

Administration and Finance Committee
Summary Minutes
March 2, 2016

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 Al Dessayer Director Don Tatzin Director Sue Noack
Staff:	General Manager Rick Ramacier Director of Finance Erick Cheung Director of Maintenance Scott Mitchell Senior Manager of Human Resources Lisa Rettig
Guest:	Andrew Brown, Senior Portfolio Manager, Highmark Capital
Public:	Ralph Hoffman

1. Approval of Agenda- Approved.
2. Public Communication- Mr. Hoffman spoke on the need to provide additional transportation from the North Concord/Martinez Bart Station to County Connection for the next Board Meeting since the Board is expected to have a Public Hearing on the Short Range Transit Plan.
3. Approval of Minutes of February 3, 2016- Approved.
4. County Connection Investment Policy-Quarterly Reporting Requirement- Director Cheung reported that the portfolio as of December 31, 2016 complies with County Connection's Investment Policy. Approved for the Board consent calendar.
5. Increasing Cafeteria Amounts for Non Represented Employees- Senior Manager of Human Resources Rettig provided a summary of the Cafeteria Plan increase for Non Represented (Administrative) employees consistent with the current MOUs with ATU and Teamsters. The increase is based on a formula that averages the two most popular health plans by coverage level and adding the increase to the Cafeteria amount from the previous year. The increase for 2016 was 7.21% with an estimated cost of \$15,100 which was included in the adopted budget. The committee approved the Cafeteria Plan increase and will forward to the Board.
6. Public Agency Retirement Services (PARS) OPEB Trust- The representative from Highmark Capital reported on the performance of CCCTA's OPEB Trust. The one year performance as of June 30, 2015 was 1.88%; the performance over the last 5 years is 5.95%. The account balance as of June 30, 2015 was \$2,032,180. The committee reviewed the report and discussed the asset allocation strategy and investment rate of return. The asset allocation approved by the A&F Committee at inception is Moderately Conservative and the committee did not recommend a change.
7. FY 2016 Draft Budget- Director Cheung discussed the first draft of the FY 2017 operating and capital budget. The FY 2016 estimated operating expenses are expected to be \$34.7 million or 5.5% (\$2.0 million) under budget; the largest under budget category is diesel fuel, at \$1.1 million. The contingency of \$1.3 million does not appear to be needed. Any TDA 4.0 not used for expenses will be returned to MTC to be credited to our reserve. The FY 2017 draft budget proposes \$37.2 million in operating expenses which is \$2.5 million over FY 2016 estimated actual. Most of the increase is in wages and benefits, and diesel fuel. Director Cheung advised that this draft is preliminary and there will be an updated draft prepared for the April and May meetings before

a final budget is adopted in June. The committee members discussed various aspects of the budget, the 10 year forecast and reserves.

8. Review of Vendor Bills, February 2016- Reviewed.
9. Legal Services Statement, December 2015, General & Labor- Approved.
10. Adjournment- The meeting was adjourned. The next meetings will be tentatively scheduled for Wednesday, April 13th at 9:00 a.m. and Wednesday, May 4th at 9:00 a.m.

Erick Cheung, Director of Finance