



MINUTES

Finance and Administration Committee Meeting

Committee Members Present

Andrew Do, Chairman
Steve Jones, Vice Chairman
Michael Hennessey
Miguel Pulido
Michelle Steel

Staff Present

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

Committee Members Absent

Richard Murphy
Todd Spitzer

Call to Order

Pledge of Allegiance

Director Hennessey

1. Public Comments

No public comments were received.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 10)

2. Approval of Minutes

A motion was made by Director Steel, seconded by Director Hennessey, and declared passed by those present, to approve minutes of the February 8, 2017 meeting.

Director Pulido was not present to vote on this item.



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3. Budget Development, Monitoring, and Reporting, Internal Audit Report No.16-509

This item was pulled by Committee Chairman Do, who inquired on the follow-up process on the staff recommendations for this audit report.

Janet Sutter, Executive Director of Internal Audit, explained the quarterly update to the internal audit plan report process.

A motion was made by Director Do, seconded by Director Jones, and declared passed by those present, to direct staff to implement four recommendations provided in Budget Development, Monitoring, and Reporting, Internal Audit Report No. 16-509.

4. Local Agency Investment Fund - January 2017

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

Director Pulido was not present to vote on this item.

5. Orange County Treasurer's Management Report - January 2017

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

Director Pulido was not present to vote on this item.

6. Orange County Transportation Authority Investment and Debt Programs - January 2017

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

Director Pulido was not present to vote on this item.



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7. Approval of Local Transportation Fund Fiscal Year 2017-18 Apportionment Estimates

A motion was made by Director Steel, seconded by Director Hennessey, and declared passed by those present, to approve the Local Transportation Fund Fiscal Year 2017-18 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.

Director Pulido was not present to vote on this item.

8. Fiscal Year 2016-17 Second Quarter Grant Reimbursement Status Report

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

Director Pulido was not present to vote on this item.

9. Agreement for Cyber Security Assessment

This item was pulled by Committee Chairman Do, who inquired on the in-house capability to evaluate the firms qualifications.

Bill Mao, Chief Information Officer of Information Systems, provided an overview and introduced Mike Bosche, Senior Information Systems Security Analyst, who provided the qualifications of the four in-house staff on the selection panel.

Committee Chairman Do suggested in future evaluations that staff bring in a consultant as part of the evaluation process to supplement the in-house expertise.

A motion was made by Director Do, seconded by Director Hennessey, and declared passed by those present to:

- A. Approve the selection of Ankura Consulting Group, LLC, as the firm to provide cyber security assessment services for the Orange County Transportation Authority's industrial control systems and related networks.



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9. (Continued)

- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-6-1489 between the Orange County Transportation Authority and Ankura Consulting Group, LLC, in the amount of \$300,000, to provide cyber security assessment services for the Orange County Transportation Authority's industrial control systems and related networks for a one-year term.

10. Agreement for Treasury Management Software System

A motion was made by Director Steel, seconded by Director Hennessey, and declared passed by those present to:

- A. Approve the selection of Clearwater Analytics, LLC, as the firm to provide a treasury management software system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-6-1547 between the Orange County Transportation Authority and Clearwater Analytics, LLC, in the amount of \$588,306, for a five-year term, effective April 1, 2017 through March 31, 2022, to provide a treasury management software system.

Director Pulido was not present to vote on this item.

Regular Calendar

11. Fiscal Year 2016-17 Second Quarter Budget Status Report

Andrew Oftelie, Executive Director of Finance and Administration, provided an overview and introduced Victor Velasquez, Manager, Financial Planning & Analysis, who reported the following:

- The Measure M2 program experienced year-over-year growth of 1.93 percent and 1.30 percent for the Transit Program.
- The actual amount of sales tax recipients for the second quarter will not be finalized until mid-March when staff receives the second quarter "true up" payment.
- Fare revenue underran by \$1.0 million, primarily due to a year-over-year decrease in fixed-route boardings of 9.2 percent. Although operating revenues are underrunning, Transit Program operating expenditures are also underrunning by \$5.3 million.



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11. (Continued)

Following the discussion, no action was taken on this receive and file information item.

Discussion Items

12. Chief Executive Officer's Report

Ken Phipps, Deputy Chief Executive Officer (DCEO), who reported on the following:

- Chief Executive Officer (CEO), Darrell Johnson, is traveling on business.
- Mr. Phipps, DCEO, provided opening comments and introduced Andrew Oftelie, Executive Director of Finance and Administration who provided an update on the New York meetings as follows:
 - On March 7th, James Donich, General Counsel, CEO Johnson, Kirk Avila and he traveled to New York to meet with the rating agencies and present information about the I-405 Improvement Project Investment Grade Transportation Infrastructure Finance and Innovation Act (TIFIA) loan status.
- The Riverside County Transportation Commission is hosting a grand opening event for the 91 Express Lanes in Riverside County on Friday, March 31st at 11:00 a.m. at the North Main Corona Metrolink Station.
- There are a number of public committee recruitments underway. Staff is accepting applications for the Taxpayer Oversight Committee now through May 1. There are also vacancies on the Citizens Advisory Committee and Special Needs Advisory Committee. Applications for these committees are due by April 10.
- The Taxpayer Oversight Committee will conduct its 26th Annual Measure M Public Hearing on Tuesday, April 11th at 6:00 p.m. at the OCTA Headquarters. The purpose of the public hearing is to consider whether OCTA is proceeding in accordance with the Transportation Investment Plan in Measure M2.



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13. Committee Members' Reports

Committee Chairman Do inquired on holding a workshop for Board Members on the upcoming budget.

Andrew Oftelie, Executive Director of Finance and Administration, responded that in the past, staff has brought forward the assumptions to the Board and will be bringing Budget Assumptions to this Committee in late April, before the Board reviews the budget.

Mr. Phipps, DCEO, stated a workshop for all Board Members will be held the first week in May.

14. Closed Session

There were no Closed Session items scheduled.

15. Adjournment

The meeting adjourned at 10:56 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, March 22, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.