



# Orange County Transportation Authority

## Executive Committee Agenda Monday, May 6, 2024 at 9:00 a.m.

Board Room, 550 South Main Street, Orange, California

### Committee Members

Tam T. Nguyen, Chair

Doug Chaffee, Vice Chair

Andrew Do, Regional Transportation Planning, Chair

Michael Hennessey, Finance & Administration, Chair

Fred Jung, Transit Committee Chair

Donald P. Wagner, Legislative & Communications, Chair

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 or listen to audio live streaming of the Board and 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.

# EXECUTIVE COMMITTEE MEETING AGENDA

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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 Jung

### 1. Closed Session

#### **Overview**

Pursuant to Government Code Section 54956.9(d) - Conference with General Counsel - Potential Litigation - one item.

## Special Calendar

There are no Special Calendar matters.

## Consent Calendar (Item 2)

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.

### 2. Approval of Minutes

Clerk of the Board

#### **Recommendation(s)**

Approve the minutes of the April 1, 2024 Executive Committee meeting.

#### **Attachments:**

[Minutes](#)

## Regular Calendar

### 3. Third Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics

James G. Beil

#### **Overview**

Staff has prepared a quarterly progress report on capital project delivery covering the period of January 2024 through March 2024, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway and transit capital improvement projects.

#### **Recommendation(s)**

Receive and file as an information item.

## EXECUTIVE COMMITTEE MEETING AGENDA

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***Attachments:***

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

**4. Measure M2 Eligibility for the City of Cypress**

Adriann Cardoso/Kia Mortazavi

***Overview***

In 2023, the Orange County Transportation Authority Board of Directors found the City of Cypress ineligible to receive Measure M2 net revenues due to an insufficient investment of discretionary funds in fiscal year 2021-22 for streets and roads purposes to meet the Measure M2 maintenance of effort requirement. A recent accounting of the City of Cypress' Measure M2 maintenance of effort expenditures for fiscal year 2022-23 found that the City of Cypress has met its minimum maintenance of effort expenditure requirement, including the shortfall amount. The Orange County Transportation Authority Board of Directors is being asked to consider reinstating the City of Cypress' Measure M2 eligibility status.

***Recommendation(s)***

- A. Authorize the Chief Executive Officer to negotiate, execute, and amend the settlement agreement with the City of Cypress to reduce the term to deliver the maintenance of effort requirement to one year and remove an audit requirement for fiscal year 2023-24.
- B. Approve the City of Cypress eligible to receive Measure M2 net revenues upon execution of the amended settlement agreement.
- C. Direct staff to reinstate payments to the City of Cypress for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2022-23 audit costs) within ten days of execution of the amended settlement agreement.

***Attachments:***

[Staff Report](#)

[Attachment A](#)

## EXECUTIVE COMMITTEE MEETING AGENDA

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### 5. Measure M2 Eligibility for the City of Orange

Adriann Cardoso/Kia Mortazavi

#### **Overview**

The Orange County Transportation Authority's Internal Auditor has released the results of an independent auditor's report of the City of Orange's compliance with the Measure M2 eligibility requirements for fiscal year 2022-23. The independent auditor's report found the City of Orange lacked adequate documentation to support whether it had spent sufficient discretionary funds on streets and road purposes to meet the maintenance of effort requirement prescribed in the Measure M2 Ordinance. Based on this information, recommendations related the City of Orange eligibility and compliance with the Measure M2 Ordinance are presented.

#### **Recommendation(s)**

- A. Find the City of Orange an ineligible jurisdiction to receive or apply for net Measure M2 revenues.
- B. Suspend net Measure M2 revenue payments to the City of Orange until the City of Orange can demonstrate compliance with Measure M2 eligibility requirements and the Board of Directors acts to find the City of Orange an eligible jurisdiction.
- C. Require the City of Orange to demonstrate supplemental investment of discretionary transportation funds equal to the amount of discretionary investment that was short of the maintenance of effort benchmark in the fiscal year 2022-23 (approximately \$1.12 million) as a condition of accessing suspended funds.
- D. Authorize the Internal Auditor to engage independent auditing services to apply agreed-upon procedures to assess the City of Orange's compliance with maintenance of effort expenditures and authorize staff to deduct audit costs from any future net Measure M2 payments to the City of Orange.
- E. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Orange to correct and remedy the fiscal year 2022-23 audit issues and formalize required actions to become an eligible jurisdiction.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

## EXECUTIVE COMMITTEE MEETING AGENDA

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### 6. **Measure M2 Eligibility for the City of Buena Park**

Francesca Ching/Kia Mortazavi

#### **Overview**

The Orange County Transportation Authority's Internal Auditor issued results of an independent auditor's report related to the City of Buena Park's compliance with the Measure M2 requirements for fiscal year 2022-23. The independent auditor's report found that the City of Buena Park could not sufficiently support their use of Measure M2 Local Fair Share funds related to indirect labor charges thereby resulting in the use of the funds being disallowed. Based on this information, recommendations to address the independent auditor's report finding are presented.

#### **Recommendation(s)**

- A. Seek reimbursement of \$387,576 from the City of Buena Park and find the City of Buena Park ineligible to receive Measure M2 net revenues for five years pursuant to Section 10.4 of Ordinance No. 3.
- B. Authorize the Internal Auditor to engage independent auditing services to apply agreed-upon procedures to review the City of Buena Park's Measure M2 Local Fair Share program and other expenditures for fiscal year 2023-24, fiscal year 2024-25, fiscal year 2025-26, fiscal year 2026-27, and fiscal year 2027-28 to enable the City of Buena Park to reestablish eligibility and authorize staff to deduct the review costs from any future net Measure M2 payments to the City of Buena Park.
- C. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Buena Park to formalize the required actions to reestablish eligibility and other terms.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

### **Discussion Items**

#### 7. **Public Comments**

#### 8. **Chief Executive Officer's Report**

#### 9. **Committee Members' Reports**

#### 10. **Adjournment**

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

**9:00 a.m. on Monday, June 3, 2024**

OCTA Headquarters

550 South Main Street, Orange, California