



Committee Members Present

Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones

Committee Members Absent

Michael Hennessey, Chairman
Michelle Steel
Donald P. Wagner

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 July 24, 2019 regular meeting of the Finance and Administration Committee was called to order by Committee Vice Chairman R. Murphy at 10:35 a.m.

Pledge of Allegiance

Director Do led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

2. Taxable Sales Forecast - California State University Fullerton - Anil Puri, Provost Emeritus and Director of the Woods Center for Economic Analysis

Sam Kaur, Department Manager of Revenue and Grants, provided a brief biography and introduced Dr. Anil Puri, Provost Emeritus and Director of the Woods Center for Economic Analysis and Forecast at California State University, Fullerton. Dr. Puri presented a comprehensive PowerPoint presentation and highlighted the following areas:

- Long Cycle Expansion Woes;
- Sentiment Still Generally Strong;
- A Tough Year for Housing;
- A Remarkable Labor Market;

2. (Continued)

- Fear and Loathing of the Yield Curve;
- Uncertain How Nimble the Federal Government Will be if Outlook Clouds;
- Fiscal Boost Will Fizzle Past this Fiscal Year;
- Orange County:
 - Growth has Slowed for the United States, California, and Orange County;
 - Unemployment Rates at Historical Lows;
 - Diversity of Orange County Economy is Key Factor;
 - 2019 has Weaker Job Growth Throughout Southern California, but Data are Suspect;
 - China Tariffs are Starting to Bite;
 - Home Price Growth Has Softened;
 - Moderating Price Growth Throughout Southern California;
 - Local Business Outlook Has Moderated;
 - Biggest Concern is the Economy;
 - Biggest Threats and Probability of Recession;
 - OCBX Index: Optimism Rebounded for Quarter Two in 2019;
 - Room to Grow; and
 - Orange County Taxable Sales.

A discussion ensued regarding the following:

- How jobs are defined when measuring employment;
- The two methods of measuring unemployment, which include unemployment rate surveys and nonfarm jobs that are reported by businesses supplying information to the government;
- Examples of statistical methods used in labor force reporting;
- Inflation reporting methods;
- Definition of white raven reference and how it relates to a recession;
- Possible scenarios for the next recession; and
- Patterns of recovery from past recessions.

Darrell E. Johnson, Chief Executive Officer (CEO), stated that Orange County Transportation Authority (OCTA) staff will finalize the Measure M2 (M2) forecast per the Board of Directors' (Board) policy using the inputs received from the three universities and Muni-Services. Staff will present an M2 forecast to this Committee and the Board in the Fall of 2019.



Consent Calendar (Items 3 through 6)

3. Approval of Minutes

A motion was made by Director Do, seconded by Director Jones, and declared passed by those present, to approve the minutes of the Finance and Administration Committee meeting of July 10, 2019.

4. Fiscal Year 2018-19 Internal Audit Plan, Fourth Quarter Update

A motion was made by Director Do, seconded by Director Jones, and declared passed by those present, to receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan as an information item.

5. Draft Fiscal Year 2019-20 Internal Audit Plan

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

- A. Approve the Draft Fiscal Year 2019-20 Internal Audit Plan.
- B. Direct the Executive Director of Internal Audit to provide quarterly updates on the Fiscal Year 2019-20 Internal Audit Plan.

6. Agreement for Medical Clinic Services

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

- A. Approve the selection of Cheshire Medical Corporation, doing business as ProCare Work Injury Center & Urgent Care, as the medical clinic to provide medical services to ensure compliance with the State of California Department of Motor Vehicles, Federal Transit Administration, and California Occupational Safety and Health Administration regulations.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1165 between the Orange County Transportation Authority and Cheshire Medical Corporation, doing business as ProCare Work Injury Center & Urgent Care, in the amount of \$573,000, for a three-year initial term, effective August 1, 2019 through July 31, 2022, with one, two-year option term, to provide medical services.



Regular Calendar

There were no Regular Calendar items scheduled.

Discussion Items

7. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- OCTA is hosting bicycle safety workshops as part of the bicycle safety campaign that was launched called "Be Safe Be Seen." Funding for this campaign comes from the \$75,000 grant received from the California Office of Traffic Safety. Workshops will be held on the following dates:
 - July 25th at 5:30 p.m. at the Orange Civic Center;
 - August 3rd at 10:00 a.m. at the Fullerton Main Library;
 - August 13th at 5:30 p.m. at the Huntington Beach City Hall; and
 - August 31st at 9:00 a.m. at the Tustin Senior Center.
- Construction has begun on the Interstate 5 (I-5) Central project. The high-occupancy vehicle bridge demolition on the I-5 at Main Street is scheduled for Friday night, August 2nd and Saturday night, August 3rd. There will be a series of required closures in the area which have been communicated through OCTA's regular channels. All detour information is available online.

8. Committee Members' Reports

There were no Committee Members' Reports.

9. Closed Session

There were no Closed Session items scheduled.



10. Adjournment

The meeting adjourned at 11:13 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, August 14, 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

Richard Murphy
Committee Vice Chairman