

INTER OFFICE MEMO

Administration and Finance Committee
Summary Minutes
November 10, 2020

The meeting was called to order at 8:30 a.m. via Teleconference pursuant to the provision of the Governor's Executive Orders N-25-20 and N-29-20. Those in attendance were:

Committee Members: Director Al Dessayer
 Director Sue Noack
 Director Don Tatzin

Staff: General Manager Rick Ramacier
 Assistant General Manager Bill Churchill
 Chief Financial Officer Erick Cheung
 Director of Planning, Marketing & Innovation Ruby Horta
 Manager of Planning Melody Reeb
 Authority Attorney Madeline Chun

1. Approval of Agenda- Approved by each member of the A&F Committee
2. Public Communication- None
3. Approval of Minutes of October 7, 2020- Approved by each member of the A&F Committee.
4. Clipper START and Youth Fare Proposals and Title VI Fare Equity Analysis – General Manager Ramacier stated that this process began with the Metropolitan Transportation Commission (MTC) as recommended by its Blue Ribbon Committee to look for areas of regional cooperation between operators. MTC was able to allocate some of their Federal CARES Act funds to help support the Clipper START program which will provide discounted fares for low-income riders. The program is provided through the use of Clipper and County Connection is currently connected to Tri Delta, WestCAT, and LAVTA which have already agreed to join the Clipper START program.

Director Horta reported that the Board authorized staff to proceed with the public comment process and the Title VI Fare Equity Analysis for two proposed fare discount pilot programs at the September 2020 meeting. The Clipper START program would provide a 20% discount on the single-ride Clipper fare for eligible low-income adults, and the proposed youth fare would provide a similar discount to youth, ages 6-18, when using a Youth Clipper card. If approved, the programs would be implemented in early 2021, and the pilot period for both programs would be for one year.

MTC will be providing funding during the one-year pilot to offset some of the fare revenue losses from the Clipper START program for low-income riders. Towards the end of the pilot period, County Connection will conduct an evaluation of both the Clipper START and youth fare discounts to determine whether they should be continued and if there is funding available to continue to offset revenue losses.

The Title VI Fare Equity Analysis did not find any disparate impact based on race or any disproportionate burden to low-income populations from either of the proposed fare discounts. Also, after Board authorization in September, staff began conducting outreach to solicit public feedback on the proposed fare discount programs. Due to the ongoing COVID-19 pandemic, staff conducted all public meetings via teleconference, which allows the public to participate using a computer or by phone. Staff conducted two public meetings and was also able to comment on the proposed program via phone, mail, email, and online through County Connection's website.

As of November 2, 2020, a total of four (4) formal comments have been received, three (3) in favor of the proposed discounts and one (1) comment opposed to the discounts only being available on Clipper. Staff also conducted polls on the agency's Twitter and NextDoor accounts to solicit additional feedback from the public. The poll on Twitter was open for one week and received a total of 29 responses, 28 of which were in support of the proposed programs. The poll on NextDoor has received 201 responses to date, with 156 in favor, 24 in opposition, and 21 that were unsure.

The estimated revenue loss from the proposed youth fare discount is \$120,000, and the estimated revenue loss from the proposed Clipper START discount is \$328,000. MTC is programmed to reimburse approximately \$140,000 for the Clipper START program, though reimbursement will be based on actual usage. This would result in a net loss of \$308,000 for both programs combined.

Director Dessayer commented that it did not appear reasonable to provide a program that further reduces fare revenue with COVID-19 having negative impacts to all of our revenues. Director Tatzin noted that the program could impact revenues, but we need to have data so that we can inform the Board and MTC of the financial impact of the Clipper Start program. Director Noack concurred that the data is important and whether this program will assist in increasing ridership.

Staff recommends that the A&F Committee forward the attached Title VI Fare Equity Analysis to the Board for review and approval. The Title VI Fare Equity Analysis was approved to be forwarded to the Board with Directors Tatzin and Noack in favor and Director Dessayer not in favor.

5. PERS Actuarial Valuation for June 30, 2019; Rate for FY 2022- Mr. Cheung reported that the employer rate for PERS retirement for FY 2021 will be 8.91% and unfunded liability payment of \$752,695. County Connection's funded status is currently 89.2%, which is down from 89.8% due to PERS receiving 6.7% in investment return compared to the discount rate of 7.0%. The projections are slightly higher than the prior year by \$178,695 over the next 5 years. PERS recently announced it achieved 4.7% for the June 30, 2020 valuation, which is less than 7.0%. This will mean higher payments beginning in FY 2023 and could cost an additional \$1.4 million over 5 years based on PERS estimating tool. Actual amounts will be part of next year's valuation. Staff has already incorporated these amounts into the budget forecast update presented to the Committee and the Board back in September.

In the previous year, the Board authorized reducing our pension liability by making smaller direct payments to CalPERS to achieve interest saving over time. Due to the Coronavirus, no additional payments were made in FY 2020 and probably none in FY 2021 as we are looking for ways to reduce costs in the near future. Each member of the A&F Committee accepted the informational report.

6. Review of Vendor Bills, October 2020- Reviewed by each member of the A&F Committee.
7. Legal Services Statement, August & September 2020 Labor and September 2020 General – Approved by each member of the A&F Committee.
8. Next Scheduled Meeting – The next meeting is set for scheduled for 8:30 am on Wednesday, December 9th via teleconference.
9. Adjournment- The meeting was adjourned

Erick Cheung, Chief Financial Officer