



Committee Members Present

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

Staff Present

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

Committee Members Absent

Todd Spitzer

Call to Order

The April 26, 2017 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:35 a.m.

Pledge of Allegiance

Director Steel led in the Pledge of Allegiance

1. Public Comments

Public comments were received from Roy Shahbazian, who provided comments on Regular Item 13. Mr. Shahbazian asked the Committee members to support the revised budget, which includes revenue dollars from Senate Bill (SB) 1 and hopes this will continue to help with future service improvements for the bus riders of Orange County Transportation Authority (OCTA).

Special Calendar

2. Draft Southern California Regional Rail Authority Fiscal Year 2017-18 Budget Update

Arthur T. Leahy, Chief Executive Officer of Metrolink, provided opening remarks and introduced Ronnie Campbell, Chief Financial Officer of Metrolink, who presented a PowerPoint presentation on the following:

- Key Budget Points;
- Fiscal Year 2017-18 Projected Revenues;
- Fiscal Year 2017-18 Projected Expenditures;
- Revenue Allocation by Member Agency;
- Expense Allocation by Member Agency;
- Subsidy by Member Agency;
- Expense Allocation by Member Agency;



2. (Continued)

- Subsidy by Member Agency;
- Expense Allocation by Member Agency with addition of Rail 2 Rail, and
- Subsidy by Member Agency with addition of Rail 2 Rail.

A lengthy discussion ensued between Metrolink staff and the Committee regarding fuel hedging, increased ridership, on-time performance, improved ticket machines, passenger communication, safety focus, and key factors for the subsidy increase.

Consent Calendar (Items 3 through 12)

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 Pulido, seconded by Director R. Murphy, and declared passed by those present, to approve the minutes of the April 26, 2017 Finance and Administration Committee meeting.

4. Investment Management Service Contracts, Internal Audit Report No. 17-504

A motion was made by Director Pulido, seconded by Director R. Murphy, and declared passed by those present, to direct staff to implement two recommendations provided in Investment Management Service Contracts, Internal Audit Report No. 17-504.

5. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016

A motion was made by Director Pulido, seconded by Director R. Murphy, and declared passed by those present, to receive and file Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510, as an information item.

6. Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update

A motion was made by Director Pulido, seconded by Director R. Murphy, and declared passed by those present, to receive and file the third quarter update to the Orange County Transportation Authority Fiscal Year 2016-17 Internal Audit Plan as an information item.



7. Local Agency Investment Fund - February 2017

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

8. Local Agency Investment Fund - March 2017

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

9. Orange County Treasurer's Management Report - February 2017

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

10. Orange County Treasurer's Management Report - March 2017

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

11. Orange County Transportation Authority Investment and Debt Programs - March 2017

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

12. Third Quarter Fiscal Year 2016-17 Procurement Status Report

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

Regular Calendar

13. Orange County Transportation Authority Fiscal Year 2017-18 Budget Workshop Preview

Andrew Oftelie, Executive Director of Finance and Administration, provided opening remarks and introduced Victor Velasquez, Manager, Financial Planning & Analysis, who presented a PowerPoint on the following:

- Budget Themes;
- Budget Initiatives and Challenges;
- Budget Overview;
- Budget Sources and Uses;
- Total Budget by Program;
- Staffing Levels, and
- Next Steps.



13. (Continued)

Staff will present the fiscal year 2017-18 proposed budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors' meeting on May 8, 2017.

After a lengthy discussion ensued regarding true-up numbers, actual revenues, and SB 1 funding, no action was taken on this receive and file information item.

Discussion Items

14. Interstate 405 Improvement Project Financing Update

Andrew Oftelie, Executive Director of Finance and Administration, provided opening comments and introduced Kirk Avila, Treasurer and General Manager, the 91 Express Lanes, who explained the process of the Interstate 405 (I-405) Improvement Project financing.

A lengthy discussion ensued regarding revenues received for the OC Streetcar project, letter of credit to secure funding, Federal policies, self-funding exploration, and Request for Proposal issuance.

15. Chief Executive Officer's Report

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

- Darrell Johnson, Chief Executive Officer (CEO), is traveling on business to Washington D.C.
- The Angels Express was back in service last night and staff recorded 336 boardings, bringing the season total to 4,651 compared to 7,312 boardings at this point last year.
- On Saturday, April 29, an equestrian ride is scheduled to give the public an opportunity to see OCTA's open space properties. The ride will take place at the Ferber Ranch Preserve in Trabuco Canyon at 8:30 a.m.
- To kick off Bike Month in May, OCTA will host it's annual Bike Festival on Sunday, April 30. This year staff has teamed up with the City of Dana Point to include the festival as part of the Dana Point Grand Prix, which is one of the premier bike races in the United States. The OCTA Bike Festival is the first event in a month-long celebration of Bike Month in May.



16. Committee Members' Reports

There were no Committee Member's reports.

17. Closed Session

There were no Closed Session items scheduled.

18. Adjournment

The meeting adjourned at 11:42 a.m.

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

ATTEST

Gina Claridge
Deputy Clerk of the Board

Andrew Do
Committee Chairman