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

BOARD OF DIRECTORS
MEETING AGENDA

Thursday, February 16, 2023
9:00 a.m.

PURSUANT TO THE PROVISIONS OF ASSEMBLY BILL 361, WHICH SUSPENDS CERTAIN REQUIREMENTS OFTHE RALPH M. BROWN ACT, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE. (GOVERNMENT CODE SECTION 54953)

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

Committee Directors, staff and the public may participate remotely by calling:Join the Zoom webinar. When: February 16, 2023, 09:00 AM Pacific Time (US and Canada)Topic: County Connection Board of Directors Meeting

Please click the link below to join the webinar:https://us02web.zoom.us/j/86243217510

Or One tap mobile:
US: +14086380968
Or Telephone:
Dial (for higher quality, dial a number based on your current location):US: +1 408 6380968
Webinar ID: 862 4321 7510

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 Board of Directors before 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 orfurther instruction.

The County Connection Board of Directors 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 Board of Directors.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Confirm Quorum
3. Public Communication
4. Consent Calendar
   a) Approval of Minutes of Regular Meeting of January 19, 2023*
   b) Approve Resolution Declaring that the Proclaimed State of Emergency for the COVID-19 Pandemic Continues to Impact the Ability for the Board of Directors and its Committees to meet Safely in Person, and Directing that Virtual Board and Committee Meetings Continue*
      Resolution No. 2023-026*
   c) CCCTA Investment Policy-Quarterly Reporting Requirement*
5. Report of Chair
6. Report of General Manager

   Under this item, the General Manager will report on matters of relevance to CCCTA including,but not necessarily limited to, the following:

   a) In Person Meetings
   b) Meeting with our State Legislators
   c) Transit Operator Recruitment Update *
7. Report of Standing Committees
   a) Administrative & Finance Committee
      1) Adoption of a Revised Pension Funding Framework, Including the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by PARS*
         Resolution No. 2023-027*
         (The A&F Committee recommends that the Board adopt a revised pension funding framework, establish a trust fund for retiree pension benefits, and select a trust administrator and investment manager for the trust fund.)
   b) Marketing, Planning & Legislative Committee
      1) Draft 2023 County Connection Federal Advocacy Program*
         (The MP&L Committee and staff will recommend that the Board of Directors adopt the Draft 2023 Federal Advocacy Program and authorize the MP&L Committee to provide final approval in March.)
      2) Regional Fare Transfer Policy – Information Only*
         (Staff will provide an update on the proposed regional inter-agency transfer discount policy.)
8. Board Communication – (Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.)

9. Next Meeting Date: March 16, 2023
10. Adjournment

*Enclosure
**It will be available at the time of the Board meeting.
***For Board members only

General Information

Possible Action: The Board may act upon any item listed on the agenda.

Public Comment: If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board 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 Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member ora member of the public prior to when the Board 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 available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. 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:	Thursday, March 16, 9:00 a.m., County Connection Board Room
Administration & Finance:	Wednesday, March 1, 2:00 p.m., City of Pleasant Hill Offices, 100 Gregory Lane, Pleasant Hill, CA
Advisory Committee:	TBA.
Marketing, Planning & Legislative:	Thursday, March 6, 11:30 a.m., Supervisor Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA.
Operations & Scheduling:	Wednesday, March 1, 8:00 a.m., Supervisor Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA.

The above meeting schedules are subject to change and may be conducted as teleconference meetings. Please check the County Connection Website (www.countyconnection.com) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting. This agenda is posted onCounty Connection's Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

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

CCCTA BOARD OF DIRECTORS

MINUTES OF THE REGULAR MEETING

January 19, 2023

CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Amy Worth called the regular meeting of the Board of Directors to order at 9:00 a.m. Board Members present were Directors Andersen, Diaz, Noack, Schroder, Sos, Tatzin and Wilk. Directors Hoffmeister, Hudson and Storer were absent.

Staff: Churchill, Sherman, Dixit, Duran, Glenn, Hill, Horta, Johnson, Kamara, Martinez. McCarthy, Mitchell and Reebs

PUBLIC COMMUNICATION: None

CONSENT CALENDAR

MOTION: Director Noack moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting of December 15, 2022; (b) Approval of Minutes of Special Meeting of December 21, 2022, (c) Resolution No. 2023-024, Declaring that the Proclaimed State of Emergency for the COVID-19 Pandemic Continues to Impact the Ability for the Board and its Committees to Meet Safely in Person, and Directing that Virtual Board and Committee Meetings Continue. Director Andersen seconded the motion, and it received the following vote of approval:

Aye:	Directors Andersen, Noack, Schroder, Tatzin, Wilk and Worth
No:	None
Abstain:	Directors Diaz and Sos
Absent:	Directors Hoffmeister, Hudson and Storer

REPORT OF CHAIR:

Chair Worth informed the Board that she and Director Noack met to discuss MTC's Network Management Committee. They can be helpful with the following topics: Fares and Easy to make payments, Transit Network-Unity between the transit agencies, Accessibility and more efficiency all while using existing resources.

REPORT OF GENERAL MANAGER:

<u>In Person Meetings</u>

General Manager Bill Churchill informed the Board that assuming the Governor's state of emergency is lifted on February 28, 2023, we are looking to go back in person in March 2023 for committee and Board meetings. We will bring this back to the Board in February in order to update and/or confirm this change.

APTA Legislative Conference in March 2023

General Manager Bill Churchill informed the Board that the APTA Legislative Conference will be in March 2023. As of right now, we have two board members interested in attending. If anyone else is interested, please reach out to him or Lathina Hill.

Appointment of CCTA Bus Transit Board Ex-Officio Member and Alternate

General Manager Bill Churchill informed the Board that the four Contra Costa County bus operators (AC Transit, County Connection, Tri-Delta Transit, and WestCAT) share a non-voting seat on the Contra Costa Transportation Authority (CCTA) Board of Directors. The seat rotates among the four operators in alphabetical order. The term is for one year. Prior to an agency holding the seat for a given year, that same agency holds the alternate seat for the previous year.

County Connection is set to hold the Ex-Officio Alternate seat from February 1, 2023 through January 31, 2024. CCTA bylaws require that all board members; including Ex-Officio members, be elected officials.

The Ex-Officio member does not vote but attends the meetings of the full CCTA Board. The Ex-Officio does not sit on any of the CCTA board standing committees.

MOTION: Director Noack moved approval of Amy Worth becoming the new Ex-Officio Member on CCTA's board. Director Wilk seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Noack, Schroder, Sos, Tatzin, Wilk and Worth
No: None
Abstain: None
Absent: Directors Hoffmeister, Hudson and Storer

REPORT OF STANDING COMMITTEES

Marketing, Planning & Legislative Committee

Integrated Transit Plan Update-Information Only

Melody Reebs, Director of Planning, Marketing, & Innovation, gave a brief background stating that in 2019, the Contra Costa Transportation Authority (CCTA) developed a Transportation Expenditure Plan (TEP) for a potential new sales tax measure. The TEP established a transit-first policy and called for the development of an Integrated Transit Plan (ITP), which would establish goals and recommendations to improve transit coordination and integration in Contra Costa County and define how TEP funding could be used. Although the March 2020 ballot measure did not pass, CCTA is hiring a consultant to move forward with the development of the ITP as a proactive approach in response to regional efforts such as the Blue Ribbon Transit Recovery Task Force to improve transit efficiency and coordination amongst the various operators.

CCTA developed a scope of work and released a Request for Proposals (RFP) in November 2022 for a consulting firm to develop the ITP. The plan will include an assessment of existing services and travel markets to identify gaps in service as well as current and projected travel trends. Based on these findings, action plans will be developed that recommend specific service changes to better serve the different markets, establish priorities in serving the differing needs of the various populations, and identity new service choices that have the best potential to gain transit market share. The plan will also identify infrastructure needs in order to support the recommended improvements. Finally, the plan will explore the institutional and policy changes that would be necessary to

support greater transit effectiveness and productivity beyond the short- to medium-term improvements identified in the action plans. However, in the absence of a new sales tax measure, the plan will not identify alternative new funding sources for the action plan recommendations.

Transit operator staff will be participating in the RFP evaluation process. The contract is tentatively scheduled to be awarded in February 2023, and it is anticipated that the plan itself will take 12 to 18 months to complete. Staff will provide updates to the MP&L Committee and Board as the plan development moves forward.

Operations & Scheduling Committee

LCTOP and Route 99X Update

Pranjal Dixit, Manager of Planning explained that starting in August 2018, County Connection launched Route 99X, which was designed to meet the new LCTOP guidelines. The route runs from Martinez Amtrak to North Concord BART during peak hours and serves the Pacheco Transit Center, Concord Adult Homeless Shelter, Contra Costa County offices at Glacier and Muir, and the courthouse in Martinez. Route 99X serves the section around Pacheco and Morello which is part of the disadvantaged community (DAC). in Martinez. Beginning in FY 21-22, DAC definitions were updated and there are now three additional DACs in County Connection's service area in Concord.

Since the launch of the route in August 2018, the route has not attracted much ridership and even at its peak, its performance was below the overall express route average. During the pandemic, as people started working remotely, commuter trips went down and have remained significantly below pre-pandemic levels as many workers have not yet returned to the office full time. Although the overall express route ridership continues to lag, Route 99X continues to underperform compared to other express routes. Currently the route operates 19 trips during the peak commute hours and averages 44 passengers a day at 3.5 passengers per hour, which is below the current express route average of 6.6.

The biggest ridership generators along the route are the Martinez Amtrak Station, North Concord BART, Concord Adult Homeless Shelter located on Arnold Industrial Way, and the apartments/businesses on Morello Ave.
New or expanded transit service is only eligible for LCTOP funds for up to 5 years, so Route 99X will no longer be eligible starting in August 2023. Due to the consistent underperformance and lack of funding, staff will evaluate options to redesign the route to better suit the demands and/or reallocate funds based on the new DACs, and will present proposed recommendations at a future meeting.

Report from the Advisory Committee

Marji McWee, Chair of the Advisory Committee, will give an update from the Committee.

Marji McWee gave a brief update on the Proposed Regional Network Management under the MTC: Ms. Rashida Kamara introduced the plans for the new regional network governance structure. The committee has asked to review the MTC's consultant's report on the proposed structure. This will help us to contemplate and speak to the impact from our perspectives across stakeholder groups. Likewise, we look forward to updates from staff on the plan's implementation and their own evolving understanding of how these changes will impact the CCCTA.

CCTA Framework for the Development of a Coordinated Entity: Ms. Kamara introduced the CCTA's plans to develop a coordinated entity to address the ATSP's findings. After explaining the context, she highlighted the task force's recommendation for a centralized entity to coordinate the delivery of services. She explained its merits and the funding considerations. The advisory committee affirmed the possibilities from the rider's perspective. The idea of a "one-stop-shop" for riders to navigate all the county's transportation options was viewed positively. The committee looks forward to updates as the entity becomes operationalized.

Strategic Marketing Plan: Mr. Ryan Jones highlighted the key elements of the '23-'24 strategic marketing plan. The advisory committee provided Mr. Jones with ideas for additional tactics for the plan. These focused on ways to reach underrepresented stakeholder groups other than through social media. Tactics were identified for reaching specific stakeholder through in-person events and the venues where they may be found. For example, non-profit social service agencies, health and rehabilitation service providers, faith-based programs providing support services, senior centers, professional gatherings, public fairs and service provider showcases/networking events, transit villages/high density housing areas, and neighborhood/homeowners' associations. These in-person efforts would complement the plan's other tactics.

BOARD COMMUNICATION: None

CLOSED SESSION:

The Board of Directors went into closed session at 10:04 a.m.

Public Employee Performance Evaluation; Conference with Labor Negotiator
(pursuant to Government Code Sections 54957, 54957.6)
Agency Designated Representative: Board Chair
Position: General Manager

OPEN SESSION:

Report of Action(s) taken during the Closed Session

The Board of Directors came back from closed session at 10:16 a.m.

Director Worth reported that the Board met in closed session with its advisory committee regarding the completion of the General Manager's performance evaluation. A proposed resolution was shared with the public and an oral report was made by the Chair regarding the key terms of the proposed amendment to the General Manager's employment agreement as follows: a 5% wage increase to the General Manager's annual salary, for a revised annual salary of $245,700, which salary will be effective January 1, 2023.

MOTION: Director Noack moved approval of the resolution amending the General Manager's employment agreement. Director Andersen seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Noack, Schroder, Sos, Tatzin, Wilk and Worth
No: None
Abstain: None
Absent: Directors Hoffmeister, Hudson and Storer

ADJOURNMENT: Chair Worth adjourned the regular Board meeting at 10:21 am.

Minutes prepared by:
Lathina Hill
Assistant to the General Manager

Date: February 8, 2023

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** February 6, 2023

From: Bill Churchill
General Manager

SUBJECT: Declaring that the Board and Its Committee Meetings Will Continue to be Held via Teleconference

SUMMARY OF ISSUES:

Due to the ongoing COVID-19 pandemic, the General Manager and Legal Counsel recommend the Board adopt a resolution under Assembly Bill 361 (AB 361) (1) making findings that the proclaimed COVID-19 pandemic State of Emergency continues to impact the ability of the Central Contra Costa Transit Authority (CCCTA) Board of Directors (Board) and its committees to meet safely in person, and (2) allowing for CCCTA to use the modified teleconferencing requirements under California Government Code Section 54953 for Board and committee meetings for the next 30 days.

On September 16, 2021, Governor Newsom signed into law AB 361 amending Government Code Section 54953 to allow local agencies to use teleconferencing for public meetings without requiring teleconference locations to be included on published agendas or accessible to the public, and without requiring a quorum of the members of the legislative body of the agency to participate from locations within the boundaries of the agency's jurisdiction, during proclaimed states of emergencies.

Local agency determinations to meet using the modified teleconferencing rules under AB 361 must be reviewed every 30 days following the first teleconferenced meeting held pursuant to this law, which as an urgency statute, came into effect on October 1. The legislative body must reconsider the circumstances of the state of emergency and find that they directly impact the ability to meet safely in person. The Governor's State of Emergency related to the COVID-19 pandemic remains active and the Contra Costa County Health Officer, the California Department of Public Health, and the Department of Industrial Relations have imposed or recommended measures to promote social distancing. Compliance with these measures directly impacts the ability of the public to meet safely in person, and CCCTA cannot ensure social distancing recommendations are met in circumstances of in-person public meetings. Furthermore, there is a continuing threat of COVID-19 to the community, and Board and committee meetings have characteristics that give rise to risks to health and safety of meeting participants. Consequently, it is recommended that CCCTA continue to use remote teleconferencing for public meetings as permitted under AB 361 and to reconsider its determination (and make the necessary findings) every 30 days.

On October 21, 2021, the Board adopted its first resolution under AB 361 documenting the findings described above. The Board also was advised to consider similar actions monthly thereafter until conditions change and remote meetings are no longer necessary and appropriate. The proposed action would enable CCCTA's Board and committees to continue to meet remotely for the next 30 days.

FINANCIAL IMPLICATIONS: There is no impact on the budget.

ACTION REQUESTED: Adopt resolution declaring that the proclaimed state of emergency for the COVID-19 pandemic continues to impact the ability of the Board of Directors and its committees to meet safely in person, and directing that virtual Board and committee meetings continue, with the understanding that if the State of Emergency is lifted prior to the next Board and/or committee meeting, such meetings will no longer be held via teleconference.

RESOLUTION NO. 2023-026

BOARD OF DIRECTORS CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA

*** * ***

FINDING THAT THE PROCLAIMED STATE OF EMERGENCY FOR THE COVID-19 PANDEMIC CONTINUES TO IMPACT THE ABILITY FOR THE BOARD OF DIRECTORS AND ITS COMMITTEES TO MEET SAFELY IN PERSON, AND DIRECTING THAT VIRTUAL BOARD AND COMMITTEE MEETINGS CONTINUE

WHEREAS, the County of Contra Costa, the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon and Walnut Creek, and the Towns of Danville and Moraga (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.,* for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions ("Service Area");

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of the COVID-19 pandemic, which declaration remains in effect;

WHEREAS, the Contra Costa County Board of Supervisors subsequently declared a local emergency related to COVID-19, which declaration also remains in effect;

WHEREAS, on March 17 and June 11, 2020, the Governor issued Executive Orders N-29-20 and N-08-21, respectively, suspending certain provisions of the Ralph M. Brown Act related to teleconferencing through September 30, 2021 to facilitate legislative bodies conducting public meetings remotely to help protect against the spread of COVID-19 and to protect the health and safety of the public;

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill (AB) 361 into law, amending Government Code Section 54953, effective immediately, to allow legislative bodies to continue to meet remotely under less restrictive requirements during a proclaimed State of Emergency provided that (1) state or local officials have imposed or recommended measures to promote social distancing, or (2) the legislative bodies determine that meeting in person would present imminent risks to the health or safety of attendees, and (3) the legislative bodies make such findings at least every thirty days during the term of the declared state of emergency;

WHEREAS, on October 21, 2021, pursuant to Resolution 2022-012, and monthly thereafter pursuant to Board action, the CCCTA Board of Directors ("Board") made the requisite findings to allow teleconferencing under AB 361 for 30 days;

WHEREAS, the Board has reviewed its previous findings and again concludes that there is a continuing threat of COVID-19 to the community, and that Board and committee meetings have characteristics that continue to give rise to risks to health and safety of meeting participants; and

WHEREAS, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to continue to hold its Board and committee meetings remotely as authorized by AB 361.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority has reconsidered the circumstances of the COVID-19 State of Emergency, and finds and determines that the state of emergency continues to directly impact its ability to meet safely in person;

BE IT FURTHER RESOLVED, that the Board of Directors directs the General Manager and Clerk to the Board to continue to agendize public meetings of the Board, and all CCCTA committees that are subject to the Brown Act, only as online teleconference meetings, with the understanding that if the State of Emergency is lifted prior to

the next Board and/or committee meeting, such meetings will no longer be held via teleconference;

BE IT FURTHER RESOLVED, that CCCTA will comply with the requirements of Government Code Section 54953(e)(2) when holding Board and committee meetings pursuant to this Resolution; and

BE IT FURTHER RESOLVED, that this Resolution will be in effect for the maximum period of time permitted under AB 361 (30 days), and the Board will reconsider the findings in this Resolution each month and may subsequently reaffirm these findings, pursuant to its consent calendar.

Regularly passed and adopted this 16th day of February, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Amy Worth, Chair, Board of Directors

ATTEST: _____
Lathina Hill, Clerk to the Board

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** January 25, 2023

From: Bill Churchill, General Manager

SUBJECT: CCCTA Investment Policy – Quarterly Reporting Requirement

---

Attached please find CCCTA's Quarterly Investment Policy Reporting Statement for the quarter ending September 30, 2022.

This certifies that the portfolio complies with the CCCTA Investment Policy and that CCCTA has the ability to meet the pool's expenditure requirements (cash flow) for the next six (6) months.

CCCTA

BANK CASH AND INVESTMENT ACCOUNTS
AS OF SEPTEMBER 30, 2022
(ROUNDED OFF TO NEAREST $)

FINANCIAL INST	ACCT #	TYPE	PURPOSE	PER BANK MAR 2022	PER BANK JUN 2022	PER BANK SEP 2022	PER GL* SEP 2022
FIXED ROUTE							
UNION BANK	274-00-26650	***CHECKING***	AP GENERAL	$ 520,365	$ 427,368	$ 430,381	$ 263,869
UNION BANK	274-00-26693	***CHECKING***	PAYROLL	$ 95,271	$ 64,484	$ 56,110	$ 41,964
UNION BANK	274-00-26723	***CHECKING***	CAPITAL PURCHASES	$ 174,666	$ 106,774	$ 99,561	$ 99,561
UNION BANK	274-00-26715	***CHECKING***	WORKERS' COMP - CORVEL	$ 68,349	$ 64,717	$ 57,195	$ 44,361
UNION BANK	274-00-26685	***CHECKING***	PASS SALES	$ 8,702	$ 5,461	$ 11,175	$ 11,478
UNION BANK	274-00-26707	***CHECKING***	CLIPPER CARDS	$ 5,135	$ 5,135	$ 5,135	$ 5,135
PAYPAL	27SAXUUFL9732	***CHECKING***	PAYPAL-PASS SALES	$ 25	$ 25	$ 25	$ 25
			TOTAL	**$ 872,513**	**$ 673,964**	**$ 659,582**	**$ 466,393**
PARATRANSIT							
UNION BANK	274-00-26669	***CHECKING***	AP GENERAL	$ 133,098	$ 255,509	$ 148,802	$ 148,662
			TOTAL	**$ 133,098**	**$ 255,509**	**$ 148,802**	**$ 148,662**
LAIF FUND							
Effective Yield:				***0.365%***	***0.861%***	***1.35%***	
LAIF ACCOUNT	4007001	***INT-INVEST***	OPERATING FUNDS	$ 11,872,178	$ 10,771,567	$ 6,688,410	$ 6,688,410
LAIF ACCOUNT		***INT-INVEST***	Lifeline Bus Stop Access	$ 53,254	$ 53,295	$ 53,395	$ 53,395
LAIF ACCOUNT		***INT-INVEST***	Facility Rehab	$ 2,444,318	$ 2,446,250	$ 2,443,038	$ 2,443,038
LAIF ACCOUNT		***INT-INVEST***	LCTOP - Electric Trolley II	$ 22,220	$ 20,958	$ 20,155	$ 20,155
LAIF ACCOUNT		***INT-INVEST***	LCTOP - Martinez Amtrak IV	$ 73,019	$ 19,024	$ 499,237	$ 499,237
LAIF ACCOUNT		***INT-INVEST***	LCTOP - FREE Monument III (Routes 11/14/16)	$ 442,888	$ 275,110	$ 933,976	$ 933,976
LAIF ACCOUNT		***INT-INVEST***	Pass-Through CA	$ 903,239	$ 898,534	$ 896,855	$ 896,855
LAIF ACCOUNT		***INT-INVEST***	Safe Harbor Lease Reserve	$ 1,560,866	$ 1,562,096	$ 1,565,021	$ 1,565,021
LAIF ACCOUNT		***FMV ADJ.***	Fair Market Value Adjustment for Year-End	$ -			$ -
			TOTAL	**$ 17,371,982**	**$ 16,046,834**	**$ 13,100,087**	**$ 13,100,087**
CCCTA EMPLOYEE							
UNION BANK	274-00-26677	***CHECKING***	EMPLOYEE FITNESS FUND	$ 14,457	$ 13,032	$ 13,429	$ 13,429
UNION BANK	274-00-26502	***CHECKING***	EMPLOYEE FUNCTION	$ 508	$ 508	$ 508	$ 508
			TOTAL	**$ 14,965**	**$ 13,540**	**$ 13,937**	**$ 13,937**
12/20/2022			**GRAND TOTAL**	**$ 18,392,558**	**$ 16,989,847**	**$ 13,922,408**	**$ 13,729,079**

KLM/AJ

**** GL balances reduced by oustanding checks and increased by deposits in transit, if any.***

This is to certify that the portfolio above complies with the CCCTA Investment Policy and that CCCTA has the ability to meet its expeditures (cash flow) for the next six months.

Bill Churchill
General Manager

County Connection

INTER OFFICE MEMO

To: Board of Directors Date: 02/08/2023

From: Bill Churchill
General Manager

SUBJECT: Transit Operator Recruitment Update

Background:

In January 2022, the Board of Directors approved an increase to the starting wage for newly hired Transit Operators to maximize County Connection's ability to recruit operators, following the COVID-19 pandemic. This increase moved the starting wage for new Operators from $23.24 per hour to $26.15 per hour, or to the third step of a five-step pay scale within the current Amalgamated Transit Union (ATU) Memorandum of Understanding (MOU). In addition, any Operator already employed under the first or second step of the pay scale was elevated to the third step.

Ongoing Labor Shortages

County Connection alongside many other transit agencies continue to face the challenges of labor uncertainties. Since the approval of an increase to the starting wage in early 2022, County Connection has received roughly 100 applications for the Transit Operator position and recruited 23 new Operators. This has represented a considerable improvement as normal attrition throughout the agency has occurred. However, while County Connection has been able to reduce its Operator shortfall, we are still not fully staffed and ongoing recruitment is vital to protecting current service levels and responding to any new service demands.

In late December 2022, County Connection reached an agreement with the ATU, extending their contract through January 2026. With the success of this strategy and to remain competitive within the current labor market, at this time, County Connection proposes maintaining the increase of the starting wage for all new Operators. The terms of the new agreement with the ATU include a five percent (5%) increase in year one, which increased the third step of the pay scale from $26.93* per hour to $28.28 per hour. County Connection, in its sole discretion, reserves the right to discontinue this temporary increase.

Financial Implications:

*$26.93 – 3% increase effective 2/1/2022 per ATU MOU

Inclusive of the terms of the agreement in year one (5%) with the ATU, there is a projected incremental increase of approximately $7,600 per new hire annually. This increase encompasses wages and benefits and is well within the scope of the existing budget.

Recommendation:

The General Manager and A&F Committee recommend maintaining the increase in the starting wage for incoming Operators to meet the current recruitment needs of the Authority. The A&F Committee also recommends that the General Manager, at his discretion, have the ability to adjust the starting wage for incoming Operators from Step A up to Step C based on an evaluation of staffing needs and state of the economy.

Action Requested:

For information only.

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 2/7/2023

From: Amber Johnson, Chief Financial Officer **Reviewed by:** WC.

SUBJECT: Adoption of a Revised Pension Funding Framework

Background:

The Authority contracts with the California Public Employees' Retirement System (CalPERS) for its employee defined-benefit pension plans. As such, the Authority is subject to the fluctuations of CalPERS funding policies, investment projections, investment performance, and actuarial assumptions – each of which impacts the level of funding commitment that is required on an annual basis and the level of unfunded liability that is carried by the Authority.

The Authority has long recognized the importance of controlling pension costs. Prior to the 2008 recession, CalPERS was over-funded for a period of time. Many public agencies saw this as an opportunity to contract with CalPERS for more enhanced benefits, either increasing the percentage of pay in retirement, and/or decreasing the age at which retirees can collect benefits. However, the Authority sensibly resisted these changes and did not enhance retiree benefits, keeping the original "2% at 60" formula. This prudent decision has been key in helping the Authority control pension costs as compared to its peers. However, the Authority is not immune from economic conditions that contribute to rising pension costs.

Over the past few months, the Administration and Finance (A&F) Committee and staff have been discussing the Authority's pension funding policy and options for enhancing the pension funding framework to help mitigate future impacts of rising pensions costs. As a result of these discussions, the A&F Committee and staff are recommending the establishment of a 115 trust for pre-funding the Authority's pension obligations, and revisions to the existing pension funding policy.

Current Pension Funding Policy:

Required Contributions:

The Authority is required to make certain contributions to CalPERS as part of its contract: normal cost and Unfunded Accrued Liability ("UAL") payments. In the current fiscal year (FY 2023), the required contributions to CalPERS are as follows:

Employer Normal Cost Rate:	9% of covered earnings
Unfunded Accrued Liability Payment:	$890,950

Employees are also required to contribute to the plan by means of a payroll deduction, using a predetermined percentage of their covered earnings. This rate can vary depending on when the employee entered the CalPERS system and the employee's classification at the Authority.

Discretionary Contributions:

In 2019, the Board authorized reducing County Connection's pension liability by making smaller direct payments to CalPERS to achieve interest savings over time. The following was the framework of how those additional payments could be made:

1. If the estimates for pension related costs are under budget as of the May budget presentation, and would not require a draw on the contingency, nor additional TDA allocations; the General Manager is allowed to authorize additional payments to CalPERS up to $100,000.
2. Additional payment amounts over $100,000 could be recommended by staff and approved by the A&F and Board as part of the May budget review.
3. Any additional payments made by the Authority to CalPERS would be adjusted for in the Wage Increase determination performed by the auditors each year. In the auditors' Agreed Upon Procedure report, that additional payment amount will be reduced from total pension expense for that fiscal year. This amount shall not be included as part of the increase of additional pension costs of $1,000,000 for that fiscal year which might cause a reduction of wage increases.

No additional payments towards the pension liability have been made since this framework was adopted.

Proposed Pension Funding Framework:

Creation of a 115 Trust for Pre-funding Pension Obligations

Since June 2010, the Authority has participated in an Internal Revenue Code Section 115 trust for pre-funding its Other Post-Employment Benefits (OPEB) obligations, established by Public Agency Retirement Services (PARS), to set aside funds to pay for future OPEB benefits that will be collected by current employees (the "OPEB 115 Trust"). As of December 2022, there was approximately $4.7 million in the Authority's OPEB 115 Trust account. Since inception, the OPEB 115 Trust account has earned approximately 4% return on investment utilizing the PARS "moderately conservative" investment strategy, managed by Highmark Capital. No funds have been withdrawn from the trust to pay benefits to date.

PARS also offers a Pension Rate Stabilization Program (PRSP) 115 trust specifically designed to address pension liabilities and stabilize future costs. Furthermore, PARS has created an IRS-approved, tax-exempt combination Section 115 trust that can be used by local agencies to set aside funds for both future OPEB and pension expenses.

The A&F Committee recommends the establishment of a new combination irrevocable Trust with PARS as the trust administrator and Highmark Capital as the investment manager. If established, this combination trust will replace the existing OPEB 115 Trust with one that will have two accounts (the "Combination 115 Trust"). One account will be for the existing OPEB assets (the "OPEB 115 Account"), to which all amounts currently held in the Authority's existing OPEB Trust account with PARS will be transferred, and the other account will be for prefunding pension liabilities through the PRSP (the "Pension 115 Account"). In the

Combination 115 Trust, funds contributed for pre-funding OPEB and pension liabilities are separately accounted for, although combined under one trust for investment purposes, resulting in administrative and cost efficiencies. It is recommended to continue to utilize the moderately conservative investment strategy for both accounts.

The IRS Private Letter Ruling that verifies the tax-exempt status of the PARS Combination 115 Trust program is included as Attachment 1. A draft Administrative Services agreement with PARS is included as Attachment 2, and a resolution to formally adopt the structure is included as Attachment 3.

Source of Pension Funds:

Due to the restrictive nature of most of the Authority's external funding sources, passenger fares are the Authority's logical source of funding the Pension 115 Account. In the year just ended (FY 2022), the Authority collected $2.2 million in passenger fares. As post-pandemic ridership continues to recover, this amount is projected to grow in future years.

Initial Funding Proposal:

When creating the current year (FY 2023) budget and accompanying financial *forecast* for pension costs, staff relied on the 2021 CalPERS valuation report to model the expenses. At the time of this report, the required annual UAL payment for FY 2024 was projected to be $1 million. While not the focus of the FY 2023 budget, staff did plan to expend $1 million on the required UAL payment in FY 2024 in the 10-year financial forecast model.

However, the following year, the required UAL payment for FY 2024 was reduced to zero, due to the unusually high return on investment (ROI) that year. Using the CalPERS pension outlook tool, staff estimates that the required UAL will return in FY 2025. This one-year reprieve from sending a UAL payment to CalPERS in FY 2024 presents a unique opportunity for one-time forecasted savings to be redirected to the Pension 115 Account.

The following table illustrates how the annual UAL payment requirement has changed with recent valuation reports and estimates.

	Required UAL Payment		
Year	**2021 Valuation FY20 ROI 4.7%**	**2022 Valuation FY21 ROI 21.3%**	**2023 Estimates FY22 ROI <6.1%>**
FY 2023	$ 890,950	N/A	N/A
FY 2024	$ 1,000,000	$ -	N/A
FY 2025	$ 1,149,000	$ -	$ 330,000
FY 2026	$ 1,246,000	$ -	$ 660,000
FY 2027	$ 1,331,000	$ -	$ 990,000

The A&F Committee recommends seeding the Pension 115 Account with an initial investment of $1 million in FY 2024, using budgetary savings realized by the one-year reprieve from CalPERS UAL payments. This initial contribution will be invested by Highmark Capital using dollar cost averaging over a period of 3-4 months, to minimize market risk fluctuations.

Future Discretionary Contributions:

The current pension funding policy for discretionary payments compares actual pension costs to budgeted pension costs and permits staff to contribute any budgetary savings up to $100,000 in a given year as an additional payment directly to CalPERS. Additionally, payments greater than $100,000 can be approved during the budget approval process. Any discretionary payments are not included in the calculation of the wage increase determination procedures performed at year-end by the financial auditors.

The A&F Committee recommends ending this policy. Instead, staff will bring recommendations for discretionary contributions (if any) each year during the budget process, requiring Board approval by default. As these payments are discretionary in nature, they will continue to be excluded from the wage increase determination procedure performed at year-end.

Use of Funds:

Funds that are set aside in the Pension 115 Account will be restricted for use solely on pension costs. The PARS Combination 115 Trust structure would allow the Authority to reimburse itself for prior and current year pension payments to CalPERS – both normal cost and unfunded accrued liability payments. This gives the Authority maximum flexibility in case of future budgetary constraints that would necessitate withdrawing funds from the trust. However, it is the recommendation of the A&F Committee that the Authority take a "long view" on this account and refrain from withdrawing from the account unless absolutely necessary and only with Board authorization. This authorization could take place during the budgetary approval cycle, or, on an emergency basis if circumstances warrant an emergency withdrawal.

Summary of Proposed Framework:

In summary, the A&F Committee and staff recommend the following pension funding framework to be considered by the Board:

Framework Element:	**Staff Recommendation:**
Pension Funding Vehicle	Pension 115 Account under a Combination 115 Trust
Investment Strategy	Moderately Conservative (20-40% equities)
Source of Pension Funds	Fare Revenues
Initial Funding	$1,000,000 from FY 2024 budgetary savings
Ongoing Funding	As adopted annually with the budget document
Use of Funds	Must be authorized by the Board either through the budget approval process or on an emergency basis

Financial Implications:

The Authority is presently in a strong position to implement this set of pension-related policies. While the long-term impact is impossible to quantify, it is fair to conclude that reserving funds for pension costs now and into the future will bring significant budgetary benefits over time.

Recommendation:

The A&F Committee and staff recommend the Board approve the proposed revised pension funding framework as outlined in this report.

Action Requested:

The A&F Committee and staff request that the Board authorize the General Manager to enter into a revised Agreement for Administrative Services with PARS and adopt Resolution 2023-027 approving the establishment of a new combination Public Agencies Post-Employment Benefits Trust with PARS, including establishment of a separate Pension 115 Account thereunder, and the transfer of all amounts held in the Authority's existing OPEB Trust account with PARS to the OPEB 115 Account under the combination Trust.

Attachments:

Attachment 1: IRS Letter Ruling
Attachment 2: Draft Agreement for Administrative Services with PARS
Attachment 3: Resolution 2023-027 Approving the Adoption of a Combination 115 Trust Administered by PARS

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 115.00-00

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292
Telephone Number:
(202) 317-5800
Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14
Date: June 5, 2015

Legend

Trust	=	Public Agencies Post-Employment Benefits Trust
Trust Agreement	=	Public Agencies Post-Employment Benefits Trust Agreement
Trustee	=	U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust's income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer's governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust's administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of $600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).

2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this _____ day of _____, 2023, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or Other Post-Employment Benefits ("OPEB") obligations ("Plan") and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".

3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.

4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.

5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

DRAFT

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.

7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.

8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.

9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.

10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

DRAFT

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.

12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.

13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.

14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.

15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

    (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President

    (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]

    Notices shall be deemed given on the date received by the addressee.

16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2023 and ending _____, 2026 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.

17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

DRAFT

18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.

20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.

21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

DRAFT

EXHIBIT 1A

SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

   (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;

   (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;

   (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

   (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;

   (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;

   (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;

   (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;

   (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;

   (F) Preparing and submitting an annual report of Plan activity to the Agency;

   (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;

   (H) Coordinating periodic audits of the Trust;

   (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

DRAFT

EXHIBIT 1B

FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

For Plan Assets from:			**Annual Rate:**
$1	to	$10,000,000	0.25%
$10,000,001	to	$15,000,000	0.20%
$15,000,001	to	$50,000,000	0.15%
$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

DRAFT

EXHIBIT 1C

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
   (A) Certified Resolution
   (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
   (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Contribution amount
   (C) Contribution date
   (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Payment reimbursement/distribution amount
   (C) Applicable statement date
   (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
   (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

DRAFT

RESOLUTION NO. 2023-027

RESOLUTION OF THE d OF DIRECTORS
OF THE CENTRAL CONTRA COSTA TRANSIT AUTHORITY
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, the Central Contra Costa Transit Authority ("CCCTA") is currently participating in the Public Agencies Post-Retirement Health Care Plan Trust administered by the Public Agency Retirement Services (PARS) for the prefunding of its retiree health benefits and other post-employment benefits other than pension benefits ("OPEB"); and

WHEREAS, CCCTA desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation that will be held in trust under the PARS Pension Rate Stabilization Program (PRSP) for the exclusive purpose of making future contributions of CCCTA's required pension contributions and any employer contributions in excess of such required contributions at the discretion of CCCTA; and

WHEREAS, PARS has made available the Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of combining assets used to pre-fund both pension obligations and/or OPEB obligations as specified in CCCTA's plans, policies and/or applicable collective bargaining agreements; and

WHEREAS, CCCTA is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, CCCTA can manage the pre-funding of its pension obligations through the PRSP and its OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS, CCCTA's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, CCCTA's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, CCCTA reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of CCCTA hereby adopts the Public Agencies Post-Employment Benefits Trust, effective March 1, 2023; and

2. The Board of CCCTA hereby appoints the *General Manager*, or his/her successor or his/her designee as CCCTA's Plan Administrator for the Program; and

3. CCCTA's Plan Administrator is hereby authorized to execute the PARS Program legal and administrative documents on behalf of CCCTA and to take whatever additional actions are necessary to maintain CCCTA's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer CCCTA's Program; and

4. The Board, in accordance with Section 3.3 of the Public Agencies Post-Retirement Health Care Plan Trust adopted effective March 18, 2010, hereby authorizes the complete withdrawal from said trust of all amounts held therein and directs the transfer of all assets held in said trust to the OPEB 115 Trust Account established in the name of CCCTA under the Public Agencies Post-Employment Benefits Trust, adopted herewith.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

_____, the Clerk of the Board of the Central Contra Costa Transit Authority, hereby certifies that the above foregoing resolution was duly and regularly adopted by CCCTA at a regular meeting thereof held on the _____ and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2023.

Amy Worth, Chair, Board of Directors

_____
Lathina Hill, Clerk of the Board

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 02/10/2023

From: Bill Churchill, General Manager

SUBJECT: Draft 2023 Federal Advocacy Program

Background:

Attached you will find the first draft of County Connection's Federal Advocacy Program, highlighting the Authority's top priorities for 2023. The need for an on-going reliable federally funded transit program remains crucial to the ability of County Connection to provide reliable, safe, and effective service to its communities.

New Format and Congressional Office Meeting Visits

After a couple of years of remote visits with our delegation, we were able to meet in person last year. The in-person meetings provided an opportunity to introduce myself, as the new General Manager, and Ruby Horta as our new Assistant General Manager to our legislative leaders. As we enter the new legislative session, staff recognizes the difficulties a divided Congress will pose. Nonetheless, it is important to continue to advocate for the needs of public transit, and County Connection, specifically, as we strive to restore service, transition to a zero-emission bus fleet, and strengthen collaboration with neighboring transportation partners to better serve our community.

Last year County Connection staff were prepared to present the advocacy program remotely, as well as with a handout due to the uncertainty of in-person meetings. This year, staff will be providing a presentation of the draft brochure to the MP&L Committee for review, highlighting County Connection's top priorities and a focus on our essential services. After staff receives input from the committee and the Board, a final draft brochure will be developed and delivered to committee members for final review at the March MP&L Committee meeting.

While we are not completely out of the pandemic, staff anticipates that in-person meetings with our federal delegation will be possible and is currently engaged scheduling a number of appointments.

Financial Implications:

None.

Recommendation:

The MP&L Committee and staff recommend approval of the draft 2023 Federal Advocacy Program. The MP&L Committee will have another opportunity to provide feedback after Board review, at the March MP&L Committee meeting.

Action Requested:

The MP&L Committee and staff request that the Board review, provide feedback, and approve the draft 2023 Federal Advocacy Program.

Attachments:

1. Draft 2023 Federal Advocacy Program Priorities

Attachment 1

County Connection
2477 Arnold Industrial Way Concord, CA 94520-5326 (925) 676-1976 countyconnection.com

2023 FEDERAL ADVOCACY PROGRAM

County Connection relies on federal transit funding for crucial capital and operational funds to ensure the implementation of a reliable and robust public transportation system. The CARES, CRRSAA, ARP, and the IIJA Acts together placed County Connection in reasonable financial condition as we begin to emerge from the Pandemic. However, the need for an on-going reliable federally funded transit program remains critical to enable County Connection to provide reliable, safe, and effective service to its constituents. Thus, County Connection supports the following:

Priority #1: FY24 Federal Public Transit Appropriations

County Connection relies on federal funds for the timely completion of capital projects and to support its services to folks with disabilities. In FY24, we are expecting to receive roughly $1.5 million in Section 5307 formula funding to support our ADA paratransit program. This program serves members of our community with disabilities and was crucial in providing lifeline-based services during the height of the Pandemic. We also will pursue formula funding to help with our continued transition to an all Zero Emission Bus (ZEB) fleet. To ensure that we receive this critical capital funding, the federal transit program must be fully funded at levels consistent with the levels set out in the House passed INVEST Act and/or the IIJA.

Priority #2: Re-authorization of the Federal Transportation Bill

While we applaud the enactment of the IIJA as it will bring $107 billion to public transit over five years, it is not the re-authorization of the federal transportation bill. IIJA is also paid for outside of the federal highway and transit trust funds. In order to address long term transit needs in an adequate and predictable manner, we seek re-authorization of The Fixing America's Surface Transportation Act (FAST) which has effectively expired.

Historically, County Connection has received $8 million dollars in federal support on an annualized basis from federal transportation acts and authorizations. These funds are primarily used to replace ageing buses and vans for far cleaner and reliable buses. Thus, re-authorization of FAST is a top priority for County Connection.

The House passed the INVEST Act to re-authorize FAST. This bill increases the federal investment in public transit by 133% over FAST. We applaud this. County Connection urges that this legislation be taken up in Congress in 2024 for further action.

Priority #3: Enact APTA's Recommendations on Mobility & Innovation

The American Public Transportation Association (APTA) have adopted a set of recommendations for federal enactment to promote and support innovative mobility solutions to increase the

ability of all sorts of people to use public transportation throughout their everyday lives. These innovations in mobility must serve to improve and enhance traditional public transportation, not replace it. These innovations should also promote and provide opportunities to prepare the next generation of public transportation workers through work force development programs.

Many areas such as the one County Connection serves need to greatly improve their public transportation options to attack the housing crisis, climate change, equity, and aging population. However, historical growth patterns in these areas make traditional public challenging to provide. Thus, innovative mobility solutions are needed. They will also make established transit in these areas more effective and increase ridership.

Public transit agencies like County Connection are well positioned to deliver these innovative solutions along with their traditional fixed route services in an integrated and coordinated manner, if allowed to and supported by federal policy.

Priority #4: Restore the Federal Highway and Mass Transit Accounts

With the Federal Highway and Mass Transit Accounts nearly broke, more and more of the federal transit program is at risk of not being funded. We urge that a permanent fix to this problem be found. Without financial stabilization for these accounts, many County Connection projects will be at risk.

Priority #5: Directed Spending Request(s)

Directed Congressional Spending (Earmarks) appear to once again be available in the federal budget. Staff will be making a directed spending request to enhance and move forward the Authority's efforts in electrification. More specifically, staff are interested in adding more electric vehicle charging infrastructure and energy generation and storage to the facilities.

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 01/26/2023

From: Melody Reebs, Director of Planning, Marketing, & Innovation **Reviewed by:** RR

SUBJECT: Regional Fare Transfer Policy

Background:

In late 2019, the Metropolitan Transportation Commission (MTC) began a Regional Fare Coordination and Integration Study (FCIS) to evaluate the impacts of the region's disparate fare systems on ridership and develop goals for a regional system that would improve the passenger experience and promote higher ridership. The Fare Integration Task Force was formed as a "Special Committee" of the Clipper Executive Board (CEB) to oversee the study, and in late 2021, this Task Force adopted a Policy Vision Statement for fare integration in the 9-county region based on the study recommendations. Concurrently, the Blue Ribbon Transit Recovery Task Force (BRTF) adopted the Transit Transformation Action Plan, which called for the implementation and funding of the recommended pilot projects from the FCIS. The first pilot project, Clipper BayPass, is an all-transit agency institutional/employer pass and was deployed in August 2022.

Transfer Policy:

The second recommendation from the FCIS was to develop an inter-agency transfer discount policy and implement a pilot in conjunction with the rollout of the Next Generation Clipper system, which provides more flexibility around business rules. The proposed policy is meant to be simple for riders to understand and would provide a discount of up to $2.50 for each transfer within two hours of the first boarding. Based on current transit operator fares in the region, this would mean that transfers to any local service would be free, and transfers to regional services such as BART or Caltrain would be discounted.

For County Connection, there would be no change to existing free transfers between the East Bay bus operators. However, for passengers transferring from BART to County Connection, the proposed policy would increase the discount, and riders would transfer for free instead of paying $1 as they currently do. A more significant change will be when riders transfer to BART since there is currently no discount. Those riders will now receive a $2.50 discount off their BART fare when transferring from another operator such as County Connection.

Title VI:

Similar to the Clipper BayPass Pilot, MTC will serve as the lead agency for the Title VI process and conduct an equity analysis at the regional level in coordination with transit operator staff. As this is a fare reduction, the pilot is not anticipated to present significant issues from a Title VI perspective. Although MTC will be leading the effort, the individual transit agency boards are still responsible for complying with Title VI requirements and would need to approve the analysis. Staff anticipates that the equity analysis along with an inter-agency Memorandum of Understanding (MOU) will be presented to the Board for approval in late 2023.

Financial Implications:

MTC has identified $22.5 million in funding through the Transit Transformation Action Plan to support the implementation of the pilot and offset fare revenue losses. The pilot is expected to last for 18 to 24 months depending on usage. Under the proposed funding model, transit agencies would be responsible for the first $0.50 of each transfer discount, and MTC would reimburse the remaining amount. However, the reimbursement from MTC would then be reduced to account for the estimated increase in fare revenue generated from additional trips being made as a result of the program. Because County Connection already provides transfer discounts that exceed the initial $0.50 that operators would be responsible for, staff anticipates that all additional costs in terms of foregone revenue would be covered by MTC.

Recommendation:

None, for information only.

Action Requested:

None, for information only.

Attachments:

None