



# **AGENDA**

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

---

### **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, December 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 Steel

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

### **Special Calendar**

There are no Special Calendar matters.

### **Consent Calendar (Items 2 through 10)**

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 meeting of November 14, 2018.



3. **Audit of Oversight Controls and Contract Compliance Related to the Interstate 5 High-Occupancy Vehicle Improvement Project: Pacific Coast Highway to San Juan Creek Road**  
Ricco Bonelli/Janet Sutter

### Overview

The Internal Audit Department has completed an audit of oversight controls and contract compliance related to Segment 3 of the Interstate 5 High-Occupancy Vehicle Improvement Project. Based on the audit, consultants were procured in compliance with policy; however, some concerns were identified related to amendment processing. Also, invoices were generally paid in compliance with contract terms; however, one consultant was paid more than the contractually allowed amount for a specified task. Finally, a written Project Management Plan outlining the scope of work, constraints, and technical requirements of the project, was not prepared as required.

### Recommendation

Direct staff to implement three recommendations provided in the Audit of Oversight Controls and Contract Compliance Related to the Interstate 5 High-Occupancy Vehicle Improvement Project: Pacific Coast Highway to San Juan Creek Road, Internal Audit Report No. 18-512.

4. **Local Agency Investment Fund - October 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 October 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.



**5. Orange County Treasurer's Management Report - October 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 October 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.

**6. Orange County Transportation Authority Investment and Debt Programs - October 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 October 31, 2018. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy. Four General Electric securities fell below the minimum credit quality during the month due to a downgrade. The securities are being held for the short term.

**Recommendation**

Receive and file as an information item.



**7. Fiscal Year 2018-19 First 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 July through September 2018.

**Recommendation**

Receive and file as an information item.

**8. Fiscal Year 2018-19 First Quarter Budget Status Report**  
Anthony Baruch/Andrew Oftelie

**Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2018-19 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2018-19.

**Recommendation**

Receive and file as an information item.

**9. 91 Express Lanes Corona Customer Service Center Construction Update**  
Christina Runge Haidl/Kenneth Phipps

**Overview**

In May 2018, the Orange County Transportation Authority Board of Directors approved a ten-year lease agreement with the Riverside County Transportation Commission for 5,009 square feet of space, as well as tenant improvement cost sharing, at a facility owned by the Riverside County Transportation Commission. The leased space will accommodate the 91 Express Lanes walk-in customer service center and call center, and the facility will be shared with the Riverside County Transportation Commission. Construction is currently underway and the space is anticipated to be ready for occupancy in the first quarter of 2019.



**9. (Continued)**

**Recommendation**

Authorize additional funding for Agreement No. C-8-1660 with Riverside County Transportation Commission to cover the additional tenant improvement costs for the 91 Express Lanes Corona Office, located at 301 Corporate Terrace Circle, Corona, California, in an amount not to exceed \$365,000, which represents Orange County Transportation Authority's share of the additional costs.

**10. Update on the Loan Agreements with the Cities of Anaheim, Buena Park, Placentia, and the West Orange County Water Board**  
Sam Kaur/Andrew Oftelie

**Overview**

The Orange County Transportation Authority Board of Directors authorized loan agreements with the cities of Anaheim, Buena Park, Placentia, and the West Orange County Water Board. Per Board of Directors' direction, staff provides annual updates on the status of the agreements.

**Recommendation**

Receive and file as an information item.

**Regular Calendar**

There are no Regular Calendar items scheduled.

**Discussion Items**

**11. Update on Measure M2 Financing**  
Jennifer Matano/Andrew Oftelie

Staff will provide an update on the upcoming Measure M2 Financing.



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

**13. Committee Members' Reports**

**14. Closed Session**

There are no Closed Session items scheduled.

**15. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, January 9, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.