

County Connection

2477 Arnold Industrial Way Concord, CA 94520-5326 (925) 676-7500 countyconnection.com

ADMINISTRATION & FINANCE COMMITTEE MEETING AGENDA

**Wednesday, December 8, 2021
2:00 p.m.**

PURSUANT TO THE PROVISIONS OF ASSEMBLY BILL 361, WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Committee Directors, staff and the public may participate remotely by calling:

Join Zoom Meeting

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Public comment may be submitted via email to: hill@cccta.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the committee Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in correspondence that will be provided to the full Board.

Should Zoom not be operational, please check online at: www.countyconnection.com for any updates or further instruction.

The committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the committee.

*Enclosure

**Enclosure for Committee Members

***To be mailed under separate cover

****To be available at the meeting.

FY2021/2022 A&F Committee

Keith Haydon – Clayton, Laura Hoffmeister-Concord, Sue Noack-Pleasant Hill

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

1. Approval of Agenda
2. Public Communication
3. Approval of Minutes of October 6, 2021*
4. Update CalTip Appointments*
(Staff will recommend that the A &F Committee forward to the Board approval of the updating of the position of Director of Human Resources as the second alternate.)
5. Preliminary Review of Potential Impacts of PEPR-13(c) conflict to County Connection**
(The General Manager will give the committee a preliminary read on the renewed focus by the Federal Department of Labor on this issue and how it may affect County Connection’s federal funding.)
6. Review of Vendor Bills, October and November 2021**
7. Approval of Legal Services Statement, August, September and October 2021 Labor, September 2021 General**
8. Next Scheduled Meeting – TBD
9. Adjournment

General Information

Public Comment: If you wish to address the committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Consent Items: All matters listed under the Consent Calendar are considered by the committee to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a committee member or a member of the public prior to when the committee votes on the motion to adopt.

Availability of Public Records: All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be made available for public inspection by posting them to County Connection’s website at www.countyconnection.com. The agenda and enclosures for this meeting are posted also on our website at www.countyconnection.com.

Accessible Public Meetings: Upon request, County Connection will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service, or alternative format requested at least two days before the meeting. Requests should be sent to the Assistant to the General Manager, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or hill@cccta.org. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Currently Scheduled Board and Committee Meetings

Board of Directors:	December 16, 9:00 a.m., via teleconference
Administration & Finance:	TBD, via teleconference
Advisory Committee:	TBA. via teleconference
Marketing, Planning & Legislative:	Thursday, December 2, via teleconference
Operations & Scheduling:	Friday, December 3, via teleconference

The above meeting schedules are subject to change. Please check the County Connection Website (www.countyconnection.com) or contact County Connection staff at 925/676-1976 to verify date, time, and location.

This agenda is posted on County Connection’s Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

INTER OFFICE MEMO

Administration and Finance Committee
Summary Minutes
October 6, 2021

The meeting was called to order at 8:30 a.m. via Teleconference pursuant to the provisions of Assembly Bill 361, which suspends certain requirements of the Ralph M. Brown Act. Those in attendance were:

Committee Members:	Director Sue Noack Director Keith Haydon
Staff:	General Manager Rick Ramacier Assistant General Manager Bill Churchill Chief Operating Officer Scott Mitchell Director of Human Resources Lisa Rettig Finance Manager Karol McCarty Board Clerk Lathina Hill Authority Attorney Madeline Chun Authority Attorney Julie Sherman

1. Approval of Agenda- Approved by each member of the A&F Committee
2. Public Communication- None
3. Approval of Minutes of September 1, 2021- Approved by each member of the A&F Committee.
4. Closed Session- Liability Claims (Government code Section 54956.95) Claim against Central Contra Costa Transit Authority; Claimant: Shontise Luckett-Committee. The Committee took no formal action.
5. Fixing Employer Contributions under the Public Employees' Medical and Hospital Care Act- Lisa Rettig explained that County Connection contracts with CalPERS under the Public Employee's Medical and Hospital Care Act (PEMHCA) for Administrative, Operator and Supervisor employee benefits. PERS requires that the Board adopt formal resolutions that list the employer contributions for each Health benefit plan for all three (3) of our employee groups. The Board adopted resolutions like these when the Cafeteria Plan was established. As new health plans were added PERS allowed us to inform them the amount CCCTA was contributing for each plan. Now they require a formal resolution. The format of the resolution is set by PERS, and the employer contribution amounts are fixed by MOU and prior Board policy.
6. Update on the finance department- Rick Ramacier reminded the board that County Connection's past Chief Financial Officer (CFO) left County Connection on July 23, 2021. Beginning in late June of this year, we began to recruit his replacement. We have found the market for recruiting qualified public sector CFOs to be highly competitive as there seems to be a shortage of such candidates within the broader government sectors. We continue to conduct an exhaustive search for a replacement. Our finance team is performing extremely well. However, there are a few items they struggle to get to. The first is we are late in getting out the year-end Income Statements for FY2021. And I anticipate that the Income Statements for the first quarter of FY2022 will be delayed as well.

The second area of delay is with the timing of completing our FY2021 annual Transportation Development Act (TDA) audit – which also serves as our annual “single audit”. This audit will be slightly delayed in its completion to give the existing staff the time they need to prepare. So, it's possible that the audit will be presented to you in January instead of December.
7. Review of Vendor Bills, September 2021- Reviewed by each member of the A&F Committee.
8. Legal Services Statement, July 2021 Labor, July and August 2021 General – Approved by each member of the A&F Committee.

9. Next Scheduled Meeting—The next meeting is set for scheduled for 2:00 p.m. on Wednesday, December 8th via teleconference.
10. Adjournment- The meeting was adjourned.

Lathina Hill, Clerk to the Board

To: Administration and Finance Committee

Date: December 02, 2021

From: Bill Churchill, Assistant General Manager of Admin.

Reviewed by:

SUBJECT: UPDATE CalTIP APPOINTMENTS

Summary of Issues:

California Transit System Joint Powers Authority (CalTIP) provides our general liability insurance and requires us to submit through a resolution the positions that will serve as representatives to the CalTIP Board. Following the significant staff reorganization that occurred in 2017, the Director of Human Resources has been given the responsibility of managing the Claims/Risk component related to CalTip. With these new responsibilities it has become clear the Director of Human resources may at times be needed to represent County Connection at CalTip functions.

The table below shows the current positions and the proposed revision:

<i>Current Positions at CalTIP Board</i>	<i>Revised Positions for CalTIP Board</i>
General Manager, Primary	General Manager, Primary
Director of Finance, First Alternate	Chief Finance Officer, First Alternate
Director of Transportation, Second Alternate	Assistant General Manager of Administration; Second Alternate
	Director of Human Resources; Third Alternate

Recommendation:

Staff respectfully recommends the A&F Committee approve the addition of the Director of Human Resources as the Third Alternate to serve on the CalTip Board of Directors and forward to the full board a resolution to formalize the assignment.

Financial Implications:

None

To: Administration & Finance Committee

Date: December 8, 2021

From: Rick Ramacier, General Manager

SUBJECT: How the PEPRA – 13(c) Dispute Could Impact County Connection

Background

As reported to the Board of Directors in November, the USDOL is indicating that they may begin holding up California federal transit grants later this month based on their current belief that PEPRA violates the bargain rights of unions under Section 13(c) of the federal transportation authorization. PEPRA is the 2013 state law that implemented public pension reform.

While staff is just starting to ascertain how this could impact County Connection, we can say a few preliminary things in terms of some of possible financial boundaries of this issue.

Near Term County Connection Federal Grants at Stake

Should the USDOL begin holding up grants later this month, the process to end that hold will likely take at least two years as it did the last time this happened in 2014 or so. Thus, we can project that the following federal grants for County Connection could get held should USDOL proceed as anticipated:

- FY22 ARP funds (Covid 19 relief money meant to keep transit employed during the pandemic) in the amount of \$10.4 million.
- FY22 ADA paratransit operating support - about \$1.4 million.
- FY23 ADA paratransit operating support – about \$1.4 million.
- FY23 Bus procurement 40 buses (some likely to be hydrogen fuel cell) to replace 13 year-old diesel buses in the amount of \$28.9 million.

The total potential loss of federal funding with these four items is about \$42 million.

Potential Responses and Consequences to Federal Grant Losses or Delays

At this time, we can identify in general ways County Connection how could respond to lost federal grants. First, we should keep in mind that of the four grants listed above, one is a major capital grant and the other three would support our operating budget.

The most immediate risk is to our FY22 ARP funds. Staff, at the request of the Federal Transit Administration (FTA) and MTC have applied for these funds recently. However, we have yet to begin the FY23 budgeting work on how we would use these funds. Thus, a hold up of these funds could be endured for some yet to be determined time. However, there is a federal deadline as to when these funds must be spent. To cover any significant delay in receiving our ARP funds, we can use funding from TDA reserves.

We are line to receive FY22 and FY23 grants that can be used to help pay the cost of our paratransit operating and maintenance contract, because this is competitively bid. Between the two grants, we are set to receive about \$3 million in such support, provided USDOL does not hold them up. This would represent about 20% of our paratransit operating budget revenue in each of FY22 and FY23. Again, this could be covered by TDA reserves in the short term.

Perhaps the biggest project at risk in the immediate timeframe is our 40 bus replacement project. This project is projected to cost \$36 million and change. We are due to receive \$29 million in federal grants. If we do not receive this funding or if it delayed beyond six months or so, the project will be in great jeopardy. We do not have anywhere near enough reserve funding to cover this potential federal funding loss.

If we do not replace these 40 buses soon, they will become very unreliable and overly expensive to maintain. They are also older diesel technology buses. Furthermore, staff is contemplating asking the Board to consider a purchase of up to 20 Hydrogen Fuel Cell (HFC) buses as part of this project when it comes to the Board sometime next year. If these buses cannot be replaced, we will fall behind on our effort to comply with the state mandate to move to Zero Emission Based (ZEB) buses, and eventually our fleet total will greatly shrink. This will force massive service cuts as we won't have the vehicles to provide the related service.

Without this particular grant, we will likely not be able to successfully compete for matching funds from the state. In this year's state budget and in the one likely to be proposed for FY23 in January, there is quite a lot of one time only money in those budgets to help California transit operators pay for the buses and the charging equipment. These funds will be competitively awarded in most cases. County Connection is well poised to compete for those funds – if we have our federal shares in hand!

While staff will have a more precise figure for you in January, we can estimate that our TDA reserves sit at about \$29 million. We hope to have a new financial forecast for you in January as well. However, if we were to use all that reserve to cover federal funding losses, we would likely be cutting service by the end of calendar 2022. Particularly, using reserves to fund the 40 bus replacement project is highly unrealistic if we are to maintain any kind of reserve. Furthermore, the loss of the ARP funds would likely lead to major service cuts sometime in FY24. But, more to come on this in January.

Action Requested

No action is requested. Staff will make brief verbal presentation on this at the December board meeting.