



# **AGENDA**

## ***Finance and Administration Committee Agenda***

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### **Committee Members**

Michael Hennessey, Chairman  
Brian Goodell, Vice Chairman  
Patrick Harper  
Gene Hernandez  
Steve Jones  
Joe Muller  
Vicente Sarmiento

Orange County Transportation Authority  
Headquarters  
Conference Room 07  
550 South Main Street  
Orange, California

**Wednesday, November 30, 2022 at 10:30 a.m.**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

### **Agenda Descriptions**

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Meeting Access and Public Comments on Agenda Items**

Members of the public can either attend in-person (subject to OCTA's Coronavirus (COVID-19) safety protocols) or listen to audio live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Members of the public may address the Board of Directors regarding any item two ways:

#### **In-Person Comment**

Members of the public may attend in-person (subject to OCTA's COVID-19 safety protocols) and address the Board regarding any item. Members of the public will be required to complete a COVID-19 symptom and temperature screening.



Please complete a speaker's card and submit it to the Clerk of the Board (or notify the Clerk of the Board the item number on which you wish to speak). Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three minutes.

**Written Comment**

Written public comments may also be submitted by emailing them to [ClerkOffice@octa.net](mailto:ClerkOffice@octa.net), and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

**Call to Order**

**Pledge of Allegiance**

Committee Vice Chairman Goodell

**Special Calendar**

There are no Special Calendar matters.

**Consent Calendar (Items 1 through 6)**

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

**1. Approval of Minutes**

**Recommendation**

Approve the November 9, 2022 minutes of the Finance and Administration Committee meeting.



2. **Right-of-Way and Appraisal Services and Activities, Internal Audit Report No. 22-511**  
Gabriel Tang/Janet Sutter

**Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of right-of-way and appraisal services and activities. Based on the audit, service procurements were handled in accordance with procurement policies and procedures, and oversight and invoice review controls are adequate. However, recommendations were made to ensure a documented cost or price analysis is conducted for contract amendments, and to expand policy and procedures to provide clarification on the application of settlement authority thresholds.

**Recommendation**

Direct staff to implement two recommendations provided in Right-of-Way and Appraisal Services and Activities, Internal Audit Report No. 22-511.

3. **Orange County Transportation Authority Investment and Debt Programs Report - October 2022**  
Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending October 31, 2022.

**Recommendation**

Receive and file as an information item.



- 4. Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2022**  
Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

**Recommendation**

Receive and file as an information item.

- 5. Orange County Employees Retirement System Early Payment for Fiscal Year 2023-24**  
Robert Davis/Andrew Oftelie

**Overview**

The Orange County Employees Retirement System has offered an early payment discount to member agencies of 5.8 percent if they elect to prepay their contributions for fiscal year 2023-24. Advance payments must be received before January 13, 2023. The estimated savings for the Orange County Transportation Authority over the next year and a half under this payment option will total approximately \$300,000. Board of Directors' authorization is requested for the early payment option.

**Recommendation**

Authorize the early payment of approximately \$30.6 million by January 13, 2023, to the Orange County Employees Retirement System for member contributions for fiscal year 2023-24.



**6. Agreement for Palo Alto Firewall Renewal Subscriptions**  
Michael Cardoza/Andrew Oftelie

**Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2022-23 Budget, the Orange County Transportation Authority Board of Directors approved expenditures for Palo Alto renewal subscriptions. Palo Alto provides firewall hardware and services used as Orange County's Transportation Authority's primary cybersecurity defense for all connections into and out of the Orange County Transportation Authority Nevada data center, Orange Administration building, and five bus bases. A firewall is a network security device used to monitor incoming and outgoing network traffic and permits or blocks this traffic based on the organization's security rules. Palo Alto subscriptions provide licensing and services needed for these firewalls to meet the federal, state, and Orange County Transportation Authority policy requirements. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures. Board of Directors' approval is requested to execute the agreement.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A52259 between the Orange County Transportation Authority and Thomas Gallaway Corporation, doing business as Technolgent, in the amount of \$393,639 for Palo Alto Firewall renewal subscriptions for a three-year term.

**Regular Calendar**

**7. Fiscal Year 2021-22 Audited Financial Statements and Independent Auditor's Reports on Internal Control over Financial Reporting**  
Rima Tan/Andrew Oftelie

**Overview**

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements and schedules. Crowe LLP, an independent accounting firm, has completed its annual audit of the Orange County Transportation Authority for fiscal year 2021-22. In addition, a report has been issued on the results of additional analysis performed by Crowe LLP, to assist management in determining compliance with certain state requirements.



In connection with the annual audit of the Orange County Transportation Authority, Crowe LLP has issued an auditor's report on internal control over financial reporting with two findings.

**Recommendations**

- A. Receive and file the fiscal year 2021-22 audited financial statements and independent auditor's report on internal control over financial reporting as information items.
- B. Direct staff to implement auditor recommendations related to findings over internal controls.

**Discussion Items**

- 8. **Accelerated Transportation Infrastructure Finance and Innovation Act Loan Disbursement**  
Robert Davis/Andrew Oftelie

**Overview**

Staff will provide an opportunity for additional reduction in financing costs for the Interstate 405 Improvement Project.

- 9. **Public Comments**
- 10. **Chief Executive Officer's Report**
- 11. **Committee Members' Reports**
- 12. **Closed Session**

There are no Closed Session items scheduled.

- 13. **Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, January 11, 2023**, at the OCTA Headquarters, Board Room, 550 South Main Street, Orange, California.