



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Steve Jones, Vice Chairman
Katrina Foley
Brian Goodell
Patrick Harper
Gene Hernandez
Joe Muller

Orange County Transportation Authority
Headquarters
Conference Room 07
550 South Main Street
Orange, California
Wednesday, June 9, 2021 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 Orange County Transportation Authority (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.

Guidance for Public Access to the Board of Directors/Committee Meeting

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the OCTA Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



**Guidance for Public Access to the Board of Directors/Committee Meeting
(Continued)**

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to ClerkOffice@octa.net.

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **90 minutes prior to the start time of the Board and Committee meeting date.**

Call to Order

Roll Call

Pledge of Allegiance

Director Muller

1. Public Comments

Special Calendar

2. Taxable Sales Forecast - Chapman University

Sam Kaur/Andrew Oftelie

Orange County Transportation Authority contracts with several economic specialists to provide an annual 30-year taxable sales forecast for Measure M2. The latest forecasts were received in Spring 2021. Raymond Sfeir, PhD, from Chapman University will provide an update on the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.



Consent Calendar (Items 3 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.

3. Approval of Minutes

Approval of the minutes of the Finance and Administration Committee meeting of May 12, 2021.

4. Communications by Independent Financial Statement Auditor

Janet Sutter

Overview

Crowe LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2020-21 audit. In connection with the audit, Crowe LLP is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge of that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2021.

Recommendation

Receive and file as an information item.

5. Department of Motor Vehicles Employer Pull Notice Program

Serena Ng/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of the Department of Motor Vehicles Employer Pull Notice Program. Based on the audit, controls are in place to ensure compliance with regulatory requirements and policies and procedures; however, recommendations are being made to enhance review controls and documentation, to update policy and job descriptions to reflect current requirements, and to consistently and timely perform monitoring activities.



5. (Continued)

Recommendation

Direct staff to implement three recommendations provided in Department of Motor Vehicles Employer Pull Notice Program, Internal Audit Report No. 21-508.

6. 91 Express Lanes Update for the Period Ending - March 31, 2021

Kirk Avila

Overview

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since that time, traffic volumes and toll revenues have fluctuated with the changes in the economy, additional capacity added to the State Route 91 corridor, and the recent coronavirus pandemic. Over the last quarter, there were approximately 3.6 million trips taken on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the period ending March 31, 2021.

Recommendation

Receive and file as an information item.

7. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2021-22

Sam Kaur/Andrew Oftelie

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

Recommendation

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2021-043 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,981,873,617, for fiscal year 2021-22.



8. **Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2021-22**
Sam Kaur/Andrew Oftelie

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B.

Recommendation

Adopt Orange County Transportation Authority Resolution No. 2021-044 to establish the Orange County Transportation Authority General Fund appropriations limit at \$13,113,890, for fiscal year 2021-22.

9. **Orange County Transportation Authority Investment and Debt Programs Report - April 2021**
Robert Davis/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 April 30, 2021.

Recommendation

Receive and file as an information item.

10. **Annual Update to Investment Policy**
Robert Davis/Andrew Oftelie

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2021-22 Investment Policy. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its proposed investment policy to be reviewed at a public meeting. Furthermore, the governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year.



10. (Continued)

Recommendations

- A. Adopt the Fiscal Year 2021-22 Investment Policy July 1, 2021.
- B. Authorize the Treasurer, Chief Financial Officer, Andrew Oftelie, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2021-22.

Regular Calendar

11. Establishment of Interstate 405 Improvement Project Custody Subaccounts

Robert Davis/Andrew Oftelie

Overview

The 2017 Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project required the Orange County Local Transportation Authority to secure a line of credit to show committed local funds to the project. Rather than continuing the use of a line of credit to show committed local funds to the project, staff is proposing to set aside \$500 million of Measure M2 funds to show committed local funds, which could save the agency approximately \$3.4 million over the next two years.

Recommendations

- A. Approve by resolution authorizing the establishment of a subaccount to be used solely to pay for the Interstate 405 Improvement Project.
- B. Approve the establishment of one or more Interstate 405 Improvement Project custody subaccounts.
- C. Approve the use of \$500 million of Measure M2 funds to fund the Interstate 405 Improvement Project custody subaccounts no later than June 28, 2021.
- D. Restrict withdrawals from the Interstate 405 Improvement Project custody subaccounts to be made solely for Interstate 405 Improvement Project construction costs.



12. Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team

Robert Davis/Andrew Oftelie

Overview

This item requests authorizations required for the issuance of Bond Anticipation Notes to support the construction of the Interstate 405 Improvement Project and achieve interest cost savings. If a financing is approved, the selection of an underwriting team is recommended.

Recommendations

- A. Authorize the issuance of Bond Anticipation Notes as a short-term interim financing to support the construction of the Interstate 405 Improvement Project.
- B. Authorize staff to utilize a third-party bridge loan pending issuance of the Bond Anticipation Notes if to do so will generate additional savings over using cash to repay the 2017 Transportation Infrastructure Finance and Innovation Act Loan.
- C. Authorize the selection of Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc., and Wells Fargo Securities, from the Orange County Transportation Authority's underwriting pool, to assist with the issuance.
- D. Authorize the selection of Bank of America Securities and Barclays Capital, Inc., from the Orange County Transportation Authority's underwriting pool, to serve as the senior manager and co-senior manager, respectively, for the issuance.
- E. Direct staff to return to the Board of Directors for approval of the financing documents required to execute the closing of the transaction.



13. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2021-22 Budget and Personnel and Salary Resolution

Victor Velasquez/Andrew Oftelie

Overview

The Orange County Transportation Authority Fiscal Year 2021-22 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The Board of Directors may approve the fiscal year 2021-22 budget following the public hearing to be held at the Board of Directors' meeting on June 14, 2021, at the following Board of Directors' meeting on June 28, 2021, or in a special meeting convened at their discretion, on or before June 30, 2021. The Board of Directors are also asked to approve changes to the Personnel and Salary Resolution as part of the budget approval process.

Recommendations

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2021-22 Budget.
- B. Approve the Personnel and Salary Resolution for fiscal year 2021-22.
- C. Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approve fiscal year 2021-22 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to \$39,152,549, including authorization of federal supplemental funding, in an amount up to \$39,152,549, to be drawn down directly by the Southern California Regional Rail Authority. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. Orange County Transportation Authority portion of the costs for capital is \$118,800 and \$15,047,906, for rehabilitation.



Discussion Items

14. Chief Executive Officer's Report

15. Committee Members' Reports

16. Closed Session

There are no Closed Session items scheduled.

17. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 23, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.