



**Committee Members Present**

Michael Hennessey, Chairman  
Richard Murphy, Vice Chairman  
Gene Hernandez  
Steve Jones  
Joe Muller

**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**

Andrew Do  
Michelle Steel

The February 26, 2020 regular meeting of the Finance and Administration (F&A) Committee (Committee) was called to order by Committee Chairman Hennessey at 10:32 a.m.

**Pledge of Allegiance**

Director Muller led in the Pledge of Allegiance.

**1. Public Comments**

No public comments were received.

**Special Calendar**

**2. Committee Meeting 2020 Schedule**

Darrell E. Johnson, Chief Executive Officer (CEO), reported that the F&A Committee has traditionally met twice per month. Over the last few years, staff had developed a calendar that decreases the Committee meetings to one per month in March, June, August, November, and December based upon the work plan.

James Donich, General Counsel, stated special meetings could be added if necessary, with proper notifications under the Brown Act.

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to approve the 2020 Finance and Administration Committee meeting dates and time schedule.



**3. Roles and Responsibilities of the Finance and Administration Committee**

Committee Chairman Hennessey provided opening remarks on this item and inquired about the proposed change in the roles and responsibilities.

Darrell E. Johnson, Chief Executive Officer (CEO), reported that the roles and responsibilities for each Committee are reviewed annually for changes or additions, and noted there was one recommended change for the F&A Committee, (9<sup>th</sup> bullet in Attachment A). Mr. Johnson explained the reason for the proposed change regarding security.

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and declared passed by those present, to approve the 2020 Finance and Administration Committee Roles and Responsibilities.

**4. Audit Responsibilities of the Finance and Administration Committee**

Janet Sutter, Executive Director of Internal Audit, provided an overview of the responsibilities for the internal audit plan and Audit Responsibilities of the F&A Committee.

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

**Consent Calendar (Items 5 through 10)**

**5. Approval of Minutes**

A motion was made by Director Hernandez, seconded by Director Jones, and declared passed by those present, to approve of the minutes of the Finance and Administration Committee meeting of January 22, 2020.

**6. Interagency Fare Revenue Agreements, Internal Audit Report No. 20-505**

A motion was made by Director Hernandez, seconded by Director Jones, and declared passed by those present, to receive and file the Interagency Fare Revenue Agreements, Internal Audit Report No. 20-505, as an information item.



**7. Orange County Transportation Authority Investment and Debt Programs Report - January 2020**

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

**8. Environmental Mitigation Program Endowment Fund Investment Report for December 31, 2019**

This item was pulled by Committee Vice Chairman R. Murphy to inquire about the current California Community Foundation (CCF) Endowment Pool investment return of 2.5 percent and if the CCF follows the same rules as the Orange County Transportation Authority OCTA (OCTA).

Andrew Oftelie, Chief Financial Officer (CFO), responded that the CCF does not follow the same rules, as OCTA which is one of the reasons why the endowment is with the CCF is they can be more aggressive in investment activities.

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

**9. Fiscal Year 2019-20 Second Quarter Grant Reimbursement Status Report**

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

**10. 91 Express Lanes Update for the Period Ending - December 31, 2019**

This item was pulled by Committee Chairman Hennessey to inquire about the increase year over year and why the rise in revenue.

Kirk Avila, General Manager of the 91 Express Lanes, responded that the ridership continues to perform well due to economy. Employment is high in Orange County, and housing remains cheaper in the Inland Empire versus Orange County, and commuters are traveling to either Orange County or Los Angeles and other factors.

Andrew Oftelie, CFO, explained the review of refinancing the debt for both the Interstate 405 and 91 Express Lanes. He stated staff would return to the F&A Committee next month with the findings.

A motion was made by Committee Chairman Hennessey, seconded by Director Jones, and declared passed by those present, to receive and file as an information item.

## **Regular Calendar**

There were no Regular Calendar items scheduled.

## **Discussion Items**

### **11. Fiscal Year 2020-21 Budget Kick-off and Assumptions**

Andrew Oftelie, CFO, provided opening comments and introduced Victor Velasquez, Manager of Financial Planning and Analysis, who provided a PowerPoint presentation on the following:

- Fiscal Year 2020-21 Budget Timeline;
- Major Programs;
- Measure M2 Program Assumptions;
- Bus Program Revenue Assumptions;
- Bus Operations Expenditure Assumptions;
- Rail Program Revenue Assumptions;
- Rail Program Expenditure Assumptions;
- 91 Express Lanes Program Assumptions;

Mr. Velasquez noted a correction to Slide 9, under Revenue Assumptions, should read 17.8 million OCTAP trips, and not 17.5 as indicated on the slide.

- Motorist Services & Orange County Taxi Administration Program, and
- Next Steps.

### **12. Chief Executive Officer's Report**

Mr. Johnson, CEO, reported on the following:

Proposed legislative efforts:

- Referenced the three bills Mr. Velasquez discussed during agenda Item 11, which may impact OCTA fare revenues, and staff will not know the impact of those legislative outcomes before budget adoption.

Committee Chairman Hennessey inquired about the budget impacts for OCTA, if the legislation passes, and there are no funds backfill.

### **12. (Continued)**

Andrew Oftelie, CFO, responded staff is currently reviewing the options. If the bills were to pass, it would only impact half of the fiscal year, and a possible one-time source of revenues might be able to get OCTA through the year. Additionally, since this would be ongoing, staff would bring this forward in the Comprehensive Business Plan later this year.

State Route 91 (SR-91) Advisory Committee:

- The first SR-91 Advisory Committee meeting of the year will be held on March 6<sup>th</sup>. Director Hernandez will serve on the Committee, and staff will discuss the status of the operations, as well as a comprehensive overview of all the capital projects planned and under construction along the 91 Corridor.

Careers in Transportation Expo:

- On Tuesday, March 10<sup>th</sup>, OCTA will host its fifth annual Careers in Transportation Expo here at OCTA.
- The event is for Orange County high school and college students to learn more about career paths in the transportation industry.
- Participants will take part in mock interviews and have their resumes reviewed by OCTA's human resources staff.
- The event runs from 9:00 a.m. to noon approximately 300 students will attend.

### **13. Committee Members' Reports**

There were no Committee Members' Reports.

### **14. Closed Session**

There were no Closed Session items scheduled.



**15. Adjournment**

The meeting was adjourned at 10:58 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, March 11, 2020**, 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