

Orange County Transportation Authority



Finance and Administration Committee Meeting Agenda Wednesday, January 11, 2017 at 10:30 a.m.

550 South Main Street, Board Room - Conf. Room 07, Orange, California

Committee Members

Todd Spitzer, Chairman
Andrew Do
Michael Hennessey
Steve Jones
Miguel Pulido
Michelle Steel

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 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 Do

1. Public Comments

Special Calendar

There are no Special Calendar matters.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

Consent Calendar (Items 2 through 15)

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

Overview

Approval of the minutes of the Finance and Administration Committee meeting of November 9, 2016.

3. Fiscal Year 2015-16 Annual Financial and Agreed-Upon Procedures Reports

Executive Director

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2015-16. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements. All reports are included herewith.

Recommendation

Receive and file the fiscal year 2015-16 annual financial and agreed-upon procedures reports as an information item.

4. Fiscal Year 2015-16 Management Letter

Executive Director

Janet Sutter

Overview

In connection with the annual audit of the Orange County Transportation Authority's financial statements, schedules, and agreements for fiscal year 2015-16, Vavrinek, Trine, Day & Company, LLP, has issued a management letter with four recommendations for improvement to internal controls.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

4. (Continued)

Recommendations

- A. Receive and file the Orange County Transportation Authority Management Letter June 30, 2016.
- B. Direct staff to implement auditor recommendations related to the information technology environment.

5. Fiscal Year 2015-16 Auditor's Communication to Those Charged with Governance

Executive Director

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on its Comprehensive Annual Financial Report, various fund financial statements, schedules, and agreements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, conducted the annual audit of the Orange County Transportation Authority's financial statements, schedules, and agreements for fiscal year 2015-16, and has issued reports thereon. Vavrinek, Trine, Day & Company, LLP, as required by United States Generally Accepted Auditing Standards and Office of Management and Budget Circular A-133, has herewith issued its Auditor's Communication to Those Charged with Governance.

Recommendation

Receive and file as an information item.

6. Laguna Beach Municipal Transit Lines, Annual Transportation Development Act Program Audit for Fiscal Year 2015-16

Executive Director

Janet Sutter

Overview

Pursuant to Part 21, Section 6667 of the California Code of Regulations, an audit of Transportation Development Act Article 4 Funds disbursed to the City of Laguna Beach has been conducted for the fiscal year ended June 30, 2016, by Vavrinek, Trine, Day & Company, LLP.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

6. (Continued)

Recommendation

Receive and file the Laguna Beach Municipal Transit Lines, Transportation Development Act Program audit for fiscal year 2015-16, as an information item.

7. Payment Card Industry Data Security Standard Compliance, Internal Audit Report No. 17-502

Executive Director

Janet Sutter

Overview

The Internal Audit Department has completed an audit of Payment Card Industry Data Security Standard compliance. Based on the audit, the Orange County Transportation Authority is not in compliance with standards and reporting requirements of the Payment Card Industry Data Security Standard or related payment card issuer standards.

Recommendation

Direct staff to implement two recommendations provided in Payment Card Industry Data Security Standard Compliance, Internal Audit Report No. 17-502.

8. Fiscal Year 2016-17 First Quarter Grant Reimbursement Status Report

Author/Executive Director

Rene I. Vega/Andrew Oftelie

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the period of July through September 2016.

Recommendation

Receive and file as an information item.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

9. Orange County Treasurer's Management Report - October 2016

Author/Executive Director

Rodney Johnson/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 October 31, 2016. 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.

10. Orange County Transportation Authority Investment and Debt Programs - October 2016

Author/Executive Director

Rodney Johnson/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 October 31, 2016. 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.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

11. Local Agency Investment Fund - October 2016

Author/Executive Director

Rodney Johnson/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 October 31, 2016. 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.

12. Local Agency Investment Fund - November 2016

Author/Executive Director

Rodney Johnson/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 November 30, 2016. 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.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

13. Orange County Treasurer's Management Report - November 2016

Author/Executive Director

Rodney Johnson/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 November 30, 2016. 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.

14. Orange County Transportation Authority Investment and Debt Programs Report - November 2016

Author/Executive Director

Rodney Johnson/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 November 30, 2016. 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.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

Regular Calendar

15. Fiscal Year 2016-17 First Quarter Budget Status Report

Author/Executive Director

Scott Arbuckle/Andrew Oftelie

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2016-17 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2016-17.

Recommendation

Receive and file as an information item

Discussion Items

16. Bristol Street Widening Project Audit Update

Executive Director

Jim Beil

Overview

Staff will provide an update on the audit results resolution with the City of Santa Ana for the Bristol Street Widening Project.

17. Chief Executive Officer's Report

18. Committee Members' Reports

19. Closed Session

There are no Closed Session items scheduled.

20. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, February 8, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.