



# **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, May 22, 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 Wagner

### **1. Public Comments**

### **Special Calendar**

### **2. Taxable Sales Forecast - MuniServices - Doug Jensen, Senior Vice President, Client Services** Sam Kaur/Andrew Oftelie

Orange County Transportation Authority contracts with several economic specialists to provide an annual 30-year taxable sales forecast for Measure M2. The latest forecasts were received in Spring 2019. Doug Jensen, from MuniServices, will provide an update on the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.



### **Consent Calendar (Items 3 through 13)**

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 24, 2019.

**4. Triennial Performance Audits**

Ricco Bonelli/Janet Sutter

**Overview**

Triennial performance audits have been conducted of the Orange County Transportation Authority, the Orange County Transit District, and the Laguna Beach Municipal Transit Lines for fiscal years 2015-16 through 2017-18. These triennial performance audits are required by the Transportation Development Act. The audits found all three entities in compliance with applicable sections of the California Public Utilities Code.

**Recommendations**

- A. Direct staff to implement seven recommendations included in the Fiscal Year 2016-18 Triennial Performance Audit of the Orange County Transportation Authority.
- B. Direct staff to monitor implementation of recommendations included in the Fiscal Year 2016-18 Triennial Performance Audit of Laguna Beach Municipal Transit Lines.

**5. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2018**

Gabriel Tang/Janet Sutter

**Overview**

The Internal Audit Department has completed an audit of investments for the period July 1 through December 31, 2018. Based on the audit, the Orange County Transportation Authority complied with its debt and investment policies; however, a few errors were identified in the fourth quarter investment and debt report, and a recommendation was made to enhance monitoring of asset-backed securities' diversification limits.



**5. (Continued)**

**Recommendation**

Direct staff to implement two recommendations provided in Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2018, Internal Audit Report No. 19-507.

**6. Orange County Transportation Authority Investment and Debt Programs Report - April 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 debt program. This report is for the month ending April 30, 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.

**7. Fiscal Year 2018-19 Third Quarter Grant Reimbursement Status Report**

Sam Kaur/Andrew Oftelie

**Overview**

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the period of January through March 2019.

**Recommendation**

Receive and file as an information item.



**8. Agreement with the California Highway Patrol for Enforcement Services on the 91 Express Lanes**  
Kirk Avila/Kenneth Phipps

**Overview**

The Amended and Restated Development Franchise Agreement, entered into between the California Department of Transportation and the California Private Transportation Company, requires the California Highway Patrol to provide enforcement services on the 91 Express Lanes. With the purchase of the 91 Express Lanes, the Orange County Transportation Authority assumed all agreements from the California Private Transportation Company. The California Highway Patrol is requiring a new agreement to be established with the Orange County Transportation Authority for toll and traffic enforcement services on the 91 Express Lanes.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1172, between the Orange County Transportation Authority and California Highway Patrol, for a contract term of ten years, in an amount not to exceed \$12,326,335, for toll and traffic enforcement services on the 91 Express Lanes.

**9. Amendment to the 91 Express Lanes Riverside County Transportation Commission/Orange County Transportation Authority Facility Agreement**  
Kirk Avila/Kenneth Phipps

**Overview**

The 91 Express Lanes Riverside County Transportation Commission/Orange County Transportation Authority Facility Agreement prescribes the funding transfers between the two agencies for costs incurred for the rent and any shared operational expenses in relation to the 91 Express Lanes. An amendment is needed to account for the reimbursement of shared operating costs incurred by the Riverside County Transportation Commission for the period July 1, 2019 through June 30, 2020.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of \$917,000, for the reimbursement of shared operational expenses through June 30, 2020.



**10. 91 Express Lanes Update for the Period Ending March 31, 2019**

Kirk Avila/Kenneth Phipps

**Overview**

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since that time, over 214 million trips have been taken on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the period-ending March 31, 2019.

**Recommendation**

Receive and file as an information item.

**11. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2019-20**

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**

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2019-027 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,821,701,129 for fiscal year 2019-20.

**12. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2019-20**

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**

Adopt Orange County Transportation Authority Resolution No. 2019-028 to establish the Orange County Transportation Authority General Fund appropriations limit at \$12,054,043 for fiscal year 2019-20.



- 13. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2019**  
Sean Murdock/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 projects. California Community Foundation manages the non-wasting endowment required to pay for 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. Attached is the quarterly investment report for the Endowment Pool for the period ending March 31, 2019. The report has been reviewed and is consistent with the pool objectives.

**Recommendation**

Receive and file as an information item.

**Regular Calendar**

- 14. Consultant Selection for the Implementation of the Federal Disadvantaged Business Enterprise Program**  
Virginia Abadessa/Andrew Oftelie

**Overview**

On February 5, 2019, the Orange County Transportation Authority issued a request for proposals for Disadvantaged Business Enterprise consulting services. Proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested for the selection of a firm to perform the required work.

**Recommendations**

- A. Approve the selection of Padilla & Associates, Inc., as the firm to provide assistance in administering the Federal Disadvantaged Business Enterprise Program for the Orange County Transportation Authority.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0987 between the Orange County Transportation Authority and Padilla & Associates, Inc., to provide assistance in administering the Federal Disadvantaged Business Enterprise Program for a five-year term, in the amount of \$950,000.



**15. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2019-20 Budget and Personnel and Salary Resolution**

Victor Velasquez/Andrew Oftelie

**Overview**

The Orange County Transportation Authority Fiscal Year 2019-20 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the fiscal year 2019-20 budget following the public hearing to be held at the Board of Director's Meeting on June 10, 2019, at the following Board of Directors' meeting on June 24, 2019, or in a special meeting convened at their discretion. The Board of Directors are also asked to approve changes to the Personnel and Salary Resolution as part of the budget approval process.

**Recommendations**

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2019-20 Budget.
- B. Approve the Personnel and Salary Resolution for Fiscal Year 2019-20.
- C. Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approval of fiscal year 2019-20 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, in an amount up to \$30,287,870, including authorization of Federal Transit Administration funds, in an amount up to \$8,500,000, to be drawn down directly by Southern California Regional Rail Authority. In addition, approve capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. Orange County Transportation Authority portion of the costs for capital is \$515,980 and \$12,679,851 for rehabilitation.



**Discussion Items**

**16. Chief Executive Officer's Report**

**17. Committee Members' Reports**

**18. Closed Session**

There are no Closed Session items scheduled.

**19. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 12, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.