



# **Orange County Transportation Authority**

## **Finance and Administration Committee Agenda**

### **Wednesday, April 24, 2024 at 10:30 a.m.**

Board Room, 550 South Main Street, Orange, California

#### **Committee Members**

Michael Hennessey, Chair  
Patrick Harper, Vice Chair  
Andrew Do  
Jamey Federico  
Stephanie Klopfenstein  
Tam T. Nguyen  
Vicente Sarmiento

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.

# FINANCE AND ADMINISTRATION 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 Harper

## Closed Session

There are no Closed Session items scheduled.

## Special Calendar

### 1. Proposed Fiscal Year 2024-25 Southern California Regional Rail Authority Budget

Megan Taylor/Johnny Dunning, Jr.

#### **Overview**

Metrolink staff will present an overview (with presentation) of the draft Southern California Regional Rail Authority Fiscal Year 2024-25 Budget, including the Orange County Transportation Authority's proposed share of operating, rehabilitation, and capital expenses for Metrolink commuter rail service.

#### **Attachments:**

[Presentation](#)

## Consent Calendar (Items 2 through 6)

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**

Approve the minutes of the April 10, 2024 Finance and Administration Committee meeting.

#### **Attachments:**

[Minutes](#)

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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### 3. **Fiscal Year 2023-24 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 2023-24 Internal Audit Plan on July 24, 2023. This report provides an update on activities 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 2023-24 Internal Audit Plan as an information item.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

### 4. **Review of Interstate 405 Improvement Project: Design-Build Contract, Internal Audit Report No. 24-507**

Serena Ng/Janet Sutter

#### **Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of the design-build contract for the Interstate 405 Improvement Project. Based on the audit, oversight and invoice review controls were in place and invoices complied with contract provisions. One recommendation was made to improve documentation in the Orange County Transportation Authority's files.

#### **Recommendation**

Direct staff to implement the recommendation provided in the Review of Interstate 405 Improvement Project: Design-Build Contract, Internal Audit Report No. 24-507.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

### 5. **Approval of the Fiscal Year 2024-25 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.

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

---

### ***Recommendations***

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2024-25 Local Transportation Fund claim for public transportation services, in the amount of \$1,532,505.
- 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.

### ***Attachments:***

[Staff Report](#)

## **6. Approval of the Fiscal Year 2024-25 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 2024-25 Local Transportation Fund claim for public transportation services in the amount of \$212,667,523.41, and for community transit services in the amount of \$11,273,685.71 for a total claim amount of \$223,941,209.12.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

### ***Attachments:***

[Staff Report](#)

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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### Regular Calendar

7. **Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2023**

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, 2023. Crowe LLP 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, 2023. In addition, no deficiencies in internal control over compliance were reported.

**Recommendation**

Receive and file the Independent Auditor's Report on Compliance with the Measure M2 Ordinance and Report on Internal Control over Compliance for the year ended June 30, 2023, as an information item.

**Attachments:**

[Staff Report](#)

[Attachment A](#)

8. **Orange County Local Transportation Authority Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Cypress, Year Ended June 30, 2023**

Janet Sutter

**Overview**

BCA Watson Rice LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Cypress for the fiscal year ended June 30, 2023. Based on the procedures performed, the City of Cypress spent sufficient funds to meet the required minimum expenditures as outlined in a settlement agreement between the City of Cypress and the Orange County Transportation Authority.

**Recommendation**

Direct staff to develop recommendation(s) for Board of Directors' action related to the status of the City of Cypress' Measure M2 eligibility.

**Attachments:**

[Staff Report](#)

[Attachment A](#)

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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### 9. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2023

Janet Sutter

#### **Overview**

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to seven cities, and Senior Mobility Program funds provided to six cities, for the fiscal year ended June 30, 2023. Local Fair Share program reports include observations of indirect charges lacking a reasonable methodology, indirect charges allocated based on an aged allocation plan, and reporting errors. Senior Mobility Program audits include observations relating to failure to meet the program match requirement, late submission of a monthly report, reporting errors, failure to allocate interest, and third-party contract language.

#### **Recommendations**

- A. Direct staff to monitor implementation of corrective actions by cities.
- B. Direct staff to review with legal counsel the results of agreed-upon procedures applied to the cities of Buena Park and Orange and develop recommendations for Board of Directors' consideration to address the exceptions related to Local Fair Share expenditures by the City of Buena Park and maintenance of effort expenditures by the City of Orange.
- C. Direct staff to withhold funds from a future payment to the City of Mission Viejo to address the shortfall in match funds in accordance with the Senior Mobility Program Guidelines.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

### 10. Orange County Transportation Authority Fiscal Year 2024-25 Budget Workshop Preview

Victor Velasquez/Andrew Oftelie

#### **Overview**

The Orange County Transportation Authority is developing the fiscal year 2024-25 proposed budget, which identifies available revenues and costs associated with providing transportation services and programs for Orange County. The fiscal year 2024-25 proposed budget will be reviewed in detail during an informal workshop following the May 13, 2024, Orange County Transportation Authority Board of Directors meeting.

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

---

### ***Recommendation***

Review the fiscal year 2024-25 proposed budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors meeting on May 13, 2024.

### ***Attachments:***

[Staff Report](#)

[Presentation](#)

### **Discussion Items**

**11. Public Comments**

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

**13. Committee Members' Reports**

**14. Adjournment**

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

**10:30 a.m. on Wednesday, May 22, 2024**

OCTA Headquarters - Board Room

550 South Main Street

Orange, California