



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones
Michelle Steel
Donald P. Wagner

Orange County Transportation Authority
Headquarters
550 South Main Street
Board Room – Conf. Room 07
Orange, California

Wednesday, August 28, 2019 at 10:30 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

Pledge of Allegiance

Director Jones

1. Public Comments

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 2 through 10)

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

Approval of the minutes of the Finance and Administration Committee meeting of July 24, 2019.



3. **Audit of State Transportation Improvement Program Planning, Programming and Monitoring Program, Program Fiscal Year 2016-2017**
Serena Ng/Janet Sutter

Overview

As required by agreement with the California Department of Transportation, an independent audit of the State Transportation Improvement Program Planning, Programming and Monitoring Program project has been completed by the professional accounting firm of BCA Watson Rice LLP. The audit found that project funds were used in conformance with Article XIX of the California State Constitution.

Recommendation

Receive and file as an information item.

4. **Agreement with Element Markets Renewable Energy, LLC, for Purchase of Natural Gas and Monetization of Federal and State Credits, Internal Audit Report No. 19-511**
Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department has completed an audit of the agreement with Element Markets Renewable Energy, LLC, for the purchase of renewable natural gas and monetization of credits under the state Low Carbon Fuel Standard Program and the federal Renewable Fuel Standard Program. Based on the audit, program oversight controls are adequate, contractor selection complied with procurement policy, credit revenues are properly monitored, reconciled, and recorded, and invoices are properly reviewed and authorized.

Recommendation

Receive and file Agreement with Element Markets Renewable Energy, LLC, for Purchase of Natural Gas and Monetization of Federal and State Credits, Internal Audit Report No. 19-511, as an information item.



5. Orange County Transportation Authority Investment and Debt Programs Report - June 2019

Sean Murdock/Andrew Oftelie

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 June 30, 2019. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

Recommendation

Receive and file as an information item.

6. Orange County Transportation Authority Investment and Debt Programs Report - July 2019

Sean Murdock/Andrew Oftelie

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 July 31, 2019. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

Recommendation

Receive and file as an information item.



7. Fourth Quarter Fiscal Year 2018-19 Procurement Status Report
Virginia Abadessa/Andrew Oftelie

Overview

The fourth quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from April 1 through June 30, 2019, that was approved by the Board of Directors during this period. The fourth quarter procurement status report also projects future procurement activity for the first quarter as identified in the fiscal year 2019-20 budget.

Recommendation

Receive and file as an information item.

8. Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2019
Sean Murdock/Andrew Oftelie

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway projects. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance. Attached is the quarterly investment report for the Endowment Pool for the period ending June 30, 2019. The report has been reviewed and is consistent with the pool objectives.

Recommendation

Receive and file as an information item.



9. Agreement for Custodial Banking Services

Sean Murdock/Andrew Oftelie

Overview

The Orange County Transportation Authority utilizes custodial banking services to provide custody and reporting services for its short-term investment portfolio. A request for proposals was issued due to the upcoming expiration of the current contract. Proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested to select a firm to provide custodial banking services.

Recommendations

- A. Approve the selection of U.S. Bank as the firm to provide custodial banking services for the Orange County Transportation Authority's short-term investment portfolio.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1361 between the Orange County Transportation Authority and U.S. Bank, in the amount of \$381,400, for a five-year term, to provide custodial banking services for the Orange County Transportation Authority's short-term investment portfolio.

10. Excess Workers' Compensation Insurance Policy

Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority currently has an excess workers' compensation insurance policy with Arch Insurance Company. This policy will expire on October 1, 2019.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A43072, in an amount not to exceed \$500,000, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance from Arch Insurance Company on behalf of the Orange County Transportation Authority for the policy period of October 1, 2019 to October 1, 2020.



Regular Calendar

11. Agreements for Health Insurance Services

Bea Maselli/Maggie McJilton

Overview

The Orange County Transportation Authority currently has agreements with various companies to provide medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life plans for administrative employees and employees represented by the Transportation Communications International Union and coach operators represented by Teamsters Local 952 Union. These agreements expire on December 31, 2019. Staff is presenting recommendations for medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life insurance, as well as leave administration, for the calendar year 2020.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3649 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Kaiser Permanente Health Plan, Inc., on a cost per employee basis, for prepaid medical services through December 31, 2020. The annual 2020 Kaiser Permanente Health Plan, Inc. premium cost will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3650 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Anthem Blue Cross, on a cost per employee basis, for prepaid medical services through December 31, 2020. The annual 2020 Anthem Blue Cross health maintenance organization premium costs will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3651 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Anthem Blue Cross, on a cost per employee basis, for preferred provider organization medical services through December 31, 2020. The annual 2020 Anthem Blue Cross preferred provider organization premium costs will vary in accordance with actual enrollment.



11. (Continued)

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3652 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Anthem Blue Cross, on a cost per employee basis, for a consumer driven health plan through December 31, 2020. The annual 2020 Anthem Blue Cross consumer driven health plan premium costs and health savings account expenses will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 9 to Agreement No. C-1-2996 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Delta Dental, on a cost per employee basis, for preferred provider organization dental services through December 31, 2020. The annual 2020 Delta Dental preferred provider organization premium costs will vary in accordance with actual enrollment.
- F. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 9 to Agreement No. C-1-2995 between the Orange County Transportation Authority and Delta Dental, on a cost per employee basis, for health maintenance organization dental services through December 31, 2020. The annual 2020 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- G. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-8-1869 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Delta Dental, on a cost per employee basis, for health maintenance organization dental services through December 31, 2020. The annual 2020 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- H. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement No. C-1-2997 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for Vision Service Plan, on a cost per employee basis, for vision services through December 31, 2020. The annual 2020 vision services premium costs will vary in accordance with actual enrollment.



11. (Continued)

- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Purchase Order No. C-7-1897 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for VOYA for life and accidental death and dismemberment insurance through December 31, 2020. The annual 2020 life and accidental death and dismemberment premium costs will vary in accordance with actual volume in the plan.
- J. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Purchase Order No. C-7-1898 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for VOYA to provide supplemental life insurance to employees at their own expense through December 31, 2020.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Purchase Order No. C-7-1899 between the Orange County Transportation Authority and California State Association of Counties - Excess Insurance Authority for VOYA for short-term and long-term disability insurance through December 31, 2020. The annual 2020 short-term and long-term disability premium costs will vary in accordance with actual volume in the plan.
- L. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Purchase Order No. C-7-1900 between Orange County Transportation Authority and California State Association of Counties - Excess Insurance Activity for VOYA with Compsych to provide employee leave administration through December 31, 2020.

12. 91 Express Lanes Quarterly Update for the Period Ending June 30, 2019
Kirk Avila/Kenneth Phipps

Overview

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since that time, over 218 million trips have been taken on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the quarter ending June 30, 2019.



12. (Continued)

Recommendation

Receive and file as an information item.

Discussion Items

13. Chief Executive Officer's Report

14. Committee Members' Reports

15. Closed Session

There are no Closed Session items scheduled.

16. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 11, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.