Committee Members
Bill Campbell, Chairman
Carolyn Cavecche, Vice Chairman
Patricia Bates
Peter Buffa
Don Hansen
John Moorlach

Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Room 154
Orange, California

Wednesday, December 15, 2010, at 9:00 a.m.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board’s office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Call to Order

Invocation
Director Hansen

Pledge of Allegiance
Director Moorlach

1. Public Comments

Special Calendar

There are no Special Calendar matters.
Consent Calendar   (Items 2 through 9)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

2. **Approval of Minutes**

Of the November 17, 2010, Finance and Administration Committee meeting.

3. **Local Agency Investment Fund - October 2010**
   Rodney Johnson/Kenneth Phipps

   **Overview**

   The Orange County Transportation Authority invests a portion of its liquid portfolio in the State of California Local Agency Investment Fund. Each month, the State Treasurer’s office publishes a report detailing the composition of the pool. The attached summary statements from the report are for the month ending October 31, 2010.

   **Recommendation**

   Receive and file as an information item.

4. **Orange County Transportation Authority Investment and Debt Programs Report - October 2010**
   Rodney Johnson/Kenneth Phipps

   **Overview**

   The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority’s debt program. This report is for the month ending October 31, 2010.

   **Recommendation**

   Receive and file as an information item.
5. **Orange County Treasurer's Management Report - October 2010**  
   Rodney Johnson/Kenneth Phipps

   **Overview**

   The Orange County Transportation Authority invests a portion of its liquid portfolio in the Orange County Investment Pool. Each month the Orange County Treasurer publishes a comprehensive report detailing the composition of the pool and the prevailing economic and market conditions. The attached Treasurer’s Management Report for the Orange County Investment Pool is for the month ending October 31, 2010.

   **Recommendation**

   Receive and file as an information item.

6. **Orange County Employees Retirement System Early Payment for Fiscal Year 2011-12**  
   Rodney Johnson/Kenneth Phipps

   **Overview**

   The Orange County Employees Retirement System has offered an early payment discount to member agencies of 7.75 percent if they elect to prepay their contributions for fiscal year 2011-12. Advance payments must be received before January 15, 2011. The Orange County Transportation Authority has estimated the net savings over the next year and a half under this payment option to total approximately $1.4 million.

   **Recommendation**

   Authorize the early payment of approximately $17.4 million by January 15, 2011, to Orange County Employees Retirement System for member contributions for fiscal year 2011-12.
7. **Agreements for Information Systems On-Call Technical Services**
   Annette L. Hess/Kenneth Phipps

**Overview**

Skilled technical resources are needed to support various information technology projects on an as needed basis. As part of Orange County Transportation Authority’s Fiscal Year 2010-11 Budget, the Board of Directors approved funding for on-call technical services. Offers were received in accordance with Orange County Transportation Authority’s procurement procedures for professional and technical services.

**Recommendations**

A. Authorize the Chief Executive Officer to execute Agreement No. C-0-1782 between the Orange County Transportation Authority and Digital Intelligence Systems Corporation for on-call technical services through January 31, 2014, in an aggregate amount not-to-exceed $500,000.

B. Authorize the Chief Executive Officer to execute Agreement No. C-0-1922 between the Orange County Transportation Authority and Intratek Computer, Inc. for on-call technical services through January 31, 2014, in an aggregate amount not-to-exceed $500,000.

C. Authorize the Chief Executive Officer to execute Agreement No. C-0-1923 between the Orange County Transportation Authority and Omega Contract Design for on-call technical services through January 31, 2014, in an aggregate amount not-to-exceed $500,000.

D. Authorize the Chief Executive Officer to execute Agreement No. C-0-1924 between the Orange County Transportation Authority and Superior Technical Resources, Inc., for on-call technical services through January 31, 2014, in an aggregate amount not-to-exceed $500,000.
8. **Amendment to Cooperative Agreement with the City of Laguna Beach for the Pass Through of Funds**  
William Dineen, Jr./Kenneth Phipps

**Overview**

The Laguna Beach Municipal Transit Lines, a department within the City of Laguna Beach, is eligible to receive its proportional share of Orange County transit funding available through various funding programs. On May 22, 2009, the Orange County Transportation Authority Board of Directors approved Cooperative Agreement No. C-7-1197 with the City of Laguna Beach for the pass through of these funds. The City of Laguna Beach is also eligible to receive a one-time pass through of American Recovery and Reinvestment Act Surface Transportation Program Funds that were not available at the time this cooperative agreement was approved. Therefore, an amendment to the cooperative agreement and fiscal year 2010-11 budget is required to accommodate the pass through of funds.

**Recommendations**

A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-1197 between the Orange County Transportation Authority and the City of Laguna Beach, in an amount not to exceed $500,000, for American Recovery and Reinvestment Act Surface Transportation Program Funds.

B. Amend the Orange County Transportation Authority’s Fiscal Year 2010-11 Budget, expenditure account 0001-7831-A4477-F01, by $500,000 to include pass through funds to the City of Laguna Beach for the continued operation of public transit services.

C. Amend the Orange County Transportation Authority’s Fiscal Year 2010-11 Budget, revenue account 0001-6037-A4477-F01, by $500,000 to include pass through funds to the City of Laguna Beach for the continued operation of public transit services.
9. **First Quarter Fiscal Year 2010-11 Grant Status Report**  
   Anthony Baruch/Kenneth Phipps

   **Overview**

   The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of July through September 2010. The Quarterly Grant Status Report summarizes future and pending grant applications, awarded/executed and current grant agreements, as well as closed grants.

   **Recommendation**

   Receive and file as an information item.

**Regular Calendar**

10. **Evaluation of Independent Auditor and Consideration of Contract Amendment to Extend Audit Services through the Fiscal Year Ending June 30, 2011**  
    Kathleen M. O'Connell

   **Overview**

   The Internal Audit Department evaluated the Orange County Transportation Authority’s independent auditor, Mayer Hoffman McCann P.C., in February 2010, and based on the evaluation, the Board of Directors authorized the execution of the first amendment to Agreement No. C-6-0667 to exercise the first option term. Staff and the Internal Audit Department continue to be satisfied with the performance of the independent auditors and are, therefore, recommending a second amendment to the agreement to exercise the second and final option term.

   **Recommendations**

   A. Approve draft evaluation findings and comments prepared by the Internal Audit Department for the Finance and Administration Committee.
10. (Continued)

   B. Authorize the Chief Executive Officer, or his designee, to execute Amendment No. 6 to Agreement No. C-6-0667 between the Orange County Transportation Authority and Mayer Hoffman McCann P.C., to exercise the second option term, in an amount not to exceed $348,800, for the annual financial audit for the fiscal year ending June 30, 2010, for a total contract amount of $1,665,480.

11. **Fiscal Year 2010-11 First Quarter Budget Status Report**
    Victor Velasquez/Kenneth Phipps

   **Overview**

   The Orange County Transportation Authority’s staff has implemented the fiscal year 2010-11 budget. This report summarizes the material variances between the budget plan and actual revenues and expenses.

   **Recommendation**

   Receive and file as an information item.

**Discussion Items**

12. **Update on Measure M2 Financing**
    Kirk Avila/Kenneth Phipps

   Staff will provide an update on the sale of Measure M2 bonds.

13. **Revenue Agreement Tracking Update**
    Andrew Oftelie/Kenneth Phipps

   Staff will report on its progress in implementing the Internal Audit recommendation cited in the “Review of Revenue Agreements” audit that was presented to the Finance and Administration Committee on July 21, 2010.
14. Chief Executive Officer's Report

15. Committee Members' Reports

16. Closed Session

There is no Closed Session scheduled.

17. Adjournment

The next regularly scheduled meeting of this Committee will be held at 9:00 a.m. on Wednesday, January 19, 2011, at the OCTA Headquarters.