



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Committee Members**

Michael Hennessey, Chairman  
Richard Murphy, Vice Chairman  
Andrew Do  
Gene Hernandez  
Steve Jones  
Michelle Steel  
Donald P. Wagner

Orange County Transportation Authority  
Headquarters  
550 South Main Street  
Board Room – Conf. Room 07  
Orange, California  
**Wednesday, April 24, 2019 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 OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

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.

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.

### **Call to Order**

#### **Pledge of Allegiance**

Director Hernandez

#### **1. Public Comments**

### **Special Calendar**

#### **2. Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget**

Jennifer L. Bergener

Metrolink staff will present a verbal overview of the proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget, including the Orange County Transportation Authority's proposed share of operating, rehabilitation, and capital expenses for Metrolink commuter rail service.



## **Consent Calendar (Items 3 through 12)**

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.

### **3. Approval of Minutes**

Approval of the minutes of the Finance and Administration Committee meeting of April 10, 2019.

### **4. Mobile Ticketing Operations, Internal Audit Report No. 19-505**

Gabriel Tang/Janet Sutter

#### **Overview**

The Internal Audit Department has completed an audit of mobile ticketing operations. Based on the audit, controls over revenue collection, recording, reconciliation, and invoice review are adequate, and the contractor complies with contract terms. The Internal Audit Department offered two recommendations to improve system access controls and to develop written policies and procedures.

#### **Recommendation**

Direct staff to implement two recommendations provided in Mobile Ticketing Operations, Internal Audit Report No. 19-505.

### **5. Fiscal Year 2018-19 Internal Audit Plan, Third Quarter Update**

Janet Sutter

#### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan on August 27, 2018. This update is for the third quarter of the fiscal year.

#### **Recommendation**

Receive and file the third quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan as an information item.



**6. Recruitment and Employment Audit**  
Serena Ng/Janet Sutter

**Overview**

The Internal Audit Department has completed an audit of recruitment and employment operations at the Orange County Transportation Authority. Based on the audit, controls to ensure compliance with recruitment policies are generally adequate and functioning; however, a few instances of non-compliance with requirements for review of applications and written job offers were identified. The Internal Audit Department also identified situations that should be addressed in policies and procedures, including the employment of coach operator applicants with pending license suspensions, pending criminal cases, and unfavorable or missing references from past employers. In addition, the Internal Audit Department identified policy violations related to the payment of relocation costs and subsequent waiver of the repayment requirement. Finally, the Internal Audit Department identified concerns related to removal of the requirement for bus service workers to hold a commercial driver license.

**Recommendation**

Direct staff to implement three recommendations provided in Recruitment and Employment, Internal Audit Report No. 19-503.

**7. Local Agency Investment Fund - March 2019**  
Sean Murdock/Andrew Oftelie

**Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the State of California Local Agency Investment Fund. Each month, the State Treasurer's office publishes a report detailing the composition of the pool. The attached summary statements from the report are for the month ending March 2019. The report has been reviewed and is consistent with the investment practices of the State Treasurer's Office.

**Recommendation**

Receive and file as an information item.



**8. Orange County Treasurer's Management Report - March 2019**  
Sean Murdock/Andrew Oftelie

**Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the Orange County Investment Pool. Each month, the Orange County Treasurer publishes a comprehensive report detailing the composition of the pool and the prevailing economic and market conditions. The attached Treasurer's Management Report for the Orange County Investment Pool is for the month ending March 31, 2019. The report has been reviewed and is consistent with the investment practices of the Orange County Treasurer.

**Recommendation**

Receive and file as an information item.

**9. Third Quarter Fiscal Year 2018-19 Procurement Status Report**  
Virginia Abadessa/Andrew Oftelie

**Overview**

The third quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1 through March 31, 2019, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2018-19 budget.

**Recommendation**

Receive and file as an information item.



**10. Agreement for Magnetic Bus Passes**  
Sara Belovsky/Andrew Oftelie

**Overview**

In February 2019, the Orange County Transportation Authority issued an invitation for bids for the production, printing, and encoding of magnetic bus passes. Bids were received in accordance with procurement procedures for materials and equipment. Board of Directors' approval is requested to execute the new Blanket Purchase Order.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Blanket Purchase Order No. C-9-1017 between the Orange County Transportation Authority and Electronic Data Magnetics, Inc., in the amount of \$414,906, to provide magnetic bus passes from July 1, 2019 through June 30, 2023.

**11. Approval of Fiscal Year 2019-20 Local Transportation Fund Claim for Public Transportation and Community Transit Services**  
Sam Kaur/Andrew Oftelie

**Overview**

The Orange County Transit District is eligible to receive funding from the Local Transportation Fund for providing public transportation and community transit services throughout Orange County. To receive the funds, the Orange County Transit District must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

**Recommendations**

- A. Approve the Orange County Transit District Fiscal Year 2019-20 Local Transportation Fund Claim for public transportation services in the amount of \$164,730,028, and for community transit services in the amount of \$8,733,198, for a total claim amount of \$173,463,226.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.



- 12. Approval of the Fiscal Year 2019-20 Local Transportation Fund Claim for Laguna Beach Public Transportation Services**  
Sam Kaur/Andrew Oftelie

**Overview**

The Laguna Beach Municipal Transit Lines, a department within the City of Laguna Beach, is eligible to receive funding from the Local Transportation Fund in Orange County for providing public transportation services throughout the city. To receive the funds, the Laguna Beach Municipal Transit Lines must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

**Recommendations**

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2019-20 Local Transportation Fund Claim for public transportation services in the amount of \$1,200,732.
- B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

**Regular Calendar**

- 13. Orange County Transportation Authority Fiscal Year 2019-20 Budget Workshop Preview**  
Victor Velasquez/Andrew Oftelie

**Overview**

The Orange County Transportation Authority is developing the fiscal year 2019-20 budget, which identifies available revenues and the costs associated with providing transportation services and programs for Orange County. The proposed budget will be reviewed in detail in a two-hour informal workshop following the May 13, 2019, Orange County Transportation Authority Board of Directors' meeting.

**Recommendation**

Review the fiscal year 2019-20 proposed budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors' meeting on May 13, 2019.



- 14. Orange County Transportation Authority Investment and Debt Programs Report - March 2019**  
Sean Murdock/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 investment and debt program. This report is for the month ending March 31, 2019. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

**Recommendation**

Receive and file as an information item.

**Discussion Items**

- 15. Chief Executive Officer's Report**
- 16. Committee Members' Reports**
- 17. Closed Session**

There are no Closed Session items scheduled.

- 18. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, May 22, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.