

Summary Minutes Administration & Finance Committee

County Connection Administration Office
2477 Arnold Industrial Way
3rd Floor Conference Room
Concord, CA 94520

Wednesday, November 1, 2023, 2:00 p.m.

Directors: Sue Noack, Laura Hoffmeister, Renata Sos
Staff: Bill Churchill, Ruby Horta, Amber Johnson, Karol McCarty
Public: None

Call to Order: Meeting called to order at 2:00 p.m. by Director Noack

1. Approval of Agenda

The Committee approved the agenda.

2. Public Communication

None.

3. Selection of the Chair

The Committee nominated and appointed Renata Sos as the Administration & Finance Committee Chair effective today, and Director Sos hosted the remainder of this meeting.

4. Approval of Minutes of October 4, 2023

The Committee approved the minutes.

5. Employee Referral Pilot – Draft Policy

Ms. Horta reported on the draft policy of the Employee Referral Pilot which will help CCCTA fill a shortage of positions in job classifications of operators, mechanics and storekeepers. The Committee discussed the particulars of the proposed pilot including the employee reimbursement amount, timeframe/milestones of payments, staff classifications eligible or ineligible for reimbursement, and the pilot dates. The policy draft will be updated and the revised pilot policy will be forwarded to the Board of Directors.

6. PERS Actuarial Valuation for June 30, 2022; Rate for FY 2025 (*Informational Only*)

Ms. Johnson presented a summary of the report of CalPERS Actuarial Valuation as of June 30, 2022. The prior report included a 21% gain which resulted in a funding status of 100% with no Unfunded Accrued Liability (UAL). Unfortunately in this newest report, the CalPERS return on investment (ROI) generated a loss of -6.1% which resulted in CCCTA's funding status to decrease to 85.8% with an UAL of \$17.2 million. When ROI does not meet or exceed the stated Cal PERS discount rate of 6.8%, a new UAL emerges.

Per the current report, the employer rate for FY 2025 will be 9.77%. Additionally, payments for the unfunded liability over the next 6 fiscal years is \$8.4 million with the estimated cost ramping up from \$504,965 in FY 2025 to an estimated \$2 million per year 4+ years later.

In February 2023, CCCTA established a Pension 115 Trust for pre-funding pension obligations, and an initial investment of \$1 million paid in July, 2023 was contributed using budgetary savings (UAL payable to PERS was zero in FY 2024, so 100% of FY 2024 budget was transferred to the trust). Be it noted that this external trust fund will not impact the CalPERS Actuarial Valuation report for two years given the timing of the payment in FY 2024. The trust was established to utilize and maximize current-year pension budget-line amounts with allocations to PERS for the unfunded liability payments as well as additional deposits to the Pension 115 Trust. In future years, use of the trust funds will be approved by the Board to off-set UAL payments that may exceed budgeted pension costs.

7. Review of Vendor Bills, October 2023

The Committee reviewed the vendor bills for October 2023.

8. Approval of Legal Services Statement, None

No legal service statements for the Committee to approve.

9. Next Scheduled Meeting

The next meeting was scheduled for December 6th at 2:00 p.m.

10. Adjournment – The meeting was adjourned at 2:29 p.m.

Minutes prepared and submitted by: Karol McCarty, Manager of Accounting