

County Connection

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

ADMINISTRATION & FINANCE COMMITTEE

MEETING AGENDA

Wednesday, December 4, 2024

9:00 a.m.

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

The committee may take action on each item on the agenda, even items that are listed as “information only”. 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 committee.

1. Approval of Agenda
2. Public Communication
3. Approval of Minutes of November 6, 2024*
4. Procurement of Worker’s Compensation Third Party Administrator Services*(Information Only)*
5. Update on Accounting Software Implementation
(Staff will provide a verbal update on the software implementation progress.)
6. Review of Vendor Bills, October 2024**
7. Approval of Legal Services Statement, October 2024 General and Labor**
8. Next Scheduled Meeting – TBD
9. Adjournment

*Enclosure

**Enclosure for Committee Members

***To be mailed under separate cover

****To be available at the meeting.

FY2024/2025 A&F Committee

Jim Diaz-Clayton, Laura Hoffmeister-Concord, Don Tatzin-Lafayette, Sue Noack-Pleasant Hill

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

General Information

Public Comment: If you wish to address the committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Consent Items: All matters listed under the Consent Calendar are considered by the committee to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a committee member or a member of the public prior to when the committee 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 made available for public inspection by posting them to County Connection's website at www.countyconnection.com. The agenda and enclosures for this meeting are posted also on our website at 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 and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service, or alternative format requested at least two days before the meeting. Requests should be sent to the Assistant to the General Manager, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or hill@cccta.org. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Currently Scheduled Board and Committee Meetings

Board of Directors:	December 19, 9:00 a.m., County Connection Board Room 2477 Arnold Industrial Way, Concord, CA 94520
Administration & Finance:	Wednesday, January 8, 9:00 a.m., County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, CA
Advisory Committee:	TBA. Location TBD
Marketing, Planning & Legislative:	Thursday, December 5, 8:30 a.m., Supervisor Andersen Office 3338 Mt. Diablo Blvd, Lafayette, CA
Operations & Scheduling:	Friday, December 6, 8:00 a.m., City of Pleasant Hill, 100 Gregory Lane, Pleasant Hill. CA

The above meeting schedules are subject to change. Please check the County Connection Website (www.countyconnection.com) or contact County Connection staff at 925/676-1976 to verify date, time, and location.

This agenda is posted on County Connection's Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

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

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 11/26/2024

From: Kristina Martinez, Director of Human Resources

Reviewed by: WC.

SUBJECT: Procurement of Workers Compensation Third-Party Administrator Services

Background:

The Central Contra Costa Transit Authority (the Authority) is currently a member of the Local Agency Workers' Compensation Excess joint powers authority (LAWCX) for the purpose of obtaining excess workers' compensation coverage. Under this arrangement, the Authority currently maintains a self-insured retention of \$250,000 and excess coverage with statutory limits. The Authority has been self-insured since 1988 and has been a member of LAWCX since 2001. Its workers' compensation program is currently administered by Corvel Corporation under a Third-Party Administrator (TPA) contract. This contract was entered into in 2006 with Hazelrigg Risk Management Services, which was later acquired by Corvel Corporation.

The Authority's Human Resources Department is the Authority's Workers Compensation Program Manager and is responsible for management of the TPA contract. The Authority's Human Resources Department coordinates all aspects of the workers' compensation program with the TPA. This includes reporting of injuries, employee contact, providing lost time and salary information, training for managers, supervisors, and employees, early return to work programs, claimant service evaluations, and maintenance of the Authority's medical, exposure, and workers' compensation claims files.

Procurement:

While the current contract has been reviewed and renewed every five years, staff is now planning to issue a Request for Proposals (RFP) for Workers Compensation TPA services as a matter of best practice. The current contract expires in July 2025, and has a provision for cancellation by either party with 30 days' notice. Staff has developed an RFP, which has been reviewed by the Authority's legal team. The estimated timeline of the procurement is as follows:

Issuance of the Request for Proposals (RFP)	12/9/2024
Deadline for Receipt of Proposals by CCCTA	1/17/2025
Review of Responses and Select Interviewees	2/7/2025
TPA Interviews	week of 3/3-3/7/2025
Date of Contract Award	4/17/2025
Contract Start-Up	7/1/2025

This timeline allows for adequate competition in the RFP process, as well as an ample runway for transition to a new TPA firm if a change is recommended. As outlined above, vendor proposals are due on January 17, 2025, and staff anticipates bringing a recommendation to the Committee at its April meeting. The final authority to enter a TPA agreement will be requested at the April Board of Directors meeting.

Financial Implications:

No direct financial implication results from this report.

Recommendation:

None, information only.

Action Requested:

None, information only.

Attachments:

None.