

The County Connection

2477 Arnold Industrial Way

Concord, CA 94520-5326

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www.cccta.org

MEETING NOTICE & AGENDA Administration & Finance Committee

1676 N. California Blvd, Suite 620
Walnut Creek, CA 94596

Wednesday, February 6, 2013

9:00 a.m.

The Committee may hear, discuss, deliberate, and/or take action on any item on the agenda

1. Approval of Agenda - Action
2. Public Communication
3. Approval of Minutes of January 11, 2012 Meeting* Review/Action
4. Closed Session:
 - Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)
 - Employee Organizations:
 - Amalgamated Transit Union, Local 1605
 - Teamsters Union, Local 856, AFL-CIO, Transit Supervisors
5. Small Claims Representation* Review/Action
6. CCCTA Loss Trends* Information
7. Review of Vendor Bills, January 2013** Review
8. Legal Services Statement, December 2012 Labor** Review/Action
9. Adjournment

*Enclosure

**Enclosure for Committee Members

FY 2012/2013
A&F Committee
Al Dessayer, Moraga
Laura Hoffmeister, Concord
Gregg Manning, Clayton

General Information

Public Comment: Each person wishing to address the above named committee is requested to complete a Speaker Card for submittal to the Committee Chair before the applicable agenda item is discussed. **Accessible Public Meetings:** Upon request, CCCTA will provide written agenda materials in appropriate alternative formats, or disability-related accommodations. Please send a written request and description of the requested materials so that it is received by CCCTA at least 48 hours before the meeting convenes. **Requests should be sent to:** Janet Madrigal, Clerk to the Board – CCCTA – Administrative Department, 2477 Arnold Industrial Way, Concord, CA 94520 or madrigal@cccta.org. **Shuttle Service:** With a 24-hour notice, a CCCTA LINK shuttle will be provided from the closest BART station to the meeting location. To arrange for the shuttle, please call Robert Greenwood 925/680-2072.

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**Administration and Finance Committee
Summary Minutes
January 11, 2013**

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 Directors: Al Dessayer
Gregg Manning

Staff: General Manager Rick Ramacier
Director of Transportation Bill Churchill
Director of Finance Kathy Casenave
Sr. Transportation Manager Rashidi Barnes
Legal Counsel Pat Glenn

Guest: Ralph Hoffman

1. Adoption of the Agenda- Approved.
2. Public Communication- Mr. Hoffman was concerned that the Senior Citizens Center in Walnut Creek would only accept checks as a form of payment for transit passes, not cash.
3. Summary Minutes of December 7, 2012- Approved.
4. Closed Session- The committee adjourned to closed session to discuss labor negotiations with Legal Counsel Pat Glenn. Chairman Dessayer reported in open session that no decisions had been made.
5. Update on final disposition of CCCTA vs Kerry Walls- The committee was informed that a verdict had been rendered and CCCTA was ordered to pay to Mr. Walls \$1 and back pay that was slightly less than \$8,000.
6. FY2012 Audit-Teleconference- The committee and the auditors of Brown Armstrong, C.P.A.'s discussed the audit. Committee members requested a minor change in wording and the audit report will be presented to the Board of Directors in February. The audit report was unqualified. Approved.
7. PERS Actuarial Valuation, Rate for FY 2014- Director Casenave reported that the FY 2014 employer rate will be 5.416%, up from the current year's rate of 5.219%. CalPERS projects that the rate will be 6.5% in FY 2015 and 6.9% in FY 2016, but this will depend upon actual payroll and demographic data. Reviewed.
8. Passengers & Passenger Fare Revenue for July-September 2012- Director Casenave reported that there were several reasons for the fact that passengers fares were up but passenger count was down for this period when compared to the Same period in 2011. There was a drop in free passengers, the pass revenue collected in this period may be for passes that will be used in future periods, and the vault count for this period included 5 more days than the prior year due to the cutoff of emptying fareboxes.
9. Review of Vendor Bills, December 2012- The committee reviewed the vendor bills.
10. Legal Services Statement, November 2012, General & Paratransit; October/November 2012, Labor- Approved.
11. Adjournment- The meeting was adjourned. The next meetings will be Wednesday, February 6 at 9:00 am at the Hanson Bridgett offices in Walnut Creek.

Kathy Casenave, Director of Finance

To: A & F Committee

Date: January 29, 2013

From: Rick Ramacier
General Manager

Reviewed by:

SUBJECT: Small Claims Representation

Background: For several years, we have authorized York Insurance Service Group, Inc (formerly Bragg & Associates) to represent CCCTA in three Small Claims Courts within Contra Costa County (Mt. Diablo Judicial District, Walnut Creek-Danville Judicial District and Delta Judicial District). The Courts require that the Board of Directors pass a new resolution each year to allow this representation to continue.

Recommendation: The Administration and Finance Committee recommends that we authorize York Insurance Service Group, Inc to continue to represent CCCTA in small claims actions

Action Requested: Recommend the Board of Directors adopt Resolutions which appoint York Insurance Service Group, Inc to represent CCCTA in small claims actions in the Year 2013.

SPECIAL NOTE: Taking this action in no way precludes County Connection from taking further action to hire a different Claims Adjuster (including one that would represent us in Small Claims Court), at anytime during the course of the year.

To: Administration and Finance Committee

Date: January 29, 2013

From: Kathy Casenave

Reviewed by:

SUBJECT: CCCTA's Loss Trends

Summary of Issues: CalTIP- (California Transit Indemnity Pool) was created by California transit agencies to provide a pooled approach to insurance. It maintains up to \$20 million in pooled coverage programs for auto liability, general liability, public officials' errors and omissions, and vehicle physical damage along with bundled services for claims administration, safety, loss prevention and risk management.

CalTIP was created in 1987 and CCCTA was one of the 12 founding members. There are now 33 members throughout California.

In recent years CalTIP has provided an annual report that illustrates various loss trends for its members. The membership as a whole has a better than average track record when compared to other California transit operators.

CCCTA is the 5th largest transit operator in the pool, based on the number of miles driven in the last 5 years. These are some of the comparisons with the averages of all members:

- CCCTA has an experience modification rate of .74 in the 11/12 policy year. This is our lowest rate in the last 5 years; all 5 years are below the average of all members, 1.00.
- CCCTA has .62 claims per 100,000 miles driven. The average of all members is .72.
- CCCTA has an average cost of \$2,093 per 100,000 miles driven. The average of all members is \$7,027.

In short, the members of CalTIP have a better loss record than the average California transit operator and, in all categories; CCCTA has a better track record than the average CalTIP member.

Attachments:

Pages 1 & 2- Overview of Liability and Physical Damage Programs

Page 3- CalTIP Members Mileage

Page 4-6- CalTIP Experience Modification Factors, Frequency of Claims, Loss Rate

Liability Program

Member Self-Insured Retentions

Members are given the opportunity to select a self-insured retention that best fits their agency. These options are: \$0 (first dollar coverage); \$25,000; \$50,000; \$100,000; and \$250,000.

Pooled Program Layer

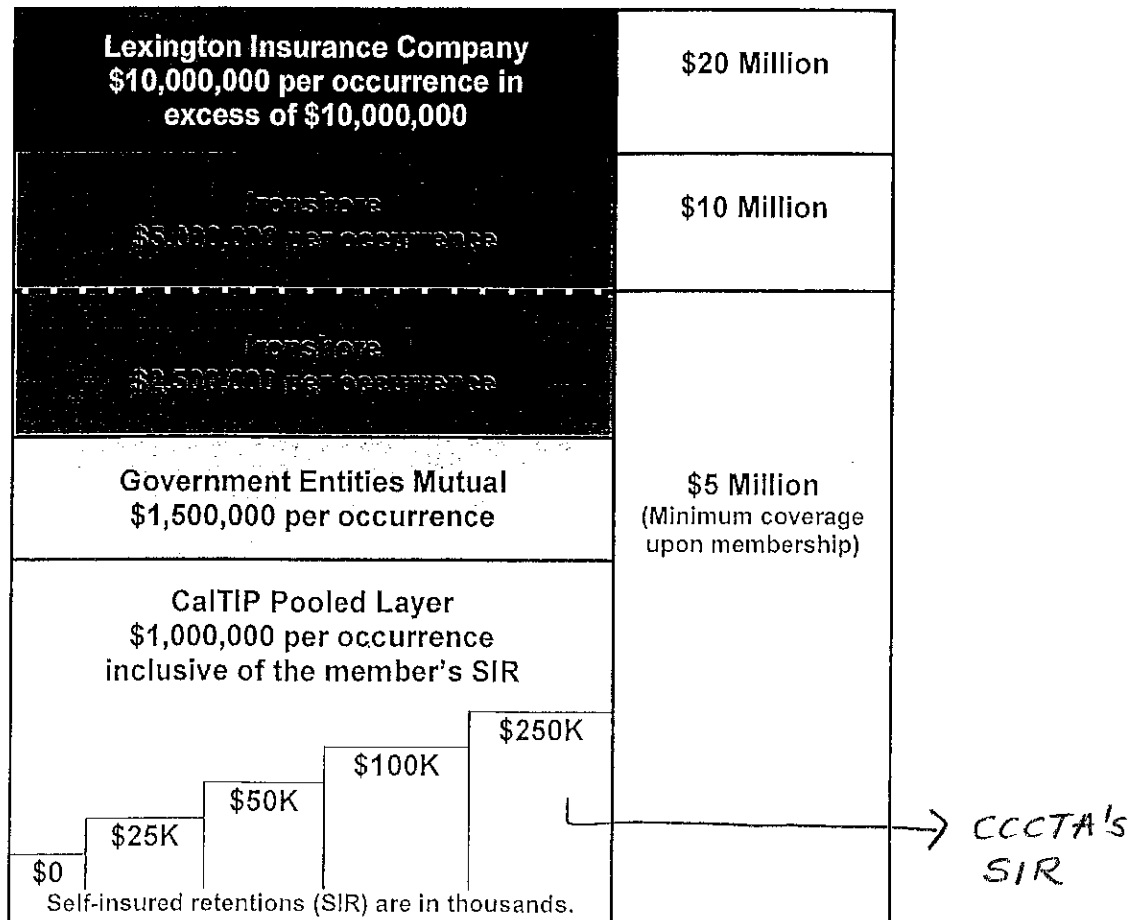
CalTIP self-funds or "pools" the first \$1 million of coverage for any claim. That amount is inclusive of the member's self-insured retention.

Reinsurance/Excess Insurance

CalTIP purchases reinsurance and excess insurance for members applying to losses that exceed CalTIP's Pooled Program Layer. All members receive \$4 million of reinsurance or excess insurance above the \$1 million Pooled Layer. Members have the option of purchasing a total of \$10 million in coverage or a total of \$20 million in coverage.

Retrospective Premium Adjustments

CalTIP returns funds to members via a retrospective adjustment calculation process. This process, which is performed annually, allocates incurred costs or assets back to members participating in specific program years. Retrospective returns are a direct result of reduced claims experience. Thus, the lower the loss experience, the greater the retrospective adjustment.



Vehicle Physical Damage Program

CalTIP's Vehicle Physical Damage Program provides members with comprehensive and collision coverage to transit staff and maintenance vehicles. The program is structured to include both self-funded (pooled) and purchased coverage. CalTIP self-funds the first layer up to \$100,000 with members selecting from various deductible options per vehicle. Excess insurance is purchased for losses exceeding \$100,000 and provides the members with coverage up to \$20 million per occurrence. CalTIP's program is additionally enhanced with an aggregate stop-loss feature. The aggregate stop-loss is equal to the five highest deductibles of any vehicles involved in a multi-vehicle loss.

Member Deductibles

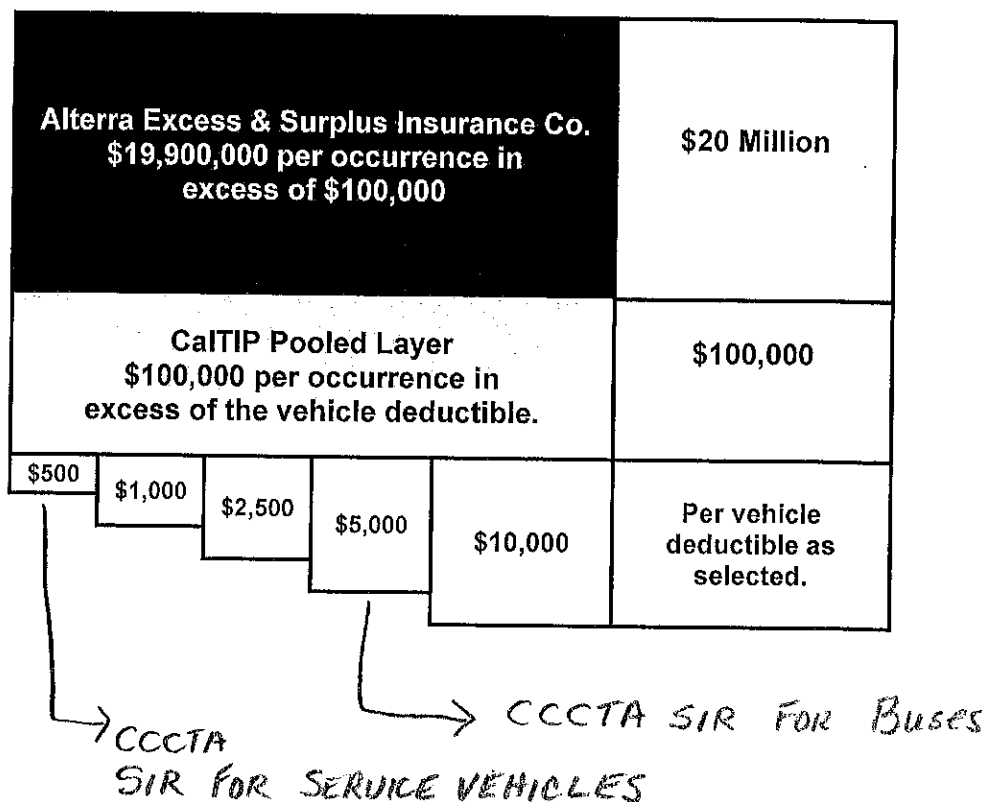
Members are given the opportunity to select a deductible option per vehicle. The deductible options are \$500, \$1,000, \$2,500, \$5,000, and \$10,000. Vehicles with an actual cash value of \$50,000 or greater may select a deductible of no less than \$5,000.

Pooled Program Layer

CalTIP self-funds or "pools" the first \$100,000 of coverage above the member agency's assigned vehicle deductible.

Excess Insurance

CalTIP purchases excess insurance for losses exceeding \$100,000. The excess insurance provides coverage for losses up to a limit of \$20 million per occurrence.



Mileage

Total Mileage by Member

Total mileage is the sum of revenue and non-revenue miles. Revenue mileage is miles operated or driven by revenue vehicles (i.e., buses or passenger vans). Non-revenue mileage is miles operated or driven by non-revenue vehicles, meaning any car or service truck.

MEMBER	07/08	08/09	09/10	10/11	11/12	TOTAL ALL YEARS
[REDACTED]	353,000	315,976	300,499	229,275	237,521	1,436,271
[REDACTED]	125,000	128,000	124,000	120,420	172,100	669,520
[REDACTED]	62,952	64,846	62,231	60,793	61,716	312,538
[REDACTED]	119,275	114,560	111,605	115,499	115,839	576,778
CCCTA	4,514,526	4,405,065	3,349,685	3,265,411	3,290,011	⑤ 18,824,698
[REDACTED]	1,502,362	1,616,299	1,666,921	1,742,745	1,759,763	8,288,090
[REDACTED]	133,717	108,586	77,519	83,576	87,944	491,342
[REDACTED]	1,508,951	1,500,060	1,244,397	1,328,318	1,388,723	6,970,449
[REDACTED]	306,326	251,895	202,775	191,540	194,121	1,146,657
[REDACTED]	2,098,931	2,116,142	2,086,073	1,979,568	2,104,397	10,385,111
[REDACTED]	4,517,362	4,632,752	4,649,628	4,584,877	4,685,566	④ 23,070,185
[REDACTED]	873,078	883,148	1,029,911	1,200,953	1,173,191	5,160,281
[REDACTED]	94,336	81,084	60,011	115,083	109,834	460,348
[REDACTED]	3,243,494	2,705,032	2,413,779	2,381,140	2,424,358	13,167,803
[REDACTED]	532,506	523,099	428,121	305,372	351,430	2,140,528
[REDACTED]	849,271	851,853	840,626	771,843	750,022	4,063,615
[REDACTED]	3,353,109	3,501,241	3,828,574	3,912,154	4,224,962	⑥ 18,820,040
[REDACTED]	788,860	716,723	744,355	740,020	785,504	3,775,462
[REDACTED]	859,179	855,952	1,312,301	0	0	3,027,432
[REDACTED]	634,356	545,181	332,428	256,604	253,999	2,022,568
[REDACTED]	12,740,698	12,899,959	13,190,541	12,728,288	13,011,421	① 64,570,907
[REDACTED]	1,249,939	1,435,175	1,411,295	1,643,977	1,574,626	7,315,012
[REDACTED]	442,703	465,759	433,132	379,323	374,876	2,095,793
[REDACTED]	6,197,568	6,489,509	5,972,253	5,423,648	5,589,064	② 29,672,042
[REDACTED]	1,649,170	1,679,274	1,738,528	1,738,343	2,051,525	8,856,840
[REDACTED]	4,897,684	5,230,489	4,628,594	4,697,597	4,097,455	③ 23,551,819
[REDACTED]	1,128,638	1,145,291	1,112,835	1,235,892	1,203,993	5,826,649
[REDACTED]	480,690	476,681	395,643	473,572	495,325	2,321,911
[REDACTED]	276,441	260,936	225,325	249,749	239,957	1,252,408
[REDACTED]	13,956	6,000	15,000	157,441	923,420	1,115,817
[REDACTED]	368,025	423,398	428,972	465,033	572,994	2,258,422
[REDACTED]	2,012,556	2,035,502	2,123,149	2,062,530	2,167,743	10,401,480
[REDACTED]	2,030,301	1,984,568	1,867,349	1,897,752	1,919,766	9,699,736
[REDACTED]	178,136	206,950	213,274	221,039	228,494	1,047,893
[REDACTED]	2,384,885	2,612,672	2,576,609	2,558,284	2,547,012	12,679,462
CalTIP Total	62,521,981	63,269,657	61,197,938	59,317,659	61,168,672	307,475,907

SOURCE - CalTIP annual mileage certification survey results.

CCCTA is the 5th largest operator based on miles driven

Experience Modification Factors

Experience modifications factors (Xmods) are designed to adjust your CalTIP contributions up or down based on whether your historical claim results have been better or worse than the CalTIP average. Xmods below 1.00 indicate better than average experience. Xmods above 1.00 indicate worse than average experience.

MEMBER	07/08	08/09	09/10	10/11	11/12	
[REDACTED]	0.65	0.64	0.54	0.51	0.76	
[REDACTED]	0.82	0.73	0.62	0.61	0.85	
[REDACTED]	0.74	0.72	0.61	0.57	0.66	
[REDACTED]	0.99	0.98	1.01	1.03	1.01	
CCCTA	0.86	0.92	0.82	0.82	(5) 0.74	
[REDACTED]	1.09	1.32	1.37	1.55	1.47	
[REDACTED]	0.74	0.72	0.61	0.57	0.66	
[REDACTED]	0.49	0.50	0.41	0.39	0.49	
[REDACTED]	0.74	0.85	0.61	0.50	0.77	
[REDACTED]	1.68	2.04	1.56	1.56	1.50	
[REDACTED]	1.09	0.96	1.08	1.09	(4) 1.24	
[REDACTED]	0.80	0.70	0.72	0.66	0.58	
[REDACTED]	0.74	0.72	0.61	0.56	0.67	
[REDACTED]	0.95	0.97	1.02	1.17	1.00	
[REDACTED]	1.10	1.02	1.16	1.17	1.06	
[REDACTED]	0.81	0.80	0.46	0.44	0.47	
[REDACTED]	0.81	0.63	0.69	0.67	(6) 0.64	
[REDACTED]	0.59	0.56	0.65	0.63	0.77	
[REDACTED]	1.63	1.76	1.99	N/A	N/A	
[REDACTED]	0.63	0.60	0.54	0.51	0.56	
[REDACTED]	0.92	0.96	1.02	1.24	(1) 1.17	
[REDACTED]	0.64	0.56	0.45	0.55	0.55	
[REDACTED]	0.90	0.96	1.02	1.07	1.04	
[REDACTED]	1.33	1.16	1.21	1.05	(2) 1.01	
[REDACTED]	0.87	0.98	0.68	0.51	0.63	
[REDACTED]	0.89	0.79	0.84	0.72	(3) 0.90	
[REDACTED]	1.05	1.24	1.15	0.87	0.81	
[REDACTED]	0.82	0.61	0.50	0.45	0.56	
[REDACTED]	0.96	0.95	0.78	0.54	0.62	
[REDACTED]	0.76	0.74	0.62	0.59	0.68	
[REDACTED]	0.99	1.02	1.04	0.93	0.94	
[REDACTED]	1.22	1.20	1.21	1.41	N/A	
[REDACTED]	0.77	0.66	0.77	0.95	1.05	
[REDACTED]	0.96	0.99	1.16	1.36	1.14	
[REDACTED]	0.96	1.13	1.00	1.10	1.03	

SOURCE - CalTIP experience modification factors calculated by ARM Tech.

Frequency

Number of Claims per 100,000 Miles

Frequency is the number of claims experienced per mile traveled. It is determined by taking the claim count divided by the miles traveled, multiplied by 100,000. The result is the number of claims incurred per 100,000 miles traveled.

CalTIP Average
0.72

MEMBER	07/08	08/09	09/10	10/11	11/12	AVERAGE		
[REDACTED]	0.85	0.63	1.00	0.87	0.00	0.70		
[REDACTED]	1.60	0.78	1.61	0.83	0.58	1.05		
[REDACTED]	0.00	1.54	0.00	0.00	0.00	0.32		
[REDACTED]	0.00	0.00	0.00	0.87	0.00	0.17		
CCCTA	0.80	0.61	0.54	0.58	0.52	⑤ 0.62		
[REDACTED]	0.53	0.87	0.96	0.80	1.31	0.90		
[REDACTED]	2.24	0.92	1.29	1.20	0.00	1.22		
[REDACTED]	0.53	0.53	0.48	0.45	0.43	0.49		
[REDACTED]	0.33	0.40	1.48	0.52	0.00	0.52		
[REDACTED]	1.29	1.56	1.29	1.06	1.09	1.26		
[REDACTED]	1.51	1.62	1.40	1.18	1.22	④ 1.38		
[REDACTED]	0.34	0.23	0.58	0.58	0.34	0.43		
[REDACTED]	1.06	1.23	1.67	0.87	0.00	0.87		
[REDACTED]	1.88	1.85	1.04	0.76	0.82	1.32		
[REDACTED]	0.75	0.76	1.64	0.98	0.28	0.89		
[REDACTED]	0.82	0.23	0.12	0.39	0.53	0.42		
[REDACTED]	0.33	0.11	0.18	0.26	0.19	⑥ 0.21		
[REDACTED]	0.89	0.42	0.27	0.14	0.38	0.42		
[REDACTED]	1.86	0.82	0.61	N/A	N/A	1.02		
[REDACTED]	1.42	0.92	0.30	0.00	0.79	0.84		
[REDACTED]	0.64	0.67	0.64	0.67	0.57	① 0.64		
[REDACTED]	0.32	0.21	0.28	0.06	0.57	0.29		
[REDACTED]	0.90	1.07	0.23	1.05	1.07	0.86		
[REDACTED]	0.89	0.48	0.44	0.85	0.30	② 0.59		
[REDACTED]	0.85	1.07	0.58	0.98	0.54	0.79		
[REDACTED]	0.47	0.40	0.37	0.43	1.32	③ 0.57		
[REDACTED]	0.80	0.61	0.27	0.49	0.58	0.55		
[REDACTED]	0.21	0.21	1.26	0.42	0.20	0.43		
[REDACTED]	0.72	0.77	1.33	0.00	0.83	0.72		
[REDACTED]	0.00	0.00	0.00	1.27	0.43	0.54		
[REDACTED]	1.09	0.00	0.70	0.65	0.52	0.58		
[REDACTED]	1.69	1.47	0.99	1.12	0.46	1.13		
[REDACTED]	0.79	0.86	0.54	0.47	0.16	0.57		
[REDACTED]	2.81	0.97	0.94	0.00	0.00	0.86		
[REDACTED]	0.80	0.54	0.93	0.35	0.59	0.64		
CalTIP Average	0.87	0.76	0.67	0.66	0.63	0.72		

NOTE - The overall averages (i.e., last row and last column) are weighted. That is, they are based on the total claims and mileage for all years for all members. They are not calculated by taking an average of the yearly frequencies shown above.

Loss Rate

Incurring Losses per 100,000 Miles

Loss rate is the cost incurred per mile traveled. It is determined by taking the incurred losses (paid losses plus reserves) divided by the miles traveled, multiplied by 100,000. The result is a dollar amount of incurred losses per 100,000 miles traveled.

CalTIP Average
\$ 7,027

MEMBER	07/08	08/09	09/10	10/11	11/12	AVERAGE	
[REDACTED]	\$ 1,948	\$ 684	\$ 22,892	\$ 4,387	\$ 0	\$ 6,119	
[REDACTED]	5,339	31,122	8,307	187	3,084	9,312	
[REDACTED]	0	3,135	0	0	0	650	
[REDACTED]	0	0	0	25,974	0	5,201	
CCCTA	2,025	1,652	2,016	3,463	1,497	(5) 2,093	
[REDACTED]	4,588	8,267	51,470	8,488	5,960	15,846	
[REDACTED]	2,426	1,672	2,394	596	0	1,509	
[REDACTED]	854	1,430	1,448	2,360	2,753	1,749	
[REDACTED]	846	150	257,788	97	0	45,862	
[REDACTED]	6,483	23,539	7,017	3,987	8,185	9,935	
[REDACTED]	9,127	26,141	6,444	6,098	5,635	(4) 10,692	
[REDACTED]	1,017	213	3,300	2,840	312	1,599	
[REDACTED]	4,255	1,526	773	44,436	0	12,350	
[REDACTED]	4,093	5,581	2,389	4,925	3,613	4,148	
[REDACTED]	8,462	785	1,857	1,732	1,067	3,090	
[REDACTED]	1,153	176	22	27,329	1,124	5,681	
[REDACTED]	12,473	794	15,567	8,068	772	(6) 7,387	
[REDACTED]	93,496	879	3,440	277	1,062	20,656	
[REDACTED]	18,718	33,412	648	N / A	N / A	15,040	
[REDACTED]	1,453	1,537	878	0	5,118	1,657	
[REDACTED]	5,965	6,090	6,336	11,037	3,252	(1) 6,519	
[REDACTED]	525	340	12,978	822	2,018	3,280	
[REDACTED]	3,741	5,822	431	28,674	9,365	9,038	
[REDACTED]	4,166	5,337	2,446	10,702	1,858	(2) 4,836	
[REDACTED]	2,040	2,016	1,824	4,234	3,755	2,821	
[REDACTED]	856	2,789	6,930	21,077	4,176	(3) 7,090	
[REDACTED]	1,466	13,792	33,686	2,293	18,576	13,753	
[REDACTED]	945	128	2,329	372	1,021	912	
[REDACTED]	1,783	1,449	1,245	0	5,303	1,935	
[REDACTED]	0	0	0	19,245	1,451	3,917	
[REDACTED]	1,074	0	7,543	2,045	867	2,249	
[REDACTED]	6,847	4,202	36,900	12,913	810	12,409	
[REDACTED]	2,813	5,289	9,468	23,343	6,822	9,411	
[REDACTED]	21,536	1,437	803	0	0	4,108	
[REDACTED]	3,814	10,191	7,235	6,050	1,609	5,831	
CalTIP Average	\$ 5,979	\$ 7,013	\$ 9,499	\$ 9,329	\$ 3,405	\$ 7,027	

NOTE - The overall averages (i.e., last row and last column) are weighted. That is, they are based on the incurred losses and mileage for all years for all members. They are not calculated by taking an average of the yearly severities shown above.