



# **MINUTES**

## ***Finance and Administration Committee Meeting***

---

### **Committee Members Present Via Teleconference:**

Michael Hennessey, Chairman  
Andrew Do  
Gene Hernandez  
Steve Jones  
Joe Muller

### **Committee Members Absent**

None

### **Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Allison Cheshire, Interim Deputy Clerk of the Board  
Sahara Meisenheimer, Deputy Clerk of the Board

### **Via Teleconference:**

Jennifer L. Bergener, Deputy Chief Executive Officer  
Andrew Oftelie, Chief Financial Officer  
James Donich, General Counsel

## **Call to Order**

The January 13, 2021, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:31 a.m.

## **Roll Call**

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

## **Pledge of Allegiance**

Director Hernandez 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 5-0, to approve the minutes of the Finance and Administration Committee meeting of December 9, 2020.



**3. Fiscal Year 2019-20 Annual Financial Statement Audits, Single Audit, and Agreed-Upon Procedures Reports**

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 5-0, to receive and file the fiscal year 2019-20 annual financial statement audits, Single Audit, and agreed-upon procedures reports as information items.

**4. Fiscal Year 2020-21 Internal Audit Plan, Second Quarter Update**

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 5-0, to receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.

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

Committee Chairman Hennessey pulled this item to inquire about keeping the two downgraded securities on Page A-8 of the Staff Report.

Robert Davis, Department Manager of Treasury and Finance, stated both securities were companies with a substantial revenue stream and vital assets. He said if the Orange County Transportation Authority (OCTA) were to sell those investments and re-invest them with today's low-interest rate, they would be worth less than the interest rate. Mr. Davis stated staff saw no issues with any event of default and OCTA's reinvestment risk with today's low-interest-rate environment, and they would be less than the lower interest rate. Staff discussed these securities with OCTA's investment managers, and OCTA decided it was best to keep those for the term since both securities are performing well and there are no risks for default at this time.

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

**6. Extension of Coronavirus-Related Leaves**

Committee Chairman Hennessey pulled this item to inquire about extending the end date on this fund.

**6. (Continued)**

Darrell E. Johnson, Chief Executive Officer (CEO), responded Federal law required Emergency Paid Sick Leave and Expanded Family Medical Leave under the Family and Medical Leave Act for coronavirus-related absences through December 31, 2020. This requirement was not continued in the most recent federal funding agreement, but it allowed extended opportunities.

Mr. Johnson, CEO, stated that Orange County saw an unprecedented increase in novel Coronavirus (COVID-19) cases in the month of December 2020. The rate is predicted to continue to increase in January 2021. OCTA is experiencing similar increases in COVID-19 positive cases amongst staff. Extending the leave until March 31, 2021 will give OCTA employees may use both leave programs will allow for more flexibility when cases are increasing.

A motion was made by Committee Chairman Hennessey, seconded by Director Do, and following a roll call vote, declared passed 5-0, to:

- A. Approve the extension of employees' ability to use Emergency Paid Sick Leave to provide compensation relief for coronavirus-related absences.
- B. Authorize the Chief Executive Officer, or designee, to administer continuation of Emergency Paid Sick Leave and Expanded Family Medical Leave for employees, effective January 1, 2021 until March 31, 2021, and allow program extension beyond that date as necessary to accommodate need and with notification to the Board of Directors.

## **Regular Calendar**

**7. Fiscal Year 2020-21 First Quarter Budget Status Report**

Mr. Johnson, CEO, provided opening comments and introduced Andrew Oftelie, Chief Financial Officer, who provided a verbal report on the following:

- What the year will look like for OCTA based on the effects of the pandemic.
- The dial on the status report shows how OCTA is currently doing.
- OCTA developed the budget at the beginning of the pandemic in April and May when there was not much information, and staff had to budget very conservatively.

### **7. (Continued)**

- OCTA is currently meeting the budget.
- While OCTA is beating the budget, staff set a low bar and want Committee Members to know there is no false sense of security that everything is fine just because things are green on this particular report.
- OCTA is receiving more revenue than staff budgeted for expenses because the CARES Act funding boosts OCTA revenues.
- OCTA is running significantly less service than pre-pandemic levels.
- OCTA is currently is experiencing significant savings related to Rail transit because the demand for those services is way down. Eventually, OCTA services' demand will increase.
- At the next F&A Committee meeting, staff will bring forward the second budget amendment.

Committee Chairman Hennessey complimented staff on how concise and well-written the report was.

No action was taken on this receive and file information item.

## **Discussion Items**

### **8. Chief Executive Officer's Report**

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

- Staff is closely monitoring the County's rollout of the COVID-19 vaccine.
- Staff will be monitoring the County's press conference regarding the vaccination site that will be set up at Disneyland.
- The County is currently vaccinating all Tier 1 levels.
- The transportation industry has now been classified as Tier 2 and supplies are anticipated to be available in February.
- A survey was sent out to all employees to gauge their willingness to receive the vaccine. Results will be available after the survey closes on January 18<sup>th</sup>.

Committee Chairman Hennessey inquired about the number of COVID-19 cases reported at OCTA and how many have been among coach operators.



**8. (Continued)**

Mr. Johnson, CEO responded with the following information:

- 301 total cases;
- 121 have been OCTA employees;
- 72 have been contracted employees;
- 108 have been construction project employees;
- 130 cases were reported in December 2020;
- The second highest month was July 2020 with 38 cases; and
- January is trending at about 60 cases to date.

The number of cases has been affecting bus service, but staff is currently managing the impact and service has not been disrupted. There have been no significant impacts to construction projects at this time.

**9. Committee Members' Reports**

Director Hennessey congratulated Chairman Do and thanked Immediate Past Chairman Jones for his diligent leadership in 2020 and looks forward to serving with Chairman Do.

**10. Closed Session**

There were no Closed Session items scheduled.

**11. Adjournment**

The meeting was adjourned at 10:55 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, January 27, 2021**, at the Orange County transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

---

Michael Hennessey  
Committee Chairman

---

Allison Cheshire  
Interim Deputy Clerk of the  
Board