



AGENDA

Finance and Administration Committee Meeting

Committee Members

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

Orange County Transportation Authority
Headquarters
550 South Main Street, Board Room –
Conf. Room 07
Orange, California
Wednesday, March 22, 2017 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 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 Spitzer

1. Public Comments

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 2 through 9)

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

Approval of the minutes of the March 8, 2017 Finance and Administration Committee meeting.



3. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2016
Janet Sutter

Overview

Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed agreed-upon procedures related to Measure M2 Senior Non-Emergency Medical Transportation Program funds provided to the County of Orange, Local Fair Share funds provided to nine cities, and Senior Mobility Program funds provided to four cities, for the fiscal year ended June 30, 2016. Observations were made relating to the classification of Maintenance of Effort and Local Fair Share expenditures, errors in reporting of amounts on required activity reports and annual expenditure reports, failure to allocate interest income, senior mobility program trips, inclusion of projects in city Capital Improvement Program plans, and service contractor procurement.

Recommendations

- A. Direct staff to monitor implementation of recommendations by the County of Orange and all cities.
- B. Receive and file the Orange County Local Transportation Authority Measure M2 Senior Non-Emergency Medical Transportation Program Agreed-Upon Procedures Report Fiscal Year Ended June 30, 2016, the Orange County Local Transportation Authority Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2016, and the Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2016, as information items.

4. Orange County Transportation Authority Policies and Procedures, Internal Audit Report No. 17-507
Gerald Dunning/Janet Sutter

Overview

The Internal Audit Department has completed an audit of Policies and Procedures. Based on the audit, the Orange County Transportation Authority Policies and Procedures are approved as required; however, recommendations were made to enhance controls to ensure timely updates and communications of new and revised policies and procedures, as well as improved tracking of policies and procedures.



4. (Continued)

Recommendation

Direct staff to implement three recommendations provided in Orange County Transportation Authority Policies and Procedures, Internal Audit Report No. 17-507.

5. Award of Sole Source Agreement with Xerox Corporation for Ink, Parts, Supplies, Printing, Equipment Repair, and Maintenance
Lori Parsel/Andrew Oftelie

Overview

The Orange County Transportation Authority's print shop utilizes Xerox manufactured equipment to complete the majority of print requirements for various departments within the organization. Due to the increase in print volume, a new sole source purchase order is required in order to accommodate the increased usage of the Xerox 800 color press through the end of fiscal year 2016-17.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A37076 between the Orange County Transportation Authority and Xerox Corporation, in the amount of \$95,000, for printing costs, equipment repair, and maintenance of the Xerox 800 color press through June 30, 2017.

6. Orange County Transportation Authority Investment and Debt Programs Report - February 2017
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 February 28, 2017. 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. Local Transportation Fund Claims for Fiscal Year 2017-18
Rene Vega/Andrew Oftelie

Overview

The Orange County Transit District is eligible to receive funding from the Local Transportation Fund for providing public transportation services throughout Orange County. In order to receive these funds, the Orange County Transit District, as the public transit and community transit services operator, must file claims with the Orange County Transportation Authority, the transportation planning agency for Orange County.

Recommendation

Adopt Orange County Transit District Resolution No. 2017-013 authorizing the filing of Local Transportation Fund claims, in the amounts of \$146,621,592, to support public transportation and \$7,774,611 for community transit services.

8. Amendments to the 91 Express Lanes Three-Party Operating Agreement and Facility Agreement
Kirk Avila/Andrew Oftelie

Overview

The Riverside County Transportation Commission anticipates opening the 91 Express Lanes extension in spring of 2017. As the opening date approaches, a number of agreements need to be amended to account for the joint operations. Among the effected agreements are the three-party operating agreement between the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC., as well as the Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC., for the inclusion of the joint software license, software maintenance, and escrow agreements.



8. (Continued)

- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC., in the amount of \$1,302,562, for maintenance and support services for the 91 Express Lanes Electronic Toll and Traffic Management systems.

- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-5-3828 between the Orange County Transportation Authority and Riverside County Transportation Commission, in the amount of \$431,308, for the reimbursement of shared operational expenses through June 30, 2018.

9. Security and Privacy Liability Insurance Coverage

Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority currently has security and privacy liability insurance policies with National Union Fire Insurance Company of Pennsylvania and Chubb North American Commercial Insurance Company. These policies are renewed annually on the first of November.

Recommendation

Receive and file as an information item.

Regular Calendar

10. Update on the Day Pass Promotion

Sean Murdock/Andrew Oftelie

Overview

The Board of Directors approved a six-month promotional reduction in the price of the day pass in order to support ongoing efforts to improve ridership on the fixed-route bus system. As the six months nears an end, staff has evaluated the initiative and determined it has not met its objective of attracting new riders and it also has resulted in significant impacts on fare revenue. It is recommended that the promotion be discontinued at the end of the promotional period on April 9, 2017.



10. (Continued)

Recommendation

Direct staff to end the promotional reduction in the price of the day pass on April 9, 2017, and return with options to utilize remaining Low Carbon Transit Operations Program funds.

Discussion Items

11. Review of Policy on Unsolicited Proposals

Virginia Abadessa/Andrew Oftelie

The Orange County Transportation Authority has a procurement policy in place which allows staff to accept unsolicited proposals from entities interested in offering unique or innovative products or services. Staff is interested in re-introducing this procurement method by engaging in outreach efforts to inform the business community and encourage submittals that advance Orange County Transportation Authority's goals and objectives.

12. Delivering Transportation Solutions in a Changing Market

Darrell Johnson

Since 2013, financial and market forces have combined to present numerous challenges to the Orange County Transportation Authority in successfully delivering on the agency's mission, including the core functions of implementing the Measure M2 Program and operating an effective, efficient, and affordable bus system. Bus ridership has steadily declined and the public's transit needs have shifted, while sales tax receipts continue to come in lower than expected. Despite these factors, the Orange County Transportation Authority has been able to realign the Measure M2 Program so that all promises will be kept, and steps have been taken to reduce costs and realign bus service with demand to better meet the needs of customers, avoid service reductions, and fare increases. This report details the major actions undertaken to keep all Orange County Transportation Authority programs on track in a financially constrained environment and changing market and identifies several upcoming challenges. These issues will need to be addressed in the development of the Long-Range Transportation Plan this year and will need to be incorporated into the annual budget and 20-year Comprehensive Business Plan.



13. Fiscal Year 2017 - 18 Budget Assumptions

Victor Velasquez/Andrew Oftelie

Staff is in the process of developing the fiscal year 2017-18 annual budget. Staff will be presenting revenue and expenditure assumptions for the committee's consideration.

14. Chief Executive Officer's Report

15. Committee Members' Reports

16. Closed Session

A Closed Session will be held as follows:

Pursuant to Government Code Section 54946.9 (c) - One matter

17. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, April 12, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.