



**Committee Members Present**

Andrew Do, Chairman  
Steve Jones, Vice Chairman  
Richard Murphy  
Michelle Steel

**Staff Present**

Darrell Johnson, 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**

Michael Hennessey  
Miguel Pulido  
Todd Spitzer

**Call to Order**

The May 24, 2017 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:38 a.m.

**Pledge of Allegiance**

Director R. Murphy led in the Pledge of Allegiance.

**1. Public Comments**

There were no Public Comments.

**Special Calendar**

**2. Taxable Sales Forecast - MuniServices - Doug Jensen, Senior Vice President, Client Services**

Andrew Oftelie, Executive Director of Finance and Administration, made opening comments and introduced Doug Jensen, Senior Vice President for MuniServices. Mr. Jensen presented a PowerPoint presentation and highlighted the following areas:

- Topics,
- Transportation Development Act (TDA) Forecast Projection,
- Measure M2 Forecast Projection,
- Assumptions, and
- Historical and Recent Trans in Total and by Category.



**2. (Continued)**

A lengthy discussion ensued regarding TDA and Measure M2 tax rates, university forecasts, Orange County demographics, and now it is a different economy.

**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 R. Murphy, seconded by Director Steel, and declared passed by those present, to approve the minutes of the May 10, 2017 Finance and Administration Committee meeting.

**4. Relocation of West Orange County Water Board Water Line for the Interstate 405 Improvement Project**

Director Steel pulled this item and requested a list of the agencies that are impacted by the Interstate 405 Improvement Project.

Darrell Johnson, Chief Executive Officer (CEO), responded that staff would provide the list to all Board members.

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Reimbursement Agreement No. UK151087 with the West Orange County Water Board, in an amount not to exceed \$4.7 million, for the relocation of the 33-inch pipeline that must be moved to accommodate the Interstate 405 Improvement Project.

**5. Local Agency Investment Fund - April 2017**

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

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

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



**7. Orange County Transportation Authority Investment and Debt Programs Report - April 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. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2017-18**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2017-028 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,675,556,032 for fiscal year 2017-18.

**9. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2017-18**

A motion was made by Director Steel, seconded by Director R. Murphy, and declared passed by those present, to adopt Orange County Transportation Authority Resolution No. 2017-029 to establish the Orange County Transportation Authority General Fund appropriations limit at \$11,087,013 for fiscal year 2017-18.

**10. Annual Update to Investment Policy**

Director R. Murphy pulled this item to inquire on how the treasurer monitors the compliance of the investment managers and what percentage of State of California debt is in the Orange County Transportation Authority's (OCTA) investment portfolio.

Rodney Johnson, Deputy Treasurer of Treasury and Toll Roads, responded that staff uses Clearwater Analytics software to monitor each of the investments and reviews whether it matches the OCTA Investment Policy.

Additionally, Mr. Johnson stated that OCTA does not typically buy a lot of municipal debt.

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

- A. Adopt the 2017 Investment Policy.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2017-18.



## **Regular Calendar**

**11. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2017-18 Budget and Personnel and Salary Resolution**

Andrew Oftelie, Executive Director of Finance and Administration, provided opening remarks and presented a PowerPoint as follows:

- Budget Themes,
- Budget Initiatives and Challenges,
- Budget Overview,
- Budget Sources and Uses,
- Budget Adjustments – Uses,
- Total Budget by Program,
- Staffing Levels,
- Employee Compensation Assumptions,
- Personnel and Salary Resolution,
- Recommendations, and
- Next Steps.

Committee Chairman Do inquired on internal reviews on equal pay for equal work.

Janet Sutter, Executive Director of Internal Audit, stated the Personnel and Salary Resolution is an auditable entity and there was an audit approximately two years ago.

Committee Chairman Do requested an updated list of the salary structure.

An additional discussion ensued regarding, Metrolink rail cars and mandatory staff cyber-attack prevention training.

Mr. Johnson, CEO, stated that there are policies and procedures in place to ensure there is an equitable process for merit and special award increases.

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

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2017-18 Budget.
- B. Approve the Personnel and Salary Resolution for Fiscal Year 2017-18.

**11. (Continued)**

- C. Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approve fiscal year 2017-18 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority in an amount up to \$28,238,881, including authorization of Federal Transit Administration funds, in the amount of \$6,000,000, to be drawn down directly by Southern California Regional Rail Authority. In addition, approve capital rehabilitation in the amount of \$7,344,982, offset by \$6,059,016 in Rotem repayment, with the balance paid by Federal Transit Administration funds that will be drawn down directly by Southern California Regional Rail Authority.

**Discussion Items**

**12. Update on Metrolink Internal Audit Peer Review**

Janet Sutter, Executive Director of Internal Audit, provided a summary of the results and recommendations of the Association of Local Government Auditors in connection with the Metrolink Internal Audit Peer Review.

A short discussion ensued regarding:

- Current position level of the Metrolink Senior Auditor,
- Concerns of the Senior Auditor position and the transparency to the Metrolink Board and Chief Executive Officer, and
- Possibility of OCTA Directors voicing concerns to Metrolink Executive Staff.

**13. 91 Express Lanes Corona Customer Service Center Lease**

Kirk Avila, Treasurer and General Manager of the 91 Express Lanes, provided opening comments that the current lease for the 91 Express Lanes Customer Service Center in Corona expires September 30, 2018, and introduced Christina Runge, Senior Financial Analyst of Treasury and Toll Roads.

Mr. Avila presented a PowerPoint on the following:

- Background on Current Location,
- Location Options, and
- Options for the future.

**13. (Continued)**

Ms. Runge presented a PowerPoint on the following:

- Current and Potential Locations,
- Discuss Options, and
- Next Steps.

A discussion ensued regarding:

- Share the cost of the current space with the Riverside County Transportation Commission (RCTC),
- Changing the location and signing a new agreement with RCTC,
- Costs associated with moving, and,
- Current market cost if renewed.

Rick Warner, Senior Vice President of CBRE, Inc., discussed market value, current location costs, relocation costs, services provided by landlord, and the Main Street location rating.

Mr. Johnson, CEO, stated that staff is soliciting input from the Committee on moving forward to address the customer service space and partnership with RCTC.

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

Darrell Johnson, CEO, reported on the following:

- On May 27<sup>th</sup>, staff will be participating in Garden Grove's 59<sup>th</sup> Annual Strawberry Festival and will provide information about the OC Streetcar project and answer any questions.
- On May 31<sup>st</sup>, the Orange County Social Services Agency is leading a "Be the One" campaign this summer and will host a press conference. Directors Jones and Spitzer, will speak at this event along with other elected officials and community leaders.

**15. Committee Members' Reports**

Director Steel introduced Hollie Bahadursingh and Eunice Kim, who are two new interns working for her office this summer.



**16. Closed Session**

There were no Closed Session items scheduled.

**17. Adjournment**

The meeting adjourned at 11:59 a.m.

The **Wednesday, June 14, 2017 at 10:30 a.m.**, Finance and Administration Committee meeting has been cancelled.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 28, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

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Andrew Do  
Committee Chairman

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Gina Claridge  
Deputy Clerk of the Board