

OVERVIEW

FY 2014-15 Approved Budget

Operating budget	\$788,244
Capital budget	301,387
Long Term commitments	34,814
TOTAL	\$1,022,535

FY 2014-15 Accomplishments

- Completed construction of three projects to widen northbound State Route 57 (SR-57) between Katella Avenue and Lambert Road.
- Completed construction on the two West County Connector projects which add carpool lane connectors between State Route 22 and I-405, and I-405 and Interstate 605 (I-605).
- Completed construction of the Sand Canyon Avenue, Placentia Avenue and Kraemer Boulevard railroad grade separations.
- Delivered ten signal synchronization projects on behalf of multiple cities that resulted in significant travel time improvements for approximately 98 miles of arterials and 343 signalized intersections.
- Awarded approximately \$67 million in federal and M2 funding to cities and County of Orange for pavement preservation and rehabilitation, arterial congestion relief, and signal synchronization projects.
- Worked with local agencies to secure \$21 million in state and federal funds for 28 active transportation grants for bicycle and pedestrian trails, the OC Loop, safety outreach and education programs, and planning projects, to improve Orange County resident's overall mobility options.
- Successfully developed over \$156 million in grant requests from a variety of federal, state, and local sources. Of these requests \$28 million were pursued through competitive grant programs. Over \$131 million in grants have been awarded for fiscal year 2014-15.
- Successfully transitioned an additional 5.8 percent of fixed-route service from directly-operated fixed route to contracted operations reaching 33.6 percent of total bus service to maintain financial sustainability.
- Delivered a mobile ticketing solution for the 2014 OC Fair Express and provided enhanced service to the OC Fair, setting a new ridership record.
- Realized negotiated savings on multiple contracts in the amount of \$9,786,090 during the first six months in fiscal year 2015.

FY 2015-16 Approved Budget

Operating budget	\$751,474
Capital budget	236,521
Long Term commitments	34,540
TOTAL	\$1,022,535

FY 2015-16 Board Strategic Initiatives

- Deliver capital projects
- Advance reliable and modern transportation options
- Collaborate with local, regional, and state partners
- Expand public awareness of OCTA programs/projects
- Benchmark ongoing OCTA programs
- Seek solutions in support of transportation investments
- Pursue innovative sustainability initiatives
- Promote active transportation
- Lead as the workplace of choice
- Streamline business systems to improve operations

STRATEGIC PLAN FRAMEWORK

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:

In accordance with the Board Strategic Initiatives and Chief Executive Officer Initiatives, I present to you the fiscal year (FY) 2015-16 budget for OCTA. The FY 2015-16 budget is balanced at \$1 billion and is in alignment with OCTA's vision, mission and values. Furthermore, this budget is a reflection of OCTA's commitment to the residents of Orange County to be responsible stewards of taxpayer dollars.

OCTA will continue to honor the commitment made to the residents of Orange County when they approved Measure M2. Approximately \$448.8 million in Measure M2 funds are budgeted to improve transportation within Orange County. These funds will provide improvements to freeways and streets and roads throughout Orange County, as well as fund rail and transit programs. These funds include \$129.2 million to make improvements primarily along Interstate 405, Interstate 5, State Route 55, State Route 57, and State Route 91. Approximately \$187.2 million is budgeted to improve streets and roads, including \$68.3 million to continue the OC Bridges project. An additional \$60.7 million is included to fund transit programs, including the OC Streetcar (\$39.7 million) project.

Total fixed-route service levels for bus operations will be sustained at 1.6 million service hours. In FY 2015-16, fixed-route boarding levels are assumed to remain flat in alignment with year-end projections. Included in the budget are efforts to address ridership and promote fixed-route service while continuing to maintain efficient operations. The budget includes continuing to convert a portion of directly operated fixed-route service to a contracted service provider commensurate with coach operator attrition. It is anticipated that 93,761 revenue hours will be converted during the FY, which would result in approximately 39 percent of fixed-route service being operated by the contracted service provider by the end of FY 2015-16.

The FY 2015-16 budget demonstrates OCTA's continued commitment to create an integrated and balanced transportation system by developing and delivering transportation solutions to enhance the quality of life and keep Orange County moving.

Sincerely,

Darrell Johnson
Chief Executive Officer

2015-16 APPROVED BUDGET

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. This fiscal year will mark the fifth full year of sales tax collections for the approximately \$14.7 billion M2 program. Projects in this fiscal year include: O.C. Bridges, 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 40 local lines, 14 community lines, 10 inter/intracounty express lines, 12 StationLink rail feeder lines and 1 BRT 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. OCTA staff recommends sustaining existing service levels of 1.6 million revenue hours during FY 2015-16. The plan to convert a portion of directly operated fixed route service commensurate with coach operator attrition will continue with approximately 93,761 revenue hours being converted during the year. By the end of the year, approximately 39.4% of fixed-route service will be operated by the contracted service provider.

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 pavement rehabilitation and a congestion 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. Programs within rail service include the Go Local Program and improvements to rail facilities.

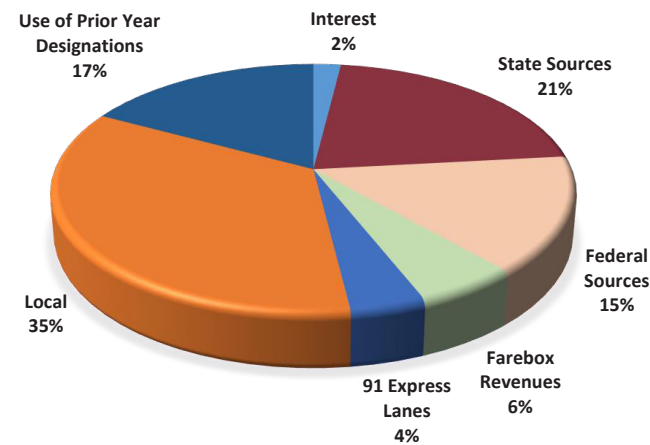
Motorist Services Program

The Motorist Services program consists of three business units: the Service Authority for Freeway Emergencies (SAFE), the Service Authority for Abandoned Vehicles (SAAV), and the Orange County Taxicab Program (OCTAP). SAFE provides the Freeway Callbox System and Freeway Service Patrol services. SAAV assists the cities and county in removing potentially hazardous and unsightly abandoned vehicles from Orange County's streets and roads. 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 2015-16, OCTA anticipates receiving \$846.8 million in revenue and \$175.7 million in use of prior year designations for a total of \$1.02 billion 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: \$1.02 billion



Sources of Funds for Fiscal Years 2013-14 through 2015-16 (In Thousands)

Revenue by Category

	Actuals FY 2013-14	Approved FY 2014-15	Approved FY 2015-16
Interest	19,985	17,719	20,194
State Sources	238,725	230,280	217,896
Federal Sources	164,477	309,600	154,471
Farebox Revenues	57,446	58,636	56,536
91 Express Lanes	42,857	41,459	41,977
Local	322,632	332,791	355,709
Use of Prior Year Designations	60,190	133,960	175,752
TOTAL REVENUES BY TYPE	906,312	1,124,445	1,022,535

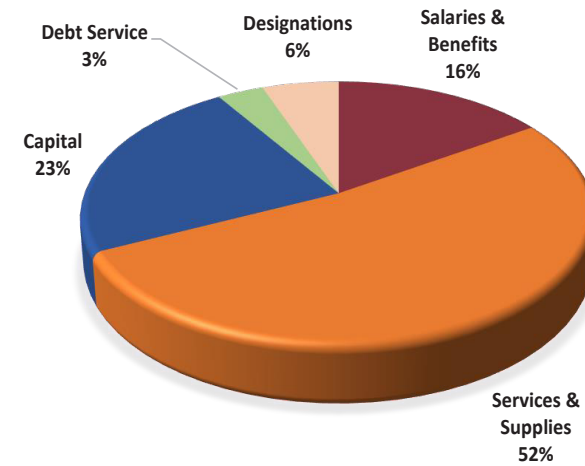
Revenue by Fund

	Actuals FY 2013-14	Approved FY 2014-15	Approved FY 2015-16
91 Express Lanes	43,666	42,462	71,128
ARBA Trust Fund	2,924	1,187	2,469
Commuter and Urban Rail Endowment 1	28,631	52,142	75,841
Gas Tax Fund	544	-	-
General Fund	5,887	15,147	31,278
Internal Service Fund-PL and PD	429	382	457
Internal Service Fund-Workers' Compensation	950	478	755
Local Transportation Authority Measure M1	58,708	31,603	-
Local Transportation Authority Measure M2	404,836	502,315	435,618
Local Transportation Fund	149,570	159,885	165,279
Measure M2 Bond Debt Service	13,380	6,559	6,494
Orange County Taxi Administration Program	841	932	912
Orange County Transit District	166,799	284,988	187,470
Orange County Unified Transportation Trust	696	319	90
Scholarship Fund	26	17	18
Service Authority for Abandoned Vehicles	5	10	1
Service Authority for Freeway Emergencies	6,123	6,248	7,741
State Transit Assistance Fund	22,288	19,771	20,887
Transit Development Capital Project	9	-	16,097
TOTAL REVENUES BY FUND	906,312	1,124,445	1,022,535

USES OF FUNDS

The FY 2015-16 budget is built upon the program and service objectives set by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1.02 billion. The approved appropriation plan includes \$965.3 million in expenditures and \$57.2 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: \$1.02 billion



Uses of Funds for Fiscal Years 2013-14 through 2015-16 (In Thousands)

Expense by Category

	Actuals FY 2013-14	Approved FY 2014-15	Approved FY 2015-16
Salaries & Benefits	149,338	155,652	159,708
Services & Supplies	420,969	587,589	534,557
Capital	142,968	301,387	236,521
Debt Service	34,779	34,814	34,540
Designations	158,258	45,003	57,209
TOTAL EXPENSES BY TYPE	906,312	1,124,445	1,022,535

Expense by Fund

	Actuals FY 2013-14	Approved FY 2014-15	Approved FY 2015-16
91 Express Lanes	41,376	39,957	59,939
ARBA Trust Fund	2,924	1,187	2,469
Commuter and Urban Rail Endowment 1	22,504	45,507	68,157
General Fund	63,151	98,110	130,538
Internal Service Fund-PL and PD	5,008	9,081	4,678
Internal Service Fund-Workers' Compensation	7,328	7,094	7,634
Local Transportation Authority Measure M1	36,237	28,987	-
Local Transportation Authority Measure M2	394,207	448,702	356,224
Local Transportation Fund	4,369	3,866	4,153
Measure M2 Bond Debt Service	28,791	28,792	28,794
Orange County Taxi Administration Program	567	656	567
Orange County Transit District	294,261	406,366	310,545
Orange County Unified Transportation Trust	190	69	15
Scholarship Fund	26	17	18
Service Authority for Abandoned Vehicles	5	10	1
Service Authority for Freeway Emergencies	5,361	6,044	7,371
State Transit Assistance Fund	7	-	-
Transit Development Capital Project	-	-	41,432
TOTAL EXPENSES BY FUND	906,312	1,124,445	1,022,535

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
- Government Relations
- Planning
- Capital Programs
- External Affairs
- Transit

The table below provides a look at staffing by division.

Employees

	Actuals FY 2013-14	Approved FY 2014-15	Approved FY 2015-16
Executive Office	15	15	15
Finance and Administration	159	159	161
External Affairs	40	40	40
Human Resources and Org. Dev.	44	43	45
Transit	1,181	1,122	1,063
Government Relations	9	9	10
Planning	37	38	39
Capital Programs	37	37	48
TOTAL	1,522	1,463	1,421