

Administration and Finance Committee
Summary Minutes
July 1, 2015

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

Committee Members: Director Don Tatzin
Director Gregg Manning
Director Bob Simmons

Staff: General Manager Rick Ramacier
Director of Finance Kathy Casenave

Guests: Andrew Brown, Senior Portfolio Manager, Highmark Capital
Mitch Barker, Executive Vice President, PARS
Rachael Saunders, Client Services Supervisor, PARS

Public: Ralph Hoffmann

1. Approval of Agenda- Approved, with minor changes in the order of business.
2. Public Communication- Mr. Hoffmann spoke on the need to provide some service on holidays for the transit dependent.
3. Approval of Minutes of June 3, 2015- Approved.
4. CCCTA Investment Policy-Quarterly Reporting Requirement- Staff reported that the portfolio as of March 31, 2015 complies with County Connection's Investment Policy. Approved for the Board consent calendar.
5. Adjustment to Non-represented Employees Compensation- General Manager Ramacier requested a 4% increase in the payscale for administrative employees and that the amount is in the FY 2016 Budget. Approved for the Board consent calendar.
6. Performance Based Compensation Pool- General Manager Ramacier requested a Performance based compensation pool of \$40,000 for select senior management employees, which would be distributed to high performing senior managers at the discretion of the General Manager. Approved for the Board consent calendar.
7. Financial Statements for the Nine Months ended March 31, 2015- Director of Finance Casenave reported that the actual operating expenses are 8.8% (\$2,324,087) under budget as of March 31, 2013. Diesel Fuel, and repair parts accounted for \$892,472 of the variance. Fringe benefits, services and special trip service were other expenses that were lower than budgeted. Reviewed.
8. Adoption of Gann Appropriations Spending Limitation for FY 2016- Director of Finance Casenave reported that the spending limit for CCCTA for FY 2016 is \$64,088,230. The budgeted amount for operating and capital that is paid for by nonfederal monies is \$36,552,638, or \$24,535,592 under the Gann limitation. Approved for the Board consent calendar.
9. PARS OPEB Trust- The representatives from Highmark Capital and PARS reported on the performance of CCCTA's OPEB Trust. The one year performance as of May 31, 2015 was 3.83%; the performance since inception of 7/1/2010 is 6.26%. The account balance as of April 30, 2015 was \$2,059,255. The committee reviewed the report and discussed the asset allocation strategy. The asset allocation approved by the A&F Committee at inception is Moderately Conservative and the committee did not recommend a change.
10. Alternative Funding Methods for CalPERS Retirement- Director of Finance Casenave reported the unfunded liability as CCCTA's CalPERS retirement as of the last valuation was \$3,931,573. CalPERS projects that if the amortization period is lowered from 30 years to 25 years the additional payment would be \$259,855 and the

interest savings would be \$1,785,101; shortening to 20 years, the additional payment would be \$296,855, and the interest savings would be \$3,255,619. The next valuation report is due in late October or early November 2015. Since the extra payment has not been budgeted for the consensus is that this issue be brought again to the committee after receipt of the new report.

11. Review of Vendor Bill, June 2015- Reviewed.
12. Legal Services Statement, April 2015- General and Labor- Approved.
13. Adjournment- The meeting was adjourned. The next meetings are scheduled for Wednesdays, August 5th and September 2nd at 9:00 a.m.

Kathy Casenave, Director of Finance