



Orange County Transportation Authority Fiscal Year 2009-10 Transit Budget Assumptions



Finance and Administration Committee
March 11, 2009

Jan 28th Budget Assumptions

- State Transit Assistance Assumption
 - Eliminated for FY 2010 and beyond
- Sales Tax Assumption
 - FY 2009 @ -5%, FY 2010 @ -2%, FY2011 @ 5.02%
- Merit/Special Award Assumption
 - 0% for FY 2010
- Fuel Prices – 6 month average
 - Diesel \$2.72/gallon
 - Liquefied Natural Gas \$0.74/gallon
 - Compressed Natural Gas \$0.76/Therm
- Property Tax
- Alternative Fuel Credit
 - Scheduled to Expire December 2009

10 percent Reductions

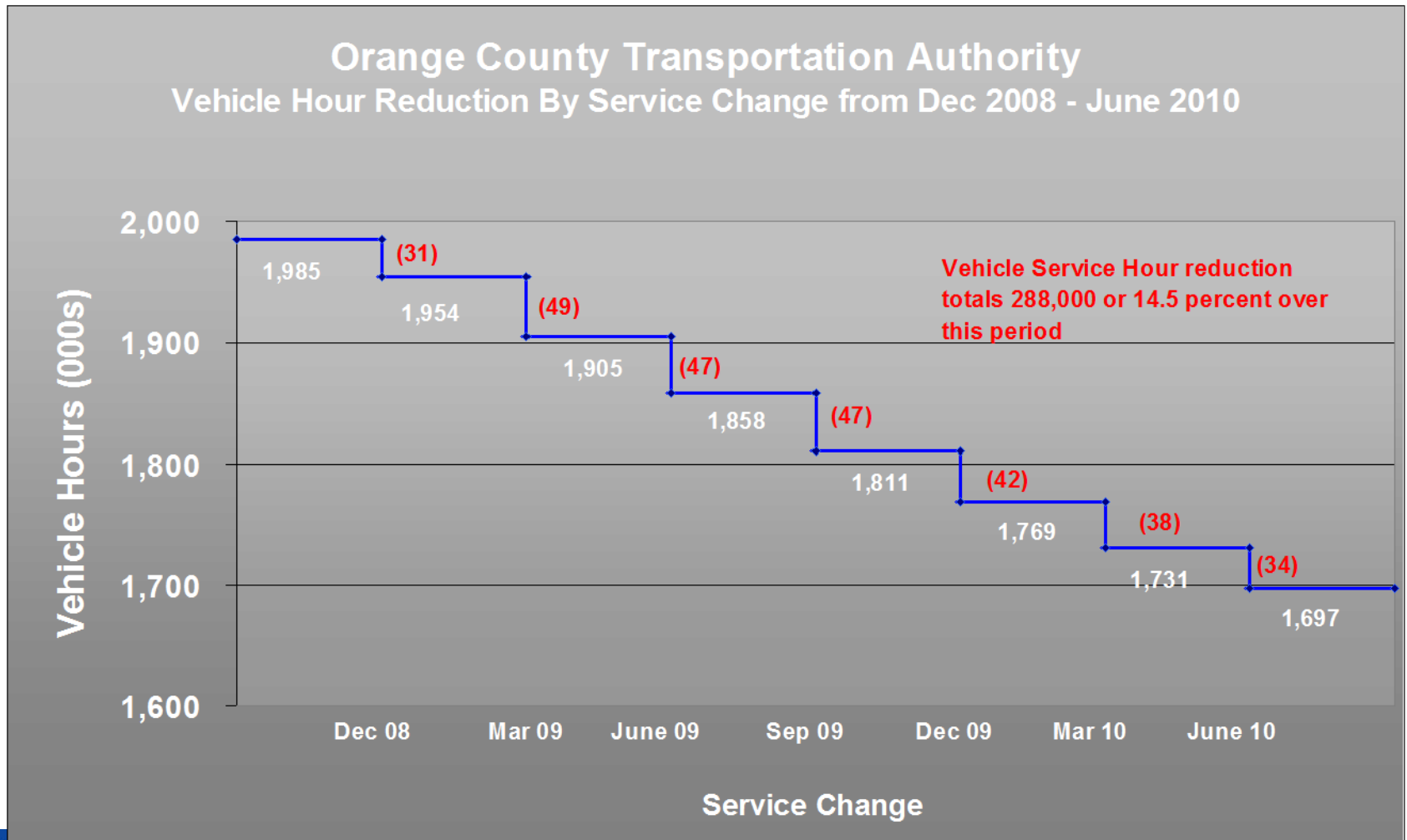
Action Steps

- Bus Service Reductions (Coach Operator Attrition Model)
- Reduce Professional/Outside Service Budget Line items
- Capital Projects – \$50k local funding limit
- Fuel Prices – 6 month average
- Hiring Freeze – 100% Vacancy for non-funded positions
- Employee Suggestions being evaluated

Challenges

- ACCESS Cost/Demand
- Contracted Fixed Route
- Union Contracts
- Administrative Building Lease
- Utilities

Service Reduction by Attrition

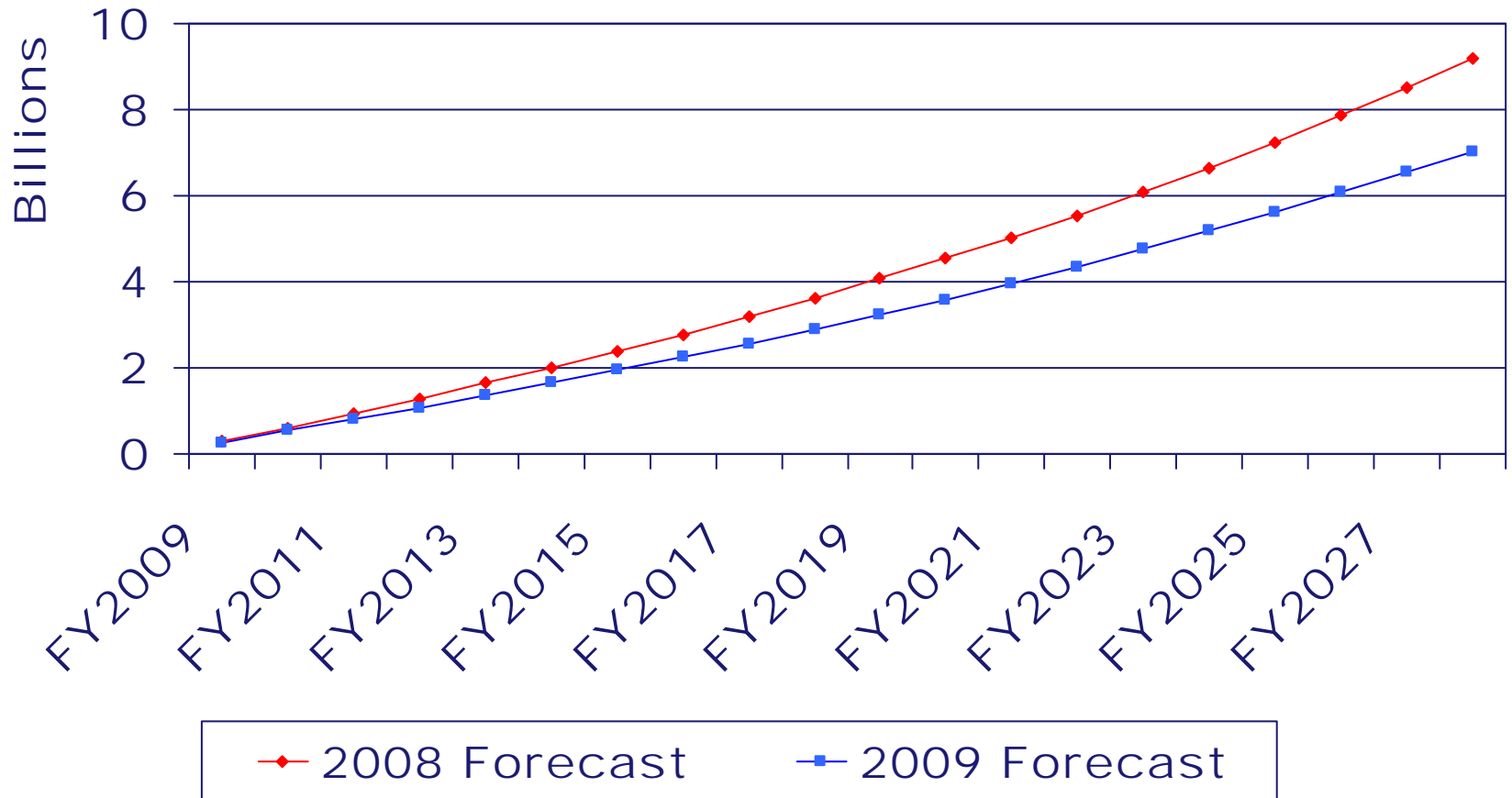


March Budget Assumptions

- State Transit Assistance Assumption
 - \$8.4 million in FY 2009
 - Eliminated for FY 2010 and beyond
 - Loss of \$522 million over 20 years

- Sales Tax Assumption
 - FY 2009 @ -5%, FY 2010 @ -2%, FY2011 @ 5.02%
 - FY 2009 @ -8%, FY 2010 @ -4.3%, FY2011 @ 3.1%
 - Loss of \$1.5 billion over 20 years

Bus Transit Operating Revenues



Change in Transit Operating Revenue

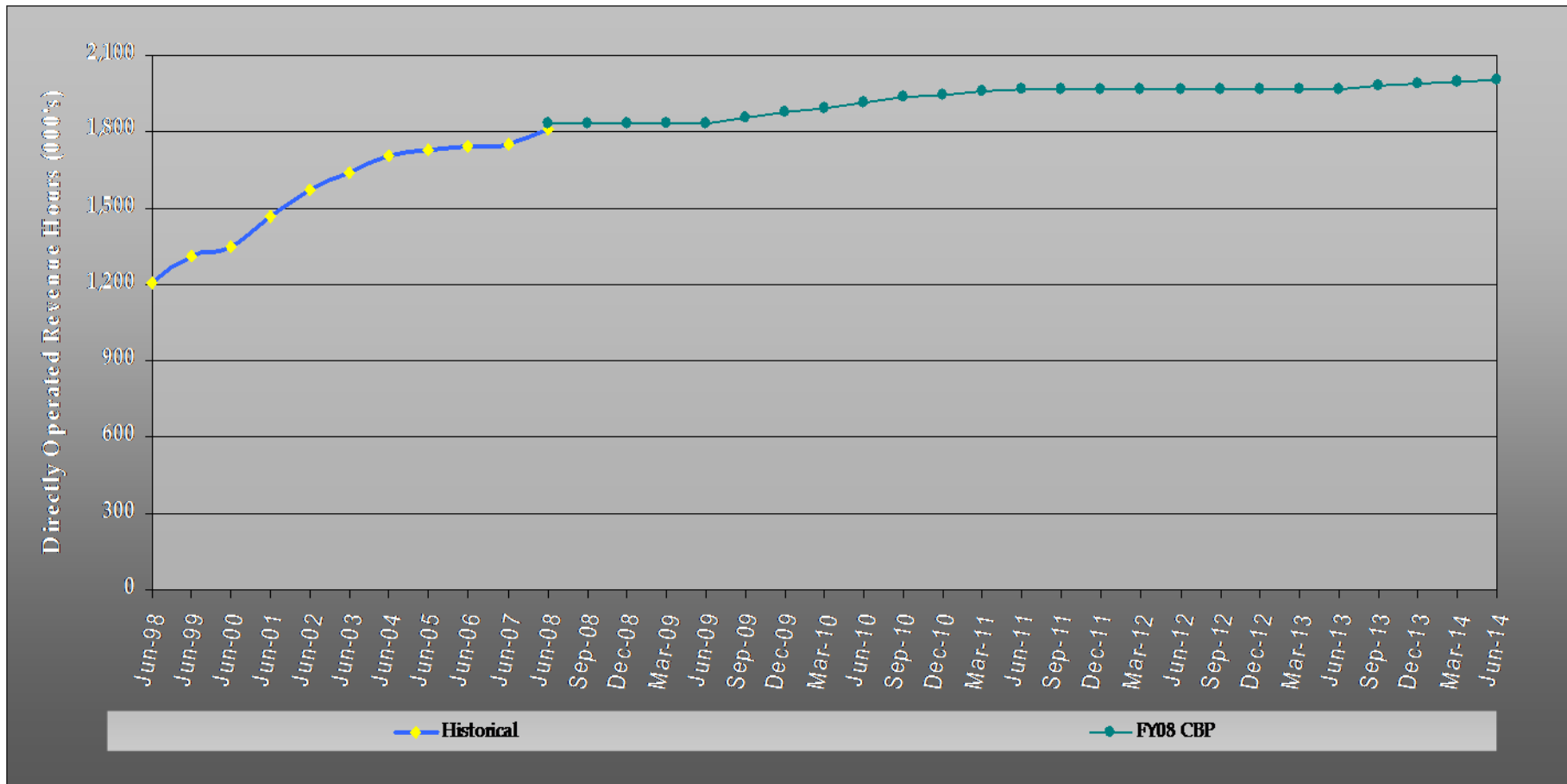
Source of Operating Revenue	Fiscal Year 2008 Comprehensive Business Plan					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	110,806,488	120,233,782	128,227,754	172,041,657	180,834,907	712,144,587
Gas Tax Exchange / BOF	37,000,004	37,000,004	35,285,248	23,000,004	23,000,004	155,285,264
State Transit Assistance Fund	25,852,860	20,004,881	20,787,041	21,223,244	20,210,696	108,078,723
Property tax revenue	11,615,296	12,312,214	13,050,946	13,834,003	14,664,043	65,476,503
Fare Revenue	58,435,183	63,772,970	65,763,947	67,519,856	72,736,917	328,228,873
5307 Federal Formula Grant	32,064,642	33,867,903	35,150,122	36,518,429	37,786,559	175,387,656
Other	25,542,584	25,293,534	26,624,790	14,752,956	13,843,304	106,057,168
Total Bus Transit Operating	\$ 301,317,058	\$ 312,485,288	\$ 324,889,849	\$ 348,890,149	\$ 363,076,431	\$ 1,650,658,774

Source of Operating Revenue	Fiscal Year 2009 Comprehensive Business Plan					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	82,159,263	78,662,423	82,249,229	124,279,429	130,367,908	497,718,252
Gas Tax Exchange / BOF	37,000,004	37,000,004	35,270,252	23,000,004	23,000,004	155,270,268
State Transit Assistance Fund	8,847,244	-	-	-	-	8,847,244
Property tax revenue	11,177,886	11,177,886	11,177,886	11,177,886	11,289,665	56,001,209
Fare Revenue	56,760,483	63,091,879	66,801,473	71,593,231	76,329,340	334,576,407
5307 Federal Formula Grant	24,579,710	42,499,616	42,752,342	45,057,763	47,002,084	201,891,515
ARRA (Stimulus)	32,180,015	43,111,985	-	-	-	75,292,000
Other	14,886,718	8,787,205	7,674,907	8,674,752	9,015,028	49,038,611
Total Bus Transit Operating	\$ 267,591,325	\$ 284,330,999	\$ 245,926,089	\$ 283,783,065	\$ 297,004,028	\$ 1,378,635,506

Source of Operating Revenue	Revenue differences between plans					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	(28,647,225)	(41,571,359)	(45,978,525)	(47,762,228)	(50,466,999)	(214,426,336)
Gas Tax Exchange / BOF	-	-	(14,996)	-	-	(14,996)
State Transit Assistance Fund	(17,005,616)	(20,004,881)	(20,787,041)	(21,223,244)	(20,210,696)	(99,231,478)
Property tax revenue	(437,410)	(1,134,328)	(1,873,060)	(2,656,117)	(3,374,379)	(9,475,294)
Fare Revenue	(1,674,700)	(681,091)	1,037,526	4,073,376	3,592,423	6,347,534
5307 Federal Formula Grant	(7,484,932)	8,631,713	7,602,220	8,539,334	9,215,525	26,503,859
ARRA (Stimulus)	32,180,015	43,111,985	-	-	-	75,292,000
Other	(10,655,866)	(16,506,329)	(18,949,883)	(6,078,203)	(4,828,277)	(57,018,558)
Total Bus Transit Operating	\$ (33,725,733)	\$ (28,154,289)	\$ (78,963,760)	\$ (65,107,083)	\$ (66,072,402)	\$ (272,023,268)

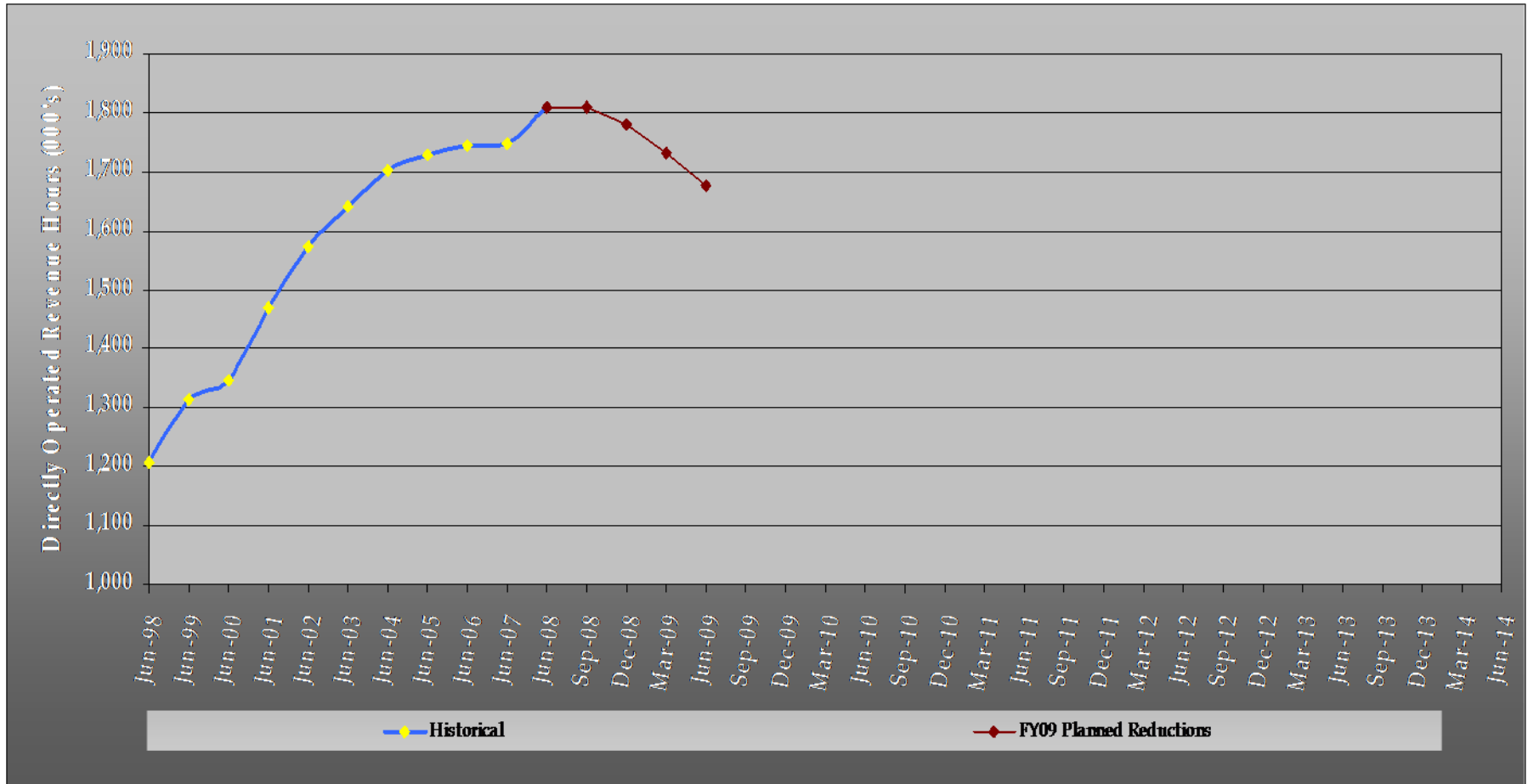
Revenue Hours: FY1998 – FY2014

Revenue Hours (FY1998 – FY2008) plus planned growth per FY2008 CBP



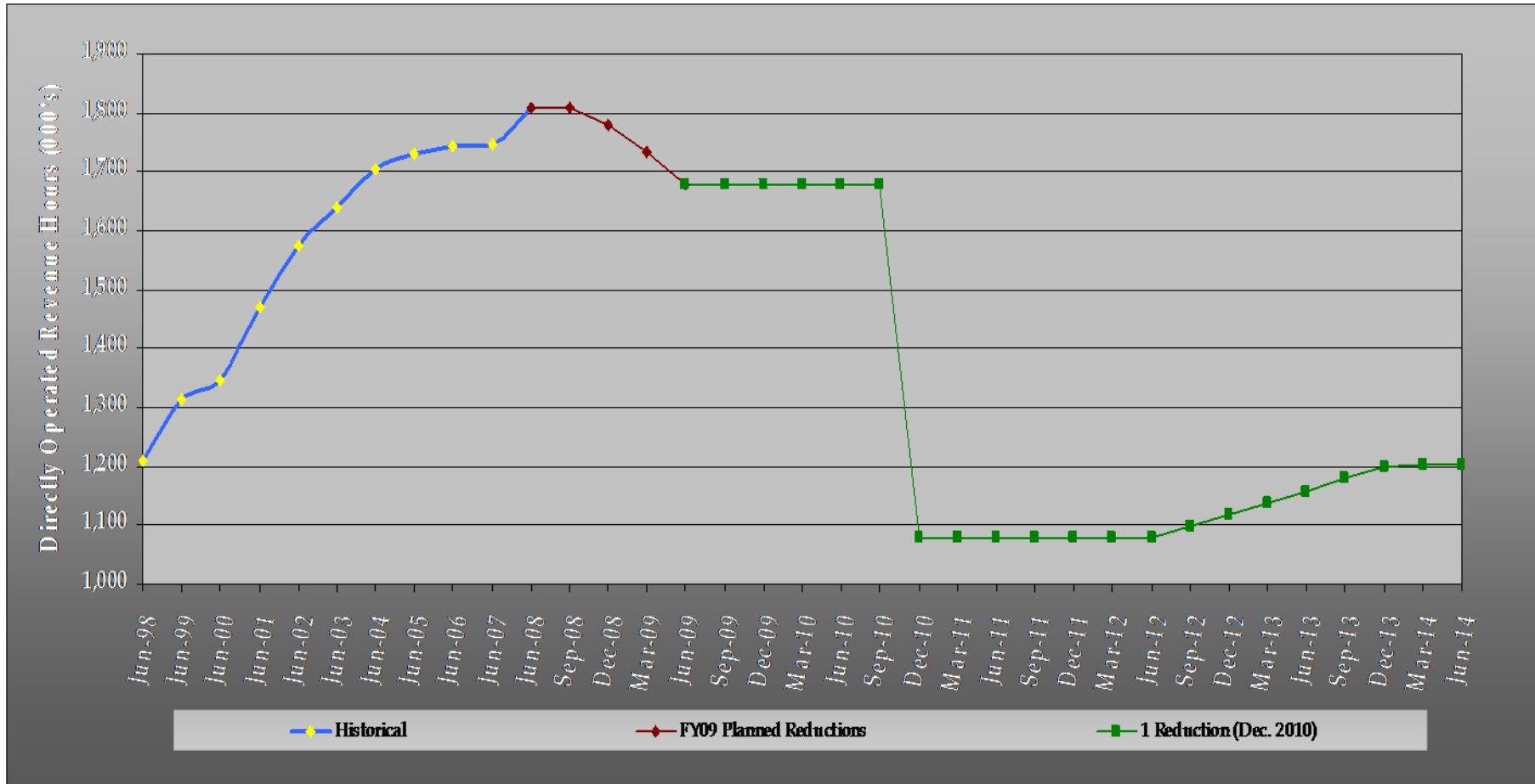
Revenue Hours: FY1998 – FY2009

Revenue Hours (FY1998 – FY2008) plus planned reductions in FY2009



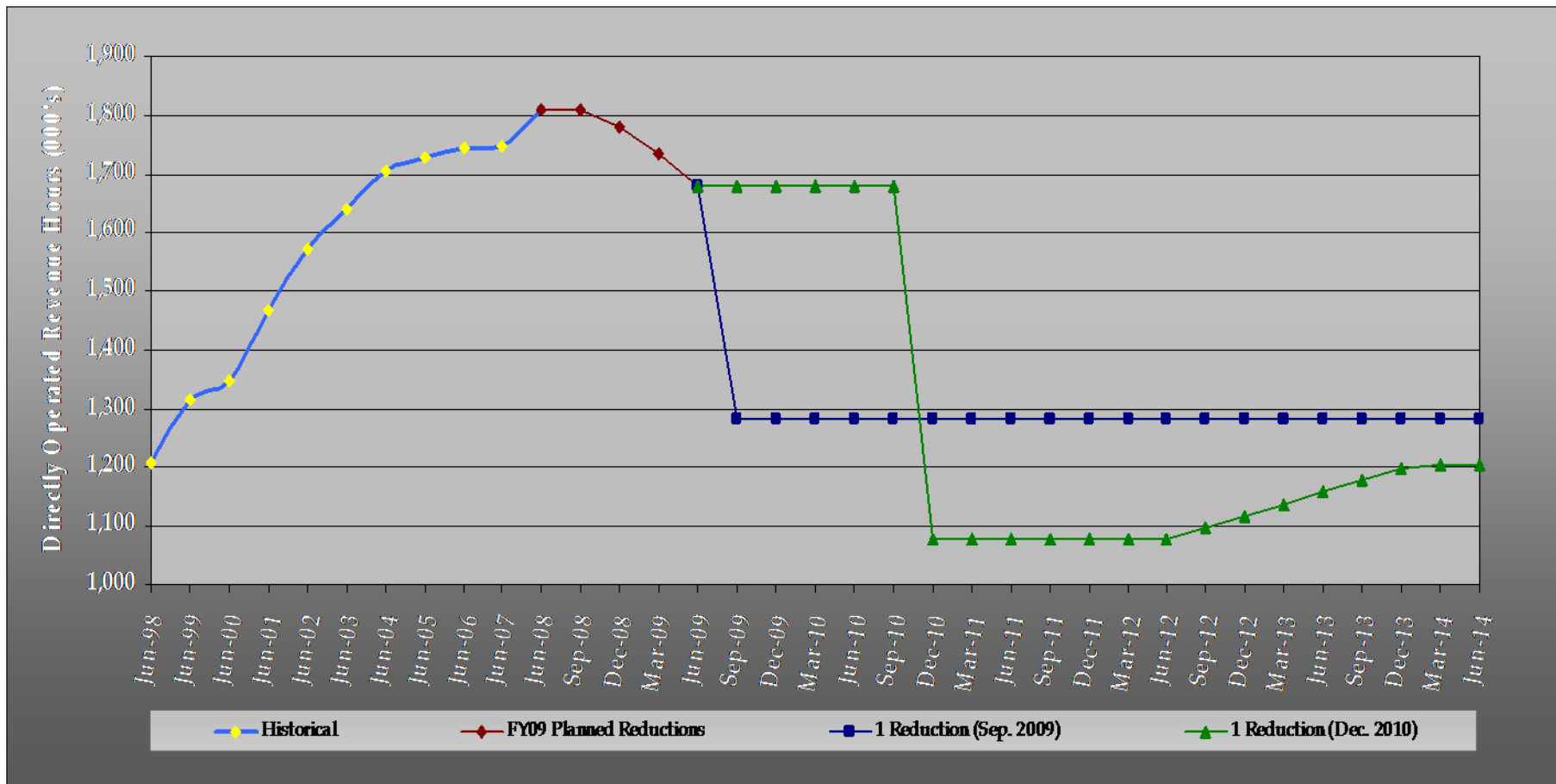
Scenario: Continue Operations As-is

Scenario: 1 Reduction (December 2010 service change)



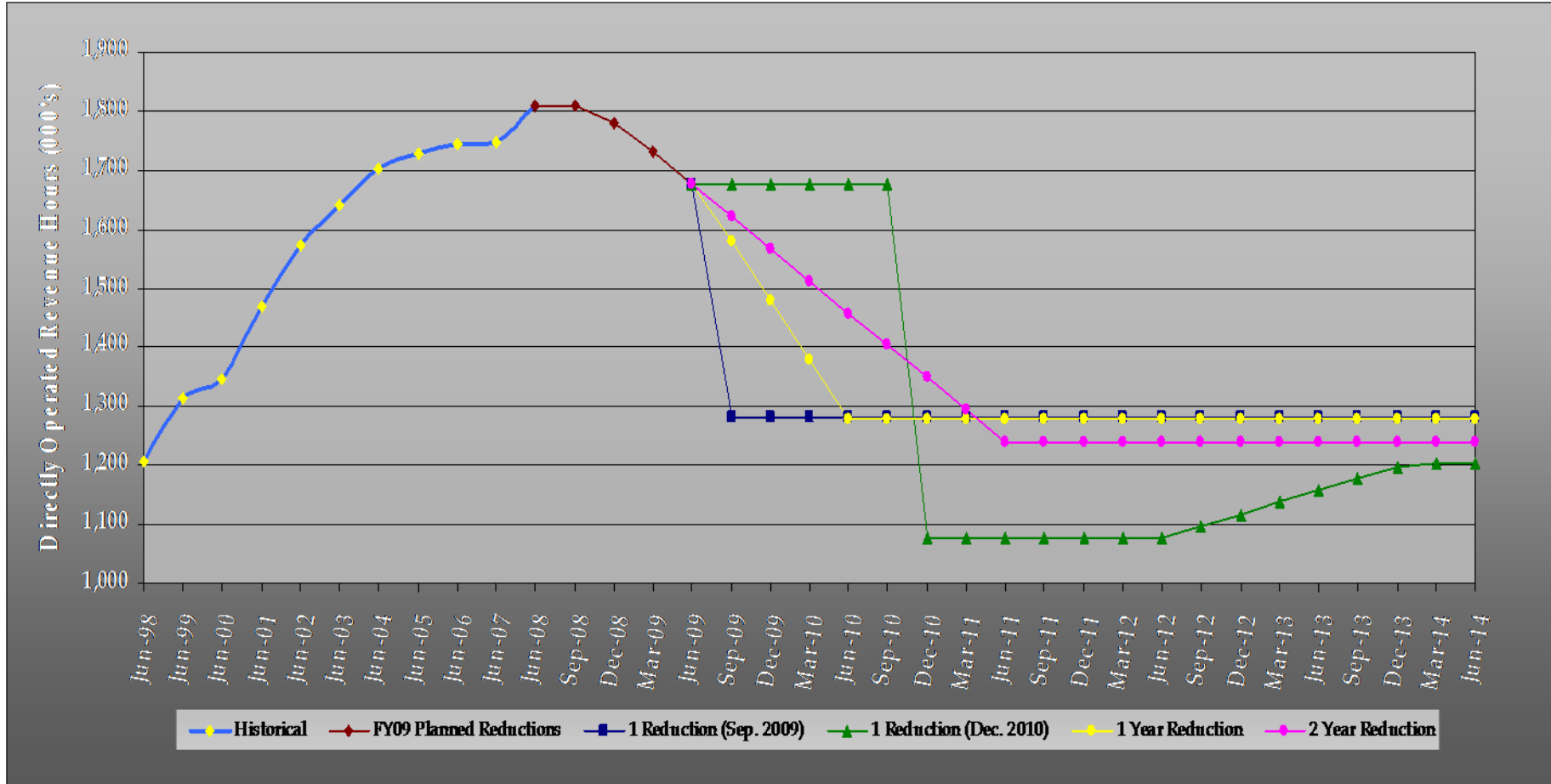
Scenarios: Floor and Ceiling

Scenarios: 1 Reduction September 2009 versus December 2010



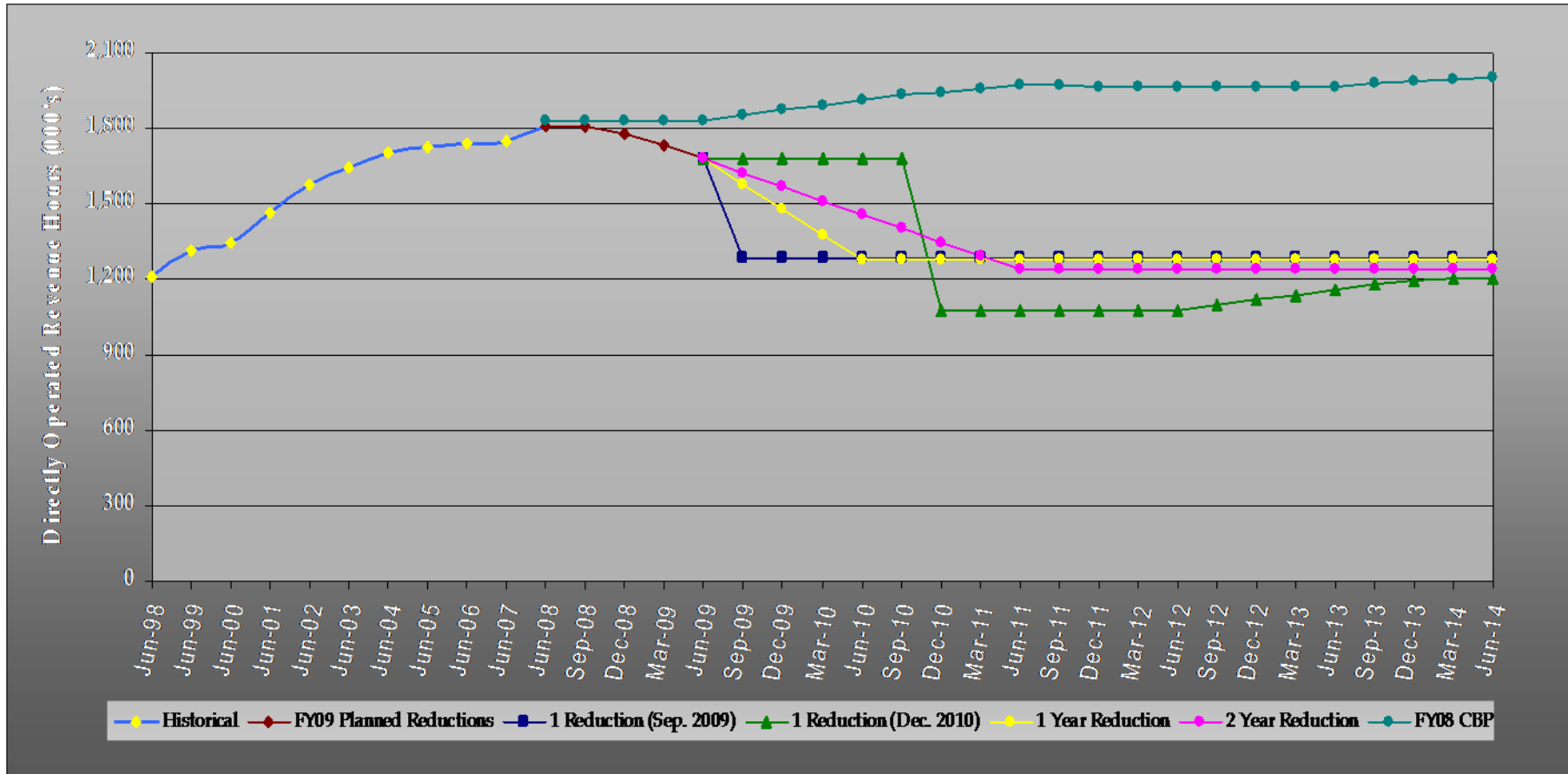
Four Reduction Scenarios Overview

Revenue Hours (FY1998 – FY2009) plus four reduction scenarios



Scenarios Overview

Directly Operated Revenue Hours: FY1998 – FY2014



Employee Reductions & Use of Reserves

Scenario Summary: Revenue Hours, Employee Reductions, Use of Reserves

	1 Reduction (Sep. 2009)	1 Year Reduction	2 Year Reduction	1 Reduction (Dec. 2010)
Revenue hour reduction (# 000's)	395	400	440	475
Revenue hours post reduction (# 000's)	1,283	1,278	1,238	1,203
Employee reduction (#)	362	367	404	435
Use of reserves (\$ millions)	\$0	\$13	\$37	\$58

* Scenario with 1 Reduction in September 2009 represents baseline for comparison for the use of reserves

Employee Reductions Per Scenario By Employee Group

Employee Group	1 Reduction (Sep. 2009)	1 Year Reduction	2 Year Reduction	1 Reduction (Dec. 2010)
Coach Operators	255	258	284	307
Maintenance	56	57	63	68
Bus Operations Administration	51	52	57	60
Total Reductions Per Plan	362	367	404	435

Next Steps

- Incorporate F&A Committee recommendations
- Transit Committee Presentation - Mar 12th
- Board Presentation - Mar 23rd
- Prepare recommendations to balance FY 2009-10 budget