

**Summary Minutes
Administration & Finance Committee
Wednesday, February 1, 2023, 2:00 p.m.**

Due to COVID-19, this meeting was conducted as a teleconference pursuant to the provisions of Assembly Bill 361.

Directors: Sue Noack, Jim Diaz
Staff: Ruby Horta, Amber Johnson, Kristina Martinez, Lathina Hill
Public: None addressed the committee

Call to Order: Meeting called to order at 2:00 p.m. by Director Noack.

1. Approval of Agenda

The Committee approved the agenda.

2. Public Communication

None.

3. Approval of Minutes of December 7, 2022

The Committee approved the minutes.

4. CCCTA Investment Policy-Quarterly Reporting Requirement

Ms. Johnson reported that the Authority's investment portfolio as of September 30, 2022 complies with the Investment Policy, and that the Authority has the ability to meet projected cash flow for the next six months.

5. Income Statements for the Three Months Ended September 30, 2022

Ms. Johnson reported that the actual expenses of \$9.4 million represent 20% of the total annual budget of \$47.3 million, and expenditures are equal to revenues due to the way the Authority utilizes its TDA revenues. Fixed route expenses have utilized 20.7% of total budget. Paratransit expenses have utilized 16.6% of total budget. Paratransit fare revenues for the quarter have exceeded the budget projection, indicating improving ridership on the service. Ms. Johnson also highlighted the statistical portion of the report, which reveals farebox ratio and cost per passenger numbers at pre-COVID and post-COVID levels, with recent indicators showing fair improvement in ridership and productivity. The Committee accepted the report and recommended it be provided as an information item to the Board.

6. Transit Operator Recruitment Update

Ms. Martinez provided an update on operator recruitments, as compared to a year ago when the Board authorized the General Manager to begin paying new operators at step three of a five step pay scale. She reported that this effort has seen some success, with 23 new operators hired since implementing the change. However, while County Connection has been able to reduce its Operator shortfall, there are still staffing vacancies, so ongoing successful recruitment is vital to protecting

current service levels and responding to any new service demands. Staff anticipates continuing to bring in new operators at step three. Director Noack expressed a desire to continue to provide this flexibility at the discretion of the General Manager, authorizing him to bring in new operators anywhere from step one to step three, depending on market and economic conditions. The Committee agreed to bring this item to the full board as an informational update.

7. Pension Funding Framework

Ms. Johnson reported that late last year, the Committee began discussing how it might modify the Authority's pension funding policy, utilizing alternate ways to save money for pensions outside of the CalPERS system. Ms. Johnson stated that at the last Committee meeting in December, the Committee directed her to explore the creation of a 115 trust for pensions and bring back a proposal on how to fund the trust. Ms. Johnson laid out a proposal to the Committee to open a 115 pension account under a combination 115 trust with PARS, to fund the trust with fare revenues, and to seed the trust with \$500,000 from budgetary savings in FY 2024 that will be realized due to the one-year reprieve from paying unfunded accrued liability payments to CalPERS. Ms. Johnson further provided options for ongoing funding, including: the current policy of budget savings when actual pension payments are less than budgeted, a new policy of 3% of fare revenues when fare revenues exceed \$2.5 million, or a new policy of \$100 thousand per year. Lastly, Ms. Johnson proposed that any withdrawals from the trust must be authorized by the Board either through the budget approval process or on an emergency basis.

After some discussion the Committee agreed to recommend a new pension funding framework to the full Board of Directors, with the following elements: open a pension 115 account under a combination 115 trust with PARS, fund the trust with fare revenues, seed the trust with \$1 million from budgetary savings, decide ongoing funding with each budget cycle, and require Board approval for withdrawals from the trust.

8. Review of Vendor Bills, December 2022 and January 2023

The Committee reviewed the vendor bills for December 2022 and January 2023.

9. Approval of Legal Services Statement, November 2022 Labor, November 2022 General

The Committee approved the legal services statements for November 2022 Labor, November 2022 General services.

10. Next Scheduled Meeting

The next meeting was scheduled for March 1st at 2:00 p.m. in Pleasant Hill.

11. Adjournment

The meeting was adjourned at 2:23 p.m.

Minutes prepared and submitted by: Amber Johnson, Chief Financial Officer