



Committee Members Present

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

Staff Present

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

Michelle Steel

Call to Order

The February 13, 2019 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Hennessey at 10:40 a.m.

Pledge of Allegiance

Director Jones led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

2. Committee Meeting 2019 Schedule

Committee Chairman Hennessey led a discussion regarding the Finance and Administration Committee's proposed 2019 meeting dates and time as provided in Attachment A.

No action was taken on this item.

3. Roles and Responsibilities of the Finance and Administration Committee

Committee Chairman Hennessey provided opening remarks and encouraged new Committee Members to review the roles and responsibilities of the committee as new projects come up.

No action was taken on this item.



Consent Calendar (Items 4 through 11)

4. Approval of Minutes

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and declared passed by those present, to approve the minutes of the Finance and Administration Committee meeting of January 23, 2019.

5. Audit Responsibilities of the Finance and Administration Committee

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and declared passed by those present, to approve the Audit Responsibilities of the Finance and Administration Committee as an information item.

6. Agreed-Upon Procedures Performed with Respect to the National Transit Database Report for the Period July 1, 2017 through June 30, 2018

This item was pulled by Committee Chairman Hennessey who inquired on the term “crosswalk” used in the letter from Vavrinek, Trine, Day & Co., LLP.

Janet Sutter, Executive Director of Internal Audit, stated the term is commonly used in the audit industry and means to trace the figures to the respective National Transit Database Reporting Forms back through the general ledger so there is no discrepancy.

A motion was made by Committee Chairman Hennessey, seconded by Director Do, and declared passed by those present, to receive and file the Orange County Transportation Authority Agreed-Upon Procedures Performed with Respect to the National Transit Database Report for the Period July 1, 2017 through June 30, 2018, as an information item.

7. Orange County Treasurer’s Management Report - December 2018

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

8. Approval of Local Transportation Fund Fiscal Year 2019-20 Apportionment Estimates

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and declared passed by those present, to approve the Local Transportation Fund fiscal year 2019-20 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.



9. Adopt the 2019 Investment Policy

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and declared passed by those present, to adopt the 2019 Investment Policy.

10. Consultant Selection for Real Property Management Services

Committee Chairman Hennessey pulled this item to inquire on how many leases there are on the rail right-of-way property.

James G. Beil, Executive Director of Capital Programs, responded that everything done on the rail right-of-way is a license. He stated that the term license and lease are interchangeable on the rail right-of-way.

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

- A. Approve the selection of Cal Pacific Land Services, Inc., as the firm to provide real property management services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1853 between the Orange County Transportation Authority and Cal Pacific Land Services, Inc., as the firm to provide real property management services, in the amount of \$600,000, for a five-year term.

11. Consultant Selection for the Preparation of Plans, Specifications, and Estimates for the 91 Express Lanes Toll Entrances Gantry Infrastructure Project

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

- A. Approve the selection of Parsons Transportation Group, Inc., as the firm to prepare the plans, specifications, and estimates for the 91 Express Lanes Toll Entrances Gantry Infrastructure Project.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-2107 between the Orange County Transportation Authority and Parsons Transportation Group, Inc., to prepare the plans, specifications, and estimates for the 91 Express Lanes Toll Entrances Gantry Infrastructure Project.

Regular Calendar

12. 91 Express Lanes Update for the Period Ending December 31, 2018

Kirk Avila, General Manager of Express Lanes Programs, provided a PowerPoint on the following:

- State Route 91 Corridor;
- Background;
- Traffic Volumes Reach Historic Highs;
- Toll Revenues Continue to Increase;
- Outstanding Debt Totals \$97.8 Million;
- Number of Accounts and Transponders; and
- Upcoming Events.

A lengthy discussion ensued regarding the following:

- Resistance with 6C sticker versus transponders;
- Each vehicle on the account will receive a 6C sticker;
- Increase in revenues due to more customers and usage; and
- Reaching capacity during peak time of 3:00 p.m. to 6:00 p.m. especially on Thursday and Friday.

Director Do expressed his concerns regarding enforcement of toll evasion and inquired if it would benefit the Orange County Transportation Authority (OCTA) to increase the budget for the California Highway Patrol (CHP) to provide additional enforcement services.

Mr. Avila responded that staff is currently in discussions with the CHP for a new agreement to provide additional enforcement services on the 91 Express Lanes (Express Lanes).

Committee Chairman Hennessey inquired on the Express Lanes and general purpose lanes throughput.

Mr. Avila stated that OCTA does not track the general purpose lanes, however, there have been 17.2 million trips routed onto the Express Lanes and that adds value to the general purpose lanes.

Ken Phipps, Deputy Chief Executive Officer (DCEO), noted that the Express Lanes revenues have provided improvements to the general purpose lanes throughput.

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



Discussion Items

13. Chief Executive Officer's Report

Ken Phipps, DCEO, reported on the following:

- Andrew Oftelie, Chief Financial Officer (CFO), and Sean Murdock, Director of Finance and Administration, are in New York regarding the Measure M2 (M2) bonds for the Interstate 405 Improvement Project.
- On Tuesday, February 19th at 10:00 a.m. OCTA will host a dedication event to mark the completion of the parking structure at the Orange Metrolink Station.
- The M2 bonds for the Interstate 405 Improvement Project were issued for sale today. Staff refinanced \$43.5 million in outstanding debt at an aggregate interest rate of 3.14 percent, and this refinancing will save OCTA \$2.58 million.

14. Committee Members' Reports

Committee Chairman Hennessey discussed the positive news regarding the M2 bonds this morning, on a telephone call, with Andrew Oftelie, CFO, in New York.

15. Closed Session

There were no Closed Session items scheduled.

16. Adjournment

The meeting adjourned at 11:11 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, February 27, 2019**, 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

Michael Hennessey
Committee Chairman