

OVERVIEW

FY 2016-17 Approved Budget (In Millions)

Operating budget	\$761.7
Capital budget	365.5
Long Term commitments	34.3
TOTAL	\$1,161.5

FY 2016-17 Accomplishments

- Executed the 405 Improvement project overall construction contract for \$1.2 billion. The design/build contract was awarded to OC 405 Partners, a joint venture led by OHL USA Incorporated and Astaldi Construction Corporation.
- Approved the initial toll policy for the 405 Express Lanes. A study was conducted by an outside contractor, and based on that study, a toll policy was approved aimed at maximizing throughput in the corridor while at the same time being able to pay the financing obligations that were secured to help fund construction of the lanes.
- Implemented OC Bus 360°. The goal of OC Bus 360° is to increase bus system ridership through a series of initiatives. These initiatives include improving bus travel times and frequencies, expanding access to route and real time information, introducing mobile ticketing, and evaluating fares.
- The OCTA Board of Directors approved the Next 10 Plan, a refinement to the M2020 Plan along with new commitments covering the next ten years.
- When originally passed, 13 freeway projects were highlighted in the M2 Transportation Investment Plan. Since then, these projects have been segmented into 27 projects. Of these, nine freeway projects have been completed to date, including northbound lanes on the SR-57 and I-5/Ortega Interchange.
- Early preparation for winter storms combined with Metrolink coordination resulted in minimal storm damage along the OCTA-owned railroad right of way and few delays to passenger rail service.
- Reallocated fixed-route bus service in FY 2016-17 to optimize efficiency and effectiveness of the overall bus system.
- Awarded \$38 million in Regional Capacity Program funds to 19 local agency projects and \$12.4 million in Regional Traffic Signal Synchronization Program funds to seven local agency projects.
- Delivered ten signal synchronization projects on behalf of multiple cities that resulted in significant travel time improvements for approximately 73 miles of arterials and 261 signalized intersections.
- Special trains provided a convenient alternative transport option for new and regular riders to attend events including: Festival of Lights, Rams football games, Lunar New Year festivities and Angels baseball games.

FY 2017-18 Approved Budget (In Millions)

Operating budget	\$783.5
Capital budget	471.7
Long Term commitments	34.6
TOTAL	\$1,289.8

STRATEGIC PLAN FRAMEWORK

FY 2017-18 Board Strategic Initiatives

- Break Ground on the I-405 Improvement Project
- Continue OC Bus 360° Implementation
- Advance the OC Streetcar Project
- Integrate Technology Solutions
- Ensure Fiscal Sustainability

To provide Orange County residents with the highest quality transportation programs and services, OCTA is committed to its organizational vision and mission statement. The Strategic Plan is also consistent with the framework of goals and values developed by the Board of Directors.

OCTA Vision

Provide an integrated and balanced transportation system that supports the diverse travel needs and reflects the character of Orange County.

Mission Statement

Develop and deliver transportation solutions to enhance quality of life and keep Orange County moving.

OCTA Goals

- Mobility - Deliver programs, projects, and services to improve the movement of people and goods throughout Orange County and the region.
- Public Service - Enhance customer satisfaction by understanding, connecting with and serving our diverse communities and partners.
- Fiscal Sustainability - Ensure fiscal health through prudent financial management and by protecting and leveraging available revenue sources.
- Stewardship - Embrace responsible policies and practices designed to promote environmental sustainability and enhance the safety and quality of life in Orange County.
- Organizational Excellence - Continue the tradition of being a high-performing organization through employee development and efficient business practices.

OCTA Values

- Integrity - We deliver as promised and do so ethically, fairly and with transparency.
- Customer Focus - We treat our customers with care, consideration and respect, providing friendly and reliable professional service, responsive to their needs.
- Can-Do-Spirit - We tackle challenges with innovation, vision and strategic thinking.
- Communication - We provide consistent, timely and reliable information in an open, honest and straightforward manner.
- Teamwork - We work well together from a sense of shared purpose and mutual respect.



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Orange County Transportation Authority



2017-18 Approved Budget

CEO MESSAGE

Dear Orange County Residents:

Consistent with the Orange County Transportation Authority's (OCTA) vision, mission, values, and in accordance with the Board of Directors (Board) Strategic Initiatives, I present to you the fiscal year (FY) 2017-18 budget for OCTA. The FY 2017-18 budget is balanced at \$1.3 billion and commits the necessary resources to continue keeping OCTA's promises to the residents of Orange County.

The budget incorporates the Board-adopted forecasting methodologies for both of OCTA's sales tax measures. The Measure M2 (M2) Program, the ½ cent voter-approved sales tax for transportation improvements, is projected to grow by 3.3 percent. The Local Transportation Fund (LTF), the ¼ cent sales tax, which funds approximately 60 percent of the Bus Program's operating expenditures, is projected to grow by 2.4 percent.

Under the M2 Program, funds will continue to improve freeways, streets and roads throughout Orange County, as well as fund multiple transit programs. Included in the budget is \$170 million to help fund freeway improvement projects on Interstate 405, Interstate 5, State Route 55, State Route 57, and State Route 91. Approximately \$157 million is budgeted to improve streets and roads, including \$54 million to fund the Local Fair Share Program, \$53 million for the Regional Capacity Program, and \$22 million for the OC Bridges Project. In addition, the budget also includes \$240 million for the OC Streetcar.

In FY 2017-18, the budget to support the Bus Program is \$349 million. The budget includes efforts to continue OC Bus 360°, which aims to improve bus service and increase efficiency of the transit system. The budget also maintains existing bus service levels at 1.6 million service hours and has no fare increase. It is anticipated that the passage of California's Senate Bill (SB-1) will provide approximately \$19 million per year to the Bus Program, which is integral for the Program's long-term financial sustainability. The revenue expected from SB-1 is incorporated in the FY 2017-18 budget.

The FY 2017-18 budget demonstrates OCTA's continued commitment to provide an effective, efficient, and innovative multi-modal transportation network to enhance the quality of life and keep the residents and commuters of Orange County moving.

Sincerely,

Darrell Johnson
Chief Executive Officer

Orange County Transportation Authority

PROGRAMS

Measure M2 (M2)

The original Measure M (M1) half-cent local transportation sales tax, approved by Orange County voters in November 1990, ended in April 2011. On November 7, 2006, 69.7 percent of Orange County voters approved the renewal of Measure M, also known as M2, for an additional 30 years, beginning in 2011. In September 2012, the OCTA Board of Directors approved the M2020 Plan which provides strategies to accelerate M2 improvements by delivering early on promises made to the voters. In November 2016, the OCTA Board of Directors approved the Next 10 Plan, a refinement to the M2020 Plan. This fiscal year will mark the seventh full year of sales tax collections for the approximately \$14.2 billion M2 program. Projects in this fiscal year include: 405 improvement project, Local Fair Share Program, Regional Capacity Program, and numerous freeway projects.

Bus Operations

The Bus Operations program represents OCTA's core business unit, which delivers fixed route, express, StationLink rail feeder and complementary paratransit bus services for Orange County residents. The fixed route network provides bus service on 38 local lines, 7 community lines, 8 inter/intracounty express lines, 10 StationLink rail feeder lines and 2 Bravo (Limited Stop) lines. OCTA paratransit services provide demand response bus service to persons with developmental and physical disabilities as required by the federal Americans with Disabilities Act, as well as bus service to transport elderly persons. In FY 2017-18, service levels will remain the same at 1.6 million revenue hours.

91 Express Lanes

The 91 Express Lanes is a four-lane, 10-mile toll road built in the median of the Riverside Freeway (SR-91) between the Orange/Riverside County line and the Costa Mesa Freeway (SR-55). This unique toll road is an important element in ensuring that traffic flows more smoothly between the two counties. Toll road revenues generated fund annual operating costs, debt service, and capital expenditures. This fiscal year, revenues will also be used for the replacement of the electronic toll and traffic management system. These infrastructure investments will enhance safety for SR-91 commuters and provide superior service to our customers.

Rail

Rail service for OCTA centers on Metrolink, Southern California's commuter rail system linking residential communities to employment and activity centers. Formed in 1991, Metrolink is operated by the Southern California Regional Rail Authority (SCRRA) – a joint powers authority of five member agencies representing the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. OCTA is one of the five member agencies that administers Orange County Metrolink activities. Projects within rail service include track and rail facility improvements.

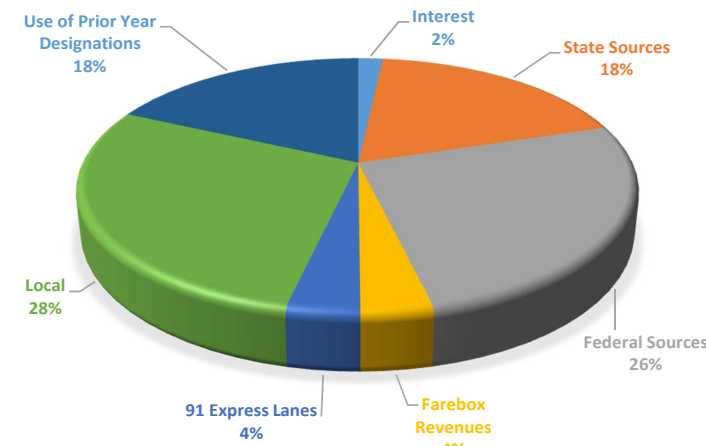
Motorist Services Program

The Motorist Services program consists of two business units: the Service Authority for Freeway Emergencies (SAFE) and the Orange County Taxicab Program (OCTAP). SAFE provides the Freeway Callbox System and Freeway Service Patrol services. OCTAP provides a regulatory function for taxicab services for 34 local cities and has established a uniform regional approach for this program in Orange County.

SOURCES OF FUNDS

In FY 2017-18, OCTA anticipates receiving \$1,057.2 million in revenue and \$232.6 million in use of prior year designations for a total of \$1,289.8 million in available funding for all programs and projects. The majority of the revenue is derived from the M2 ½ cent sales tax (Local Transportation Authority) and Transportation Development Act ¼ cent sales tax shown in the pie-chart below as Local funding.

Total Revenues & Reserves: \$1.29 billion



Sources of Funds for Fiscal Years 2015-16 through 2017-18 (In Thousands)

Revenue by Category

	FY 2015-16 Actuals	FY 2016-17 Approved	FY 2017-18 Approved
Interest	26,796	21,934	21,609
State Sources	238,626	227,021	237,907
Federal Sources	134,880	272,184	338,141
Farebox Revenues	50,984	49,899	45,974
91 Express Lanes	52,658	43,482	46,666
Local	336,604	357,646	366,853
Use of Prior Year Designations	59,408	189,310	232,623
TOTAL REVENUES BY TYPE	899,956	1,161,476	1,289,773

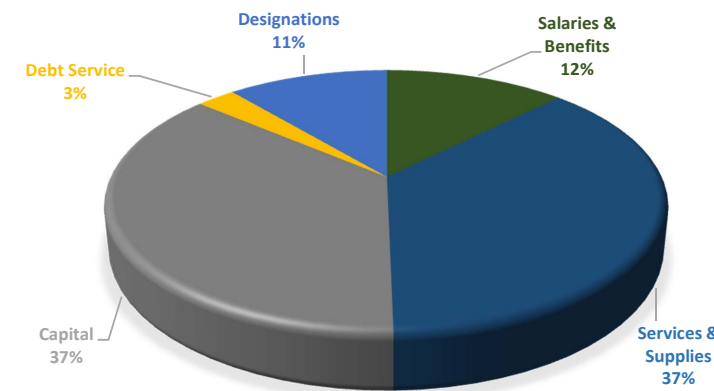
Revenue by Fund

	FY 2015-16 Actuals	FY 2016-17 Approved	FY 2017-18 Approved
405 Express Lanes	9,611	41,578	18,198
91 Express Lanes	54,961	76,560	68,906
APTA	-	-	10
ARBA Trust Fund	1,164	1,447	1,452
Commuter and Urban Rail Endowment	43,154	64,528	-
Commuter Rail	2,237	27,395	85,732
General Fund	15,730	12,387	9,757
Internal Service Fund-PL and PD	371	4,530	4,443
Internal Service Fund-Workers' Compensation	1,274	1,475	873
Local Transportation Authority Measure M2	403,541	537,494	536,065
Local Transportation Fund	157,248	161,028	162,235
Measure M2 Bond Debt Service	6,512	13,450	13,312
Orange County Taxi Administration Program	812	796	690
Orange County Transit District	171,401	166,708	156,549
Orange County Unified Transportation Trust	350	159	159
Scholarship Fund	14	18	14
Service Authority for Abandoned Vehicles	3	1	-
Service Authority for Freeway Emergencies	7,250	5,919	6,582
State Transit Assistance Fund	7,929	17,214	28,880
Transit Development Capital Project	16,394	28,789	195,916
TOTAL REVENUES BY FUND	899,956	1,161,476	1,289,773

USES OF FUNDS

The FY 2017-18 budget is built upon the program and service objectives set by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1,289.8 million. The approved appropriation plan includes \$1,147.1 million in expenditures and \$142.7 million in designations. The budget represents the Authority's ongoing commitment to deliver a quality set of transportation solutions for residents of Orange County within the revenues available.

Total Expenses & Designations: \$1.29 billion



Uses of Funds for Fiscal Years 2015-16 through 2017-18 (In Thousands)

Expense by Category

	FY 2015-16 Actuals	FY 2016-17 Approved	FY 2017-18 Approved
Salaries & Benefits	158,584	158,524	160,159
Services & Supplies	400,328	534,273	480,723
Capital	93,214	365,542	471,668
Debt Service	34,495	34,332	34,569
Designations	213,335	68,805	142,654
TOTAL EXPENSES BY TYPE	899,956	1,161,476	1,289,773

Expense by Fund

	FY 2015-16 Actuals	FY 2016-17 Approved	FY 2017-18 Approved
405 Express Lanes	8,974	39,654	17,712
91 Express Lanes	52,637	65,864	51,845
APTA	-	-	35
ARBA Trust Fund	1,164	1,447	1,452
Commuter and Urban Rail Endowment	36,349	59,344	-
Commuter Rail	2,140	27,395	106,105
General Fund	89,215	108,965	82,035
Internal Service Fund-PL and PD	7,084	7,670	8,058
Internal Service Fund-Workers' Compensation	8,793	6,838	6,249
Local Transportation Authority Measure M2	355,071	446,673	430,736
Local Transportation Fund	4,413	4,042	4,067
Measure M2 Bond Debt Service	28,793	28,794	28,794
OC Streetcar	-	-	219
Orange County Taxi Administration Program	561	541	433
Orange County Transit District	276,484	293,834	309,663
Orange County Unified Transportation Trust	23	159	159
Scholarship Fund	14	18	14
Service Authority for Abandoned Vehicles	3	1	-
Service Authority for Freeway Emergencies	6,347	6,359	6,707
State Transit Assistance Fund	4	-	-
Transit Development Capital Project	21,887	63,878	235,490
TOTAL EXPENSES BY FUND	899,956	1,161,476	1,289,773

HISTORY

OCTA is responsible for providing coordinated, effective and accountable transportation planning and public transportation services within Orange County. OCTA was established by state law and created from the consolidation of seven transportation agencies, which include:

- Orange County Transportation Commission
- Orange County Transit District
- Orange County Consolidated Transportation Services Agency
- Orange County Local Transportation Authority
- Service Authority for Freeway Emergencies
- Orange County Congestion Management Agency
- Service Authority for Abandoned Vehicles

OCTA began serving the public on June 20, 1991. The establishment of a consolidated transportation authority has saved county taxpayers tens of millions of dollars through increased efficiency and the elimination of duplication of efforts. Concurrent with these efforts, however, services and investment in transportation has increased, providing the county with a progressive, effective and comprehensive transportation system.

Governing Board

The Orange County Transportation Authority is governed by an 18-member Board of Directors consisting of five members of the Orange County Board of Supervisors, ten city council members selected by the cities in the supervisorial district in which they represent, two public members selected by the other 15 board members, and serving in a non-voting capacity is a representative appointed by the Governor of California. OCTA is managed by a Chief Executive Officer, who acts in accordance with the direction, goals, and policies articulated by the Board of Directors.

Organization

OCTA's organizational structure is comprised of eight divisions:

- Executive Office
- Finance and Administration
- Human Resources & Organizational Development
- Planning
- Capital Programs
- External Affairs
- Transit

Employees

	Approved FY 2015-16	Approved FY 2016-17	Approved FY 2017-18
Executive Office	21.0	22.5	22.5
Finance and Administration	161.0	162.0	164.0
External Affairs	47.0	48.5	47.5
Human Resources and Org. Dev.	45.0	46.0	46.0
Transit	1,060.0	1,017.5	974.5
Planning	39.0	41.0	42.0
Capital Programs	48.0	49.0	50.0
TOTAL	1,421.0	1,386.5	1,346.5