

County Connection

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

ADMINISTRATION & FINANCE COMMITTEE MEETING AGENDA

Wednesday, October 28, 2015
9:00 a.m.

Hanson Bridgett
1676 North California Blvd., Suite 620
Walnut Creek, California

The committee 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 committee.

1. Approval of Agenda
2. Public Communication
3. Selection of Chair
4. Approval of Minutes of October 7, 2015*
5. CCCTA's Loss Trends*
6. Review of Vendor Bills, October 2015**
7. Legal Services Statement, August 2015-General, August 2015 Labor**
8. Adjournment

*Enclosure

**Enclosure for Committee Members

***To be mailed under separate cover

FY2015/2016 A&F Committee

Don Tatzin – Lafayette, Al Dessayer - Moraga, Sue Noack – Pleasant Hill, Bob Simmons – Walnut Creek

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

General Information

Public Comment: Each person wishing to address the committee is requested to complete a Speakers Card for submittal to the Committee Chair before the meeting convenes or the applicable agenda item is discussed. Persons who address the Committee are also asked to furnish a copy of any written statement to the Committee Chair. Persons who wish to speak on matters set for Public Hearings will be heard when the Chair calls for comments from the public. After individuals have spoken, the Public Hearing is closed and the matter is subject to discussion and action by the Committee.

A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Committee. Each individual will be allotted three minutes, which may be extended at the discretion of the Committee Chair.

Consent Items: All matters listed under the Consent Calendar are considered by the committee to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a committee member or a member of the public prior to when the committee 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. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service so that it is received by County Connection at least 48 hours before the meeting convenes. Requests should be sent to the Assistant to the General Manager, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or hill@countyconnection.com.

Shuttle Service: With 24-hour notice, a County Connection LINK shuttle can be available at the BART station nearest the meeting location for individuals who want to attend the meeting. To arrange for the shuttle service, please call Robert Greenwood – 925/680 2072, no later than 24 hours prior to the start of the meeting.

Currently Scheduled Board and Committee Meetings

Board of Directors:	Thursday, November 19, 9:00 a.m., County Connection Board Room
Administration & Finance:	Wednesday, December 2, 9:00 .am., 1676 N. California Blvd., S620, Walnut Creek
Advisory Committee:	TBA. County Connection Board Room
Marketing, Planning & Legislative:	Thursday, November 5, 8:30 a.m., 2477 Arnold Industrial Way, Concord, CA
Operations & Scheduling:	Friday, November 6, 8:00 a.m. Supervisor Andersen's Office 309 Diablo Road, Danville, CA

The above meeting schedules are subject to change. 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 on County Connection's Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

Administration and Finance Committee
Summary Minutes
October 7, 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 Al Dessayer
Director Bob Simmons
Director Sue Noack

Staff: Director of Finance Kathy Casenave
Director of Planning and Marketing Anne Muzzini

Public: Ralph Hoffmann

1. Approval of Agenda- Approved.
2. Public Communication- Mr. Hoffmann spoke about gun violence and how it may impact transit riders.
3. Approval of Minutes of September 2, 2015- Approved.
4. County Connection Investment Policy-Quarterly Reporting Requirement- Staff prepared report detailing the balances in the bank accounts. Director Casenave reported that the investments comply with the Board approved investment policy. Approved.
5. County Connection Income statements for the Twelve Months Ended June 30, 2015- Director Casenave reported that the fieldwork for the FY 2015 audit has been completed and it is not expected that there will be any adjustments that would materially alter the statements. The actual expenses were 7.1% under budget, (\$2,495,904). Of this, material and supplies were under budget by (\$1,208,563), mainly due to diesel fuel and repair parts. Reviewed.
6. Earthquake and Flood Insurance- Periodically our insurance broker, Integro Insurance, reviews coverages with staff. The Authority does not have earthquake or flood insurance and Integro obtained quotes for the coverages. The annual cost for earthquake insurance ranged from \$24,500-\$29,000; for flood insurance, \$3,788-\$4,500. The committee decided not to purchase the insurance because the buildings complied with earthquake standards in force at that time of construction in 1987 and 1997 and these stricter codes have limited damage in California. Reviewed.
7. Authorize Execution of Amended and Restated Clipper Memorandum of Understanding- Director Muzzini reported that an amended and restated Clipper MOU was developed by MTC and participating transit agencies to restructure roles and responsibilities. This MOU would extend to June 30, 2025 unless otherwise terminated by the parties. Approved.
8. Review of Vendor Bill, September 2015- Reviewed.
9. Legal Services Statement, July 2015- General and Labor- Approved.
10. Adjournment- The meeting was adjourned. The next meeting is scheduled for Wednesday, October 28th at 9:00 a.m.

To: Administration and Finance Committee

Date: October 20, 2015

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 6th largest transit operator in the pool, based on the number of miles driven in the 3 years of the most current report (FY11, FY12, FY13). These are some of the comparisons with the averages of all members:

- CCCTA has an experience modification rate of .838 in the 15/16 policy year. The average of all members is 1.00. The purpose of the experience modification (ex-mod) is to equitably allocate to each member its share of funding needed to cover claims based on their own loss experience compared to the loss experience of the pool.
- CCCTA's incurred losses for the above 3 years, capped at \$50,000 per claim, was \$377,329. The other 5 large operators incurred losses were \$247,113, \$411,917, \$776,363, \$913, 279, \$2,264,702.
- CCCTA had an average cost of \$35 per 1,000 miles driven. The other 5 large operators had an average cost of \$21, \$31, \$54, \$57, \$58. The average of all members is \$46.

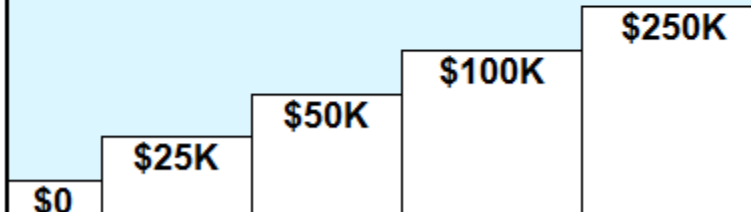
In short, the members of CalTIP have a better loss record than the average California transit operator and CCCTA has a better track record than the average CalTIP member.

Attachments:

Pages 2 - 4- Overview of Liability and Physical Damage Programs

Page 5- CalTIP Experience Modification Factor

CalTIP's Liability Program provides protection against covered losses wherein the member is legally liable for bodily injury or physical damage caused by either the member itself or an owned vehicle. CalTIP's pooled and excess coverage, combined with various deductible options, provides general liability, public officials' errors & omissions, limited employment practices liability and vehicle liability.

Allied World \$5,000,000 per occurrence excess of \$20,000,000	\$25 Million
Ironshore \$10,000,000 per occurrence excess of \$10,000,000	\$20 Million
Munich Re \$5,000,000 per occurrence excess of \$5,000,000	\$10 Million
Munich Re \$2,000,000 per occurrence excess of \$3,000,000	\$5 Million (Minimum coverage upon membership)
Government Entities Mutual \$2,000,000 per occurrence excess of \$1,000,000	
CalTIP Pooled Layer \$1,000,000 per occurrence inclusive of the member's SIR	
 <p>Self-insured retentions (SIR) are in thousands.</p>	

Member Deductibles

Members are given the opportunity to select a deductible 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 \$1,000,000 of coverage for any claim. That amount is inclusive of the member's deductible.

Reinsurance/Excess Insurance

CalTIP purchases reinsurance and excess insurance for members applying to losses that exceed CalTIP's Pooled Program Layer. All members receive \$4,000,000 of reinsurance or excess insurance above the \$1,000,000 Pooled Layer. Members have the option of purchasing a total of \$10,000,000 in coverage or a total of \$25,000,000 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.

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 \$25 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.

Maxum Indemnity/Hiscox \$5,000,000 per occurrence excess of \$20,000,000	\$25 Million
Alterra Excess & Surplus Insurance Co. \$19,900,000 per occurrence excess of \$100,000	\$20 Million
CalTIP Pooled Layer \$100,000 per occurrence inclusive of the vehicle deductible.	\$100,000
	Per vehicle deductible as selected.

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 must select a deductible of no less than \$5,000.

Pooled Program Layer

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

Excess Insurance

CalTIP purchases excess insurance for losses exceeding \$100,000.

CALIFORNIA TRANSIT INDEMNITY POOL
LIABILITY

Exhibit LI-4

2015/16 Projected Experience Modification Factor

Member (2)	(000) 2010/11 to 2012/13 Miles (3)	Credibility (3)/[(3)+ Max(3)] (4)	2010/11 to 2012/13 Reported Incurred Losses Capped at \$50,000 Per Claim (5)	2010/11 to 2012/13 Loss Rate per 1,000 Miles (5)/(3) (6)	Uncapped 2015/16 Experience Modification Factor (7)	Prior 2014/15 Experience Modification Factor (8)	Capped 2015/16 Experience Modification Factor (9)	Change (9) - (8) (10)
	701	0.11	\$14,221	\$20	0.938	0.727	0.836	0.109
	466	0.08	11,805	25	0.966	0.775	0.891	0.116
	185	0.03	0	0	0.968	0.752	0.864	0.113
	334	0.06	50,000	150	1.124	1.196	1.124	-0.072
Central Contra Costa Transit Authority	* 10,824	0.66	377,349	35	0.838	0.784	0.838 *	0.054
	5,383	0.49	502,183	93	1.493	1.259	1.448	0.189
	254	0.04	2,477	10	0.966	0.750	0.863	0.113
	4,057	0.42	129,174	32	0.870	0.771	0.870	0.098
	577	0.09	54,717	95	1.096	0.885	1.018	0.133
	6,267	0.52	432,639	69	1.257	1.271	1.257	-0.014
	* 13,639	0.71	776,363	57	1.161	1.341	1.161 *	-0.179
	3,587	0.39	96,743	27	0.838	0.657	0.755	0.098
	327	0.05	50,000	153	1.125	0.930	1.070	0.140
	7,131	0.56	315,867	44	0.975	1.100	0.975	-0.125
	995	0.15	14,083	14	0.896	0.947	0.896	-0.051
	2,264	0.29	65,237	29	0.892	0.729	0.839	0.109
	* 11,937	0.68	247,113	21	0.625	0.641	0.625 *	-0.016
	2,316	0.29	73,487	32	0.909	0.840	0.736	0.096
	777	0.12	9,672	12	0.912	0.699	0.804	0.105
	* 38,718	0.87	2,264,702	58	1.229	1.132	1.229	0.097
	4,772	0.46	98,040	21	0.746	0.631	0.725 *	0.095
	1,179	0.17	99,087	84	1.140	1.217	1.140	-0.077
	* 17,027	0.75	913,279	54	1.118	1.286	1.118 *	-0.168
	5,900	0.51	201,184	34	0.865	0.877	0.865	-0.011
	* 13,447	0.70	411,917	31	0.762	0.829	0.762 *	-0.067
	3,612	0.39	279,848	77	1.261	1.045	1.202	0.157
	1,494	0.21	7,825	5	0.815	0.622	0.715	0.093
	705	0.11	40,300	57	1.026	0.722	0.831	0.108
	1,986	0.26	131,824	66	1.112	0.888	1.021	0.133
	1,644	0.22	17,508	11	0.827	0.890	0.827	-0.063
	5,696	0.50	193,090	34	0.866	0.936	0.866	-0.070
	692	0.11	0	0	0.891	0.939	0.891	-0.048
	7,661	0.57	299,289	39	0.910	0.925	0.910	-0.015
Total	176,557		\$8,181,023	\$46				