



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Committee Members**

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

Orange County Transportation Authority  
Headquarters  
550 South Main Street  
Board Room – Conf. Room 07  
Orange, California

**Wednesday, September 12, 2018 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](http://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 Jones

#### **1. Public Comments**

### **Special Calendar**

#### **2. Investment Management Presentation**

Jennifer Matano/Andrew Oftelie

Orange County Transportation Authority contracts with four investment management firms to actively manage the short-term investment portfolio. Scott Pavlak and Wendy Kaszak from Logan Circle Partners will present an introduction to their firm and provide commentary on economic trends and the fixed-income market.



**Consent Calendar (Items 3 through 14)**

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.

**3. Approval of Minutes**

Approval of the minutes of the Finance and Administration Committee of July 25, 2018.

**4. Audit of State Transportation Improvement Program Planning, Programming and Monitoring Program, Program Fiscal Year 2015-2016**  
Serena Ng/Janet Sutter

**Overview**

As required by agreement with the California Department of Transportation, an independent audit of the State Transportation Improvement Program Planning, Programming and Monitoring Program project has been completed by the professional accounting firm of BCA Watson Rice LLP. The audit found that project funds were used in conformance with Article XIX of the California State Constitution.

**Recommendation**

Receive and file as an information item.

**5. Warranty Administration, Internal Audit Report No. 18-510**  
Gerald Dunning/Janet Sutter

**Overview**

The Internal Audit Department has completed an audit of warranty administration. Based on the audit, controls over identification, processing, and reporting of warranty claims are adequate; however, one recommendation is being made to formalize and document procedures used to derive the value of warranty labor.

**Recommendation**

Direct staff to implement one recommendation provided in Warranty Administration, Internal Audit Report No. 18-510.



**6. Local Agency Investment Fund - July 2018**  
Jennifer Matano/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 July 31, 2018. 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.

**7. Orange County Treasurer's Management Report - July 2018**  
Jennifer Matano/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 July 31, 2018. 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.



8. **Orange County Transportation Authority Investment and Debt Programs Report - July 2018**  
Jennifer Matano/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 July 31, 2018. 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.

9. **Environmental Mitigation Program Endowment Fund Investment Report For June 30, 2018**  
Jennifer Matano/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 freeway 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 its performance. Attached is the quarterly investment report for the Endowment Pool for the period ending June 30, 2018. The report has been reviewed and is consistent with the pool objectives.

### **Recommendation**

Receive and file as an information item.



**10. Fiscal Year 2017-18 Fourth Quarter Grant Reimbursement Status Report**  
Sam Kaur/Andrew Oftelie

**Overview**

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the period of April through June 2018.

**Recommendation**

Receive and file as an information item.

**11. Excess Liability Insurance Renewal**  
Al Gorski/Maggie McJilton

**Overview**

The Orange County Transportation Authority currently has excess liability insurance policies with Insurance Company of the State of Pennsylvania, Great American Insurance Company, and Allied World Assurance Company. These policies will expire on November 1, 2018.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A40995, in the amount of \$800,000, 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, 2018 to November 1, 2019.

**12. Amendment to Agreement for Temporary Staffing Services**  
Karen DeCrescenzo/Maggie McJilton

**Overview**

On September 28, 2015, the Orange County Transportation Authority Board of Directors approved an agreement with Howroyd Wright Employment Agency, Inc., doing business as AppleOne Employment Services, to provide temporary staffing services for a three-year initial term and two, two-year option terms. An amendment is required to increase the initial term maximum cumulative payment obligation.



**12. (Continued)**

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3658 between the Orange County Transportation Authority and Howroyd Wright Employment Agency, Inc., doing business as AppleOne Employment Services, in the amount of \$83,565. This will increase the maximum obligation of the agreement to a total contract value of \$488,809.

**13. Adopt Resolution Reaffirming the Longstanding Policy of Requiring the Use of Transponders on the 91 Express Lanes**

Kirk Avila/Kenneth Phipps

**Overview**

Since its opening in 1995, the 91 Express Lanes has always required the use of transponders linked to properly funded accounts to use the toll road without incurring a penalty. The transponder requirement is reflected in a number of documents, on road signs, and on the 91 Express Lanes website, but was not included in the ordinance establishing the procedures for assessing and collecting toll evasion violation penalties. Although a formal resolution or ordinance is not necessary to establish or document the official policy of the Orange County Transportation Authority, adoption of Resolution No. 2018-121 will help the Orange County Transportation Authority prove, if it ever became necessary, the requirement for the use of FasTrak transponders on the 91 Express Lanes.

**Recommendation**

Adopt Resolution No. 2018-121 confirming the longstanding policy of requiring the use of transponders on the 91 Express Lanes.



**14. Amendment to Grant Management and Programming Database Agreement**  
Ben Ku/Kia Mortazavi

**Overview**

On June 11, 2018, as part of the Fiscal Year 2018-19 Budget adoption, the Board of Directors approved sole source procurements for software and hardware licensing, maintenance, and emergency support. A one-year purchase order was issued to EcolInteractive Inc., as part of the approved sole source procurements list to continue services for a web-based software system known as OCFundtracker for the tracking and reporting of Federal Transportation Improvement Program and Combined Transportation Funding Program project data. An amendment to expand the current software system is needed to support the tracking and reporting of the local agencies' capital improvement programs, as well as to continue maintenance services for the existing modules.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order A40326 between the Orange County Transportation Authority and EcolInteractive Inc., in the amount of \$27,500, to expand the current OCFundtracker platform to include the Capital Improvement Program module effective October 1, 2018 through August 31, 2019. This will increase the maximum obligation of the agreement to a total purchase order value of \$118,170.

**Regular Calendar**

**15. Update on the Low Carbon Fuel Standard Program**  
Virginia Abadessa/Andrew Oftelie

**Overview**

On March 14, 2016, the Orange County Transportation Authority Board of Directors approved the selection of Element Markets Renewable Energy, LLC, as the firm to provide renewable natural gas and consulting services for the management of the Low Carbon Fuel Standard Program. The Low Carbon Fuel Standard Program has been in effect for slightly over two years with very positive results.

**Recommendation**

Receive and file as an informational item.



**16. Fiscal Year 2018-19 Comprehensive Business Plan**  
Victor Velasquez/Andrew Oftelie

**Overview**

The Orange County Transportation Authority's Comprehensive Business Plan is a strategic business tool utilized to ensure the financial viability of Orange County Transportation Authority programs and services. The plan assists the Orange County Transportation Authority in implementing its strategic goals and objectives within the framework of sound business practices, and demonstrates the financial feasibility of all programs and services over a 20-year horizon.

**Recommendation**

Approve the Fiscal Year 2018-19 Comprehensive Business Plan.

**Discussion Items**

**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, September 26, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.