

Public Hearing on
Orange County Transportation
Authority's Fiscal Year 2017-18
Budget and Personnel and Salary
Resolution

Budget Themes



- Budget in accordance with the Chair and CEO goals
- Sales tax revenue assumption consistent with Board-approved sales tax forecasting methodology
- Incorporate impacts of transportation Senate Bill 1 (SB-1)
- Budget in accordance with the objectives of Next 10 Plan
- Bus program budget is consistent with objectives of OC Bus 360°
- OCTAP model is unsustainable
- Budget is balanced

Budget Initiatives & Challenges



Initiatives

- Measure M2
 - Continued funding for project delivery of the freeway, streets and roads, and transit modes
 - Major Capital projects include
 - OC Streetcar
 - 405 Improvement Project
 - I-5 Improvement Project
 - SR-55 Improvement Project
- Bus Program
 - OC Bus 360° is ongoing
 - Bus system productivity improvements
 - Transit Master Plan

Challenges

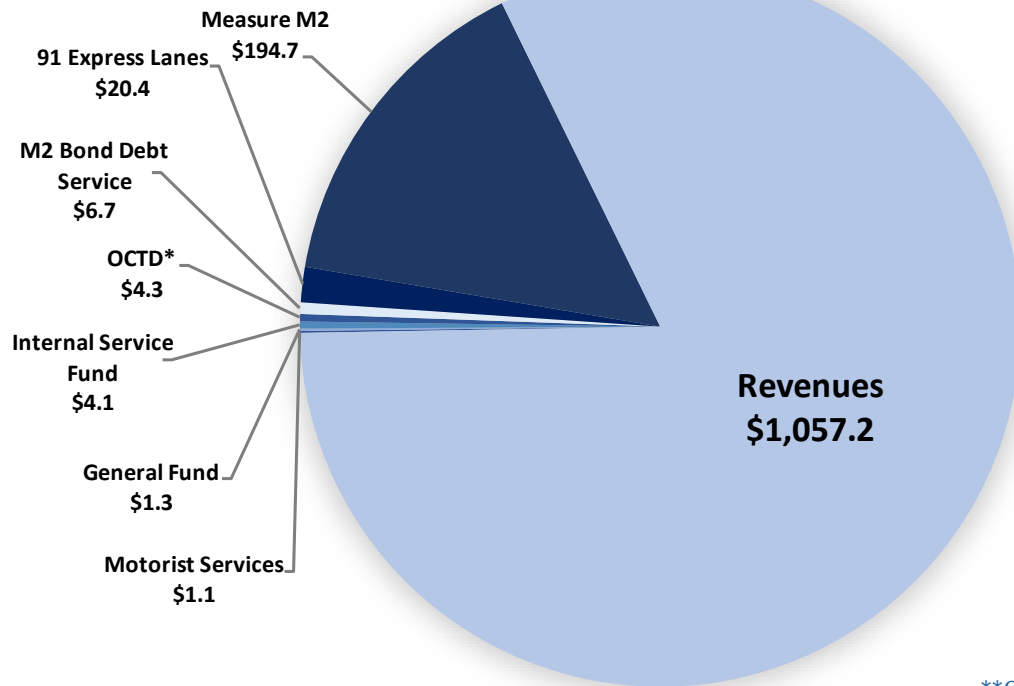
- Measure M2
 - External funding uncertainties
 - Continued pressure on costs
 - LTA not meeting projections
- Bus Program
 - \$20 million funding gap erased by the impacts of SB-1
 - Assumes current ridership trends and a corresponding decrease in fare revenues
 - LTF not meeting projections

Budget Overview



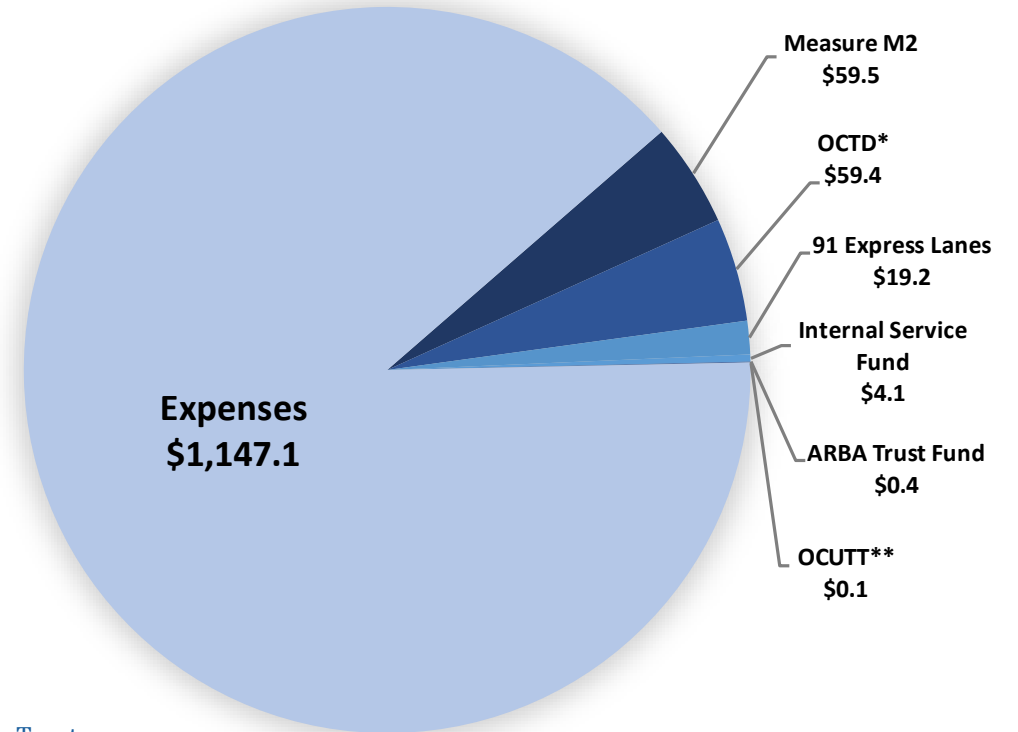
Source of Funds \$1,289.8 million

Use of Prior Year
Designations
\$232.6 million



Use of Funds \$1,289.8 million

Designations
\$142.7 million



*Orange County Transit District
**Orange County Unified Transportation Trust

Budget Sources & Uses



In Millions Sources	FY 2016-17	FY 2017-18	Change	
	Approved Budget	Proposed Budget	\$	%
Revenues	\$ 972.2	\$ 1,057.2	\$ 85.0	8.7%
Use of Prior Year Designations	189.3	232.6	43.3	22.9%
Total Revenue / Use of Designations	\$ 1,161.5	\$ 1,289.8	\$ 128.3	11.0%
Uses				
Salaries and Benefits	\$ 157.1	\$ 158.8	\$ 1.7	1.1%
LOSSAN Salaries and Benefits	1.5	1.4	(0.1)	-6.7%
Services and Supplies	330.9	294.7	(36.2)	-10.9%
Contributions to Other Agencies	203.4	185.9	(17.5)	-8.6%
Interest/Debt Service	34.3	34.6	0.3	0.9%
Capital	365.5	471.7	106.2	29.1%
Designations	68.8	142.7	73.9	107.4%
Total Expenditures / Designations	\$ 1,161.5	\$ 1,289.8	\$ 128.3	11.0%

Budget Adjustments - Uses



In Millions

Uses

Amount

Services and Supplies

Metrolink Operating Subsidy	\$ 0.6
405 Improvement Project TIFIA Letter of Credit	2.9
405 Improvement Project Construction Management	(11.7)
405 Improvement Project (Express Lanes) Construction Management	(3.9)

Capital

405 Improvement Project Construction Management	11.7
405 Improvement Project (Express Lanes) Construction Management	3.9

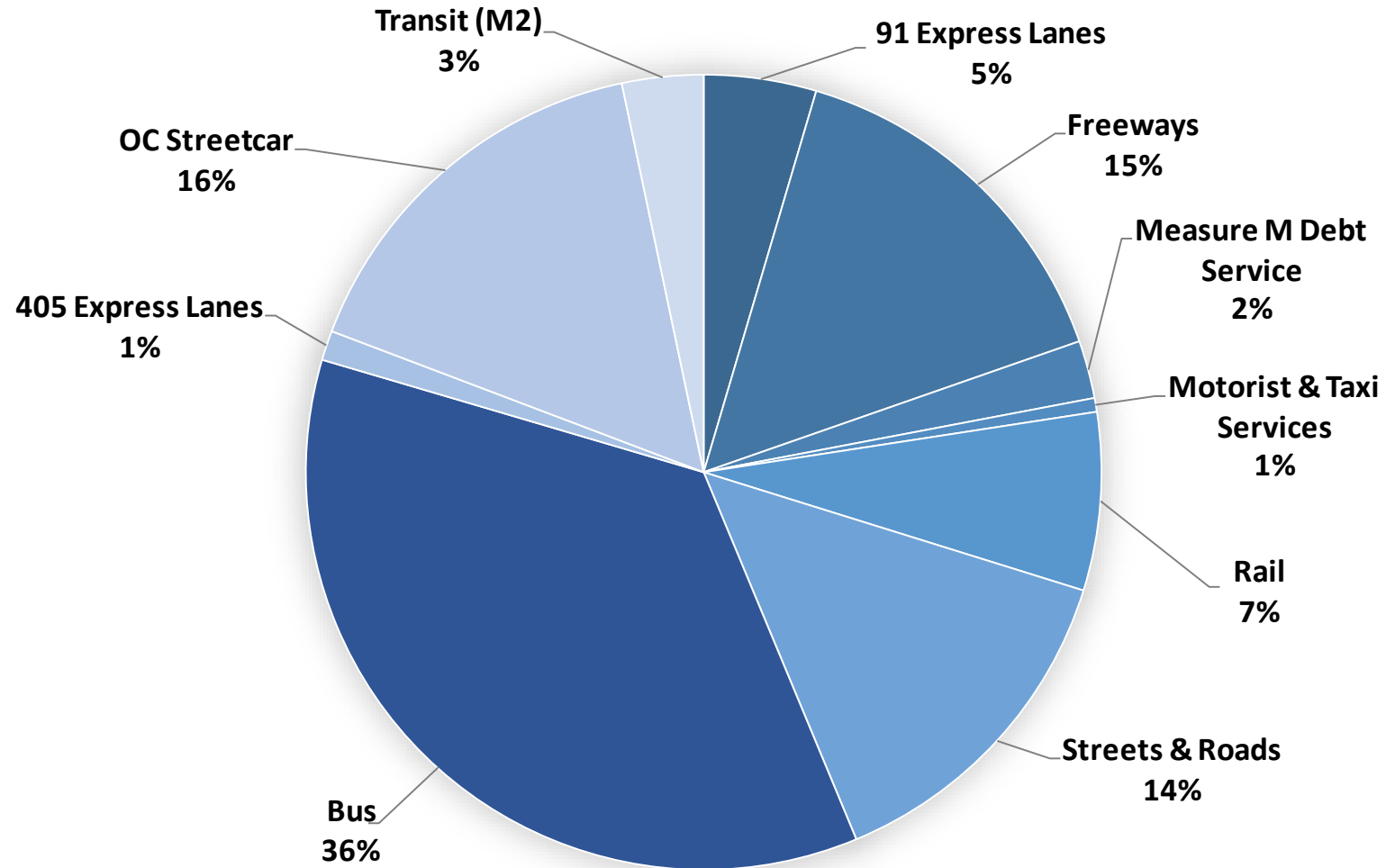
Designations

Measure M2	(2.9)
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Total Expenditures / Designations

\$ 0.6

Total Budget by Program



Staffing Levels



OCTA Staffing	FY 2016-17 FTE	FY 2017-18 FTE	FY 2017-18 New Hires	FY 2017-18 Reductions	Difference
Administrative	489.5	486.5	1.0	(4.0)	(3.0)
Union	888.0	851.0	-	(37.0)	(37.0)
Coach Operators	680.0	643.0	-	(37.0)	(37.0)
Maintenance	171.0	171.0	-	-	-
Facility Technicians and Parts Clerks	37.0	37.0	-	-	-
OCTA Positions	1,377.5	1,337.5	1.0	(41.0)	(40.0)
LOSSAN	9.0	9.0			-
Total Authority Positions	1,386.5	1,346.5	1.0	(41.0)	(40.0)

Employee Compensation Assumptions



- Administrative Employees
 - Non-represented employees
 - Employees governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
 - Continue pay-for-performance program
 - No automatic step increases or Cost-of-Living Adjustments (COLA)
 - Subject to annual performance review

Personnel and Salary Resolution



- Board-approved action for administrative employees to pay 100 percent of employee share of OCERS began January 1, 2017
 - This provides an estimated savings of \$5 million per year
- Salary range adjustment of 2 percent
 - 3 employees would receive salary increases
- Position reclassifications based on market analysis
- Deferred compensation employer-paid matching contribution adjustments
- Personal paid holidays to change from 5 days to 6 days, with no change to fixed holidays
- Special performance award pool of 3 percent
- Merit pool of 3.5 percent

Recommendations



- Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2017-18 budget
- Approve the Personnel and Salary Resolution for Fiscal Year 2017-18
- Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements
- Approve fiscal year 2017-18 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority in an amount up to \$28,238,881, including authorization of Federal Transit Administration funds, in the amount of \$6,000,000 to be drawn down directly by SCRRA. In addition, capital rehabilitation in the amount of \$7,344,982, offset by \$6,059,016 in Rotem repayment, the balance includes Federal Transit Administration authorization and will be drawn down directly by SCRRA