



Committee Members Present

Michael Hennessey, Chairman

Via Teleconference:

Richard Murphy, Vice Chairman

Andrew Do

Gene Hernandez

Steve Jones

Joe Muller

Michelle Steel

Staff Present

Darrell E. Johnson, Chief Executive Officer (CEO)

Jennifer L. Bergener, Deputy CEO

Andrew Oftelie, Chief Financial Officer

Laurena Weinert, Clerk of the Board

Gina Ramirez, Deputy Clerk of the Board

OCTA Staff

Via Teleconference:

James Donich, General Counsel

Committee Members Absent

None

Call to Order

The September 9, 2020, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:32 a.m.

Roll Call

The Deputy Clerk of the Board conducted an attendance Roll Call and announced that there was a quorum of the F&A Committee.

Pledge of Allegiance

Director Jones led in the Pledge of Allegiance.

1. Public Comments

There were no Public Comments.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 6)

2. Approval of Minutes

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to approve the minutes of the Finance and Administration Committee meeting of August 12, 2020.



3. Communications by Independent Financial Statement Auditor

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to receive and file as an information item.

4. Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2020

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to receive and file as an information item.

5. Orange County Transportation Authority Investment and Debt Programs Report - July 2020

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to receive and file as an information item.

6. Excess Workers' Compensation Insurance Policy

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to 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, Manager of Risk Management, provided a verbal report on this item and highlighted the reason for the recommendations.

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and following a roll call vote, declared passed 7-0, to:

- 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.



7. (Continued)

- 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

Sean Murdock, Director of Finance and Administration, introduced Stephanie Wiggins, Metrolink Chief Executive Officer, and Arnold Hackett, Chief Financial Officer. Mr. Murdock highlighted the following:

- The Orange County Transportation Authority (OCTA) budget was presented in June;
- Highlighted the proposed amendment due to coronavirus (COVID-19);
- Referenced the Revenue and Expense Detail in Attachment A of the staff report;
- Metrolink budget;
- Decrease of \$35 million in Orange County bus service;
- COVID-19 has reduced bus ridership;
- Paratransit demand has been reduced; and
- The four additional positions requested by the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency which OCTA will be fully reimbursed for by the California State Transportation Agency.

A motion was made by Committee Vice Chairman R. Murphy, seconded by Director Do, and following a roll call vote, declared passed 7-0, to:

- 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

Darrell E. Johnson, Chief Executive Officer (CEO), reported on the following:

Budget Amendment-

The hard work of the OCTA staff was acknowledged for working out a number of moving parts during this timeframe, and OCTA expects to amend the budget as time goes on through the fiscal year. He stated that staff continues to have conversations with the CEO of Metrolink including more discussion about what the future of ridership and service levels may be and more options for us to be more efficient as time goes on.

Acknowledgment-

OCTA's Accounting department was awarded the Certificate of Achievement for Excellence and Financial Reporting from the Government Finance Officers Association of the United States and Canada. This award was received in recognition for the fiscal year 2019, Comprehensive Annual Financial Report (CAFR). This is one more example of OCTA staff, as well as the Board and the F&A Committee's commitment to accountability and transparency as OCTA serves the taxpayers of Orange County.

10. Committee Members' Reports

Committee Chairman Hennessey thanked the Committee Members for a good meeting.



11. Closed Session

There were no Closed Session items scheduled.

12. Adjournment

The meeting was adjourned at 10:49 a.m.

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.

ATTEST

Gina Ramirez
Deputy Clerk of the Board

Michael Hennessey
Committee Chairman