

Also Present: Darrell E. Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Olga Prado, Assistant Clerk of the Board
James Donich, General Counsel

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. Public Hearing on Orange County Transportation Authority's Fiscal Year 2018-19 Budget and Personnel and Salary Resolution

(A verbatim transcript of this public hearing is on file in the Clerk of the Board's office.)

Darrell E. Johnson, Chief Executive Officer (CEO), provided opening comments and introduced Andrew Oftelie, Executive Director of Finance and Administration, who provided a PowerPoint presentation for this item as follows:

- Budget Themes, Overview, Adjustments – Use, and Sources & Uses;
- Staffing Levels;
- Employee Compensation Assumptions;
- Personnel and Salary Resolution;
- Pay for Performance;
- Recommendations; and
- Next Steps.

A discussion ensued regarding:

- Current fiscal year fuel underruns are due to lower prices in early 2018 and the one-time federal Alternative Fuel Tax Credit (AFTC) for Compressed Natural Gas and Liquefied Natural Gas.
- The AFTC is not assumed in this item's proposed budget.
- Current fiscal year "Bus Program" underruns are due to fuel, facility projects delays, and staff vacancies due to attrition.
- OCTA's encumbrance criteria and cash flow was explained. Staff could add the prior year encumbrances' status either in the Comprehensive Annual Financial Report or quarterly budget status report.
- Top areas of risks for the proposed budget are:
 - Potential repeal of SB 1 would impact OCTA's bus service funding by approximately \$19 million.
 - Potential lower sales tax collection would impact the bus service and Measure M2 freeway projects.
 - OC Streetcar Project full funding grant agreement.
 - Interstate 405 (I-405) Improvement Project possible interest rate increase.
 - Uncontrollable capital costs (e.g., skilled labor, etcetera).
- Measure M2 street and roads and Bus Program are formula based, and freeway projects are set scopes of work.

1. (Continued)

- Consider contingency plans for the potential risks.
- If SB 1 is repealed:
 - OCTA is currently working on a series of plans.
 - Staff provided a high-level approach to sustain the bus system, while reviewing service reductions to the bus system.
 - The process for a minor or major bus service change was highlighted.
 - Implication concerns for the cities are the gas tax funds that go directly to the city through the California State Controller's office, and the "clawback" provisions are currently unknown.
 - The signal synchronization program could be impacted.

After the discussion, Chairwoman Bartlett opened the public hearing and requested the Clerk of the Board read into the record the noticing done to inform the public and local agencies of today's public hearing.

Chairwoman Bartlett opened the floor for public comments and with no requests from the public to speak, a motion was made by Director Pulido, seconded by Director Do, and declared passed by those present, to close the public hearing.

Finance and Administration Committee Chairman Do complimented staff on the culminated transparency process for the proposed budget.

With the closing of the public hearing, Recommendations A through E votes were bifurcated as follows:

A motion was made by Director Do, seconded by Director Donchak, and declared passed by those present, to:

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2018-19 Budget.

Director Spitzer voted in opposition, and Director Pulido was not present to vote.

A motion was made by Director Do, seconded by Director Donchak, and declared passed by those present, to:

- B. Approve the Personnel and Salary Resolution for Fiscal Year 2018-19.

Director Spitzer voted in opposition, and Director Pulido was not present to vote.

1. (Continued)

A motion was made by Director Donchak, seconded by Director Do, and declared passed by those present, to:

- C. Authorize the Chief Executive Officer to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.

Director M. Murphy did not participate and left the dais and room, due to Government Code Section 1090 concerns, and Director Pulido was not present to vote.

A motion was made by Director Do, seconded by Director Murray, and declared passed by those present, to:

- D. Approval of fiscal year 2018-19 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority in an amount up to \$29,403,103, including authorization of Federal Transit Administration funds, in an amount up to \$8,374,341, to be drawn down directly by Southern California Regional Rail Authority. In addition, approve capital and rehabilitation, expenditure budget contingent upon all member agencies approval of their respective capital and rehabilitation budgets. Orange County Transportation Authority portion of the costs for capital is \$2,378,558 and \$56,369,426 for rehabilitation.

Director Pulido was not present to vote.

A motion was by Director Do, seconded by Director Murray, and declared passed by those present, to:

- E. Authorize the Chief Executive Officer, or designee, to accept the grant award of \$1,206,518 in Federal Transit Administration 5339b Bus and Facilities Infrastructure Investment Program funds, execute grant-related agreements with the Federal Transit Administration, and authorize staff to amend the Federal Transportation Improvement Program for rehabilitation activities at OCTA bus buses and transit facilities already included in the proposed FY 2018-19 budget.

Directors Nelson and Pulido were not present to vote.

2. Taxpayer Oversight Committee New Member Recruitment and Lottery

Chairwoman Bartlett provided an overview of the Measure M2 Taxpayer Oversight Committee (TOC) and conducted the lottery for final selection of new Measure M2 TOC Members.

The names were drawn from the recommended finalists from the Grand Jurors' Association of Orange County Selection Panel, each representing the First, Second, Fourth, and Fifth Supervisorial Districts. The lottery results were as follows:

First District

Dale Soeffner, City of Garden Grove

Alternates (in order):

Pauline E. Merry, City of Garden Grove

Andrew Ramirez, City of Santa Ana

James Fuchs, City of Santa Ana

Anthony Villa, City of Santa Ana

Second District

Mark Kizzar, City of Huntington Beach

Alternates (in order):

Stuart B. Macfarland, City of Newport Beach

Michael D. Hugh, City of Huntington Beach

Andrew Brian Smith, City of Costa Mesa

Paul K. Anderson, Newport Coast

Fourth District

Larry A. Lang, City of Fullerton

Alternates (in order):

Michael Pascual, City of Fullerton

Jason Kraft, City of Brea

Fifth District

Neeki Moatazedi, City of Lake Forest

Alternates (in order):

Jeffery, Kaplin, City of Laguna Beach

Frank R. Parth, City of Rancho Santa Margarita

George Robinson, City of Dana Point

Jane McEntee, City of Laguna Hills

Chairwoman Bartlett congratulated the new selected members and thanked all of the applicants and finalists for their interest. She also thanked and acknowledged the Grand Jurors Association of Orange County Selection Panel and outgoing Measure M2 TOC Members Anthony Villa, Alan P. Dubin, Richard Rojas, and Guita Sharifi.

Consent Calendar (Items 3 through 24)

3. Approval of Minutes

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to approve of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of May 25, 2018.

4. Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to direct staff to implement one recommendation provided in the Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504.

5. Brown Act Compliance, Internal Audit Report No. 18-508

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to direct staff to implement one recommendation provided in Brown Act Compliance, Internal Audit Report No.18-508.

6. Special Needs Advisory Committee Annual Update and Member Appointments

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to receive and file the Special Needs Advisory Committee's status report.

7. Citizens Advisory Committee Annual Update and Member Appointments

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to receive and file the Citizens Advisory Committee status report.

8. Cooperative Agreement with the City of Laguna Beach for Federal Transit Administration, State Transit Administration, Senate Bill 1 State of Good Repair, and Cap and Trade Funds for Public Transit Services

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to authorize the Orange County Transportation Authority Chief Executive Officer to execute Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, for a maximum cumulative amount not to exceed \$950,000, for Federal Transit Administration funding, \$1,200,000 for State Transit Assistance funding, including Senate Bill 1 augmentation, \$250,000 for State of Good Repair funds provided through Senate Bill 1, and \$200,000 for Cap and Trade funds for the next five years commencing fiscal year 2018-19, for providing public transit services and operating assistance.

9. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2018-19

Director Spitzer withdrew from pulling the agenda item.

A motion was made by Director Spitzer, seconded by Director Murray, and declared passed by those present, to adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2018-055 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at \$1,749,112,942 for fiscal year 2018-19.

10. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2018-19

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to adopt Orange County Transportation Authority Resolution No. 2018-056 to establish the Orange County Transportation Authority General Fund appropriations limit at \$11,573,733 for fiscal year 2018-19.

11. Approval of the Fiscal Year 2018-19 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to approve the Laguna Beach Municipal Transit Lines Fiscal Year 2018-19 Local Transportation Fund Claim for public transportation services, in the amount of \$1,142,777, 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.

12. Approval of the Fiscal Year 2018-19 Local Transportation Fund Claim for Public Transportation and Community Transit Services

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to approve the Orange County Transit District Fiscal Year 2018-19 Local Transportation Fund Claim for public transportation services, in the amount of \$154,145,736, and for community transit services, in the amount of \$8,173,080, for a total claim amount of \$162,318,816, and authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

13. Annual Update to Investment Policy

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

- A. Adopt the 2018 Investment Policy.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2018-19.

14. Proposed Overall Disadvantaged Business Enterprise Goal for Federal Transit Administration-Assisted Contracts for Federal Fiscal Years 2019-2021

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to adopt the proposed overall Disadvantaged Business Enterprise goal of 11 percent for all Federal Transit Administration-assisted contracts issued during the federal fiscal years 2019-21, in accordance with Title 49 Code of Federal Regulations, Part 26.

15. Fiscal Year 2017-18 Third Quarter Grant Reimbursement Status Report

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

16. Update on the Implementation of Orange County Transportation Authority Corridor Studies

Director Donchak pulled this item and stated that this agenda item was requested when she was the Regional Planning and Highways (RP&H) Committee Chair. She thanked staff for an excellent job on a very complicated request and highlighted a few of the accomplishments.

Director Donchak requested staff to provide information on what it would take to update the South Orange County Major Investment Study (SOCMIS).

Director Donchak asked if the four OCTA Board of Directors (Board) members that serve on the Transportation Corridor Agencies (TCA) Board, and if possibly, RP&H Committee Chairman Murphy, could request that the Board of the TCA study congestion management pricing on the TCA system. In addition, could the study review free high-occupancy vehicle lanes, as well as conversion of the system to a freeway.

A discussion ensued regarding:

- How congestion pricing works and does not work on the TCAs State Route 73 and State Route 241 toll roads.
- Asking the TCA for a policy analysis of congestion management pricing.
- Attachment C of the Staff Report Item 47 shadow toll and status was requested.
- Suggestion to enter into a discussion with the TCA Board regarding toll pricing options, instead of requesting them to conduct a study.
- Suggestion to discuss, at the RP&H Committee and OCTA Board, proposals to provide the TCA Board.

A motion was made by Director Donchak, seconded by Director Delgleize, for staff to provide a report on what would be involved to update the South Orange County Major Investment Study.

A discussion ensued regarding:

- For the update of the SOCMIS, OCTA would bring forward for discussion the proposed scope, budget, and schedule for the RP&H Committee and full Board to consider.
- Clarification on the definition of shadow pricing was asked.
- It was recommended that Director Donchak's motion that was seconded by Director Delgleize be withdrawn and replaced as direction to staff.
- Director Donchak and Director Delgleize then withdrew their motion and second.

16. (Continued)

- Staff was provided a directive to review what it would take to update the SOCMIS, and go through the appropriate Committee and Board process.
- After the discussion ensued about Director Donchak's second request, Director Donchak asked that the RP&H Committee review Items 47 and 48 noted in Attachment C of the Staff Report, and determine what direction, if any, should be communicated to the TCA with a thought to congestion/shadow pricing being part of the discussion.
- RP&H Committee Chairman M. Murphy agreed with the requests as long as it goes through the appropriate Committee and Board process.

This agenda item was received and filed as an information item.

17. 2018 State Route 91 Implementation Plan

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to approve the 2018 State Route 91 Implementation Plan.

18. Capital Programming Update

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

- A. Authorize the use of up to \$47.788 million in Measure M2 funds, and up to \$7.966 million in Surface Transportation Block Grant funds for the Interstate 5 Improvement Project from State Route 73 to El Toro Road (Segments 1-4), increasing the total project funding from \$557.106 million to \$612.860 million.
- B. Authorize the use of \$1.205 million in Federal Transit Administration 5307 savings for the 60-foot alternative fuel replacement buses project.
- C. Authorize the use of \$0.647 million in remaining Regional Surface Transportation Program funds for three planning studies (Bristol Street Transit Corridor Study, Bus Rapid Transit Priced Managed Lanes Network, and Fullerton Park and Ride Joint Development Study).
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

19. Orange County Transportation Authority State and Federal Grant Programs - Update and Recommendations

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

- A. Approve delay requests for seven projects for the cities of Anaheim, Garden Grove, Santa Ana, and the County of Orange.
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program and execute any required agreements or amendments to facilitate the recommendations above.

Orange County Local Transportation Authority Consent Calendar Matters

20. Supplemental Contract Change Order for Extra Maintenance Work for the Interstate 405 Improvement Project from State Route 73 to Interstate 605

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 3.1 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$1,300,000, for extra maintenance work for the Interstate 405 Improvement Project from State Route 73 to Interstate 605.

21. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2018

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

22. Measure M2 Quarterly Progress Report for the Period of January 2018 Through March 2018

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

23. Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17 Expenditure Reports

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to find all 35 Orange County local jurisdictions eligible to receive Measure M2 revenues for fiscal year 2017-18.

24. Comprehensive Transportation Funding Programs Semi-Annual Review - March 2018

A motion was made by Director Do, seconded by Director M. Murphy, and declared passed by those present, to approve project adjustments to Comprehensive Transportation Funding Program projects, Local Fair Share, and Senior Mobility funds.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

25. Comprehensive Transportation Funding Programs - 2018 Project O and Project P - Call for Projects Programming Recommendations

Joseph Alcock, Measure M2 Local Program Section Manager, highlighted the call for projects Measure M2 funding, leveraged funding, process, timelines, and staff's recommendations. Mr. Alcock also referenced Attachments A and B of the Staff Report that list the proposed programming for Projects O and P.

Chairwoman Bartlett provided closing comments for this item.

A motion was made by Director Spitzer, seconded by Director Winterbottom, and declared passed by those present, to:

- A. Approve the award of \$32 million in 2018 Regional Capacity Program funds to 11 local agency projects.
- B. Approve the award of \$8.9 million in 2018 Regional Traffic Signal Synchronization Program funds to six projects.
- C. Authorize the Chief Executive Officer, or designee, to accept \$6.85 million in Local Partnership Program competitive grant funds and execute any required agreements or amendments with the State of California, the California Transportation Commission, and the California Department of Transportation to facilitate the recommendations above.
- D. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program to facilitate the recommendations above.

Discussion Items

26. Public Comments

There were no public comments.

27. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported on the following:

- OCTA expanded the college student pass program to Santiago Canyon College, which was approved by the students and allows a \$5 dollar student fee for all 9,000 Santiago Canyon College students to ride the OC Bus with their student ID.
- National Dump the Pump Day:
 - Takes place on Thursday, June 21st.
 - OCTA will offer a free bus ride through the OC Bus mobile app.
 - OCTA is partnering with Waze Carpool to offer free carpool rides in Orange County the week of June 18th.
- I-405 Improvement Project:
 - The sixth and final open house will take place on Thursday, June 14th, at the Orange Coast College Student Center in the City of Costa Mesa from 6:00 p.m. to 8:00 p.m.

28. Directors' Reports

Director Murray thanked OCTA for its partnership at the City of Tustin's 34th Annual Street Fair and Chili Cook-off that had an estimated attendance of 37,000 people. Director Murray also thanked the Board Members that participated as judges at Tustin's chili cook-off.

Director Delgleize thanked staff for the recent I-405 Improvement Project update presented in the City of Huntington Beach that was well attended.

Director Delgleize stated that she was asked by some Huntington Beach residents about the local street signals with a yellow caution light for the left turn lane and asked if OCTA is working on that type of street signal.

Mr. Johnson, CEO, responded to that staff will inventory with the Orange County Public Works Directors to see if there are new activities with that type of street signal and report back.

Director Winterbottom thanked OCTA for its effort into making the City of Villa Park signals synchronized.

28. (Continued)

Director M. Murphy thanked OCTA staff for the recent State Route 55 project update presented in the City of Orange that was well attended and positively received.

Director Hennessey requested the definition of shadow tolls be provided to him at a later time.

29. Closed Session

A Closed Session was held pursuant as follows:

- A. Pursuant to Government Code Section 54956.9(d)(1) – Existing Litigation. *Marines v. Orange County Transportation Authority, et al.*, OCSC Case No. 30-2017-00916568.
- B. Pursuant to Government Code Section 54956.9(d)(1) – Existing Litigation. *Orange County Transportation Authority v. I&M Pinsky, LLC., et al.*, OCSC Case No. 30-2015-00786726.

There was no report out for the above Closed Session items.

30. Adjournment

The meeting adjourned at 10:38 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, June 25, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Lisa A. Bartlett
OCTA Chairwoman