

# County Connection

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

## **BOARD OF DIRECTORS MEETING AGENDA**

**Thursday, May 18, 2017  
9:00 a.m.**

**CCCTA Paratransit Facility  
Gayle B. Uilkema Memorial Board Room  
2477 Arnold Industrial Way  
Concord, California**

The County Connection Board of Directors 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 Board of Directors.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Confirm Quorum
3. Public Communication
4. Consent Calendar
  - a. Approval of Minutes of Regular Meeting of April 20, 2017\*
  - b. Updated Drug and Alcohol Free Workplace Policy\*  
Resolution No. 2017-017\*
5. Report of Chair
6. Report of General Manager
  - a. Recognition of Employees of the 1st Quarters, 2017
  - b. Recognition of Retired Employees
  - c. Pending Retirement of Director of Planning & Marketing\*
7. Report of Standing Committee
  - a) Administration and Finance Committee  
(Committee Chair: Director Al Dessayer)
    1. Employment Practices Liability Insurance First Transit\*  
Resolution No. 2017 – 018\*\*  
(The A & F Committee recommends the Board proceed with Integro CapSpecialty for one year at the \$250, 000 self-retention and \$2 million of coverage for Employment Practices Liability Insurance.)
  - b) Marketing, Planning & Legislation Committee  
(Committee Chair: Director Jim Diaz)

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

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

1. Administration Building Hours for the Public  
(The MP &L Committee recommends returning the public access hours for the administration building to 8:00 AM – 5:00 PM )
  8. Report from the Advisory Committee
    - a) Appointment of David Piper to serve as the alternate Representative from the City of Pleasant Hill
  9. Board Communication  
Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report (on any matter) be made at another meeting.
  10. Closed Session:
    - a) Liability Claims (Government Code Section 54956.95) Claim against Central Contra Costa Transit Authority; Claimant: Stacy Howard
  11. Open Session: Report of Action taken in Closed Session
  12. Adjournment
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\*Enclosure

\*\*It will be available at the Board meeting.

General Information

Possible Action: The Board may act upon any item listed on the agenda.

Public Comment: Each person wishing to address the County Connection Board of Directors is requested to complete a Speakers Card for submittal to the Clerk of the Board before the meeting convenes or the applicable agenda item is discussed. Persons who address the Board are also asked to furnish a copy of any written statement to the Clerk.

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 Board.

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

Consent Items: All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member or a member of the public prior to when the Board 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](http://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 Board Clerk, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or [hill@countyconnection.com](mailto:hill@countyconnection.com)

Shuttle Service: With 24-hour notice, a County Connection LINK shuttle can be available at the North Concord BART station for individuals who want to attend the Board meetings. 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, June 15 , 9:00 a.m., County Connection Board Room
- Administration & Finance: Monday, May 31, 8:30 a.m. Candace Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA 94549
- Advisory Committee: TBA, County Connection Board Room
- Marketing, Planning & Legislative: Thursday, June 1, 10:00 a.m., 1676 N. California Blvd., Suite 620, Walnut Creek, CA,
- Operations & Scheduling: Friday, June 2, 8:00a.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](http://www.countyconnection.com)) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting.**

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# County Connection

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Agenda Item No. 4.a.

## CCCTA BOARD OF DIRECTORS

### MINUTES OF THE REGULAR MEETING

April 20, 2017

#### CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Hoffmeister called the regular meeting of the Board of Directors to order at 9 a.m. Board Members present were Directors, Dessayer, Diaz, Hudson, Storer, Tatzin and Wilk. Directors Andersen, Noack, Schroder and Worth were absent.

Staff: Ramacier, Chun, Barnes, Cheung, Hill, Horta, Martinez, McCarthy, Mitchell, Morris-Martinez, Muzzini and Rettig

#### Public Comment:

Angel Grant a resident of Pacheco, CA, spoke to the Board regarding increasing service on Route 316, 18 and 4. The weekend schedule ends too early if people have later appointments or errands to run. She wants the Board to consider her requests, and thanks them for their time. Chair Hoffmeister stated that staff will look into her concerns and thanked her for coming in.

#### CONSENT CALENDAR

**MOTION:** Director Tatzin moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting of March 16, 2017; (b) Credit Card Policy Update, Resolution No. 2017-014. Director Wilk seconded the motion and it received the following vote of approval:

Aye: Directors Dessayer, Diaz, Hoffmeister, Hudson, Storer, Tatzin and Wilk

No: None

Abstain: None

Absent: Directors Andersen, Noack, Schroder and Worth.

**REPORT OF CHAIR:** None

#### REPORT OF GENERAL MANAGER:

##### Recognition of Employees with 20 Years of Service

Miguel Duenas-Transit Supervisor

Michael Moss-Transit Operator

##### Recognition of Employees with 30 Years of Service

**Roberto Santos-Service Worker**

**Recognition of Board Members**

Al Dessayer was presented with a plaque and lapel pin in honor of his thirty years of service on the County Connection Board. Sofia Martinez, the chair of the Employee Events Committee, made the presentation on behalf of the employees of County Connection. She thanked him for his commitment to public transit and for his support of employee events. Director Dessayer has been pro-transit since day one and has been an inspiration. Each member of the Board spoke, and cited examples of Director Dessayer's contributions, including his financial acumen, volunteerism, and foresight, and each thanked him for his continued service and support. Director Dessayer noted that of the fifty directors that have served on the County Connection Board, he has been privileged to have known 47 of them.

**Report on recently enacted SB 1, State of California Transportation Package**

General Manager Rick Ramacier informed the Board that the newly enacted State of California Transportation Package will increase STA funding for public transit, although the level of additional funding for County Connection is still to be determined. MTC has discretion for the allocation of STA funds that are population based, and is considering various regional transit projects, which could affect the allocations to transit operators. It will likely make its determination by Fall 2017.

General Manager Ramacier concluded his report with a summary of the bus bridge that County Connection provided during a recent BART breakdown.

**REPORT OF STANDING COMMITTEES**

**Administration & Finance Committee**

**Consideration of a One Year extension with First Transit and Resolution No. 2017-015**

Director Dessayer introduced the item and explained that County Connection contracts our paratransit services with First Transit. The quality of service has improved, and the new management team is performing well at this time. County Connection will continue to keep track of their progress.

**MOTION:** Director Dessayer moved adoption of Resolution No. 2017-015, authorizing the exercise of the option to extend the contract with First Transit for one year commencing July 1, 2017. Director Tatzin seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Hudson, Storer, Tatzin and Wilk  
**No:** None  
**Abstain:** None  
**Absent:** Directors Andersen, Noack, Schroder and Worth.

**Revised Fiscal Year 2018 Draft Budget and Ten Year Forecast and Resolution No. 2017-016**

Director Dessayer introduced the item and explained that the main purpose of bringing the budget to the Board today is to approve Resolution No. 2017-016 to authorize filing applications and supporting documents with MTC for allocation of TDA, STA, and RM1 funds for FY2018. He also informed the Board that they will review the final budget for approval in June.

Director of Finance Erick Cheung provided an overview of the preliminary FY 2019 budget, and noted that increases in expenses (fuel costs, insurance, PERS) are not likely to be offset by additional funding from SB 1. General Manager Ramacier noted that staff is evaluating scenarios for increasing fares and reducing service, which will be reviewed with the Administration and Finance Committee. The Board discussed the financial impact of shared mobility programs, UBER and LYFT, parking pricing, and the impact of technology, on the delivery of public transportation services.

**MOTION:** Director Dessayer moved adoption of Resolution No. 2017-013, authorizing staff to file applications with MTC for allocation of TDA, STA, an RM1 funds for FY2018. Director Tatzin seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Hudson, Storer, Tatzin and Wilk  
**No:** None  
**Abstain:** None  
**Absent:** Directors Andersen, Noack, Schroder and Worth.

**BOARD COMMUNICATION:** None

**ADJOURNMENT:** Chair Hoffmeister adjourned the regular Board meeting at 9:48 a.m.

Minutes prepared by

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Lathina Hill  
Assistant to the General Manager

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Date

To: Board of Directors

Date: May 2, 2017

From: Lisa Rettig  
Senior Manager of Human Resources

Subject: Updated Drug and Alcohol Free  
Workplace Policy

Approved By:

### **SUMMARY OF ISSUES:**

CCCTA is required by the FTA to have a Drug and Alcohol Free Workplace Policy. This policy is contained in Section 209 of CCCTA's Employee handbook. Staff, with the assistance of a representative of the FTA, has updated the policy to ensure that it is compliant with the FTA rules and regulations. An updated Drug and Alcohol-Free Workplace Policy, Section 209 is attached.

The changes included in the updated policy include the following:

- A covered employee shall only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions (prior language stated employee shall only be tested while on duty)
- For an observed collection, failure to follow an observer's instructions to raise or lower clothing and turn around during a directly-observed test is a refusal
- Wearing a prosthetic or other device used to tamper with the testing process is a refusal
- Admitting to the collector or MRO that a specimen has been adulterated or substituted is a refusal
- Non-safety sensitive employees who violate the policy will be referred to the Employee Assistance Program
- Section 9.0 (page 6) lists up to date cutoff levels for DOT drug testing
- An SAP may be a state-licensed marriage and family counselor Section 5.0 (page 4)
- The term "mass transit" has been changed to "public transit" throughout the policy

### **FINANCIAL IMPLICATIONS:**

There is no additional cost anticipated with these updates.

### **COMMITTEE RECOMMENDATION:**

The A&F Committee recommends approval and adoption of Resolution 2017-017

### **ACTION REQUESTED:**

Adopt Resolution 2017-017

## Section 209

### CENTRAL CONTRA COSTA TRANSIT AUTHORITY DRUG- AND ALCOHOL-FREE WORKPLACE POLICY

#### 1.0 POLICY STATEMENT

The Central Contra Costa Transit Authority (or the Authority) is dedicated to providing safe, dependable and efficient transportation services to our passengers and the citizens of Central Contra Costa County. CCCTA employees are our most valuable resource, and it is our goal to provide a healthy, satisfying, working environment that promotes personal opportunities for growth. We also recognize that our employees' use of illegal drugs and misuse of alcohol poses a significant risk to public safety, reduces productivity in the workplace, and negatively affects the employee's health and well being. In view of this, the Authority has adopted this policy that is designed to:

1. Create a work environment free from the adverse effects of drug abuse and alcohol misuse;
2. Deter and detect employees' use of illegal drugs and misuse of alcohol;
3. Prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances;
4. Encourage employees to seek professional assistance anytime personal problems, including drug or alcohol dependency, adversely affect their ability to safely perform their assigned duties; and
5. Discipline employees who violate the Policy, up to and including termination.

#### 2.0 PURPOSE

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the safety and health risks posed by the misuse of alcohol and use of prohibited drugs. This policy is intended to comply with all applicable State and Federal regulations governing workplace anti-drug use and alcohol misuse programs in the transportation industry. They include DOT 49 CFR Part 40, as amended ("Procedures for Transportation Workplace Drug and Alcohol Testing Programs"); FTA 49 CFR Part 655 ("Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations"); DOT 49 CFR Part 29 ("Drug-Free Workplace Act of 1988"); and CA Govt. Code Section 8350 et seq. ("Drug-Free Workplace Act of 1990"). This policy incorporates the requirements of above regulations for safety-sensitive employees and others when so noted.

**NOTE:** Additional requirements and/or disciplinary actions established under the Authority's authority are entered in **bold-faced type**.

#### 3.0 APPLICABILITY

Unless otherwise noted in specific provisions, this policy applies to **all** employees (including contract employees) regardless of their functions. **The application of this policy to nonsafety-sensitive employees comes under the Authority's own authority. Visitors, invitees, and vendors also are prohibited from entering the premises and/or from conducting any work on behalf of the Authority when illegal**



**substances are present in their system, or the odor of alcohol is present on their breath.** This policy applies to off-site lunch periods or other authorized breaks when an employee is scheduled to return to work or is on-call.

Contractors that provide safety-sensitive work for the Authority (e.g. paratransit service) are not covered by this policy; but they are required to have a drug and alcohol testing program that complies with the minimum requirements of Part 40 and Part 655.

#### 4.0 PRE-EMPTION OF STATE AND LOCAL LAWS

If any conflict occurs between State and local laws and any requirement of the above-mentioned Federal regulations, the Federal regulations prevail. However, Federal regulations do not pre-empt provisions of State criminal laws that impose sanctions for reckless conduct attributed to prohibited drug use or alcohol misuse, whether the provisions apply specifically to transportation employees, employers, or the public in general.

#### 5.0 DEFINITIONS

Adulterated Specimen: A urine specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.

Alcohol Use: The drinking or swallowing of any beverage, liquid mixture or preparation (including any medication) containing alcohol. For purposes of this policy, alcohol is alcohol regardless of source.

Breath Alcohol Technician (BAT): An individual who instructs and assists employees or applicants in the alcohol testing process and operates an Evidential Breath Testing (EBT) device.

Canceled Test: A drug or alcohol test that has a problem identified that cannot be or has not been corrected, or which Part 40 requires to be canceled. A canceled test is neither a positive nor a negative test.

Collection Site: A place designated by the Authority where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs, and/or measure for alcohol by an evidential breath testing device.

Collector: A person who instructs and assists individuals at a collection site, who receives and makes an initial inspection of the specimen provided by the individual, and who initiates and completes the Custody and Control Form (CCF).

Covered Employee: A person, including a volunteer, applicant/transferee, or contract employee, who performs or is required to perform a safety-sensitive function for the Authority.

Designated Employer Representative: An employee or employees authorized by the company to take immediate action(s) to remove employees from safety-sensitive duties,

or cause employees to be removed from these covered duties, following a positive test, test refusal, or other policy violations.

DHHS: Department of Health and Human Services.

Disabling Damage: Damage which precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs, including damage to motor vehicles that could have been driven, but would have been further damaged if so driven. "Disabling damage" does not include:

- Damage which can be remedied temporarily at the scene of the accident without special tools or parts.
- Tire disablement without other damage even if no spare tire is available.
- Headlamp or taillight damage.
- Damage to turn signals, horn, or windshield wipers which makes them inoperative.

DOT: Department of Transportation.

Drugs: The drugs for which tests are required under DOT and FTA regulations. They are marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP).

Drug Abuse: Use of any illegal drug or controlled substance without a valid prescription, misuse of legally prescribed drugs, or use of illegally obtained prescription drugs. This includes use of prescription drugs legally prescribed to another individual.

Evidential Breath Testing (EBT) Device: A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath under DOT Part 40 and placed on the NHTSA's Conforming Products List.

FTA: Federal Transit Administration.

Invalid Drug Test: The result of a urine drug test that contains an unidentified adulterant or an unidentified interfering substance, has abnormal physical characteristics, or has an endogenous substance at an abnormal concentration that prevents the laboratory from completing or obtaining a valid drug test result.

Public Transit Vehicles: Vehicles used for public transportation or ancillary services. They include buses, vans, automobiles, and non-revenue commercial motor vehicles.

Medical Review Officer (MRO): A licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory drug test results, who has knowledge of substance abuse disorders, and has the appropriate medical training to interpret and evaluate an individual's confirmed drug and/or validity test results together with the individual's medical history and any other relevant biomedical information.

Positive Alcohol Test: The presence of alcohol in the body at a blood alcohol concentration (BAC) of **0.04** or greater as measured by an EBT device.

Positive Drug Test: Any urine that is chemically tested (screened and confirmed), shows the presence of controlled substances, and is verified by the MRO.

Refusal to Test: Includes circumstances or behaviors such as:

- Failure to appear for any test (except a pre-employment test for new hires) at the collection site in the time allotted.
- Failure to remain at the testing site until the testing process is completed, except in pre-employment testing for new hires where leaving the site before the testing process begins is not deemed to be a test refusal.
- Failure to provide a urine, breath, or saliva specimen as required by DOT Part 40.
- Failure to permit the observation or monitoring of specimen collection when it is required.
- For an observed collection, fail to follow the observers instructions to raise your clothing above the waist, lower clothing and underpants to mid-thigh, and to turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process.
- Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process
- Admitting to the collector or MRO that you adulterated or substituted the specimen
- Failure to provide a sufficient amount of urine or breath specimen without a valid medical explanation.
- Failure or refusal to take a second test when required.
- Failure to undergo a medical evaluation when required. In the case of a pre-employment test, the individual is deemed to have refused to test only if the pre-employment test is conducted following a contingent offer of employment.
- Failure to cooperate with the testing process. (Examples: refusal to empty pockets when requested, or behaving in a confrontational manner that disrupts the collection process)
- In alcohol testing, refusal to sign Step 2 of the Alcohol Test Form.
- Leaving the scene of the accident without just cause prior to submitting to a test.
- If the MRO reports a verified adulterated or substituted test result.

Note: A refusal to test is equivalent to a positive test result.

Split specimen: In drug testing, a part of the urine specimen that is sent to a first laboratory and retained unopened, and which is transported to a second DHHS-certified laboratory for testing upon employee request following a verified positive or a verified adulterated or substituted test result from the primary specimen.

Substance Abuse Professional (SAP): A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare. In order to be a qualified SAP, the individual must be a licensed physician (medical doctor or doctor of osteopathy); or a licensed or certified psychologist, social worker, employee assistance professional, a state-licensed marriage and family counselor or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or the International Certification Reciprocity Consortium/Alcohol and other Drug Abuse), and has knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol-related disorders.

Substituted Specimen: A specimen with creatinine and specific gravity values that are so diminished that they are not consistent with human urine.

## 6.0 EDUCATION AND TRAINING

The education and ongoing awareness component of this policy will include display of posters, distribution to all covered employees and representatives of employee organizations of the drug and alcohol policy and other informational materials, and periodic information seminars. Each employee will be required to sign an acknowledgment form.

As required by FTA regulations, the Authority will provide to all safety-sensitive employees a minimum of 60 minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment, and on the signs and symptoms that may indicate prohibited drug use.

Supervisors or company officials who may make reasonable suspicion referrals shall receive an additional 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use, and at least 60 minutes on the physical, behavioral, speech and performance indicators of probable alcohol misuse.

## 7.0 CONTACT PERSON

Any questions about this policy or any aspect of the Authority's drug- and alcohol-free program should be referred to the following Designated Employer Representative:

Title: Senior Manager of Human Resources  
Address: 2477 Arnold Industrial Way, Concord, CA 94520  
Telephone Number: (925) 676-1976

## 8.0 COVERED EMPLOYEES

As a condition of employment, **all** employees are required to submit to drug and alcohol tests administered in accordance with 49 CFR Parts 40 and 655. (**Nonsafety-sensitive employees are covered under the Authority's own authority.**) A refusal to submit to a test as directed will be considered to be a positive test result and the employee will be subject to all the attending consequences as stated in this policy. (Please refer to Section 5.0 - DEFINITIONS for specific circumstances or behaviors that are considered refusal to test.)

As defined by the FTA, safety-sensitive employees include those who perform, or may be called upon to perform, any of the following safety-sensitive functions.

1. Operating a revenue service vehicle, even when it is not in revenue service;
2. Operating a non-revenue service vehicle which is required to be operated by a Commercial Driver's License (CDL) holder;
3. Controlling dispatch or movement of a revenue service vehicle;
4. Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service.

Supervisors are considered safety-sensitive only if they perform, or may be called upon to perform any of the above safety-sensitive functions.

The Authority has analyzed actual job duties performed, or may be called upon to perform, by all of its employees and has determined that the job classifications listed below are considered safety-sensitive for the purposes of this policy.

- Manager of Safety and Training
- Training Coordinator
- Transportation Supervisor
- Senior Manager of Maintenance
- Transit Operator
- Mechanic I, II, III, IV, V, VI
- Service Worker
- Contracted maintenance personnel who maintain revenue service vehicles or equipment used in revenue service
- Contracted transit services personnel

9.0 DRUGS (OR THEIR METABOLITES) TESTED FOR AND CONFIRMATORY CUT-OFF LEVELS

	<u>Confirmatory Cut-Off (ng/ml)</u>
• Marijuana	15
• Cocaine	100
• Opiate metabolites	
• Codeine/Morphine	2000
• Amphetamines	
AMP/MAMP	250
• Phencyclidine (PCP)	25
• 6-Acetylmorphine	10
• MDMA	250

10.0 PROHIBITED CONDUCT/BEHAVIORS

**Any employee engaging in the manufacture, distribution, sale, dispensing, possession, or use of prohibited substances on Authority premises, in transit vehicles, in uniform on/off duty, or while on transit Authority business is a violation of this Policy and will subject the employee to disciplinary process, up to and including termination. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.**

**Employees also are required to notify the Authority within five (5) days of any criminal drug statute conviction which occurs as the result of an incident which happened in the workplace or while on duty. Failure to notify the Authority of such shall subject the employee to disciplinary action, up to and including termination.**

10.1 Illegal Drugs

The prohibited drugs listed on Section 9.0 are illegal under federal law and employees are prohibited from consuming any of them at all times, on or off duty. Employees may be tested for illegal drugs anytime they are on duty or subject to duty. Note: While the use of marijuana has been legalized under state law, it remains an illegal drug under federal law and its use as it impacts the workplace is prohibited by the Authority's policy.

## **10.2 Prescription or Over-the-Counter Medications**

**Under the Authority policy, the appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, safety-sensitive employees must notify their manager and may not perform any safety-sensitive function if their medication carries a warning label that mental functioning, motor skills or judgment may be adversely affected, unless the medication is being used in accordance with the instructions of a physician who has provided a written determination that the substance will not adversely affect the employee's ability to safely perform safety-sensitive duties. It is the employee's responsibility to determine from his or her physician or practitioner whether or not the substance may impair job performance. Failure to immediately report the use of impairing drugs or failure to provide a valid evidence of medical authorization will result in disciplinary action, up to and including termination.**

**A prescription is considered valid only if it is in writing and indicates the employee's name, date, the name of the substance, quantity or amount to be taken, and the period of authorization. Controlled substances obtained illegally outside the United States are not considered valid medical prescriptions under this policy. It is a violation of this policy to use any controlled substance in a manner that is inconsistent with the prescription.**

## **10.3 Alcohol**

Safety-sensitive employees are prohibited from consuming alcohol in any form under the following circumstances:

- While performing safety-sensitive functions;
- Within four (4) hours prior to performing safety-sensitive functions;
- While they are on call; or
- Within eight (8) hours following an accident requiring a post-accident alcohol test, unless the test was completed within 8 hours.

If an employee on call discloses alcohol consumption when called for duty, the Authority may require the employee to report to the collection site for alcohol testing to determine ability to perform a safety-sensitive function. If the employee tests below 0.02, he or she may be required to report to work.

**An alcohol test is considered positive if the employee's alcohol concentration rate, as measured by an evidential breath testing device, is at 0.04 or greater. A covered employee having an alcohol concentration of 0.04 or greater is prohibited from performing or continuing to perform safety-sensitive functions. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be**

**performed after 15 minutes, but no more than 30 minutes later to confirm the results of the initial test. The confirmation test will be at CCCTA's expense. An employee who has a confirmed alcohol concentration of greater than or equal to 0.02 but less than 0.04 will be removed from duty for eight hours unless subsequent retests result in a concentration of less than 0.02.**

## **TYPES OF TESTING**

### **11.1 PRE-EMPLOYMENT TESTING**

**All** candidates for employment, or any employee transferring from a non-safety-sensitive to a safety-sensitive position will be required to undergo pre-employment drug tests at a time and place designated by the Authority. A verified negative drug test result must be received by the Authority before an employee or candidate can be allowed to perform any safety-sensitive function for the first time. If a pre-employment test is canceled, the individual will be required to undergo another test and successfully pass the test with a verified negative result.

Subject to the candidate's written consent, the Authority will check on the substance abuse testing background of candidates and employees being considered for final selection into any safety-sensitive position within the agency. If the individual refuses to provide the written consent, he or she will not be hired into the safety-sensitive position.

If the information obtained from the previous employer(s) indicates a violation of a DOT or FTA substance abuse testing rule, the employee may not be allowed to perform any safety-sensitive function unless he or she has successfully complied with the return-to-duty requirements. If the individual has had a positive pre-employment substance abuse test, or has refused such a test, he or she will not be hired until and unless the individual has provided a documentation of successful completion of the return-to-duty process, which includes a SAP referral, evaluation and treatment plan.

In addition, an employee who has not performed any safety-sensitive function for at least 90 consecutive calendar days (regardless of the reason), and has been out of the random pool during that period, must pass a pre-employment drug test before he or she is allowed to return to safety-sensitive work.

### **11.2 REASONABLE SUSPICION TESTING**

**It is the responsibility of any employee who observes or has knowledge of another employee in a condition which may impair his or her ability to safely and effectively perform his or her duties, or may pose a safety hazard to self or others, to promptly report the incident to his or her supervisor, or any supervisor if the immediate supervisor is not available.**

Whenever a supervisor (or other company official) has reason to believe that an employee has used a prohibited drug and/or engaged in alcohol misuse, reasonable testing will be conducted. The individual who makes the referral need not be the employee's own supervisor, as long as he or she has received training in detecting the signs and symptoms of drug use and alcohol misuse. The supervisor's or company official's observations will be documented and such documentation shall be kept in the

employee's confidential drug and alcohol testing file. Such documentation shall describe and document the following:

- a) the date and time observations were made;
- b) specific, contemporaneous and articulable observations concerning the employee's appearance, behavior, speech, body odors and/or performance

FTA rule requires that a reasonable suspicion alcohol test be conducted only if the reasonable suspicion observation is made just before, during, or just after the employee's performance of safety-sensitive function. If the alcohol test is not conducted within two hours, the reason for the delay must be documented and kept in the employee's reasonable suspicion test file. All attempts to complete the alcohol test must cease after eight hours.

### 11.3 POST-ACCIDENT TESTING

Safety-sensitive employees operating a public transit vehicle at the time of an accident shall be required to submit to drug and alcohol tests as soon as practicable after the accident. For purposes of this policy, "accident" is defined as an accident involving a public transit vehicle where the result is:

- An individual dies;
- An individual suffers a bodily injury and immediately receives medical treatment away from the scene;
- The bus or any other vehicle(s) involved in the accident suffers a disabling damage as a result of the accident and is transported away from the scene by a tow truck or other vehicle.

#### 11.3.1 Fatal Accidents

Whenever there is a loss of human life, any surviving employee operating the Authority vehicle at the time of the accident shall be tested for drugs and alcohol. Any safety-sensitive employee not in the vehicle but whose performance could have contributed to the accident also shall be tested.

#### 11.3.2 Non-fatal Accidents

Following non-fatal accidents, the employee operating the vehicle at the time of the accident shall be tested unless his or her performance can be completely discounted as a contributing factor to the accident. Any other safety-sensitive employee whose performance could have contributed to the accident also shall be tested.

#### 11.3.3 Other Post-Accident Testing Requirements



**An employee who is involved in an accident must immediately report the accident to his or her supervisor. Failure to immediately report the accident is ground for discipline, up to and including termination.** Employees involved in an accident that requires testing must remain readily available for testing, including notifying the Authority of their location if they leave the scene of the accident before testing to obtain emergency medical care, or to obtain assistance in responding to the accident. They will be considered to have refused to submit to testing if they fail to do so and will be terminated from employment.

Employees are prohibited from using alcohol for eight hours following an accident or until the post-accident testing is completed, whichever occurs first. Every effort will be made to conduct alcohol testing within two hours after the accident. In the event the alcohol test is delayed beyond two hours, the Authority will prepare and maintain a record stating the reason(s) for the delay. If an alcohol test is not administered within eight hours following the accident, the Authority will cease all efforts to administer the test and document the reason for the inability. In the event a drug test is not administered within 32 hours from the time of the accident, the Authority will cease all attempts to administer the drug test. This requirement should not be construed to delay the necessary medical attention for injured people following the accident.

If the Authority is unable to perform post-accident tests within the required period of compliance, the Authority will use the post-accident test results administered by State or local law enforcement personnel under their own authority, provided the test results are obtained by the Authority.

**After the accident, the employee will be removed from service, but remain on paid status during the testing period and while awaiting test results, unless the employee is suspended for any additional purposes concurrent with the waiting of the test results. If all test results are negative, the employee will be immediately returned to work. If the alcohol test result is positive or the drug test result is non-negative (positive, adulterated, or substituted), the employee will be terminated.**

#### 11.4 RANDOM TESTING

Safety-sensitive employees are required to undergo random drug and alcohol tests to deter use of prohibited drugs and misuse of alcohol. The random selection will be conducted using a scientifically valid method, such as a random number table or a computer-based random number generator, which gives each covered employee an equal chance of being selected every time a selection is made. As is the nature of the random method, it is possible that some employees will be selected several times in one year, and other employees not for several years. Management does not have any discretion on who will be selected.

Every effort will be made by the Authority to spread random testing reasonably throughout the calendar year, the testing period, all days of the week, and all hours

when safety-sensitive functions are performed. The testing dates and times are unannounced and employees are required to immediately and directly proceed to the designated collection site following notification.

The Authority will conduct random drug and alcohol tests at a minimum annual percentage of covered employees as required by the FTA. The rates are subject to change on an annual basis, depending on the industry-wide positive rate determined by the FTA from the annual MIS reports submitted by covered employers.

A covered employee shall only be tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions.

#### 11.5 RETURN-TO-DUTY TESTING

An employee who has refused a required test, has a verified positive, adulterated or substituted drug test result, or tests positive for alcohol at **0.04** or greater, shall not be allowed to return to safety-sensitive duties until after he or she has completed the return-to-duty process. This includes evaluation by a SAP, successful completion of the rehabilitation, treatment or education program outlined by the SAP, and obtaining a verified negative return-to-duty drug test and/or alcohol test under 0.02.

#### 11.6 FOLLOW-UP TESTING

In addition to the Return-to Duty test described in Section 11.5, an employee who previously tested positive, or refused to take a required test, shall be subject to follow-up testing for drugs and/or alcohol, as prescribed by the SAP, for a minimum period of 12 months to a maximum of five years. As mandated by the FTA, the employee shall undergo at least six follow-up tests during the first 12 months of his or her return to work. Although they are both unannounced, follow-up testing is apart and separate from random testing. The duration and frequency of testing will be designated by the SAP, but the actual follow-up testing dates will be decided by the employee's manager or supervisor.

#### 12.0 DRUG & ALCOHOL TESTING PROCEDURES

All DOT drug and alcohol tests required under this policy will be administered in accordance with the "Procedures for Transportation Workplace Drug and Alcohol testing Programs (49 CFR Part 40), as amended.

Throughout the testing process, the privacy of the employee will be protected and the integrity and validity of the process will be maintained. The drug testing procedure will include a split specimen collection method and a federal Custody and Control Form with a unique identification number to ensure that the correct test result is attributed to the correct employee. An initial screening test using an immunoassay technique will be performed. If the specimen is positive for one or more of the drugs tested, then a confirmation test will be performed using the state-of-the-art gas chromatography/mass spectrometry (GC/MS) analysis. If the test is confirmed positive, the MRO will conduct a

verification process, which includes giving the employee an opportunity to provide a valid medical explanation for the positive test result.

Additionally, the laboratory may conduct analyses to determine if a urine specimen has been adulterated, tampered with, or diluted. A “negative-dilute” result, as reported by the MRO shall be considered a negative test result.

If the laboratory reports to the MRO an “Invalid Result” or “Rejected for Testing” (because of a fatal or uncorrectable flaw), a recollection may be required by the MRO, and depending on the circumstances, the recollection may be directly observed.

Tests for alcohol concentration will be conducted using an alcohol screening device and an evidential breath testing (EBT) device if the screen test is at 0.02 BAC or greater. A DOT Alcohol Testing Form will be used and a unique sequential number will be assigned to each test.

Detailed drug and alcohol specimen collection procedures are available upon request from the Contact Person identified in Section 7.0 of this policy.

### 13.0 DIRECTLY- OBSERVED URINE SPECIMEN COLLECTION

Under the following circumstances, the employee will be directed to undergo an immediate urine specimen collection under direct observation with no advance notice:

- If the laboratory reported to the MRO that a specimen is invalid and there was no adequate medical explanation for the result;
- If the MRO reported that the original positive, adulterated, or substituted test result had to be canceled because the split specimen testing could not be performed;
- If the drug test is a return-to-duty or a follow-up test;
- If the collector observes employee conduct that clearly indicates an attempt to tamper with a specimen;
- If the temperature on the original specimen was out of range; or
- If the original specimen appeared to have been tampered with.

The observer shall be the same gender as the employee, but need not be the collector. The observer is responsible for ensuring that the specimen goes from the employee’s body into the collection container. If the employee declines to allow a directly observed collection when required or permitted under this policy, it is considered a refusal to test.

### 14.0 MONITORED URINE SPECIMEN COLLECTION

Under those circumstances when a multi-stall restroom has to be used for urine specimen collection and the facility cannot be adequately secured, the collector will conduct a monitored collection. The monitor shall be the same gender as the employee, unless the monitor is a medical professional. The monitor will not watch the employee void into the collection container. However, if the monitor hears sounds or observes attempts to tamper with a specimen, an additional collection under direct observation will be ordered. If the employee declines to permit a collection authorized to be monitored, it is considered a refusal to test.

## 15.0 SPLIT SPECIMEN TESTING

After notification by the MRO of a positive drug test or refusal to test because of adulteration or substitution, the employee has 72 hours to request from the MRO (verbally or in writing) a test of the split specimen. After 72 hours have passed, the request can be considered only if the employee can present to the satisfaction of the MRO information that unavoidably prevented the employee from making a timely request.

Following the employee's timely request, the MRO shall send a written request to the primary laboratory to forward the split specimen to a second DHHS-certified laboratory for testing without regard to the cut-off concentration. If the second laboratory fails to reconfirm the substance detected in the primary specimen or the adulterant identified, or if the split specimen is unavailable for testing, the test shall be canceled. The MRO shall report the cancellation and the reasons for it to the DOT, the company, and the employee. In the case of the split specimen being unavailable, the employee shall be directed, with no advance notice, to submit another specimen under direct observation.

## 16.0 CONSEQUENCES / DISCIPLINE

Any safety-sensitive employee who has a verified positive drug test result, an alcohol concentration of **0.04** or above, or refuses to submit to a drug or alcohol test (including adulteration or substitution) shall be:

1. Immediately taken out of safety-sensitive duty;
2. Referred to a SAP for evaluation, education or treatment and provided educational materials.

**Under the Authority's own authority, non-safety-sensitive employees also may be removed from duty, referred to a EAP, and be subject to discipline.**

FTA regulations allow individual employers to determine the discipline to be imposed on employees who violate the DOT/FTA regulations or company policy. **The Authority's discipline policy is as follows:**

**Positive test results on Random tests will result in a "Second Chance". The employee will be removed from service and referred to an SAP for evaluation. Upon completion of the SAP program the employee will be subject to Return to Duty and Follow-up testing per the SAP.**

**Positive test results on Post-Accident, Return to Duty, Follow-Up or Reasonable Suspicion testing will result in immediate termination.**

## 17.0 REFERRAL, EVALUATION AND TREATMENT

If an employee (including an applicant) tests positive for drug(s) or alcohol or refuses to submit to a test when required, the Authority shall advise the individual of the resources

available for evaluating and resolving problems associated with prohibited drug use and alcohol misuse and document such referral. He or she shall be given an EAP referral.

## **18.0 VOLUNTARY REHABILITATION**

**CCCTA employees are encouraged to voluntarily seek professional help before any substance use or dependence affects job performance. An employee who has a drug and/or alcohol abuse problem and has not been selected for testing or is not involved in a disciplinary proceeding may voluntarily refer himself or herself to the EAP for evaluation and treatment recommendations. Confidentiality, job security and promotional opportunities will be protected and no disciplinary action will be taken. The employee may be eligible for sick leave, disability benefits, or vacation while undergoing rehabilitation or treatment. The Employee Assistance Program (EAP) is available to assist employees who seek help voluntarily for drug and/or alcohol problems. The EAP will serve as a screening and referral source for employees who have substance abuse problems. The cost of up to three EAP counseling sessions per calendar year will be borne by CCCTA. The cost of additional counseling sessions and/or any rehabilitation program will be borne by the employee. Many medical benefit plans do cover and/or offer some rehabilitation programs.**

## **19.0 CONFIDENTIALITY AND ACCESS TO FACILITIES AND RECORDS**

Employees have a right to examine their own drug and alcohol testing records, provide information to dispute the results, and have access to any pertinent data such as EBT calibration or drug testing laboratory certification. They also have a right to obtain a copy of their own drug and/or alcohol testing results by submitting a written request to the Designated Employer Representative identified in Section 7.0 of this policy.

The Authority will do everything possible to safeguard the confidentiality of drug and alcohol testing records and protect the privacy of the individuals tested. Individual test results or medical information will be released to third parties (e.g. previous employers, unions) only with the employee's specific written consent, or to those parties authorized by the DOT or FTA to receive such information without the employee's consent. Specific written consent applies only to a particular piece of information released to a particular person or organization at a particular time. Blanket releases are specifically prohibited by DOT.

The employee's written consent is not required in administrative or legal proceedings such as:

- A lawsuit, grievance, or administrative proceeding brought by, or on behalf of the employee, resulting from a positive drug or alcohol test or a refusal to test; or
- A criminal or civil action resulting from an employee's performance of safety-sensitive duties where the alcohol or drug test information is deemed relevant.

Access to Authority facilities and drug and alcohol program records also must be provided, without the employee's consent, to DOT or FTA agency representatives; the National Transportation Safety Board as part of an accident investigation; a Federal,

state or local safety agency with regulatory authority over the company or the employee;  
or State or grantee required to certify to FTA compliance with 49 CFR Parts 40 and 655.

**RESOLUTION NO. 2017-017**

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
BOARD OF DIRECTORS**

\* \* \*

**ADOPTING AN UPDATED DRUG- AND ALCOHOL-FREE WORKPLACE POLICY**

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions; and

WHEREAS, CCCTA, as a recipient of federal grants administered by the U.S. Department of Transportation, is required to adhere to the terms and conditions of such grants, together with implementing regulations issued by the Federal Transit Administration (FTA) as may be revised from time to time;;

WHEREAS, in response to the passage of the Omnibus Transportation Employee Testing Act of 1991, the FTA published two regulations prohibiting drug use and alcohol misuse by transit employees and requiring transit agencies to test for prohibited drug use and alcohol misuse at 49 CFR Parts 653 and 654, which has been replaced by 49 CFR Part 655, and the Department of Transportation has issued procedures for the testing methods to be followed at 49 CFR Part 40 Revised (collectively, the Regulations);

WHEREAS, staff has updated CCCTA's Drug and Alcohol Free Workplace Policy to conform with the Regulations;

WHEREAS, at their May 1, 2017 meeting, the Administration and Finance Committee found that the proposed *Drug- and Alcohol-Free Workplace Policy* to be appropriate and reasonable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the *Drug- and Alcohol-Free Workplace Policy*, as presented by staff and attached hereto; and

BE IT FURTHER RESOLVED that the Board of Directors directs the General Manager, or his designee, to submit the *Drug- and Alcohol-Free Workplace Policy* to the U.S. DOT through the Federal Transit Administration as soon as it is adopted so as to assure continued eligibility for the receipt of federal financial assistance.

Regularly passed and adopted this 18th day of May 2017 by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Laura Hoffmeister, Chair, Board of Directors

ATTEST:

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Lathina Hill, Clerk to the Board

To: Board of Directors

Date: May 18, 2017

From: Erick Cheung, Director of Finance

Reviewed by:

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### SUBJECT: EMPLOYMENT PRACTICES LIABILITY INSURANCE

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#### **Background:**

At the February Administrative and Finance (A&F) Committee, staff provided an introduction on the status of Employment Practices Liability (EPL) Insurance through CalTIP. EPL is a wrongful act that includes but not limited to harassment, discrimination (i.e. age, gender, race, etc.), and wrongful termination. The CalTIP Board decided in December of 2015 to stop covering EPL effective June 30, 2017. At that time, the Board agreed to move forward with receiving quotes from Employment Risk Management Authority (ERMA) and a group purchase commercial policy for EPL coverage.

In December 2016, the CalTIP Board proceeded to move forward to join ERMA, since the commercial policy option was not acceptable. Based on the decision by the CalTIP Board, County Connection staff submitted an application with ERMA and requested that Integro (County Connection Insurance Broker) request for quotes to provide the coverage.

The A&F Committee heard proposals from ERMA and Integro. Based on the review of the proposals and a lengthy discussion, the A&F Committee is recommending Integro – Capitol Specialty Insurance Corporation for one year at the \$250,000 retention level for \$2 million of coverage.

To ensure there is no gap in coverage on July 1<sup>st</sup>, staff is requesting the Board approve EPLI at this meeting. There will be representatives from Integro and ERMA to answer any additional questions the Board may have.

#### **Summary:**

The results of the quotes received from ERMA and Integro:

Provider	Coverage	Premiums based on Retention Levels		
		\$75,000	\$100,000	\$250,000
ERMA	\$1 million with excess insurance of \$1 million			\$45,923
Integro - Capitol Specialty Insurance Corp.	\$2 million		\$37,994	\$30,330
Integro - Arch/Lloyd's (*)	\$2 million		\$48,762	
ERMA	\$1 million			\$41,025
Integro - Capitol Specialty Insurance Corp.	\$1 million		\$26,869	\$21,450
Integro - Arch/Lloyd's (*)	\$1 million		\$36,120	
Integro - Euclid/Lloyd's (*)	\$1 million			\$39,938
Integro - Capitol Specialty Insurance Corp.	\$5 million		\$47,963	
Integro - Arch/Lloyd's (*)	\$5 million		\$66,822	

(\*) Both companies did not originally provide a quote but submitted an initial estimate. Staff would need to submit application for formal quote.



*ERMA*

ERMA is the first statewide risk sharing pool created exclusively to provide broad coverage for EPL with tailored loss prevention services (i.e. AB1825 and AB1234 training included). ERMA is comprised of nine JPA members and two individual members, totaling over 195 individual underlying members. One of the JPA members is the Municipal Pooling Authority (MPA) of Northern California, which represents most of County Connection’s Board except for the City of Concord and the County.

ERMA would require that we must maintain membership for three years before we could withdraw from the JPA. The coverage provided by ERMA is based on the claims incident date, which means they would cover claims that occurred on or after July 1, 2017. All claims would be handled by ERMA and their panel of attorneys. Hanson Bridgett is not currently a panel attorney, even though they do have known firms such as Liebert Cassidy Whitmore, Best Best & Kreiger, and Jackson Lewis. Hanson Bridgett could be a panel attorney but would need to go through the process and be available to all members. Also, they would need to agree to the hourly rates since ERMA will not authorize individual members to pay higher hourly rates. Finally, unlike an insurance company that could not renew you, it would require two-thirds of the ERMA Board or Executive Committee to remove a member.

*Integro - Capitol Specialty Insurance Corporation (CapSpecialty)*

CapSpecialty is a specialty insurance provider for small and mid-sized businesses across the U.S. and provides Employment Practices Liability for employer groups with up to 1,500 employees. Their best pricing fit in California is on organizations with 50-350 employees with annual revenues between \$10 million and \$250 million. The Insurer is rated A “Excellent” Financial Category Class VIII by AM Best. The coverage is based on a claims made and reported basis, which means that a covered event would be covered in the claims made policy that is in effect at the time the claim (or incident) is first made and reported to the insurance company (not by the policy that is in force at the time of the original occurrence). For instance, if a wrongful termination occurred during the first policy period (2017-18), but was not claimed against the organization and reported to the insurance company until the later 2018-19 renewal policy year, then the claim would be handled by the 2018-19 year renewal policy (not the 2017-18 policy). The event which leads to a claim must also have occurred after the “retro-date” stated on the policy (which in our case would be the July 1, 2017 start date). CapSpecialty has panel attorneys that include Jackson Lewis, but we have the option of using Hanson Bridgett as the attorney of record. Similar to our current structure with CalTIP, the insurance company will only include the panel rate costs as part of the retention amount (see rate table below). For example, CapSpecialty’s rate for a panel attorney is \$250 an hour, while Hanson Bridgett’s hourly rate is \$365 an hour. The difference of \$115 would be paid by County Connection, but not included in the retention amount. Finally, we would need to renew our insurance annually through Integro.

	Partner	Associate	Paralegal
Panel Rate	\$250	\$170	\$100
Hanson Bridgett Rate	\$365-\$345	\$325	\$225-\$200

### Other Insurance Companies

During the initial request for quotes, only CapSpecialty submitted a proposal to Integro, other insurance companies declined due to the nature of not being familiar with transit agencies and/or our claims loss history (see table below). After Integro followed up with various insurance companies and explained the claims history, two additional quotes were received by Arch/Loyld & Euclid/Loyld. Both of the preliminary estimates are higher than CapSpecialty and we would need to go through the paperwork to finalize quotes.

CalTIP EPL Claims History - Incident Occurred			
Loss Paid:	0-3 years ago	4-6 years ago	7-9 years ago
\$0-\$10,000	-	-	1
\$10,000-\$50,000	-	-	-
\$50,000-\$100,000	-	-	1
\$100,000-\$150,000	-	-	-
\$150,000-\$200,000	1	-	-
\$200,000-\$300,000	-	-	1

### **Follow Up from A&F Committee:**

The following are follow up items or questions by the A&F Committee:

- a) ERMA stated that they have provided \$13.5 in dividends over the previous 4 program years. A&F Committee asked what percentage is that amount compared to premiums collected? Per ERMA, that equates to approximately 18% of the total collected premium for all years since inception of the program.
- b) How long must we stay in ERMA or Integro-CapSpeicalty? ERMA would require a commitment of three years before we could withdraw. Integro would need to be renewed annually and if we switched, may require purchasing additional insurance to cover any gap years ("tail" coverage).
- c) Savings from ERMA's other services such as live training, employee and attorney hotline:
  - \$936 - AB 1234 paid to CalChamber
  - \$365 an hour (if needed) – ERMA provides one free hour a month with their EPL attorney's. This is to ask quick or brief questions of their attorneys and advantageous if your agency doesn't have labor counsel.
  - County Connection does not have an employee hotline. We do have an Employee Assistance Program (EAP) hotline for issues related to personal problems (i.e. marital, financial or emotional problems).
- d) EPL work done by Hanson and Bridgett compared to annual costs. The information has been requested and they are working on it.
- e) Self-Insured – Hanson and Bridgett has offered to provide a program for County Connection to be self-insured for EPL only. This work will require additional time by Hanson and Bridgett to complete.

Integro - CapSpecialty – County Connection would need to determine retention amount and whether to use CapSpecialty's panel attorneys or Hanson Bridgett as attorney of record. Finally, the Board would need to authorize staff to proceed with CapSpecialty and sign any necessary documentation.

**Next Steps:**

Integro - CapSpecialty – County Connection would need to determine retention amount and whether to use CapSpecialty’s panel attorneys or Hanson Bridgett as attorney of record. Finally, the Board would need to authorize staff to proceed with CapSpecialty and sign any necessary documentation.

ERMA – ERMA’s Underwriting Committee has recommended County Connection for membership at the \$250,000 retention level. ERMA’s Board of Directors will approve membership at the May 16, 2017 meeting. County Connection will need to approve the Resolution Authorizing Participation in ERMA (Attachment C) at the next Board meeting to be a member. We would also need to provide written confirmation of our intent to bind coverage in ERMA or withdraw from the application process no later than June 1, 2017.

**Recommendation:**

The A&F Committee made a recommendation to proceed with Integro CapSpecialty for one year at the \$250,000 self-retention and \$2 million of coverage for Employment Practices Liability Insurance.

Attachments:

- A. Intergo Presentation Proposal
- B. ERMA Presentation Proposal
- C. ERMA Resolution



**Proposal of Employment Practices Liability Insurance**  
Policy Term: TBD

**Central Contra Costa Transit Authority**  
2477 Arnold Industrial Way  
Concord, CA 94520

**Presented By**

Jerry Katopodis, CPCU  
Doug Williams, CPCU/ARM  
Integro Insurance Brokers  
P. O. Box 232017  
Pleasant Hill, CA 94523-6017  
925-682-7001  
CA – License #: 0E77964

May 1, 2017



<sup>1</sup> The outlines of coverage used throughout this document are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverage and limits. For a complete understanding of the coverage provided, please refer to the actual policy wording. Read your policy.  
4/27/2017

## Markets Approached

Carrier Name	A.M. Best Rating	Admitted/ Non-Admitted	Status	Comments
Employment Practices Liability				<p><b>Option #1: \$1M Limit</b>                      \$100K retention per claim                      Retro Date: Policy Inception                      \$26,036 + \$833.15 CA Taxes  <b>Total: \$26,869.15</b></p> <p><b>Option #2: \$2M Limit</b>                      \$100K retention per claim                      Retro Date: Policy Inception                      \$36,816 + \$1,178.11 CA Taxes  <b>Total: \$37,994.11</b></p> <p><b>Option #3: \$1M Limit,</b>                      \$250K retention per claim                      Retro Date: Policy Inception                      \$20,785 + \$665.12 CA Taxes  <b>Total: \$21,450.12</b></p> <p><b>Option #4: \$2M Limit,</b>                      \$250K retention per claim                      Retro Date: Policy Inception                      \$29,390 + \$940.48 CA Taxes  <b>Total: \$30,330.48</b></p> <p><b>Option #5: \$5M Limit</b>                      \$250K retention per claim                      Retro Date: Policy Inception                      \$46,476 + \$1,487.23 CA Taxes  <b>Total: \$47,963.23</b></p>
Capitol Specialty Insurance Corporation	A VIII	Non-Admitted	Quoted	

2  
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4/27/2017

Carrier Name	A.M. Best Rating	Admitted/ Non-Admitted	Status	Comments
<b>Employment Practices Liability</b>				
Arch/Lloyd's	A X	Non-Admitted	Indication	\$1M Limit-\$100K Ret: \$35,000 \$2M Limit-\$100K Ret.: \$47,250 \$5M Limit-\$100K @ \$64,750 Plus CA Taxes (3.20%)  (\$250K retention not offered)
Euclid/Lloyd's	A X	Non-Admitted	Quoted	\$1M Limit \$250K \$38,700 plus \$1,238.40 CA Taxes
AWAC		Non-Admitted	Declined	Class of Business
Lexington	A XV	Non-Admitted	Declined	Claims
Argo Pro		Non-Admitted	Declined	Class of Business
Admiral	A+ XV	Non-Admitted	Declined	Nature of Services
C NA		Non-Admitted	Declined	Government Agency
OneBeacon	A X	Non-Admitted	Declined	Claims
Maxum		Non-Admitted	Declined	Government Agency

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 4/27/2017

## AM Best Financial Stability Rating

The California Department of Insurance (DOI) is charged with the responsibility to monitor and review the financial stability of all insurance companies operating within California. In addition to the DOI, there are many agencies that also provide input regarding the financial stability of insurance companies, including A.M. Best, Standard & Poor's and Moody's. Utilizing information provided by A.M. Best and the DOI, we strive to avoid placing our clients with an insurance company of questionable financial or managerial integrity. **Financial Strength Ratings:** The A.M. Best Company evaluates insurance companies on the basis of general management and assigns one of the following ten ratings.

A++ and A+	Superior	C and C-	Weak
A and A-	Excellent	D	Poor
B++ and B+	Very Good	E	Under Regulatory Supervision
B and B-	Fair	F	In Liquidation
C++ and C+	Marginal	S	Rating Suspended

**Financial Size Categories:** A. M. Best also considers the financial size of insurance companies, assigning each to one of 15 categories. (Categories are determined by adding the surplus to policyholders, conditional or technical reserves, less indicated shortages in reserves, if any. For stock companies, policyholders' surplus is the sum of capital and for mutual companies it is the surplus fund.)

CLASS I	\$ 1,000,000	or less	CLASS IX	\$ 250,000,000	to	\$ 500,000,000
CLASS II	\$ 1,000,000	to \$ 2,000,000	CLASS X	\$ 500,000,000	to	\$ 750,000,000
CLASS III	\$ 2,000,000	to \$ 5,000,000	CLASS XI	\$ 750,000,000	to	\$1,000,000,000
CLASS IV	\$ 5,000,000	to \$ 10,000,000	CLASS XII	\$1,000,000,000	to	\$1,250,000,000
CLASS V	\$ 10,000,000	to \$ 25,000,000	CLASS XIII	\$1,250,000,000	to	\$1,500,000,000
CLASS VI	\$ 25,000,000	to \$ 50,000,000	CLASS XIV	\$1,500,000,000	to	\$2,000,000,000
CLASS VII	\$ 50,000,000	to \$ 100,000,000	CLASS XV	\$2,000,000,000	or more	
CLASS VIII	\$100,000,000	to \$ 250,000,000				

### Not Rated Categories (NR) and Modifiers:

NR-1	Insufficient Data	NR-4	Company Request	u	Under Review
NR-2	Insufficient Size and/or Operating Experience	NR-5	Not Formally Followed	s	Syndicate
NR-3	Rating Procedure Inapplicable			pd	Public Data

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4/27/2017

**NAMED INSURED**

Coverage is provided for the following entity:

Central Contra Costa Transit Authority

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visuals to a basic understanding of coverage and limits. For a complete understanding of the coverage provided, please refer to the actual policy  
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4/27/2017



# EMPLOYMENT PRACTICES LIABILITY (EPL)

**Carrier:** Capitol Specialty Insurance Corporation

**A.M. Best Rating:** A VIII

**Term:** TBD

Coverage	Limit	Retention	Prior & Pending Litigation Dates
Employment Practices Liability	\$1,000,000 Coverage Aggregate	\$100,000 Each Claim	Policy Inception
Third Party Liability	\$1,000,000 Coverage Aggregate	\$100,000 Each Claim	Policy Inception

**Coverage Comments/Considerations**

Full Prior Acts Exclusion Endorsement	E-ML-4178 (11/15)
Coverage(s) EPL Retro Date:	Policy Inception

**Optional Extended Reporting Period:**

- One Year: 100%
- Two Years: 125%
- Three Years: 150%

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# EMPLOYMENT PRACTICES LIABILITY (EPL) (CONT.)

## NOTE REGARDING USING HANSON BRIDGETT AS CHOICE OF COUNSEL:

### *CapSpecialty approved rates are:*

\$250 Partner

\$170 Associate

\$100 Paralegal

### *Arch/Lloyd's approved rates are:*

Partner \$300

Associate/Senior Counsel \$250

Paralegal \$100

**CCCTA would have to pay the difference in the fees.**

## NOTE REGARDING CLAIMS HANDLING:

1. Regarding your inquiry as to whether counsel will be assigned and handle claims/incidents once they are first reported, or if Insured must manage the claim and legal under the retention: **RESPONSE:** The insured would submit their claim as per claims handling procedures included in their policy, their choice counsel is appointed and claim is handled and managed.
2. Regarding your inquiry if CCCTA would need to hire an additional claims management service to manage the billings, etc. under the retention, or is that service provided by the insurer: **RESPONSE:** No, such as a TPA – not necessary. The carrier's claims department works with counsel re billing retentions, defense costs, etc.
3. Regarding your inquiry about additional costs beyond the legal that CCCTA must take on managing the claims under the retentions: **RESPONSE:** Applicant needs to be aware of carriers approved counsel hourly rates and whether they will negotiate with firm to accept rates or otherwise pay the difference between rates provided and approved rate by the carrier.

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4/27/2017

## EMPLOYMENT PRACTICES LIABILITY (EPL) (CONTINUED)

### Definitions

- ✓ **Employment Practices Wrongful Act** means any of the following when alleged against an Insured by any past or present Employee of the Insured Entity, or by any applicant for employment with the Insured Entity, in connection with that person's actual or proposed employment relationship with the Insured Entity, wrongful dismissal, discharge or termination of employment:
  1. Breach of employment contract
  2. Harassment, including sexual harassment whether "quid pro quo", hostile work environment or otherwise;
  3. Discrimination based upon age, gender, race, color, national origin, mental status, genetic information, HIV status, religion, sexual orientation or preference, pregnancy or disability, veteran status, or any basis prohibited by foreign, federal, state or local statutory laws or common laws;
  4. Breach of any manual of employment policies or procedures issued by the Insured Entity;
  5. Workplace Tort; or
  6. Retaliatory action in response to that Employee's:
    - a. disclosure or threat of disclosure of any act by an Insured alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
    - b. actual or attempted exercise of any right that Employee has under law; or
    - c. filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law.
- ✓ **Employee** means the following natural persons, but only for Wrongful Acts committed while acting within the scope of their duties for the Insured Entity.
  1. Full-time, part-time, seasonal, leased and temporary employees, volunteers or interns; and
  2. Independent contractors, provided that such independent contractors are directly supervised by the Insured, and only if the Insured provides indemnification to such person:
    - a. pursuant to a written agreement executed prior to the Inception Date of the Policy or the date such person first rendered such labor or service to the Insured, whichever is later; and
    - b. to the same extent and in the same manner as the Insured provides indemnification to its other employees.
- ✓ **Definition of Insured** means the **Insured Persons and Insured Entity**.

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4/27/2017

## EMPLOYMENT PRACTICES LIABILITY (EPL) (CONTINUED) -

- ✓ **Insured Person** means any:
  1. Past, present or future director, officer or manager of the Insured Entity, but only with respect to the performance of his or her duties as such on behalf of the Insured Entity;
  2. Past, present or future principal if the Insured Entity is a sole proprietorship, or past, present or future partner if the Insured Entity is a partnership, but only with respect to the performance of his or her duties as such on behalf of the Insured Entity; and
  3. Employee
  
- ✓ **Third Party** means any natural person who is an active or current customer, supplier, vendor, business invitee, or other client of the Insured entity.
  
- ✓ **Third Party Wrongful Act** means
  1. Harassment, including sexual harassment whether "quid pro quo", hostile work environment or otherwise against a Third Party or;
  2. Discrimination against a Third Party based upon such Third Party's age, gender, race, color, national origin, mental status, genetic information, HIV status, religion, sexual orientation or preference, pregnancy or disability, veteran status, or any basis prohibited by foreign, federal, state or local statutory laws or common laws, committed, attempted or allegedly committed or attempted by any Insured Entity or by any Insured Person while acting in his or her capacity as such.

**"Wrongful Act" means:** any Employment Practices Wrongful Act or Third Party Wrongful Act.

### Exclusions

- Dishonest, fraudulent or malicious act or omission or any willful violation of any statute, rule or law by such Insured.
- Prior/Pending Litigation Exclusion
- Prior Knowledge Exclusion
- Workers' Compensation
- Liability Assumed by Contract
- ERISA

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4/27/2017

## **EMPLOYMENT PRACTICES LIABILITY (EPL) (CONTINUED) -**

### **Duties in the Event of a Claim Potential Claim or Loss**

#### **Notice of Claim**

Provide written notification to the Company of a Claim made during the Policy Period as soon as practicable or within ninety (90) days after the expiration or cancellation of this Policy. If a Claim is first made within any applicable Extended Reporting Period, the Insured will provide written notification to the Company of such Claim as soon as practicable but in no event later than the termination of the Extended Reporting Period. In the event suit is commenced against an Insured, the Insured must immediately send the Company copies of all demands, notices, settlement offers, summonses or legal papers received in connection with the Claim.

#### **A. Notice of Potential Claims.**

If during the Policy Period the Insured first becomes aware of a Wrongful Act which may reasonably be expected to be the basis of a Claim against an Insured, and the Insured, as soon as practicable, but in no event later than the termination of the Policy Period, gives the Company written notice of such Wrongful Act, then the Company will treat any subsequently resulting Claims as if it had first been made during the Policy Period.

The notice must include the following:

Names of all persons and or organizations involved in the Wrongful Act;

The specific person or organization likely to make the Claim;

a description of the time, place and nature of the Wrongful Act; and  
a description of the potential claim.

#### **B. Insured's Duties in Event of Claim**

Upon the Company's request, the Insured must authorize the Company to obtain records and other information.

The Insured must cooperate with and assist the Company in the investigation, settlement and defense of any Claim.

The Insured must cooperate with and assist the Company, upon the Company's request, in enforcing any rights of contribution or indemnity against another party who may be liable to an Insured.

No Insured will, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without the Company's written consent.

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4/27/2017

**EMPLOYMENT PRACTICES LIABILITY (EPL) (CONTINUED) -**

No Insured will, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without the Company's written consent.

**Send all notices of claims or potential claim notices as well as other required material to:**

Mailing Address:  
CapSpecialty Claim Department  
PO Box 5900  
Madison, WI 53705-0900

Or Email to: [claims@capspecialty.com](mailto:claims@capspecialty.com)

Or Fax to: (608) 829-7411

Please reference your policy for complete details relating to reporting requirements in connection with claims or potential claims, including what to include in your notices.

To discuss an existing claim, call: 1-800-475-4450 (Select #3 for Claims)

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4/27/2017

# Comparison of and EPL and D & O Coverage Trigger

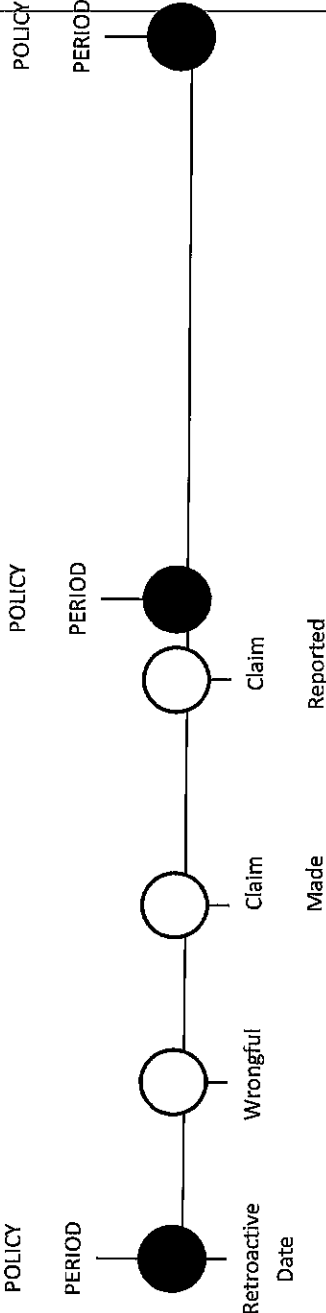
A **claims made** policy applies to claims that are made during the policy term, regardless of when the claim is reported to the insurance carrier. Alternatively, a **claims made and reported** policy applies to claims only if they are made and reported during the policy term (or a short grace period after the term).

In each of the following scenarios, the policy in question:

- ✓ has a term of January 1, 2005 to January 1, 2006.
- ✓ is written with a January 1, 2005 retroactive date, and
- ✓ includes a provision with the claims made and reported policy that requires claims to be reported to the insurer within 60 days following expiration of the policy.

## Scenario #1

In this scenario, both the claims made and reported policies would apply to the claim because the wrongful act took place after the retroactive date, the claim was made against the insured during the policy period and the claim was reported to the insurer within the 1/1/05 policy period.



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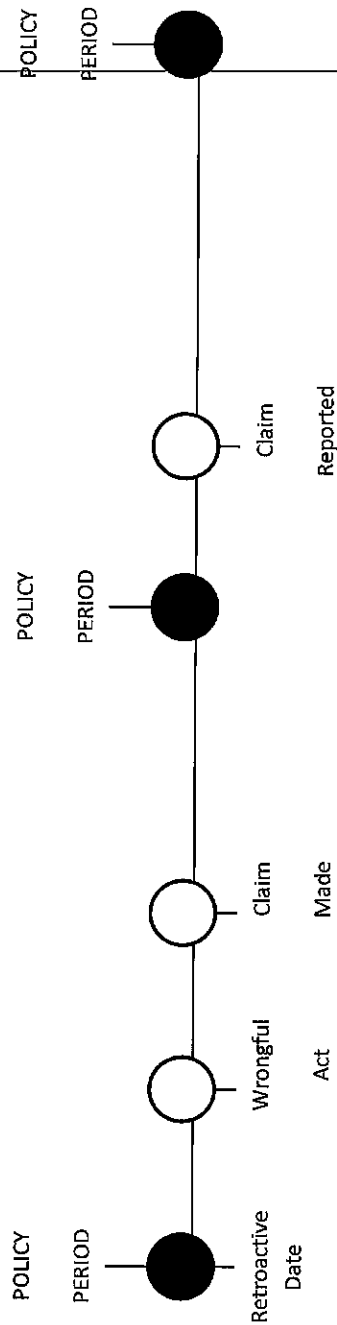
4/27/2017

## Comparison of and EPL and D & O Coverage Trigger (cont.)

### Scenario #2

In this scenario, only the claims made policy would apply to the claim. There is no requirement that the claim be reported to the insurer during the policy period following a claim made against the insured. The claim need only be reported as soon as practicable.

The claims made and reported policy period would not apply to the claim because the claim was not made and reported during the policy period or within 60 days of the policy expiration date.



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4/27/2017



**PREMIUM OPTIONS SUMMARY 2017-2018-  
See Page 2 & 3 for complete marketing results;**

COVERAGE	OPTION	CARRIER	LIMITS	DEDUCTIBLE	RETRO DATE	PREMIUM
Employment Practices Liability						
	OPTION #1	Capitol Specialty Insurance Corporation	\$1,000,000	\$100,000	Policy Inception	\$26,036 + \$833.15 Taxes & Assessments <b>Total: \$26,869.15</b>
	OPTION #2	Capitol Specialty Insurance Corporation	\$2,000,000	\$100,000	Policy Inception	\$36,816 + \$1,178.11 Taxes & Assessments <b>Total: \$37,994.11</b>

**Pre-Binding Subjectivities:** (required in order to firm up terms)

1. Completed, Signed and Dated CapSpecialty Application-**RECEIVED**.**OR** Need completed Arch Application to firm up Arch indication.
2. D-1: Surplus Lines Affidavit.

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4/27/2017

# Central Contra Costa Transit Authority Integro Service Team



## Executive Broker



### **Jerry Katopodis**

*President*  
Phone: (925) 852-0400  
Mobile: (925) 286-7465  
[Jerry.Katopodis@integrogroup.com](mailto:Jerry.Katopodis@integrogroup.com)  
Office: Pleasant Hill

## Employment Practices



### **Doug Williams**

*Sr. Vice President*  
Phone: (925) 852-0414  
Mobile: (925) 998-9195  
[Doug.Williams@integrogroup.com](mailto:Doug.Williams@integrogroup.com)  
Office: Pleasant Hill

## Account Manager



### **Lynette Dupree**

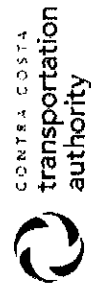
*Commercial Account Manager*  
Phone: (925) 852-0413  
[Lynette.Dupree@integrogroup.com](mailto:Lynette.Dupree@integrogroup.com)  
Office: Pleasant Hill

## Claims Advocate



### **John Orr**

*Managing Principal*  
Phone: (415) 365-4665  
Mobile: (415) 712-9307  
[John.Orr@integrogroup.com](mailto:John.Orr@integrogroup.com)  
Office: San Francisco



Keeping Contra Costa Moving

Confidential

A.M. Best Rating Services

Capitol Specialty Insurance Corporation (?)

A.M. Best #: 001960 NAIC #: 10328 FEIN #: 390988659

Mailing Address [View Additional Address Information](#)

P.O. Box 5900  
Madison, WI 53705-0900  
[United States](#)

Web: [www.capspecialty.com](http://www.capspecialty.com)

Phone: 608-829-4200

Fax: 608-829-7408



Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.

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Based on A.M. Best's analysis, [058309 - Alleghany Corporation](#) is the **AMB Ultimate Parent** and identifies the topmost entity of the corporate structure. View a list of [operating insurance entities](#) in this structure.

<b>Best's Credit Ratings</b>	
<b>Financial Strength Rating</b> <a href="#">View Definition</a>	
Rating:	A (Excellent)
Affiliation Code:	g (Group)
Financial Size Category:	VIII (\$100 Million to \$250 Million)
Outlook:	Stable
Action:	Affirmed
Effective Date:	August 19, 2016
Initial Rating Date:	June 06, 1994
<b>Long-Term Issuer Credit Rating</b> <a href="#">View Definition</a>	
Long-Term:	a
Outlook:	Stable
Action:	Affirmed
Effective Date:	August 19, 2016
Initial Rating Date:	November 16, 2005
u Denotes <a href="#">Under Review Best's Rating</a>	
<b>Best's Credit Rating Analyst</b>	
Rating Issued by: A.M. Best Rating Services, Inc.	
Senior Financial Analyst: Scott Mangan	
Director: Greg Reisner	
<b>Disclosure Information</b>	
	<a href="#">View A.M. Best's Rating Disclosure Form</a>
	<a href="#">A.M. Best Upgrades Ratings of Transatlantic Reinsurance Company and Alleghany Corporation</a> August 19, 2016

<b>Rating History</b>
A.M. Best has provided ratings & analysis on this company since 1994.

**Financial Strength Rating**

Effective Date	Rating
8/19/2016	A
4/24/2015	A
4/2/2014	A
2/28/2013	A

**Long-Term Issuer Credit Rating**

Effective Date	Rating
8/19/2016	a
4/24/2015	a
4/2/2014	a
2/28/2013	a

**AMB Credit Reports**

**AMB Credit Report** - includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.

Report Revision Date: 3/23/2017 (represents the latest significant change).



Historical Reports are available in [AMB Credit Report Archive](#).

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**Press Releases**

<u>Date</u>	<u>Title</u>
Aug 19, 2016	<a href="#">A.M. Best Upgrades Ratings of Transatlantic Reinsurance Company and Alleghany Corporation</a>
Apr 24, 2015	<a href="#">A.M. Best Affirms Ratings of Alleghany Corporation's RSUI Indemnity Company and Its Affiliates</a>
Apr 02, 2014	<a href="#">A.M. Best Upgrades Ratings of Alleghany Corporation's RSUI Indemnity Company and Its Subsidiaries</a>
Feb 28, 2013	<a href="#">A.M. Best Upgrades Issuer Credit Ratings of Transatlantic Holdings Inc. and Its Subsidiaries</a>
Jun 10, 2011	<a href="#">A.M. Best Affirms Ratings of Alleghany Corporation and Its Subsidiaries</a>
May 21, 2010	<a href="#">A.M. Best Upgrades Issuer Credit Ratings of Alleghany Corporation and Certain Subsidiaries</a>
Apr 03, 2008	<a href="#">A.M. Best Affirms Ratings of Capitol Insurance Group</a>
Apr 30, 2007	<a href="#">A.M. Best Comments on Alleghany Corporation's Definitive Agreement to Acquire Employers Direct Corporation</a>
Mar 02, 2007	<a href="#">A.M. Best Affirms Ratings of Capitol Insurance Group</a>
Nov 16, 2005	<a href="#">A.M. Best Assigns Ratings to Darwin Group, Inc. and Its Subsidiaries</a>

**European Union Disclosures**

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# Best's Insurance News & Analysis

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Press Release - AUGUST 19, 2016

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## A.M. Best Upgrades Ratings of Transatlantic Reinsurance Company and Alleghany Corporation

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### Related Companies

For information about each company, including the AMB Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
058309	<a href="#">Alleghany Corporation</a>
058702	<a href="#">American International Group, Inc</a>
058334	<a href="#">Berkshire Hathaway Inc.</a>
005716	<a href="#">CapSpecialty Insurance Group</a>
000235	<a href="#">Capitol Indemnity Corporation</a>

1 2 3 4

### FOR IMMEDIATE RELEASE

OLDWICK - AUGUST 19, 2016

A.M. Best has upgraded the financial strength rating (FSR) to A+ (Superior) from A (Excellent) and the issuer credit ratings (ICR) to "aa-" from "a+" of **Transatlantic Reinsurance Company** and its subsidiaries (collectively referred to as TransRe). In addition, A.M. Best has upgraded the ICRs to "a-" from "bbb+" and the issue ratings of **Alleghany Corporation** (Alleghany) [NYSE: Y] and **Transatlantic Holdings Inc.** The outlook of each rating has been revised to stable from positive. TransRe and Alleghany are headquartered in New York, NY.

Concurrently, A.M. Best has affirmed the FSR of A+ (Superior) and the ICRs of "aa-" of **RSUI Indemnity Company** and its reinsured subsidiaries, collectively referred to as **RSUI Group** (RSUI) (headquartered in Atlanta, GA). The outlook for each of these ratings is stable.

A.M. Best also has affirmed the FSR of A (Excellent) and the ICRs of "a" of **Capitol Indemnity Corporation** and its two subsidiaries, which operate under a pooling agreement, collectively referred to as **CapSpecialty Insurance Group** (CapSpecialty) (headquartered in Middleton, WI). The outlook for each of these ratings is stable.

Additionally, A.M. Best affirmed the FSR of A- (Excellent) and the ICR of "a-" of **Pacific Compensation Insurance Company** (Pacific Comp) (headquartered in Thousand Oaks, CA). The outlook for each rating remains stable. (Please see below for a detailed listing of the companies and ratings.)

The upgrading of TransRe's ratings reflects its strong risk-adjusted capitalization, robust enterprise risk management and consistent operating performance. The upgrade also reflects TransRe's well-regarded business profile and its highly diversified book of business geographically and by line of business. Also contemplated in the ratings are recent transactions that have further bolstered TransRe's business profile. In July 2016, TransRe announced that it had entered into an exclusive agreement to serve as the underwriter for U.S. and Canadian broker-sourced treaty business on behalf of **General Re Corporation**, a subsidiary of **Berkshire Hathaway Inc.** While the tangible benefits of the agreement have not yet been realized, the additional capacity is expected to enhance TransRe's overall competitive position. Additionally, TransRe and an **American International Group, Inc.** subsidiary engaged in commutation of historical asbestos and environmental exposures that have been a long-standing, albeit modest, drag on overall earnings. Going forward it is A.M. Best's expectation that while TransRe's return measures are unlikely to be at the high end of the companies' peer group, TransRe will continue to produce favorable results, supportive of its ratings and with lower volatility relative to peers over the course of the full cycle.

The ratings of RSUI continue to reflect the group's strong risk-adjusted capitalization and excellent track record of superior underwriting results that have outperformed the industry. Although RSUI has significant catastrophe exposures and elevated equity leverage in its investment portfolio, both are closely monitored and managed as part of RSUI's risk management planning.

CapSpecialty's ratings recognize its strong and sustained levels of risk-adjusted capitalization and its ongoing process of re-orienting its book of business to produce more stable results. CapSpecialty benefits from the implicit and explicit support of Alleghany, its ultimate parent.

The ratings and outlooks of Pacific Comp are based on A.M. Best's expectation that explicit support through intercompany reinsurance and direct capital support will remain ongoing or increased if needed.

The FSR has been upgraded to A+ (Superior) from A (Excellent) and the ICRs upgraded to "aa-" from "a+" for **Transatlantic Reinsurance Company** and its following subsidiaries:

- TransRe Zurich Ltd.
- TransRe London Limited
- Fair American Insurance and Reinsurance Company
- Fair American Select Insurance Company

The FSR of A+ (Superior) and the ICRs of "aa-" have been affirmed for the following members of **RSUI Group**:

- RSUI Indemnity Company

- Landmark American Insurance Company
- Covington Specialty Insurance Company

The FSR of A (Excellent) and ICRs of "a" has been affirmed for the following members of CapSpecialty Insurance Group:

- Capitol Indemnity Corporation
- Platte River Insurance Company
- Capitol Specialty Insurance Corporation

The following issue ratings have been upgraded:

**Alleghany Corporation—**

- to "a-" from "bbb+" on \$299 million 5.625% senior unsecured notes, due 2020
- to "a-" from "bbb+" on \$400 million floating rate senior unsecured notes, due 2022
- to "a-" from "bbb+" on \$300 million 4.9% senior unsecured notes, due 2044

**Transatlantic Holdings Inc.—**

- to "a-" from "bbb+" on \$350 million 8% senior unsecured notes, due 2039

This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page.

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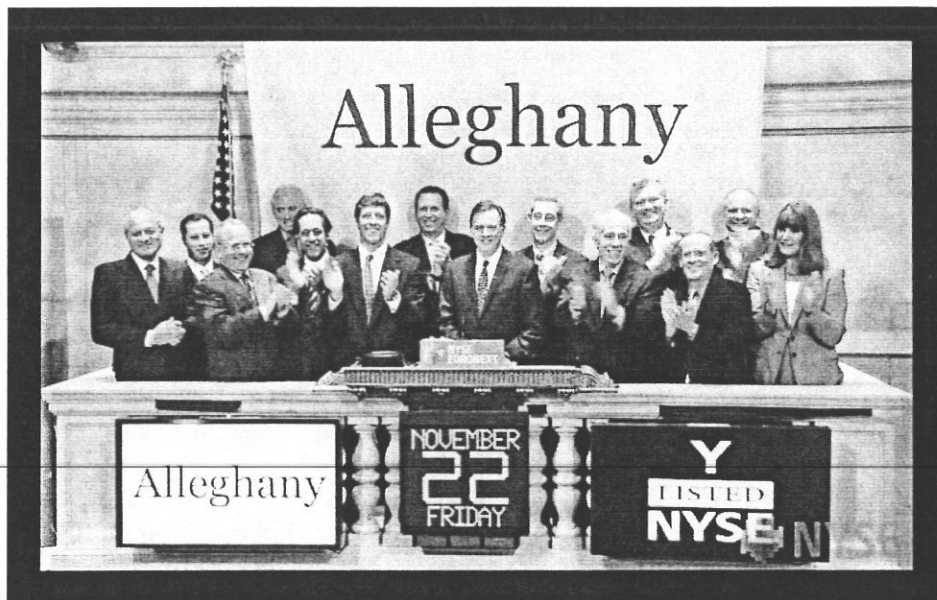
## About Alleghany

Conservatism dominates our philosophy.

We shun investment fads and fashions in favor of acquiring relatively few interests in basic financial and industrial enterprises that offer the potential to deliver long-term value to the investor.

Alleghany's objective is to create value through owning and managing operating subsidiaries and investments, anchored by a core position in property and casualty reinsurance and insurance.

We are managed by a small company staff which seeks out attractive investment opportunities, delegates responsibilities to competent and motivated managers, sets operating subsidiary goals, assists managers in the achievement of these goals, defines risk parameters and appropriate incentives and monitors progress against long-term objectives. The operating subsidiaries function in an entrepreneurial climate as quasi-autonomous enterprises.



2013: Alleghany Celebrates 85<sup>th</sup> Anniversary of Listing on the New York Stock Exchange

# CapSpecialty

CapSpecialty, Inc. ("CapSpecialty") underwrites a full inventory of specialty lines, including commercial property, casualty, fidelity, surety and professional lines with a focus on small business on both an admitted and non-admitted basis.

CapSpecialty's mission is to be the preferred specialty insurance company for small and mid-sized businesses in the U.S.

CapSpecialty was acquired by Alleghany in January 2002.

[www.capspecialty.com](http://www.capspecialty.com)

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**EMPLOYERS FACE CONTINUOUSLY CHANGING EMPLOYMENT LAWS AND ONGOING EMPLOYEE ISSUES.** The CapSpecialty Resource Center is here to help with these challenges and deliver thousands of dollars of risk management value to your organization. These services have helped thousands of employers protect themselves from risk, and we encourage you to take full advantage.

Unlimited, specific, documented, and confidential advice from employment law attorneys



Online sexual harassment prevention training courses available for both supervisors and employees



Online tools: a state-specific employee handbook builder, forms, posters, news, and more

# == THOUSANDS OF DOLLARS

IN ANNUAL EMPLOYER VALUE

### HOW DOES CAPSPECIALTY RESOURCE CENTER WORK?

*Employers are provided valuable services and will be personally introduced to the following:*

- + Direct access to employment law attorneys to receive confidential, documented responses to your organization's specific questions
- + Resources that address over 50 different employment law and HR/risk management issues
- + Online risk management tools available 24 hours a day
- + A state-specific employee handbook building tool and online sexual harassment prevention training
- + Customizable HR risk management resources and proactive HR *Express* Updates direct to your inbox
- + Dedicated relationship managers that can help you take full advantage of these benefits

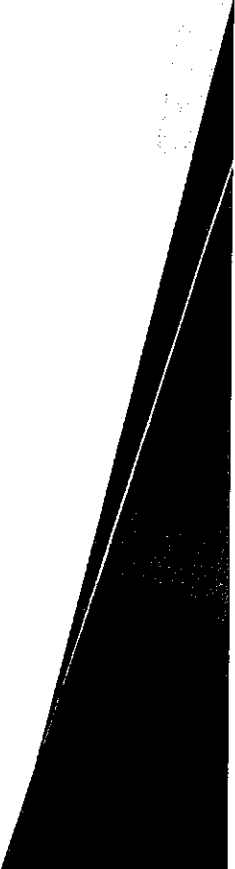
 [CapSpecialtyResourceCenter.com](http://CapSpecialtyResourceCenter.com)

 877.568.6655

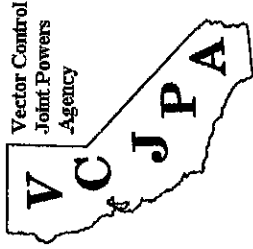
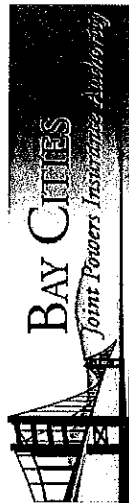


**County Connection  
Administration & Finance  
Committee Meeting**

**May 1, 2017**



# Membership



## ERMAC

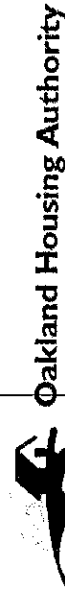
EXCLUSIVE RISK MANAGEMENT AUTHORITY OF CALIFORNIA

## MPA

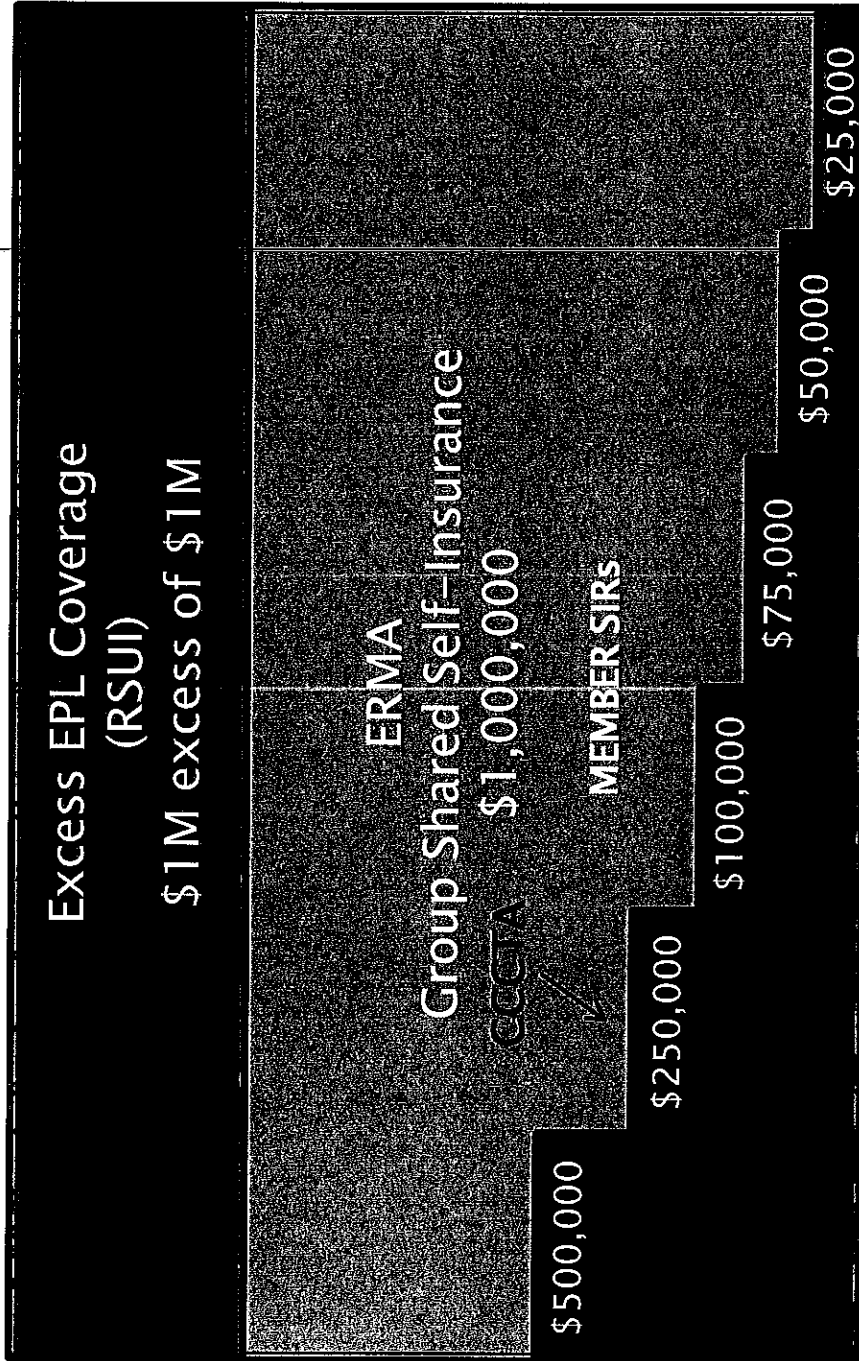


HOUSING AUTHORITY of the  
COUNTY OF CONTRA COSTA

## MBASIA



# Coverage Structure



# Financial Advantages

- Conservatively Funded Program
- Rates are not profit-driven
- Flexibility of SIRs
- Dividend plans and incentives – \$13.5M in dividends in previous four program years.
- Rates based upon JPA and individual member experience
- Capped individual member ex-mod factor

*T 1/2 of compared  
Dividends to premiums*

# Program Advantages

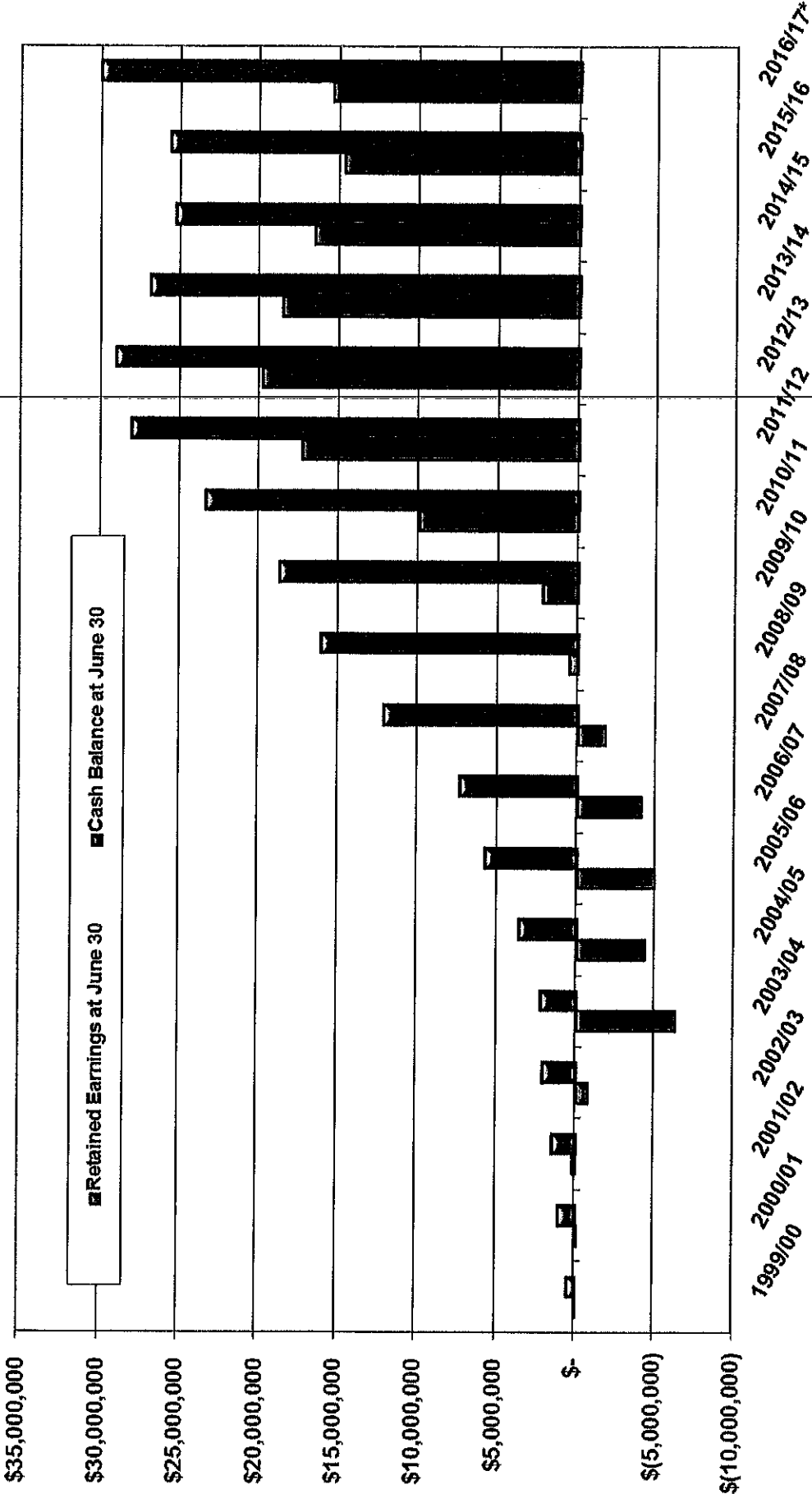
## Definition of Occurrence

- “First act” occurred during coverage period
- All allegations by same employee in same claim are considered one occurrence
- All claims by all employees arising from same act, policy, or course are considered one occurrence

## Claims-Made Policy

- Covers claims made during given period of time. Loss may have happened many years in past, but reported during current policy term
- Claims-made policy runs risk of no coverage for a potential claim if not discovered until after policy expired

# ERMA Retained Earnings and Cash Balance As of Year End For All Program Years Combined



Program Year-End \*2016/17 Balances are as of 12/31/16



# Litigation Management & Loss Prevention

- Comprehensive Litigation Management
- Live training workshops
- *in2vate*
- Employee Reporting Line
- Attorney Hotline
- Policy Review Program



# QUESTIONS ?



**To:** Board of Directors

**Date:** 5/5/2017

**From:** Anne Muzzini, Director of Planning & Marketing

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**SUBJECT: Administration Building Hours for the Public**

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## **Background**

During the last budget cuts the Board of Directors approved closing the front desk during the lunch period from 12:00-1:00 PM. Since then the responsibility for staffing the front desk shifted from one employee in the Human Resources department to Customer Service. Now the front desk is staffed by rotating customer service representatives who answer the customer service lines as well as handle walk in traffic. The work load increased when the Regional Transit Connection (RTC) discount card functions and Clipper functions were added to front desk activities. We now get more foot traffic than prior to Clipper.

Because the Customer Service department is staffed by many individuals from 6:30 AM to 6:30 PM, there is enough flexibility to keep the front desk and front door open during the lunch hour. This will increase customer service without impacting the budget.

## **Recommendation**

The MP&L Committee recommends returning the public access hours for the administration building to 8:00 AM – 5:00 PM.

To: Board of Directors

Date: May 5, 2017

From: Mary Burdick

Reviewed by:

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**SUBJECT: Appointment of David Piper to Advisory Committee As Alternate**

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**Summary of Issues:**

On April 17, 2017 the Pleasant Hill City Council approved the appointment of David Piper to serve as the alternate member on County Connection's Advisory Committee. The appointment will expire in April, 2019.

**Recommendation:**

Approve the appointment of David Piper as the alternate representative of Pleasant Hill on County Connection's Advisory Committee.

**Attachment:**

Appointment notice and application



# City of Pleasant Hill

April 18, 2017

Ms. Mary Burdick  
Manager of Customer Service/Community Outreach  
County Connection  
2477 Arnold Industrial Way  
Concord, CA 94520

Re: Pleasant Hill Appointment of David Piper to CCCTA Advisory Committee

Dear Ms. Burdick:

The Pleasant Hill City Council, at its meeting of April 17, 2017, approved the forwarding of a recommendation to the Central Contra Costa Transit Authority Board of Directors to nominate David Piper for appointment as an alternate member to the Central Contra Costa Transit Authority (CCCTA) Advisory Committee. The reappointment term, if approved by the Board, will expire at the end of April, 2019.

Please provide confirmation of the Board's final appointment to:

City of Pleasant Hill  
Attn: Juanita Davalos, Administrative Analyst  
100 Gregory Lane  
Pleasant Hill, CA 94523

If you have any questions, feel free to contact Juanita Davalos at 925-671-5283 or [jdavalos@pleasanthillca.org](mailto:jdavalos@pleasanthillca.org).

Thank you for your attention to this matter.

Sincerely,



Michael G. Harris, OD  
Mayor

MGH: jmd

cc: Councilmember Sue Noack, Pleasant Hill Representative, CCCTA Board of Directors  
David Piper



If using Google Chrome, please first download the form and open with Adobe Reader.

Last Name PIPER

### APPLICATION FOR PLEASANT HILL COMMISSIONS AND COMMITTEES

The City Manager's office maintains a file of Pleasant Hill residents willing to serve on various commissions and committees as vacancies arise. If you are interested in being a candidate for appointment, please fill out the following form and mail it to the address on the back of this page. When vacancies occur, all applications will be reviewed by a City Council subcommittee, and interviews may be held from time to time. Your application will remain on file for one year.

YES, I am interested in serving on the (select one or more, and indicate the order of your preference):

- ( ) **ARCHITECTURAL REVIEW COMMISSION** (meets 1st and 3rd Thursdays at 5:00 p.m.) Reviews site plans, architectural structures and signing related to new development in Pleasant Hill. Must have demonstrated talent and interest in aesthetics and architectural design through experience, training, education or occupation. (5 members)
- ( ) **CIVIC ACTION COMMISSION** (meets 1st Wednesday at 6:30 p.m.) Makes recommendations to City Council on subjects that improve the overall quality of community life. Organizes major events such as the summer concert series, Community Service Day and Light Up the Night. (9 members)
- ( ) **COMMISSION ON AGING** (meets 2nd Thursday at 5:00 p.m.) Considers matters affecting the aging in the community; provides awareness of resources; and participates in events of benefit to the aging population. (9 members - 3 may be under 55 years of age)
- (1) **EDUCATION COMMISSION** (meets 4th Wednesday at 7:00 p.m.) Advisory body to City Council to foster cooperation and communication with Mt. Diablo Unified School District, other local agencies and businesses. Must reside in either Valley View or Pleasant Hill Middle School attendance areas. (9 - 13 members)
- ( ) **PLANNING COMMISSION** (meets 2nd and 4th Tuesdays at 6:30 p.m.) The recommending body to City Council on land use, zoning, general plan, etc. Must be a citizen of the U.S. and resident of Pleasant Hill for at least one year to qualify for appointment. (7 members)
- ( ) **TRAFFIC SAFETY COMMITTEE** (meets 2nd Tuesday at 6:00 p.m.) Three Pleasant Hill residents appointed by City Council to review traffic safety problems in the community and recommend actions. At least two people must have expertise in engineering or public safety.
- ( ) **COUNTY AVIATION ADVISORY COMMITTEE** - One Pleasant Hill resident recommended by City Council to advise the Contra Costa County Board of Supervisors on County-wide airport policies.
- ( ) **COUNTY IRON HORSE CORRIDOR ADVISORY COMMITTEE** - One Pleasant Hill resident recommended by City Council to advise the Board of Supervisors on development and policies regarding the Iron Horse Corridor (former Southern Pacific Right-of-way).
- ( ) **COUNTY LIBRARY COMMISSION** - One delegate appointed by City Council to advise the Contra Costa County Board of Supervisors and County Librarian regarding library services.
- (2) **OTHER:** Central Contra Costa Transit Authority Citizens Advisory Committee  
per email confirmation - JMB 4/12/17

There are other independent groups serving our community such as 4th of July Commission, P.H. Foundation, Friends of Rodgers Ranch, P.H. Historical Society, and Friends of P.H. Library. For information on City Commissions or Committees, or how you can become involved in the independent groups call 925-671-5267 or email [javalos@pleasanthillca.org](mailto:javalos@pleasanthillca.org).

(PLEASE FILL IN SECOND PAGE)

SUMMARY OF BACKGROUND AND EXPERIENCE

Name PIPER DAVID  
Last First

Address 96 BAYLOR LANE PLEASANT HILL 94523  
City Zip

Cell Phone (925) 705-5403 Daytime Phone (925) 930-3948

Email Address DPIPERESQ@GMAIL.COM

Occupation ATTORNEY Employer SELF

Can you attend daytime meetings? Yes  No  Night meetings? Yes  No

Are you a U.S. Citizen? Yes  No

Educational Background:

High School AMERICAN HIGH SCHOOL Graduate? Yes  No

College UNIVERSITY OF NEW MEXICO Graduate? Yes  No

Graduate School AMERICAN UNIVERSITY, WASHINGTON COLLEGE OF LAW

Trade or Special School \_\_\_\_\_

Do you live in Pleasant Hill? Yes  No  If yes, how many years? 5 (You must be a resident for at least one year to qualify for appointment to the Planning Commission.)

Do you have any special skills or knowledge that you believe would be helpful in serving on the commission or committee in which you have expressed an interest? Explain.

I am currently active in the Gregory Gardens Elementary PTA and volunteer in the classrooms at Gregory Gardens Elementary. As such, I do have first hand experience with some of the issues and problems that face our local schools. In addition, my law practice has involved representing youthful offenders. This has made me keenly aware of some the more complicated issues that face at risk youth.

Please indicate any further information or comments you wish to make that would be helpful in reviewing your application.

I believe in our community and in our local schools. Both need help to keep this city a great place to live. I have the time, commitment and desire to volunteer my time to help our local students in the Mt. Diablo Unified School District. I have two children who reside in the District and who will be attending Valley View Middle School and College Park High School in the future. This provides me the motivation to work hard to try and improve our schools to make them the best they can be.

Sign your name by typing it in the Signature box below:

/s/ David M. Piper

Date 03/30/2017

Return this form to: City of Pleasant Hill  
City Manager's Office  
100 Gregory Lane  
Pleasant Hill, CA 94523-3323



Click Print

OR

Save the form and email to:

[JDavalos@PleasantHill.ca.gov](mailto:JDavalos@PleasantHill.ca.gov)



Click Save

APPLICATIONS RECEIVED ARE PUBLIC RECORD

Attendance area:  
Valley View Middle School