



# Fiscal Year 2009-10 Proposed Budget Public Hearing



## Board of Directors' Meeting June 8, 2009



# Budget Process



Development, Analysis and Recommendations	January - April
Finance and Administration Committee Briefings	January 28, March 11, April 8
Budget Workshop	May 11
Committee Presentations	May 12 - June 5
Public Hearing	June 8

# Balanced Budget



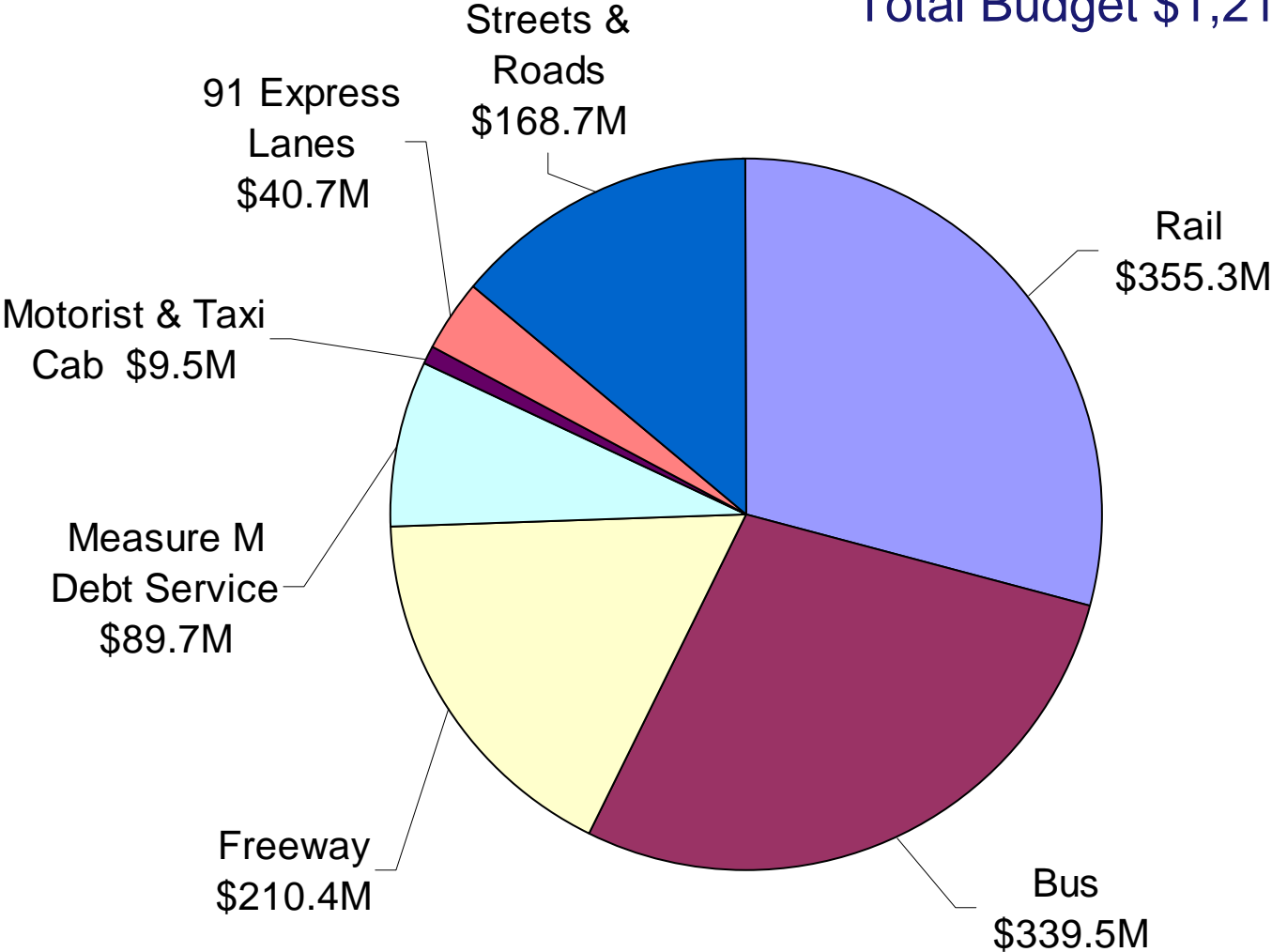
In Millions

	<b>FY 2009-10 Original Budget</b>	<b>FY 2009-10 Revised Budget</b>
<b>Revenue / Reserves</b>		
Revenues	\$ 741.7	\$ 708.2
Reserve Utilization	456.7	505.6
<b>Total Revenue/Reserves</b>	<b>\$ 1,198.4</b>	<b>\$ 1,213.8</b>
<b>Expenditures / Designations</b>		
Salaries and Benefits	\$ 153.2	\$ 153.2
Services and Supplies	749.6	775.1
Capital Expenditures	273.7	266.0
Designations	21.9	19.5
<b>Total Expenditures/Designations</b>	<b>\$ 1,198.4</b>	<b>\$ 1,213.8</b>

# Budget by Program



Total Budget \$1,213.8 Million



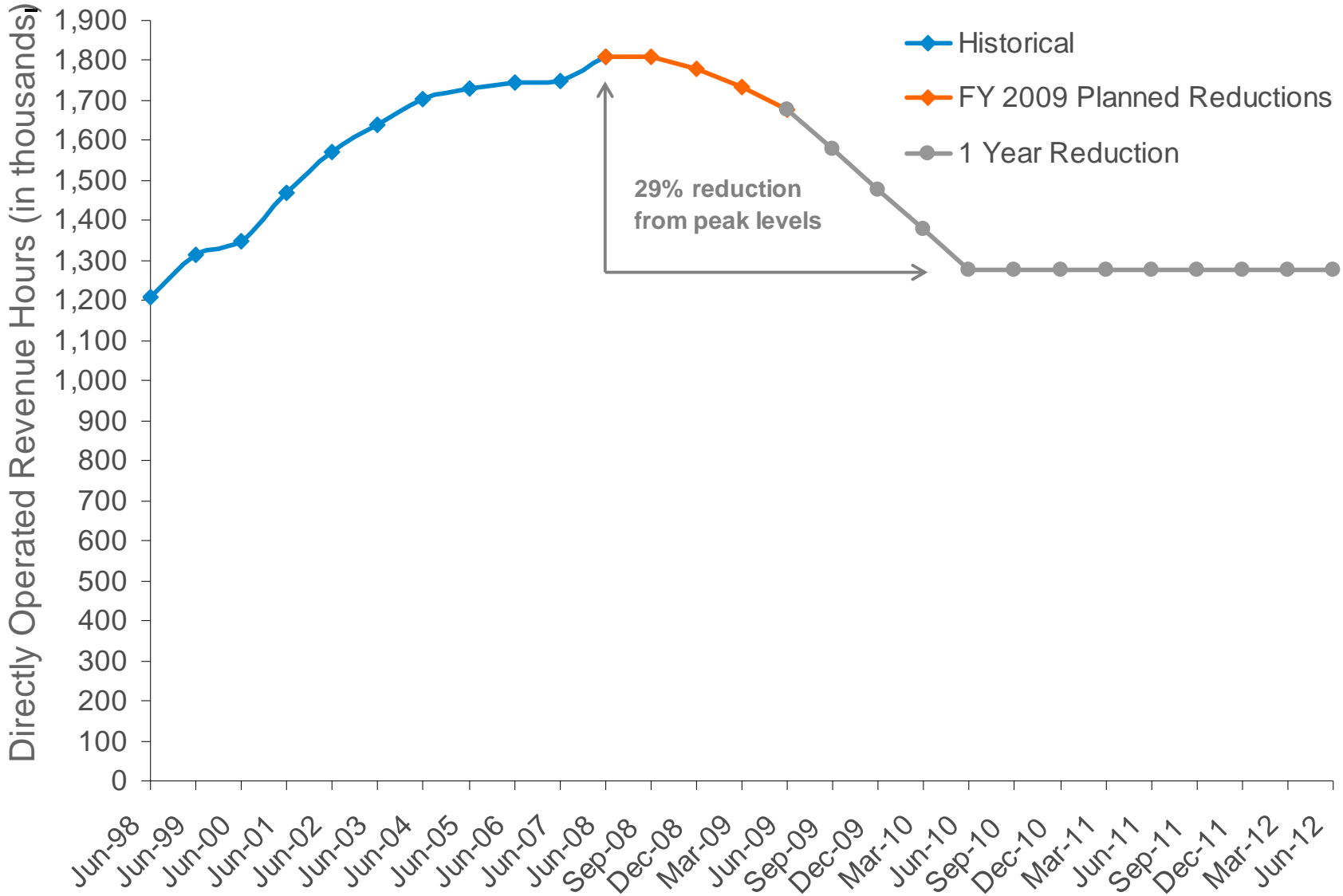
## Challenges

- Elimination of State Transit Assistance Fund
- Decrease in sales tax by 4.3% (Budget-to-budget reduction of 20%)
- Alternative Fuel Credit expires December 2009
- ACCESS paratransit contract cost increase

## Assumptions

- Federal Stimulus funding applied
- Increased flexibility of federal funds for both capital and operating
- Service reductions
  - 133 K revenue hours in Fiscal Year 2009 (Represents 7% reduction)
  - Equivalent of 400 K revenue hours planned in Fiscal Year 2010 (Represents 22% reduction)
- Bus rapid transit to be launched June 2010
- Fuel price assumptions
- Reduced Divisional budgets; administrative hiring / wage freezes
- Reprogrammed Bikeway & Pedestrian Facilities for bus operations

# Fixed Route Service Levels



## Challenges

- Measure M funds down
  - M1 - \$54 million less than projected
  - M2 - 38% less than originally anticipated over 30 years
  - Service expansion plans need revisiting
- Deferred Metrolink fare increase means pressure to increase subsidies
- Construction challenges for grade crossings, quiet zones, track projects

## Assumptions

- Prop 116 for ARTIC, Fullerton & Tustin parking, track expansion, Sand Canyon grade crossing
- ARTIC environmental & design continuing
- High speed rail corridor development activities increase
- Go Local Phase 2 work continues

## Challenges

- Measure M1 and M2 sales tax projections down
- M1 un-programmed balance down to \$700,000
- M1 funds for ROW and engineering on SR-57 at risk (\$22 million)
- Proposition 1B Corridor Mobility Improvement Account (CMIA) availability uncertain

## Assumptions

- I-5 Gateway project nearing completion
- 5 other projects in construction in fiscal year 2009-10
  - SR-57 northbound lanes (2 projects)
  - SR-22/I-405/I-605 West County Connectors (2 projects)
  - SR-91 eastbound lane (1 project)
- Budget supports close to \$150 million of externally funded freeway projects
- M2 Early Action Plan needs revisiting



# 91 Express Lanes: Challenges & Assumptions



## Challenges

- Decrease in traffic volumes and toll revenues
- Potential internal borrowing repayment delay
- Impacts to operations from 91 construction
- 91 Express Lanes extension into Riverside County
- Lehman swap termination uncertainty

## Assumptions

- Revenues
  - Toll and non-toll revenues represent annualized amount using first six months of actuals for fiscal year 2008-09
- Expenditures
  - Operations
    - Tollroad Operator
  - Capital
    - Entrance and Exit Readers
    - Variable Message Signs

# Motorist & Taxi Cab Program: Challenges & Assumptions



## Challenges

- Flat revenue for freeway service patrol and abandoned vehicle program

## Assumptions

- \$1.00 fee on vehicle registration grows 1.2%-1.5%
- Service Authority for Freeway Emergencies revenues \$2.6 million
- Service Authority for Abandoned Vehicles revenues \$2.6 million
  - Distributed 50% population, 50% abatement
- Freeway Service Patrol revenues \$3 million
  - Freeway service patrol levels constant
- 511 to be implemented in fiscal year 2009-10
- Taxi program revenues recover 100% of expenses



# Revisit Budget Assumptions



- Sales Tax Revenue
- Ridership
- Passenger Fares
- Union Negotiations
- Fuel Tax Credit
- OCERS
- Federal Reauthorization
- State Budget Issues
  - Property Tax
  - Gas Tax Subvention to cities and counties
  - Suspension of Proposition 42

# Personnel and Salary Resolution



<b>Administrative Programs</b>	<b>Estimated Cost Savings</b>
Merit, Interim, and Performance Awards - 0%.	<b>\$ 3,494,259</b>
19 Frozen Administrative positions	<b>2,001,326</b>
Contracted Staff/Temporary Help/Interns	<b>387,068</b>
One less Personal Paid Holiday (PPH) day (total PPH reduced from 11 to 10)	<b>180,000</b>
Computer purchase reimbursement program on hold	<b>102,000</b>
Management physicals program on hold (Salary grade V and above)	<b>37,500</b>
Rideshare - Metrolink riders will have the option of receiving a RAD day or ticket reimbursement, but cannot receive both incentives	<b>59,113</b>
Employees in Grades V and above will take one furlough day	<b>56,000</b>
Employees in Grades V and above are required to contribute to the Deferred Compensation program in order to receive the OCTA employer paid 2% contribution. (No cost savings associated with this change)	<b>-</b>
<b>Estimated Annual Savings:</b>	<b><u>\$ 6,317,266</u></b>
<b>Position Equivalent Savings:</b>	<b>57</b>



# Recommendations



- Approve the FY 2009-10 budget
- Approve changes to the Personnel and Salary Resolution (PSR)
- Authorize the Purchasing Agent to execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements

