



# **MINUTES**

## ***Finance and Administration Committee Meeting***

---

### **Committee Members Present**

Andrew Do, Chairman  
Richard Murphy, Vice Chairman  
Michael Hennessey

### **Committee Members Absent**

Steve Jones  
Todd Spitzer  
Michelle Steel

### **Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Ken Phipps, Deputy Chief Executive Officer  
Laurena Weinert, Clerk of the Board  
Gina Ramirez, Deputy Clerk of the Board  
James Donich, General Counsel  
OCTA Staff and Members of the General Public

## **Call to Order**

The June 13, 2018 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Andrew Do at 10:38 a.m.

## **Pledge of Allegiance**

Committee Vice Chairman R. Murphy led in the Pledge of Allegiance.

### **1. Public Comments**

No public comments were received.

## **Special Calendar**

### **2. Investment Management Presentation**

Andrew Oftelie, Executive Director of Finance and Administration, provided opening comments and introduced:

- Mia Corral Brown, Senior Vice President of Chandler Asset Management
- Jayson Schmitt, CFA, Executive Vice President of Chandler Asset Management

Ms. Corral Brown presented a PowerPoint on the following:

- Introduction to Chandler Asset Management,
- Specializing in Investment Management for Public Agencies, and
- Understanding our Clients Needs.

## **2. (Continued)**

Mr. Schmitt presented a PowerPoint on the following:

- Safety Comes First,
- Implementing a Disciplined, Repeatable Investment Process,
- Orange County Transportation Authority's (OCTA) Chandler Managed Portfolio as of May 31, 2018,
- Philosophy & Vision,
- Economic Update,
- Employment,
- Inflation,
- Gross Domestic Product,
- Bond Yields, and
- Disclosures.

A discussion ensued regarding:

- Trade Wars,
- Lower cost of manufacturing services in other parts of the country,
- Impact on Gross Domestic Product,
- Mobility as a nation and regional mobility has greatly reduced,
- Portfolio versus benchmark-US Treasury type,
- Demographics of the workforce,
- Quality of life concerns (i.e., cost of living),
- Taxes and recession,
- Yield curve-not inverted,
- Corporate risk, and
- General trends.

## **Consent Calendar (Items 3 through 6)**

Committee Chairman Do announced that Directors Jones, Spitzer, and Steel were absent due to attending a federal hearing regarding the homeless litigation matter.

Darrell E. Johnson, Chief Executive Officer (CEO), announced that due to lack of quorum, staff would like to continue agenda Item 3 to the next Finance and Administration Committee meeting. Also, Items 4, 5, and 6 will be forwarded to the June 25, 2018 Board of Directors meeting for consideration without the Committee's vote.

## **3. Approval of Minutes**

Due to a lack of quorum, the minutes of the May 23, 2018, will return to the next Finance and Administration Committee meeting for consideration.



**4. Fiscal Year 2017-18 Third Quarter Budget Status Report**

Due to lack of quorum, no action was taken on this item, and it will be forwarded to the June 25, 2018 Board of Directors meeting.

**5. Sole Source Agreement for Upgraded ID Card System**

Due to lack of quorum, no action was taken on this item, and it will be forwarded to the June 25, 2018 Board of Directors meeting.

**6. Agreement for Data Center Colocation Services**

Director Hennessey pulled this item to inquire on the definition of Tier III.

Barry Reynolds, Department Manager of Systems Operations Management, responded that a Tier III data center is a location with redundant and dual-powered servers, storage, and network links. This allows for any planned maintenance activity of power and cooling systems to take place without disrupting the operation of computer hardware located in the data center.

Director Hennessey inquired on why Coresite, LLC (Coresite) was unwilling to sign its proposal.

Virginia Abadessa, Director of Contracts Administration & Materials Management, stated that when Coresite was given an opportunity to sign its proposal, Coresite stated its legal counsel advised them that it would legally bind them to the proposal that they were submitting to us.

Due to lack of quorum, no action was taken on this item, and it will be forwarded to the June 25, 2018 Board of Directors meeting.

**Regular Calendar**

There were no Regular Calendar items scheduled.

**Discussion Items**

**7. Update: Senior Mobility Program Operated by Korean American Senior Association**

Janet Sutter, Executive Director of Internal Audit, provided a PowerPoint presentation on the status of the corrective actions taken by the Korean American Senior Association (KASA) with regard to the findings identified in the senior mobility program as follows:



**7. (Continued)**

- Wheelchair Accessibility,
- Cost Reporting & Support,
- Minimum Age Requirement, and
- Trips outside of the Service Plan.

Committee Vice Chairman R. Murphy thanked Ms. Sutter and staff for the great job on assisting the KASA staff with the corrective actions.

Mr. Johnson, CEO, noted that internal audit's review is complete at this time and OCTA staff will continue to monitor and provide oversight as appropriate to the program.

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

Mr. Johnson, CEO, reported on the following:

- On June 13<sup>th</sup>, OCTA will host the final open house to provide information and answer questions about the Interstate 405 Improvement Project. The open house will take place at the Orange Coast College Student Center in Costa Mesa from 6:00 p.m. - 8:00 p.m.
- On June 21<sup>st</sup>, OCTA will be offering free bus rides through the OC Bus mobile app for National Dump the Pump Day to encourage people to use public transportation and ridesharing. OCTA is also partnering with Waze Carpool to offer free carpools throughout Orange County from June 18<sup>th</sup> to June 22<sup>nd</sup>.
- On June 18<sup>th</sup>, he will be traveling to Washington, D.C. to meet with the Acting Federal Transit Administration Administrator to discuss the OC Streetcar program. In addition, he will be traveling to New York to join Chairwoman Bartlett, Vice Chairman Shaw, and Committee Chairman Do for OCTA's annual meetings with the rating agencies and financial institutions.

**9. Committee Members' Reports**

Committee Chairman Do thanked staff for inviting Chandler Asset Management to present the Investment Management Presentation under Item 2.



**10. Closed Session**

There were no Closed Session items scheduled.

**11. Adjournment**

The meeting adjourned at 11:17 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, June 27, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

---

Gina Ramirez  
Deputy Clerk of the Board

---

Andrew Do  
Committee Chairman