



Committee Members Present

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

Call to Order

The October 25, 2017 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:32 a.m.

Pledge of Allegiance

Board Chairman Hennessey led in the Pledge of Allegiance.

1. Public Comments

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 7)

2. Approval of Minutes

A motion was made by Board Chairman Hennessey, seconded by Director R. Murphy, and declared passed by those present, to approve the minutes of the Finance and Administration Committee of October 11, 2017.

3. Fiscal Year 2017-18 Internal Audit Plan, First Quarter Update

This item was pulled by Committee Chairman Do who referenced Attachment B of the Staff Report and the need for additional detail on the updates and reasons for the delays.

Janet Sutter, Executive Director of Internal Audit, explained the follow-up process to the original audit, could incorporate management comments, and add additional lines of detail to the update.

Committee Chairman Do noted that a percentage of compliance on each item would be ideal for the Committee in order to know the severity of issues.



3. (Continued)

Board Committee Chairman Hennessey inquired on a possible policy for reporting external agencies “aged” follow-up audit items to the Board of Directors (Board).

Ms. Sutter stated staff can return to the Finance and Administration Committee with a recommendation on how to address concerns with external agencies and aging items.

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

- A. Approve the revised Fiscal Year 2017-18 Internal Audit Plan.
- B. Receive and file the first quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2017-18 Internal Audit Plan as an information item.

4. Limited-Scope Audit: Right-of-Way Acquisition Activities for Interstate 405 Improvement Project, Internal Audit Report No. 18-502

This item was pulled by and Board Chairman Hennessey who inquired on the minor errors.

Janet Sutter, Executive Director of Internal Audit, responded that the minor errors were in dates, amounts, and timing of the reporting of the administrative settlements.

Darrell Johnson, Chief Executive Officer (CEO), stated there is a Board adopted right-of-way policy which offers an incentive of 20 percent of the appraised value with a maximum of \$100,000. Staff was directed to provide monthly reporting of the settlements.

A motion was made by Board Chairman Hennessey, seconded by Committee Chairman Do, and declared passed by those present, to direct staff to implement the recommendation provided in Limited-Scope Audit: Right-of-Way Acquisition Activities for Interstate 405 Improvement Project, Internal Audit Report No. 18-502.



5. Local Agency Investment Fund - September 2017

This item was pulled by Committee Chairman Do who inquired on the purpose and continued need for this investment.

Rodney Johnson, Deputy Treasurer of Treasury and Toll Roads, explained that the Local Agency Investment Fund was established as a separate liquid asset tool to be used anytime the Orange County Transportation Authority (OCTA) needs to pay an upcoming payment.

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

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

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

7. Orange County Treasurer's Management Report - September 2017

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

Regular Calendar

8. Measure M2 Sales Tax Forecast

Sean Murdock, Director of Finance and Administration, provided an update from the August 2017 preliminary forecast. Mr. Murdock stated that the final Measure M2 (M2) true-up payment for Fiscal Year (FY) 2016 was received and the growth rate for FY 2016 is 2.6 percent. Based on the final sales tax payment, the total FY 2016 M2 sales tax receipts increased from the August estimate of \$308 million to the final amount of \$309 million.

Mr. Johnson, CEO, discussed the importance of going forward with the Long-Range Transportation Plan and Next 10:M2 plan. In November, he will be on a panel to discuss sales tax revenues as OCTA continues to raise awareness on legislation and the sales tax collection process.

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



Discussion Items

9. Chief Executive Officer's Report

Darrell Johnson, CEO, reported on the following:

- On October 24th, OCTA hosted a ribbon cutting ceremony for the State College Boulevard and Raymond Avenue crossings and the completion of the OC Bridges Program. OCTA had a great turnout and thanked Board Chairman Hennessey, and Directors Shaw and Tait for participating.
- On August 30th, OCTA released the Resource Management Plans for the Aliso Canyon and Hayashi Preserves for a 90-day public review period.
- Tonight, OCTA will host the third of three open houses at the Brea Civic Center at 5 p.m. to give the public an opportunity to view the Resource Management Plans and submit comments. Comments can also be submitted online at octa.net/RMP.
- On October 27th, Metrolink will host an event to celebrate their 25th anniversary at the Los Angeles Union Station Track 15 at 11:30 a.m. Special guest Los Angeles Mayor Eric Garcetti and Directors Nelson and Winterbottom are scheduled to attend.

10. Committee Members' Reports

There were no Committee Member's reports.

11. Closed Session

There were no Closed Session items scheduled.



12. Adjournment

The meeting adjourned at 11:01 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, November 8, 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