



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones
Joe Muller
Michelle Steel

Orange County Transportation Authority
Headquarters
Conference Room 07
550 South Main Street
Orange, California

Wednesday, September 9, 2020 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.

Guidance for Public Access to the Board of Directors/Committee Meeting

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



**Guidance for Public Access to the Board of Directors/Committee Meeting
(Continued)**

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to boardofdirectors@octa.net.

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **30 minutes prior to the start time of the Board and Committee meeting date.**



Call to Order

Roll Call

Pledge of Allegiance

Director Jones

1. Public Comments

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 2 through 6)

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 August 12, 2020.

3. Communications by Independent Financial Statement Auditor

Janet Sutter

Overview

Crowe, LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2019-20 audit. In connection with the audit, Crowe, LLP, is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2020.

Recommendation

Receive and file as an information item.



4. **Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2020**
Robert Davis/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 programs. The California Community Foundation manages the non-wasting endowment required to fund 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.

Recommendation

Receive and file as information item.

5. **Orange County Transportation Authority Investment and Debt Programs Report - July 2020**
Robert Davis/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, 2020. 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. 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, 2020, and a renewal is necessary to maintain coverage.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A45740, in the amount of \$550,000, 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, 2020 to October 1, 2021.

Regular Calendar

7. Award of Agreement for Claims Administration of the Self-Insured Workers' Compensation Program
Al Gorski/Maggie McJilton

Overview

On April 27, 2020, the Board of Directors approved the release of a request for proposals for claims administration of the Self-Insured Workers' Compensation Program. Proposals were received in accordance with Orange County Transportation Authority procurement procedures for professional and technical services. Approval is requested to execute an agreement for this service.



7. (Continued)

Recommendations

- A. Approve the selection of Intercare Holdings Insurance Services, Inc., to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2202 between the Orange County Transportation Authority and Intercare Holdings Insurance Services, Inc., in the amount of \$2,445,559, to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program, for a five-year term.

8. Fiscal Year 2020-21 Proposed Budget Amendment

Victor Velasquez/Andrew Oftelie

Overview

Staff proposes a budget amendment to update the Orange County Transportation Authority's Fiscal Year 2020-21 Approved Budget. This amendment better aligns the budget with anticipated revenue and expenditures through the balance of the fiscal year by funding commuter rail operations for the remainder of the year, reducing bus program revenues and expenditures based on reduced service levels, and adds positions for Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, which will be fully reimbursed by the State.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2020-21 Budget by reducing the revenue and expense budgets, in the amount of approximately \$28 million, to accommodate updated budget assumptions for revenue and expense items.
- B. Approval of the full Fiscal Year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, in an amount up to \$28,773,477, including authorization of Federal Transit Administration funds, in an amount up to \$8,500,000, to be drawn down directly by the Southern California Regional Rail Authority. Also included in Southern California Regional Rail Authority's operating subsidy proposal is the direct draw down of The Coronavirus Aid, Relief, and Economic Security Act funding in the amount of \$17,159,239.



8. (Continued)

- C. Authorize Federal Transit Administration funds, in an amount up to \$12,969,650, to be drawn down directly by the Southern California Regional Rail Authority for capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation budgets.

- D. Authorize the addition of four new positions to the Orange County Transportation Authority. The four positions are requested to accommodate the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's FY 2020-2021 Approved Budget. The four positions include a Project Manager, Senior, Transportation Funding Analyst, Senior, Accounting Analyst, Associate, and a Deputy Managing Director.

Discussion Items

9. Chief Executive Officer's Report

10. Committee Members' Reports

11. Closed Session

There are no Closed Session items scheduled.

12. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 23, 2020**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.