

Minutes of the
Orange County Transportation Authority
Orange County Transit District
Orange County Local Transportation Authority
Orange County Service Authority for Freeway Emergencies
Board of Directors Meeting

Call to Order

The September 25, 2017 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Hennessey at 9:02 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

Roll Call

Following the Invocation and Pledge of Allegiance, the Clerk of the Board noted a quorum was present, with the following Directors in attendance:

Directors Present: Michael Hennessey, Chairman
Lisa A. Bartlett, Vice Chair
Barbara Delgleize
Andrew Do
Lori Donchak
Mark A. Murphy
Richard Murphy
Shawn Nelson
Miguel Pulido
Todd Spitzer
Michelle Steel
Gregory T. Winterbottom
Ryan Chamberlain, Governor's Ex-Officio Member

Directors Absent: Laurie Davies
Steve Jones
Al Murray
Tim Shaw
Tom Tait

Also Present: Darrell Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Olga Prado, Assistant Clerk of the Board
James Donich, General Counsel
Members of the Press and the General Public

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for September 2017

Darrell Johnson, Chief Executive Officer (CEO), presented the OCTA Resolutions of Appreciation Nos. 2017-076, 2017-077, and 2017-078 to Carlos Urena, Coach Operator; De Pham, Maintenance; and Sergio Hernandez, Administration, as Employees of the Month for September 2017.

2. Public Hearing for the Proposed February 2018 Bus Service Plan

(A verbatim transcript of this public hearing is on file in the Clerk of the Board's office.)

Darrell Johnson, CEO, opened with remarks, and introduced Stella Lin, Marketing Manager, who provided a PowerPoint presentation as follows:

- February 2018 Service Plan Goals;
- Outreach;
- What We Heard; and
- Plan Schedule/Next Steps.

Chairman Hennessey opened the public hearing and the Clerk of the Board read into the record the noticing done to inform the public and local agencies of today's public hearing.

Chairman Hennessey opened the floor for public comments, which were heard from:

1. Helena Broderick
2. Grady Yu
3. Robert Martin
4. Issac Lopez
5. Jose Vargas
6. Paul Hyek
7. Gerald Behoteguy
8. Rosalina Ambrez
9. Jodi Benal

A motion was made by Director Pulido, seconded by Director M. Murphy, and declared passed by those present, to close the public hearing.

2. (Continued)

With the closing of the public hearing, a lengthy discussion ensued regarding:

- Bus Route 54 proposed change is to decrease the midday frequency from 15 to 20 minutes.
- Bus Route 177 weekend service is proposed to be discontinued due to low ridership.
- Forward to the appropriate staff today's comments about the bus cleanliness and driver safety.
- The traveling public needs to be considered and not have the customer stranded. Staff was asked to think of alternative modes of transportation (i.e., vanpools, etcetera.)
- Staff was asked to provide a list of all the proposed changes when it returns for final approval.
- A busy bus route has 30 plus boardings per hour and a community bus route would have ten boardings per hour.
- The fare box recovery is 20 percent and OCTA subsidizes 80 percent of the bus service.
- OCTA is taking a regional approach to address the declining bus ridership.
- The fixed-route and ACCESS services are mandated to be linked a quarter of a mile from each other.
- Chairman Hennessey requested that staff follow-up with each of today's public speakers.
- Staff is working hard to reallocate and balance the resources made available to support the bus system.

No action was taken on this receive and file initial public input on the Proposed February 2018 Bus Service Plan item.

Consent Calendar (Items 3 through 17)

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of September 11, 2017.

4. Communications by Independent Financial Statement Auditor

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to receive and file as an information item.

5. Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2017

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to direct staff to implement one recommendation provided in Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2017, Internal Audit Report No. 18-501.

6. Audit of State Transportation Improvement Program Planning, Programming and Monitoring Program, Program Fiscal Year 2014-2015

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to receive and file as an information item.

7. State Legislative Status Report

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to receive and file as an information item.

8. Federal Legislative Status Report

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to receive and file as an information item.

9. Draft Revisions to Orange County Transportation Authority's 2017-18 State and Federal Legislative Platforms

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to authorize staff to integrate the recommended revisions to the Orange County Transportation Authority's 2017-18 State and Federal Legislative Platforms and seek further feedback from the Board of Directors, internal staff, and advisory groups, with subsequent drafts to be brought forward in November for final consideration and adoption.

10. Approval to Release Request for Proposals for Information Technology Contract Technical Staffing

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 7-1949 to provide information technology contract technical staffing.
- B. Approve the release of Request for Proposals 7-1949 to provide information technology contract technical staffing for a five-year term.

11. Excess Liability Insurance Renewal

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A38039, not to exceed \$700,000, to Marsh Risk and Insurance Services, Inc., to purchase excess liability insurance on behalf of the Orange County Transportation Authority for the policy period of November 1, 2017 to November 1, 2018.

12. Excess Workers' Compensation Insurance Policy

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A38038, not to exceed \$500,000, 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 October 1, 2017 to October 1, 2018.

13. Low Carbon Transit Operations Program Recommendations for Fiscal Year 2015-16 Funds

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to:

- A. Approve the use of \$3,045,578 in Low Carbon Transit Operations Program funding for acquisition and inspection of six, 40-foot low floor compressed natural gas buses for the Bravo! 529 Rapid Bus Service.
- B. Approve the use of \$549,283 in Congestion Mitigation and Air Quality Improvement Program funding for acquisition and inspection of six, 40-foot low floor compressed natural gas buses for the Bravo! 529 Rapid Bus Service.
- C. Pending approval of the Low Carbon Transit Operations Program funding by the state, authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-4-1280, between the Orange County Transportation Authority and New Flyer of America, Inc., in the amount of \$3,567,861, to exercise the option to purchase six, 40-foot low floor compressed natural gas buses painted with the Bravo! branding. This will increase the maximum obligation of the agreement to a total contract value of \$95,145,227.

13. (Continued)

- D. Pending approval of the Low Carbon Transit Operations Program funding by the state, amend the Orange County Transportation Authority's Fiscal Year 2017-18 Adopted Budget, in the amount of \$3,594,861, for the purchase of six, 40-foot low floor compressed natural gas buses painted with Bravo! branding, and associated in-plant inspection services and staff travel.
- E. Approve Resolution 2017-068, consistent with the Low Carbon Transit Operations Program Guidelines.
- F. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the recommendations above.

Orange County Transit District Consent Calendar Matters

14. Transit Police Services, Internal Audit Report No. 17-512

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to receive and file Transit Police Services, Internal Audit Report No. 17-512, as an information item.

15. Contracted Fixed-Route Operations, Internal Audit Report No. 17-508

Director Do pulled this item and reported that the Finance and Administration Committee recently discussed the findings of audit. Director Do stated that the audit findings are an opportunity for Mr. Johnson, CEO, to address the system of OCTA's management structure to ensure that this does not happen in the future.

Director Spitzer provided comments and stated the vendor has an obligation of self-reporting. Director Spitzer asked that OCTA's contract require a vendor self-reporting provision. A discussion ensued about the contractual obligations of OCTA's vendors for self-reporting.

Director Spitzer asked, as part of the recommended actions, to add a recommendation that all future contracts and extended contracts include an addendum of a self-reporting provision.

Director Do requested that OCTA's system to waive future penalties have a standard and clearer language than as appropriate, and the waiver of a penalty be approved by a higher level of management.

Chairman Hennessey stated that OCTA is a well-run agency, mistakes can be made, OCTA has a good Internal Audit function, and ensure to carry the message to mid-management.

15. (Continued)

A motion was made by Director Spitzer, seconded by Director Do, and declared passed by those present, to:

- A. Direct staff to implement six recommendations provided in Contracted Fixed-Route Operations, Internal Audit Report No. 17-508.
- B. Direct staff to write an internal procedure governing penalty waivers and approvals, then return to the Finance and Administration Committee with an update.
- C. Include a schedule of all penalties, incentives, and penalty waivers in the "Transit Division Performance Measurements Report."
- D. Include in all future and extended contracts a self-reporting provision.

16. Agreement for Janitorial Services

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to:

- A. Approve the selection of Corporate Image Maintenance as the firm to provide janitorial services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1723 between the Orange County Transportation Authority and Corporate Image Maintenance, in the amount of \$3,243,840, to provide janitorial services, for a three-year initial term beginning November 1, 2017, with one, two-year option term.

Director Pulido was not present to vote on this item.

17. Approval to Release Request for Proposals for Compressed Natural Gas Fueling Facility Operation and Maintenance

A motion was made by Director Nelson, seconded by Director M. Murphy, and declared passed by those present, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 7-1930 to provide services for compressed natural gas fueling facility operation and maintenance.
- B. Approve the release of Request for Proposals 7-1930 for operation and maintenance for compressed natural gas equipment for a three-year initial term with two, one-year option terms.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

18. Consideration of Measure M Identity Enhancements

Darrell Johnson, CEO, provided opening comments, and introduced Ryan Armstrong, Section Manager, Digital and Creative Services, who provided a PowerPoint presentation as follows:

- Your Tax Dollars at Work;
- Research, Reasons, and Results;
- Market Research Awareness;
- Market Research Focus Groups;
- Why Rename;
- A Family Affair (OCTA's branding);
- Introducing a New Family Member (Measure M2 logo and signs); and
- Next Steps.

A discussion ensued regarding:

- Legislative and Communications (L&C) Committee Chairman Nelson referenced slide 12 of the PowerPoint. He provided comments and stated that the L&C Committee made adjustments and wanted to keep the new logo simple.
- Mr. Johnson, CEO, thanked Director Chamberlain and the California Department of Transportation (Caltrans), District 12, staff for working with OCTA on the Measure M identity changes.
- Concerns that the identity enhancements could impact a future Measure M ballot campaign and suggestions were provided on how to address the concerns.
- People are interested to see on the signage when a project will be completed, and the current Measure M logo is not recognized.

A motion was made by Director Spitzer, seconded by Director Do, and declared passed by those present, to approve renaming Measure M and incorporate the OC Go logo into updated signage and communications materials.

Director Pulido was not present to vote on this item.

Discussion Items

19. Public Comments

There were no public comments received.

20. Chief Executive Officer's Report

There was no Chief Executive Officer's report.

21. Directors' Reports

Director Chamberlain reported that Kome Ajise, Caltrans Chief Deputy Director, will be leaving at the end of next month to join the Southern California Association of Governments agency.

Director R. Murphy thanked today's public speakers for taking the time to attend the public hearing in order to provide their comments. Director R. Murphy asked staff to follow-up with the speakers.

Director Do reported that he attended last week's OCTA New York rating agencies trip and provided his observation of the meetings. He noted OCTA staff's credibility and the Board of Directors leadership stood out at the meetings.

Vice Chair Bartlett reported on last week's OCTA New York rating agencies trip and highlighted her presentations and the meeting discussions. She also stated that there was good dialog and she was pleased with the outcome of the trip.

Director Delgleize thanked OCTA staff Christina Byrne and Dennis Mak for discussing the Interstate 405 Improvement Project with some City of Huntington Beach residents.

Director Donchak reported that on behalf of Chairman Hennessey, she kicked-off last week's elected officials long-range transportation workshop. She stated that Directors Davies, Delgleize, Murray, and herself were in attendance. She complimented OCTA staff Kia Mortazavi and Alice Rogan for an excellent job, and highlighted the topics of discussion.

Chairman Hennessey reported on last week's New York rating agencies trip and stated his gratification for the agencies respect of OCTA's staff. In addition, Chairman Hennessey also thanked today's public speakers that provided comments during the public hearing.

22. Closed Session

There were no Closed Session items scheduled.

23. Adjournment

The meeting adjourned at 10:32 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, October 9, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Michael Hennessey
OCTA Chairman