



Committee Members Present

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

Committee Members Absent

Todd Spitzer

Call to Order

The September 12, 2018 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:32 a.m.

Pledge of Allegiance

Director Jones led in the Pledge of Allegiance.

Committee Chairman Do wanted to take a moment to reflect on the commemoration of September 11, 2001. Additionally, he stated that a presentation was given to the Orange County Board of Supervisors for national preparedness month and stressed how important it is that the Orange County Transportation Authority (OCTA) is an integral part of the emergency operations center. As Chair of the Emergency Management Council, the public should know the role our agencies play in being prepared in the event of an emergency or natural disaster.

Darrell E. Johnson, Chief Executive Officer, (CEO), stated OCTA does participate in conjunction with the emergency operations center, and all OCTA employees are declared under a California requirement to be disaster service workers in the event of a disaster.

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 Wendy Kaszak, Associate Director and Scott Pavlak, Managing Director from Logan Circle Partners.



2. (Continued)

Ms. Kaszak presented a PowerPoint presentation and highlighted the following areas:

- Firm Overview; and
- Market Outlook.

Mr. Pavlak presented a PowerPoint presentation and highlighted the following areas:

- Current Themes;
- Federal Reserve;
- Yield Curves – as of August 31, 2018;
- United States Inflation – as of August 31, 2018;
- United States Earnings & the Consumer – as of August 31, 2018;
- Intercontinental Exchange (ICE) Bank of America Merrill Lynch (BAML) Corporate 1-5 Year Index;
- Portfolio Strategy/Positioning; and
- Portfolio Review – as of August 31, 2018.

A discussion ensued regarding the reason for uptick in wages, federal interest rate hikes, and commercial mortgage-backed securities.

Consent Calendar (Items 3 through 14)

3. Approval of Minutes

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to approve the minutes of the Finance and Administration Committee of July 25, 2018.

4. Audit of State Transportation Improvement Program Planning, Programming and Monitoring Program, Program Fiscal Year 2015-2016

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

5. Warranty Administration, Internal Audit Report No. 18-510

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to direct staff to implement one recommendation provided in Warranty Administration, Internal Audit Report No. 18-510.



6. Local Agency Investment Fund - July 2018

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

7. Orange County Treasurer's Management Report - July 2018

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

8. Orange County Transportation Authority Investment and Debt Programs Report - July 2018

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

9. Environmental Mitigation Program Endowment Fund Investment Report For June 30, 2018

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

10. Fiscal Year 2017-18 Fourth Quarter Grant Reimbursement Status Report

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

11. Excess Liability Insurance Renewal

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A40995, in the amount of \$800,000, to Marsh Risk and Insurance Services, Inc., to purchase excess liability insurance on behalf of the Orange County Transportation Authority for the policy period of November 1, 2018 to November 1, 2019.



12. Amendment to Agreement for Temporary Staffing Services

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3658 between the Orange County Transportation Authority and Howroyd Wright Employment Agency, Inc., doing business as AppleOne Employment Services, in the amount of \$83,565. This will increase the maximum obligation of the agreement to a total contract value of \$488,809.

13. Adopt Resolution Reaffirming the Longstanding Policy of Requiring the Use of Transponders on the 91 Express Lanes

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to adopt Resolution No. 2018-121 confirming the longstanding policy of requiring the use of transponders on the 91 Express Lanes.

14. Amendment to Grant Management and Programming Database Agreement

A motion was made by Director Steel, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order A40326 between the Orange County Transportation Authority and EcoInteractive Inc., in the amount of \$27,500, to expand the current OCFundtracker platform to include the Capital Improvement Program module effective October 1, 2018 through August 31, 2019. This will increase the maximum obligation of the agreement to a total purchase order value of \$118,170.

Regular Calendar

15. Update on the Low Carbon Fuel Standard Program

Andrew Oftelie, Executive Director of Finance and Administration, provided opening comments and introduced Ron Rojas, Section Manager III of Contracts Administration & Materials Management, who provided a PowerPoint presentation on the following:

- Background;
- Low Carbon Fuel Standard (LCFS) Program Components;
- LCFS Credit Basics;
- Element Markets Renewable Energy Contract, and
- Next Steps.

15. (Continued)

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

16. Fiscal Year 2018-19 Comprehensive Business Plan

Darrell E. Johnson, CEO, provided opening comments and introduced Victor Velasquez, Department Manager of Financial Planning and Analysis who provided a PowerPoint presentation on the following:

- Overview;
- Bus Program-Program Risks;
- Rail Program-Major Assumptions;
- Rail Program-Program Risks;
- Measure M2 Program-Major Assumptions;
- 91 Express Lanes-Major Assumptions; and
- Motorist Services-Major Assumptions.

Committee Chairman Do inquired on the cost data for maintaining the life cycle of a bus to 18 years.

Andrew Oftelie, Executive Director of Finance and Administration, discussed the bus cycle midlife overhauls at six and twelve years. Additionally, he stated staff will be working closely with the maintenance department and to track the operating costs in years 14, 15, 16, 17, and 18.

A motion was made by Director Hennessey, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to approve the Fiscal Year 2018-19 Comprehensive Business Plan.

Discussion Items

17. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- On September 12th, OCTA will host a telephone town hall for the public to provide input on the Long-Range Transportation Plan. In addition, a community open house will be held at the OCTA Headquarters on September 22nd. The public can also submit feedback online at octaLRTP.com through Sept. 28th.



17. (Continued)

- On September 12th, OCTA will host a community open house for the passing siding project along the Los Angeles – San Diego – San Luis Obispo Rail corridor between Laguna Niguel and San Juan Capistrano. Staff will be available to provide information and answer questions about the project at the San Juan Capistrano Library from 6:00 p.m. – 7:30 p.m.
- OCTA's annual Rodeo is on September 15th at 8:00 a.m. at the Santa Ana Base and Committee Chairman Murray will be participating.

18. Committee Members' Reports

Director Hennessey acknowledged the ten-year anniversary of the Chatsworth Train Collision. As a member agency of Metrolink, OCTA needs to remain vigilant in the area of safety and continue our commitment to safety.

19. Closed Session

There were no Closed Session items scheduled.

20. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 26, 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