



**Committee Members Present**

Andrew Do, Chairman  
Michael Hennessey  
Richard Murphy  
Miguel Pulido  
Todd Spitzer  
Michelle Steel

**Staff Present**

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

**Committee Members Absent**

Steve Jones, Vice Chairman

**Call to Order**

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

**Pledge of Allegiance**

Director Spitzer led in the Pledge of Allegiance

**1. Public Comments**

There were no Public Comments.

**Special Calendar**

There were no Special Calendar matters.

**Consent Calendar (Items 2 through 6)**

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**

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

Director Pulido was not present to vote on this item.



**3. Agreements for On-Call General Auditing Services**

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

- A. Approve the selections of BCA Watson Rice LLP; Conrad LLP; Vavrinek, Trine, Day & Company LLP; and KNL Support Services, as the firms to provide on-call general auditing services in an aggregate amount of \$450,000.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1569 between the Orange County Transportation Authority and BCA Watson Rice LLP, to provide on-call general auditing services for a three-year initial term effective through June 30, 2020, with two, two-year option terms.
- C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1703 between the Orange County Transportation Authority and Conrad LLP, to provide on-call general auditing services for a three-year initial term effective through June 30, 2020, with two, two-year option terms.
- D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1704 between the Orange County Transportation Authority and KNL Support Services, to provide on-call general auditing services for a three-year initial term effective through June 30, 2020, with two, two-year option terms.
- E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1705 between the Orange County Transportation Authority and Vavrinek, Trine, Day & Company LLP, to provide on-call general auditing services for a three-year initial term effective through June 30, 2020, with two, two-year option terms.

Director Pulido was not present to vote on this item.

**4. Approval of the Fiscal Year 2017-18 Local Transportation Fund Claim for Laguna Beach Public Transportation Services**

A motion was made by Director R. Murphy, seconded by Director Steel, and declared passed by those present, to approve the Laguna Beach Municipal Transit Lines Fiscal Year 2017-18 Local Transportation Fund Claim for public transportation services in the amount of \$1,096,021, and authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.



**4. (Continued)**

Director Pulido was not present to vote on this item.

**5. Approval of the Fiscal Year 2017-18 Local Transportation Fund Claim for Public Transportation and Community Transit Services**

Committee Chairman Do pulled this item to inquire about the bus system and what is included in the community transit services.

Andrew Oftelie, Executive Director of Finance and Administration, responded that the community transit service is similar to the Orange County Transportation Authority (OCTA) Access service. Mr. Oftelie stated that Article 4.5 of the Transportation Development Act requires a portion of the service to go towards Paratransit services and also pays for the fixed-route bus service.

A motion was made by Director Do, seconded by Director Spitzer, and declared passed by those present, to approve the Orange County Transit District Fiscal Year 2017-18 Local Transportation Fund Claim for public transportation services in the amount of \$146,621,592, and for community transit services in the amount of \$7,774,611, for a total claim amount of \$154,396,203, and authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

Director Pulido was not present to vote on this item.

**6. Agreement for Insurance Brokerage Services**

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

- A. Approve the selection of Marsh USA, Inc., as the firm to provide insurance brokerage services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1585 between the Orange County Transportation Authority and Marsh USA, Inc., in the amount of \$520,000, to provide insurance brokerage services for a five-year term, effective July 1, 2017 through June 30, 2022.

Director Spitzer did not vote or participate on this item.

Director Pulido was not present to vote on this item.



## **Regular Calendar**

There were no Regular Calendar items scheduled.

## **Discussion Items**

### **7. Interstate 405 Improvement Project Financing Update**

Kirk Avila, Treasurer and General Manager, the 91 Express Lanes, reported that the Build America Bureau Credit Programs Office (Bureau) asked the Orange County Transportation Authority (OCTA) to submit an application to receive the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan on the Interstate 405 (I-405) Improvement Project.

Mr. Avila stated that staff has been working on the application and will be submitted to the Bureau by Monday, May 15, 2017. He also reported the next steps would be for the Department of Transportation Credit Review Team to review the application and make a formal recommendation to the Secretary of Transportation for approval.

Mr. Avila also reported that the Request for Proposal (RFP) regarding the Letter of Credit is out for bid and the responses are due on Friday, May 12, 2017. Staff will provide a recommendation to the Board of Directors (Board) at the May 22<sup>nd</sup>, Board meeting.

Committee Chairman Do inquired on the Line of Credit requirement on whether it is final or is staff working on multiple fronts to remove the requirement. Andrew Oftelie, Executive Director of Finance and Administration, responded that staff is continuing to work on multiple fronts to remove the requirement, as well as work within the timeframes.

A discussion ensued regarding:

- OCTA is required to use two rating agencies for the Letter of Credit;
- The rating agencies price are Moody's is \$160,000, Standard and Poor's is \$145,000, and Kross is \$45,000;
- OCTA is concerned about one of the rating agencies not being able to meet OCTA's timelines;
- OCTA is working on a "Plan B" to get the toll revenue bonds through the private sector;
- OCTA has concerns with using "Plan B"; and
- The TIFIA loan interest rate is determined by one basis point above the Treasury rate at the time of closing.

**7. (Continued)**

Darrell Johnson, Chief Executive Officer (CEO), stated that staff has not seen any indication that OCTA would not receive the TIFIA loan. Mr. Johnson also stated that "Plan B" is under development and will be activated, if needed.

**8. Fiscal Year 2017-18 Budget Workshop Follow-up**

Andrew Oftelie, Executive Director of Finance and Administration, provided opening remarks and introduced Victor Velasquez, Manager of Finance and Administration, who provided a handout listing questions and answers that resulted from the May 8, 2017 Board budget workshop.

Mr. Velasquez announced that OCTA staff will be available at each Committee meeting and available for one-on-one meetings to answer any questions that come up before the proposed Fiscal Year 2017-18 Budget Public Hearing scheduled on June 12, 2017. He stated that staff will return to the May 24, 2017 Finance and Administration Committee with a preview of the public hearing.

Director Spitzer inquired on how the Senate Bill 1 funding will impact OCTA.

Mr. Johnson, CEO, stated that staff has relied on the California Transit Association for the impacts to transit and the calculation for OCTA is approximately \$244 million over a ten-year period. The California Transit Association provided that level of estimate to all transit recipients in the state.

Mr. Oftelie stated that OCTA would receive \$13 million for next year.

Director Spitzer requested an overview of Senate Bill 1. Mr. Johnson, CEO, responded staff will provide the overview to the Board Members.

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

Mr. Johnson, CEO, reported on the following:

- On May 17<sup>th</sup>, OCTA is hosting an elected officials' workshop to discuss OCTA's Long-Range Transportation Plan and to acquire feedback on the Transit Master Plan, which includes our vision for the future of transportation in Orange County. The workshop will take place from 8:30 a.m. to 10:30 a.m. at the OCTA Headquarters.



**9. (Continued)**

Director Spitzer inquired on how the Association of California Cities – Orange County (ACC-OC) members can weigh-in on the Long-Range Transportation Plan.

Mr. Johnson, CEO, responded that there will be multiple opportunities for ACC-OC members to weigh-in and participate through their own workshops, Board meetings, infrastructure committee meetings, along with a workshop in the fall hosted by OCTA.

- On May 9<sup>th</sup>, OCTA hosted the first of two open houses to provide the public with information on the OC Streetcar project. The next open house will take place this Saturday, May 13<sup>th</sup>, at Lydia Romero-Cruz Elementary in Santa Ana from 10:00 a.m. to 11:30 a.m.
- OCTA is also promoting a series of upcoming bike events to celebrate Bike Month.
  - Today is Bike to School Day to celebrate the benefits of biking and walking to school.
  - Bike to Work Week starts next Monday, May 15<sup>th</sup>.
  - Caltrans is hosting a group ride on Tuesday, May 16<sup>th</sup>. Riders will depart from the new Caltrans District 12 offices at 7:30 a.m. and ride to the Tustin Train Station.
  - Several Ride of Silence events are being held on May 17<sup>th</sup> to honor those who have lost their lives or been seriously injured while bicycling.
  - OCTA Bike Rally will be held next Thursday, May 18<sup>th</sup>. This includes a ride from the Orange Metrolink Station to the OCTA Headquarters departing from the station at 7:30 a.m.

**10. Committee Members' Reports**

Director Spitzer requested that Mr. Johnson, CEO, organize Board Member support for the fallen Caltrans workers memorial mentioned by Director Chamberlain at the May 8<sup>th</sup> Board meeting.

Mr. Johnson, CEO, stated that staff is researching some scholarships, rewards, and recognitions for the Board to consider.

Committee Chairman Do cautioned staff on how to proceed when making recommendations for Board Members to contribute funds for specific causes.

Committee Chairman Do suggested that staff provide more detailed information on legislative history, acronyms, and funding sources to help all Committee Members understand all the information provided in staff reports.



**11. Closed Session**

There were no Closed Session items scheduled.

**12. Adjournment**

The meeting adjourned at 11:07 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, May 24, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

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Gina Claridge  
Deputy Clerk of the Board

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Andrew Do  
Committee Chairman