

## OVERVIEW

### FY 2017-18 Approved Budget (In Millions)

Operating budget	\$783.5
Capital budget	471.7
Long Term commitments	34.6
<b>TOTAL</b>	<b>\$1,289.8</b>

### FY 2017-18 Accomplishments

- Secured a \$629 million federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the I-405 Improvement Project, which will pay for a major portion of the \$1.9 billion total project.
- The last remaining OC Bridges railroad grade separation projects within the Regional Capacity Program (Project O), along Raymond Avenue and State College Boulevard in Fullerton, opened to the public. These are the final two of seven total grade separation projects under Project O.
- Expanded implementation of positive train control (PTC) throughout the Metrolink rail system. PTC utilizes a technical infrastructure to control and monitor the movement of trains.
- OCTA achieved several significant project development milestones related to the OC Streetcar with the approval of the FTA New Starts Engineering phase. Subsequently, OCTA completed the FTA Risk Assessment process, design plans and specifications, and the Board of Directors (Board) approved the release of invitation for bids for construction. In addition, the vehicle manufacturing and delivery procurement is nearing completion, and an operations and maintenance industry forum was held. Along the project alignment, third-party utility providers have performed the engineering and many of the necessary utility relocations are underway.
- OCTA has successfully finished the 91 Express Lanes pavement management construction project it started in the previous fiscal year. This helps to improve the 91 Express Lanes driving surface as well as increase the longevity of the pavement.
- Deployed 511 Program next-generation interactive voice response, iPhone Operating System (iOS) platform, Android platform, and Windows platform 511 application improvements, in conjunction with Los Angeles County Service Authority for Freeway Emergencies.
- Completed the acceptance process and deployment of new 40-foot and 60-foot compressed natural gas buses in fixed-route service. OCTA also obtained funding for a zero-emission bus deployment project and awarded agreements for the purchase of ten hydrogen fuel cell electric buses and construction of a hydrogen fuel station.
- Completed upgrades of Ellipse asset management software and Trapeze paratransit scheduling software.

### FY 2018-19 Approved Budget (In Millions)

Operating budget	\$764.5
Capital budget	484.8
Long Term commitments	56.6
<b>TOTAL</b>	<b>\$1,305.9</b>

## STRATEGIC PLAN FRAMEWORK

### FY 2018-19 Board Strategic Initiatives

- Deliver Capital Projects
- Maximize Funding Opportunities
- Develop Sustainable Transportation Plans
- Strengthen Regional Partnerships
- Modernize Transit Services
- Champion Fiscal Responsibility

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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## 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) 2018-19 budget for OCTA. The FY 2018-19 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 the sales tax measures administered by OCTA. The Measure M2 (M2) Program, the ½ cent voter-approved sales tax for transportation improvements, is projected to grow by 3.7 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 3.1 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 proposed budget is \$212 million to help fund freeway improvement projects on Interstate 405, Interstate 5, State Route 55, State Route 57, and State Route 91. Approximately \$171 million is budgeted to improve streets and roads, including \$61 million for the Regional Capacity Program, \$56 million to fund the Local Fair Share Program, and \$28 million for Regional Traffic Signal Synchronization. In addition, the budget also includes \$185 million for implementation of the OC Streetcar.

In FY 2018-19, the budget to support the Bus Program is \$366 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 fares will remain the same for the sixth year in a row. It is anticipated that the passage of California's Senate Bill 1 (SB 1) will provide approximately \$19 million per year to the Bus Program, which is integral for the Bus Program's long-term financial sustainability. The revenue expected from SB-1 is incorporated in the FY 2018-19 budget.

The FY 2018-19 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 E. Johnson  
Chief Executive Officer

FISCAL YEAR  
2018-19



APPROVED  
BUDGET

## PROGRAMS

### Measure M2 (M2)

On November 7, 2006, the voters of Orange County chose to extend the Measure M1 half cent sales tax for another 30 years from 2011 through 2041. M2 is designed to reduce traffic congestion and enhance overall mobility. Improvements in the plan include improving key freeways, upgrading major interchanges, and adding capacity and maintaining streets and roads. M2 allocates 43 percent of funds to freeway projects, 32 percent to streets and roads, and 25 percent to transit projects.

### 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.

### OC Streetcar

Expected to begin operations in 2021, OC Streetcar will link the Santa Ana Regional Transportation Center (SARTC), which provides regional rail, OCTA bus, and intercity and international bus services, to a new multimodal hub at Harbor Boulevard/Westminster Avenue in Garden Grove. The OC Streetcar will serve the historic downtown Santa Ana and Civic Center which includes government offices, federal, state and local courthouses, unique restaurants and shops, an artists' village, several colleges, and a variety of community enrichment organizations.

### Express Lanes

Express Lanes provide commuters with a reliable travel option compared to the adjacent general-purpose lanes. They have a variable toll rate depending on traffic demand, with the purpose of maximizing throughput in the corridor and keeping the lanes free flowing. The 91 Express Lanes is a four-lane, 18-mile toll road in Orange and Riverside counties. Located in the median of SR-91 between the State Route 55 (SR-55)/SR-91 interchange and the SR-91/I-15 interchange, the toll road is jointly managed by OCTA and the RCTC. The I-405 Express Lanes stretches from SR-55 to I-605 and is anticipated to open in the year 2023.

### Motorist Services

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. The OCTAP will sunset in December 2018.

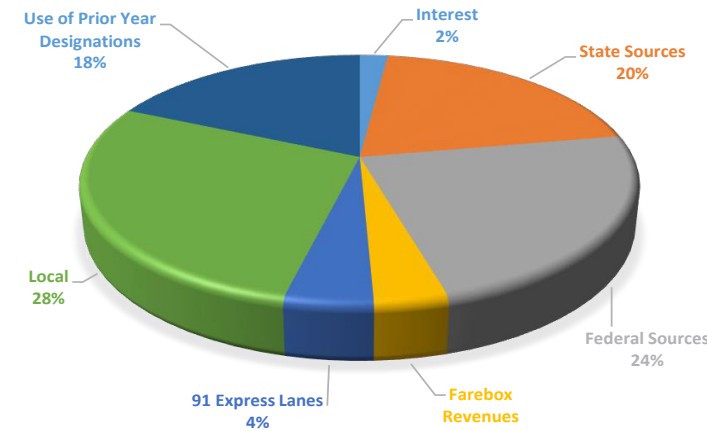
### Bus Operations

The Bus Operations program 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, seven community lines, six inter/intracounty express lines, six StationLink rail feeder lines and three 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 2018-19 OCTA will add a new Bravo line and OC Flex on demand pilot service.

## SOURCES OF FUNDS

In FY 2018-19, OCTA anticipates receiving \$1,068.1 million in revenue and \$237.8 million in use of prior year designations for a total of \$1,305.9 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: \$1.3 billion



Sources of Funds for Fiscal Years 2016-17 through 2018-19 (In Millions)

### Revenue by Category

	FY 2016-17 Actuals	FY 2017-18 Approved	FY 2018-19 Approved
Interest	15.8	21.6	25.4
State Sources	241.0	258.2	263.6
Federal Sources	197.9	338.1	307.0
Farebox Revenues	47.4	47.8	48.0
91 Express Lanes	56.3	46.7	57.7
Local	357.3	344.7	366.4
Use of Prior Year Designations	1,117.8	232.6	237.8
<b>TOTAL REVENUES BY TYPE</b>	<b>2,033.7</b>	<b>1,289.8</b>	<b>1,305.9</b>

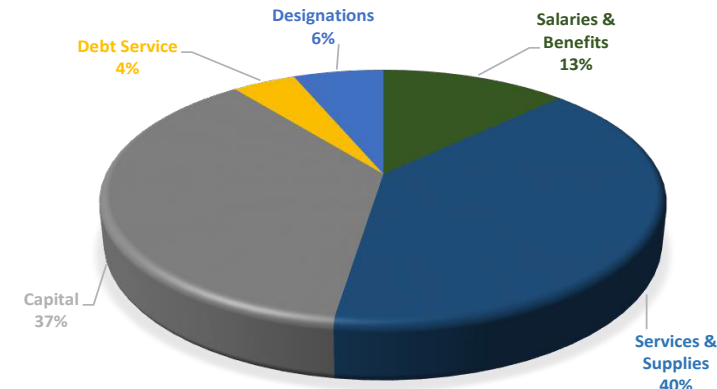
### Revenue by Fund

	FY 2016-17 Actuals	FY 2017-18 Approved	FY 2018-19 Approved
405 Express Lanes	281.5	18.2	73.9
91 Express Lanes	63.3	68.9	75.5
APTA	-	0.0	0.0
ARBA Trust Fund	2.5	1.5	2.8
Commuter and Urban Rail Endowment	29.1	-	-
Commuter Rail	15.7	85.7	75.7
General Fund	7.3	9.8	12.4
Internal Service Fund-PL and PD	0.3	4.4	5.8
Internal Service Fund-Workers' Compensation	0.7	0.9	1.0
Local Transportation Authority Measure M2	1,178.0	536.1	526.5
Local Transportation Fund	155.1	162.2	170.9
Measure M2 Bond Debt Service	8.9	13.3	13.5
Orange County Taxi Administration Program	0.7	0.7	0.3
Orange County Transit District	237.4	156.5	161.0
Orange County Unified Transportation Trust	0.1	0.2	0.2
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	8.3	6.6	7.0
State Transit Assistance Fund	22.6	28.9	35.6
Transit Development Capital Project	22.0	195.9	143.7
<b>TOTAL REVENUES BY FUND</b>	<b>2,033.7</b>	<b>1,289.8</b>	<b>1,305.9</b>

## USES OF FUNDS

The FY 2018-19 budget is built upon the program and service objectives set by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1,305.9 million. The approved appropriation plan includes \$1,225.6 million in expenditures and \$80.3 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: \$1.3 billion



Uses of Funds for Fiscal Years 2016-17 through 2018-19 (In Millions)

### Expense by Category

	FY 2016-17 Actuals	FY 2017-18 Approved	FY 2018-19 Approved
Salaries & Benefits	154.5	160.2	166.0
Services & Supplies	429.4	480.7	518.1
Capital	1,274.9	471.7	484.8
Debt Service	34.3	34.6	56.6
Designations	140.5	142.7	80.3
<b>TOTAL EXPENSES BY TYPE</b>	<b>2,033.7</b>	<b>1,289.8</b>	<b>1,305.9</b>

### Expense by Fund

	FY 2016-17 Actuals	FY 2017-18 Approved	FY 2018-19 Approved
405 Express Lanes	280.7	17.7	71.9
91 Express Lanes	60.5	51.8	58.3
APTA	-	0.0	0.0
ARBA Trust Fund	2.5	1.5	2.8
Commuter and Urban Rail Endowment	37.2	-	-
Commuter Rail	0.5	106.1	97.0
General Fund	87.4	82.0	91.8
Internal Service Fund-PL and PD	2.1	8.1	10.4
Internal Service Fund-Workers' Compensation	6.6	6.2	6.8
Local Transportation Authority Measure M2	1,132.8	430.7	413.9
Local Transportation Fund	6.2	4.1	4.6
Measure M2 Bond Debt Service	30.5	28.8	44.4
OC Streetcar	-	0.2	0.1
Orange County Taxi Administration Program	0.5	0.4	0.2
Orange County Transit District	355.4	309.7	311.9
Orange County Unified Transportation Trust	0.0	0.2	0.2
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	9.3	6.7	7.5
State Transit Assistance Fund	0.0	-	-
Transit Development Capital Project	21.4	235.5	184.3
<b>TOTAL EXPENSES BY FUND</b>	<b>2,033.7</b>	<b>1,289.8</b>	<b>1,305.9</b>

## 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

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 seven divisions:

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

### Employees

	FY 2016-17 Approved	FY 2017-18 Approved	FY 2018-19 Approved
Executive Office	25.5	25.5	30.0
Finance and Administration	157.0	160.0	160.0
External Affairs	46.5	45.5	44.5
Human Resources and Org. Dev.	48.0	47.0	49.0
Operations	1,028.5	986.5	991.5
Planning	41.0	42.0	43.0
Capital Programs	40.0	40.0	35.0
<b>TOTAL</b>	<b>1,386.5</b>	<b>1,346.5</b>	<b>1,353.0</b>