measure M2 Debt	Tax-Exempt Bonds	\$ 43,839,650	Interest and principal payment for Measure M2 bonds
Commuter Rail	Anaheim Canyon Metrolink Station	\$ 17,275,000	Construction, construction management, and right-of-way support
	Irvine Station Improvements	\$ 13,677,000	Design and environmental support services
	SCRRA Budget	\$ 7,274,000	Metrolink operating subsidy (three months)
	Laguna Niguel to San Juan Capistrano Passing Siding	\$ 5,232,000	Construction, construction management, and SCRRA cooperative agreement for construction support
	Orange County Maintenance Facility	\$ 4,290,800	Preliminary design and environmental support
	Rail Transit Police Services	\$ 2,722,092	Orange County Sheriff's contract for railroad transit police services
	OCTA Rail Support Services	\$ 2,706,405	Rail right-of-way maintenance services and outreach
	Miscellaneous Metrolink Rail Station Improvements	\$ 2,385,000	Rail station construction and station improvements
	Rail Project Support (Project R)	\$ 1,829,100	M2 rail programs project management support
	San Juan Creek Bridge Replacement	\$ 1,782,000	Right-of-way acquisition, utility, and legal support services

Key Expenditures by Fund (Continued) – *Impact: Moderate*

Internal Service Funds	Workers' Compensation	\$ 10,057,990	Claims expense and liability insurance related to workers' compensation
	Personal Liability and Property Damage Legal, Insurance and Claims	\$ 5,119,083	Legal fees, liability & property insurance, and broker services
OCTD	Bus Procurement	\$ 121,271,130	Battery electric bus and 40' compressed natural gas (CNG) bus procurement
	Paratransit Services	\$ 50,916,032	Americans with Disabilities Act (ADA) ACCESS service and ADA supplemental taxi services
	Contracted Fixed-Route Services	\$ 44,279,138	Contracted fixed-route fixed and variable costs
	Fuels	\$ 10,386,916	CNG, gasoline, and hydrogen fuel costs
	Transit Security Sheriff Services	\$ 7,721,466	Orange County Sheriff's transit police services
	Bus Base and Transit Center Projects	\$ 6,174,319	Building updates at bus bases and transit centers
	Maintenance Parts	\$ 5,093,684	Maintenance parts for buses
	Contracted Special Agency Services	\$ 4,058,772	OCTA subsidy of transportation services provided by agencies for senior and disabled passengers
	Transit Technology and Communications	\$ 2,926,150	Administration of the on-board video surveillance system and Integrated transportation management system services
	Vanpool Program	\$ 2,552,417	OCTA Vanpool Program subsidy and outreach for vanpools
	Bus Operations Support Vehicles	\$ 2,516,010	OCTA non-revenue vehicles to support bus operations
	Utilities	\$ 2,200,376	Gas, electric, water, and waste management for all locations
	CNG Equipment Operations & Maintenance	\$ 2,125,277	Operations and maintenance of CNG equipment at all bases
	California Department of Tax and Fee Administration (CDTFA)	\$ 1,970,913	Local Transportation Fund (LTF) CDTFA fees for the collection and distribution of the local sales tax (1.3 percent)
	Tires	\$ 1,721,351	Tire replacement and leasing for OCTA owned fleet
	OCTA Vocational Visions Transportation Program	\$ 1,339,247	Program to provide persons with disabilities access to employment programs
	iShuttle Operations (Project R)	\$ 1,333,188	Contribution to the Irvine iShuttle service as part of funding exchange
	OC Flex Service	\$ 1,311,784	Operating costs for contract transportation on-demand bus services
	Janitorial Services	\$ 1,222,060	Janitorial services for all operated facilities
	Customer Information Center	\$ 1,156,880	Operating costs for call center to provide information on OCTA's bus program
	LTF Article 3 - Southern California Association of Governments	\$ 1,137,066	LTF allocation for Southern California Association of Governments
	LTF Article 4 - Laguna Beach Transit	\$ 1,011,602	LTF allocation for Laguna Beach Transit
General Fund	Technical Infrastructure and Business Systems Support	\$ 16,216,782	Software and hardware acquisition, maintenance, and licensing
	I-5, Pico to San Diego County Line	\$ 5,500,000	Project approval and environmental document services - externally funded
	Office Space Leases	\$ 3,945,420	Lease agreement with PMRG for the Orange building locations
	Bicycle and Pedestrian Facilities	\$ 1,239,921	OCTA awards to local agencies - externally funded
	Transportation Planning and Studies	\$ 1,170,000	Regional mobility studies and freeway chokepoint analysis
Motorist Services	Motorist Services	\$ 8,695,562	Freeway service patrol tow service, California Highway Patrol, 511 Program, call box maintenance, and OCTAP
ARBA	Additional Retiree Benefit Account (ARBA) Payments	\$ 1,351,018	ARBA benefit payment
		\$ 1,160,125,233	These items represent 84 percent of the proposed budget expenditures

Total Budget by Program – *Impact: Moderate*



Freeways Summary – *Impact: Low*

In Millions	FY 2020-21 Proposed Budget
Freeways	
I-405, SR-73 to I-605 (Project K)	\$ 129.0
I-5, Santa Ana Freeway (Project C)	100.7
SR-55, Costa Mesa Freeway (Project F)	99.1
I-405 Express Lanes	70.5
I-5, I-405 to SR-55 (Project B)	35.7
SR-91, SR-55 to SR-57 (Project I)	30.0
SR-91, SR-241 to SR-71 (Project J)	12.1
Freeway Environmental Mitigation	5.7
I-5, Pico to San Diego County Line	5.5
I-605, San Gabriel Freeway Improvements (Project M)	2.5
I-5, SR-55 to SR-57 (Project A)	1.7
SR-91, I-5 to SR-57 (Project H)	0.6
I-5, Santa Ana Freeway Interchange Improvements (Project D)	0.5
SR-57, Orange Freeway (Project G)	0.2
Total	\$ 493.8

Streets & Roads Summary – *Impact: High*

In Millions	FY 2020-21 Proposed Budget
Streets & Roads	
Regional Capacity Program (Project O)	\$ 55.6
Local Fair Share (Project Q)	49.7
Regional Traffic Signal Synchronization (Project P)	35.8
Total	\$ 141.1

In Millions	FY 2020-21 Proposed Budget
Measure M2 - Project X	
Clean-up Highway/Street Runoff (Project X)	\$ 5.8
Total	\$ 5.8

91 Express Lanes Sources & Uses – *Impact: High*

In Millions		FY 2019-20	FY 2020-21		
Sources		Approved	Proposed	Change	Change
		Budget	Budget	\$	%
Toll Revenue	\$	54.4	\$ 32.6	\$ (21.8)	-40.0%
Non-Toll Revenue		6.1	2.3	(3.8)	-61.8%
Interest Income		3.8	1.5	(2.3)	-61.3%
Reimbursement from Other Agencies		1.8	1.3	(0.5)	-25.5%
Use of Prior Year Designations		50.1	44.3	(5.8)	-11.6%
Total Revenue / Use of Designations	\$	116.2	\$ 82.0	\$ (34.2)	-29.4%

Uses

Transfers Out	\$	50.7	\$ 41.7	\$ (9.0)	-17.7%
Debt & Interest Expense		4.7	10.8	6.1	129.5%
Rehabilitation and Other Technical Support		10.6	9.9	(0.7)	-6.8%
Tollroad Management Contract		7.7	7.2	(0.5)	-5.9%
Overhead Allocation		2.8	3.1	0.3	10.6%
Capital		9.9	0.8	(9.1)	-92.0%
Insurance Claims/Premiums		0.8	0.8	(0.0)	-3.3%
Leases & Other Office Expenses		0.8	0.8	(0.0)	-0.2%
Designations		28.2	6.9	(21.3)	-75.6%
Total Expenditures / Designations	\$	116.2	\$ 82.0	\$ (34.2)	-29.4%

Transit Assumptions – *Impact: High*

- Bus Program
 - Fixed-route ridership at 20.8 million for FY 2020-21
 - Paratransit trips to decrease by 2 percent to 1.7 million driven by demand
 - Budget for purchase of ten battery-electric buses and up to 165 compressed natural gas 40-foot buses
 - Request for proposal issued in FY 2019-20, action to purchase will return for Board discussion and approval
- Rail Program
 - Three-month extension of the current contract and restoration of up to 58 weekday and 16 weekend Metrolink trips
 - Advances OC Streetcar construction, vehicle delivery, and operations and maintenance contract

Operations Service Assumptions – *Impact: High*

- Fixed-route service
 - Demand-based restoration of up to 1.6 million hours, consistent with current year budget
- Paratransit service
 - Total trips forecasted to decrease by 2 percent to 1.7 million, driven by demand
 - Trips comprised of ACCESS primary and supplemental service, same-day taxi service, and special agency service
- Microtransit service
 - Continuation of OC Flex service with revenue hours of 23,640

Cost Summary – *Impact: High*

FY 2020-21 Proposed Budget

	Performance Indicators	Directly Operated Fixed-Route	Contracted Fixed-Route	ACCESS	ADA Taxi Service	Same Day Taxi Service	Special Agency Services	Flex	System Total
Service Provided	Vehicle Hours (VH)	1,107,577	689,238	615,083					2,411,898
	Vehicle Miles (VM)	13,771,789	9,405,810	8,903,909					32,081,508
	Revenue Hours (RVH)	1,009,816	617,303	518,844				23,640	2,169,603
	Revenue Miles (RVM)	11,583,989	7,540,278	7,334,571					26,458,838
Passenger Usage	Boardings	14,360,310	6,464,266	934,651	408,762	147,006	246,306	42,552	22,603,852
	Boardings per VH	12.97	9.38	1.52					9.37
	Boardings per VM	1.04	0.69	0.10					0.70
	Boardings per RVH	14.22	10.47	1.80					10.42
	Boardings per RVM	1.24	0.86	0.13					0.85
Operating Costs	Costs	\$152,853,261	\$79,707,549	\$56,023,604	\$20,957,688	\$2,683,032	\$6,382,792	\$2,119,458	\$320,727,384
	Cost per VH	\$138.01	\$115.65	\$91.08					\$132.98
	Cost per VM	\$11.10	\$8.47	\$6.29					\$10.00
	Cost per RVH	\$151.37	\$129.12	\$107.98					\$147.83
	Cost per RVM	\$13.20	\$10.57	\$7.64					\$12.12
	Cost per Boarding	\$10.64	\$12.33	\$59.94	\$51.27	\$18.25	\$25.91	\$49.81	\$14.19
Fare Revenues	Revenue	\$14,234,253	\$6,476,248	\$6,060,936	\$1,585,480			\$83,997	\$28,440,914
	Revenue per VH	\$12.85	\$9.40	\$11.54					\$11.79
	Revenue per VM	\$1.03	\$0.69	\$0.80					\$0.89
	Revenue per RVH	\$14.10	\$10.49	\$13.68					\$13.11
	Revenue per RVM	\$1.23	\$0.86	\$0.97					\$1.07
	Revenue per Boarding	\$0.99	\$1.00	\$6.48					\$1.26
Subsidy	Subsidy per Boarding	\$9.65	\$11.33	\$53.46					\$11.28
Farebox Recovery Ratio		9.31%	8.13%	10.82%					8.87%
Farebox Recovery Ratio (Per Senate Bill 508: Revisions to the Transportation Development Act)									15.11%

* All paratransit boardings are reported in terms of trips.

OCTD Sources & Uses – *Impact: High*

In Millions	FY 2019-20	FY 2020-21	Change	Change
Sources	Approved Budget	Proposed Budget	\$	%
Local Transportation Fund Sales Tax	\$ 167.9	\$ 145.9	\$ (22.0)	-13.1%
Federal Capital Assistance Grants	149.9	116.1	(33.8)	-22.6%
Federal Operating Assistance Grants	64.5	72.0	7.5	11.6%
CARES Stimulus	-	47.4	47.4	100.0%
Passenger Fares	47.9	28.4	(19.5)	-40.7%
Road Repair and Accountability Act	29.4	26.3	(3.1)	-10.5%
State Transit Assistance	22.5	17.9	(4.4)	-19.6%
Property Taxes	16.6	17.0	0.4	2.4%
Other OCTD Revenue	8.4	9.6	1.2	14.2%
State Grant Assistance	4.5	7.0	2.5	55.2%
Commuter Rail	1.3	5.7	4.4	344.9%
Interest Income	8.5	4.1	(4.4)	-51.6%
Vanpool Revenue	2.5	2.5	-	0.0%
Measure M2	2.7	0.6	(2.1)	-78.4%
Reimbursements from Other Agencies	2.2	0.3	(1.9)	-87.9%
Use of Prior Year Designations	76.4	5.7	(70.7)	-92.5%
Total Revenue / Use of Designations	\$ 605.2	\$ 506.5	\$ (98.7)	-16.3%
Uses				
Operating Services & Supplies	\$ 150.4	\$ 153.9	\$ 3.5	2.3%
Bus Capital Projects	236.7	130.7	(106.0)	-44.8%
Salary and Benefits	114.0	121.2	7.2	6.3%
Overhead Allocation	43.0	46.0	3.0	6.9%
Special Programs	5.5	4.8	(0.7)	-12.4%
Rail, M2 Transit Extensions and Streets & Roads Programs	2.0	2.2	0.2	8.7%
Designations	53.6	47.7	(5.9)	-10.9%
Total Expenditures / Designations	\$ 605.2	\$ 506.5	\$ (98.7)	-16.3%

Metrolink Assumptions – *Impact: High*

- Metrolink Operating Expenditures
 - Assumes a three-month extension of the current contract with restoration of up to 58 weekday and 16 weekend Metrolink trips
 - Operating subsidy for first quarter of expenses at \$7.3 million
- Metrolink Capital Expenditures
 - Anaheim Canyon Metrolink Station
 - Irvine Station

Metrolink Sources & Uses – *Impact: High*

In Millions	FY 2019-20	FY 2020-21	Change	Change
Sources	Approved Budget	Proposed Budget	\$	%
Transfers In	\$ 30.1	\$ 31.0	\$ 0.9	3.1%
Federal Assistance	19.2	21.0	1.8	9.3%
Reimbursement from Other Agencies	5.0	17.7	12.7	255.3%
Proceeds Sale of Capital Asset	3.5	3.5	-	0.0%
Interest Income	4.0	1.5	(2.5)	-61.6%
Other Commuter Rail Revenue	1.0	0.0	(1.0)	-99.2%
Use of Prior Year Designations	29.6	5.9	(23.7)	-80.0%
Total Revenue / Use of Designations	\$ 92.4	\$ 80.6	\$ (11.8)	-12.8%

Uses

Rail Capital Projects	\$ 57.6	\$ 45.3	\$ (12.3)	-21.4%
SCRRA Operating Subsidy	22.2	7.3	(14.9)	-67.0%
Rail Operating Expenses	8.2	7.2	(1.0)	-12.2%
Transfers Out	1.3	5.7	4.4	344.9%
Overhead Allocation	3.1	3.4	0.3	9.8%
Designations	-	11.7	11.7	0.0%
Total Expenditures / Designations	\$ 92.4	\$ 80.6	\$ (11.8)	-12.8%

Metrolink Capital Summary – *Impact: Low*

In Millions

Metrolink Capital

**FY 2020-21
Proposed
Budget**

Anaheim Canyon Metrolink Station	\$	17.3
Irvine Station Improvements		13.7
Laguna Niguel to San Juan Capistrano Passing Siding		5.2
Orange County Maintenance Facility		4.3
Miscellaneous Metrolink Rail Station Improvements		2.3
San Juan Creek Bridge Replacement		1.8
Slope Stabilization		0.4
Double Track Improvements		0.2
Placentia Metrolink Rail Station		0.1
Total	\$	45.3

Motorist Services Assumptions – *Impact: Low*

- Service Authority for Freeway Emergencies Revenue

- Includes revenue from Department of Motor Vehicles fees, State Highway Account, Road Repair and Accountability Act (SB1) and M2 Program
- Program revenue anticipated to be \$7.6 million
- Contributions from M2 anticipated at 2.4 million

Expenditures

- Includes Freeway Service Patrol, Call Box, and 511 Programs
- Program expenditures anticipated to be \$10 million

- Orange County Tax Administration Program (OCTAP) Revenue

Revenue

- Two-year agreement with cities set to expire December 2020
- External contributions from cities estimated to be \$311.2 thousand
- Company fees, vehicle fees, and driver fees estimated at \$115.3 thousand

Expenditures

- Program expenditures anticipated to be \$441.6 thousand

Orange County Taxi Administration Sources & Uses – *Impact: Low*

In Thousands

Sources

	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	Change \$	Change %
City Contributions	\$ 237.0	\$ 311.2	\$ 74.2	31.3%
License Fees	201.9	115.3	(86.6)	-42.9%
Interest Income	3.9	1.8	(2.1)	-54.5%
Other OCTAP Revenue	-	0.1	0.1	0.0%
Use of Prior Year Designations	-	13.2	13.2	0.0%
Total Revenue / Use of Designations	\$ 442.8	\$ 441.6	\$ (1.2)	-0.3%

Uses

Overhead Allocation	\$ 241.1	\$ 265.8	\$ 24.7	10.2%
Salaries and Benefits	131.8	135.9	4.1	3.1%
OCTAP Program Services & Support	29.0	39.9	10.9	37.6%
Designations	40.9	-	(40.9)	-100.0%
Total Expenditures / Designations	\$ 442.8	\$ 441.6	\$ (1.2)	-0.3%

Staffing Levels – Impact: Moderate

	FY 2019-20 Full-time Equivalent	FY 2020-21 Full-time Equivalent
OCTA Staffing		
Administrative	498.5	498.5
Union	834.0	834.0
Coach Operators	634.0	634.0
Maintenance	163.0	163.0
Facility Technicians and Parts Clerks	37.0	37.0
OCTA Positions	1,332.5	1,332.5
LOSSAN	14.0	14.0
Total Authority Positions	1,346.5	1,346.5

Employee Compensation Assumptions – Impact: Moderate

- Employees Subject to Collective Bargaining Agreement
 - Coach Operators (634 employees)
 - Collective bargaining agreement effective through April 30, 2020 (Negotiation in progress)
 - Maintenance (163 employees)
 - Collective bargaining agreement effective through September 30, 2022
 - Facilities technicians and parts clerks (37 employees)
 - Collective bargaining agreement effective through March 31, 2020 (Negotiation in progress)
- Administrative Employees (498.5 + 14 LOSSAN employees)
 - Employees are not represented
 - Compensation governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
 - Salary grade ranges are developed based upon scope, level of work performed, and external market data
 - Recommend 2 percent adjustment to grade ranges

Personnel and Salary Resolutions – *Impact: Moderate*

- Pertaining to Administrative employees
 - Employees are at-will
 - No cost-of-living adjustments, no step increases, no automatic increases of any type
- Merit Pool of 3 percent
 - Base-building adjustment to annual salary
 - Salary increases are based on a pay-for-performance program
 - Every employee has a performance plan and receives an annual performance review
 - Raises will range from 0 percent to 6 percent based on annual performance review – average will not exceed 3 percent
- 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 rewards and recognition program

Summary

- Unprecedented economic uncertainty requiring organizational flexibility
- Prior Board policies and practices allow for decision-making based on demand and public health
 - Well-positioned for service and capital project delivery
- M2 Projects to continue
- Unknowns related to sales-tax recovery and long-term impacts require continued financial monitoring

Next Steps

- Committee meetings and one-on-one meetings with Board Members May 11-June 7
- Public Hearing Preview – Finance and Administration Committee May 27
- Public Hearing – Board (public hearing and approval) June 8
- Back-up Public Hearing – Board (public hearing and approval) June 22