# Orange County Transportation Authority Fiscal Year 2025-26 Budget Workshop

OCTA



#### **Budget Themes**



#### Guarded Economic Outlook

- Sales tax receipts softening
- Budget uncertainty at state level
- Some federal funding uncertainty
- Preserving healthy reserve balances



#### Sustainable & Resilient Priorities

- Ongoing zero-emission bus and infrastructure investment
- Continuing coastal rail resiliency planning and project implementation



# Consistent Express Lanes Operations

- 91 Express
   Lanes continues
   meeting
   commitments
- 405 Express
   Lanes continues meeting commitments



#### Expanded Transit Offerings

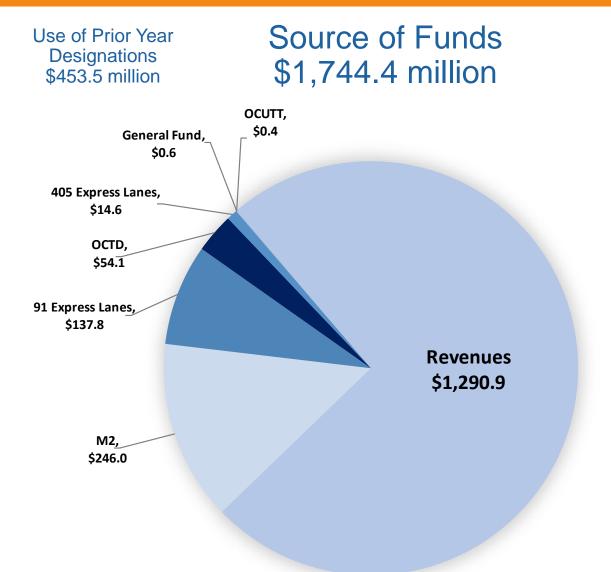
- Additional
   OC Bus service
   to meet
   increasing
   demand
- Commencing
   OC Streetcar
   revenue service
   activities
- Continuing Metrolink rail service



#### Delivering on Measure M2 (M2) Commitment

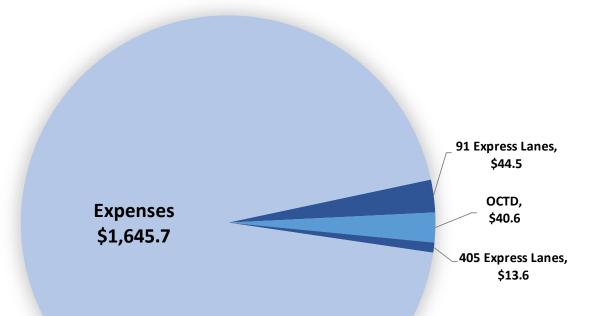
- M2 Next 10
   Delivery Plan
   programs and
   projects on track
   as promised
- Formula & competitive programs continue to support needs of cities and County

# **Budget Overview**





Designations \$98.7 million



3

# Planned Use of Prior Year Designations

In Millions Fund	Program	App	2024-25 proved udget	Pr	2025-26 oposed Budget
LTA M2	Freeways, Streets & Roads, and M2 Transit	\$	191.1	\$	246.0
91 Express Lanes	State Route 91 Corridor Improvements		58.9		137.8
Orange County Transit District	Bus Capital		60.4		54.1
405 Express Lanes	Construction Closeout		30.2		14.6
General Fund	Measure M1 Closeout		-		0.6
Orange County Unified Transportation Trust	Planning Studies		1.0		0.4
Regional Rail	Regional Rail Capital		11.2		-
Total Use of Prior Year Designations		\$	352.8	\$	453.5

FY – Fiscal Year LTA – Local Transportation Authority

# Budget Sources & Uses

	FY 2024-25		FY	2025-26		
In Millions	<b>Approved</b>		Approved Proposed		Change	
Sources	E	Budget	E	Budget		\$
Revenues	\$	1,403.8	\$	1,290.9	\$	(112.9)
Use of Prior Year Designations		352.8		453.5		100.7
Total Revenue / Use of Designations	\$	1,756.6	\$	1,744.4	\$	(12.2)
Uses						
Salaries and Benefits	\$	212.0	\$	221.2	\$	9.2
LOSSAN Funded Salaries and Benefits		4.5		4.7		0.2
Services and Supplies		469.0		475.8		6.8
Contributions to Other Agencies		227.2		227.9		0.7
Interest/Debt Service		75.3		65.9		(9.4)
Capital		672.1		650.2		(21.9)
Designations		96.5		98.7		2.2
<b>Total Expenditures / Designations</b>	\$	1,756.6	\$	1,744.4	\$	(12.2)

LOSSAN - Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

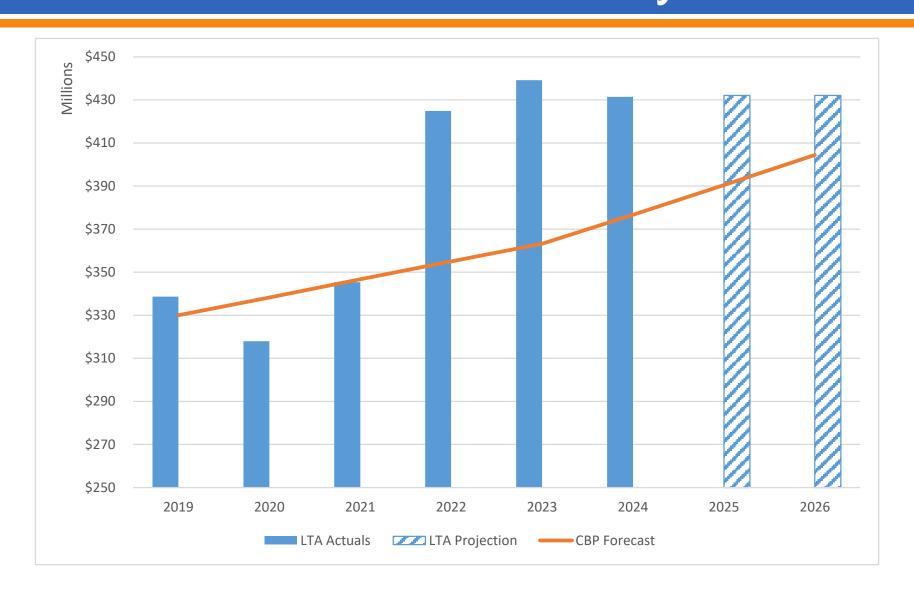
# Revenues

	FY	2024-25	FY	2025-26		
In Millions	Ap	proved	Pro	posed	Cł	nange
Sources	В	udget	В	udget		\$
M2 LTA 1/2 Cent Sales Tax	\$	441.9	\$	432.1	\$	(9.8)
Local Transportation Fund (LTF) 1/4 Cent Sales Tax		222.2		220.2		(2.0)
State Grants		233.8		165.2		(68.6)
Express Lanes (Toll and Non-Toll)		103.1		121.3		18.2
Federal Grants		188.6		119.6		(69.0)
Interest		91.7		105.1		13.4
State Transit Assistance		51.0		43.5		(7.5)
Passenger Fares		36.5		42.0		5.5
Property Tax		18.8		21.0		2.2
Other		12.9		17.5		4.6
Advertising		3.3		3.4		0.1
Subtotal Sources	\$	1,403.8	\$	1,290.9	\$	(112.9)
Use of Prior Year Designations		352.8		453.5		100.7
Total Revenues / Use of Designations	\$	1,756.6	\$	1,744.4	\$	(12.2)

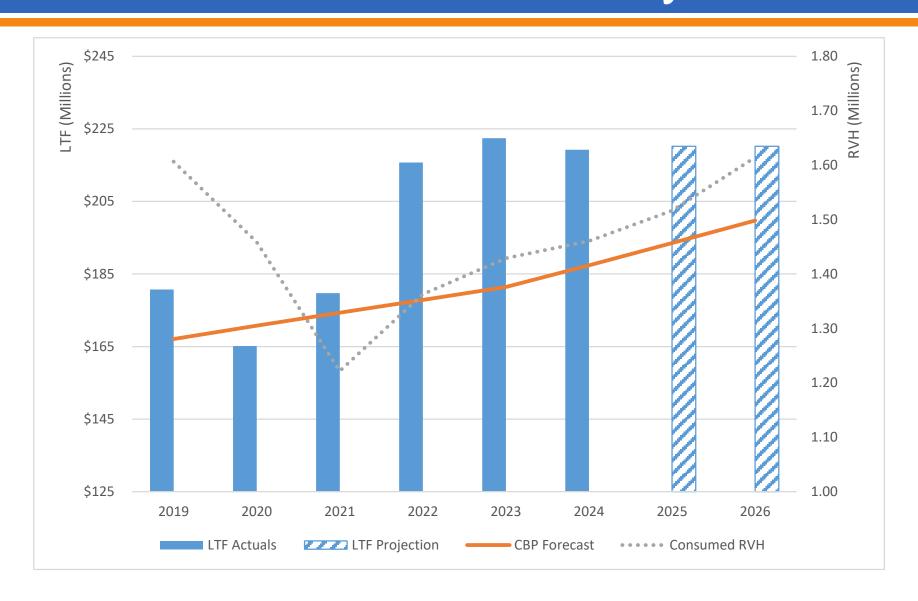
#### Sales Tax Revenues

In Millions		
Sales Tax	LTA	LTF
FY 2023-24 Actuals	\$ 431.4	\$ 219.2
FY 2024-25 Approved Budget	441.9	222.2
FY 2024-25 Year-End Estimate	432.1	220.2
FY 2025-26 Sales Tax Growth Rate	0.0%	0.0%
FY 2025-26 Proposed Budget	\$ 432.1	\$ 220.2

# LTA Sales Tax Revenue History



# LTF Sales Tax Revenue History



# Expenditures

	FY	Y 2024-25 FY		FY 2025-26		
In Millions	Ap	proved	Pro	oposed	Ch	nange
Uses	В	udget	В	udget		\$
Salaries and Benefits	\$	216.5	\$	225.9	\$	9.4
OCTA Salaries and Benefits		212.0		221.2		9.2
LOSSAN Funded Salaries and Benefits		4.5		4.7		0.2
Services and Supplies	\$	469.0	\$	475.8	\$	6.8
Professional and Outside Services		244.2		248.8		4.6
Contract Transportation Services		151.2		159.9		8.7
Maintenance Parts & Fuel		28.0		26.1		(1.9)
General & Administration		32.7		30.3		(2.4)
Insurance Claims/Premiums		12.9		10.7		(2.2)
Contributions to Other Agencies	\$	227.2	\$	227.9	\$	0.7
Contributions to Other Agencies		102.0		101.9		(0.1)
M2 Local Fair Share		80.2		79.0		(1.2)
M2 Regional Capacity		45.0		47.0		2.0
Interest / Debt Service	\$	75.3	\$	65.9	\$	(9.4)
Interest Expense		47.5		39.4		(8.1)
Long-Term Debt Principal Payments		27.8		26.5		(1.3)
Capital	\$	672.1	\$	650.2	\$	(21.9)
Subtotal Uses	\$	1,660.1	\$	1,645.7	\$	(14.4)
Designations		96.5		98.7		2.2
Total Expenditures / Designations	\$	1,756.6	\$	1,744.4	\$	(12.2)

OCTA – Orange County Transportation Authority

## Excess Liability Insurance

- In December 2020, the OCTA Board directed staff to become fully self-insured for liability
- In December 2024, the OCTA Board directed staff to remain fully self-insured
- The FY 2025-26 OCTA budget plans for continued self-insurance
  - Insurance market conditions and OCTA's risk profile have not materially changed since December 2024
- The Board-approved Reserve Policy requires the minimum liability reserve be set at \$7.1 million for this FY
  - The Liability Fund balance is currently \$20.4 million

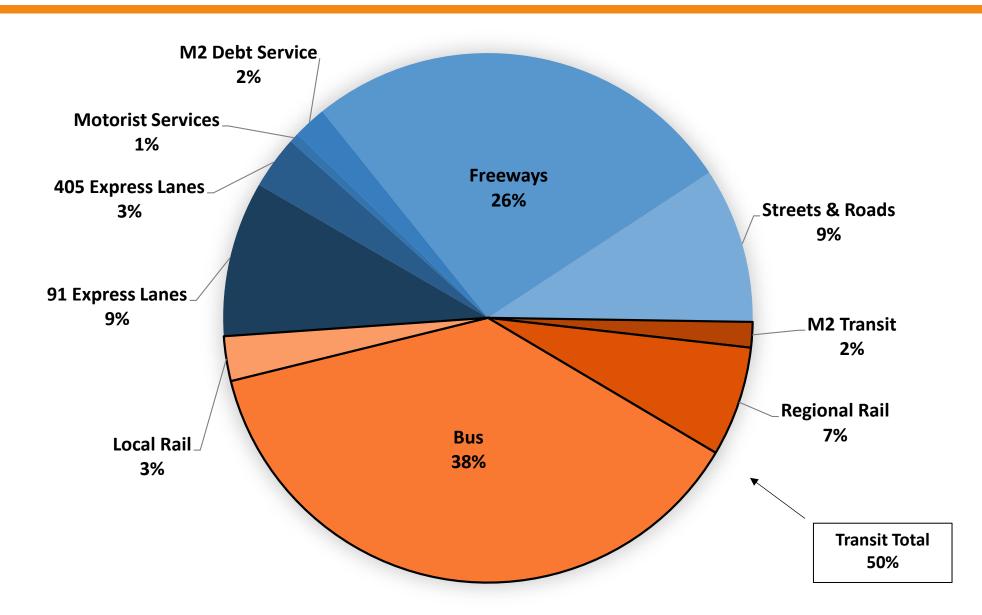
# Key Expenditures by Fund

	Technical Infrastructure and Business Systems Support	\$	23,820,828	Software and hardware acquisition, maintenance, and licensing
General Fund	Transportation Planning and Studies	\$	3,580,750	Transit corridor and regional mobility studies
	Bicycle and Pedestrian Facilities	\$	3,252,460	OCTA awards to local agencies for bicycle and pedestrian facilities
	State Route 91, State Route 55 to State Route 57 (Project I)	\$	133,386,138	Construction, construction management, and right-of-way capital and utilities funded by 91 Express Lanes
	State Route 55, Interstate 405 to State Route 91 (Project F)	\$		Right-of-way capital, right-of-way utilities, and construction management
	Interstate 5, Interstate 405 to State Route 55 (Project B)	\$	96,943,575	Construction, construction management, and right-of-way capital
	Local Fair Share (Project Q)	\$	79,707,642	18 percent of M2 net revenues to local agencies for streets and roads
	Interstate 5, State Route 73 to El Toro Road (Project C)	\$	50,045,601	Construction capital, right-of-way capital, and construction management services
	Regional Capacity Program (Project O)	\$	47,575,000	Competitive funding for local agency streets and roads projects
	Interstate 405, State Route 73 to Interstate 605 (Project K)	\$		Right-of-way capital, utilities, and cooperative agreements
M2	Regional Traffic Signal Synchronization (Project P)	\$	38,868,700	Signal synchronization projects to be implemented along OC corridors
IVIZ	State Route 57, Orangewood Avenue to Katella Avenue (Project G)	\$	26,290,000	Construction, construction management, and right-of-way capital
	Clean-up Highway/Street Runoff (Project X)	\$		Payments for M2 environmental cleanup program projects
	Community-Based Transit Circulators (Project V)	\$		Payments to local jurisdictions to operate community transit circulators
	Interstate 605, Katella Avenue Interchange (Project M)	\$	9,135,000	Construction, construction management, and design services
	Senior Mobility and Non-Emergency Medical Programs (Project U)	\$	8,453,448	Senior Non-Emergency Medical Transportation and Senior Mobility Program payments to local agencies
	Freeway Environmental Mitigation	\$		M2 mitigation program endowment, property acquisition, and restoration projects
	LTA - California Department of Tax and Fee Administration (CDTFA)	\$	4,277,764	LTA CDTFA fees for the collection and distribution of the local sales tax
	Safe Transit Stops (Project W)	\$	1,541,000	Grants to cities for previously approved bus stop improvement projects
M2 Debt	Tax-Exempt Bonds	\$	45,241,794	Interest and principal payments for M2 bonds
Local Rail	OC Streetcar	\$	57,662,095	Streetcar vehicles, construction, construction management, right-of-way, pre-revenue, and revenue service
91 Express Lanes	91 Express Lanes	\$	28,163,062	Contracted operations and express lanes toll management system
		_		
405 Express Lanes	405 Express Lanes	\$	55,634,102	Contracted operations, right-of-way capital and utilities, toll management, and back office system
		•		
Internal Service Funds	Workers' Compensation	\$		Claims expenses and insurance related to workers' compensation
	Personal Liability and Property Damage Legal, Insurance, and Claims	\$	4,538,045	Claims expenses, property insurance, and legal fees
	- O : D + 1/50D)	Φ.	44 505 463	
Motorist Services	Freeway Service Patrol (FSP)	\$	11,525,168	FSP tow service, 511 program, and call box maintenance

# Key Expenditures by Fund (Continued)

	Coastal Rail Improvements	\$	72,155,000	Construction, construction management, and project management
	Metrolink Budget	\$	42,366,996	Metrolink operating subsidy
	Mission Viejo/Laguna Niguel Slope Stabilization	**************************************	6,090,000	Construction and construction management
nal Rail	San Juan Creek Bridge Replacement	\$	5,110,000	Right-of-way utility, project management, and support services
	Placentia Metrolink Rail Station	\$	5,050,000	Design services
	OCTA Rail Support Services	\$	4,721,525	Rail right-of-way maintenance services and outreach
	Regional Rail Transit Police Services	\$	3,414,000	Orange County Sheriffs regional rail transit police services
	Contracted Fixed-Route Services	\$	68,275,216	Contracted fixed-route fixed and variable costs
	Paratransit Services	\$	61,926,647	Americans with Disabilities Act (ADA) ACCESS service and ADA supplemental taxi services
	Zero-Emissions Bus Infrastructure	\$	29,862,500	Zero-emissions bus upgrades at bus bases and transit centers
	Transit Technology and Communications Capital	\$	26,841,857	Fixed-route and paratransit revenue vehicle radio retrofit and eSignage capital
	Bus Purchases and Engine Replacements	\$	25,200,000	Fixed-route revenue vehicle and revenue vehicle engine purchases
	Fuels	\$	16,307,254	Compressed natural gas (CNG), gasoline, hydrogen fuel, and electricity costs
	Directly Operated Fixed-Route Services and Supplies	\$	15,120,394	General services and supplies for directly operated fixed-route services
	Bus Base and Transit Center Projects	\$	13,512,890	Facility maintenance and upgrades at bus bases and transit centers
	Bus Transit Police Services	\$	10,497,453	Orange County Sheriff's transit police services
	OCTA New Headquarters Building Improvements	\$	9,115,135	Design services, construction, and capital improvements
СТД	Maintenance Parts	\$	6,400,917	Maintenance parts for revenue vehicles
CID	Transit Security & Operations Center	\$	5,000,000	Construction, construction management, and design services
	Utilities	\$	4,479,630	Gas, electric, water, and waste management for OCTA owned locations
	Enhanced Mobility for Seniors and Individuals with Disabilities	\$	4,389,534	Transportation services for persons of low income, seniors, and persons with disabilities
	iConnect	\$	3,822,000	Contribution to iConnect service for variable and fixed costs
	LTF - External Contributions	\$	3,437,442	Southern California Association of Governments (SCAG) and Laguna Beach Municipal Transit Lines
	LTF - CDTFA	\$	2,180,035	LTF CDTFA fees for the collection and distribution of the local sales tax
	Tires	\$	2,056,554	Tire replacement and leasing for OCTA owned revenue vehicles
	OCTA New Headquarters Operating Expenses	\$		Maintenance, security, and utilities services
	Vanpool Program	\$	1,500,791	OCTA Vanpool program subsidy and outreach for vanpools
	Customer Information Center	\$	1,360,556	Operating costs for call center to provide information on OCTA's bus program
	Mobile Ticketing	\$	1,099,529	Fare collection system hosting and sales charges

# Total Budget by Program



# **Bus Program Assumptions**

- Fixed-Route OC Bus Service
  - Revenue service hours are anticipated to increase four percent to 1.62 million to meet ongoing passenger demand
- Paratransit Service
  - Budgeted trips decreasing from 1.42 million to 1.36 million based on service trends and demand
- Major Capital Projects
  - Replacing seven 60-foot CNG articulated buses with fuel-cell electric buses
  - Intelligent Transportation Management System (ITMS) equipment
  - Hydrogen fueling station at the Garden Grove Base

CNG - Compressed Natural Gas

## OCTD Sources & Uses

0.5

394.4

M2 Transit Studies

Total Expenditures / Designations

	FY 20	24-25	FY 2	2025-26				FY 2	2024-25	FY	2025-26
In Millions	Appı	roved	Pro	posed	Chan	ge	In Millions	Арр	proved	Pro	posed
Operating Sources	Bu	dget	Rı	ıdget	\$		Capital Sources	Bı	udget	B	udget
Local Transportation Fund Sales Tax	\$	211.7	\$	209.9	\$	(1.8)	State Capital Grants	\$	126.5	\$	48.2
Federal Operating Grants	Ψ	74.3	Ψ	83.5	Ψ	9.2	State Transit Assistance	Ψ	46.0	Ψ	43.5
Interest Income		29.5		44.5		15.0	Federal Capital Grants		29.9		3.9
Passenger Fares		36.5		41.5		5.0	Interest Income		-		1.1
Property Taxes		18.8		21.0		2.2	Use of Prior Year Designations		60.4		54.1
Other OCTD Revenue		10.2		16.3		6.1	Total Revenue / Use of Designations	\$	262.8	\$	150.8
Regional Rail Funds		6.2		5.4		(8.0)					
State Operating Grants		2.0		0.4		(1.6)	Capital Uses				
Reimbursements from Other Agencies		0.2		0.2		-	Capital Projects	\$	216.1	\$	101.1
State Transit Assistance		5.0		-		(5.0)	New Headquarters Improvement Projects	Φ	210.1	φ	9.1
Total Revenue / Use of Designations	\$	394.4	\$	422.7	\$	28.3	Capital Designation		46.7		40.6
							Total Expenditures / Designations	\$	262.8	\$	150.8
Operating Uses							Total Expellutures/ Designations	Ψ	202.0	Ψ	150.0
Salary and Benefits	\$	141.5	\$	149.2	\$	7.7					
Contracted Fixed-Route Services		61.9		68.3		6.4					
Paratransit Services		58.8		61.9		3.1					
Overhead Allocation		54.5		60.1		5.6					
Operating Services & Supplies		21.0		23.2		2.2					
Fuels		19.6		16.3		(3.3)					
Directly Operated Fixed-Route Services and Supplies		15.3		15.1		(0.2)					
Bus Transit Police Services		10.8		10.5		(0.3)					
Special Programs		2.9		6.8		3.9					
Maintenance Parts		5.3		6.4		1.1					
Rail and M2 Transit Extensions		2.3		3.8		1.5					

1.1

422.7

0.6

28.3

Change

(78.3)

(2.5)

(26.0)

1.1 (6.3)

(112.0)

(115.0)9.1

(112.0)

# Bus Capital Projects

 Millions Sus Capital	Pro	025-26 posed idget
Zero-Emissions Bus Infrastructure	\$	29.9
Transit Technology and Communications Capital		26.8
Bus Purchases and Engine Replacements		25.2
Bus Base and Transit Center Projects		13.5
Transit Security & Operations Center		5.0
Bus Operations Support Vehicles		0.7
Total	\$	101.1

# Regional Rail Program Assumptions

#### Metrolink Operations

- Metrolink operating subsidy request increasing with Metrolink service remaining flat year-over-year
  - Proposed FY budget includes direct federal funding drawdown for operations
- Operations will be funded with M2 High Frequency Metrolink Service funds, state operating grants, and federal funding

#### Metrolink Capital

 Capital budget includes Mission Viejo/Laguna Niguel slope stabilization, San Juan Creek Bridge replacement, and Placentia Metrolink station

#### Coastal Rail Improvements

Largely funded by state grants

# Regional Rail Sources & Uses

In Millions Operating Sources		7 2024-25 pproved Budget	P	7 2025-26 roposed Budget	(	Change \$
M2 Sales Tax	\$	36.0	\$	25.8	\$	(10.2)
State Operating Grants		26.0		26.0		-
Interest Income		6.1		6.9		0.8
Federal Operating Grants		0.1		2.9		2.8
Other Commuter Rail Revenue		1.4		1.3		(0.1)
Proceeds Sale of Capital Asset		1.9		-		(1.9)
Total Revenue / Use of Designations	\$	71.5	\$	62.9	\$	(8.6)
Operating Uses						
Metrolink Operating Subsidy*	\$	50.3	\$	42.4	\$	(7.9)
Operating Expenses		9.7		9.8		0.1
Contributions to Operating Services		6.2		5.4		(0.8)
Overhead Allocation		5.3		5.3		-
Total Expenditures / Designations	\$	71.5	\$	62.9	\$	(8.6)

*Proposed operating subsidy budget includes r	reduction for direct federal funding drawdown
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		FY	2024-25	FY 2	2025-26		
In Millions		Ap	proved	Pro	posed	CI	hange
<b>Capital Sources</b>		В	udget	В	udget		\$
	M2 Sales Tax	\$	18.4	\$	19.3	\$	0.9
	State Capital Grants		-		66.3		66.3
	91 Express Lanes		-		5.0		5.0
	Federal Capital Grants		1.2		-		(1.2)
	Use of Prior Year Designations		11.2		-		(11.2)
	Total Revenue / Use of Designations	\$	30.8	\$	90.6	\$	59.8
C	apital Uses						
	Rail Capital Projects	\$	30.8	\$	90.6	\$	59.8
	Total Expenditures / Designations	\$	30.8	\$	90.6	\$	59.8

# Regional Rail Capital Summary

		FY 2	025-26
In	Millions	Pro	posed
R	Regional Rail Capital	Bu	ıdget
	Coastal Rail Improvements	\$	72.2
	Mission Viejo/Laguna Niguel Slope Stabilization		6.1
	San Juan Creek Bridge Replacement		5.1
	Placentia Metrolink Rail Station		5.1
	Irvine Station Improvements		0.9
	Irvine Rail Maintenance Facility		0.9
	Serra Siding Project		0.2
	Signal Respacing and Control Point		0.1
	Total	\$	90.6

## Local Rail Assumptions

- Construction Assumptions
  - Construction expected to be completed winter 2025
  - Continues to be funded by a federal Full Funding Grant Agreement, state funds, and M2
- Pre-Revenue Phase
  - Testing will begin late spring 2025
  - Pre-revenue service set to begin early spring 2026
- Revenue Service
  - Scheduled to begin spring 2026

#### Local Rail Sources & Uses

	FY 2	024-25	FY 2	025-26				FY 20	024-25	FY 20	025-26		
In Millions	App	roved	Pro	posed	Change In M		In Millions	<b>Approved</b>		<b>Proposed</b>		Change	
Construction Sources	Bu	ıdget	Ru	dget		\$	Pre-Revenue Phase Sources	Budget		Budget		\$	
M2 Sales Tax	\$	55.2	\$	22.5		(32.7)	M2 Sales Tax	\$	8.6	\$	11.2		2.6
Federal Capital Assistance	Ψ	24.2	Ψ	23.7		(0.5)	Total Revenue / Use of Designations	\$	8.6	\$	11.2	\$	2.6
Total Revenue / Use of Designations	\$	79.4	\$	46.2	\$	(33.2)		•	0.0	<u> </u>			
							Pre-Revenue Phase Uses						
Construction Uses							Operating Services & Supplies	\$	7.4	\$	10.0	\$	2.6
Capital Projects	\$	52.8	\$	34.7	\$	(18.1)	Overhead Allocation		1.2	•	1.2	<b>.</b>	0.0
Professional Services		19.0		8.5		(10.5)	Total Expenditures / Designations	\$	8.6	\$	11.2	\$	2.6
Overhead Allocation		5.7		2.8		(2.9)							
Contributions to Other Agencies		1.9		0.2		(1.7)							
Total Expenditures / Designations	\$	79.4	\$	46.2	\$	(33.2)		FY 20	024-25	FY 20	025-26		
							In Millions	App	roved	Prop	oosed	Cha	ange
							<b>Revenue Phase Sources</b>	Bu	dget	Bu	dget	•	\$
							M2 Sales Tax	\$	-	\$	3.3		3.3
							Passenger Fares		-		0.6		0.6
							Reimbursements from Other Agencies		-		0.5		0.5
							Total Revenue / Use of Designations	\$	•	\$	4.4	\$	4.4
							Revenue Phase Uses						
							Operating Services & Supplies	\$	-	\$	4.3	\$	4.3
							Overhead Allocation		-		0.1		0.1
							Total Expenditures / Designations	\$		\$	4.4	\$	4.4

# M2 Freeways Summary

In Millions Freeways	Pro	2025-26 posed udget
State Route 91, State Route 55 to State Route 57 (Project I)	\$	133.4
State Route 55, Interstate 405 to State Route 91 (Project F)		103.0
Interstate 5, Interstate 405 to State Route 55 (Project B)		96.9
Interstate 5, State Route 73 to El Toro Road (Project C)		50.0
Interstate 405, State Route 73 to Interstate 605 (Project K)		45.0
State Route 57, Orangewood Avenue to Katella Avenue (Project G)		26.3
Interstate 605, Katella Avenue Interchange (Project M)		9.1
Interstate 5, El Toro Road Interchange (Project D)		0.6
Total	\$	464.3

# M2 Direct Funding to Cities & County

In Millions	_	2025-26 posed
		•
M2 Streets & Roads		udget
Local Fair Share (Project Q)	\$	79.7
Regional Capacity Program (Project O)		47.6
Regional Traffic Signal Synchronization (Project P)		38.9
Subtotal	\$	166.2
In Millions		2025-26 posed
M2 Transit		udget
Community-Based Transit Circulators (Project V)	\$	15.3
Senior Mobility and Non-Emergency Medical Programs (Project U)	Ψ	8.5
Safe Transit Stops (Project W)		1.5
Subtotal	\$	25.3
In Millions	Pro	2025-26 oposed
M2 Environmental	В	udget
Clean-up Highway/Street Runoff (Project X)	\$	15.8
Subtotal	\$	15.8
Grand Total	\$	207.3

# 91 Express Lanes Sources & Uses

In Millions		2024-25 proved		025-26 posed	Ch	ange
				•		
Operating Sources	В	udget	Bu	ıdget		\$
Toll Revenue	\$	53.0	\$	58.3	\$	5.3
Interest Income		7.6		8.8		1.2
Non-Toll Revenue		5.3		6.4		1.1
Reimbursement from Other Agencies		0.6		0.6		-
Total Revenue / Use of Designations	\$	66.5	\$	74.1	\$	7.6
Operating Uses						
Professional Services	\$	9.3	\$	8.4	\$	(0.9)
Tollroad Management Contract		7.8		7.4		(0.4)
Overhead Allocation		4.2		4.2		-
Leases & Other Office Expenses		1.0		1.1		0.1
Insurance Claims/Premiums		0.9		0.4		(0.5)
Debt & Interest Expense		8.1		8.1		-
Designations		35.2		44.5		9.3
Total Expenditures / Designations	\$	66.5	\$	74.1	\$	7.6

In Millions  Capital Sources	App	2024-25 proved udget	Pro	2025-26 posed udget	Ch	ange \$
Toll Revenue	\$	-	\$	2.9	\$	2.9
Use of Prior Year Designations		58.9		137.8		78.9
Total Revenue / Use of Designations	\$	58.9	\$	140.7	\$	81.8
Capital Uses						
State Route 91 Corridor Contributions	\$	55.0	\$	137.8	\$	82.8
Capital		3.9		2.9		(1.0)
Total Expenditures / Designations	\$	58.9	\$	140.7	\$	81.8

# 405 Express Lanes Sources & Uses

In Millions		024-25 orking		025-26 posed	Ch	ange
Operating Sources	Βι	ıdget	Βι	ıdget		\$
Toll Revenue	\$	27.2	\$	46.9	\$	19.7
Non-Toll Revenue		1.2		6.9		5.7
Interest Income		-		4.9		4.9
Use of Prior Year Designations		28.8		-		(28.8)
Total Revenue / Use of Designations	\$	57.2	\$	58.7	\$	1.5
Operating Uses						
Tollroad Management Contract	\$	15.5	\$	15.2	\$	(0.3)
Professional Services		10.6		13.2		2.6
Overhead Allocation		4.2		4.2		-
Interest Expense		12.3		12.5		0.2
Designations		14.6		13.6		(1.0)
Total Expenditures / Designations	\$	57.2	\$	58.7	\$	1.5

	FY 2	024-25	FY 2	025-26		
In Millions	Wo	rking	Pro	posed	Change	
Capital Sources	Βυ	ıdget	Bu	ıdget		\$
Use of Prior Year Designations	\$	17.9	\$	14.6	\$	(3.3)
Total Revenue / Use of Designations	\$	17.9	\$	14.6	\$	(3.3)
Capital Uses						
Capital	\$	17.9	\$	14.6	\$	(3.3)
Total Expenditures / Designations	\$	17.9	\$	14.6	\$	(3.3)

#### Motorist Services Assumptions

- Motorist Services budget of \$13 million consistent with current FY
- Motorist Services programs include:
  - FSP at \$10.4 million
  - 511 Program at \$500,000
  - Call Box at \$500,000

# Staffing Levels

OCTA Staffing	FY 2024-25 Full-time Equivalent	FY 2025-26 Full-time Equivalent	FY 2025-26 New Hires	FY 2025-26 Reductions	Difference
Administrative*	532.5	536.5	4.0	-	4.0
Union	798.0	825.0	27.0	-	27.0
Coach Operators**	599.0	626.0	27.0	-	27.0
Maintenance	158.0	158.0	-	-	-
Facility Technicians and Parts Clerks	41.0	41.0	-	-	-
OCTA Positions	1,330.5	1,361.5	31.0	-	31.0
LOSSAN Funded OCTA Positions	18.0	18.0	-	-	-
Total Authority Positions	1,348.5	1,379.5	31.0	-	31.0

<sup>\*11</sup> administrative positions on hold for future consideration

<sup>\*\*</sup>Additional coach operators for increased bus service and reduced overtime budget

## **Employee Compensation Assumptions**

- Employees Subject to Collective Bargaining Agreement
  - Coach Operators (626 employees)
    - Collective bargaining agreement effective through April 30, 2027
  - Maintenance (158 employees)
    - Collective bargaining agreement effective through September 30, 2025
  - Facilities technicians and parts clerks (41 employees)
    - Collective bargaining agreement effective through March 31, 2027
- Administrative Employees (536.5 + 18 LOSSAN employees)
  - Employees are not represented by a union
  - 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

#### Personnel and Salary Resolution

- Pertaining to Administrative employees
  - Employees are at-will and not represented by a union
  - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
- Merit Pool of 4 percent
  - Salary increases are based on a pay-for-performance program
  - Every employee has a performance plan and receives an annual performance review
  - Base-building adjustment to annual salary
- Bonus Pool of 4 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 employee rewards and recognition strategy

# Next Steps

- Committee meetings and one-on-one meetings with Board Members
   May 13 June 8
- Public Hearing Preview Finance & Administration Committee
   May 28
- Public Hearing Board (Public Hearing and approval)
- Back-up Public Hearing Board (Public Hearing and approval)