



**Committee Members Present**

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

**Staff Present**

Darrell Johnson, Chief Executive Officer  
Ken Phipps, Deputy Chief Executive Officer  
Laurena Weinert, Clerk of the Board  
Gina Claridge, Deputy Clerk of the Board  
James Donich, General Counsel  
OCTA Staff and Members of the General Public

**Committee Members Absent**

Miguel Pulido

**Call to Order**

The June 28, 2017 meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:33 a.m.

**Pledge of Allegiance**

Director Steel led in the Pledge of Allegiance.

**1. Public Comments**

There were no public comments received.

**Special Calendar**

**2. Taxable Sales Forecast -University of California, Los Angeles Anderson Forecast - William Yu, PhD, Economist, and Jerry Nickelsburg, PhD, Senior Economist**

Andrew Oftelie, Executive Director of Finance and Administration, provided opening comments and Dr. William Yu from the University of California, Los Angeles Anderson School of Management.

Dr. Yu provided a PowerPoint presentation as follows:

- Status of the United States (U.S.) Economy,
- Gross Domestic Product (GDP) Trend Growth After the Great Recession,
- Ten-year Moving-Average GDP Growth,
- Combined Corporate Income Tax Rates in Organisation for Economic Co-operation and Development (OECD) Countries,
- Corporate Income Tax Rates in the United States and other OECD countries from 1981 to 2016,
- Current economic expansion is the third longest in the postwar period,
- Headline Inflation and Core Inflation Are Both Around 2 Percent,

### **2. (Continued)**

- Inverted Yield Curve for Next Recession,
- Interest Rates Forecast,
- California Growth After Great Recession,
- Orange County and California Economic Growth,
- Payroll One Year Growth,
- California Forecast, and
- Orange County Taxable Sales Growth.

A lengthy discussion ensued regarding jobs relocating overseas, core inflation, interest rates, the increase/decrease in job sectors, and design transportation corridors to affordable housing.

Dr. Yu summarized productivity growth and the short-term and long-term forecasts.

### **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**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to approve the minutes of the May 24, 2017 Finance and Administration Committee meeting.

### **4. Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file the Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509.

### **5. Local Agency Investment Fund - May 2017**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.



**6. Orange County Treasurer's Management Report - May 2017**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

**7. Orange County Transportation Authority Investment and Debt Programs - May 2017**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

**8. Fiscal Year 2016-17 Third Quarter Budget Status Report**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

**9. Fiscal Year 2016-17 Third Quarter Grant Reimbursement Status Report**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

**10. Environmental Mitigation Program Endowment Fund Investment Report**

This item was pulled by Director Hennessey who inquired on the annual target return of funds amount.

Rodney Johnson, Deputy Treasurer of Treasury and Toll Roads, responded that the return of funds is a custom benchmark comprised from the asset allocation strategy over a period of ten years.

Darrell Johnson, Chief Executive Officer (CEO), stated that the benchmark is to measure relative performance and is not a target itself.

A motion was made by Director Hennessey, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

**Regular Calendar**

There were no Regular Calendar items scheduled.



## **Discussion Items**

### **11. Chief Executive Officer's Report**

Mr. Johnson, CEO, reported on the following:

- On June 29<sup>th</sup>, the Orange County Transportation Authority (OCTA) is hosting an open house for the Interstate 605/Katella Interchange Project at the Los Alamitos Community Center at 6:00 p.m. Staff will be on hand to provide information about the project.
- Angels Express will be back in service the rest of the week as the Angels host the Dodgers. During the months of July and August, kids 18 and under ride free on the Angels Express to all weekday home games starting at 7:07 p.m.

### **12. Committee Members' Reports**

Director Spitzer inquired on OCTA's sexual harassment policy and how often training for executives and employees is provided.

Maggie McJilton, Executive Director of Human Resources and Organizational Development, responded that all managers are trained bi-annually and all regular employees every third year.

Director Spitzer inquired on who monitors the "Fraud Hotline" when complaints are received.

James Donich, General Counsel, stated any complaints are investigated by Internal Audit, and the current process is fully compliant with all laws.

### **13. Closed Session**

There were no Closed Session items scheduled.



**14. Adjournment**

The meeting adjourned at 11:25 a.m.

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

ATTEST

---

Andrew Do  
Committee Chairman

---

Gina Claridge  
Deputy Clerk of the Board