



**FY 2008-09 Approved Budget**

Operating Budget	\$756,785
Capital Budget	199,548
Long Term Commitments	101,512
<b>TOTAL</b>	<b>\$1,057,845</b>

**FY 2008-09 Accomplishments**

- Secured a fair share of federal economic stimulus funds for transportation coming to Orange County.
- Partnered with the Riverside County Transportation Commission to secure passage of legislation authorizing the extension of the 91 Express Lanes to Interstate 15.
- Secured passage of legislation that expands existing transit design-build authority to include homeland security, safety, and disaster preparedness projects.
- Secured nearly \$112 million in grant revenues from federal, state and local sources, and expanded the grants program to include a variety of new potential grant revenue sources, including the areas of emergency cost recovery, environmental planning and mitigation, clean fuels, jobs access, and American with Disabilities Act (ADA) accessibility.
- Restructured 91 Express Lanes variable rate debt.
- Completed final design for the first Renewed Measure M Early Action Plan project, State Route 91 project between State Route 241 and State Route 71.
- Completed the delivery and acceptance of new alternative fuel vehicles for fixed route service.
- Initiated the development of five new railroad grade separation projects valued at over \$300 million.
- Initiated construction of the Metrolink Service Expansion Program Track projects and the Grade Crossing Safety Enhancement and Quiet Zone Program.
- Developed criteria for the land acquisition, restoration and management to be used as part of the Renewed Measure M Freeway Environmental Mitigation Program.
- Project Study Reports completed for Interstate 405 and State Route 55.

**FY 2009-10 Approved Budget**

Operating Budget	\$848,459
Capital Budget	265,977
Long Term Commitments	99,340
<b>TOTAL</b>	<b>\$1,213,776</b>

**FY 2009-10 Goals & Objectives**

- Increase advocacy in Washington D.C. to support the FY 2010 appropriations request and federal reauthorization legislation.
- Work with a broad coalition on clean-up legislation for (SB) 375 including clarification that greenhouse gas analysis is to be conducted at the program level rather than project by project.
- Start construction of three Renewed Measure M Early Action Plan projects on SR-91 and SR-57.
- Start construction on the Interstate 405 West County Connectors projects.
- Begin project development on future LOSSAN Corridor Grade Separation Projects.
- Continue construction of the Metrolink Service Expansion and Grade Crossing Safety Enhancement and Quiet Zone Program.
- Implement Bus Rapid Transit service in June 2010, to meet compliance with regional air quality mandates.
- Prepare for negotiations of collective bargaining agreements covering coach operators and maintenance employees.
- Complete the Central County Major Investment Study.
- Deliver OCTA's Long Range Transportation Plan.

To provide Orange County residents with the highest quality transportation programs and services, OCTA is committed to its organizational mission statement and operates within the framework of values developed by the Board of Directors.

**Mission Statement**

To enhance the quality of life in Orange County by delivering safer, faster and more efficient transportation solutions.

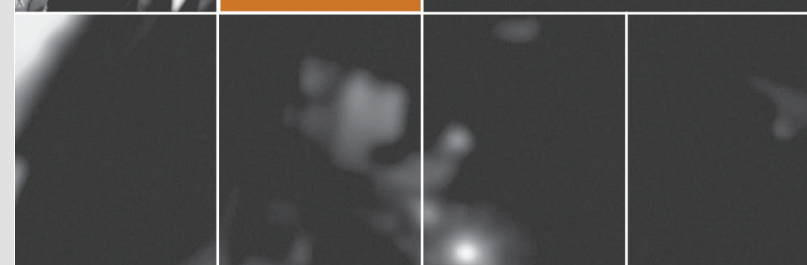
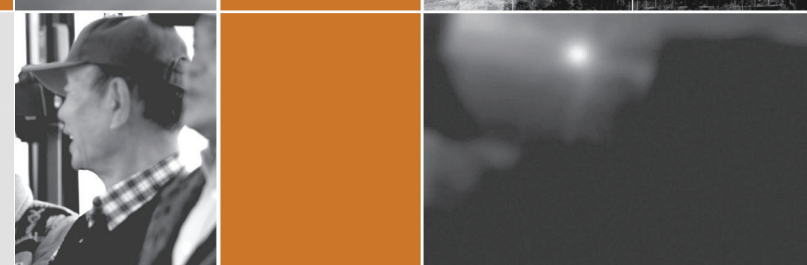
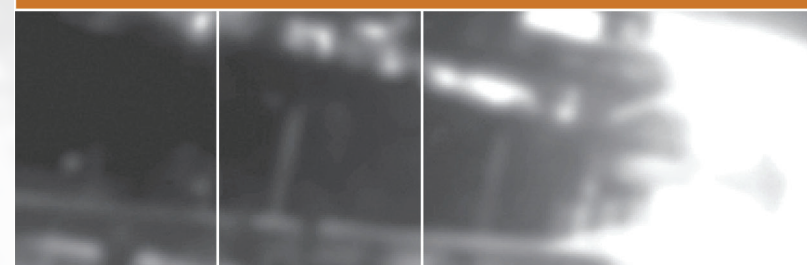
**OCTA Values**

- Integrity
  - Do what we say we are going to do and deliver as promised.
  - Be accountable for our actions.
  - Apply the golden rule as we work with others.
  - Practice ethical behavior.
- Customer Focus
  - Know our customers, be courteous, friendly, and responsive to their needs.
  - Treat others with care consideration and respect.
  - Provide safe, timely, reliable, professional service.
- Can-Do Spirit
  - Be proactive, take the initiative to do and make things better.
  - Do all we can to always improve what we do; strive to be "outstanding."
  - Be creative and innovative in our approach to new challenges.
  - Take risks and learn from past mistakes.
  - Practice visionary and forward-thinking.
- Communication
  - Communicate openly, honestly and in a straightforward manner.
  - Strive to be responsive to the knowledge and information that others need.
  - Provide consistent, timely and reliable information to build trust in others.
- Teamwork/Partnership
  - Build cooperative, supportive relationships across all lines of business.
  - Build and sustain relationships characterized by shared goals and success.
  - Understand and adapt to the diverse background at OCTA.



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**APPROVED BUDGET  
FISCAL YEAR 2009-2010**



**Dear Orange County Residents:**

Under your policy direction, I present to you the fiscal year 2009-10 budget for the Orange County Transportation Authority (OCTA). This \$1.2 billion budget was carefully assembled in the midst of one of the most challenging economic periods in history. Revenue shortfalls precipitated by a drop in sales tax receipts and the elimination of transit assistance from the state require a significant reduction in bus service over the next year. Negative economic forces require that long-term plans related to Metrolink service and capital improvements be reconsidered. Despite these unfortunate economic circumstances, this budget is balanced and provides the resources required to continue to deliver multi-modal transportation solutions for the residents of Orange County.

Bus service, which has historically relied upon increasing sales tax receipts and assistance from the state has felt the most immediate impact of the current recession. This budget projects the third straight year of declining sales tax and the elimination of transit assistance from the state. In response to this dramatic decline in operating revenues, this budget includes a wage and hiring freeze for administrative employees, a 10 percent reduction in divisional budgets, deferral of several capital projects, and the utilization of economic stimulus dollars for operations. Despite making these reductions, OCTA anticipates to have an annual operating deficit greater than \$30 million. Therefore, efforts will be made to reduce operating costs by the equivalent of 400,000 revenue vehicle hours to preserve a sustainable level of service over the long-term.

The Measure M program continues its efficient closeout with the construction phases planned for both the I-5 Gateway and the I-405 West County Connectors (WCC) projects. However, the Measure M program is not immune to this economic downturn. With less Measure M 1/2-cent sales tax receipts expected, the contingency balance for the freeway mode will decrease and less funding will be available for local streets projects. However, hundreds of millions of dollars of previously designated funds will be used next year to continue the Metrolink Service Expansion Program and support construction activities for the I-5 Gateway Project. Tax-exempt commercial paper will be used to kick start various projects included in the Renewed Measure M Early Action Plan. Specifically, investments will be made on the Orange, San Diego, and Riverside County freeways.

Despite this very difficult economic period, this budget demonstrates OCTA's continued commitment to deliver a quality set of transportation solutions for the residents of Orange County.

Sincerely,

James S. Kenan  
Interim Chief Executive Officer





HISTORY

OCTA is responsible for providing coordinated, effective and accountable transportation planning and public transportation services within Orange County. 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 Authority is governed by an 18 member Board of Directors consisting of five members of the Orange County Board of Supervisors, 10 city council members selected by all of the cities within the county, and two public members selected by the other 15 board members. 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
- Human Resources & Organizational Development
- Development
- External Affairs
- Transit
- Rail

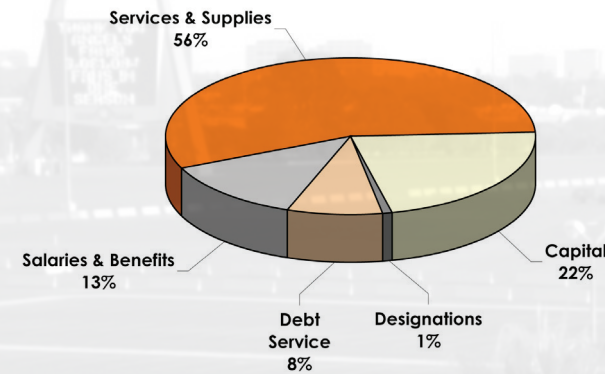
The table below provides a look at staffing by division. Due to the economic downturn that has led to significantly lower sales tax receipts and the loss of transit assistance from the state, the OCTA Board directive is to decrease bus service levels with a commensurate reduction in bargaining unit personnel. In order to further offset the loss of revenues, OCTA will also be implementing a hiring freeze for vacant administrative positions in fiscal year 2009-10.

Employees

Divisions	Actuals FY 2007-08	Approved FY 2008-09	Approved FY 2009-10
Executive Office	33	28	27
Finance and Administration	164	168	160
Human Resources & Org. Dev.	42	43	42
Development	50	50	57
External Affairs	43	45	43
Transit	1,625	1,631	1,495
Rail	18	18	13
<b>TOTAL</b>	<b>1,972</b>	<b>1,983</b>	<b>1,837</b>

The Fiscal Year 2009-10 budget is built upon the program and service objectives articulated by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1.2 billion. The approved appropriation plan includes \$1,194 million in expenditures and \$20 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.

FY 2009-10 Uses of Funds



Total Expenses & Designations: \$1.2 billion

Uses Of Funds for Fiscal Years 2008 through 2010 (In Thousands)

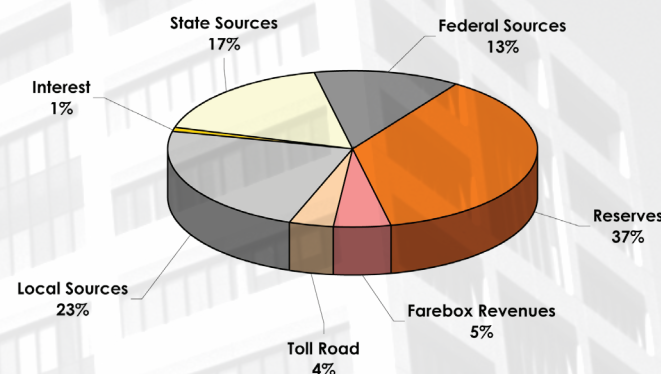
Expenses by Fund	Actuals FY 2007-08	Approved FY 2008-09	Approved FY 2009-10
General Fund	\$82,098	\$111,026	\$101,406
Local Transportation Authority	226,731	365,087	482,408
Local Transportation Fund	5,058	8,865	9,516
O.C. Unified Trans. Trust	407	425	205
Motorist Services	8,545	9,737	8,699
State Transit Assistance Fund	61	2	0
Gas Tax Fund	23,000	23,000	23,000
Measure M2	24,000	77,971	158,742
O.C. Transit District	299,077	276,360	249,027
OCTAP	374	320	351
SR-91 Toll Road	49,197	47,986	38,651
Internal Service Funds	6,679	10,924	11,559
Capital Projects Fund	16,051	1,666	498
Measure M Bond Debt Service	95,700	90,448	89,608
AQMD Grant Funded	969	0	0
Bus Operations Fund	53	51	49
CURE I	20,839	33,917	39,034
CURE III	72	39	21
Scholarship Fund	30	21	11
ARBA Trust Fund	8,271	0	991
<b>TOTAL EXPENSES BY FUND</b>	<b>\$867,212</b>	<b>\$1,057,845</b>	<b>\$1,213,776</b>

Expenses by Category

Salaries & Benefits	\$157,380	\$169,669	\$153,161
Services & Supplies	416,954	560,813	675,780
Capital Expenditures	101,821	199,548	265,977
Debt Service	102,849	101,512	99,340
Designations	88,208	26,303	19,518
<b>TOTAL USE OF FUNDS</b>	<b>\$867,212</b>	<b>\$1,057,845</b>	<b>\$1,213,776</b>

In fiscal year 2009-10, OCTA anticipates to receive \$708 million in revenue and plans to use \$506 million in reserves for a total of \$1.2 billion in available funding for all programs and projects. The majority of the revenue is derived from the Measure M ½ cent sales tax (Local Transportation Authority) and Transportation Development Act ¼ cent sales tax, which represents 29 percent of the total resources. The chart and table below display the sources of funds for each fund and major revenue category.

FY 2009-10 Sources of Funds



Total Revenues and Reserves: \$1.2 billion

Sources Of Funds for Fiscal Years 2008 through 2010 (In Thousands)

Revenue by Fund	Actuals FY 2007-08	Approved FY 2008-09	Approved FY 2009-10
General Fund	\$17,428	\$39,816	\$21,095
Local Transportation Authority	323,310	463,696	593,204
Local Transportation Fund	108,360	115,855	95,074
O.C. Unified Trans. Trust	1,349	425	205
Motorist Services	8,609	10,231	9,132
State Transit Assistance Fund	17,400	25,854	0
Gas Tax Fund	23,000	23,000	23,000
Measure M2	25,318	76,946	146,193
O.C. Transit District	204,462	187,269	223,897
OCTAP	532	496	533
SR-91 Toll Road	51,049	51,733	42,300
Internal Service Funds	12,881	6,184	1,532
Capital Projects Fund	14,070	1,101	685
OCTD Capital Project Fund	0	6	3
Measure M Bond Debt Service	3,028	3,892	2,204
Bus Operations Fund	14,053	14,051	14,049
CURE I	26,716	37,230	39,647
CURE III	72	39	21
Scholarship Fund	30	21	11
ARBA Trust Fund	8,271	0	991
<b>TOTAL REVENUE BY FUND</b>	<b>\$867,212</b>	<b>\$1,057,845</b>	<b>\$1,213,776</b>

Revenue By Category

Farebox Revenues	\$51,432	\$57,166	\$63,416
State Sources	442,530	506,945	397,819
Federal Sources	116,845	87,375	144,193
Local Sources	59,952	37,201	43,875
Interest	70,740	32,294	17,021
Toll Road	46,235	46,981	41,895
Use of Reserves	79,478	289,883	505,557
<b>TOTAL REVENUE BY SOURCE</b>	<b>\$867,212</b>	<b>\$1,057,845</b>	<b>\$1,213,776</b>

Measure M1 & M2

Measure M, the half-cent sales tax has delivered on the promises made to the voters of Orange County in 1990, with nearly \$4.5 billion invested in improvements to all freeways, streets and roads, and transit services. As OCTA works to close out the remaining projects by 2011, on August 2007, the OCTA Board of Directors approved and released a Renewed Measure M Early Action Plan covering the years 2007 to 2012. Under this five-year plan, five Renewed Measure M freeway projects will be under construction before revenues begin to be collected in 2011 and many other projects will be advanced. Furthermore, a financial plan to provide funding for these projects prior to April 1, 2011 was adopted by the Board on November 9, 2007, and \$400 million in tax exempt commercial paper was secured. This Renewed Measure M half-cent sales tax will generate billions of dollars to help fund future transportation needs in Orange County for 30 years, 2011 through 2041.

Bus Operations

OCTA's Bus Program consists of both fixed route and paratransit service operating a countywide network with more than 6,500 bus stops along 79 routes. The Bus Program is highly dependent upon sales tax receipts and assistance from the state to fund its operations. The economic recession has led to lower sales tax receipts and the elimination of transit assistance from the state. Due to this dramatic decline in operating revenues, OCTA has implemented various cost reduction measures to bring this program back in balance. This includes a wage and hiring freeze, a 10 percent reduction in divisional budgets, deferral of capital projects and the utilization of federal stimulus dollars. Despite these efforts, OCTA anticipates to have an annual deficit greater than \$30 million. Therefore, efforts will be made to reduce operating costs by the equivalent of 400,000 revenue vehicle hours to preserve a sustainable level of service over the long-term.

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). The 91 Express Lanes project was authorized as a toll road by the State of California legislature in 1989. Built at a cost of \$135 million, the toll road opened in 1995. The California Private Transportation Company was the original owner of the 91 Express Lanes. An agreement with the State of California Department of Transportation included a non-compete provision that created a 1.5 mile protection zone along each side of the corridor and created mobility problems as the region and corresponding transportation demands grew. To mitigate growing concerns over congestion, OCTA acquired the 91 Express Lanes franchise rights in January 2003, which eliminated the provision, clearing the way for future enhancements that will increase capacity and improve traffic flow along the 91 corridor.

Rail

Metrolink is Southern California's commuter rail system that links riders to employment and activity centers. OCTA is part of a five-member joint power authority that subsidizes this service. There are three lines which serve Orange County and provide a total of 44 trains each weekday, serving 11 city-owned stations in Orange County. This fiscal year, OCTA will be making a significant capital investment in preparation for the planned expansion of Metrolink Service, including purchasing of rolling stock, and track and station improvements.

Motorist Services Program

Motorist Services includes OCTA's callbox, freeway service patrol, vehicle abatement and taxi administration functions. These functions help to keep traffic moving on the freeways, provide stranded motorists with two-way communication to a CHP call center through a network of 585 call boxes along Orange County freeways, remove unsightly vehicles along local streets, and help to regulate and centralize the permitting for cab companies, drivers, and vehicles.