

**Administration and Finance Committee  
Summary Minutes  
January 4, 2012**

The meeting was called to order at 9:00 a.m. at the Walnut Creek offices of Hanson Bridgett. Those in attendance were:

Board of Director Al Dessayer  
Board of Director Candace Andersen

Staff: General Manager Rick Ramacier  
Director of Finance Kathy Casenave

Guests: Ralph Hoffman  
Andrew Brown

1. Adoption of the Agenda- Approved.
2. Public Communication- None.
3. Summary Minutes of December 2, 2011- Approved.
4. Discussion with Investment Manager- Investment Rate of Return, OPEB trust- Andrew Brown, Investment Manager with HighMark Capital Management, presented a report on the performance and asset allocation of CCCTA's OPEB trust. The performance ytd (since July 1, 2011) was 2.8%. The current asset allocation is 34.5% stocks, 62.5% bonds and 3% cash. Mr. Brown discussed with committee members the long term investment rate of return for the trust. After much discussion the committee approved a 5.5% investment rate of return to be used for the actuarial valuation. Director Casenave will contact the actuary with this information; a final version of the actuarial report should be finished by the next meeting.
5. FY 2011 Audit-Telephone Conference- Steven Starbuck, partner in Brown Armstrong, Certified Public Accountants, discussed the audit report. The opinion letter stated that the financial statements present fairly, in all material respects, the financial position of the Authority. The committee approved the draft and the audit will be presented at the Board meeting for final approval.
6. Closed Session: Conference with legal counsel- Existing Litigation (pursuant to Government Code Section 54956.9(a), Moses Hunt vs. CCCTA- The committee met in closed session with legal counsel and reported back into open session that directions were given to counsel.
7. Fare Increase Timing- Staff reported that CCCTA is due for a fare increase in the next year or two in order to keep up with inflation and maintain the farebox recovery ratio. Staff is recommending that there not be a fare increase in the summer of 2012 because ridership remains

flat and the implementation of the Clipper card at CCCTA, due to occur in 18-24 months, will likely change fare instruments for suburban transit operators. The staff recommendation was approved by committee members, to be included on Board consent calendar.

8. Revised Forecast- Director Casenave reported that the revised forecast was updated to include actual revenue and expense for FY 2011, which was a positive increase of \$1.8 million in the TDA reserve. Additionally, the FY 2012 estimates were adjusted to reflect current revenue and expense projections. This change increased the TDA reserve estimated by almost an additional \$1 million. Information only.
9. Review and Update CCCTA Travel Policy- This discussion will be postponed until next month's meeting.
10. Investment Quarterly Report- Staff presented the quarterly investment report. All of the investments comply with the CCCTA Investment Policy. Approved for Consent Calendar.
11. Small Claims Representation- General Manager Ramacier reported that the small claims courts in Contra Costa County require an annual resolution if the Board desires to have a third party handle CCCTA's cases. For the past several years we have authorized York Insurance Service Group to represent CCCTA. York is the third party administrator of our liability claims. Approved for Consent Calendar.
12. Legal Services Statement, October 2011 General/November 2011 Labor- The committee reviewed and approved the legal services invoices.
13. Review of Vendor Bills, December 2011- The committee reviewed the vendor bills.
14. Adjournment- The meeting was adjourned. The next meetings will be Wednesday, January 4 at 9:00 a.m. at the Walnut Creek offices of Hanson Bridgett, 1676 N. California St, Walnut Creek.

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Kathy Casenave, Director of Finance