

Administration and Finance Committee
Summary Minutes
December 6, 2017

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

Committee Members: Director Al Dessayer
Director Don Tatzin

Staff: General Manager Rick Ramacier
Chief Financial Officer Scott Mitchell
Accounting Manager Karol McCarty

Guests: Ralph Hoffman

1. Approval of Agenda- Approved.
2. Public Communication- Ralph Hoffman noted that the Bay Area Air Quality Management District has announced Spare the Air Days on December 8th thru December 10th. Director Tatzin requested the General Manager review options on the number of committee members per committee.
3. Approval of Minutes of November 1, 2017- Approved.
4. Presentation of the Fiscal Year 2017 Audit—Rosalva Flores, the Brown Armstrong partner in charge of the FY 2017 audit, reported by telephone on the audit. She reported that the audit report is unmodified, no findings, no material weaknesses nor deficiencies were identified and no material noncompliance issues were noted. She did note one area of improvement which involved deactivating identification badges more timely which staff concurred with. She thanked County Connection's financial staff for working with her staff in completing the audit. Mr. Cheung thanked Ms. Flores and her team, he also thanked finance staff and all of the various County Connection departments involved in the audit. The Committee recommended to the Board that the audit report be approved.
5. PERS Actuarial Valuation for June 30, 2016; Rate for FY 2018-19- Mr. Cheung reported that the employer rate for PERS retirement for FY 2018 will be 8.114% and unfunded liability payment of \$210,673. County Connection's funded status is currently 88.9%, which is down from 95.8% in the previous year due to investment return of 0.6% for FY 2016 and reduction in discount rate from 7.5% to 7.0% over the next several years beginning in FY 2019. The projections from CalPERS for future years reflects an increase in the unfunded liability payment due to the last couple of years returns of 2.4% for FY 2015 and 0.6% for FY 2016, compared to the actuarially assumed annual rate of return of 7.5%. The unfunded liability payments will be \$211K in FY 2019, \$412K in FY 2020, \$679K in FY 2021, \$973K in FY 2022, \$1.2 million in FY 2023, \$1.4 million in FY 2024 and \$1.5 million in FY 2025. Mr. Cheung noted that this was brought to the Committee's attention in February 2017 and most of these changed were incorporated in the FY 2018 Budget and Ten Year Forecast. Staff will incorporate the revised payments and contribution rates in the FY 2019 Budget and Ten Year Forecast. Information only.
6. Review of Vendor Bills, August and November 2017- Reviewed.
7. Legal Services Statement, September & October 2017, General & Labor- Approved.
8. Adjournment- The meeting was adjourned. The next meeting is set for scheduled Wednesday, January 3rd, February 7th and March 7th at 9:00 am at 3338 Mt. Diablo Blvd, Lafayette, CA 94549.

Erick Cheung, Director of Finance