



Committee Members Present

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

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
Michelle Steel

Call to Order

The December 13, 2017 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:37 a.m.

Pledge of Allegiance

Committee Vice Chairman Jones led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 11)

2. Approval of Minutes

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to approve the minutes of the Finance and Administration Committee of November 8, 2017.

3. Internal Audit Policy

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to direct staff to implement the Internal Audit Policy, as revised.



4. Orange County Transportation Authority, Proposition 1B Bond Programs

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

5. Orange County Transportation Authority Investment and Debt Programs - October 2017

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

6. Fiscal Year 2017-18 First Quarter Budget Status Report

Committee Chairman Do pulled this item to acknowledge the reformatted report and thanked staff for making it easier to read.

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

7. Fiscal Year 2017-18 First Quarter Grant Reimbursement Status Report

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

8. Orange County Treasurer's Management Report - October 2017

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

9. Local Agency Investment Fund - October 2017

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



10. Amendment to Agreement for Internet Service

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1396 between the Orange County Transportation Authority and CenturyLink, Inc., in the amount of \$32,000, to provide increased internet bandwidth. This will increase the maximum obligation of the agreement to a total contract value of \$129,786.

11. Update on the Loan Agreements with the Cities of Anaheim, Buena Park, Placentia, and the West Orange County Water Board

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

Regular Calendar

12. Agreements for Investment Management Services

Andrew Oftelie, Executive Director of Finance and Administration, provided a brief update on this item, as well as introduced Rodney Johnson, Deputy Treasurer of Treasury and Toll Roads, who reported on the following:

- There are currently four investment management firms that actively invest the Orange County Transportation Authority's (OCTA) \$1.3 billion of operating monies in the short-term portion within the parameters of the OCTA Investment Policy.
- Procurement Approach
- Procurement Summary

Director R. Murphy inquired on the difference of management fees for Chandler Asset Management, Inc. versus the other management firms who were double the price.

Rodney Johnson responded that the majority of the providers are within the range and tend to bid based on the market and their own firms overhead.

Committee Chairman Do commented on the thoughtfulness of this procurement process.



12. (Continued)

A motion was made by Director Do, seconded by Committee Vice Chairman Jones, and declared passed by those present, to:

- A. Approve the selection of Chandler Asset Management, Inc.; Logan Circle Partners, L.P.; Payden & Rygel; and PFM Asset Management LLC, as the firms to provide investment management services in the aggregate amount of \$8,995,608.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1813 between the Orange County Transportation Authority and Chandler Asset Management, Inc., to provide investment management services for a five-year initial term effective through December 31, 2022, with two, two-year option terms.
- C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2062 between the Orange County Transportation Authority and Logan Circle Partners, L.P., to provide investment management services for a five-year initial term effective through December 31, 2022, with two, two-year option terms.
- D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2063 between the Orange County Transportation Authority and Payden & Rygel, to provide investment management services for a five-year initial term effective through December 31, 2022, with two, two-year option terms.
- E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2064 between the Orange County Transportation Authority and PFM Asset Management LLC, to provide investment management services for a five-year initial term effective through December 31, 2022, with two, two-year option terms.
- F. Approve the selection of US Bancorp Asset Management, Inc.; State Street Global Advisors; and Western Asset Management Company, as the firms to be placed on a secondary list of on-call firms to provide investment management services.

Discussion Items

13. Chief Executive Officer's Report

Darrell Johnson, Chief Executive Officer, reported on the following:

- On December 15th, OCTA is hosting the 25th Annual Stuff-A-Bus Toy Drive, along with ABC7 and Southern California firefighters, at the Honda Center from 4:30 a.m. to 6:30 p.m.
- For the 16th year in a row, OCTA will be offering free bus rides on New Year's Eve from 6:00 p.m. to 2:30 a.m. Staff is rolling out the marketing campaign to promote this free service.
- In closing, this is the final Finance and Administration Committee meeting of the year and on behalf of staff would like to thank the Committee Members for their work throughout the year, especially with the help in securing the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan.

14. Committee Members' Reports

Board Committee Chairman Hennessey acknowledged staff on the great job done to secure the TIFIA loan.

Director R. Murphy added his thanks for the TIFIA loan accomplishment.

Committee Chairman Do thanked Board Chairman Hennessey for asking him to Chair the Finance and Administration Committee. He also thanked staff for all their efforts regarding Cyber Security and the Internal Audit Plans.

Committee Chairman Do wished everyone Happy Holidays.

15. Closed Session

There were no Closed Session items scheduled.



16. Adjournment

The meeting adjourned at 10:52 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, January 10, 2018**, 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