

OVERVIEW

FY 2019-20 Approved Budget (In Millions)

Operating budget	\$798.4
Capital budget	667.8
Long Term commitments	59.0
TOTAL	\$1,525.2

FY 2019-20 Accomplishments

- Contract awarded and began construction on the first segment of the Interstate 5 (I-5) project from State Round 73 (SR-73) to El Toro Road (Projects C and D), one of the M2 Program's major projects. The total project includes one new northbound and southbound general-purpose lane, and reconstruction of the Avery Parkway interchange. Additional capacity and operational improvements include re-establishing existing auxiliary lanes and modifying on- and off-ramps.
- The Regional Capacity Program (Project O) enabled OCTA to release the 2020 Call for Projects for \$32 million, programming approximately \$24 million for this competitive grant program. This funding is available to local agencies for additional road improvements throughout Orange County. Since 2011, over 130 projects totaling more than \$290 million have been awarded by OCTA.
- Weekday trips expanded on the Orange County Line and 91/Perris Valley Line to a total of 58 weekday trips and 74 total trips including weekends.
- Construction activities underway on the OC Streetcar, with the focus of construction on the maintenance and storage facility, storm drain, sewer, and water system relocations within the City of Santa Ana.
- The 91 Express Lanes network transitioned to 6C technology successfully, by issuing new 6C sticker transponders and adding upgraded toll-reader technology, to toll gantries in compliance with new California Toll Operators Committee (CTOC) standards.
- Re-opened the first of 18 new freeway overcrossings at Slater Avenue in Fountain Valley as part of the I-405 Improvement Project. The road was closed to traffic throughout the process and fully demolished and reconstructed in less than a year.
- Debuted nation's largest Hydrogen Fueling Station and integrated hydrogen-fueled buses into the OC Bus active fleet.

FY 2020-21 Approved Budget (In Millions)

Operating budget	\$811.6
Capital budget	549.9
Long Term commitments	66.1
TOTAL	\$1,427.6

STRATEGIC PLAN FRAMEWORK

FY 2020-21 Board Strategic Initiatives

- Comprehensive Mobility Solutions
- Regional Leadership and Public Transparency
- Resiliency, Sustainability, and Innovation
- Fiscal Accountability
- Organizational Excellence

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.

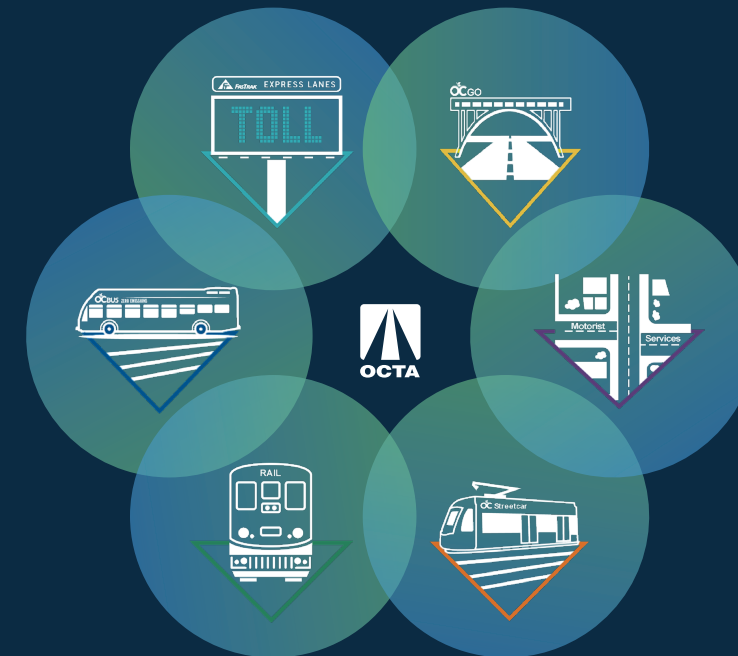
OCTA Values

- 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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APPROVED BUDGET FISCAL YEAR 2020-21



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) 2020-21 budget for OCTA. The FY 2020-21 budget is balanced \$1.43 billion and commits the necessary resources to deliver on OCTA's promises to Orange County.

In Orange County, we join with those locally, nationally, and globally in dealing with the effects of the coronavirus (COVID-19) pandemic. Not only did COVID-19 impact the current fiscal year, but it is anticipated to cross over into FY 2020-21.

OCTA anticipates sales tax revenue will decline by 33 percent in the fourth quarter of FY 2019-20. The FY 2020-21 budget includes an additional 6.6 percent decline in the Measure M2 (M2) Program, the ½ cent voter-approved sales tax for transportation improvements and a 7.1 percent decline in the Local Transportation Fund (LTF), the ¼ cent sales tax, which funds approximately 50 percent of the Bus Program's operating expenditures. In addition, the FY 2020-21 budget provides a baseline of projects and services in Orange County, with the ability to step-up or step-down expenses based on the timing of the recovery.

Under the M2 Program, improvements to freeways, streets and roads throughout Orange County, as well as multiple transit programs will continue. Included in the proposed budget is \$417.7 million to fund freeway improvement projects and approximately \$145.8 million is budgeted to improve streets and roads. The budget also includes \$59.9 million for M2 Transit, including \$31.6 million for ongoing construction of the OC Streetcar.

Bus Program revenues are expected to decline in the next budget year. However, funds from the recently approved Coronavirus Aid, Relief, and Economic Security (CARES) Act will be used to fill in for bus revenue shortfalls and restore service levels up to pre-COVID-19 levels. The FY 2020-21 budget includes up to 1.63 million revenue hours, which is the same level of service provided in the current budget. While the budget will include the necessary resources to quickly pivot to pre-COVID-19 service levels, actual service restoration will occur in a thoughtful manner with public health and ridership demand being the primary considerations. The CARES Act will also provide OCTA with the ability to take a similar approach to commuter rail services funded by OCTA and operated by Metrolink.

The COVID-19 pandemic has not only caused the economy to slow but has resulted in severe traffic declines for the 91 Express Lanes Program. The 91 Express Lanes anticipates trips to decrease from 17.5 million trips in FY 2019-20 budget to 10.9 million in the FY 2020-21 budget.

The FY 2020-21 budget demonstrates OCTA's responsibility to the community in providing an effective and efficient multi-modal transportation network for those workers providing essential services to the community and keeping the residents of Orange County safe.

Sincerely,

Darrell E. Johnson
Chief Executive Officer

ORANGE COUNTY TRANSPORTATION
AUTHORITY

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. Measure M2 (M2), administered by the Orange County Transportation Authority (OCTA), will generate billions of dollars to improve transportation in Orange County. M2 is designed to reduce traffic congestion and enhance overall mobility. Improvements in the plan include improving key freeways, upgrading major interchanges, adding capacity, and maintaining streets and roads.

Rail

Rail service for Orange County Transportation Authority 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 2022, 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 2023.

Motorist Services

Motorist Services includes the Service Authority for Freeway Emergencies Program (SAFE), and the Orange County Taxi Administration Program (OCTAP). The SAFE Program is comprised of Freeway Services Patrol (FSP), Call Box Network, and Orange County 511 Service, all designed and operated to assist motorists on Orange County's network of freeways. OCTAP is responsible for regulating all taxicab companies, vehicles, and drivers operating in Orange County.

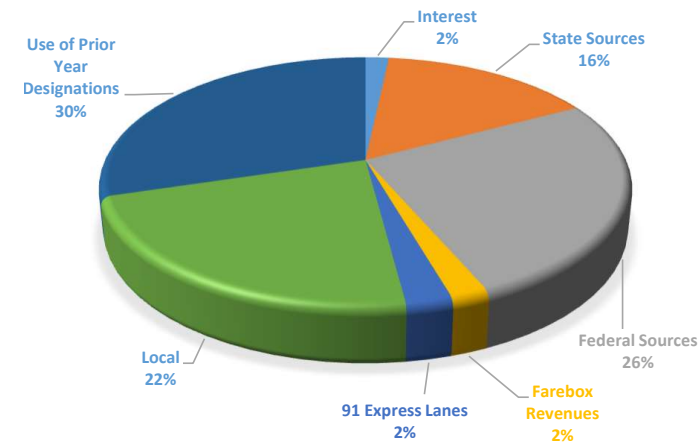
Bus Operations

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 39 local lines, eight community lines, five inter/intracounty express lines, five StationLink rail feeder lines, and one temporary city shuttles line. 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.

SOURCES OF FUNDS

In FY 2020-21, OCTA anticipates receiving \$1,004.2 million in revenue and \$423.4 million in use of prior year designations for a total of \$1,427.6 million in available funding for all programs and projects. A large portion of the revenue is derived from the M2 ½ cent sales tax (Local Transportation Authority) and Transportation Development Act ¼ cent sales tax.

Total Revenues & Reserves: \$1.43 billion



Sources of Funds for Fiscal Years 2018-19 through 2020-21 (In Millions)

Revenue by Category

	FY 2018-19 Actuals	FY 2019-20 Approved	FY 2020-21 Approved
Interest	74.4	49.9	24.2
State Sources	267.0	295.7	222.2
Federal Sources	133.3	328.4	374.3
Farebox Revenues	44.7	47.9	28.4
91 Express Lanes	57.7	60.5	35.0
Local	824.4	377.3	320.2
Use of Prior Year Designations	351.8	365.4	423.4
TOTAL REVENUES BY TYPE	1,753.4	1,525.2	1,427.6

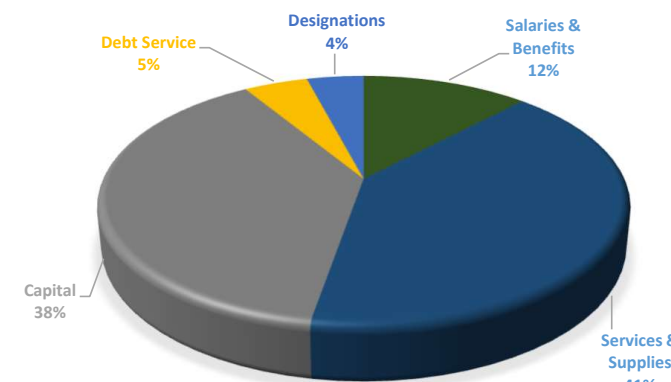
Revenue by Fund

	FY 2018-19 Actuals	FY 2019-20 Approved	FY 2020-21 Approved
405 Express Lanes	95.5	65.5	70.5
91 Express Lanes	66.4	116.2	82.0
APTA	-	-	-
ARBA Trust Fund	2.0	2.0	1.3
Commuter and Urban Rail Endowment	4.6	-	-
Commuter Rail	22.7	62.4	49.6
General Fund	11.0	17.6	15.1
Internal Service Fund-PL and PD	0.8	0.5	0.5
Internal Service Fund-Workers' Compensation	1.5	1.2	1.1
Local Transportation Authority Measure M2	862.0	621.7	678.9
Local Transportation Fund	180.9	176.7	145.8
Measure M2 Bond Debt Service	6.8	6.0	5.5
Orange County Taxi Administration Program	0.6	0.4	0.4
Orange County Transit District	183.2	383.2	325.8
Orange County Unified Transportation Trust	0.8	0.2	0.9
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	7.4	8.2	6.9
State Transit Assistance Fund	42.9	46.8	28.0
Transit Development Capital Project	264.5	16.5	15.2
TOTAL REVENUES BY FUND	1,753.4	1,525.2	1,427.6

USES OF FUNDS

The FY 2020-21 budget is built upon the program and service objectives set by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1,427.6 million. The approved appropriation plan includes \$1,368.8 million in expenditures and \$58.8 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: \$1.43 billion



Uses of Funds for Fiscal Years 2018-19 through 2020-21 (In Millions)

Expense by Category

	FY 2018-19 Actuals	FY 2019-20 Approved	FY 2020-21 Approved
Salaries & Benefits	167.2	172.4	172.6
Services & Supplies	411.8	543.4	580.2
Capital	420.3	667.8	549.9
Debt Service	40.5	59.0	66.1
Designations	713.7	82.7	58.8
TOTAL EXPENSES BY TYPE	1,753.4	1,525.2	1,427.6

Expense by Fund

	FY 2018-19 Actuals	FY 2019-20 Approved	FY 2020-21 Approved
405 Express Lanes	23.9	62.2	67.0
91 Express Lanes	62.9	62.7	37.2
APTA	0.0	0.0	0.0
ARBA Trust Fund	2.0	2.0	1.3
Commuter and Urban Rail Endowment	4.6	-	-
Commuter Rail	136.1	83.8	67.3
General Fund	81.3	100.5	99.6
Internal Service Fund-PL and PD	3.3	3.8	5.1
Internal Service Fund-Workers' Compensation	7.8	6.2	10.1
Local Transportation Authority Measure M2	718.8	547.9	598.0
Local Transportation Fund	8.5	4.7	3.6
Measure M2 Bond Debt Service	41.7	44.1	43.8
OC Streetcar	0.0	0.0	0.3
Orange County Taxi Administration Program	0.4	0.2	0.2
Orange County Transit District	355.1	549.8	440.7
Orange County Unified Transportation Trust	0.8	0.2	0.9
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	6.5	8.3	8.7
State Transit Assistance Fund	0.0	-	-
Transit Development Capital Project	299.8	48.8	43.9
TOTAL EXPENSES BY FUND	1,753.4	1,525.2	1,427.6

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 2018-19 Approved	FY 2019-20 Approved	FY 2020-21 Approved
Executive Office	30.0	30.0	30.0
Finance and Administration	160.0	160.0	160.0
External Affairs	36.0	35.0	35.0
Human Resources and Org. Dev.	49.0	50.0	50.0
Operations	991.5	985.0	985.0
Government Relations	8.5	9.5	9.5
Planning	43.0	43.0	43.0
Capital Programs	35.0	34.0	34.0
TOTAL	1,353.0	1,346.5	1,346.5