



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, November 8, 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 Steel

1. Public Comments

Special Calendar

There are no Special Calendar matters.

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

Approval of the minutes of the Finance and Administration Committee of October 25, 2017.



3. **Employee Health Benefits, Internal Audit Report No. 17-506**

Ricco Bonelli/Janet Sutter

Overview

The Internal Audit Department has completed an audit of employee health benefits. Based on the audit, controls in place to ensure proper enrollment, accounting, and compliance with laws, regulations, policies, and procedures are generally adequate; however, recommendations were made to develop and implement procedures for verification of Health Savings Account contribution payments and for collection of insurance premiums in arrears. Also, management should consider clarifications to the policy governing health plan participation.

Recommendation

Direct staff to implement three recommendations provided in Employee Health Benefits, Internal Audit Report No. 17-506.

4. **Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2017**

Rodney Johnson/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 freeways 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 the performance. Attached is the quarterly investment report for the Endowment Pool for the period ending September 30, 2017. The report has been reviewed and is consistent with the pool objectives.

Recommendation

Receive and file as an information item.



5. Property Insurance Policy Renewal
Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority holds a property insurance policy with Zurich Insurance Company. This policy is scheduled to expire on December 1, 2017.

Recommendation

Authorize the Chief Executive Officer to issue Purchase Order No. A38332, in the amount of \$550,000, to Marsh Risk and Insurance Services, Inc. to purchase property insurance on behalf of the Orange County Transportation Authority for the policy period of December 1, 2017 to December 1, 2018.

6. Orange County Employees Retirement System Early Payment for Fiscal Year 2018-19
Rodney Johnson/Andrew Oftelie

Overview

The Orange County Employees Retirement System has offered an early payment discount to member agencies of 4.5 percent if they elect to prepay their contributions for fiscal year 2019. Advance payments must be received before January 16, 2018. The Orange County Transportation Authority has estimated the savings over the next year and a half under this payment option will total approximately \$885,000.

Recommendation

Authorize the early payment of approximately \$23.3 million by January 16, 2018, to the Orange County Employees Retirement System, for member contributions for fiscal year 2018-19.



Regular Calendar

7. **Fiscal Year 2016-17 Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements**
Benjamin Torres/Andrew Oftelie

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements and schedules. Vavrinek, Trine, Day and Company, LLP, an independent accounting firm, has completed its annual audit of the Orange County Transportation Authority's Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements for fiscal year 2016-17.

Recommendation

Receive and file the fiscal year 2016-17 Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements.

Discussion Items

8. **Chief Executive Officer's Report**
9. **Committee Members' Reports**
10. **Closed Session**

There are no Closed Session items scheduled.

11. **Adjournment**

The **Wednesday, November 22, 2017** meeting of this Committee has been cancelled.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, December 13, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.