

Summary Minutes Administration & Finance Committee

County Connection Administration Office
2477 Arnold Industrial Way
3rd Floor Conference Room
Concord, CA 94520

Wednesday, November 6, 2024, 9:00 a.m.

Directors: Sue Noack, Laura Hoffmeister, Jim Diaz
Staff: Bill Churchill, Ruby Horta, Amber Johnson, Kristina Martinez, Karol McCarty
Ashley Green, Partner at Brown Armstrong Accountancy Corporation

Call to Order: Meeting called to order at 9:00 a.m. by Director Noack.

1. Approval of Agenda

The Committee approved the agenda.

2. Public Communication

None.

3. Approval of Minutes of October 2, 2024

The Committee approved the minutes.

4. Fiscal Year 2024 Financial Report and Audited Financial Statements

An independent audit was performed by Brown Armstrong Accountancy Corporation to provide reasonable assurance that the information presented in the Authority's financial statements is reliable. The Basic Financial Statements (BFS) include Management's Discussion and Analysis (beginning on page 4 of BFS) which provides not only an introduction but a summary of the activities over the fiscal year. The total net position is \$42,272,501 (page 6 and 11 of BFS), which is an increase of \$2,036,429 over the prior year-end.

Ms. Green reported that the audit considered internal controls, state compliance, substantiated account balances, and adherence to Government Auditing Standards (GASB). The auditors' opinion concluded that there were no material weaknesses, control deficiencies, or instances of noncompliance. There were no findings in FY 2024, and last year's finding, which related to timing, had resolved itself. The auditors' issued an unmodified (clean) opinion found on page 55.

The Committee accepts and report and recommends the audit be forwarded to the Board.

5. PERS Actuarial for June 30, 2023; Rate for FY 2026 (Informational Only)

Ms. Johnson reported that the CalPERS Actuarial Valuation Report for the period ending June 30, 2023 (FY 2023) is used to set the rate for the next fiscal year. The Return on Investment (ROI) resulted in a gain on investments of +5.8% in FY 2023 which was below the established discount rate (expected ROI) of +6.8%. CCCTA's funded status is currently 86.0% funded which is up from 85.8% in the prior year. The unfunded liability (UAL) is currently \$17.6 million. The employer rate for FY 2026 will be 9.52% and the required UAL payment will be \$791,419. Because UAL is budgeted at \$1 million, the difference of \$200 thousand will be contributed to the 115 Trust residing with PARS.

The Committee recommended the actuarial report be forwarded to the Board as an informational item only.

6. Employee Referral Pilot Program Extension

Ms. Martinez reported that the Employee Referral Pilot Program (ERPP) established November 2023 was implemented to address staffing shortages primarily in the Transportation and Maintenance departments including Transit Operator, Mechanic, Service Workers, and Storekeeper positions. Over the course of the one-year pilot, County Connection has recruited 23 positions of which four or 17% of new hires were referred by current employees. For perspective, the Authority has had 22 separations since January 2024.

Staff is recommending a two-year extension of the ERPP to assist in reducing employee shortfall. In the past year, only \$5,000 of the \$12,000 budget was utilized. Staff estimates a cost of up to \$10,000 per year to fill half of anticipated vacancies through employee referrals, and this amount has been included in the current FY 2025 budget.

The Committee recommends the pilot be extended for two years and this item be forwarded to the Board.

7. Review of Vendor Bills, September 2024

The Committee reviewed the vendor bills for September 2024.

8. Approval of Legal Services Statement, August & September 2024 General and Labor

The Committee approved the legal services statements for August and September 2024 General and Labor.

9. Next Scheduled Meeting

The next meeting is scheduled for Wednesday, December 4th at 9:00 a.m.

10. Adjournment

The meeting was adjourned at 9:29 a.m.

Minutes prepared and submitted by: Karol McCarty, Manager of Accounting