



MINUTES

Finance and Administration Committee Meeting

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 23, 2020, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:34 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 Steel 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 5)

2. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Steel, and following a roll call vote, declared passed 7-0, to approve the minutes of the Finance and Administration Committee meeting of September 9, 2020.



3. Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2020

A motion was made by Director Hernandez, seconded by Director Steel, and following a roll call vote, declared passed 7-0, to receive and file Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2020, Internal Audit Report No. 21-502, as an information item.

4. Orange County Transportation Authority Investment and Debt Programs Report - August 2020

This item was pulled by Committee Chairman Hennessey, who inquired on the downgraded security not appearing on the Investment Dashboard.

Andrew Oftelie, Chief Financial Officer, responded that the Orange County Transportation Authority (OCTA) did have one security that was downgraded. However, this did not fall below the minimum criteria of the OCTA investment policy.

Mr. Oftelie referenced the Rating Downgrades, Page I-8 in Attachment A of the staff report, which shows any security that was downgraded in the period. He also referenced the Negative Credit Watch, Page I-9 of Attachment A of the staff report, that displays any security that OCTA is holding on. Staff will update the Investment Dashboard to include any changes to the Rating Downgrades or Negative Credit Watch lists.

Following the discussion, no action was taken on this receive and file for information item.

5. Excess Liability Insurance Renewal

This item was pulled by Committee Chairman Hennessey, who had concerns about the self-insured retention of \$5 million per claim and \$7 million in excess liability.

Darrell E. Johnson, Chief Executive Officer (CEO), responded the insurance market has been volatile in recent years, and OCTA has made changes to some of its insurance levels in previous years.

Mr. Johnson, CEO, introduced Al Gorski, Department Manager of Risk Management, who provided background on why OCTA is self-insured, summarized the challenges, and where self-insurance is headed.

Committee Chairman Hennessey inquired on how the amount of self-insurance is determined.



5. (Continued)

Mr. Gorski responded that OCTA budgets for anticipated loss. Staff reviews catastrophic losses in previous years and examines different predictable models to pay the losses.

Committee Chairman Hennessey requested that staff return to the F&A Committee for further discussion before executing the contract.

Mr. Johnson, CEO, suggested an amendment to the recommendation and agreed to return to the F&A Committee with an outline of OCTA's insurance approach.

The recommendation was amended as follows:

A motion was made by Committee Chairman Hennessey, seconded by Director Do, and following a roll call vote, declared passed 7-0, to authorize the Chief Executive Officer to negotiate the terms of and execute Purchase Order No. A45739, in the amount of \$1,500,000, to Marsh Risk and Insurance Services, Inc. to purchase facilitate marketing the excess liability insurance on behalf of the Orange County Transportation Authority for the policy period of November 1, 2020, to November 1, 2021, and return to the Board of Directors for final approval.

Regular Calendar

6. Agreement for Armored Vehicle Transportation and Fare Collection Counting Services

Sam Kaur, Department Manager of Revenue Administration, presented the primary need for this item and the procurement process.

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to:

- A. Approve the selection of Los Angeles Federal Armored Services, Inc. as the firm to provide armored vehicle transportation and fare collection counting services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2256 between the Orange County Transportation Authority and Los Angeles Federal Armored Services, Inc., in the amount of \$2,700,000, for a seven-year term to provide armored vehicle transportation and fare collection counting services.



Discussion Items

7. Chief Executive Officer's Report

Front Door Boarding-

- OCTA has been temporarily boarding passengers through the rear doors on buses for several months to respond to the pandemic and ensure Coach Operator and passenger safety.
- On September 28th, OCTA will reintroduce front-door boarding on some bus routes that have been retrofitted with the new protective Plexiglas driver shields.
- OCTA is in the process of retrofitting the entire fleet with the shields, which should be complete in early November.
- Staff has also initiated a marketing campaign to let riders know that OCTA is reintroducing front-door boarding over the coming weeks.

Orange County Business Council Report-

- The OCBC has released its 2020–21 Orange County Community Indicators report. The indicators in the report track a broad range of issues important to Orange County's long-term health and prosperity.
- This year's report features a detailed look at the impacts of the coronavirus (COVID-19).
- One of the key takeaways is that COVID-19 has upended nearly every aspect of public and private life. It has forced schools, businesses, and residents to adapt to new practices that likely will continue long after the pandemic.
- The report also noted that Orange County will still be recovering through 2021.

8. Committee Members' Reports

- Committee Chairman Hennessey is looking forward to the self-insurance discussion at a future F&A Committee meeting.
- Committee Chairman Hennessey noted that after nearly 33 years of dedicated service to OCTA, Virginia Abadessa would be retiring on September 25th. He thanked Ms. Abadessa for her service and wished her well in retirement.



9. Closed Session

There were no Closed Session items scheduled.

10. Adjournment

The meeting was adjourned at 10:57 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, October 14, 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