



Orange County Transportation Authority

Finance and Administration Committee Agenda

Thursday, May 21, 2026 at 10:30 a.m.

Board Room, 550 South Main Street, Orange, California

Committee Members

Michael Hennessey, Chair
Patrick Harper, Vice Chair
Jamey M. Federico
William Go
Carlos A. Leon
Vicente Sarmiento
Mark Tetterer

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 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 or access live streaming of the Committee meetings by clicking this link: <https://octa.legistar.com/Calendar.aspx>

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

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Written Comment

Written public comments may also be submitted by emailing them to 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

Director Go

Closed Session

There are no Closed Session items scheduled.

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 through 12)

1. Approval of Minutes

Recommendation(s)

Approve the minutes of the April 16, 2026 Finance and Administration Committee meeting.

Attachments:

[Minutes](#)

2. Investments: Monthly Reporting July 1 through December 31, 2025, Internal Audit Report No. 26-510

Jonathan Thompson/Janet Sutter

Overview

The Internal Audit Department has completed an audit of investment reporting for the period July 1 through December 31, 2025. Based on the audit, the Orange County Transportation Authority complied with its investment reporting policies and procedures, and reported investments comply with the Investment Policy; however, the Internal Audit Department made two recommendations related to the timeliness of the Investment and Debt Programs Reports' review and the presentation of Investment and Debt Programs Reports' schedules.

Recommendation(s)

Direct staff to implement two recommendations provided in Investments: Monthly Reporting, July 1 through December 31, 2025, Internal Audit Report No. 26-510.

Attachments:

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

[Staff Report](#)

[Attachment](#)

3. **Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Buena Park**

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Buena Park and the Orange County Transportation Authority. Based on the procedures performed, the City of Buena Park obtained an unmodified opinion on its Annual Comprehensive Financial Report for the year ended 2025, spent sufficient funds to meet the required minimum maintenance of effort, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance. Auditors identified expenditures related to two projects that were not listed on the City of Buena Park's Seven-Year Capital Improvement Program Report; however, a revised report was prepared during the review.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

4. **Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Huntington Beach**

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Huntington Beach and the Orange County Transportation Authority. Based on the procedures performed, the City of Huntington Beach obtained an unmodified (clean) opinion on its Annual Comprehensive Financial Report for the year ended 2024, spent sufficient funds to meet required minimum maintenance of effort expenditures, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance.

Recommendation(s)

Direct staff to monitor to ensure submission of an updated Fiscal Year 2024-25 Expenditure Report from the City of Huntington Beach.

Attachments:

[Staff Report](#)

[Attachment A](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

5. **Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2025**

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2025. Local Fair Share reports include observations of disallowed maintenance of effort expenditures, misreporting of direct and indirect costs, expenditure report errors, and incomplete Capital Improvement Program reports. The County of Orange Senior Non-Emergency Medical Transportation program report included no observations.

Recommendation(s)

Direct staff to monitor implementation of corrective actions by cities, as applicable.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

6. **Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2025**

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has issued results of its audit of the Orange County Local Transportation Authority's compliance with the Measure M2 Ordinance for the year ended June 30, 2025. The auditors found that the Orange County Local Transportation Authority complied, in all material respects, with the compliance requirements of the Measure M2 Ordinance for the year ended June 30, 2025. In addition, no reportable deficiencies in internal control over compliance were identified.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

7. **Audit of Toll Lanes Integrator System**

Ricco Bonelli/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Incorporated, for provision of toll lanes integrator systems. Based on the audit, management should implement controls to ensure contract terms are enforced, damages and fee adjustments are applied, work is not authorized until applicable amendments are executed, and invoice packages are complete.

Recommendation(s)

Direct staff to implement four recommendations provided in the Audit of Toll Lanes Integrator System, Internal Audit Report No. 26-501.

Attachments:

[Staff Report](#)

[Attachment A](#)

8. **Annual Insurance Program Renewal**

Greg Bych/Maggie McJilton

Overview

The Orange County Transportation Authority holds an Excess Workers' Compensation Insurance Policy with Safety National Insurance Company, a Property Insurance Policy with Zurich Insurance Company, and express lanes property insurance with Zurich Insurance Company, Munich Re Insurance, and AIG Specialty Insurance Company. The policies are scheduled to expire on June 30, 2026, and renewals are necessary to maintain coverage.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255099, in an amount not-to-exceed \$746,148, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.
- B. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255098, in an amount not-to-exceed \$1,300,000, to Marsh Risk and Insurance Services, Inc., to purchase property insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.
- C. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255100, in an amount not-to-exceed \$600,000, to Marsh Risk and Insurance Services, Inc., to purchase the 91 and 405 Express Lanes' property and flood insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

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- D. Authorize the Chief Executive Officer to remain fully self-insured for general liability exposures and maintain a minimum liability reserve of \$31.6 million as directed by the Board in June 2025, for the policy period of July 1, 2026, to June 30, 2027.

Attachments:

[Staff Report](#)

9. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limit for Fiscal Year 2026-27

Sam Kaur/Andrew Oftelie

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

Recommendation(s)

Adopt Orange County Transportation Authority Resolution No. 2026-019 to establish the Orange County Transportation Authority General Fund appropriations limit at \$16,950,578, for fiscal year 2026-27.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

10. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limit for Fiscal Year 2026-27

Sam Kaur/Andrew Oftelie

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

Recommendation(s)

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2026-020 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$2,561,703,810, for fiscal year 2026-27.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

11. Orange County Transportation Authority Investment and Debt Programs Report - March 2026

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 March 31, 2026. The report has been reviewed and is consistent with the investment practices contained in the investment policy.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

12. Annual Update to Investment Policy

Robert Davis/Andrew Oftelie

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2026-27 Investment Policy. The governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year. Additionally, and as recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Proposed Fiscal Year 2026-27 Investment Policy to be reviewed at a public meeting.

Recommendation(s)

A. Adopt the Fiscal Year 2026-27 Investment Policy, effective July 1, 2026.

B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2026-27.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

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Regular Calendar

13. 91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes

Anthony Rodriguez/Kirk Avila

Overview

In October 2019, the Orange County Transportation Authority Board of Directors awarded an agreement to Cofiroute USA, LLC, for the back-office system and customer service center operations for the 91 Express Lanes in Orange and Riverside counties. The initial term of the agreement ends in January 2027. In August 2025, staff received direction from the Finance and Administration Committee to explore an option which would consolidate the 15 and 91 Express Lanes operations. Staff has evaluated potential options for the post-2027 environment. Benefits, estimated costs, and recommendations are provided for Board of Directors' review and consideration.

Recommendation(s)

- A. Authorize the consolidation of the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing back-office system and customer service center operations for the Riverside County Transportation Commission.

- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc., a three-party agreement, in a not-to-exceed amount of \$126,372,484, to provide back-office system and customer service center operations for the 15 and 91 Express Lanes.

- C. Authorize the Chief Executive Officer to negotiate and execute the Amended and Restated Cooperative Agreement No. C-1-3190 for express lanes between the Riverside County Transportation Commission and the Orange County Transportation Authority.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Presentation](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

14. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2026-27 Budget and Personnel and Salary Resolution

Victor Velasquez/Andrew Oftelie

Overview

The Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The proposed budget continues to strengthen the Orange County Transportation Authority's long-term financial sustainability by maintaining a structurally balanced plan with no unplanned use of reserves, while advancing the Board of Director's Strategic Initiatives and delivering reliable transportation services.

The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget following the public hearing to be held at the Board of Directors' meeting on June 8, 2026, at the following Board of Directors meeting on June 22, 2026, or in a special meeting convened at their discretion, on or before June 30, 2026. The Board of Directors are also asked to approve the Personnel and Salary Resolution as part of the budget approval process.

Recommendation(s)

- A. Approve by Resolution the Orange County Transportation Authority Fiscal Year 2026-27 Budget.
- B. Approve the Personnel and Salary Resolution for fiscal year 2026-27.
- C. Approve the update to the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.
- D. Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders, and/or agreements.
- E. Approve up to \$14.5 million for the fiscal year 2026-27 Orange County Transportation Authority contribution to the Southern California Regional Rail Authority operating subsidy to support Metrolink service through the first quarter of the fiscal year. Funding for operations, as well as capital and rehabilitation expenditures for the remainder of the fiscal year, is contingent upon a formal budget request from Metrolink and approval by the Orange County Transportation Authority Board of Directors, and concurrence from all member agencies.

Attachments:

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[Staff Report](#)
[Attachment A](#)
[Attachment B](#)
[Attachment C](#)
[Attachment D](#)
[Presentation](#)
[Attachment E](#)
[Handout](#)

Discussion Items

15. **Public Comments**
16. **Chief Executive Officer's Report**
17. **Committee Members' Reports**
18. **Adjournment**

The next regularly scheduled meeting of this Committee will be held:

10:30 a.m. on Thursday, June 18, 2026

OCTA Headquarters
550 South Main Street
Orange, California