



Committee Members Present:

Michael Hennessey, Chairman

**Committee Members Present
Via Teleconference:**

Steve Jones, Vice Chairman

Katrina Foley

Brian Goodell

Patrick Harper

Gene Hernandez

Joe Muller

Staff Present

Darrell E. Johnson, Chief Executive Officer

Sahara Meisenheimer, Clerk of the Board Specialist

Gina Ramirez, Clerk of the Board Specialist, Senior

Via Teleconference:

James Donich, General Counsel

OCTA Staff Members

Committee Members Absent

None

Call to Order

The August 11, 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 Clerk of the Board Specialist conducted an attendance roll call and announced a quorum of the F&A Committee.

Pledge of Allegiance

Director Muller led in the Pledge of Allegiance.

1. Public Comments

There were no public comments received.

Special Calendar

2. Taxable Sales Forecast -California State University, Fullerton

Committee Chairman Hennessey provided opening comments and introduced Dr. Anil Puri, Provost Emeritus and Director of the Woods Center for Economic Analysis and Forecasting at California State University, Fullerton. Dr. Puri provided a PowerPoint presentation.

2. (Continued)

A lengthy discussion ensued regarding:

- Clarification on the terms “fiscal” and “monetary” in Slide Three of the PowerPoint presentation.
- Dr. Puri stated that businesses are still vulnerable and one should not assume that they have completely recovered. Everyone needs to be very watchful of the disease because it affects the economy and one can support local businesses by getting vaccinated and wearing masks.
- Overview of the four different forecasting mechanisms that the Orange County Transportation Authority (OCTA) receives, taking the four data points with end of the year sales tax actuals, and combining these to become OCTA’s new long range forecast.
- To get a revenue outlook of Measure M2, OCTA will: provide an annual update on cost pressures, ongoing project development efforts through the planning phase, an annual update on the Measure M2 Next 10 Delivery Plan, and a midcycle update on the 20-year comprehensive business plan.
- OCBX index stands for Orange County business expectations index.
- On Slide Four of the PowerPoint presentation, consumers have a pristine balance sheet and they have paid down debt. The fact that fellowships are better would encourage business individuals to spend more.

Consent Calendar (Items 3 through 5)

3. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Harper, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of July 28, 2021.

Director Goodell was not present to vote on this item.

4. Fiscal Year 2020-21 Fourth Quarter Grant Reimbursement Status Report

A motion was made by Director Hernandez, seconded by Director Harper, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Goodell was not present to vote on this item.



5. 91 Express Lanes Update for the Period Ending - June 30, 2021

A motion was made by Director Hernandez, seconded by Director Harper, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Goodell was not present to vote on this item.

Regular Calendar

6. Agreements for Health Insurance Services

Maggie McJilton, Executive Director of Human Resources and Organizational Development, provided a PowerPoint presentation.

Director Hernandez inquired about the bargaining unions being notified of increases and decreases of rates during negotiations and Ms. McJilton responded that the two bargaining unions that are within the insurance plans are notified.

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

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-5-3649 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Kaiser Permanente Health Plan, Inc., on a cost per employee basis, for prepaid medical services through December 31, 2022. The annual 2022 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. 6 to Agreement No. C-5-3650 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for prepaid medical services through December 31, 2022. The annual 2022 Anthem Blue Cross health maintenance organization premium costs will vary in accordance with actual enrollment.



6. (Continued)

- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-5-3651 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for preferred provider organization medical services through December 31, 2022. The annual 2022 Anthem Blue Cross preferred provider organization premium costs will vary in accordance with actual enrollment.
- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-5-3652 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for a consumer driven health plan through December 31, 2022. The annual 2022 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 Agreement No. C-1-3670 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Delta Dental, on a cost per employee basis, for preferred provider organization dental services through December 31, 2022. The annual 2022 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. 11 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, 2022. The annual 2022 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- G. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-1-3672 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Delta Dental, on a cost per employee basis, for health maintenance organization dental services through December 31, 2022. The annual 2022 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.



6. (Continued)

- H. Authorize Chief Executive Officer to negotiate and execute Agreement No. C-1-3671 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Vision Service Plan, on a cost per employee basis, for vision services through December 31, 2022. The annual 2022 vision services premium costs will vary in accordance with actual enrollment.
- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Purchase Order No. C-7-1897 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA for life and accidental death and dismemberment insurance through December 31, 2022. The annual 2022 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. 4 to Purchase Order No. C-7-1898 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA to provide supplemental life insurance to employees at their own expense through December 31, 2022.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Purchase Order No. C-7-1899 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA for short-term and long-term disability insurance through December 31, 2022. The annual 2022 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. 4 to Purchase Order No. C-7-1900 between Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA with Compsych to provide employee leave administration through December 31, 2022.

Discussion Items**7. Transportation Infrastructure Finance and Innovation Act Loan Interest Rate Reset Update**

Sean Murdock, Director of Finance and Administration, provided an update on the closing of the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Interest Rate Reset. OCTA has done all it can do to close the TIFIA loan. The delay in closing continues to be an ongoing discussion between the Build America Bureau (BAB) and the Office of Management and Budget (OMB) on how the loan will be charged against the BAB's budget.

At last week's meeting between OCTA and the BAB, there was some encouraging news. The BAB indicated that they hope to have a resolution with the OMB within the next two weeks. If that occurs, OCTA could close the TIFIA interest rate reset loan as soon as mid-September and it would allow OCTA to move forward with the issuance of bond anticipation notes (BAN). If that does happen, staff will bring the final documents for the BAN's issuance to the next F&A Committee meeting.

Committee Chairman Hennessey inquired about locking the rate in advance and Mr. Murdock responded that it is based on the 30-year treasury rate on the date of close due to a statutory requirement.

Director Muller inquired on what the delay is with the OMB. Mr. Murdock explained that there's a technical calculation that has to occur and it has to do with whether or not, this will be a new loan or a refinancing statute for BAB. There is no process for a refinancing statute for BAB.

8. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- The Senate passed its bipartisan infrastructure bill and as passed, legislation would provide \$550 billion in infrastructure spending above existing levels, almost half of which will benefit transportation over the next five years. The bill now heads to the House of Representatives, which is not scheduled to resume floor votes until September 20th. Staff is closely monitoring the status of the bill and will continue to report any updates.
- This week's community outreach meetings include:
 - Tonight at 4:00 p.m., OCTA will host a Zoom meeting for the Anaheim Canyon Metrolink Station Project to discuss project improvements and upcoming activities.



8. (Continued)

- Tomorrow at 5:30 p.m., staff will host a Zoom meeting for the Interstate 5 South County Improvements Project from the California State Route 73 to El Toro Road. Staff will be discussing Stage 1 demolition of the Los Alisos Boulevard overcrossing and provide an overview of Segment 3 from Alicia Parkway to El Toro Road.

9. Committee Members' Reports

Director Foley inquired if OCTA has a list of all of the Orange County infrastructure projects that might benefit the infrastructure bill. Mr. Johnson, CEO, responded some of the funds will be distributed via formula to existing programs and others will go into highway formula programs. There is a needs list that was brought to the Board of Directors and used with OCTA's lobbying firm.

10. Closed Session

There were no Closed Session items scheduled.

11. Adjournment

The meeting adjourned at 11:24 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 8, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Michael Hennessey
Committee Chairman

Sahara Meisenheimer
Clerk of the Board Specialist