County Connection

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

BOARD OF DIRECTORS

MEETING AGENDA

Thursday, November 21, 2024

9:00 a.m.

The Board Meeting will be held in-person and via teleconference location****

County Connection Board Room
2477 Arnold Industrial Way, Concord, California

Staff and members of the public may attend in-person or participate remotely via Zoom at:

https://us02web.zoom.us/j/85399133311

Or One tap mobile :
US: +16699006833,,85399133311# or +14086380968,,85399133311#
Or Telephone:
Dial(for higher quality, dial a number based on your current location): +1 408 638 0968
Webinar ID: 853 9913 3311

Please Note the following COVID-19 Protocols for in-person attendance:

Visitors experiencing the following symptoms of COVID-19 may not enter the building:

- Cough
- Chills
- Sore Throat
- Shortness of Breath
- Muscle Pain
- Loss of Taste or Smell
- Fever

Public comment may be submitted via email to: hill@cccta.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Board of Directors before the meeting. Comments submitted after the meeting is called to order will be included in the correspondence that will be provided to the full Board.

Oral public comments will also be accepted during the meeting in person and through Zoom*
or the teleconference number listed above.

Should Zoom not be operational, please check online at: www.countyconnection.com for any updates or further instruction.

The County Connection Board of Directors may take action on each item on the agenda. 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 Board of Directors.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Confirm Quorum
3. Public Communication
4. Consent Calendar
   a) Approval of Minutes of Regular Meeting of October 17, 2024*
   b) PERS Actuarial Valuation for June 30, 2023; Rate for FY 2026*
5. Report of Chair
6. Report of General Manager

   Under this item, the General Manager will report on matters of relevance to CCCTA including, but not necessarily limited to, the following:
   a) PEPRA Update
   b) MTC Site Visit
   c) Thanksgiving Feast on November 21, 2024
   d) Holiday Party on December 14, 2024
7. Report of Standing Committees
   a) Administration & Finance Committee
      1) Fiscal Year 2024 Financial Report and Audited Financial Statements*
         (Staff requests that the Board accept the FY2024 Basic Financial Statements as audited by Brown Armstrong Accountancy Corporation.)
      2) Employee Referral Pilot Program Update*
         (The A&F Committee and staff request that the Board approve a two-year extension to the Employee Referral Pilot Program from January 1, 2025, to December 1, 2026.)
   b) Operations & Scheduling Committee
      1) Swiftly Software License Renewal *
         Resolution No. 205-014*
         (The O&S Committee and staff requests the Board of Directors adopt Resolution No. 2025-14 authorizing the General Manager to execute the Swiftly contract extension.)
      2) Permanent One-Seat Ride Program and Memorandum of Understanding*
         Resolution No. 2025-15*
         (The O&S Committee and Staff request that the Board of Directors approve Resolution No. 2025-15, approving the One-Seat Ride program as a permanent program, and authorizing the General Manager to enter into an MOU with Tri Delta Transit, LAVTA, and WestCat to implement the program.)
      3) Winter Bid Update – Information Only*
         (Staff will provide an update on the recent Winter service changes.)
8. Report of Advisory Committee
   a) Ian McLaughlin, Chair of the Advisory Committee, will give a verbal update from the Advisory

Committee

9. Board Communication – (Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.)

10. Next Meeting Date: December 19, 2024

11. Adjournment

*Enclosure
**It will be available at the time of the Board meeting.
***For Board members only
****Teleconference location 3338 Mt. Diablo Blvd., Lafayette, CA 94549

General Information

Public Comment: If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board 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 Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member ora member of the public prior to when the Board 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 exemptfrom disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body,will be available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. 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:	Thursday, December 19 at 9 a.m., County Connection Board Room
Administration & Finance:	Wednesday, December 4 at 9 a.m.., County Connection Offices, 2477 Arnold Industrial Way, Concord, CA
Advisory Committee:	TBD
Marketing, Planning & Legislative:	Thursday, December 5 at 8:30 a.m., Supervisor Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA.
Operations & Scheduling:	Friday, December 6 at 8 a.m., City of Pleasant Hill Offices, 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 prior to attending a meeting. This agenda is posted onCounty Connection's Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

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

CCCTA BOARD OF DIRECTORS

MINUTES OF THE REGULAR MEETING

October 24, 2024

CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Kevin Wilk called the regular meeting of the Board of Directors to order at 9:00 a.m. Board Members present were Directors Andersen, Diaz, Howard, Hudson, Noack, Sos, Storer and Worth. Director Hoffmeister arrived after the meeting convened. Director Tatzin was absent.

Staff: Churchill, Sherman, Boehm, Glenn, Hill, Horta, Johnson, Jones, Longmire, Martinez, Mitchell, Sanchez, Sanderson, VanBuskirk and Voltz

PUBLIC COMMUNICATION: None

CONSENT CALENDAR

MOTION: Director Storer moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting September 19, 2024: (b) FY 2024-25 SB1 State of Good Repair Funds and Resolution No. 2025-12. Director Sos seconded the motion, and it received the following vote of approval:

Aye:	Directors Andersen, Diaz, Howard, Hudson, Noack, Sos, Storer, Wilk and Worth
No:	None
Abstain:	None
Absent:	Directors Hoffmeister and Tatzin

REPORT OF CHAIR: None

REPORT OF GENERAL MANAGER:
Director Hoffmeister arrived at 9:01 a.m.

Recognition of Retired Employees

Ron Salerno-Maintenance Department
Alicia Dominguez-Transportation Department

Electric Bus Update

Scott Mitchell, Chief Operating Officer, gave a brief update on our electric buses, stating that we are still not up and running. We are in continuing talks with our current vendor as well as speaking to others in order to get our electric buses up and running.

Transportation Revenue Measure Update

At last month's Board meeting Bill Churchill, General Manager, provided a brief overview of the progress the Transportation Revenue Measure Select Committee had made and described the two different measure options they are considering. Since that time, the Operators led by SFMTA staff have developed another potential option using a parcel tax as the base mechanism to generate revenue. There are a couple of interesting components to this proposal, firstly it's a five-county proposal, Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara. The tax rate is variable across the counties, San Francisco would be at a rate of 0.28 cents per square ft., while Santa Clara would be at 0.11 cents per square ft. Contra Costa would be at 0.19 sq. ft. or less, should the County decide it needs a lower rate to pass a measure. Also, this would be a 10 year measure, and it has some creative financing components that would frontload some of the dollars to help BART and SFMTA. This proposal was provided to the Transportation Revenue Measure Select Committee on Monday earlier this week.

Potential Board Workshop Discussion

Bill Churchill explained that as we come out of COVID, we find ourselves in some uncharted territory ranging from a significant change in passenger travel patterns, funding security as we have used all our federal stimulus funds and some of our transit partners are facing profound fiscal cliffs and shifts in thinking about what public transit should look like in the future as AV technology has improved. In the coming months, we will revisit the discussion to hold a Board workshop to discuss these issues.

Naming of the County Connection Administration Building

Bill Churchill reminded the Board that at the June Board meeting following Rob Schroder's retirement from public service, the Board requested staff develop a plan to potentially rename the Administration Building after the Schroder family. Staff has been working on a couple of concepts and we would like to run them by the Board and get feedback. He wanted to provide some ideas on implementation, once we have a consensus from the Board regarding the options it will take about 4 weeks to receive the plaques and lettering. We will reach out to the Schroder family and determine which Board meeting they could attend for an unveiling, His thought is we would invite the Schroder family to attend the Board, pass a proclamation in honor of the their service to the Authority and after the Board meeting have an unveiling of the plaque and sign on the Building. The Board provided its feedback.

Upcoming Thanksgiving Feast on November 21, 2024

Bill Churchill informed the Board that County Connection's annual Thanksgiving feast will follow the Board meeting that is scheduled for November 21, 2024. All are invited.

REPORT OF STANDING COMMITTEES

Marketing, Planning & Legislative Committee

Bus Advertising Contract and Resolution No. 2025-013

Ryan Jones, Manager of Marketing & Communications, gave a brief background stating that County Connection currently contracts with Vector Media for on-bus advertising services. The contract began on January 1, 2019, and included three years plus the option for two additional years. Both option years were exercised, and the current contract will expire on December 31, 2024. The contract includes exterior advertising, including full coverage ads on up to 20% of the fleet; and interior advertising, including digital ad space on monitors mounted inside the 2300-series buses (40 in total). Compensation is based on a percentage of gross revenues with a minimum annual guarantee (MAG), whichever is greater.

The originally agreed upon MAG was $525,000, with an increase of $25,000 each year over the five-year contract. The contract was amended to a lesser MAG in 2022 in response to the impacts of the COVID-19 pandemic. The Board approved the amendment, and in this final year of the contract, County Connection will receive a MAG of $350,000 or 70% of the previous year's gross advertising revenue, whichever is greater. To date, revenues have never exceeded the minimum guaranteed threshold.

Staff released a Request for Proposals (RFP) for a new contract on August 1, 2024. Bid notices were published in the local newspaper, sent directly to three firms (Vector Media, Lamar Transit, and Outfront Media), and advertised broadly across social media (LinkedIn, Facebook, X, and Threads). County Connection's current vendor, Vector Media, chose not to submit a proposal, claiming that they had not received the level of success they were hoping for in the current contract period.

One proposal was received by the September 16, 2024 deadline from Lamar Transit, LLC (Lamar), and staff has found it to meet the minimum standards set forth in the RFP. Lamar had previously held an advertising contract with County Connection from 2009 to 2019

Staff recommends that a contract for bus advertising services be awarded to Lamar Transit, LLC, commencing January 1, 2024, for three years with two one-year options. Staff further recommends that the contract continue with Option B to allow full coverage ads on no more than 20% of the fleet, and that revenues paid to County Connection are based on a percentage share of gross revenue with a minimum monthly guarantee. With the broad decline in advertising revenue, Lamar's Option B proposal will provide the highest possible revenue for County Connection by offering more options to interested advertisers.

MOTION: Director Andersen moved adoption of Resolution No. 2025-13, authorizing the General Manager or designee to execute a contract with Lamar Transit, LLC for bus advertising services consisting of full coverage advertisements on no more than 20% of CCCTA's fleet for a three-year base term with up to two additional one-year option terms. Director Noack seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Howard, Hudson, Noack, Sos, Storer, Wilk and Worth
No: None
Abstain: None
Absent: Director Tatzin

Summer Youth Pass Report – Information Only

Ryan Jones, Manager of Marketing & Communications, gave a brief background stating that in 2019, County Connection partnered with 511 Contra Costa and neighboring transit agencies Tri Delta Transit and WestCAT to offer a joint summer youth pass providing unlimited rides on the three bus systems from June through August. This pass replaced a 20-ride punch pass that County Connection had offered prior to eliminating all paper passes in March 2019. Due to COVID-19, the Summer Youth Pass program was not offered in 2020 or 2021. However, once restrictions were lifted and schools returned to in-person instruction, the program was offered again starting in 2022. Sales with the Summer Youth Pass has been slowly increasing following the pandemic, which suggests that those using the pass are riding more frequently. However, this year, even with an increase in pass sales, the usage on County Connection buses is down approximately 19% across three months of use June-August.

Total revenue received by County Connection for the 2024 Summer Youth Pass program was $4,800 ($720 more than 2023 sales). This includes a subsidy from 511 Contra Costa of $2,400 towards the cost of the pass. In addition, 511 Contra Costa covered the costs of operating the online store, including transaction fees and fulfillment, producing the fare media, and developing the marketing campaign.

511 Contra Costa informed staff that it will not be continuing funding the Summer Youth Pass Program. Funding for the program, which has been supported by Transportation Fund for Clean Air funds from the Air District and distributed by CCTA, is now open for use by additional programs, reducing the available resources to continue to fully subsidize the Summer Youth Pass. Staff at 511 Contra Costa shared that they did, however, submit a request to continue to fund Pass2Class, which is offered to Contra Costa students at the start of the school year through the end of October. In an effort to continue a summer youth transit option, staff has connected with WestCAT and Tri Delta Transit staff, the two other agencies who participate in the Summer Youth Pass program, to explore alternative funding models and a possible replacement program.

BOARD COMMUNICATION: None

CLOSED SESSION:

Conference with Legal Counsel – Existing litigation
Pursuant to Government Code Section 54956.9(a)
Juan Ruiz v. CCCTA

The Board of Directors went into Closed Session at 10:40a.m.

OPEN SESSION:

<u>Report of Action(s) taken during the Closed Session</u>
The Board of Directors came back into open session at 10:47 a.m. No reportable action was taken.

ADJOURNMENT: Chair Wilk adjourned the regular Board meeting at 10:48 a.m. am.

Minutes prepared by:
Lathina Hill — Date: November 11, 2024
Asst to the General Manager/Clerk to the Board of Directors

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 11/11/2024

From: Amber Johnson, Chief Financial Officer **Reviewed by:** W.C.

SUBJECT: PERS Actuarial Valuation for June 30, 2023; Rate for FY 2026

Background:

The CalPERS Actuarial Valuation Report (Report) for the period ending June 30, 2023 (FY 2023) is used to set the rate for the next fiscal year and provides County Connection's funded status. **The employer rate for FY 2026 will be 9.52% and the required unfunded liability payment will be $791,419**. County Connection's funded status is currently **86.0% funded**, which is up from 85.8% in the prior year. CalPERS return on investments (ROI) resulted in a gain of +5.8% in the year ended June 30, 2023, which was under the established discount rate (or expected ROI) of +6.8%.

CalPERS Assumptions & Projections

The projections shown below will be incorporated in the FY 2026 budget and forecast. The revised unfunded liability payments are slightly better than previously forecasted, due to the positive ROI in FY 2023 as contrasted with the negative ROI of -6.1% reported in FY 2022.

As shown in Table 1, the payments for unfunded liability payments over the next 6 fiscal years are projected to decrease by $287 thousand, as compared to last year's forecast. The full actuarial report is attached.

Table 1: CalPERS normal cost rate and UAL payment projections – current and prior year

	Current		Prior Forecast			Difference		
	Payroll Rate +	UAL Payment	Payroll Rate	+	UAL Payment	Payroll Rate	+	UAL Payment
FY 2025 Actual	9.770%	$ 521,851	9.770%		$ 521,851	0.000%		$ -
FY 2026	9.520%	$ 817,885	9.800%		$ 893,000	-2.857%		$ (75,115)
FY 2027	9.500%	$ 1,209,000	9.800%		$ 1,264,000	-3.061%		$ (55,000)
FY 2028	9.500%	$ 1,599,000	9.800%		$ 1,635,000	-3.061%		$ (36,000)
FY 2029	9.500%	$ 1,990,000	9.800%		$ 2,060,000	-3.061%		$ (70,000)
FY 2030	9.500%	$ 2,009,000	9.800%		$ 2,060,000	-3.061%		$ (51,000)
FY 2031	9.500%	$ 2,009,000	n/a		n/a	n/a		n/a
UAL Payment Total		$ 10,155,736			$ 8,433,851			$ (287,115)

Plan's Funded Status, Based on Market Value of Assets

As stated earlier, the funded status is 86.0%. The UAL is $17,608,862. The prior year funded status was 85.8%, with an UAL of $17,249,171. More information about this calculation can be found on page 15 of the Report. The UAL for this period is roughly equal to the UAL last period, due to the ROI gain of +5.8% which helped maintain stability in the value of the investments and the overall calculation of the liability.

Investment Rate of Return

It is CalPERS' policy to use a constant investment return rate for the actuarial report rather than the actual rate of return. This is called asset smoothing – the delayed recognition of part of the investment gains or losses dampens the effect of short-term market value fluctuations in setting employers' rates. Prior to fiscal year 2019, CalPERS employed a policy that amortized all gains and losses over a fixed 30-year period which was smoothed by ramping up/down the increase or decrease over a 5-year period. This method is referred to as "direct rate smoothing." Beginning with the June 30, 2019 valuations (affecting FY 2022 rates), the CalPERS Board approved amortizing gains/losses over a 20-year period based on a level dollar amount and removed the 5-year ramping. Finally, CalPERS does not use the actuarial value of assets, but uses the market value of assets.

The CalPERS history of investment returns is shown on Page 9 of the actuarial report.

Other Information

Changes to the demographics of the plan have an impact on the normal cost rate, and ultimately impact the calculation used to arrive at the UAL. Table 2 provides a summary of certain demographic characteristics of County Connection's plan. Overall, the demographic characteristics of the plan have remained relatively constant from last year's valuation report to this year's report, with a slight uptick in average annual payroll of active members and covered annual payroll.

Table 2: County Connection's CalPERS plan demographics

	Valuation Date:	
	6/30/2023	**6/30/2022**
RETIRED:		
Retirees receiving benefits	238	237
Average annual benefit	23,277	22,816
Average age of retiree	72.73	72.11
ACTIVE:		
Active members	222	215
Average annual payroll of active members	71,907	68,620
Covered annual payroll	15,963,421	14,753,257
Average age for active members	52.84	51.85
Employees over 60 years of age	66 (30%)	64 (27%)

Current and Future Performance

In July 2024, CalPERS reported a preliminary net return of +9.3% on its investments for the 12-month period ending June 30, 2024. Total assets as of that date were valued at $502.9 billion. The investment return outpaced the discount rate of +6.8%. It was also a notable improvement from the two most recent fiscal years (+5.8% in FY 2023 and -6.1% in FY 2022), where investment returns were influenced by a variety of economic and geopolitical challenges. When using the preliminary net return of +9.3% to assess long-term obligations, the overall estimated funded status of the Public Employees' Retirement Fund (PERF) stands at 75%, an improvement over the funded status of 72% last year.

Table 3 reflects the projected impact to County Connection's funded status and required UAL payments resulting from the +9.3% ROI for 2023-24 and other changes in assumptions, according to the CalPERS Pension Outlook Tool. The actuarial valuations that incorporate these assumption changes will take effect for the pension contributions for FY 2027, which should become available in July/August 2025.

Table 3: Estimated impacts to CalPERS Plan after incorporating 2024 plan updates

	Funded % as stated in current valuation report	Estimated projection of funded % after incorporating ROI at 6/30/24	Estimated increase/(decrease) to UAL payment
FY 2027	85.89%	88.06%	$ (70,000)
FY 2028	86.51%	88.66%	$ (130,000)
FY 2029	87.37%	89.46%	$ (200,000)
FY 2030	88.22%	90.22%	$ (260,000)
FY 2031	89.05%	90.92%	$ (320,000)
			$ (980,000)

In addition to the projected ROI of +9.3% for 2023-24, the above estimates of future funded status and changes to the UAL payment rely upon a variety of factors:

- Future investment returns of 6.80%.
- Payroll growth of 2.8%.
- Inflation growth of 2.30%.
- Demographic assumptions including employee turnover and retiree mortality rates.

It is important to remember that future increases to County Connections staffing levels, and potential shortfalls in future CalPERS ROI, and/or higher than estimated inflation growth will have a significant impact on these projections.

Pension 115 Trust

In February 2023, the Board adopted a revised pension funding framework. The primary element of this framework was the creation of a 115 trust for pre-funding pension obligations, and an initial investment of $1 million in July 2023 using budgetary savings realized by the one-year reprieve from CalPERS UAL payments. Future contributions to the 115 trust for pensions are determined annually as part of the budget process, and use of the funds must be approved by the Board.

One of the benefits of prefunding pension obligations in a 115 trust is the ability to control these resources outside of the CalPERS investment pool. However, this also means that the PERS valuation report will not reflect these external investments. Additionally, the initial investment in the 115 trust for pensions was made in a different fiscal year than the valuation report being discussed (the valuation report is for the period-ended June 30, 2023 and the initial 115 pension trust deposit was made in July 2023). Future discussions of the Authority's PERS valuation reports will include the impacts of the investments in the 115 trust for pensions.

Financial Implications:

These rates will be used for the FY 2026 budget and forecast.

Action Requested:

Information only.

Attachments:

Attachment 1: County Connection CalPERS Actuarial Valuation as of June 30, 2023

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2024

Miscellaneous Plan of the Central Contra Costa Transit Authority (CalPERS ID: 2146548042)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is the June 30, 2023, actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Required Contributions

The table below shows the minimum required employer contributions and the PEPRA member contribution rates for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer and member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	9.52%	$817,885	9.25%
Projected Results			
2026-27	*9.5%*	*$1,209,000*	*TBD*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Further descriptions of general changes are included in the Highlights and Executive Summary section and in Appendix A - Actuarial Methods and Assumptions. The effects of any changes on the required contributions are included in the Reconciliation of Required Employer Contributions section.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,

Tony Cuny, ASA, MAAA
Senior Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Miscellaneous Plan of the Central Contra Costa Transit Authority

as of June 30, 2023

(CalPERS ID: 2146548042)
(Rate Plan ID: 1380)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

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Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Central Contra Costa Transit Authority and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced.

Tony Cuny, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the Miscellaneous Plan of the Central Contra Costa Transit Authority of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose

This report documents the results of the actuarial valuation prepared by the CalPERS Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for an Agent Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 13

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	9.77%	9.52%
Unfunded Accrued Liability (UAL) Contribution Amount	$521,851	$817,885
Paid either as		
Option 1) 12 Monthly Payments of	$43,488	$68,157
Option 2) Annual Prepayment in July	$504,965	$791,419

Member Contribution Rates — page 14

	Fiscal Year 2024-25	Fiscal Year 2025-26
Classic Member Contribution Rate	7.00%	7.00%
PEPRA Member Contribution Rate	8.25%	9.25%

Projected Employer Contributions — page 17

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	9.5%	$1,209,000
2027-28	9.5%	$1,599,000
2028-29	9.5%	$1,990,000
2029-30	9.5%	$2,009,000
2030-31	9.5%	$2,009,000

Funded Status — Funding Policy Basis — page 15

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$121,838,207	$126,224,614
Market Value of Assets (MVA)	104,589,036	108,615,752
Unfunded Accrued Liability (UAL) [AL – MVA]	$17,249,171	$17,608,862
Funded Ratio [MVA ÷ AL]	85.8%	86.0%

Summary of Valuation Data — Page 72

	June 30, 2022	June 30, 2023
Active Member Count	215	222
Annual Covered Payroll	$14,753,257	$15,963,421
Transferred Member Count	25	25
Separated Member Count	160	162
Retired Members and Beneficiaries Count	237	238

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For rate plans that are not in a risk pool (non-pooled), benefit changes by contract amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the effective date of the amendment is after the valuation date.

Please refer to the Plan's Major Benefit Options and Appendix B - Principal Plan Provisions for a summary of the plan provisions used in this valuation. The effect of any mandated benefit changes or plan amendments on the unfunded liability is shown in the (Gain)/Loss Analysis 6/30/22 – 6/30/23 and the effect on the employer contribution is shown in the Reconciliation of Required Employer Contributions. It should be noted that no change in liability or contribution is shown for any plan changes which were already included in the prior year's valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRS) section 415(b) and annual compensation limits under IRS section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Assets

Reconciliation of the Market Value of Assets

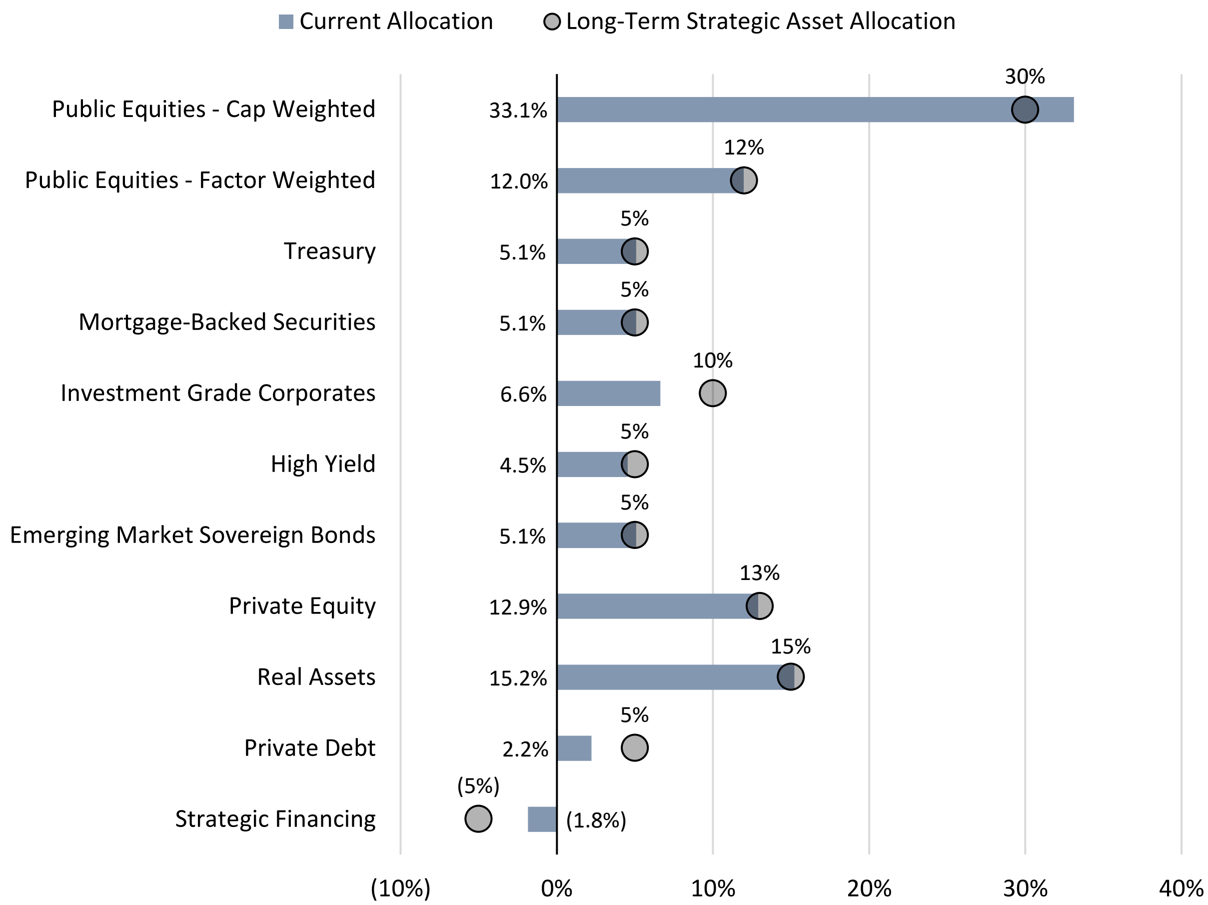
1.	Market Value of Assets as of 6/30/22 including Receivables	$104,589,036
2.	Change in Receivables for Service Buybacks	(19,087)
3.	Employer Contributions	2,274,647
4.	Employee Contributions	1,152,362
5.	Benefit Payments to Retirees and Beneficiaries	(5,465,474)
6.	Refunds	(202,214)
7.	Transfers	0
8.	Service Credit Purchase (SCP) Payments and Interest	26,056
9.	Administrative Expenses	(61,846)
10.	Miscellaneous Adjustments	0
11.	Investment Return (Net of Investment Expenses)	6,322,271
12.	Market Value of Assets as of 6/30/23 including Receivables	$108,615,752

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges and manages those asset class allocations within their policy ranges. CalPERS recognizes that over 90% of the variation in investment returns of a large, well-diversified pool of assets can typically be attributed to asset allocation decisions.

The asset allocation shown below reflects the allocation of the Public Employees' Retirement Fund (PERF) in its entirety. The assets for Central Contra Costa Transit Authority Miscellaneous Plan are a subset of the PERF and are invested accordingly.

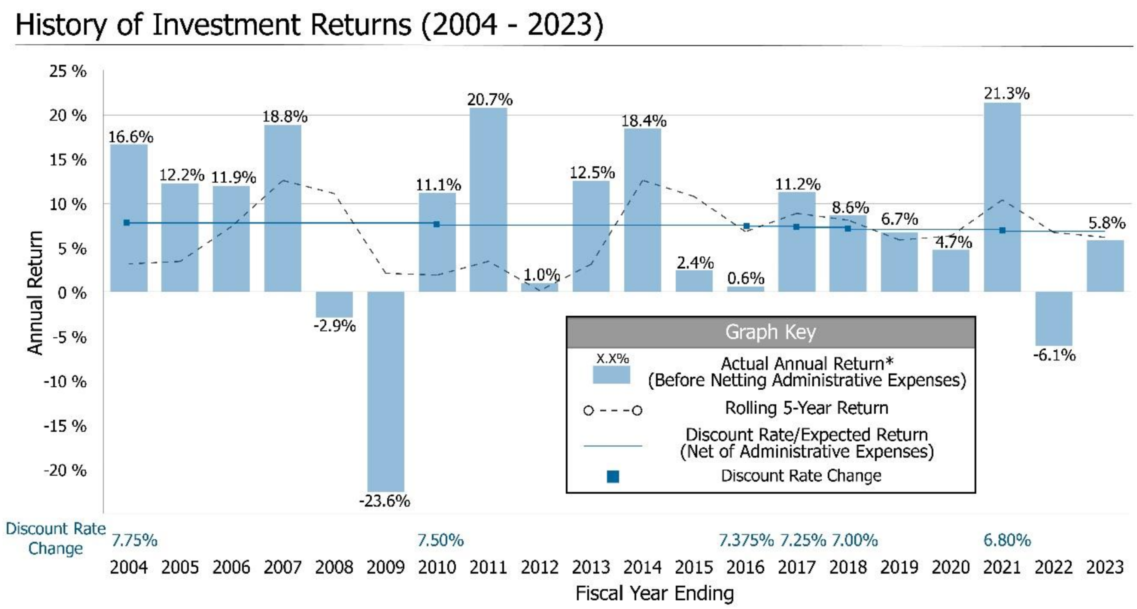
On November 17, 2021, the board adopted changes to the strategic asset allocation. The new allocation was effective July 1, 2022. The asset allocation as of June 30, 2023, is shown below, along with the long-term strategic asset allocations.



For more information see the Trust Level Review as of June 30, 2023, which is available on the CalPERS website.

CalPERS History of Investment Returns

The following is a chart with the 20-year historical annual returns of the PERF for each fiscal year ending on June 30 as reported by the Investment Office. Investment returns reported are net of investment expenses but without reduction for administrative expenses. The assumed rate of return, however, is net of both investment and administrative expenses. Also, the Investment Office uses a three-month lag on private equity and real assets for investment performance reporting purposes. This can lead to a timing difference in the returns below and those used for financial reporting purposes. The investment gain or loss calculation in this report relies on final assets that have been audited and are appropriate for financial reporting. Because of these differences, the effective investment return for funding purposes in a single year can be higher or lower than the return reported by the Investment Office shown here.



* As reported by the Investment Office with a 3-month lag on private equity and real assets and without any reduction for administrative expenses.

The table below shows annualized investment returns of the PERF for various time periods ending on June 30, 2023. Figures reported are net of investment expenses but without reduction for administrative expenses. These returns are the annual rates that if compounded over the indicated number of years would equate to the actual time-weighted investment performance of the PERF. It should be recognized that in any given year the rate of return is volatile. The portfolio has an expected volatility of 12.0% per year based on the most recent Asset Liability Management study. The realized volatility is a measure of the risk of the portfolio expressed as the standard deviation of the fund's total monthly return distribution, expressed as an annual percentage. Due to their volatile nature, when looking at investment returns, it is more instructive to look at returns over longer time horizons.

History of CalPERS Compound Annual Rates of Return and Volatilities					
	1 year	**5 year**	**10 year**	**20 year**	**30 year**
Compound Annual Return	5.8%	6.1%	7.1%	7.0%	7.5%
Realized Volatility	–	9.5%	7.8%	8.4%	8.8%

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, unfunded accrued liability (UAL) emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the Unfunded Accrued Liability Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes, and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The Unfunded Accrued Liability Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A for more information on the amortization policy.

Development of Accrued and Unfunded Liabilities

		June 30, 2022	June 30, 2023
1.	Present Value of Projected Benefits		
	a) Active Members	$72,050,435	$77,681,211
	b) Transferred Members	1,315,573	1,503,686
	c) Separated Members	4,804,145	4,531,933
	d) Members and Beneficiaries Receiving Payments	63,906,532	64,178,973
	e) Total	$142,076,685	$147,895,803
2.	Present Value of Future Employer Normal Costs	$10,974,782	$11,847,981
3.	Present Value of Future Employee Contributions	$9,263,696	$9,823,208
4.	Entry Age Accrued Liability		
	a) Active Members [(1a) - (2) - (3)]	$51,811,957	$56,010,022
	b) Transferred Members (1b)	1,315,573	1,503,686
	c) Separated Members (1c)	4,804,145	4,531,933
	d) Members and Beneficiaries Receiving Payments (1d)	63,906,532	64,178,973
	e) Total	$121,838,207	$126,224,614
5.	Market Value of Assets (MVA)	$104,589,036	$108,615,752
6.	Unfunded Accrued Liability (UAL) [(4e) - (5)]	$17,249,171	$17,608,862
7.	Funded Ratio [(5) ÷ (4e)]	85.8%	86.0%

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	**Fiscal Year 2025-26**
Employer Normal Cost Rate	**9.52%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount	**$817,885**
Paid either as	
1) Monthly Payment	**$68,157**
Or	
2) Annual Prepayment Option*	**$791,419**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

For Member Contribution Rates see the following page.

	Fiscal Year 2024-25	Fiscal Year 2025-26
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost[1]	17.32%	17.56%
Offset due to Employee Contributions[2]	7.55%	8.04%
Employer Normal Cost	9.77%	9.52%
Projected Annual Payroll for Contribution Year	$16,027,555	$17,342,245
Estimated Employer Contributions Based on Projected Payroll		
Total Normal Cost	$2,775,973	$3,045,298
Expected Employee Contributions	1,210,080	1,394,316
Employer Normal Cost	1,565,893	1,650,982
Unfunded Liability Contribution	521,851	817,885
% of Projected Payroll (illustrative only)	3.26%	4.72%
Estimated Total Employer Contribution	$2,087,744	$2,468,867
% of Projected Payroll (illustrative only)	13.03%	14.24%

[1] The Total Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see Normal Cost by Benefit Group.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 ("PEPRA") established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions, and demographics of the plan, particularly members' entry age into the plan. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate for each respective plan as of the June 30, 2023, valuation.

		Basis for Current Rate		Rates Effective July 1, 2025			
Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26946	Miscellaneous PEPRA Level	16.630%	8.25%	18.65%	2.020%	Yes	9.25%

For a description of the methodology used to determine the Total Normal Cost for this purpose, see PEPRA Normal Cost Rate Methodology in Appendix A.

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **funded ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	$142,076,685	$147,895,803
2. Entry Age Accrued Liability	121,838,207	126,224,614
3. Market Value of Assets (MVA)	104,589,036	108,615,752
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$17,249,171	$17,608,862
5. Funded Ratio [(3) ÷ (2)]	85.8%	86.0%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Present Value of Benefits	$171,419,216	$147,895,803	$129,259,863
2. Entry Age Accrued Liability	142,167,167	126,224,614	112,907,171
3. Market Value of Assets (MVA)	108,615,752	108,615,752	108,615,752
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$33,551,415	$17,608,862	$4,291,419
5. Funded Ratio [(3) ÷ (2)]	76.4%	86.0%	96.2%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $817,885. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$1,650,982	$817,885	0	$817,885	$2,468,867
20 year funding horizon	$1,650,982	$817,885	$939,896	$1,757,781	$3,408,763
15 year funding horizon	$1,650,982	$817,885	$1,232,720	$2,050,605	$3,701,587
10 year funding horizon	$1,650,982	$817,885	$1,850,339	$2,668,224	$4,319,206
5 year funding horizon	$1,650,982	$817,885	$3,770,625	$4,588,510	$6,239,492

The minimum required contribution above is less than interest on the UAL. With no ADP the UAL is projected to increase over the following year. If the minimum UAL payment were split between interest and principal, the principal portion would be negative. This situation is referred to as **negative amortization**. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY 2027-28, as shown in the Amortization Schedule and Alternatives section of the report (see columns labelled Current Amortization Schedule).

Fiscal Year 2025-26 Employer Contribution Necessary to Avoid Negative Amortization

Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
$1,650,982	$817,885	$468,333	$1,286,218	$2,937,200

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP
2018-19	$0
2019-20	$0
2020-21	$0

Fiscal Year	ADP
2021-22	$0
2022-23	$0
2023-24	$0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. The projected normal cost percentages below reflect that the normal cost is expected to continue to decline over time as new employees are hired into lower cost benefit tiers. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Normal Cost %	9.52%	9.5%	9.5%	9.5%	9.5%	9.5%
UAL Payment	$817,885	$1,209,000	$1,599,000	$1,990,000	$2,009,000	$2,009,000
Total as a % of Payroll*	14.24%	16.3%	18.2%	20.1%	19.9%	19.6%
Projected Payroll	$17,342,245	$17,827,828	$18,327,007	$18,840,163	$19,367,687	$19,909,983

*Illustrative only and based on the projected payroll shown.

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp up period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

The required contribution for FY 2025-26 is less than interest on the UAL, a situation referred to as **negative amortization**, as explained in the Additional Employer Contributions section earlier in this report. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY 2027-28, as shown in the Amortization Schedule and Alternatives section of the report (see columns labelled "Current Amortization Schedule").

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

(Gain)/Loss Analysis 6/30/22 – 6/30/23

To calculate the cost requirements of the plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year, actual experience is compared to the expected experience based on the actuarial assumptions. This results in actuarial gains or losses, as shown below.

1.	Total (Gain)/Loss for the Year		
	a)	Unfunded Accrued Liability (UAL) as of 6/30/22	$17,249,171
	b)	Expected payment on the UAL during 2022-23	668,395
	c)	Interest through 6/30/23 [.068 x (1a) - ((1.068)^{½} - 1) x (1b)]	1,150,591
	d)	Expected UAL before all other changes [(1a) - (1b) + (1c)]	17,731,367
	e)	Change due to plan changes	0
	f)	Change due to AL Significant Increase	0
	g)	Change due to assumption changes	0
	h)	Change due to method changes	0
	i)	Change due to discount rate change with Funding Risk Mitigation	0
	j)	Expected UAL after all other changes [(1d) + (1e) + (1f) + (1g) + (1h) + (1i)]	17,731,367
	k)	Actual UAL as of 6/30/23	17,608,862
	l)	Total (Gain)/Loss for 2022-23 [(1k) - (1j)]	($122,505)
2.	Investment (Gain)/Loss for the Year		
	a)	Market Value of Assets as of 6/30/22	$104,589,036
	b)	Prior fiscal year receivables	(109,709)
	c)	Current fiscal year receivables	90,622
	d)	Contributions received	3,427,009
	e)	Benefits and refunds paid	(5,667,688)
	f)	Transfers, SCP payments and interest, and miscellaneous adjustments	26,056
	g)	Expected return at 6.8% per year	7,060,301
	h)	Expected assets as of 6/30/23 [(2a) + (2b) + (2c) + (2d) + (2e) + (2f) + (2g)]	109,415,628
	i)	Actual Market Value of Assets as of 6/30/23	108,615,752
	j)	Investment (Gain)/Loss [(2h) - (2i)]	$799,876
3.	Non-Investment (Gain)/Loss for the Year		
	a)	Total (Gain)/Loss (1l)	($122,505)
	b)	Investment (Gain)/Loss (2j)	799,876
	c)	Non-Investment (Gain)/Loss [(3a) - (3b)]	($922,381)

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Benefit Change	6/30/22	No Ramp		0.00%	19	175,566	(1,559)	189,116	17,006	184,401	17,006
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	19	1,393,338	0	1,488,085	133,814	1,450,986	133,814
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	19	16,162,463	0	17,261,510	371,031	18,051,854	742,062
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	799,876	0	854,268	0	912,358	19,611
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	(922,381)	0	(985,103)	0	(1,052,090)	(94,608)
Total						**17,608,862**	**(1,559)**	**18,807,876**	**521,851**	**19,547,509**	**817,885**

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2025	19,547,509	817,885	19,547,509	1,757,781	19,547,509	2,050,605
6/30/2026	20,031,505	1,208,527	19,060,177	1,757,782	18,757,561	2,050,605
6/30/2027	20,144,705	1,599,168	18,539,705	1,757,781	17,913,896	2,050,606
6/30/2028	19,861,898	1,989,809	17,983,842	1,757,781	17,012,861	2,050,605
6/30/2029	19,156,157	2,009,421	17,390,181	1,757,782	16,050,557	2,050,606
6/30/2030	18,382,158	2,009,420	16,756,150	1,757,782	15,022,815	2,050,606
6/30/2031	17,555,528	2,009,420	16,079,004	1,757,781	13,925,186	2,050,605
6/30/2032	16,672,688	2,009,422	15,355,814	1,757,782	12,752,920	2,050,606
6/30/2033	15,729,811	2,009,420	14,583,446	1,757,782	11,500,939	2,050,606
6/30/2034	14,722,823	2,009,421	13,758,557	1,757,782	10,163,823	2,050,605
6/30/2035	13,647,358	2,009,422	12,877,575	1,757,782	8,735,784	2,050,606
6/30/2036	12,498,760	2,009,422	11,936,686	1,757,781	7,210,637	2,050,605
6/30/2037	11,272,058	2,009,423	10,931,818	1,757,781	5,581,781	2,050,605
6/30/2038	9,961,937	2,009,419	9,858,619	1,757,782	3,842,163	2,050,606
6/30/2039	8,562,733	2,009,422	8,712,441	1,757,781	1,984,250	2,050,605
6/30/2040	7,068,380	2,009,420	7,488,324	1,757,781		
6/30/2041	5,472,413	2,009,420	6,180,967	1,757,781		
6/30/2042	3,767,921	2,009,423	4,784,710	1,757,782		
6/30/2043	1,947,520	2,009,418	3,293,507	1,757,782		
6/30/2044	3,336	3,448	1,700,902	1,757,782		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**35,760,150**		**35,155,631**		**30,759,082**
Interest Paid		**16,212,641**		**15,608,122**		**11,211,573**
Estimated Savings				**604,519**		**5,001,068**

Reconciliation of Required Employer Contributions

Normal Cost (% of Payroll)

1.	For Period 7/1/24 – 6/30/25	
	a) Employer Normal Cost	9.77%
	b) Employee contribution	7.55%
	c) Total Normal Cost	17.32%
2.	Changes since the prior year annual valuation	
	a) Effect of demographic experience	0.24%
	b) Effect of plan changes	0.00%
	c) Effect of discount rate change due to Funding Risk Mitigation	0.00%
	d) Effect of assumption changes	0.00%
	e) Effect of method changes	0.00%
	f) Net effect of the changes above [sum of (a) through (e)]	0.24%
3.	For Period 7/1/25 – 6/30/26	
	a) Employer Normal Cost	9.52%
	b) Employee contribution	8.04%
	c) Total Normal Cost	17.56%
Employer Normal Cost Change [(3a) – (1a)]		(0.25%)
Employee Contribution Change [(3b) – (1b)]		0.49%

Unfunded Liability Contribution ($)

1.	For Period 7/1/24 – 6/30/25	521,851
2.	Changes since the prior year annual valuation	
	a) Effect of adjustments to prior year's amortization schedule	0
	b) Effect of elimination of amortization bases	0
	c) Effect of progression of amortization bases[1]	371,031
	d) Effect of investment (gain)/loss during prior year[2]	19,611
	e) Effect of non-investment (gain)/loss during prior year	(94,608)
	f) Effect of re-amortizing existing bases due to Funding Risk Mitigation	0
	g) Effect of Golden Handshake	0
	h) Effect of plan changes	0
	i) Effect of AL Significant Increase (Government Code section 20791)	0
	j) Effect of assumption changes	0
	k) Effect of adjustments to the amortization schedule (e.g., Fresh Start)	0
	l) Effect of method change	0
	m Net effect of the changes above [sum of (a) through (l)]	296,034
3.	For Period 7/1/25 – 6/30/26 [(1) + (2m)]	817,885

The amounts shown for the period 7/1/24 – 6/30/25 may be different if a prepayment of unfunded actuarial liability is made or a plan change became effective after the prior year's actuarial valuation was performed.

1 Includes scheduled escalation in individual amortization base payments due to the 5-year ramp and payroll grow th assumption used in the pre-2019 amortization policy.

2 The unfunded liability contribution for the investment (gain)/loss during the year prior to the valuation date is 20% of the "full" annual requirement due to the 5-year ramp. Increases to this amount that occur during the ramp period w ill be included in line c) for each of the next four years.

Employer Contribution History

The table below provides a 10-year history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	7.553%	0.000%	N/A
06/30/2015	2017 - 18	7.471%	N/A	47,020
06/30/2016	2018 - 19	8.114%	N/A	210,673
06/30/2017	2019 - 20	8.313%	N/A	349,903
06/30/2018	2020 - 21	8.785%	N/A	537,865
06/30/2019	2021 - 22	8.91%	N/A	752,695
06/30/2020	2022 - 23	9.00%	N/A	890,950
06/30/2021	2023 - 24	9.88%	N/A	0
06/30/2022	2024 - 25	9.77%	N/A	521,851
06/30/2023	2025 - 26	9.52%	N/A	817,885

Funding History

The table below shows the recent history of the actuarial accrued liability, market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
6/30/2014	$76,635,740	$76,596,542	$39,198	99.9%	$13,217,024
6/30/2015	80,811,155	77,394,156	3,416,999	95.8%	13,509,930
6/30/2016	86,472,939	76,862,633	9,610,306	88.9%	14,355,851
6/30/2017	91,813,858	84,006,011	7,807,847	91.5%	14,280,946
6/30/2018	99,433,809	89,262,391	10,171,418	89.8%	14,831,366
6/30/2019	104,866,557	93,584,576	11,281,981	89.2%	14,670,139
6/30/2020	109,297,796	96,052,712	13,245,084	87.9%	14,492,018
6/30/2021	115,614,286	115,636,553	(22,267)	100.0%	14,326,073
6/30/2022	121,838,207	104,589,036	17,249,171	85.8%	14,753,257
6/30/2023	126,224,614	108,615,752	17,608,862	86.0%	15,963,421

Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group for FY 2025-26. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. However, based on the characteristics of the members (particularly when the number of actives is small), this may not be the case. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in the demographics of the group, changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Plan Identifier	Benefit Group Name	Total Normal Cost FY 2025-26	Number of Actives	Payroll on 6/30/2023
1380	Miscellaneous First Level	16.63%	114	$8,670,042
26946	Miscellaneous PEPRA Level	18.65%	108	$7,293,379
	Plan Total	**17.56%**	**222**	**$15,963,421**

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences. Additionally, if a Second Level Benefit Group amended to the same benefit formula as a First Level Benefit Group, their Normal Costs may be dissimilar due to demographic or other population differences. For questions in these situations, please contact a CalPERS actuary.

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projected normal cost rates reflect that the rates are anticipated to decline over time as new employees are hired into lower-cost benefit tiers. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	9.5%	9.5%	9.5%	9.5%	9.5%
UAL Contribution	$1,308,000	$1,899,000	$2,591,000	$3,014,000	$3,521,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	9.7%	9.9%	10.1%	10.3%	10.5%
UAL Contribution	$1,118,000	$1,324,000	$1,425,000	$0	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	**2026-27**
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	9.52%	9.5%
UAL Contribution	$817,885	$1,838,000
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	9.52%	9.5%
UAL Contribution	$817,885	$1,524,000

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	21.95%	17.56%	14.23%
b) Accrued Liability	$142,167,167	$126,224,614	$112,907,171
c) Market Value of Assets	$108,615,752	$108,615,752	$108,615,752
d) Unfunded Liability/(Surplus) [(b) - (c)]	$33,551,415	$17,608,862	$4,291,419
e) Funded Ratio	76.4%	86.0%	96.2%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	18.51%	17.56%	15.95%
b) Accrued Liability	$130,670,311	$126,224,614	$116,877,349
c) Market Value of Assets	$108,615,752	$108,615,752	$108,615,752
d) Unfunded Liability/(Surplus) [(b) - (c)]	$22,054,559	$17,608,862	$8,261,597
e) Funded Ratio	83.1%	86.0%	92.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	17.87%	17.56%	17.28%
b) Accrued Liability	$129,115,956	$126,224,614	$123,576,137
c) Market Value of Assets	$108,615,752	$108,615,752	$108,615,752
d) Unfunded Liability/(Surplus) [(b) - (c)]	$20,500,204	$17,608,862	$14,960,385
e) Funded Ratio	84.1%	86.0%	87.9%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$63,906,532	$64,178,973
2. Total Accrued Liability	$121,838,207	$126,224,614
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	52%	51%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	215	222
2. Number of Retirees	237	238
3. Support Ratio [(1) ÷ (2)]	0.91	0.93

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets without Receivables	$104,479,327	$108,525,130
2. Payroll	14,753,257	15,963,421
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	7.1	6.8
4. Accrued Liability	$121,838,207	$126,224,614
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	8.3	7.9

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
6/30/2017	43%	1.24	5.9	6.4
6/30/2018	43%	1.27	6.0	6.7
6/30/2019	44%	1.18	6.4	7.1
6/30/2020	47%	1.10	6.6	7.5
6/30/2021	48%	1.00	8.1	8.1
6/30/2022	52%	0.91	7.1	8.3
6/30/2023	51%	0.93	6.8	7.9

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$201,047,760	$154,124,991
2. Market Value of Assets (MVA)	108,615,752	108,615,752
3. Unfunded Termination Liability [(1) – (2)]	$92,432,008	$45,509,239
4. Funded Ratio [(2) ÷ (1)]	54.0%	70.5%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	**June 30, 2023**
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$76,010,945
b) Transferred Members	2,161,788
c) Separated Members	5,857,351
d) Members and Beneficiaries Receiving Payments	76,937,749
e) Total	$160,967,833
2. Market Value of Assets (MVA)	108,615,752
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$52,352,081
4. Unfunded Accrued Liability – Funding Policy Basis	17,608,862
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$34,743,219

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1 This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

2 If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Plan’s Major Benefit Options

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Appendix B.

	Benefit Group		
Member Category	**Misc**	**Misc**	
Demographics			
Actives	Yes	Yes	
Transfers/Separated	Yes	Yes	
Receiving	Yes	Yes	
Benefit Provision			
Benefit Formula	2% @ 60	2% @ 62	
Social Security Coverage	No	No	
Full/Modified	Full	Full	
Employee Contribution Rate	7.00%	8.25%	
Final Average Compensation Period	Three Year	Three Year	
Sick Leave Credit	Yes	Yes	
Non-Industrial Disability	Standard	Standard	
Industrial Disability	No	No	
Pre-Retirement Death Benefits			
Optional Settlement 2	No	No	
1959 Survivor Benefit Level	No	No	
Special	No	No	
Alternate (firefighters)	No	No	
Post-Retirement Death Benefits			
Lump Sum	$2,000	$2,000	
Survivor Allowance (PRSA)	Yes	Yes	
COLA	2%	2%	

Appendices

- **Appendix A – Actuarial Methods and Assumptions**
- **Appendix B – Principal Plan Provisions**
- **Appendix C – Participant Data**
- **Appendix D – Glossary**

Appendix A - Actuarial Methods and Assumptions

Actuarial Data

As stated in the Actuarial Certification, the data which serves as the basis of this valuation has been obtained from the various CalPERS databases. We have reviewed the valuation data and believe that it is reasonable and appropriate in aggregate. We are unaware of any potential data issues that would have a material effect on the results of this valuation, except that data does not always contain the latest salary information for former members now in reciprocal systems and does not recognize the potential for unusually large salary deviation in certain cases such as elected officials. Therefore, salary information in these cases may not be accurate. These situations are relatively infrequent, however, and generally do not have a material impact on the required employer contributions.

Actuarial Methods

Actuarial Cost Method

With one exception, the actuarial cost method used in this valuation is the Entry Age Actuarial Cost Method. This method is used to calculate the required employer contributions and the PEPRA member contribution rate. Under this method, the cost of the projected benefits is allocated on an individual basis as a level percent of earnings for the individual between entry age and retirement age. The portion allocated to the year following the valuation date is the normal cost. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member's career.

The actuarial accrued liability for active members is then calculated as the present value of benefits minus the present value of future normal cost, or the portion of the total present value of benefits allocated to prior years. The actuarial accrued liability for members currently receiving benefits and for members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

To calculate the accrued liability on termination basis, this valuation used the Traditional Unit Credit Actuarial Cost Method. This method differs from the entry age method only for active members where the accrued liability is the present value of benefits assuming no future pay increases or service accruals.

Amortization of Unfunded Actuarial Accrued Liability

The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability (UAL). Funding requirements are determined by adding the normal cost and a payment toward the UAL. The UAL payment is equal to the sum of individual amortization payments, each representing a different source of UAL for a given measurement period.

Amortization payments are determined according to the CalPERS Actuarial Amortization Policy. The board adopted a new policy effective for the June 30, 2019, actuarial valuation. The new policy applies prospectively only; amortization bases (sources of UAL) established prior to the June 30, 2019, valuation will continue to be amortized according to the prior policy.

Prior Policy (Bases Established prior to June 30, 2019)

Amortization payments are determined as a level percentage of payroll whereby the payment increases each year at an escalation rate. Gains or losses are amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramp. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of five years. Bases established prior to June 30, 2013, may be amortized differently. A summary is provided in the following table:

	Source				
	(Gain)/Loss				
Driver	**Investment**	**Non-investment**	**Assumption/Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate - Active Plans - Inactive Plans	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60% and 80% of the "full" payment which begins in year five. The 5-year ramp down means that the reverse is true in the final four years of the amortization period.

Current Policy (Bases Established on or after June 30, 2019)

Amortization payments are determined as a level dollar amount. Investment gains or losses are amortized over a fixed 20-year period with a 5-year ramp up at the beginning of the amortization period. Non-investment gains or losses are amortized over a fixed 20-year period with no ramps. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramps. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with no ramps. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years. A summary is provided in the table below:

	Source				
	(Gain)/Loss				
Driver	**Investment**	**Non-investment**	**Assumption/ Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

Exceptions for Inconsistencies

An exception to the amortization rules above is used whenever their application results in inconsistencies. In these cases, a "fresh start" approach is used. This means that the current unfunded actuarial liability is projected and amortized over a set number of years. For example, a fresh start is needed in the following situations:

- When a negative payment would be required on a positive unfunded actuarial liability; or

- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

It should be noted that the actuary may determine that a fresh start is necessary under other circumstances. In all cases of a fresh start, the period is set by the actuary at what is deemed appropriate; however, the period will not be greater than 20 years.

Exceptions for Plans in Surplus

If a surplus exists (i.e., the Market Value of Assets exceeds the plan's accrued liability) any prior amortization layers shall be considered fully amortized, and the surplus shall not be amortized.

In the event of any subsequent unfunded liability, a Fresh Start shall be used with an amortization period of 20 years or less.

Exceptions for Small Amounts

Where small unfunded liabilities are identified in annual valuations which result in small payment amounts, the actuary may shorten the remaining period for these bases.

- When the balance of a single amortization base has an absolute value less than $250, the amortization period is reduced to one year.
- When the entire unfunded liability is a small amount, the actuary may perform a Fresh Start and use an appropriate amortization period.

Exceptions for Inactive Plans

The following exceptions apply to plans classified as Inactive. These plans have no active members and no expectation to have active members in the future.

- Amortization of the unfunded liability is on a "level dollar" basis rather than a "level percent of pay" basis. For amortization layers, which utilize a ramp up and ramp down, the "ultimate" payment is constant.
- Actuarial judgment will be used to shorten amortization periods for Inactive plans with existing periods that are deemed too long given the duration of the liability. The specific demographics of the plan will be used to determine if shorter periods may be more appropriate.

Exceptions for Inactive Agencies

For a public agency with no active members in any CalPERS rate plan, the unfunded liability shall be amortized over a closed amortization period of no more than 15 years.

Asset Valuation Method

The Actuarial Value of Assets is set equal to the market value of assets. Asset values include accounts receivable.

PEPRA Normal Cost Rate Methodology

Per Government Code section 7522.30(b), the "normal cost rate" shall mean the annual actuarially determined normal cost for the plan of retirement benefits provided to the new member and shall be established based on actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation. The plan of retirement benefits shall include any elements that would impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments as determined by the public retirement system.

For purposes of setting member rates, it is preferable to determine total normal cost using a large active population so that the rate remains relatively stable. While each CalPERS non-pooled plan has a sufficiently large active population for this purpose, the PEPRA active population by itself may not be sufficiently large enough yet. The total PEPRA normal cost for each PEPRA benefit tier will be determined based on the entire active plan population (both PEPRA and Classic) only until the number of members covered under the PEPRA formula meets either:

1. 50% of the active population, or
2. 25% of the active population and 100 or more PEPRA members

Once one of these conditions is met, the total PEPRA normal cost for each PEPRA benefit tier will be determined using the entire active PEPRA population.

Actuarial Assumptions

In 2021, CalPERS completed its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation. In November 2021, the board adopted changes to the asset allocation that increased the expected volatility of returns. The adopted asset allocation was expected to have a long-term blended return that continued to support a discount rate assumption of 6.80%. The board also approved several changes to the demographic assumptions that more closely aligned with actual experience.

For more details and additional rationale for the selection of the actuarial assumptions, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions that can be found on the CalPERS website under: Forms and Publications. Click on "View All" and search for Experience Study.

All actuarial assumptions (except the discount rates and price inflation assumption used for the accrued liability on a termination basis) represent an estimate of future experience rather than observations of the estimates inherent in market data.

Economic Assumptions

Discount Rate
The prescribed discount rate assumption, adopted by the board on November 17, 2021, is 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2023. The discount rate is based on the long-term expected rate of return on assets using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The current assumption, originally based on capital market assumptions developed by the Investment Office in 2021, has been reviewed for this valuation based on capital market assumptions developed by the Investment Office in 2023.

Termination Liability Discount Rate
The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The accrued liabilities on a termination basis in this report use discount rates that are based on the 20-year Treasury rate on the valuation date.

To illustrate the impact of the variability of interest rates, the accrued liabilities on a termination basis in this report use discount rates 1% below and 1% above the 20-year Treasury rate on the valuation date. The 20-year Treasury rate was 4.06% on June 30, 2023.

Salary Increases
Annual increases vary by category, entry age, and duration of service. A sample of assumed increases due to seniority, merit and promotion are shown below. Assumed wage inflation is combined with these factors to develop the total expected salary increases.

Public Agency Miscellaneous

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0764	0.0621	0.0521
1	0.0663	0.0528	0.0424
2	0.0576	0.0449	0.0346
3	0.0501	0.0381	0.0282
4	0.0435	0.0324	0.0229
5	0.0378	0.0276	0.0187
10	0.0201	0.0126	0.0108
15	0.0155	0.0102	0.0071
20	0.0119	0.0083	0.0047
25	0.0091	0.0067	0.0031
30	0.0070	0.0054	0.0020

Public Agency Fire

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1517	0.1549	0.0631
1	0.1191	0.1138	0.0517
2	0.0936	0.0835	0.0423
3	0.0735	0.0613	0.0346
4	0.0577	0.0451	0.0284
5	0.0453	0.0331	0.0232
10	0.0188	0.0143	0.0077
15	0.0165	0.0124	0.0088
20	0.0145	0.0108	0.0101
25	0.0127	0.0094	0.0115
30	0.0112	0.0082	0.0132

Public Agency Police

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1181	0.1051	0.0653
1	0.0934	0.0812	0.0532
2	0.0738	0.0628	0.0434
3	0.0584	0.0485	0.0353
4	0.0462	0.0375	0.0288
5	0.0365	0.0290	0.0235
10	0.0185	0.0155	0.0118
15	0.0183	0.0150	0.0131
20	0.0181	0.0145	0.0145
25	0.0179	0.0141	0.0161
30	0.0178	0.0136	0.0179

Salary Increases (continued)

Public Agency County Peace Officers

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1238	0.1053	0.0890
1	0.0941	0.0805	0.0674
2	0.0715	0.0616	0.0510
3	0.0544	0.0471	0.0387
4	0.0413	0.0360	0.0293
5	0.0314	0.0276	0.0222
10	0.0184	0.0142	0.0072
15	0.0174	0.0124	0.0073
20	0.0164	0.0108	0.0074
25	0.0155	0.0094	0.0075
30	0.0147	0.0083	0.0077

Schools

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0275	0.0275	0.0200
1	0.0422	0.0373	0.0298
2	0.0422	0.0373	0.0298
3	0.0422	0.0373	0.0298
4	0.0388	0.0314	0.0245
5	0.0308	0.0239	0.0179
10	0.0236	0.0160	0.0121
15	0.0182	0.0135	0.0103
20	0.0145	0.0109	0.0085
25	0.0124	0.0102	0.0058
30	0.0075	0.0053	0.0019

- The Miscellaneous salary scale is used for Local Prosecutors.
- The Police salary scale is used for Other Safety, Local Sheriff, and School Police.

Price Inflation
2.30% compounded annually.

Termination Liability Price Inflation
The breakeven inflation rate for 20-year Treasuries on the valuation date, 2.50%.

Wage Inflation
2.80% compounded annually. This is used in projecting individual salary increases.

Payroll Growth
2.80% compounded annually. This is used as the escalation rate of the amortization payments on level percent of payroll amortization bases, that is, on any amortization bases established prior to 2019 for plans that currently have active members.

Non-valued Potential Additional Liabilities
The potential liability loss for a cost-of-living increase exceeding the 2.30% price inflation assumption and any potential liability loss from future member service purchases that are not reflected in the valuation.

Miscellaneous Loading Factors

Credit for Unused Sick Leave
Total years of service is increased by 1% for those plans that have adopted the provision of providing Credit for Unused Sick Leave.

Conversion of Employer Paid Member Contributions (EPMC)
Total years of service is increased by the Employee Contribution Rate for those plans with the provision providing for the Conversion of Employer Paid Member Contributions (EPMC) during the final compensation period.

Norris Decision (Best Factors)
Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of "Best Factors" in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. No loading is necessary for employees hired after July 1, 1982.

Termination Liability
The termination liabilities include a 5% contingency load. This load is for unforeseen improvements in mortality.

Demographic Assumptions

Pre-Retirement Mortality
The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. For purposes of the mortality rates, the rates incorporate generational mortality to capture ongoing mortality improvement. Generational mortality explicitly assumes that members born more recently will live longer than the members born before them thereby capturing the mortality improvement seen in the past and expected continued improvement. For more details, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions report that can be found on the CalPERS website.

Rates vary by age and gender. This table only contains a sample of the 2017 base table rates for illustrative purposes. The non-industrial death rates are used for all plans. The industrial death rates are used for Safety plans (except for local Safety members described in Government Code section 20423.6 where the agency has not specifically contracted for industrial death benefits.)

	Miscellaneous Non-Industrial Death (Not Job-Related)		Safety Non-Industrial Death (Not Job-Related)		Safety Industrial Death (Job-Related)	
Age	Male	Female	Male	Female	Male	Female
20	0.00039	0.00014	0.00038	0.00014	0.00004	0.00002
25	0.00033	0.00013	0.00034	0.00018	0.00004	0.00002
30	0.00044	0.00019	0.00042	0.00025	0.00005	0.00003
35	0.00058	0.00029	0.00048	0.00034	0.00005	0.00004
40	0.00075	0.00039	0.00055	0.00042	0.00006	0.00005
45	0.00093	0.00054	0.00066	0.00053	0.00007	0.00006
50	0.00134	0.00081	0.00092	0.00073	0.00010	0.00008
55	0.00198	0.00123	0.00138	0.00106	0.00015	0.00012
60	0.00287	0.00179	0.00221	0.00151	0.00025	0.00017
65	0.00403	0.00250	0.00346	0.00194	0.00038	0.00022
70	0.00594	0.00404	0.00606	0.00358	0.00067	0.00040
75	0.00933	0.00688	0.01099	0.00699	0.00122	0.00078
80	0.01515	0.01149	0.02027	0.01410	0.00225	0.00157

- The pre-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.
- Miscellaneous plans usually have industrial death rates set to zero unless the agency has specifically contracted for industrial death benefits. If so, each non-industrial death rate shown above will be split into two components: 99% will become the non-industrial death rate and 1% will become the industrial death rate.

Post-Retirement Mortality
Rates vary by age, type of retirement, and gender. See sample rates in table below. These rates are used for all plans.

	Service Retirement		**Non-Industrial Disability (Not Job-Related)**		**Industrial Disability (Job-Related)**	
Age	Male	Female	Male	Female	Male	Female
50	0.00267	0.00199	0.01701	0.01439	0.00430	0.00311
55	0.00390	0.00325	0.02210	0.01734	0.00621	0.00550
60	0.00578	0.00455	0.02708	0.01962	0.00944	0.00868
65	0.00857	0.00612	0.03334	0.02276	0.01394	0.01190
70	0.01333	0.00996	0.04001	0.02910	0.02163	0.01858
75	0.02391	0.01783	0.05376	0.04160	0.03446	0.03134
80	0.04371	0.03403	0.07936	0.06112	0.05853	0.05183
85	0.08274	0.06166	0.11561	0.09385	0.10137	0.08045
90	0.14539	0.11086	0.16608	0.14396	0.16584	0.12434
95	0.24665	0.20364	0.24665	0.20364	0.24665	0.20364
100	0.36198	0.31582	0.36198	0.31582	0.36198	0.31582
105	0.52229	0.44679	0.52229	0.44679	0.52229	0.44679
110	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

- The post-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

Marital Status
For active members, a percentage who are married upon retirement is assumed according to the member category as shown in the following table.

Member Category	**Percent Married**
Miscellaneous Member	70%
Local Police	85%
Local Fire	85%
Other Local Safety	70%
School Police	85%
Local County Peace Officers	75%

Age of Spouse
It is assumed that female spouses are 3 years younger than male spouses. This assumption is used for all plans.

Separated Members
It is assumed that separated members refund immediately if non-vested. Separated members who are vested are assumed to retire at age 59 for Miscellaneous members and age 54 for Safety members.

Termination with Refund
Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.1851	0.1944	0.1769	0.1899	0.1631	0.1824	0.1493	0.1749	0.1490	0.1731	0.1487	0.1713
1	0.1531	0.1673	0.1432	0.1602	0.1266	0.1484	0.1101	0.1366	0.1069	0.1323	0.1037	0.1280
2	0.1218	0.1381	0.1125	0.1307	0.0970	0.1183	0.0815	0.1058	0.0771	0.0998	0.0726	0.0938
3	0.0927	0.1085	0.0852	0.1020	0.0727	0.0912	0.0601	0.0804	0.0556	0.0737	0.0511	0.0669
4	0.0672	0.0801	0.0616	0.0752	0.0524	0.0670	0.0431	0.0587	0.0392	0.0523	0.0352	0.0459
5	0.0463	0.0551	0.0423	0.0517	0.0358	0.0461	0.0292	0.0404	0.0261	0.0350	0.0230	0.0296
10	0.0112	0.0140	0.0101	0.0129	0.0083	0.0112	0.0064	0.0094	0.0048	0.0071	0.0033	0.0049
15	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
0	0.1022	0.1317	0.1298	0.1389	0.1086	0.1284
1	0.0686	0.1007	0.0789	0.0904	0.0777	0.0998
2	0.0441	0.0743	0.0464	0.0566	0.0549	0.0759
3	0.0272	0.0524	0.0274	0.0343	0.0385	0.0562
4	0.0161	0.0349	0.0170	0.0206	0.0268	0.0402
5	0.0092	0.0214	0.0113	0.0128	0.0186	0.0276
10	0.0015	0.0000	0.0032	0.0047	0.0046	0.0038
15	0.0000	0.0000	0.0000	0.0000	0.0023	0.0036
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- The police termination and refund rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Termination with Refund (continued)

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.2054	0.2120	0.1933	0.1952	0.1730	0.1672	0.1527	0.1392	0.1423	0.1212	0.1318	0.1032
1	0.1922	0.2069	0.1778	0.1883	0.1539	0.1573	0.1300	0.1264	0.1191	0.1087	0.1083	0.0910
2	0.1678	0.1859	0.1536	0.1681	0.1298	0.1383	0.1060	0.1086	0.0957	0.0934	0.0853	0.0782
3	0.1384	0.1575	0.1256	0.1417	0.1042	0.1155	0.0829	0.0893	0.0736	0.0774	0.0643	0.0656
4	0.1085	0.1274	0.0978	0.1143	0.0800	0.0925	0.0622	0.0707	0.0542	0.0620	0.0462	0.0533
5	0.0816	0.0991	0.0732	0.0887	0.0590	0.0713	0.0449	0.0539	0.0383	0.0476	0.0317	0.0413
10	0.0222	0.0248	0.0200	0.0221	0.0163	0.0174	0.0125	0.0128	0.0094	0.0100	0.0063	0.0072
15	0.0106	0.0132	0.0095	0.0113	0.0077	0.0083	0.0058	0.0052	0.0040	0.0039	0.0021	0.0026
20	0.0059	0.0065	0.0050	0.0054	0.0035	0.0036	0.0021	0.0019	0.0010	0.0009	0.0000	0.0000
25	0.0029	0.0034	0.0025	0.0029	0.0018	0.0020	0.0010	0.0012	0.0005	0.0006	0.0000	0.0000
30	0.0012	0.0015	0.0011	0.0013	0.0011	0.0011	0.0010	0.0009	0.0005	0.0005	0.0000	0.0000
35	0.0006	0.0007	0.0006	0.0007	0.0005	0.0006	0.0005	0.0005	0.0003	0.0002	0.0000	0.0000

Termination with Vested Benefits
Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0381	0.0524	0.0381	0.0524	0.0358	0.0464	0.0334	0.0405	0.0301	0.0380
10	0.0265	0.0362	0.0265	0.0362	0.0254	0.0334	0.0244	0.0307	0.0197	0.0236
15	0.0180	0.0252	0.0180	0.0252	0.0166	0.0213	0.0152	0.0174	0.0119	0.0132
20	0.0141	0.0175	0.0141	0.0175	0.0110	0.0131	0.0079	0.0087	0.0000	0.0000
25	0.0084	0.0108	0.0084	0.0108	0.0064	0.0076	0.0000	0.0000	0.0000	0.0000
30	0.0047	0.0056	0.0047	0.0056	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0038	0.0041	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
5	0.0089	0.0224	0.0156	0.0272	0.0177	0.0266
10	0.0066	0.0164	0.0113	0.0198	0.0126	0.0189
15	0.0048	0.0120	0.0083	0.0144	0.0089	0.0134
20	0.0035	0.0088	0.0060	0.0105	0.0063	0.0095
25	0.0024	0.0061	0.0042	0.0073	0.0042	0.0063
30	0.0012	0.0031	0.0021	0.0037	0.0021	0.0031
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- After termination with vested benefits, a Miscellaneous member is assumed to retire at age 59 and a Safety member at age 54.
- The Police termination with vested benefits rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0359	0.0501	0.0359	0.0501	0.0332	0.0402	0.0305	0.0304	0.0266	0.0272
10	0.0311	0.0417	0.0311	0.0417	0.0269	0.0341	0.0228	0.0265	0.0193	0.0233
15	0.0193	0.0264	0.0193	0.0264	0.0172	0.0220	0.0151	0.0175	0.0123	0.0142
20	0.0145	0.0185	0.0145	0.0185	0.0113	0.0141	0.0080	0.0097	0.0000	0.0000
25	0.0089	0.0123	0.0089	0.0123	0.0074	0.0093	0.0000	0.0000	0.0000	0.0000
30	0.0057	0.0064	0.0057	0.0064	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0040	0.0049	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Non-Industrial (Not Job-Related) Disability
Rates vary by age and gender for Miscellaneous plans. Rates vary by age and category for Safety plans.

	Miscellaneous		**Fire**	**Police**	**County Peace Officer**	**Schools**	
Age	Male	Female	All	All	All	Male	Female
20	0.0001	0.0000	0.0001	0.0001	0.0001	0.0000	0.0002
25	0.0001	0.0001	0.0001	0.0001	0.0001	0.0000	0.0002
30	0.0002	0.0003	0.0001	0.0001	0.0001	0.0002	0.0002
35	0.0004	0.0007	0.0001	0.0002	0.0003	0.0005	0.0004
40	0.0009	0.0012	0.0001	0.0002	0.0006	0.0010	0.0008
45	0.0015	0.0019	0.0002	0.0003	0.0011	0.0019	0.0015
50	0.0015	0.0019	0.0004	0.0005	0.0016	0.0027	0.0021
55	0.0014	0.0013	0.0006	0.0007	0.0009	0.0024	0.0017
60	0.0012	0.0009	0.0006	0.0011	0.0005	0.0020	0.0010

- The Miscellaneous non-industrial disability rates are used for Local Prosecutors.
- The police non-industrial disability rates are also used for Other Safety, Local Sheriff, and School Police.

Industrial (Job-Related) Disability
Rates vary by age and category.

Age	**Fire**	**Police**	**County Peace Officer**
20	0.0001	0.0000	0.0004
25	0.0002	0.0017	0.0013
30	0.0006	0.0048	0.0025
35	0.0012	0.0079	0.0037
40	0.0023	0.0110	0.0051
45	0.0040	0.0141	0.0067
50	0.0208	0.0185	0.0092
55	0.0307	0.0479	0.0151
60	0.0438	0.0602	0.0174

- The police industrial disability rates are also used for Local Sheriff and Other Safety.
- 50% of the police industrial disability rates are used for School Police.
- 1% of the police industrial disability rates are used for Local Prosecutors.
- Normally, rates are zero for Miscellaneous plans unless the agency has specifically contracted for industrial disability benefits. If so, each Miscellaneous non-industrial disability rate will be split into two components: 50% will become the non-industrial disability rate and 50% will become the industrial disability rate.

Service Retirement
Retirement rates vary by age, service, and formula, except for the Safety Half Pay at 55 and 2% at 55 formulas, where retirement rates vary by age only.

Public Agency Miscellaneous 1.5% at age 65

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.008	0.011	0.013	0.015	0.017	0.019
51	0.007	0.010	0.012	0.013	0.015	0.017
52	0.010	0.014	0.017	0.019	0.021	0.024
53	0.008	0.012	0.015	0.017	0.019	0.022
54	0.012	0.016	0.019	0.022	0.025	0.028
55	0.018	0.025	0.031	0.035	0.038	0.043
56	0.015	0.021	0.025	0.029	0.032	0.036
57	0.020	0.028	0.033	0.038	0.043	0.048
58	0.024	0.033	0.040	0.046	0.052	0.058
59	0.028	0.039	0.048	0.054	0.060	0.067
60	0.049	0.069	0.083	0.094	0.105	0.118
61	0.062	0.087	0.106	0.120	0.133	0.150
62	0.104	0.146	0.177	0.200	0.223	0.251
63	0.099	0.139	0.169	0.191	0.213	0.239
64	0.097	0.136	0.165	0.186	0.209	0.233
65	0.140	0.197	0.240	0.271	0.302	0.339
66	0.092	0.130	0.157	0.177	0.198	0.222
67	0.129	0.181	0.220	0.249	0.277	0.311
68	0.092	0.129	0.156	0.177	0.197	0.221
69	0.092	0.130	0.158	0.178	0.199	0.224
70	0.103	0.144	0.175	0.198	0.221	0.248

Public Agency Miscellaneous 2% at age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.010	0.011	0.014	0.014	0.017	0.017
51	0.017	0.013	0.014	0.010	0.010	0.010
52	0.014	0.014	0.018	0.015	0.016	0.016
53	0.015	0.012	0.013	0.010	0.011	0.011
54	0.006	0.010	0.017	0.016	0.018	0.018
55	0.012	0.016	0.024	0.032	0.036	0.036
56	0.010	0.014	0.023	0.030	0.034	0.034
57	0.006	0.018	0.030	0.040	0.044	0.044
58	0.022	0.023	0.033	0.042	0.046	0.046
59	0.039	0.033	0.040	0.047	0.050	0.050
60	0.063	0.069	0.074	0.090	0.137	0.116
61	0.044	0.058	0.066	0.083	0.131	0.113
62	0.084	0.107	0.121	0.153	0.238	0.205
63	0.173	0.166	0.165	0.191	0.283	0.235
64	0.120	0.145	0.164	0.147	0.160	0.172
65	0.138	0.160	0.214	0.216	0.237	0.283
66	0.198	0.228	0.249	0.216	0.228	0.239
67	0.207	0.242	0.230	0.233	0.233	0.233
68	0.201	0.234	0.225	0.231	0.231	0.231
69	0.152	0.173	0.164	0.166	0.166	0.166
70	0.200	0.200	0.200	0.200	0.200	0.200

Service Retirement (continued)

Public Agency Miscellaneous 2% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.014	0.017	0.021	0.023	0.024
51	0.013	0.017	0.017	0.018	0.018	0.019
52	0.013	0.018	0.018	0.020	0.020	0.021
53	0.013	0.019	0.021	0.024	0.025	0.026
54	0.017	0.025	0.028	0.032	0.033	0.035
55	0.045	0.042	0.053	0.086	0.098	0.123
56	0.018	0.036	0.056	0.086	0.102	0.119
57	0.041	0.046	0.056	0.076	0.094	0.120
58	0.052	0.044	0.048	0.074	0.106	0.123
59	0.043	0.058	0.073	0.092	0.105	0.126
60	0.059	0.064	0.083	0.115	0.154	0.170
61	0.087	0.074	0.087	0.107	0.147	0.168
62	0.115	0.123	0.151	0.180	0.227	0.237
63	0.116	0.127	0.164	0.202	0.252	0.261
64	0.084	0.138	0.153	0.190	0.227	0.228
65	0.167	0.187	0.210	0.262	0.288	0.291
66	0.187	0.258	0.280	0.308	0.318	0.319
67	0.195	0.235	0.244	0.277	0.269	0.280
68	0.228	0.248	0.250	0.241	0.245	0.245
69	0.188	0.201	0.209	0.219	0.231	0.231
70	0.229	0.229	0.229	0.229	0.229	0.229

Public Agency Miscellaneous 2.5% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.017	0.027	0.035	0.046	0.050
51	0.019	0.021	0.025	0.030	0.038	0.040
52	0.018	0.020	0.026	0.034	0.038	0.037
53	0.013	0.021	0.031	0.045	0.052	0.053
54	0.025	0.025	0.030	0.046	0.057	0.068
55	0.029	0.042	0.064	0.109	0.150	0.225
56	0.036	0.047	0.068	0.106	0.134	0.194
57	0.051	0.047	0.060	0.092	0.116	0.166
58	0.035	0.046	0.062	0.093	0.119	0.170
59	0.029	0.053	0.072	0.112	0.139	0.165
60	0.039	0.069	0.094	0.157	0.177	0.221
61	0.080	0.077	0.086	0.140	0.167	0.205
62	0.086	0.131	0.149	0.220	0.244	0.284
63	0.135	0.135	0.147	0.214	0.222	0.262
64	0.114	0.128	0.158	0.177	0.233	0.229
65	0.112	0.174	0.222	0.209	0.268	0.273
66	0.235	0.254	0.297	0.289	0.321	0.337
67	0.237	0.240	0.267	0.249	0.267	0.277
68	0.258	0.271	0.275	0.207	0.210	0.212
69	0.117	0.208	0.266	0.219	0.250	0.270
70	0.229	0.229	0.229	0.229	0.229	0.229

Service Retirement (continued)

Public Agency Miscellaneous 2.7% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.011	0.016	0.022	0.033	0.034	0.038
51	0.018	0.019	0.023	0.032	0.031	0.031
52	0.019	0.020	0.026	0.035	0.034	0.037
53	0.020	0.020	0.025	0.043	0.048	0.053
54	0.018	0.030	0.040	0.052	0.053	0.070
55	0.045	0.058	0.082	0.138	0.208	0.278
56	0.057	0.062	0.080	0.121	0.178	0.222
57	0.045	0.052	0.071	0.106	0.147	0.182
58	0.074	0.060	0.074	0.118	0.163	0.182
59	0.058	0.067	0.086	0.123	0.158	0.187
60	0.087	0.084	0.096	0.142	0.165	0.198
61	0.073	0.084	0.101	0.138	0.173	0.218
62	0.130	0.133	0.146	0.187	0.214	0.249
63	0.122	0.140	0.160	0.204	0.209	0.243
64	0.104	0.124	0.154	0.202	0.214	0.230
65	0.182	0.201	0.242	0.264	0.293	0.293
66	0.272	0.249	0.273	0.285	0.312	0.312
67	0.182	0.217	0.254	0.249	0.264	0.264
68	0.223	0.197	0.218	0.242	0.273	0.273
69	0.217	0.217	0.217	0.217	0.217	0.217
70	0.227	0.227	0.227	0.227	0.227	0.227

Public Agency Miscellaneous 3% at age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.015	0.020	0.025	0.039	0.040	0.044
51	0.041	0.034	0.032	0.041	0.036	0.037
52	0.024	0.020	0.022	0.039	0.040	0.041
53	0.018	0.024	0.032	0.047	0.048	0.057
54	0.033	0.033	0.035	0.051	0.049	0.052
55	0.137	0.043	0.051	0.065	0.076	0.108
56	0.173	0.038	0.054	0.075	0.085	0.117
57	0.019	0.035	0.059	0.088	0.111	0.134
58	0.011	0.040	0.070	0.105	0.133	0.162
59	0.194	0.056	0.064	0.081	0.113	0.163
60	0.081	0.085	0.133	0.215	0.280	0.333
61	0.080	0.090	0.134	0.170	0.223	0.292
62	0.137	0.153	0.201	0.250	0.278	0.288
63	0.128	0.140	0.183	0.227	0.251	0.260
64	0.174	0.147	0.173	0.224	0.239	0.264
65	0.152	0.201	0.262	0.299	0.323	0.323
66	0.272	0.273	0.317	0.355	0.380	0.380
67	0.218	0.237	0.268	0.274	0.284	0.284
68	0.200	0.228	0.269	0.285	0.299	0.299
69	0.250	0.250	0.250	0.250	0.250	0.250
70	0.245	0.245	0.245	0.245	0.245	0.245

Service Retirement (continued)

Public Agency Miscellaneous 2% at age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.005	0.008	0.012	0.015	0.019	0.031
53	0.007	0.011	0.014	0.018	0.021	0.032
54	0.007	0.011	0.015	0.019	0.023	0.034
55	0.010	0.019	0.028	0.036	0.061	0.096
56	0.014	0.026	0.038	0.050	0.075	0.108
57	0.018	0.029	0.039	0.050	0.074	0.107
58	0.023	0.035	0.048	0.060	0.073	0.099
59	0.025	0.038	0.051	0.065	0.092	0.128
60	0.031	0.051	0.071	0.091	0.111	0.138
61	0.038	0.058	0.079	0.100	0.121	0.167
62	0.044	0.074	0.104	0.134	0.164	0.214
63	0.077	0.105	0.134	0.163	0.192	0.237
64	0.072	0.101	0.129	0.158	0.187	0.242
65	0.108	0.141	0.173	0.206	0.239	0.300
66	0.132	0.172	0.212	0.252	0.292	0.366
67	0.132	0.172	0.212	0.252	0.292	0.366
68	0.120	0.156	0.193	0.229	0.265	0.333
69	0.120	0.156	0.193	0.229	0.265	0.333
70	0.120	0.156	0.193	0.229	0.265	0.333

Public Agency Fire Half Pay at age 55 and 2% at age 55

Age	Rate	Age	Rate
50	0.016	56	0.111
51	0.000	57	0.000
52	0.034	58	0.095
53	0.020	59	0.044
54	0.041	60	1.000
55	0.075		

Public Agency Police Half Pay at age 55 and 2% at age 55

Age	Rate	Age	Rate
50	0.026	56	0.069
51	0.000	57	0.051
52	0.016	58	0.072
53	0.027	59	0.070
54	0.010	60	0.300
55	0.167		

Service Retirement (continued)

Public Agency Police 2% at age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.018	0.077	0.056	0.046	0.043	0.046
51	0.022	0.087	0.060	0.048	0.044	0.047
52	0.020	0.102	0.081	0.071	0.069	0.075
53	0.016	0.072	0.053	0.045	0.042	0.046
54	0.006	0.071	0.071	0.069	0.072	0.080
55	0.009	0.040	0.099	0.157	0.186	0.186
56	0.020	0.051	0.108	0.165	0.194	0.194
57	0.036	0.072	0.106	0.139	0.156	0.156
58	0.001	0.046	0.089	0.130	0.152	0.152
59	0.066	0.094	0.119	0.143	0.155	0.155
60	0.177	0.177	0.177	0.177	0.177	0.177
61	0.134	0.134	0.134	0.134	0.134	0.134
62	0.184	0.184	0.184	0.184	0.184	0.184
63	0.250	0.250	0.250	0.250	0.250	0.250
64	0.177	0.177	0.177	0.177	0.177	0.177
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.054	0.054	0.056	0.080	0.064	0.066
51	0.020	0.020	0.021	0.030	0.024	0.024
52	0.037	0.037	0.038	0.054	0.043	0.045
53	0.051	0.051	0.053	0.076	0.061	0.063
54	0.082	0.082	0.085	0.121	0.097	0.100
55	0.139	0.139	0.139	0.139	0.139	0.139
56	0.129	0.129	0.129	0.129	0.129	0.129
57	0.085	0.085	0.085	0.085	0.085	0.085
58	0.119	0.119	0.119	0.119	0.119	0.119
59	0.167	0.167	0.167	0.167	0.167	0.167
60	0.152	0.152	0.152	0.152	0.152	0.152
61	0.179	0.179	0.179	0.179	0.179	0.179
62	0.179	0.179	0.179	0.179	0.179	0.179
63	0.179	0.179	0.179	0.179	0.179	0.179
64	0.179	0.179	0.179	0.179	0.179	0.179
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.019	0.053	0.045	0.054	0.057	0.061
51	0.002	0.017	0.028	0.044	0.053	0.060
52	0.002	0.031	0.037	0.051	0.059	0.066
53	0.026	0.049	0.049	0.080	0.099	0.114
54	0.019	0.034	0.047	0.091	0.121	0.142
55	0.006	0.115	0.141	0.199	0.231	0.259
56	0.017	0.188	0.121	0.173	0.199	0.199
57	0.008	0.137	0.093	0.136	0.157	0.157
58	0.017	0.126	0.105	0.164	0.194	0.194
59	0.026	0.146	0.110	0.167	0.195	0.195
60	0.155	0.155	0.155	0.155	0.155	0.155
61	0.210	0.210	0.210	0.210	0.210	0.210
62	0.262	0.262	0.262	0.262	0.262	0.262
63	0.172	0.172	0.172	0.172	0.172	0.172
64	0.227	0.227	0.227	0.227	0.227	0.227
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.006	0.013	0.019	0.025	0.028
51	0.004	0.008	0.017	0.026	0.034	0.038
52	0.005	0.011	0.022	0.033	0.044	0.049
53	0.005	0.034	0.024	0.038	0.069	0.138
54	0.007	0.047	0.032	0.051	0.094	0.187
55	0.010	0.067	0.046	0.073	0.134	0.266
56	0.010	0.063	0.044	0.069	0.127	0.253
57	0.135	0.100	0.148	0.196	0.220	0.220
58	0.083	0.062	0.091	0.120	0.135	0.135
59	0.137	0.053	0.084	0.146	0.177	0.177
60	0.162	0.063	0.099	0.172	0.208	0.208
61	0.598	0.231	0.231	0.231	0.231	0.231
62	0.621	0.240	0.240	0.240	0.240	0.240
63	0.236	0.236	0.236	0.236	0.236	0.236
64	0.236	0.236	0.236	0.236	0.236	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.124	0.103	0.113	0.143	0.244	0.376
51	0.060	0.081	0.087	0.125	0.207	0.294
52	0.016	0.055	0.111	0.148	0.192	0.235
53	0.072	0.074	0.098	0.142	0.189	0.237
54	0.018	0.049	0.105	0.123	0.187	0.271
55	0.069	0.074	0.081	0.113	0.209	0.305
56	0.064	0.108	0.113	0.125	0.190	0.288
57	0.056	0.109	0.160	0.182	0.210	0.210
58	0.108	0.129	0.173	0.189	0.214	0.214
59	0.093	0.144	0.204	0.229	0.262	0.262
60	0.343	0.180	0.159	0.188	0.247	0.247
61	0.221	0.221	0.221	0.221	0.221	0.221
62	0.213	0.213	0.213	0.213	0.213	0.213
63	0.233	0.233	0.233	0.233	0.233	0.233
64	0.234	0.234	0.234	0.234	0.234	0.234
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.095	0.048	0.053	0.093	0.134	0.175
51	0.016	0.032	0.053	0.085	0.117	0.149
52	0.013	0.032	0.054	0.087	0.120	0.154
53	0.085	0.044	0.049	0.089	0.129	0.170
54	0.038	0.065	0.074	0.105	0.136	0.167
55	0.042	0.043	0.049	0.085	0.132	0.215
56	0.133	0.103	0.075	0.113	0.151	0.209
57	0.062	0.048	0.060	0.124	0.172	0.213
58	0.124	0.097	0.092	0.153	0.194	0.227
59	0.092	0.071	0.078	0.144	0.192	0.233
60	0.056	0.044	0.061	0.131	0.186	0.233
61	0.282	0.219	0.158	0.198	0.233	0.260
62	0.292	0.227	0.164	0.205	0.241	0.269
63	0.196	0.196	0.196	0.196	0.196	0.196
64	0.197	0.197	0.197	0.197	0.197	0.197
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.040	0.040	0.040	0.040	0.040	0.080
51	0.028	0.028	0.028	0.028	0.040	0.066
52	0.028	0.028	0.028	0.028	0.043	0.061
53	0.028	0.028	0.028	0.028	0.057	0.086
54	0.028	0.028	0.028	0.032	0.069	0.110
55	0.050	0.050	0.050	0.067	0.099	0.179
56	0.046	0.046	0.046	0.062	0.090	0.160
57	0.054	0.054	0.054	0.072	0.106	0.191
58	0.060	0.060	0.060	0.066	0.103	0.171
59	0.060	0.060	0.060	0.069	0.105	0.171
60	0.113	0.113	0.113	0.113	0.113	0.171
61	0.108	0.108	0.108	0.108	0.108	0.128
62	0.113	0.113	0.113	0.113	0.113	0.159
63	0.113	0.113	0.113	0.113	0.113	0.159
64	0.113	0.113	0.113	0.113	0.113	0.239
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.005	0.005	0.005	0.005	0.008	0.012
51	0.006	0.006	0.006	0.006	0.009	0.013
52	0.012	0.012	0.012	0.012	0.019	0.028
53	0.033	0.033	0.033	0.033	0.050	0.075
54	0.045	0.045	0.045	0.045	0.069	0.103
55	0.061	0.061	0.061	0.061	0.094	0.140
56	0.055	0.055	0.055	0.055	0.084	0.126
57	0.081	0.081	0.081	0.081	0.125	0.187
58	0.059	0.059	0.059	0.059	0.091	0.137
59	0.055	0.055	0.055	0.055	0.084	0.126
60	0.085	0.085	0.085	0.085	0.131	0.196
61	0.085	0.085	0.085	0.085	0.131	0.196
62	0.085	0.085	0.085	0.085	0.131	0.196
63	0.085	0.085	0.085	0.085	0.131	0.196
64	0.085	0.085	0.085	0.085	0.131	0.196
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.5% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.038	0.038	0.038	0.038	0.055	0.089
52	0.038	0.038	0.038	0.038	0.058	0.082
53	0.036	0.036	0.036	0.036	0.073	0.111
54	0.036	0.036	0.036	0.041	0.088	0.142
55	0.061	0.061	0.061	0.082	0.120	0.217
56	0.056	0.056	0.056	0.075	0.110	0.194
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.072	0.072	0.072	0.079	0.124	0.205
59	0.072	0.072	0.072	0.083	0.126	0.205
60	0.135	0.135	0.135	0.135	0.135	0.205
61	0.130	0.130	0.130	0.130	0.130	0.153
62	0.135	0.135	0.135	0.135	0.135	0.191
63	0.135	0.135	0.135	0.135	0.135	0.191
64	0.135	0.135	0.135	0.135	0.135	0.287
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.5% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.012	0.018
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.042	0.042	0.042	0.042	0.064	0.096
54	0.057	0.057	0.057	0.057	0.088	0.132
55	0.074	0.074	0.074	0.074	0.114	0.170
56	0.066	0.066	0.066	0.066	0.102	0.153
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.071	0.071	0.071	0.071	0.110	0.164
59	0.066	0.066	0.066	0.066	0.101	0.151
60	0.102	0.102	0.102	0.102	0.157	0.235
61	0.102	0.102	0.102	0.102	0.157	0.236
62	0.102	0.102	0.102	0.102	0.157	0.236
63	0.102	0.102	0.102	0.102	0.157	0.236
64	0.102	0.102	0.102	0.102	0.157	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.7% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.040	0.040	0.040	0.040	0.058	0.094
52	0.038	0.038	0.038	0.038	0.058	0.083
53	0.038	0.038	0.038	0.038	0.077	0.117
54	0.038	0.038	0.038	0.044	0.093	0.150
55	0.068	0.068	0.068	0.091	0.134	0.242
56	0.063	0.063	0.063	0.084	0.123	0.217
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.080	0.080	0.080	0.088	0.138	0.228
59	0.080	0.080	0.080	0.092	0.140	0.228
60	0.150	0.150	0.150	0.150	0.150	0.228
61	0.144	0.144	0.144	0.144	0.144	0.170
62	0.150	0.150	0.150	0.150	0.150	0.213
63	0.150	0.150	0.150	0.150	0.150	0.213
64	0.150	0.150	0.150	0.150	0.150	0.319
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.7% at age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.013	0.019
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.044	0.044	0.044	0.044	0.068	0.102
54	0.061	0.061	0.061	0.061	0.093	0.140
55	0.083	0.083	0.083	0.083	0.127	0.190
56	0.074	0.074	0.074	0.074	0.114	0.171
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.079	0.079	0.079	0.079	0.122	0.182
59	0.073	0.073	0.073	0.073	0.112	0.168
60	0.114	0.114	0.114	0.114	0.175	0.262
61	0.114	0.114	0.114	0.114	0.175	0.262
62	0.114	0.114	0.114	0.114	0.175	0.262
63	0.114	0.114	0.114	0.114	0.175	0.262
64	0.114	0.114	0.114	0.114	0.175	0.262
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Schools 2% at age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.004	0.006	0.007	0.010	0.010
51	0.004	0.005	0.007	0.008	0.011	0.011
52	0.005	0.007	0.008	0.009	0.012	0.012
53	0.007	0.008	0.010	0.012	0.015	0.015
54	0.006	0.009	0.012	0.015	0.020	0.021
55	0.011	0.023	0.034	0.057	0.070	0.090
56	0.012	0.027	0.036	0.056	0.073	0.095
57	0.016	0.027	0.036	0.055	0.068	0.087
58	0.019	0.030	0.040	0.062	0.078	0.103
59	0.023	0.034	0.046	0.070	0.085	0.109
60	0.022	0.043	0.062	0.095	0.113	0.141
61	0.030	0.051	0.071	0.103	0.124	0.154
62	0.065	0.098	0.128	0.188	0.216	0.248
63	0.075	0.112	0.144	0.197	0.222	0.268
64	0.091	0.116	0.138	0.180	0.196	0.231
65	0.163	0.164	0.197	0.232	0.250	0.271
66	0.208	0.204	0.243	0.282	0.301	0.315
67	0.189	0.185	0.221	0.257	0.274	0.287
68	0.127	0.158	0.200	0.227	0.241	0.244
69	0.168	0.162	0.189	0.217	0.229	0.238
70	0.191	0.190	0.237	0.250	0.246	0.254

Schools 2% at age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.004	0.007	0.010	0.011	0.013	0.015
53	0.004	0.008	0.010	0.013	0.014	0.016
54	0.005	0.011	0.015	0.018	0.020	0.022
55	0.014	0.027	0.038	0.045	0.050	0.056
56	0.013	0.026	0.037	0.043	0.048	0.055
57	0.013	0.027	0.038	0.045	0.050	0.055
58	0.017	0.034	0.047	0.056	0.062	0.069
59	0.019	0.037	0.052	0.062	0.068	0.076
60	0.026	0.053	0.074	0.087	0.097	0.108
61	0.030	0.058	0.081	0.095	0.106	0.119
62	0.053	0.105	0.147	0.174	0.194	0.217
63	0.054	0.107	0.151	0.178	0.198	0.222
64	0.053	0.105	0.147	0.174	0.194	0.216
65	0.072	0.142	0.199	0.235	0.262	0.293
66	0.077	0.152	0.213	0.252	0.281	0.314
67	0.070	0.139	0.194	0.229	0.255	0.286
68	0.063	0.124	0.173	0.205	0.228	0.255
69	0.066	0.130	0.183	0.216	0.241	0.270
70	0.071	0.140	0.196	0.231	0.258	0.289

Miscellaneous

Models

The valuation results are based on proprietary actuarial valuation models. The models are centralized and maintained by a specialized team to achieve a high degree of accuracy and consistency. The Actuarial Office is responsible for confirming the appropriateness of the inputs (such as participant data, actuarial methods and assumptions, and plan provisions) as well as performing tests and validating the reasonableness of the output. The results of our models are independently confirmed by parallel valuations performed by outside actuaries on a periodic basis using their models. In our professional judgment, our actuarial valuation models produce comprehensive pension funding information consistent with the purposes of the valuation and have no material limitations or known weaknesses.

Internal Revenue Code Section 415(b)

The limitations on benefits imposed by Internal Revenue Code section 415(b) are taken into account in this valuation. Each year the impact of any changes in this limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. This results in lower contributions for those employers contributing to the Replacement Benefit Fund and protects CalPERS from prefunding expected benefits in excess of limits imposed by federal tax law. The Section 415(b) dollar limit for the 2023 calendar year is $265,000.

Internal Revenue Code Section 401(a)(17)

The limitations on compensation imposed by Internal Revenue Code section 401(a)(17) are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The compensation limit for classic members for the 2023 calendar year is $330,000.

PEPRA Compensation Limits

The limitations on compensation for PEPRA members imposed by Government Code section 7522.10 are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The PEPRA compensation limit for 2023 is $146,042 for members who participate in Social Security and $175,250 for those who do not. The limits are adjusted annually based on changes to the CPI for all urban consumers.

Appendix B - Principal Plan Provisions

The following is a description of the principal plan provisions used in calculating costs and liabilities. We have indicated whether a plan provision is standard or optional. Standard benefits are applicable to all members while optional benefits vary among employers. Optional benefits that apply to a single period of time, such as Golden Handshakes, have not been included. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the Public Employees' Retirement Law and the California Public Employees' Pension Reform Act of 2013. The law itself governs in all situations.

Service Retirement

Eligibility

A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). For employees hired into a plan with the 1.5% at age 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPRA Miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service.

Benefit

The service retirement benefit is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation.* The *benefit factor* depends on the benefit formula specified in the agency's contract. The table below shows the factors for each of the available formulas. Factors vary by the member's age at retirement. Listed are the factors for retirement at whole year ages:

<u>Miscellaneous Plan Formulas</u>

Retirement Age	1.5% at age 65	2% at age 60	2% at age 55	2.5% at age 55	2.7% at age 55	3% at age 60	PEPRA 2% at age 62
50	0.5000%	1.092%	1.426%	2.000%	2.000%	2.000%	N/A
51	0.5667%	1.156%	1.522%	2.100%	2.140%	2.100%	N/A
52	0.6334%	1.224%	1.628%	2.200%	2.280%	2.200%	1.000%
53	0.7000%	1.296%	1.742%	2.300%	2.420%	2.300%	1.100%
54	0.7667%	1.376%	1.866%	2.400%	2.560%	2.400%	1.200%
55	0.8334%	1.460%	2.000%	2.500%	2.700%	2.500%	1.300%
56	0.9000%	1.552%	2.052%	2.500%	2.700%	2.600%	1.400%
57	0.9667%	1.650%	2.104%	2.500%	2.700%	2.700%	1.500%
58	1.0334%	1.758%	2.156%	2.500%	2.700%	2.800%	1.600%
59	1.1000%	1.874%	2.210%	2.500%	2.700%	2.900%	1.700%
60	1.1667%	2.000%	2.262%	2.500%	2.700%	3.000%	1.800%
61	1.2334%	2.134%	2.314%	2.500%	2.700%	3.000%	1.900%
62	1.3000%	2.272%	2.366%	2.500%	2.700%	3.000%	2.000%
63	1.3667%	2.418%	2.418%	2.500%	2.700%	3.000%	2.100%
64	1.4334%	2.418%	2.418%	2.500%	2.700%	3.000%	2.200%
65	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.300%
66	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.400%
67 & up	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.500%

Classic Safety Plan Formulas

Retirement Age	Half Pay at age 55*	2% at age 55	2% at age 50	3% at age 55	3% at age 50
50	1.783%	1.426%	2.000%	2.400%	3.000%
51	1.903%	1.522%	2.140%	2.520%	3.000%
52	2.035%	1.628%	2.280%	2.640%	3.000%
53	2.178%	1.742%	2.420%	2.760%	3.000%
54	2.333%	1.866%	2.560%	2.880%	3.000%
55 & Up	2.500%	2.000%	2.700%	3.000%	3.000%

* For this formula, the benefit factor also varies by entry age. The factors shown are for members with an entry age of 35 or greater. If entry age is less than 35, then the age 55 benefit factor is 50% divided by the difference between age 55 and entry age. The benefit factor for ages prior to age 55 is the same proportion of the age 55 benefit factor as in the above table.

PEPRA Safety Plan Formulas

Retirement Age	2% at age 57	2.5% at age 57	2.7% at age 57
50	1.426%	2.000%	2.000%
51	1.508%	2.071%	2.100%
52	1.590%	2.143%	2.200%
53	1.672%	2.214%	2.300%
54	1.754%	2.286%	2.400%
55	1.836%	2.357%	2.500%
56	1.918%	2.429%	2.600%
57 & Up	2.000%	2.500%	2.700%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. An agency may contract for an optional benefit where any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The standard benefit is 36 months. Employers had the option of providing a final compensation equal to the highest 12 consecutive months for classic plans only. Final compensation must be defined by the highest 36 consecutive months' pay under the 1.5% at age 65 formula. PEPRA members have a limit on the annual compensation that can be used to calculate final compensation. The limits are adjusted annually based on changes to the CPI for all urban consumers.

- PEPRA benefit formulas have no Social Security offsets and Social Security coverage is optional. For Classic benefit formulas, employees must be covered by Social Security with the 1.5% at age 65 formula. Social Security is optional for all other Classic benefit formulas. For employees covered by Social Security, the modified formula is the standard benefit. Under this type of formula, the final compensation is offset by $133.33 (or by one third if the final compensation is less than $400). Employers may contract for the full benefit with Social Security that will eliminate the offset applicable to the final compensation. For employees not covered by Social Security, the full benefit is paid with no offsets. Auxiliary organizations of the CSUC system may elect reduced contribution rates, in which case the offset is $317 if members are not covered by Social Security or $513 if members are covered by Social Security.

- The Miscellaneous and PEPRA Safety service retirement benefit is not capped. The Classic Safety service retirement benefit is capped at 90% of final compensation.

Vested Deferred Retirement

Eligibility for Deferred Status

CalPERS members becomes eligible for a deferred vested retirement benefit when they leave employment, keep their contribution account balance on deposit with CalPERS, **and** have earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

Eligibility to Start Receiving Benefits

The CalPERS classic members and PEPRA Safety members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 50 (55 for employees hired into a 1.5% at age 65 plan). PEPRA Miscellaneous members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 52.

Benefit

The vested deferred retirement benefit is the same as the service retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

Non-Industrial Disability Retirement

Eligibility

A CalPERS member is eligible for Non-Industrial (non-job related) Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform their job because of an illness or injury, which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively employed by any CalPERS employer at the time of disability in order to be eligible for this benefit.

Standard Benefit

The standard Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *Service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33⅓% of final compensation.

Improved Benefit

Employers have the option of providing the improved Non-Industrial Disability Retirement benefit. This benefit provides a monthly allowance equal to 30% of final compensation for the first 5 years of service, plus 1% for each additional year of service to a maximum of 50% of final compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

Industrial Disability Retirement

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit. An employer may choose to provide the increased benefit option or the improved benefit option.

Eligibility

An employee is eligible for Industrial (job related) Disability Retirement if he or she becomes disabled while working, where disabled means the member is unable to perform the duties of the job because of a work-related illness or injury, which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described below.

Standard Benefit

The standard Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation.

Increased Benefit (75% of Final Compensation)

The increased Industrial Disability Retirement benefit is a monthly allowance equal to 75% of final compensation for total disability.

Improved Benefit (50% to 90% of Final Compensation)

The improved Industrial Disability Retirement benefit is a monthly allowance equal to the Workman's Compensation Appeals Board permanent disability rate percentage (if 50% or greater, with a maximum of 90%) times the final compensation.

For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return of accumulated member contributions with respect to employment in this group. With the standard or increased benefit, a member may also choose to receive the annuitization of the accumulated member contributions.

If a member is eligible for service retirement and if the service retirement benefit is more than the industrial disability retirement benefit, the member may choose to receive the larger benefit.

Post-Retirement Death Benefit

Standard Lump Sum Payment

Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate. The lump sum payment amount increases to $2,000 for any death occurring on or after July 1, 2023 due to SB 1168.

Optional Lump Sum Payment

In lieu of the standard lump sum death benefit, employers have the option of providing a lump sum death benefit of $600, $3,000, $4,000 or $5,000.

Form of Payment for Retirement Allowance

Standard Form of Payment

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of their allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in their retirement allowance. Such reduction takes into account the amount to be provided to the beneficiary and the probable duration of payments (based on the ages of the member and beneficiary) made subsequent to the member's death.

Improved Form of Payment (Post-Retirement Survivor Allowance)

Employers have the option to contract for the post-retirement survivor allowance.

For retirement allowances with respect to service subject to a modified Classic formula, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. For retirement allowances with respect to service subject to a PEPRA formula or a full or supplemental Classic formula, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is referred to as post-retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% or 50% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried child(ren) until they attain age 18; or, if no eligible child(ren), to a qualifying dependent parent) for the rest of their lifetime. This benefit will not be discontinued in the event the spouse remarries.

The remaining 75% or 50% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's death. Benefit options applicable to the option portion are the same as those offered with the standard form. The reduction is calculated in the same manner but is applied only to the option portion.

Pre-Retirement Death Benefits

Basic Death Benefit

This is a standard benefit.

Eligibility

An employee's beneficiary (or estate) may receive the basic death benefit if the member dies while actively employed. A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

Benefit

The basic death benefit is a lump sum in the amount of the member's accumulated contributions, where interest is credited annually at the greater of 6% or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

1957 Survivor Benefit

This is a standard benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried child(ren) under age 18. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this 1957 Survivor benefit.

Benefit

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified service retirement benefit that the member would have been entitled to receive if the member had retired on the date of their death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to dependent child(ren), the benefit will be discontinued upon death or attainment of age 18, unless the child(ren) is disabled. The total amount paid will be at least equal to the basic death benefit.

Optional Settlement 2 Death Benefit

This is an optional benefit.

Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this Optional Settlement 2 Death benefit.

Benefit

The Optional Settlement 2 Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected 100% to continue to the eligible survivor after the member's death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Special Death Benefit

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the special death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

Benefit

The special death benefit is a monthly allowance equal to 50% of final compensation and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried child(ren) under age 22. There is a guarantee that the total amount paid will at least equal the basic death benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving child(ren) (*eligible* means unmarried child(ren) under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

Alternate Death Benefit for Local Fire Members

This is an optional benefit available only to local fire members.

Eligibility

An employee's *eligible survivor(s)* may receive the alternate death benefit in lieu of the basic death benefit or the 1957 Survivor benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 18.

Benefit

The Alternate Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after their death to a surviving beneficiary.) If the member has not yet attained age 50, the benefit is equal to that which would be payable if the member had retired at age 50, based on service credited at the time of death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Cost-of-Living Adjustments (COLA)

Standard Benefit

Retirement and survivor allowances are adjusted each year in May for cost of living, beginning the second calendar year after the year of retirement. The standard cost-of-living adjustment (COLA) is 2%. Annual adjustments are calculated by first determining the lesser of 1) 2% compounded from the end of the year of retirement or 2) actual rate of price inflation. The resulting increase is divided by the total increase provided in prior years. For any given year, the COLA adjustment may be less than 2% (when the rate of price inflation is low), may be greater than the rate of price inflation (when the rate of price inflation is low after several years of high price inflation) or may even be greater than 2% (when price inflation is high after several years of low price inflation).

Improved Benefit

Employers have the option of providing a COLA of 3%, 4%, or 5%, determined in the same manner as described above for the standard 2% COLA. An improved COLA is not available with the 1.5% at age 65 formula.

Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against price inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 80% of the initial allowance at retirement adjusted for price inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan.

Employee Contributions

Each employee contributes toward their retirement based upon the retirement formula. The standard employee contribution is as described below.

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is $0 for all PEPRA members and Classic members covered by a full or supplemental formula and $133.33 for Classic members covered by a modified formula.
- The percent contributed above the monthly compensation breakpoint depends upon the benefit formula, as shown in the table below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%
Miscellaneous, 2% at age 62	50% of the Total Normal Cost
Miscellaneous, 1.5% at age 65	50% of the Total Normal Cost
Safety, Half Pay at age 55	Varies by entry age
Safety, 2% at age 55	7%
Safety, 2% at age 50	9%
Safety, 3% at age 55	9%
Safety, 3% at age 50	9%
Safety, 2% at age 57	50% of the Total Normal Cost
Safety, 2.5% at age 57	50% of the Total Normal Cost
Safety, 2.7% at age 57	50% of the Total Normal Cost

The employer may choose to “pick-up” these contributions for classic members (Employer Paid Member Contributions or EPMC). EPMC is prohibited for new PEPRA members.

An employer may also include Employee Cost Sharing in the contract, where employees agree to share the cost of the employer contribution. These contributions are paid in addition to the member contribution.

Auxiliary organizations of the CSU system may elect reduced contribution rates, in which case the offset is $317 and the contribution rate is 6% if members are not covered by Social Security. If members are covered by Social Security, the offset is $513 and the contribution rate is 5%.

Refund of Employee Contributions

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of their employee contributions, which are credited with 6% interest compounded annually.

1959 Survivor Benefit

This is a pre-retirement death benefit available only to members not covered by Social Security. Any agency joining CalPERS subsequent to 1993 is required to provide this benefit if the members are not covered by Social Security. The benefit is optional for agencies joining CalPERS prior to 1994. Levels 1, 2, and 3 are now closed. Any new agency or any agency wishing to add this benefit or increase the current level may only choose the 4th or Indexed Level.

This benefit is not included in the results presented in this valuation. More information on this benefit is available on the CalPERS website.

Appendix C - Participant Data

Summary of Valuation Data

	June 30, 2022	June 30, 2023
1. **Active Members**		
a) Counts	215	222
b) Average Attained Age	51.85	52.84
c) Average Entry Age to Rate Plan	38.94	39.96
d) Average Years of Credited Service	12.71	12.67
e) Average Annual Covered Pay	$68,620	$71,907
f) Annual Covered Payroll	14,753,257	15,963,421
g) Projected Annual Payroll for Contribution Year	16,027,555	17,342,245
h) Present Value of Future Payroll	121,430,342	128,209,026
2. **Transferred Members**		
a) Counts	25	25
b) Average Attained Age	52.81	53.23
c) Average Years of Credited Service	2.36	2.98
d) Average Annual Covered Pay	$87,531	$90,388
3. **Separated Members**		
a) Counts	160	162
b) Average Attained Age	51.82	51.47
c) Average Years of Credited Service	3.04	2.71
d) Average Annual Covered Pay	$43,476	$44,645
4. **Retired Members and Beneficiaries**		
a) Counts	237	238
b) Average Attained Age	72.11	72.73
c) Average Annual Benefits	$22,816	$23,277
d) Total Annual Benefits	$5,407,428	$5,539,956
5. **Active to Retired Ratio** [(1a) ÷ (4a)]	0.91	0.93

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Average Annual Benefits represents benefit amounts payable by this plan only. Some members may have service with another agency and would therefore have a larger total benefit than would be included as part of the average shown here.

Active Members

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Distribution of Active Members by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**
15-24	2	0	0	0	0	0	2
25-29	7	0	0	0	0	0	7
30-34	5	4	1	0	0	0	10
35-39	3	5	2	2	0	0	12
40-44	5	3	5	2	0	0	15
45-49	8	8	7	6	7	2	38
50-54	11	5	5	4	6	0	31
55-59	13	7	2	2	6	11	41
60-64	12	5	4	5	4	14	44
65 and Over	4	4	4	0	3	7	22
All Ages	**70**	**41**	**30**	**21**	**26**	**34**	**222**

Distribution of Average Annual Salaries by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Average Salary**
15-24	$59,788	$0	$0	$0	$0	$0	$59,788
25-29	65,805	0	0	0	0	0	65,805
30-34	68,732	67,242	136,320	0	0	0	74,895
35-39	87,993	88,802	62,967	78,609	0	0	82,595
40-44	59,346	64,878	72,399	74,443	0	0	66,816
45-49	88,400	70,865	72,589	67,096	69,120	96,522	75,308
50-54	62,519	88,322	60,614	82,095	94,660	0	75,120
55-59	62,130	68,712	69,674	32,605	63,263	87,987	69,284
60-64	57,564	56,146	61,993	74,602	70,228	80,091	68,061
65 and Over	57,454	64,028	64,054	0	75,755	92,246	73,415
Average	**$65,825**	**$71,560**	**$69,299**	**$70,251**	**$74,598**	**$86,114**	**$71,907**

Transferred and Separated Members

Distribution of Transfers to Other CalPERS Plans by Age, Service, and average Salary

	Years of Service at Valuation Date							
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**	**Average Salary**
15-24	0	0	0	0	0	0	0	$0
25-29	0	0	0	0	0	0	0	0
30-34	1	0	0	0	0	0	1	77,525
35-39	1	0	0	0	0	0	1	90,971
40-44	1	0	0	0	0	0	1	60,740
45-49	4	1	0	0	0	0	5	109,796
50-54	5	0	0	1	0	0	6	76,688
55-59	5	1	0	0	0	0	6	107,785
60-64	4	0	1	0	0	0	5	74,931
65 and Over	0	0	0	0	0	0	0	0
All Ages	**21**	**2**	**1**	**1**	**0**	**0**	**25**	**$90,388**

Distribution of Separated Participants with Funds on Deposit by Age, Service, and average Salary

	Years of Service at Valuation Date							
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**	**Average Salary**
15-24	2	0	0	0	0	0	2	$50,375
25-29	5	0	0	0	0	0	5	47,416
30-34	11	2	0	0	0	0	13	48,893
35-39	9	0	1	0	0	0	10	45,986
40-44	12	0	0	2	0	0	14	45,964
45-49	22	2	0	0	0	0	24	47,878
50-54	17	2	1	0	0	1	21	45,718
55-59	20	2	3	0	0	2	27	47,086
60-64	24	4	2	0	0	0	30	40,609
65 and Over	15	1	0	0	0	0	16	34,814
All Ages	**137**	**13**	**7**	**2**	**0**	**3**	**162**	**$44,645**

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	0	0	0	0	0
30-34	0	0	0	0	0	1	1
35-39	0	0	0	0	0	1	1
40-44	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0
50-54	0	0	0	1	0	0	1
55-59	2	2	0	0	0	1	5
60-64	19	3	0	0	0	4	26
65-69	42	2	0	2	0	7	53
70-74	50	3	0	0	0	9	62
75-79	42	3	0	1	0	5	51
80-84	11	0	0	0	0	8	19
85 and Over	16	0	0	1	0	2	19
All Ages	**182**	**13**	**0**	**5**	**0**	**38**	**238**

Distribution of Average Annual Disbursements to Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 30	$0	$0	$0	$0	$0	$0	$0
30-34	0	0	0	0	0	4,206	4,206
35-39	0	0	0	0	0	20,454	20,454
40-44	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0
50-54	0	0	0	11,898	0	0	11,898
55-59	17,541	22,040	0	0	0	7,907	17,414
60-64	26,835	18,087	0	0	0	14,067	23,861
65-69	29,012	17,168	0	11,504	0	11,401	25,578
70-74	25,765	16,640	0	0	0	16,246	23,941
75-79	27,489	14,504	0	563	0	13,426	24,818
80-84	22,601	0	0	0	0	14,816	19,323
85 and Over	18,801	0	0	4,102	0	9,073	17,003
All Ages	**$26,130**	**$17,393**	**$0**	**$7,914**	**$0**	**$13,649**	**$23,277**

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	55	1	0	2	0	15	73
5-9	53	0	0	0	0	11	64
10-14	38	4	0	0	0	7	49
15-19	21	3	0	1	0	2	27
20-24	11	2	0	1	0	2	16
25-29	3	3	0	1	0	1	8
30 and Over	1	0	0	0	0	0	1
All Years	**182**	**13**	**0**	**5**	**0**	**38**	**238**

Distribution of Average Annual Disbursements to Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 5 Yrs	$33,621	$19,573	$0	$13,096	$0	$14,096	$28,854
5-9	29,207	0	0	0	0	11,910	26,234
10-14	21,879	15,051	0	0	0	17,214	20,655
15-19	13,976	20,106	0	8,714	0	9,956	14,164
20-24	17,200	19,056	0	4,102	0	13,943	16,206
25-29	12,875	15,967	0	563	0	7,907	11,875
30 and Over	5,789	0	0	0	0	0	5,789
All Years	**$26,130**	**$17,393**	**$0**	**$7,914**	**$0**	**$13,649**	**$23,277**

* Counts of members do not include alternate payees receiving benefits while the member is still working. Therefore, the total counts may not match information on C-1 of the report. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Appendix D - Glossary

Glossary

Accrued Liability (Actuarial Accrued Liability)
The portion of the Present Value of Benefits allocated to prior years. It can also be expressed as the Present Value of Benefits minus the present value of future Normal Cost. Different actuarial cost methods and different assumptions will lead to different measures of Accrued Liability.

Actuarial Assumptions
Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, dis ability, and retirement rates. Economic assumptions include discount rate, wage inflation, and price inflation.

Actuarial Methods
Procedures employed by actuaries to achieve certain funding goals of a pension plan. Actuarial methods include an actuarial cost method, an amortization policy, and an asset valuation method.

Actuarial Valuation
The determination as of a valuation date of the Normal Cost, Accrued Liability, and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change in plan provisions.

Actuary
A business professional proficient in mathematics and statistics who measures and manages risk. A public retirement system actuary in California performs actuarial valuations necessary to properly fund a pension plan and disclose its liabilities and must satisfy the qualification standards for actuaries issuing statements of actuarial opinion in the United States with regard to pensions.

Amortization Bases
Separate payment schedules for different portions of the Unfunded Accrued Liability (UAL). The total UAL of a rate plan can be segregated by cause. The impact of such individual causes on the UAL are quantified at the time of their occurrence, resulting in new amortization bases. Each base is separately amortized and paid for over a specific period of time. Generally, in an actuarial valuation, the separate bases consist of changes in UAL due to contract amendments, actuarial assumption changes, method changes, and/or experience gains and losses.

Amortization Period
The number of years required to pay off an Amortization Base.

Classic Member (under PEPRA)
A member who joined a public retirement system prior to January 1, 2013, and who is not defined as a new member under PEPRA. (See definition of New Member below.)

Discount Rate
The rate used to discount the expected future benefit payments to the valuation date to determine the Projected Value of Benefits. Different discount rates will produce different measures of the Projected Value of Benefits. The discount rate for funding purposes is based on the assumed long-term rate of return on plan assets, net of investment and administrative expenses. This rate is called the “actuarial interest rate” in Section 20014 of the California Public Employees’ Retirement Law.

Entry Age
The earliest age at which a plan member begins to accrue benefits under a defined benefit pension plan. In most cases, this is the age of the member on their date of hire.

Entry Age Actuarial Cost Method
An actuarial cost method that allocates the cost of the projected benefits on an individual basis as a level percent of earnings for the individual between entry age and retirement age. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member’s career.

Fresh Start
A Fresh Start is when multiple amortization bases are combined into a single base and amortized over a new Amortization Period.

Glossary (continued)

Funded Ratio
Defined as the Market Value of Assets divided by the Accrued Liability. Different actuarial cost methods and different assumptions will lead to different measures of Funded Ratio. The Funded Ratio with the Accrued Liability equal to the funding target is a measure of how well funded a rate plan is. A ratio greater than 100% means the rate plan has more assets than the funding target and the employer need only contribute the Normal Cost. A ratio less than 100% means assets are less than the funding target and contributions in addition to Normal Cost are required.

Funded Status
Any comparison of a particular measure of plan assets to a particular measure of pension obligations. The methods and assumptions used to calculate a funded status should be consistent with the purpose of the measurement.

Funding Target
The Accrued Liability measure upon which the funding requirements are based. The funding target is the Accrued Liability under the Entry Age Actuarial Cost Method using the assumptions adopted by the board.

GASB 68
Statement No. 68 of the Governmental Accounting Standards Board. The accounting standard governing a state or local governmental employer's accounting and financial reporting for pensions.

New Member (under PEPRA)
A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is n ot subject to reciprocity with another public retirement system.

Normal Cost
The portion of the Present Value of Benefits allocated to the upcoming fiscal year for active employees. Different actuarial cost methods and different assumptions will lead to different measures of Normal Cost. The Normal Cost under the Entry Age Actuarial Cost Method, using the assumptions adopted by the board, plus the required amortization of the UAL, if any, make up the required contributions.

PEPRA
The California Public Employees' Pension Reform Act of 2013.

Present Value of Benefits (PVB)
The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for *current* members.

Traditional Unit Credit Actuarial Cost Method
An actuarial cost method that sets the Accrued Liability equal to the Present Value of Benefits assuming no future pay increases or service accruals. The Traditional Unit Credit Cost Method is used to measure the accrued liability on a termination basis.

Unfunded Accrued Liability (UAL)
The Accrued Liability minus the Market Value of Assets. If the UAL for a rate plan is positive, the employer is required to make contributions in excess of the Normal Cost.

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 11/11/2024

From: Amber Johnson, Chief Financial Officer **Reviewed by:** W.C.

SUBJECT: Year-End Report and Audited Financial Statements for the Year Ended June 30, 2024

Background:

The Central Contra Costa Transit Authority (Authority) financial audit for the year ended June 30, 2024 (FY 2024), has been completed and the Basic Financial Statements (BFS) and accompanying reports are enclosed for review by the Board of Directors (Attachments 1 – 3). The Administration and Finance Committee has reviewed the statements and is recommending them for approval by the full Board of Directors. The auditor's review of the federal funding allocation data (form FFA-10) for the Federal Transit Administration is still underway and will be provided at a future meeting.

Basic Financial Statements:

An independent audit was performed by Brown Armstrong Accountancy Corporation. The goal of a financial statement audit is to provide users with a reasonable assurance from an independent source that the information presented in the statements is reliable. The findings are summarized as follows:

- The type of auditor's report is unmodified (BFS Page 55).
- No material weaknesses, deficiencies, or instances of noncompliance were identified.

The Basic Financial Statements include the Management's Discussion and Analysis (beginning on Page 4 of BFS) which provides an introduction and summary of the activities over the course of the 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. The following is a summary of the changes in Net Position between June 30, 2024, and June 30, 2023:

- <u>Operating and Capital Reserve</u> – In April 2024, the Board of Directors amended the Authority's Reserve Policy. Prior to this revision, the Authority's reserve funds were composed of Transportation Development Act (TDA) funds that were allocated to the Authority but not claimed in the same year of allocation. These funds are reserved and held by the Metropolitan Transportation Commission (MTC) as required under TDA statutes. With the revised policy, the Authority now calculate amounts earned from discretionary revenue sources (i.e., advertising revenue, unallocated interest income). The discretionary funds are calculated at fiscal year end and are held by the Authority. Together, these two types of funds comprise the Operating and Capital Reserve. Since the discretionary revenue is held by the Authority, the funds are reflected in the financial statements as a portion of the unrestricted net position. The discretionary portion of the Operating and Capital Reserve as of June 30, 2024, totaled $1,385,155.

- Fares and Operating Assistance – Passenger revenue and special transit fares increased by $612 thousand, or 11%, from FY 2023 to FY 2024. This is due to the continued trend of increased ridership of both fixed-route and paratransit services post-pandemic. Federal operating decreased by about $2.8 million, due to decreased utilization of federal stimulus funds. These variances were offset by increased use of TDA revenue.

- Capital Assets – The Authority's investment in capital assets amounted to $49,448,332 as of June 30, 2024, which is an increase of $1,874,869 or 4% over the prior year. This investment in capital assets includes vehicles, facilities, communication and data equipment, fare revenue collection equipment, furniture, and fixtures, less accumulated depreciation. The most significant changes to the Authority's capital investments during the year were in revenue vehicles. The purchase of forty 40-foot diesel transit buses and associated equipment was completed during the fiscal year, paired with the retirement of forty 40-foot diesel transit buses that were purchased in 2009.

- Deferred Outflow of Resources – Deferred outflow of resources for pension and Other Post Employment Benefits (OPEB) increased from $10.9 million to $11.1 million. Deferred outflow primarily represents pension and OPEB contributions subsequent to the measurement date, and changes to actuarial assumptions that impact future periods.

- Deferred Inflow of Resources – Deferred inflow of resources for pension and OPEB decreased from $1.8 million to $1.4 million which represents changes in estimates based on actual investment performance, and changes in assumptions that provide additional assets to the pension and retiree medical plans. In particular, the CalPERS pension plan reported a 5.8% return on investment during the reporting period, almost meeting the benchmark of 6.8%.

- Due to Other Government, TDA payable – The amount decreased from $20 million to $15.6 million (Note 13). The Authority's reliance on TDA revenue was greater in FY 2024 as compared to FY 2023. This caused the unused portion of TDA (the amount payable) to decrease.

- Net pension and OPEB liability – The net OPEB and pension liabilities as of June 30, 2023 (the measurement date) are $2.9 million and $16.9 million, respectively.

Audit Findings:

There are no audit findings to report this year. The deficiency noted in last year's audit report related to the Schedule of Expenditures of Federal Awards (SEFA) has been resolved.

Other Auditor Information:

Page 49-50 of the BFS – Independent Auditor's Report on State Compliance regarding testing for compliance with TDA laws and internal control based on standards contained in Government Auditing Standards issued by the Comptroller General of the United States. The results of the tests disclosed no instances of noncompliance or material weaknesses.

Page 54 of the BFS – This is the sixth year for the Schedule of Revenues, Expenses and Changes in Net Changes which provides 10 years of revenues, expenses, and net position. Staff will be considering additional schedules in the future to provide the readers with useful information.

Page 55 of the BFS – Schedule of Findings and Questioned Costs from the auditor regarding the compliance with the requirements of the Office of Management and Budget (OMB) Circular A-133. There are no audit findings that are required to be reported to the OMB.

Other Auditor Letters:

- Letter to the Administration and Finance Committee regarding the responsibilities of the auditor and the scope and timing of the audit (SAS 114 Letter - Attachment 2).

- Letter to the Administration and Finance Committee reviewing TDA and STA revenue, diesel fuel and PERS benefits (Attachment 3). The review noted that:
  - TDA and STA revenue allocations were not reduced as compared to the prior year;
  - The average price per gallon of diesel fuel did not increase by more than 40% as compared to the prior year; and
  - The dollar amount the Authority paid to PERS for non-healthcare benefits did not increase by more than $1,000,000 as compared to the prior year.

Quarterly Income Statement

There were no changes made to the quarterly income statement previously reviewed by the Board as a result of the audit. A final version of the statement is included here at Attachment 4.

Financial Implications:

No fiscal impact occurs because of the Board's acceptance of these reports. The FY 2024 Basic Financial Statements and related reports are presented as the actual results of the Authority's financial activities for the year.

Recommendation:

Staff and the A&F Committee recommend that the Board of Directors review the reports for approval.

Action Requested:

Staff and the A&F Committee recommend that the Board receive the final quarterly income statements and approve the audited financial statements for the year ended June 30, 2024.

Attachments:

Attachment 1:	Central Contra Costa Transit Authority Basic Financial Statements for the year-ended June 30, 2024
Attachment 2:	Letter to the Administration and Finance Committee regarding the responsibilities of the auditor and the scope and timing of the audit (SAS 114 Letter)
Attachment 3:	Letter to the Administration and Finance Committee reviewing TDA and STA revenue, diesel fuel and PERS benefits.
Attachment 4:	CCCTA Budget to Actual Income Statements for FY2024 Q4 (Schedules 1 through 5)

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
CONCORD, CALIFORNIA

BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
JUNE 30, 2024

TABLE OF CONTENTS

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Central Contra Costa Transit Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Authority's June 30, 2023, basic financial statements, and our report dated November 22, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2023, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Introduction

As management of the Central Contra Costa Transit Authority (County Connection or the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes thereto, which follow this section.

The Authority was established on March 27, 1980, under a joint exercise of power agreement to provide, either directly or through contract, public transportation services within certain areas of the County of Contra Costa (the County). A Board of Directors (the Board) composed of representatives of the member jurisdictions governs the Authority. Member jurisdictions include the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek; Town of Moraga and Town of Danville; and County of Contra Costa. Each member jurisdiction appoints one regular representative to the Board and one alternative representative to act in the regular representative's absence.

The Authority is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. The Authority is not subject to income tax.

The Authority currently operates a fleet of 125 fully accessible transit buses and 63 paratransit vehicles. The Authority has approximately 235 employees that consist of bus operators, bus supervisors, mechanics, maintenance, planning, executive, and administrative support. An independent contractor operates the paratransit service under a purchased transportation agreement. The Authority receives funds primarily from federal, state, and local taxes and grants, in addition to fares collected from passengers. The disbursement of funds received by the Authority is set by Board policy, subject to applicable statutory requirements and by provisions of various grant contracts.

The Basic Financial Statements

The Authority's basic financial statements include:

(1) the Statement of Net Position,
(2) the Statement of Revenues, Expenses, and Changes in Net Position,
(3) the Statement of Cash Flows, and
(4) the Notes to the Basic Financial Statements.

The Statement of Net Position presents information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position can be an indication of whether the financial condition of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are recognized on an accrual basis, meaning they are recognized on the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Statement of Cash Flows is presented using the direct method and includes a reconciliation of operating cash flows to operating income. The Statement of Cash Flows provides detailed information about the cash received in the current and previous fiscal year and the uses of the cash received. This is the only cash-basis financial statement presented and it reconciles cash receipts and cash expenses to the beginning and ending cash on hand.

Most of the cash received by the Authority during the fiscal year was from state and local operating grants; most of the cash expenses were for operating activities.

Financial Highlights

Operating revenues were $6,168,618 while operating expenses were $54,999,916 (see p. 7). The Authority funds most of its operating expenses with tax revenue and grants from federal, state, and local agencies.

While the Authority relies heavily on the Transportation Development Act (TDA) to fund its operational needs, TDA revenue is the Authority's revenue of "last resort," and the funds are claimed after all other non-discretionary revenue sources have been utilized. Any unused TDA revenue allocation is held by the Metropolitan Transportation Commission (MTC) and made available in future years. In April of 2024, the Board revised its policy on operating and capital reserves. The policy now allows for the transfer of discretionary revenues to a reserve account that is held by the Authority, separate from the TDA reserves held by MTC. While the reserves held by MTC are not reflected in the basic financial statements, the Authority's own capital and operating reserve discretionary funds are reflected as a portion of the unrestricted net position.

Statements of Net Position

A comparison of the Authority's Statements of Net Position as of June 30, 2024 and 2023, is as follows:

	2024	2023	2024 to 2023 Increase/Decrease Amount	%
Current assets	$ 26,950,919	$ 43,278,488	$ (16,327,569)	-38%
Noncurrent assets	49,448,332	47,573,463	1,874,869	4%
Total assets	76,399,251	90,851,951	(14,452,700)	-16%
Deferred outflows of resources	11,135,393	10,888,758	246,635	2%
Total assets and deferred outflows of resources	$ 87,534,644	$ 101,740,709	$ (14,206,065)	-14%
Current liabilities	$ 22,028,031	$ 40,743,454	$ (18,715,423)	-46%
Noncurrent liabilities	21,824,254	18,957,282	2,866,972	15%
Total liabilities	43,852,285	59,700,736	(15,848,451)	-27%
Deferred inflows of resources	1,409,858	1,803,901	(394,043)	-22%
Net position				
Net investment in capital assets	49,448,332	47,573,463	1,874,869	4%
Unrestricted net position	(7,175,831)	(7,337,391)	161,560	2%
Total net position	42,272,501	40,236,072	2,036,429	5%
Total liabilities, deferred inflows of resources, and net position	$ 87,534,644	$ 101,740,709	$ (14,206,065)	-14%

The Authority's net position increased $2,036,429 for a balance of $42,272,501 as of June 30, 2024. A substantial portion of the Authority's total net position reflects its investment in capital assets. These assets are used to provide bus services to Central Contra Costa County residents and visitors. Consequently, these assets are not available for future spending. An additional portion of the Authority's net position represents changes in net pension and other post-employment benefit (OPEB) liabilities. The remainder of the Authority's net position is unrestricted and comprises the Authority's reserve account.

Statements of Revenues, Expenses, and Changes in Net Position

A high-level summary of the Authority's Statements of Revenues, Expenses, and Changes in Net Position for fiscal years 2024 and 2023 is shown in the following table:

			2024 to 2023 Increase/Decrease	
	2024	2023	Amount	%
Operating revenues	$ 6,168,618	$ 5,556,502	$ 612,116	11%
Operating expenses	54,999,916	48,826,925	6,172,991	13%
Operating loss	(48,831,298)	(43,270,423)	5,560,875	13%
Nonoperating revenues	42,477,511	36,963,187	5,514,324	15%
Capital contributions	8,390,216	19,988,969	(11,598,753)	-58%
Increase (Decrease) in net position	2,036,429	13,681,733	(11,645,304)	85%
Total net position, beginning of year	40,236,072	26,554,339	13,681,733	52%
Total net position, end of year	$ 42,272,501	$ 40,236,072	$ 2,036,429	5%

Due to the nature of public transit operations and how transactions are classified in accordance with GAAP, operating expenditures typically far exceed operating revenues. However, these operating revenues are supplemented by nonoperating revenues to complete the financial position.

Operating expenses include all expenditures incurred by the Authority, including depreciation expense and gains/losses on the pension and OPEB plans. The only expenditures not classified as "operating expenses" are expenditures made for capital asset acquisitions. In the year ended June 30, 2024, total operating expenses increased by $6,172,991 or 13% as compared to the prior year. While increases in salaries and benefits, fuel, and purchased transportation costs contributed to this increase, those categories made up about 10% of the total. The remaining 3% of the increase in operating expenses as compared to the prior year is attributable to the effect of the recognition of investment losses in the California Public Employees Retirement System (CalPERS) portfolio (loss on pension assets).

Operating revenues are limited to those revenues which are directly generated from operating the transit service, such as passenger fares, or revenue received from contracts for services by other organizations. In the year ended June 30, 2024, operating revenues increased by $612,116 or 11% over the prior year. Of this amount, fare revenue increased $310,372. This is due to continued improvements in ridership in both fixed-route and paratransit services post-pandemic. Special transit fees made up the remainder of the increase to operating revenues with an increase of $301,744. Most of this is attributable to increases in fees collected from the Livermore Amador Valley Transit Authority (LAVTA) to operate their paratransit service.

Nonoperating revenues consist of revenues not qualifying as operating revenue, such as taxes, grants (that are not equivalent to contracts for services), advertising, and interest revenue. In the year ended June 30, 2024, nonoperating revenue increased by $5,514,324 or 15% over the prior year. Changes to nonoperating revenue from the prior year are as follows:

			2024 to 2023 Increase / (Decrease)	
Nonoperating Revenues	2024	2023	Amount	%
Federal operating assistance	$ 5,582,329	$ 8,342,650	$ (2,760,321)	-33%
State and local operating assistance	35,168,645	27,818,081	7,350,564	26%
Advertising revenue	343,750	307,166	36,584	12%
Interest income	1,101,117	393,095	708,022	180%
Other revenue	81,870	102,093	(20,223)	-20%
Gain/(Loss) on disposal of capital assets	199,800	102	199,698	195782%
Total Nonoperating Revenues	$ 42,477,511	$ 36,963,187	$ 5,514,324	15%

The largest nonoperating revenue category is state and local operating assistance in the amount of $35,168,345 in the year ended June 30, 2024. Most of this revenue is provided through the TDA, which returns to the County ¼ cent of the sales tax collected in the County and provided $15,568,190 in fiscal year (FY) 2024. The second largest source of state and local revenue is from Contra Costa Transportation Authority (CCTA) Measure J, a countywide ½ cent sales tax, from which the Authority received $10,056,041. The third largest state revenue source is State Transit Assistance (STA), which is a sales tax on diesel fuel and provided $7,699,494.

In addition to state and local assistance, the Authority received $5,582,329 in federal operating assistance in the year ended June 30, 2024, which is a decrease of $2,760,321 when compared to the prior year as the Authority claimed all remaining COVID relief funds in the fiscal year. This decrease was offset by increased use of TDA revenue and is reflected in the increase to state and local operating assistance.

Capital Assets

Details of the capital assets, including assets acquired under capital lease, net of accumulated depreciation as of June 30, 2024 and 2023, are as follows:

			2024 to 2023 Increase/(Decrease)	
	2024	2023	Amount	%
Land and land improvements	$ 5,151,727	$ 5,144,554	$ 7,173	0%
Construction in process	21,793	18,859,147	(18,837,354)	-100%
Shop, office, other equipment, and service vehicles	5,475,277	5,886,032	(410,755)	-7%
Buildings and structures	22,001,767	21,986,300	15,467	0%
Revenue vehicles	80,438,335	74,624,775	5,813,560	8%
Total	113,088,899	126,500,808	(13,411,909)	-11%
Less accumulated depreciation	(63,640,567)	(78,927,345)	(15,286,778)	-19%
Net total	$ 49,448,332	$ 47,573,463	$ 1,874,869	4%

The Authority's investment in capital assets amounted to $49,448,332 as of June 30, 2024, which is an increase of $1,874,869 or 4% over the prior year. This investment in capital assets includes vehicles, facilities, communication and data equipment, fare revenue collection equipment, furniture, and fixtures, less accumulated depreciation.

The most significant changes to the Authority's capital investments during the year were in revenue vehicles. The purchase of forty 40-foot diesel transit buses and associated equipment was completed during the fiscal year, paired with the retirement of forty 40-foot diesel transit buses that were purchased in 2009. The majority of the costs associated with this capital investment were recorded as construction in process in the year ended June 30, 2023.

Noncurrent Liabilities

At June 30, 2024, the Authority's noncurrent liabilities balance was $21,824,254 compared to $18,957,282 at June 30, 2023, primarily due to CalPERS investment return of 5.8% in the reporting period, which is less than the discount rate of 6.9% during the same period. When combined with increased service costs and assumption changes, this resulted in a net pension liability increase of $2,516,084. Net OPEB liabilities and self-insurance liabilities decreased by $651,812 and increased $972,294 respectively. See Notes 7, 8, 11, and 12 in the basic financial statements for further details on each of these noncurrent liabilities.

Overall Financial Condition

The Authority operates within Contra Costa County, one of the nine counties in the San Francisco Bay Area. The economic condition of the Bay Area has stabilized post-COVID, with sales tax receipts remaining steady despite overall declines in population and unemployment rates that are lagging behind the national averages. Many transit systems in the Bay Area that operate community fixed route bus systems have seen stabilization in ridership and sales tax revenue. However, larger systems that primarily operate commuter rail and bus services such as the Bay Area Rapid Transit District (BART) and the San Francisco Municipal Transit Authority (SFMTA or "Muni") are experiencing profound fiscal sustainability challenges that have the potential to impact revenue distribution across the region.

The fiscal year ended June 30, 2024, was the second full year since the shelter-at-home orders were lifted, mask mandates were relaxed, and schools came back in person. The Authority's ridership has seen a steady increase, aided by systemwide and regionwide fare promotions. Overall, total fixed-route passengers increased by 9% from the prior fiscal year, and paratransit passengers increased by 14%. In general, the Authority has noted a shift in ridership patterns, with fewer commuters and increased demand on weekend and local-only routes. One fiscal consequence the Authority has encountered with the shift away from commute ridership is a significant reduction in funding from private partnerships such as Bishop Ranch.

The utilization of all remaining federal stimulus funds, combined with stable sales tax revenues during the pandemic, decreased the Authority's dependence on TDA funds in the near term. There are sufficient TDA reserves to sustain the Authority through fiscal year 2028 using current financial assumptions. Nevertheless, a structural deficit exists with expenses outpacing revenues, and the Authority faces inflationary pressures in all areas of operational expenses. This structural deficit, particularly when combined with fiscal sustainability challenges region-wide, presents a risk to the financial stability of the Authority. Without the aid of new ongoing funding assistance, the services the Authority can provide to the community will be forced to shrink to match available resources.

Contacting the Authority's Financial Management

The Authority's financial report is designed to provide the Authority's Board of Directors, management, creditors, legislative and oversight agencies, citizens, and customers with an overview of the Authority's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Amber Johnson, Chief Financial Officer, at 2477 Arnold Industrial Way, Concord, California 94520.

Respectfully submitted,

Amber Johnson

Amber Johnson
Chief Financial Officer

BASIC FINANCIAL STATEMENTS

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024 (WITH COMPARATIVE TOTALS)

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$ 20,698,704	$ 20,162,412
Capital and operating grants receivable	3,841,003	20,492,220
Materials and supplies	1,108,288	979,467
Other receivables	1,174,722	1,553,115
Prepaid expenses	128,202	91,274
Total Current Assets	26,950,919	43,278,488
Noncurrent Assets		
Capital assets (Note 5)	49,448,332	47,573,463
Total Noncurrent Assets	49,448,332	47,573,463
Total Assets	76,399,251	90,851,951
DEFERRED OUTFLOWS OF RESOURCES (Note 7 and Note 11)		
Other postemployment benefits (OPEB)	1,314,193	1,394,201
Defined benefit pension	9,821,200	9,494,557
Total Deferred Outflows of Resources	11,135,393	10,888,758
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 87,534,644	$ 101,740,709
LIABILITIES		
Current Liabilities		
Accounts payable	$ 2,191,777	$ 16,352,760
Due to other government, TDA payable (Note 13)	15,585,471	20,070,144
Advances from County of Alameda - STA (Note 6)	194,195	-
Advances from customers (Note 6)	50,273	50,273
Advances from LCTOP (Note 6)	209,924	256,600
Advances from MTC (Note 6)	849,821	794,939
Compensated absences (Note 12)	1,110,390	1,080,548
Other accrued liabilities	1,049,486	1,164,960
Self-insurance liabilities (Notes 8 and 12)	786,694	973,230
Total Current Liabilities	22,028,031	40,743,454
Noncurrent Liabilities		
Compensated absences (Note 12)	272,997	242,591
Self-insurance liabilities (Notes 8 and 12)	1,666,211	693,917
Net OPEB liability (Note 11)	2,990,433	3,642,245
Net pension liability (Note 7)	16,894,613	14,378,529
Total Noncurrent Liabilities	21,824,254	18,957,282
Total Liabilities	43,852,285	59,700,736
DEFERRED INFLOWS OF RESOURCES (Note 7 and Note 11)		
OPEB	1,139,142	1,102,067
Defined benefit pension	270,716	701,834
Total Deferred Inflows of Resources	1,409,858	1,803,901
NET POSITION		
Net investment in capital assets	49,448,332	47,573,463
Unrestricted	(7,175,831)	(7,337,391)
Total Net Position	42,272,501	40,236,072
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 87,534,644	$ 101,740,709

The accompanying notes are an integral part of these basic financial statements.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS)

	2024	2023
Operating Revenues		
Passenger fares	$ 3,489,447	$ 3,179,075
Special transit fees	2,679,171	2,377,427
Total Operating Revenues	6,168,618	5,556,502
Operating Expenses		
Salaries and benefits	28,690,441	26,144,670
Materials and supplies	3,414,796	3,580,623
Services	2,936,310	2,436,795
Purchased transportation	9,910,865	7,912,505
Insurance	1,154,391	909,275
Other	236,763	735,759
Utilities	466,091	406,341
Taxes	379,051	340,748
Leases and rentals	72,266	52,866
Defined benefit pension adjustment	1,758,323	(717)
OPEB adjustment	(534,729)	(422,902)
Depreciation	6,515,348	6,730,962
Total Operating Expenses	54,999,916	48,826,925
Operating Loss	(48,831,298)	(43,270,423)
Nonoperating Revenues		
Federal operating assistance	5,582,329	8,342,650
State and local operating assistance	35,168,645	27,818,081
Advertising revenue	343,750	307,166
Interest income	1,101,117	393,095
Other revenue	81,870	102,093
Gain on disposal of capital assets	199,800	102
Total Nonoperating Revenues	42,477,511	36,963,187
Net Loss Before Capital Contributions	(6,353,787)	(6,307,236)
Capital Contributions		
Grants restricted for capital expenses (Note 3)	8,390,216	19,988,969
Increase in Net Position	2,036,429	13,681,733
Total Net Position, Beginning of Year	40,236,072	26,554,339
Total Net Position, End of Year	$ 42,272,501	$ 40,236,072

The accompanying notes are an integral part of these basic financial statements.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 6,741,206	$ 4,949,444
Payments to employees (salaries and benefits)	(27,959,909)	(25,943,641)
Payments to suppliers	(20,126,482)	(14,339,688)
Net Cash Used in Operating Activities	(41,345,185)	(35,333,885)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal operating grants	7,370,914	11,836,914
State and local operating grants	28,564,246	33,429,464
Other noncapital revenue	425,620	409,259
Net Cash Provided by Noncapital Financing Activities	36,360,780	45,675,637
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	199,800	-
Capital grants received	25,380,780	189,285
Capital asset purchases	(21,161,000)	(7,224,605)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	4,419,580	(7,035,320)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,101,117	393,095
Net Increase in Cash and Cash Equivalents	536,292	3,699,527
Cash and Cash Equivalents, Beginning of Year	20,162,412	16,462,885
Cash and Cash Equivalents, End of Year	$ 20,698,704	$ 20,162,412

The accompanying notes are an integral part of these basic financial statements.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS)

	2024	2023
Operating Loss	$ (48,831,298)	$ (43,270,423)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities:		
Depreciation	6,515,348	6,730,962
Changes in assets, deferred outflows of resources, liabilities,		
and deferred inflows of resources:		
(Increase) Decrease in receivables	378,393	(657,331)
(Increase) Decrease in materials and supplies	(128,821)	166,018
(Increase) Decrease in prepaid expenses	(36,928)	77,306
Increase (Decrease) in accounts payable	(1,390,200)	1,791,900
Increase (Decrease) in net pension liability and related items	1,758,323	(717)
(Decrease) in net OPEB liability and related items	(534,729)	(422,902)
Increase in advances from customers	194,195	50,273
Increase in other liabilities and compensated absences	730,532	201,029
Net Cash Used in Operating Activities	$ (41,345,185)	$ (35,333,885)

The accompanying notes are an integral part of these basic financial statements.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Central Contra Costa Transit Authority (the Authority) was created in 1980 under a joint exercise of power agreement to provide, either directly or through contract, public transportation services within certain areas of the County of Contra Costa (the County). The Authority is governed by a Board of Directors (the Board) composed of representatives of the member jurisdictions, which include the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek; the Town of Moraga and the Town of Danville; and the County of Contra Costa. Each member jurisdiction appoints one regular representative to the Board and one alternate representative to act in the regular representative's absence.

The Authority is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

A. Basis of Accounting and Presentation

The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's basic financial statements are accounted for as a Business-Type Activity, as defined by GASB, and are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Contributed Capital/Reserved Retained Earnings

The Authority receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation and state and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by current GASB standards, the Authority includes capital grants in the determination of net income resulting in an increase in net revenue of $8,390,216 for the fiscal year ended June 30, 2024.

Contributed capital and reserved retained earnings are presented in the net position section as net investment in capital assets and unrestricted net position.

Net Position

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position is presented in three broad components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, followed by unrestricted resources as they are needed.

The basic financial statements consist of (1) the Statement of Net Position; (2) the Statement of Revenues, Expenses, and Changes in Net Position; (3) the Statement of Cash Flows; and (4) the Notes to Basic Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Accounting and Presentation (Continued)

Classification of Revenue

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Enterprise Funds' principal ongoing operational activities. Charges to customers represent the Authority's principal operating revenues and include passenger fees and special transit fees. Operating expenses include the cost of operating maintenance and support of transit services and related capital assets, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating or other revenues and expenses.

B. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

Certain cash and cash equivalents are classified as restricted because their use is limited by applicable contracts or stipulations of the granting agency. Some of these restricted funds are required to be maintained in separate bank accounts. For the purpose of the Statement of Cash Flows, the Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, including cash and cash equivalents restricted for capital projects. At June 30, 2024, the Authority considered all of its cash and investments to be cash and cash equivalents.

D. Materials and Supplies

Materials and supplies are stated at cost using the first-in, first-out (FIFO) method.

E. Capital Assets

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and structures	30 years
Revenue transit vehicles	9-13 years
Shop, office, other equipment, and service vehicles	3-10 years

Depreciation expense on assets acquired with capital grant funds is transferred to net position, net investment in capital assets, after being charged to operations.

Major improvements and betterments to existing property, buildings, and equipment are capitalized. Costs for maintenance and repairs which do not extend the useful lives of the applicable assets are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

F. Deferred Outflows of Resources and Inflows of Resources

A deferred outflow of resources is defined as a consumption of net position by the Authority that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position that is applicable to a future reporting period. The Authority has deferred outflows of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Deferred Outflows of Resources and Inflows of Resources (Continued)

resources and deferred inflows of resources related to the California Public Employees' Retirement System (CalPERS) defined benefit plan for pensions and for its postemployment healthcare OPEB plan. Refer to Notes 7 and 11 for more information.

G. Self-Insurance Liabilities

The Authority is self-insured for public liability and property damage for the first $250,000 of each occurrence. Claims between $250,000 and $1,000,000 are insured through a risk-sharing pool with the California Transit Systems Joint Powers Insurance Authority (CalTIP) and claims in excess of $1,000,000 are insured with excess insurance purchased through CalTIP up to $25 million per occurrence. Additionally, the Authority is self-insured for workers' compensation claims for the first $250,000 of each occurrence. Claims between $250,000 and $5,000,000 are insured through a risk-sharing pool with the Local Agency Workers' Compensation Excess (LAWCX), and claims in excess of $5,000,000 are insured with excess coverage purchased through LAWCX. Refer to Note 8 for further descriptions. The Authority has recorded a liability for estimated claims to be paid.

H. Capital and Operating Grants

Federal, state, and local governments have made various grants available to the Authority for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment, or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Authority's compliance with appropriate grant requirements.

Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable and the related reimbursable expense is incurred. Under the accrual basis of accounting, revenue may be recognized only when earned. Therefore, enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Grants received in excess of allowable expenses are recorded as due to other government and advances (refer to Notes 6 and 13).

I. Defined Benefit Pension

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other pension costs are recognized when pension contributions are made, which are determined by the annual actuarial valuations.

J. Defined Benefit Other Postemployment Benefits (OPEB)

The Authority's Healthcare Insurance Benefits Program is a defined benefit postemployment healthcare plan. For purposes of measuring the OPEB liability, deferred outflow/inflow of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by MacLeod Watts and Public Agency Retirement Services (PARS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Benefits are provided through CalPERS Health Benefits Program for all administrative employees, transit operators, and transit supervisors, and continue to the surviving spouses if this election is made by the employee at enrollment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

Vacation benefits are accrued when earned and reduced when used. Sick leave, holiday pay, and other absence pay are expensed when used.

L. Funding Sources/Programs

Transportation Development Act (TDA)

The Local Transportation Fund was created under the TDA to collect ¼ cent of the State's 7.25 percent retail sales tax collected statewide. The ¼ cent is returned by the State Board of Equalization to each county based on the amount of tax collected in that county. TDA funds are apportioned, allocated, and paid in accordance with allocation instructions from the Metropolitan Transportation Commission (MTC) to the Authority for specific transportation purposes.

State Transit Assistance (STA)

This program provides a second source of funding for transportation planning and mass transportation purposes as specified by California legislation.

Federal Transit Administration (FTA)

This program represents funding from within the U.S. Department of Transportation to assist local transportation needs.

Measure J Funds

This represents a local sales and use tax allocation administered by the Contra Costa Transportation Authority to claimants for transportation purposes within the County.

M Subsequent Events

Subsequent events were evaluated through October 25, 2024, which is the date the basic financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30:

Cash on hand	$ 450
Cash in banks	579,858
Investments	20,118,396
	$ 20,698,704

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	100%	50%
U.S. Treasury Obligations	5 years	100%	50%
U.S. Agency Securities	5 years	100%	50%
Negotiable Certificates of Deposit*	5 years	30%	30%
County Pooled Investment Funds	N/A	100%	50%
Local Agency Investment Fund (LAIF)	N/A	100%	100%

* Limited to nationally or state-chartered bank of a state or federal association (as defined by California Financial Code Section 5102) or by a state-licensed branch of a foreign bank. The maximum investment in a certificate of deposit shall not exceed the shareholder's equity in any depository bank; the total net worth of any depository savings association; or the total or unimpaired capital and surplus of any credit union or industrial loan company.

The Authority shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. The Authority shall not invest any funds in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in California Government Code Section 53601.6. In addition, the portfolio should consist of a mix of authorized types of investments. With the exception of investments in the California State LAIF, no more than fifty percent (50%) of the Authority's portfolio shall be deposited or invested in a single security type or with a single financial institution.

Investment in State Investment Pool

The Authority is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying basic financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024, had a balance of $178 billion. Of that amount, 3.00% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 217 days as of June 30, 2024.

NOTE 2 – <u>CASH AND CASH EQUIVALENTS</u> (Continued)

<u>Cash on Hand and Cash in Banks</u> (Continued)

Investment in State Investment Pool (Continued)

LAIF has the following restrictions on withdrawals:

a) For same day transactions, the requesting agency must contact LAIF by 10 a.m. PST.
b) Transaction calls received after 10 a.m. are processed the following business day.
c) A requesting agency can only conduct a maximum of 15 transactions (combination of deposits and withdrawals) per month.
d) 24-hour notice is needed for withdrawals of $10 million or more.
e) The minimum transaction amount is $5,000, with amounts above the minimum transacted in increments of $1,000.
f) Prior to the funds transfer, an authorized person from the requesting agency must call LAIF to do a verbal transaction.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at <u>www.treasurer.ca.gov</u>.

Fair Value Measurements

GASB Statement No. 72 improved the measuring of fair value for financial reporting purposes and enhanced disclosures about the fair value hierarchy as established by GAAP. The Authority's investments are held with LAIF, which is recorded on an amortized cost basis. As such, GASB Statement No. 72 does not apply.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

		Remaining Maturity			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
LAIF	$ 20,118,396	$ 20,118,396	$ -	$ -	$ -

Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an Amendment of GASB Statement No. 3,* does not require disclosure as to credit risk:

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosure Relating to Credit Risk (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End AAA	Aa	Not Rated
LAIF	$ 20,118,396	N/A	$ -	$ -	$ -	$ 20,118,396

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: $1,511,975 of the Authority's deposits with financial institutions were in excess of federal depository insurance limits and were held in collateralized accounts as of June 30, 2024.

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Authority did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Authority's investments at June 30, 2024.

NOTE 3 – CAPITAL GRANTS

The Authority receives grants from the FTA, which provide financing primarily for the acquisition of rolling stock. The Authority also receives grants under the State TDA and State Toll Bridge revenue programs primarily for the acquisition of rolling stock and support equipment, and the purchase of furniture and fixtures.

A summary of federal, state, and local grant activity for the fiscal year ended June 30 is as follows:

Federal grants	$ 2,595,365
State grants	5,000,000
TDA (local transportation grants)	794,851
Total Capital Assistance	$ 8,390,216

NOTE 4 – OPERATING GRANTS

The Authority receives local transportation fund allocations pursuant to the 1971 State TDA. These funds are generated within the County and are allocated based on annual claims filed by the Authority and approved by the Metropolitan Transportation Commission (MTC). Generally, the maximum annual TDA assistance the Authority can receive is limited to its actual operating costs less fare revenues received, federal operating assistance received, and other local operating assistance (toll bridge revenue allocations, local sales tax allocations, and related interest income). In computing the maximum TDA assistance eligibility, the Authority excludes safe harbor lease income and discretionary income, which for the fiscal year ended June 30, 2024, was $66,755 and $1,385,154, respectively. For the fiscal year ended June 30, 2024, the Authority's maximum TDA assistance eligibility was $15,568,190.

During the fiscal year ended June 30, 2024, the Authority earned $10,056,041 of Measure J funds from the Contra Costa Transportation Authority, which is included in state and local operating assistance. These funds, derived from sales and use taxes, are to be used for bus services to alleviate congestion and improve mobility; transportation for seniors and people with disabilities; express bus service; and bus transit improvements.

During the fiscal year ended June 30, 2024, the Authority earned $130,181 of State of Good Repair (SGR) funds from STA funds out of Senate Bill 1 (SB1). Eligible projects for SGR funding include security equipment and systems, as well as preventative maintenance. The Authority used SGR funds to support the ongoing maintenance of its onboard technology. The Authority also earned other state and local operating assistance of $9,414,233, which mostly consisted of STA revenues.

Federal operating assistance funds have also been received pursuant to Sections 9 of the Urban Mass Transportation Act of 1974 (now FTA) for $5,582,329. These Section 5307 funds are apportioned to the local urbanized area and allocated to individual transit operators by MTC after FTA approval. Expenses of federal operating assistance funds are subject to final audit and approval by MTC and the FTA. Jointly with the FTA, the Federal Highway Administration (FHWA) provides funding for planning in metropolitan areas, which is distributed by MTC. Due to the Coronavirus (COVID-19) pandemic, the Authority received federal funding through Section 5307 operating funds that were provided in place of Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funds for $3,688,131. These federal relief funds, in combination with budget savings in expenditures, resulted in less TDA revenue utilized as compared to allocated.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity, including assets acquired under capital lease, at June 30 is shown below:

	Balance June 30, 2023	Reclassifications and Additions	Reclassifications and Deletions	Balance June 30, 2024
Capital Assets Not Being Depreciated:				
Construction in process	$ 18,859,147	$ -	$ (18,837,354)	$ 21,793
Land	2,704,785	-	-	2,704,785
Total Capital Assets Not Being Depreciated	21,563,932	-	(18,837,354)	2,726,578
Capital Assets Being Depreciated:				
Land improvements	2,439,769	7,173	-	2,446,942
Shop, office, other equipment, and service vehicles	5,886,032	266,839	(677,594)	5,475,277
Buildings and structures	21,986,300	190,549	(175,082)	22,001,767
Revenue vehicles	74,624,775	26,784,803	(20,971,243)	80,438,335
Total Capital Assets Being Depreciated	104,936,876	27,249,364	(21,823,919)	110,362,321
Less Accumulated Depreciation for:				
Land improvements	2,321,874	25,665	-	2,347,539
Shop, office, other equipment, and service vehicles	5,091,074	258,840	(655,801)	4,694,113
Buildings and structures	16,607,900	715,990	(175,082)	17,148,808
Revenue vehicles	54,906,497	5,514,853	(20,971,243)	39,450,107
Total Accumulated Depreciation	78,927,345	6,515,348	(21,802,126)	63,640,567
Total Capital Assets Being Depreciated, Net	26,009,531	20,734,016	(21,793)	46,721,754
Total Capital Assets, Net	$ 47,573,463	$ 20,734,016	$ (18,859,147)	$ 49,448,332

Depreciation expense for the fiscal year ended June 30, 2024, was $6,515,348.

NOTE 6 – ADVANCES

The Authority receives allocations from other governmental agencies to fund transit operations and capital purchases. Allocations are considered earned when they are properly spent for operations or capital acquisitions. Allocations received but not earned are recorded as unearned revenues. The Authority had received the following allocations which are considered to be unearned revenue as of June 30, 2024:

	2024
Advances from LCTOP	$ 209,924
Advances from MTC	849,821
Advances from Customers	50,273
Advances from County of Alameda - STA	194,195
Total Advances	$ 1,304,213

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN

A. General Information about the Defined Benefit Pension Plan (the Plan)

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Authority's Plan. The Plan is an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. The Authority's Plan is referred to by CalPERS as the Miscellaneous Plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. California Public Employees' Pension Reform Act (PEPRA) Members with five years of service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLAs for the Plan are applied as specified by the California Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2%@60	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.092%-2.418%	1.000%-2.500%
Required Employee Contribution Rates	7.000%	8.250%
Required Employer Contribution Rates	9.880%	9.880%

Employees Covered – At June 30, 2024, the following employees were covered by the benefit terms for the Plan as of the June 30, 2021 actuarial valuation:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	238
Inactive Employees Entitled to but not yet Receiving Benefits	187
Active Employees	222
Total	647

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the

NOTE 7 – <u>EMPLOYEES' RETIREMENT PENSION PLAN</u> (Continued)

A. General Information about the Defined Benefit Pension Plan (the Plan) (Continued)

contribution rate of employees. For the measurement period ended June 30, 2022 (the measurement date), the classic (prior to January 1, 2013) active employee contribution rate is 7.000% of annual pay, the PEPRA (on or after January 1, 2013) active employee contribution rate is 8.250% of annual pay, and the employer's contribution rate is 9.880% of annual payroll. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

B. Net Pension Liability

The Authority's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality	Derived using CalPERS' Membership Data for all funds. (1)
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. The Experience Study and Review of Actuarial Assumptions report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting period ended June 30, 2024, the 6.90% discount rate was not reduced for administrative expense.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rate of return by asset class are as followed:

Asset Class [(a)]	Assumed Asset Allocation	Real Return Years [(a)(b)]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Annual Money-Weighted Return – For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expenses, was 6.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

The changes in the net pension liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (Measurement Date)	$ 118,970,136	$ 104,591,607	$ 14,378,529
Changes in the year:			
Service Cost	2,570,696	-	2,570,696
Interest on the Total Pension Liability	8,203,042	-	8,203,042
Differences between Expected and Actual Experience	1,300,110	-	1,300,110
Changes of Assumptions	-	-	-
Changes of Benefit Terms	162,920	-	162,920
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	2,274,647	(2,274,647)
Contribution - Employee (Paid by Employer)	-	372,230	(372,230)
Contribution - Employee	-	787,102	(787,102)
Net Investment Income	-	6,363,617	(6,363,617)
Administrative Expenses	-	(76,912)	76,912
Other Miscellaneous Income/(Expense)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,667,688)	(5,667,688)	-
Net Changes During 2021-22	6,569,080	4,052,996	2,516,084
Balance at June 30, 2023 (Measurement Date)	$ 125,539,216	$ 108,644,603	$ 16,894,613

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	$ 32,768,523	$ 16,894,613	$ 3,639,431

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Authority recognized a defined benefit pension adjustment of $1,758,323. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 2,997,125	$ -
Changes of Assumptions	943,224	-
Differences between Expected and Actual Experience	893,826	270,716
Net Differences between Projected and Actual Earnings on Plan Investments	4,987,025	-
Total	$ 9,821,200	$ 270,716

$2,997,125 reported as a deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,776,419
2026	1,113,186
2027	3,510,438
2028	153,316
Thereafter	-
Total	$ 6,553,359

E. Payable to the Pension Plan

At June 30, 2024, the Authority reported a payable of $82,051 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2024.

NOTE 8 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is self-insured for public liability and property damage up to $250,000 per occurrence. Claims between $250,000 and $1,000,000 are insured through CalTIP, a joint powers agency (risk sharing pool) established in 1987 to provide an independently managed self-insurance program for member transit operators. Claims in excess of the pool limit are covered by excess insurance purchased by CalTIP up to $25 million per occurrence. Specifically, the Authority has the following forms of coverage through CalTIP:

- bodily injury liability,
- property damage liability,
- public officials errors and omissions liability, and
- personal injury liability.

NOTE 8 – RISK MANAGEMENT (Continued)

The purpose of CalTIP is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its expense.

The Authority makes payments to CalTIP based on actuarial estimates of the amounts needed to pay prior year and current year claims. The claims liability of $505,771 at June 30, 2024, is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, for Public Entity Risk Pools, and for Entities Other Than Pools,* which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. This liability relates to the Authority's self-insured retention for its insurance program.

As of July 1, 2001, the Authority obtained insurance coverage relating to workers' compensation claims through the LAWCX, a joint powers agency (risk sharing pool) established in 1992 as a state-wide joint powers authority. Currently, there are 32 members consisting of 22 municipalities, 9 joint powers authorities, and 1 special district. The Authority is self-insured up to $250,000 per occurrence. Claims between $250,000 and $5,000,000 are covered by LAWCX. The Authority pays an annual premium to the pool. LAWCX participates in the Public Risk Innovation, Solutions and Management (PRISM) risk pool for excess workers' compensation coverage in excess of $5 million up to statutory limits. PRISM is a member-directed risk sharing pool of counties and public entities committed to providing risk coverage programs and risk management services.

The Authority makes payments to LAWCX on the actuarial estimates of the amounts needed to pay prior year and current year claims. The claims liability of $1,947,134 at June 30, 2024, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. This liability relates to the Authority's self-insured retention for its insurance program.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Authority has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, the Authority believes that any required reimbursements will not be material.

Additionally, the Authority is involved in various lawsuits, claims, and disputes, which for the most part are normal to the Authority's operations. In the opinion of Authority management, the costs that might be incurred, if any, would not materially affect the Authority's financial position or results of operations.

NOTE 10 – CASH RESERVE FUNDS

The Authority has designated three cash reserve funds as follows:

Safe Harbor Lease Reserve

The Authority maintains a reserve fund consisting of proceeds from the sale of federal income tax benefits under the safe harbor lease provisions of the Tax Equity and Fiscal Responsibility Act of 1982. The funds held are designated by the Authority's Board as a reserve against future unanticipated operating and capital funding shortfalls. As of June 30, 2024, this fund, including accrued interest, totaled $1,649,865.

NOTE 10 – CASH RESERVE FUNDS (Continued)

Self-Insurance Reserve

The Authority is self-insured for public liability and property damage up to $250,000 for each occurrence. For workers' compensation claims, it is also self-insured up to $250,000 per occurrence. Claims in excess of this amount are insured. Refer to Note 8 for further description. The Authority has designated a cash reserve fund to cover anticipated liability and damage claims not covered by insurance. The Authority reserves for reported actual and estimated incurred claims. The reserve for public liability and property damage as of June 30, 2024, totaled $505,771, and for the workers' compensation totaled $1,947,134.

Operating and Capital Reserve

In April 2024, the Board of Directors amended the Authority's Reserve Policy. Prior to this revision, the Authority's reserve funds were composed of Transportation Development Act (TDA) funds that were allocated to the Authority but not claimed in the same year of allocation. These funds are reserved and held by the Metropolitan Transportation Commission (MTC) as required under TDA statutes. With the revised policy, the Authority now calculate amounts earned from discretionary revenue sources (i.e., advertising revenue, unallocated interest income). The discretionary funds are calculated at fiscal year end and are held by the Authority. Together, these two types of funds comprise the Operating and Capital Reserve. Since the discretionary revenue is held by the Authority, the funds are reflected in the financial statements as a portion of the unrestricted net position. The discretionary portion of the Operating and Capital Reserve as of June 30, 2024, totaled $1,385,155.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The Authority's Healthcare Insurance Benefits Program is a single-employer defined benefit postemployment healthcare plan in which retirees are eligible to participate. Benefits are provided through CalPERS Health Benefits Program for all administrative employees and transit operators. Benefits continue to the surviving spouses.

Benefits Provided

Eligibility for retiree health benefits requires service or disability retirement from the Authority on or after age 50 (age 52 if a PEPRA member) with at least five years of CalPERS service.

The Authority pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the Authority.

Employees Covered by Benefit Terms

At July 1, 2021 (the census date), the benefit terms covered the following employees:

Retirees and survivors currently receiving benefits	67
Active employees	200
Total	267

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

A. General Information about the OPEB Plan (Continued)

Contributions

The Actuarially Determined Contribution (ADC) consists of two basic components, which have been adjusted with interest to the Authority's fiscal year-end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The development of the ADC reflects the assumption that the Authority will contribute at least 100% of this amount each year, with contributions comprising of direct payments to insurers toward retiree premiums, each current year's implicit subsidy, and contributions to the OPEB trust.

B. Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long-Term Return on Assets	4.70%
Discount Rate	4.70%
Participants Valued	Only current active employees, retired participants, and covered dependents are valued.
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years.
Assumed Increase for Amortization Payments	3.0% per year where determined on a percent of pay basis
General Inflation Rate	2.50% per year

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Mortality rates used were the CalPERS published rates.

Mortality	MacLeod Watts Scale 2022 applied generationally from 2017.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's level were derived using the Getzen model and are assumed to be effective on the dates shown below. The required PEMHCA minimum employer contribution (MEC) is assumed to increase by 4.5% annually.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.80%
2025	6.50%	2044-2049	4.70%
2026	6.00%	2050-2059	4.60%
2027	5.50%	2060-2065	4.50%
2028	5.40%	2066-2067	4.40%
2029	5.30%	2068-2069	4.30%
2030	5.20%	2070	4.20%
2031	5.10%	2071-2074	4.10%
2032-2037	5.00%	2073-2074	4.00%
2038-2039	4.90%	2075 & later	3.90%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity - Large Cap Funds	15.50%	7.70%
Equity - Mid Cap Funds	3.00%	8.00%
Equity - Small Cap Funds	4.50%	8.50%
Equity - Real Estate	1.00%	6.60%
Equity - International	4.00%	7.50%
Equity - Emerging Markets	2.00%	7.50%
Fixed Income - Short Term Bond	14.00%	3.30%
Fixed Income - Intermediate Term Bond	49.25%	4.00%
Fixed Income - High Yield	1.75%	5.70%
Cash Equivalents	5.00%	2.60%
Total	100.00%	

Annual Money-Weighted Return

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expenses, was 7.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.70%. The projection of cash flows used to determine the discount rate assumed that the Authority contribution will be made at rates equal to the ADC rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	$ 8,425,640	$ 4,783,395	$ 3,642,245
Measurement Date June 30, 2021			
Changes in the Year:			
Service Cost	323,596	-	323,596
Interest	406,796	-	406,796
Expected Investment Income	-	231,058	(231,058)
Employer Contributions	-	532,189	(532,189)
Benefit Payments	(370,232)	(370,232)	-
Assumption Changes	(671,836)	-	(671,836)
Plan Experience	(21,120)	-	(21,120)
Investment Experience	-	(73,999)	73,999
Net Changes	(332,796)	319,016	(651,812)
Balance at June 30, 2024	$ 8,092,844	$ 5,102,411	$ 2,990,433
Measurement Date June 30, 2022			

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.70%) or one percentage point higher (5.70%), follows:

	1% Decrease 3.70%	Discount Rate 4.70%	1% Increase 5.70%
Net OPEB Liability	$ 3,915,703	$ 2,990,433	$ 2,208,037

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using Healthcare Cost Trend Rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates, follows:

	1% Decrease 5.50% Decreasing to 2.90%	Discount Rate 6.50% Decreasing to 3.90%	1% Increase 7.50% Decreasing to 4.90%
Net OPEB Liability	$ 2,452,051	$ 2,990,433	$ 3,739,715

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the Authority recognized an OPEB adjustment of $534,729. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 283,039	$ 601,971
Differences Between Expected and Actual Experience	-	537,171
Net Difference Between Projected and Actual Earnings on Investments	443,084	-
Contributions Made Subsequent to the Measurement Date	588,070	-
Total	$ 1,314,193	$ 1,139,142

The $588,070 reported as a deferred outflow of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction to the net OPEB liability during the fiscal year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related OPEB expenses will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2025	$ (164,361)
2026	(97,119)
2027	115,819
2028	(65,167)
2029	(98,153)
Thereafter	(104,038)
Total	$ (413,019)

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities at June 30, 2024, follows:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Self-Insurance Liabilities	$ 1,667,147	$ 1,671,426	$ 885,668	$ 2,452,905	$ 786,694
Compensated Absences	1,323,139	1,249,815	1,189,567	1,383,387	1,110,390
Totals	$ 2,990,286	$ 2,921,241	$ 2,075,235	$ 3,836,292	$ 1,897,084

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

The Authority received TDA funds under Articles 4 and 4.5 (two subsections: 99260(a) and 99275) of the California Public Utilities Code for the fiscal year ended June 30, 2024. TDA funds received pursuant to these Sections of the California Public Utilities Code may be used for public transportation services and community transit services, respectively. According to the underlying TDA allocation instructions issued by the MTC, eligible costs must be incurred on or before June 30 of the fiscal year for which funds are allocated. Unused portions must revert back to the County's Local Transportation Fund (LTF).

A summary of LTF allocations, corresponding expenses, and portion to be returned to the County's LTF as of the fiscal year ended June 30 follows:

LTF Allocations for Public Transportation Services:	
99260(a)	$ 20,770,583
Less: applicable expenses	$ (14,468,360)
Unused portion to revert back to (balance due to) the County's LTF (Current Year)	6,302,223
Prior year unused portion not returned	9,283,248
Total Unused Portion to Revert Back to the County's LTF	$ 15,585,471
LTF Allocations for Community Transit Services:	
99275 and 99260(a)	$1,099,830
Less: applicable expenses	(1,099,830)
Unused portion to revert back to the County's LTF	-
Total Due Back to the County's LTF	$ 15,585,471

NOTE 14 – EMPLOYEE BENEFITS – DEFERRED COMPENSATION PLAN

Employees of the Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Authority. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Employees are allowed loans under the IRC Section 457 rules.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of IRC Section 457 Deferred Compensation Plans, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employee.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability					
Service Cost	$ 2,570,696	$ 2,497,734	$ 2,318,458	$ 2,334,896	$ 2,340,898
Interest on Total Pension Liability	8,203,042	7,777,960	7,595,094	7,294,049	6,932,405
Changes of Benefit Terms	162,920	-	-	-	-
Changes of Assumptions	-	2,290,688	-	-	-
Differences between Expected and Actual Experience	1,300,110	(596,908)	(772,818)	(68,868)	25,006
Benefit Payments, Including Refunds of Employee Contributions	(5,667,688)	(5,561,530)	(4,834,432)	(4,440,542)	(3,846,430)
Net Change in Total Pension Liability	6,569,080	6,407,944	4,306,302	5,119,535	5,451,879
Total Pension Liability - Beginning	118,970,136	112,562,192	108,255,890	103,136,355	97,684,476
Total Pension Liability - Ending (a)	$ 125,539,216	$ 118,970,136	$ 112,562,192	$ 108,255,890	$ 103,136,355
Plan Fiduciary Net Position					
Contributions - Employer	$ 2,274,647	$ 2,030,958	$ 1,799,854	$ 1,590,639	$ 1,424,384
Contributions - Employee (Paid by Employer)	372,230	369,411	408,586	408,586	449,362
Contributions - Employee	787,102	677,462	617,163	690,196	596,997
Net Investment Income	6,363,617	(8,496,317)	21,410,686	4,664,610	5,804,423
Benefit Payments, Including Refunds of Employee Contributions	(5,667,688)	(5,561,530)	(4,834,432)	(4,440,542)	(3,846,430)
Administrative Expenses	(76,912)	(72,039)	(96,236)	(131,892)	(63,649)
Other Miscellaneous Income/(Expense)*	-	-	-	-	207
Net Change in Plan Fiduciary Net Position	4,052,996	(11,052,055)	19,305,621	2,781,597	4,365,294
Plan Fiduciary Net Position - Beginning**	104,591,607	115,643,662	96,338,041	93,556,444	89,191,150
Plan Fiduciary Net Position - Ending (b)	$ 108,644,603	$ 104,591,607	$ 115,643,662	$ 96,338,041	$ 93,556,444
Net Pension Liability (Asset) [(a) - (b)]	$ 16,894,613	$ 14,378,529	$ (3,081,470)	$ 11,917,849	$ 9,579,911
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.54%	87.91%	102.74%	88.99%	90.71%
Covered Payroll***	$ 15,166,349	$ 14,727,203	$ 14,890,548	$ 15,073,568	$ 15,239,229
Net Pension Liability as a Percentage of Covered Payroll	111.40%	97.63%	-20.69%	79.06%	62.86%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (Continued)
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability					
Service Cost	$ 2,257,838	$ 2,337,306	$ 1,945,766	$ 1,918,011	$ 1,994,470
Interest on Total Pension Liability	6,570,234	6,322,423	6,022,970	5,722,716	5,409,869
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(660,476)	5,271,395	-	(1,429,806)	-
Differences between Expected and Actual Experience	(932,669)	(516,597)	(800,944)	(576,058)	-
Benefit Payments, Including Refunds of Employee Contributions	(3,812,132)	(3,309,790)	(3,141,095)	(2,716,414)	(2,653,773)
Net Change in Total Pension Liability	3,422,795	10,104,737	4,026,697	2,918,449	4,750,566
Total Pension Liability - Beginning	94,261,681	84,156,944	80,130,247	77,211,798	72,461,232
Total Pension Liability - Ending (a)	$ 97,684,476	$ 94,261,681	$ 84,156,944	$ 80,130,247	$ 77,211,798
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,158,215	$ 1,070,201	$ 1,272,683	$ 947,246	$ 917,689
Contributions - Employee (Paid by Employer)	586,800	527,557	491,555	432,811	509,838
Contributions - Employee	470,086	469,913	506,311	515,306	447,265
Net Investment Income	6,979,197	8,507,531	460,130	1,698,644	11,507,514
Benefit Payments, Including Refunds of Employee Contributions	(3,812,132)	(3,309,790)	(3,141,095)	(2,716,414)	(2,653,773)
Administrative Expenses	(131,190)	(113,741)	(47,229)	(87,217)	-
Other Miscellaneous Income/(Expense)*	(249,340)	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,001,636	7,151,671	(457,645)	790,376	10,728,533
Plan Fiduciary Net Position - Beginning**	84,189,514	77,037,843	77,495,488	76,705,112	65,976,579
Plan Fiduciary Net Position - Ending (b)	$ 89,191,150	$ 84,189,514	$ 77,037,843	$ 77,495,488	$ 76,705,112
Net Pension Liability [(a) - (b)]	$ 8,493,326	$ 10,072,167	$ 7,119,101	$ 2,634,759	$ 506,686
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.31%	89.31%	91.54%	96.71%	99.34%
Covered Payroll***	$ 14,673,672	$ 14,786,527	$ 13,915,228	$ 13,613,535	$ 13,553,073
Net Pension Liability as a Percentage of Covered Payroll	57.88%	68.12%	51.16%	19.35%	3.74%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (Continued)
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

Notes to Schedule:

* During fiscal year 2017-18, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), California Public Employees Retirement System (CalPERS) reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and, during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

** Includes any beginning of year adjustment.

*** Covered Payroll represented above is based on pensionable earnings provided by the employer. Payroll was assumed to increase by the 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

Benefit changes: The figures generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden handshakes) that occurred after the Valuation Data are not included in the figures, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The ac counting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS – PENSION
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.1%	-7.5%	22.4%	5.0%	6.5%

	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.2%	11.2%	0.5%	2.2%	17.70%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS – PENSION
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	2023	2022	2021	2020	2019
Actuarially Determined Contributions	$ 2,274,647	$ 2,030,958	$ 1,799,854	$ 1,590,639	$ 1,424,384
Contributions in Relation to the Actuarially Determined Contributions	(2,274,647)	(2,030,958)	(1,799,854)	(1,590,639)	(1,424,384)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll*	$ 15,166,349	$ 14,727,203	$ 14,890,548	$ 15,073,568	$ 15,239,229
Contributions as a Percentage of Covered Payroll	15.00%	13.79%	12.09%	10.55%	9.35%

Fiscal Year Ended June 30	2018	2017	2016	2015	2014
Actuarially Determined Contributions	$ 1,158,215	$ 1,070,201	$ 1,272,683	$ 947,246	$ 917,689
Contributions in Relation to the Actuarially Determined Contributions	(1,158,215)	(1,070,201)	(1,272,683)	(947,246)	(917,689)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll*	$ 14,673,672	$ 14,786,527	$ 13,915,228	$ 13,613,535	$ 13,553,073
Contributions as a Percentage of Covered Payroll	7.89%	7.24%	9.15%	6.96%	6.77%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS – PENSION (Continued)
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS

Notes to Schedule:

* Covered Payroll represented above is based on pensionable earnings provided by the employer. Payroll was assumed to increase by the 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018 through 2021; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014 through 2017.

The actuarial methods and assumptions used to set the actuarially determined contributions for the Authority's fiscal year ending June 30, 2023 were derived from the June 30, 2020 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Asset valuation method	Fair Value of Assets. CalPERS employs a policy that amortizes all gains and losses over a fixed 30-year period. The increase or decrease in the rate is then spread directly over a 5-year period. This method is referred to as "direct rate smoothing."
Inflation	2.50%
Projected salary increases	Varies by entry age and service.
Payroll growth	2.75%
Investment rate of return	7.00% (Net of Pension Plan Investment and Administrative Expenses; includes Inflation)
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
JUNE 30, 2024
LAST 10 FISCAL YEARS*

Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability							
Service Cost	$ 323,596	$ 314,171	$ 328,799	$ 318,449	$ 331,211	$ 320,785	$ 350,850
Interest on the Total OPEB Liability	406,796	390,857	390,119	369,885	406,509	385,114	482,126
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(21,120)	-	(184,833)	-	(1,357,116)	-	(1,408,629)
Changes in Assumptions	(671,836)	-	417,022	-	205,894	-	(994,873)
Benefit Payments	(370,232)	(387,567)	(327,048)	(276,823)	(306,893)	(286,733)	(316,489)
Net Change in Total OPEB Liability	(332,796)	317,461	624,059	411,511	(720,395)	419,166	(1,887,015)
Total OPEB Liability - Beginning	8,425,640	8,108,179	7,484,120	7,072,609	7,793,004	7,373,838	9,260,853
Total OPEB Liability - Ending (a)	$ 8,092,844	$ 8,425,640	$ 8,108,179	$ 7,484,120	$ 7,072,609	$ 7,793,004	$ 7,373,838
OPEB Plan Fiduciary Net Position							
Net Investment Income	$ 532,189	$ (567,544)	$ 496,621	$ 215,873	$ 224,930	$ 80,538	$ 111,685
Contributions - Employer	157,059	563,588	546,415	529,577	606,839	588,345	748,139
Benefit Payments	(370,232)	(387,567)	(327,048)	(276,823)	(306,893)	(286,733)	(316,489)
Administrative Expenses	-	-	-	-	-	(1,550)	-
Net Change in OPEB Plan Fiduciary Net Position	319,016	(391,523)	715,988	468,627	524,876	380,600	543,335
OPEB Plan Fiduciary Net Position - Beginning	4,783,395	5,174,918	4,458,930	3,990,303	3,465,427	3,084,827	2,541,492
OPEB Plan Fiduciary Net Position - Ending (b)	$ 5,102,411	$ 4,783,395	$ 5,174,918	$ 4,458,930	$ 3,990,303	$ 3,465,427	$ 3,084,827
Net OPEB Liability [(a) - (b)]	$ 2,990,433	$ 3,642,245	$ 2,933,261	$ 3,025,190	$ 3,082,306	$ 4,327,577	$ 4,289,011
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	63.05%	56.77%	63.82%	59.58%	56.42%	44.47%	41.83%
Covered Payroll	$ 15,287,627	$ 15,287,627	$ 14,326,765	$ 15,543,046	$ 15,503,972	$ 14,836,604	$ 12,531,658
Net OPEB Liability as a Percentage of Covered Payroll	19.56%	23.82%	20.47%	19.46%	19.88%	29.17%	34.23%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS – OPEB
JUNE 30, 2024
LAST 10 YEARS*

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.13%	4.05%	-10.42%	11.76%	6.23%	7.16%	9.38%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF CONTRIBUTIONS – OPEB
JUNE 30, 2024
LAST 10 FISCAL YEARS*

Fiscal Year Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contributions	$ 585,624	$ 530,899	$ 561,678	$ 545,410	$ 529,577	$ 606,839	$ 588,345	$ 748,139
Contributions in Relation to the Actuarially Determined Contributions	(588,070)	(532,189)	(563,588)	(546,415)	(529,577)	(606,839)	(588,345)	(748,139)
Contribution Deficiency (Excess)	$ (2,446)	$ (1,290)	$ (1,910)	$ (1,005)	$ -	$ -	$ -	$ -
Covered Payroll	$ 16,804,066	$ 15,867,493	$ 16,518,765	$ 14,326,765	$ 16,007,851	$ 15,503,972	$ 14,836,604	$ 12,531,658
Contributions as a Percentage of Covered Payroll	3.50%	3.35%	3.41%	3.81%	3.31%	3.91%	3.97%	5.97%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

The actuarial methods and assumptions used to set the actuarially determined contributions for the Authority's fiscal years ending June 30, 2024, were derived from the June 30, 2023 actuarial valuation report.

Methods and assumptions used to determine contribution rates:

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long-Term Return on Assets	4.70%
Discount Rate	4.70%
Participants Valued	Only current active employees, retired participants, and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years
Assumed Increase for Amortization Payments	3.0% per year
General Inflation Rate	2.75% per year

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the CalPERS using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown in the July 1, 2020 funding valuation. The representative mortality rates were the published CalPERS rates.

Mortality	MacLeod Watts Scale 2022 applied generationally from 2015.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Project Number/Program Title	Assistance Listing Number	Identification Number	Passed-Through To Subrecipients	Grant Expenditures
U.S. Department of Transportation/ Federal Transit Administration (FTA)				
Federal Transit Cluster				
Direct:				
Formula Grants:	20.507			
FY15 Projects - Access and Planning Software		CA-2016-013-01	$ -	$ 42,247
FY22 5307 & 5339 Formula Grant - Vehicle Replacement		CA 2023-201-00	-	2,582,067
FY21 5307 - Operating Assistance		CA-2023-099-00	-	3,688,131
FY23 5307 Formula Grant for Paratransit Operations		CA-2024-002-01	-	1,839,033
FY23 5307 TPI Transit Corridors Study		CA-2024-144-00	-	26,216
Subtotal Federal Transit Cluster			-	8,177,694
Total U.S. Department of Transportation / FTA			-	8,177,694
Total Expenditures of Federal Awards			$ -	$ 8,177,694

See accompanying notes to schedule of expenditures of federal awards.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the Central Contra Costa Transit Authority (the Authority). Federal financial assistance is received directly from the Federal Transit Administration (FTA) and is included on the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources. The information in the SEFA is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3 – INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Central Contra Costa Transit Authority (the Authority) as of and for the fiscal year ended June 30, 2024, and related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on Compliance with Transportation Development Act Requirements

We have audited the Central Contra Costa Transit Authority's (the Authority) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Authority were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Metropolitan Transportation Commission as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2024.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Authority's compliance requirements referred to in Section 6667, which requires that, for a transit claimant, the independent auditor will perform at least the following tasks:

(a) Determine whether the claimant was an entity eligible to receive the funds allocated to it;
(b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234;
(c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and countries with populations of less than 5,000;
(d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions;
(e) Determine whether interest earned on funds received by the claimant, pursuant to the TDA, were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6;
(f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2;

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(g) Verify the amount of the claimant's actual fare revenues for the fiscal year;
(h) Verify the amount of the claimant's actual local support for the fiscal year;
(i) Verify the amount of the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649;
(j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1;
(k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273;
(l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251;
(m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7; and
(n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the requirements referred to above. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.
We believe that our audit provides a reasonable basis for our opinion on compliance requirements referred to above. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Compliance

In our opinion, the Authority, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the compliance requirements referred above for the fiscal year ended June 30, 2024.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Contra Costa Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the fiscal year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Authority's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS), *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION
Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

STATISTICAL SECTION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2024
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues										
Passenger fares	$ 3,489,447	$ 3,179,075	$ 2,217,862	$ 1,348,037	$ 3,043,712	$ 3,383,189	$ 3,221,580	$ 3,275,964	$ 3,549,944	$ 3,759,432
Special transit fees	2,679,171	2,377,427	1,620,037	350,308	1,652,117	1,833,494	1,635,867	1,480,747	1,440,678	1,386,527
Total Operating Revenues	6,168,618	5,556,502	3,837,899	1,698,345	4,695,829	5,216,683	4,857,447	4,756,711	4,990,622	5,145,959
Operating Expenses										
Salaries and benefits	28,690,441	26,144,670	24,816,193	24,128,547	25,322,594	25,441,759	24,101,090	23,779,117	22,863,358	20,582,768
Materials and supplies	3,414,796	3,580,623	3,342,724	2,289,007	2,468,857	2,777,883	2,529,044	2,118,404	2,273,864	2,761,506
Services	2,936,310	2,436,795	2,130,814	1,746,263	1,869,379	1,933,459	1,744,973	1,751,238	1,697,825	1,775,371
Purchased transportation	9,910,865	7,912,505	7,181,927	6,072,093	6,544,224	6,211,639	5,561,256	5,309,756	5,458,921	5,151,072
Insurance	1,154,391	909,275	802,032	957,458	790,287	763,534	722,556	676,984	685,551	627,088
Other	236,763	735,759	180,176	73,552	147,590	189,045	202,460	210,422	305,691	312,727
Utilities	466,091	406,341	389,068	348,434	365,131	366,642	356,151	320,063	284,645	256,395
Taxes	379,051	340,748	415,987	228,805	237,192	217,950	226,116	184,435	193,913	250,077
Leases and rentals	72,266	52,866	57,332	60,409	60,444	53,508	42,499	48,466	44,983	40,454
Defined benefit pension adjustment	1,758,323	(717)	(3,486,207)	1,445,493	2,120,710	642,776	1,807,421	(17,761)	(1,169,716)	-
Other postemployment benefits (OPEB) adjustment	(534,729)	(422,902)	(581,142)	(554,446)	(461,471)	(376,320)	(224,832)	-	-	-
Depreciation	6,515,348	6,730,962	7,123,208	7,197,115	7,499,707	7,511,790	6,186,320	5,363,010	5,294,062	5,388,083
Total Operating Expenses	54,999,916	48,826,925	42,372,112	43,992,730	46,964,644	45,733,665	43,255,054	39,744,134	37,933,097	37,145,541
Operating Loss	(48,831,298)	(43,270,423)	(38,534,213)	(42,294,385)	(42,268,815)	(40,516,982)	(38,397,607)	(34,987,423)	(32,942,475)	(31,999,582)
Nonoperating Revenues										
Federal operating assistance [b]	5,582,329	8,342,650	9,247,548	2,371,121	8,339,542	1,703,403	1,655,674	1,002,950	2,237,709	1,376,873
State and local operating assistance	35,168,645	27,818,081	26,014,999	31,591,217	23,943,345	30,136,010	27,996,289	27,891,975	25,713,041	25,324,446
Advertising revenue	343,750	307,166	292,311	95,263	479,408	618,416	615,631	608,420	599,100	586,768
Interest income	1,101,117	393,095	(140,571)	36,814	268,607	253,675	118,161	38,789	40,642	15,307
Other revenue	81,870	102,093	77,488	84,977	78,968	102,245	108,077	83,538	82,784	93,083
Interest expense	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	199,800	102	-	26,883	-	(6,944)	211,840	14,479	135,603	3,706
Loss on disposal of capital assets	-	-	(13,421)	-	-	-	-	-	-	-
Total Nonoperating Revenues	42,477,511	36,963,187	35,478,354	34,206,275	33,109,870	32,806,805	30,705,672	29,640,151	28,808,879	27,400,183
Net Loss Before Capital Contributions	(6,353,787)	(6,307,236)	(3,055,859)	(8,088,110)	(9,158,945)	(7,710,177)	(7,691,935)	(5,347,272)	(4,133,596)	(4,599,399)
Capital Contributions										
Grants restricted for capital expenses (Note 3)	8,390,216	19,988,969	441,602	420,944	968,706	7,088,596	2,850,624	19,010,487	17,447,423	2,935,527
Prior Period Adjustment [a]	-	-	-	-	-	-	(5,971,222)	-	-	(5,057,126)
Increase (Decrease) in Net Position	2,036,429	13,681,733	(2,614,257)	(7,667,166)	(8,190,239)	(621,581)	(10,812,533)	13,663,215	13,313,827	(6,720,998)
Beginning Net Position, as Restated	40,236,072	26,554,339	29,168,596	36,835,762	45,026,001	45,647,582	56,460,115	42,796,900	29,483,073	36,204,071
Ending Net Position, as Restated	$ 42,272,501	$ 40,236,072	$ 26,554,339	$ 29,168,596	$ 36,835,762	$ 45,026,001	$ 45,647,582	$ 56,460,115	$ 42,796,900	$ 29,483,073

[a] Prior Period adjustments:
FY 2018 was implementation of GASB Statement No. 75 for Other Postemployment Benefits.
FY 2015 was implementation of GASB Statement No. 68 for Pension Benefits.

[b] Federal operating assistance includes $3,538,209, $1,358,665 and $6,911,064 in FTA CARES Act funds in FY 2022, FY 2021 and FY 2020, respectively, and $6,410,890 and $3,930,747 in FTA ARPA Act funds in FY 2023 and FY 2022, respectively.

FINDINGS AND QUESTIONED COSTS SECTION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I – Summary of Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Deficiencies or significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Deficiencies or significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

C. Identification of Major Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
Assistance Listing Number 20.507	Federal Transit Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Audit Findings and Questioned Costs

None.

Section III – Federal Awards Findings and Questioned Costs

None.

Section IV – Summary of Prior Audit (June 30, 2023) Findings and Current Year Status

Finding 2023-001 – Reporting of Schedule of Expenditures of Federal Awards.

CONDITION

The Authority did not initially prepare a complete and accurate Schedule of Expenditures of Federal Awards. Expenditures paid with capital federal grant funds that incurred in FY2023 were not reported on the schedule.

CRITERIA

2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 requires the auditee to prepare an accurate Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements.

CAUSE OF CONDITION

Inconsistent treatment of accruals at year-end resulted in misstatements on the Schedule of Expenditures of Federal Awards.

POTENTIAL EFFECT OF CONDITION

The Authority's Schedule of Expenditures of Federal Awards was initially materially misstated and therefore not in compliance with Federal regulations. This noncompliance could impact the Authority's eligibility to receive federal awards.

RECOMMENDATION

We recommend that the Authority develop a reconciliation process to verify all expenditures incurred through the fiscal year at hand and paid with federal funding are included in the Schedule of Expenditures of Federal Awards, with specific emphasis on accrued payables and receivables. All worksheets that are currently used to track expenditures paid with federal funding are properly reviewed at yearend and traced to inclusion on Schedule of Expenditures of Federal Awards. The reconciliation process should be reviewed by an individual familiar with the general ledger and independent of the preparer.

MANAGEMENT RESPONSE

A reconciliation process has already been created and performed on the current year revised Schedule of Expenditures of Federal Awards. Staff will ensure that this process is performed in future years and double-checked by a finance staff member who is familiar with the general ledger.

CURRENT YEAR STATUS

Implemented.

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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REQUIRED COMMUNICATION TO THE ADMINISTRATION AND FINANCE COMMITTEE AND BOARD OF DIRECTORS IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)

To the Administration and Finance Committee
and Board of Directors
Central Contra Costa Transit Authority
Concord, California

We have audited the basic financial statements of the Central Contra Costa Transit Authority (the Authority) for the fiscal year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's basic financial statements were:

- Estimated Useful Lives of Capital Assets – Management estimates the lives of capital assets for purposes of calculating annual depreciation expense to be reported in the Authority's Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives range from 9 to 13 years for revenue transit vehicles; 3 to 10 years for shop, office, other equipment, and service vehicles; and 30 years for building and structures.

- Self-Insurance Liability – This represents management's estimate of the liability for public liability claims and workers' compensation claims to be paid for which the Authority is self-insured, and includes management's estimate of the ultimate costs for both reported claims and claims incurred but not reported.

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- Net Pension Liability (Asset) and Post-employment Benefits Other than Pension Benefits (OPEB) Liability – These are based on actuarial evaluations, which involve estimates of the value of reported amounts and probabilities about the occurrence of future events far into the future.

We evaluated the key factors and assumptions used to develop the accounting estimates used in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to basic financial statement users. The most sensitive disclosures affecting the basic financial statements were the disclosures of capital assets and depreciation, employees' retirement pension plan and the net pension liability (asset), risk management self-insurance liability, and the OPEB plan and the net OPEB liability in Notes 5, 7, 8, and 11, respectively, of the basic financial statements.

The basic financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted as a result of our audit procedures.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 25, 2024.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis (MD&A), Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, Schedule of Investment Returns – Pension, Schedule of Contributions – Pension, Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of Investment Returns – OPEB, and Schedule of Contributions – OPEB, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on schedule of expenditures of federal awards, which accompanies the basic financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the statistical section, which accompanies the basic financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Administration and Finance Committee, Board of Directors, and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION
Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

www.ba.cpa
661-324-4971

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Administration and Finance Committee
Central Contra Costa Transit Authority
Concord, California

We have performed the procedures enumerated below on the accounting records solely to assist management of Central Contra Costa Transit Authority (the Authority) in determining appropriate wage increases for the fiscal year ends of June 30, 2025. The Authority is responsible for the Authority's accounting records.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing the State Transit Assistance (STA) and Transportation Development Act (TDA) funds allocated by the Metropolitan Transportation Commission (MTC), to review the cost of diesel fuel purchased by the Authority, and to review the California Public Employees' Retirement System (CalPERS) benefits paid by the Authority for the fiscal year ended June 30, 2024, and compare to the prior fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Obtain the allocated amount of TDA and STA funds according to MTC for the fiscal year ending June 30, 2024 and the final amounts of TDA and STA funds received according to the Authority for the fiscal year ending June 30, 2023. Determine if the MTC allocation for the fiscal year ending June 30, 2024 is reduced compared to funds received by the Authority in the fiscal year ending June 30, 2023.

   Finding: The STA or TDA funds allocation from MTC was not reduced for the fiscal year ending June 30, 2024 compared to funds received by the Authority in the fiscal year ending June 30, 2023. Refer to attached schedule.

2) Obtain the average per gallon price of diesel fuel purchased by the Authority during the 12 months of the fiscal year ending June 30, 2024 and 2023. Determine if the average per gallon price of diesel fuel purchased during the 12 months of the fiscal year ending June 30, 2024 increased by 40% when compared to the average per gallon price of diesel fuel purchased during the 12 months of the fiscal year ending June 30, 2024.

   Finding: The average per gallon price of diesel fuel purchased by the Authority during the 12 months of fiscal year ending June 30, 2024 decreased by 7.95% when compared to average per gallon price of diesel fuel purchased by the Authority during the 12 months of the fiscal year ending June 30, 2023. Refer to attached schedule.

3) Obtain a schedule of dollar amount the Authority paid to PERS for non-healthcare retirement benefits in the fiscal year ending June 30, 2024 and 2023. Determine if dollar amount paid in the fiscal year ending June 30, 2024 increased by $1,000,000 when compared to dollar amount paid in the fiscal year ending June 30, 2023.

   Finding: The dollar amount the Authority paid to PERS for non-healthcare retirement benefits in the fiscal year ending June 30, 2024 increased by $336,463 when compared to the dollar amount paid the in fiscal year ending June 30, 2023. Refer to attached schedule.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority's Administration and Finance Committee and management and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
October 25, 2024

Criteria	Description of Criteria	Revenue	2024	2023	$ Change
(a)	Allocated amount of STA or TDA funds from MTC increased compared to funds received by the Authority in prior year.				
	TDA Funds		$ 24,420,107	$ 11,722,601	$ 12,697,506
	STA Funds		1,012,534	5,301,913	(4,289,379)
	Total STA and TDA Funds		$ 25,432,641	$ 17,024,514	$ 8,408,127
(b)	Average per gallon price of diesel fuel purchased by the Authority did not increase by 40% compared to average per gallon priced purchased in prior year.		$ 3.59	$ 3.90	-7.95%
(c)	Dollar amount paid to PERS for non-healthcare retirement benefits by the Authority did not increase by over $1,000,000 compared to dollar amount paid in prior year.		$ 2,993,017	$ 2,656,554	$ 336,463

Schedule 1: Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Combined Fixed Route and Paratransit Income Statement
FY 2024 Year to Date - Comparison of Actual vs. Budget
For the Twelve Months Ended June 30, 2024

	Actual	Total Budget	Variance	% Budget
Revenues				
Passenger fares	3,094,354	2,331,000	763,354	132.7%
Special fares	925,309	586,014	339,295	157.9%
Total Fare Revenue	**4,019,664**	**2,917,014**	**1,102,650**	**137.8%**
Advertising	343,750	340,000	3,750	101.1%
Other revenue	1,382,787	131,200	1,251,587	1054.0%
Federal operating	5,582,329	5,888,000	(305,671)	94.8%
TDA earned revenue	15,568,190	21,757,021	(6,188,831)	71.6%
STA revenue	7,699,464	7,316,145	383,319	105.2%
Measure J	10,056,041	7,480,709	2,575,332	134.4%
Fees from LAVTA and One Seat partners	2,148,953	1,900,000	248,953	113.1%
Other operating assistance	1,844,950	1,947,800	(102,850)	94.7%
Total Other Revenue	**44,626,464**	**46,760,875**	**(2,134,411)**	**95.4%**
Total Revenue	**48,646,128**	**49,677,889**	**(1,031,761)**	**97.9%**
Expenses				
Wages	16,212,469	16,845,204	(632,735)	96.2%
Fringe Benefits	12,467,030	13,773,608	(1,306,578)	90.5%
Total Wages and benefits	**28,679,499**	**30,618,812**	**(1,939,313)**	**93.7%**
Services	2,936,307	3,482,880	(546,573)	84.3%
Materials & Supplies	3,414,797	3,656,900	(242,103)	93.4%
Utilities	466,091	439,000	27,091	106.2%
Insurance	1,154,391	1,343,231	(188,840)	85.9%
Taxes	379,051	368,015	11,036	103.0%
Leases and Rentals	72,266	68,500	3,766	105.5%
Miscellaneous	247,707	283,000	(35,293)	87.5%
Purchased Transportation	7,730,502	6,997,551	732,951	110.5%
Purchased Transportation - for partners	2,180,363	1,920,000	260,363	113.6%
Operations Expenses	**18,581,474**	**18,559,077**	**22,397**	**100.1%**
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	**47,260,973**	**49,677,889**	**(2,416,916)**	**95.1%**
Net Income (Loss)	**1,385,154**	**-**		

Schedule 2: Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Fixed Route Income Statement
FY 2024 Year to Date - Comparison of Actual vs. Budget
For the Twelve Months Ended June 30, 2024

	Actual	Total Budget	Variance	% Budget
Revenues				
Fare revenue	2,572,287	1,961,000	611,287	131.2%
Special service revenue	925,309	586,014	339,295	157.9%
Total Fare Revenue	**3,497,596**	**2,547,014**	**950,582**	**137.3%**
Advertising revenue	343,750	340,000	3,750	101.1%
Non-Operating rev	1,382,787	131,200	1,251,587	1054.0%
STA Population and Revenue	6,658,319	6,275,000	383,319	106.1%
Measure J	7,156,017	5,708,451	1,447,566	125.4%
TDA 4.0	13,779,680	19,420,757	(5,641,077)	71.0%
Federal Operating Funds	3,743,296	4,088,000	(344,704)	91.6%
Low Carbon Transit Ops Prog	637,572	600,000	37,572	106.3%
BART Express Funds	640,531	640,531	-	100.0%
Other State Grants	139,859	134,731	5,128	103.8%
Dougherty Valley Dev Fees	69,637	200,000	(130,363)	34.8%
Other Local Grants/Contributions	26,519	5,000	21,519	530.4%
RM 2/Other- Express	107,363	117,538	(10,175)	91.3%
Total Other Revenue	**34,685,330**	**37,661,208**	**(2,975,878)**	**92.1%**
Total Revenue	**38,182,926**	**40,208,222**	**(2,025,296)**	**95.0%**
Expenses				
Wages	15,881,332	16,525,369	(644,037)	96.1%
Fringe benefits	12,307,136	13,542,777	(1,235,640)	90.9%
Total Wages and benefits	**28,188,468**	**30,068,145**	**(1,879,677)**	**93.7%**
Services	2,809,664	3,373,880	(564,216)	83.3%
Materials and supplies	3,413,548	3,652,900	(239,352)	93.4%
Utilities	410,233	382,000	28,233	107.4%
Casualty and liability	1,138,413	1,325,231	(186,818)	85.9%
Taxes	379,051	368,015	11,036	103.0%
Leases and rentals	72,266	68,500	3,766	105.5%
Miscellaneous	246,810	263,000	(16,190)	93.8%
Purchased transportation	139,319	206,551	(67,232)	67.5%
Total Other Expenses (non-wages)	**8,609,304**	**9,640,077**	**(1,030,774)**	**89.3%**
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	**36,797,772**	**40,208,223**	**(3,410,451)**	**91.5%**
Net Income (Loss)	**1,385,154**	**-**	**1,385,154**	

Schedule 3: Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Paratransit Income Statement

FY 2024 Year to Date - Comparison of Actual vs. Budget

For the Twelve Months Ended June 30, 2024

	Actual	Total Budget	Variance	% Budget
Revenues				
Fare revenue	490,658	350,000	140,658	140.2%
Fare revenue - LAVTA	31,410	20,000	11,410	157.1%
Total Fare Revenue	**522,068**	**370,000**	**152,068**	**141.1%**
Special service - One Seat Ride	395,091	600,000	(204,909)	65.8%
LAVTA Fees	1,753,862	1,300,000	453,862	134.9%
FTA Section 5307	1,839,033	1,800,000	39,033	102.2%
TDA 4.5	1,099,830	1,161,778	(61,948)	94.7%
TDA 4.0	688,680	1,174,486	(485,806)	58.6%
Measure J	2,900,024	1,772,258	1,127,766	163.6%
STA Paratransit & Rev based	1,041,145	1,041,145	-	100.0%
BART ADA Service/Other	223,469	250,000	(26,531)	89.4%
Total Other Revenue	**9,941,134**	**9,099,667**	**841,467**	**109.2%**
Total Revenue	**10,463,201**	**9,469,667**	**993,535**	**110.5%**
Expenses				
Wages	331,137	319,835	11,302	103.5%
Fringe benefits	159,893	230,831	(70,938)	69.3%
Total Wages and benefits	**491,030**	**550,667**	**(59,636)**	**89.2%**
Services	126,643	109,000	17,643	116.2%
Materials and supplies	1,249	4,000	(2,751)	31.2%
Utilities	55,858	57,000	(1,142)	98.0%
Liability	15,978	18,000	(2,022)	88.8%
Miscellaneous	897	20,000	(19,103)	4.5%
Purchased transportation	7,591,183	6,791,000	800,183	111.8%
Purchased transp - for partners	2,180,363	1,920,000	260,363	113.6%
Total Other Expenses (non-wages)	**9,972,171**	**8,919,000**	**1,053,171**	**111.8%**
Total Expenses	**10,463,201**	**9,469,667**	**993,535**	**110.5%**
Net Income (Loss)	**-**	**-**	**-**	

Schedule 4: Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Breakdown of Operator Wages
For the Twelve Months Ended June 30, 2024

	Amount	% of Total Operator Wages
Platform/report/turn in	7,416,948	84.7%
Guarantees	312,025	3.5%
Overtime	392,888	4.3%
Spread	133,311	1.5%
Protection	369,594	3.8%
Travel	10,887	0.1%
Training	152,289	1.7%
Other Misc	39,634	0.3%
	8,827,576	

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2024 Year to Date - Statistical Comparisons

For the Twelve Months Ended June 30, 2024

	Actual FY 2024 through Q4	Actual FY 2023 through Q4	*Variance FY 2024 to FY 2023*	Actual FY 2022 through Q4	*Variance FY 2024 to FY 2022*
Fixed Route					
Fares	$ 2,572,287	$ 2,440,019	*5.4%*	$ 1,936,353	*32.8%*
Special Fares	925,309	884,030	*4.7%*	499,941	*85.1%*
Total Fares	**$ 3,497,596**	**$ 3,324,049**	**5.2%**	**$ 2,436,294**	***43.6%***
Farebox recovery ratio	***9.5%***	***9.9%***	***-3.8%***	***7.6%***	***25.2%***
Operating Exp (Less leases)	$ 36,725,505	$ 33,589,180	*9.3%*	$ 32,032,269	*14.7%*
Revenue Hours	***186,787***	***189,474***	***-1.4%***	***188,523***	***-0.9%***
Cost per Rev Hour	***$ 196.62***	***$ 177.28***	***10.9%***	***$ 169.91***	***15.7%***
Passengers	***2,633,223***	***2,424,578***	***8.6%***	***1,834,108***	***43.6%***
Cost per Passenger	***$ 13.95***	***$ 13.85***	***0.7%***	***$ 17.46***	***-20.1%***
Passengers per Rev Hr	***14.10***	***12.80***	***10.2%***	***9.73***	***44.9%***
Paratransit					
Fares	$ 490,658	$ 359,247	*36.6%*	$ 107,206	*357.7%*
Farebox recovery ratio	***5.9%***	***5.5%***	***8.4%***	***1.7%***	***254.0%***
Operating Exp (Less Partners)	$ 8,282,839	$ 6,571,936	*26.0%*	$ 6,405,709	*29.3%*
Revenue Hours	***69,689***	***47,690***	***46.1%***	***46,120***	***51.1%***
Cost per Rev Hour	***$ 118.85***	***$ 137.81***	***-13.8%***	***$ 138.89***	***-14.4%***
Passengers	***95,341***	***93,702***	***1.7%***	***62,179***	***53.3%***
Cost per Passenger	***$ 86.88***	***$ 70.14***	***23.9%***	***$ 103.02***	***-15.7%***
Passengers per Rev Hr	***1.37***	***1.96***	***-43.6%***	***1.35***	***1.5%***

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 11/11/2024

From: Kristina Martinez, Director of Human Resources **Reviewed by:** RH

SUBJECT: Employee Referral Pilot Program Extension

Background:

In November 2023, the Board of Directors approved an Employee Referral Pilot Program from January 1, 2024, through December 31, 2024. This pilot was implemented to address staffing shortages primarily in the Transportation and Maintenance departments, including the Transit Operator, Mechanic, Service Worker, and Storekeeper positions. While significant headway has been made in recruiting new employees, staff will continue to evaluate new methods to fill open positions as normal attrition rates occur. Additionally, these efforts will be crucial to prepare for enhanced service levels, as ridership continues to improve.

Pilot Program Analysis:

The Employee Referral Pilot Program was first implemented with the administrative staff, with an option for represented employees to be included in the program upon approval by their respective union representatives. All three represented groups elected to participate in the program with understanding of the pilot timeline and that any extension would be subject to Board approval.

Over the course of the pilot, to date, County Connection has recruited twenty (20) new Transit Operators, one (1) Mechanic, and two (2) Service Workers. Of this, a total of four (4) applicants (or 17% of new hires) were referred by County Connection employees. It is anticipated that an additional one to two positions in the Mechanic ranks will be filled by the end of the year.

While both the Transportation and Maintenance departments have made considerable progress over the last year, the Transit Operator position continues to be the most challenging to fill in response to the constant state of attrition. For perspective, the Authority has had twenty-two (22) separations since January 2024. Tables 1 and 2 below outline the budgeted vs. filled positions in 2023 compared to 2024.

Table 1: Budgeted vs. Filled Positions as of October 2023

Title	Budgeted	Filled	Shortage
Operators	155	141 (+2 trainees)	12-14
Mechanics	18	13	5
Storekeepers	2	1	1

Service Workers	11	8	3

Table 2: Budgeted vs. Filled Positions as of October 2024

Title	Budgeted	Filled	Shortage
Operators	155	138 (+4 trainees)	13-17
Mechanics	18	15	3
Storekeepers	2	2	-
Service Workers	11	10	1

The Human Resources department continues to assess staffing levels with the recognition that the Transit Operator position will be ongoing. This will be vital in protecting current service levels and responding to any new service demands. In support of this ongoing effort, staff is recommending a two-year extension of the Employee Referral Pilot Program to assist in reducing the employee shortfall. Internally, staff are working closely with the Transportation and Maintenance departments as well as the Marketing team to engage with our communities as well as interested candidates for employment. Additionally, County Connection continues works with external agencies such as the California Employment Development Department (EDD), Workforce Development Board of Contra Costa County, and local schools and community groups in recruitment outreach.

Financial Implications:

The original estimated cost for the pilot program was $12,000. It is anticipated that a total of $5,000 will be expended by the end of the pilot program on December 31, 2024, for employee referrals. These costs are covered under the existing Recruitment budget. Assuming an upward trend in the coming years, staff would estimate a cost of up to $10,000 in each subsequent year, or about half of the vacancies, to be filled by a referral. Similarly, these costs would be covered under the existing Recruitment budget.

Recommendation:

The A&F Committee and staff recommend that the Board of Directors approve a two-year extension to the Employee Referral Pilot Program from January 1, 2025, through December 31, 2026.

Action Requested:

The A&F Committee and staff request that the Board of Directors approve a two-year extension to the Employee Referral Pilot Program from January 1, 2025, through December 31, 2026.

County Connection

To: Board of Directors **Date:** 11/14/2024

From: Pranjal Dixit, Manager of Planning **Reviewed by:** AMS

SUBJECT: Swiftly Software License Renewal

Background:

Over the past two years, the Planning and Scheduling staff has focused its efforts on improving service reliability, particularly as the ongoing operator shortage has limited the ability to restore service following the COVID pandemic. In addition, traffic patterns have continued to evolve, and congestion has increased significantly as the economy recovers from the pandemic. In order to respond quickly to these changing conditions, it has been critical for planning staff to closely track on-time performance and run times in order to make timely schedule adjustments.

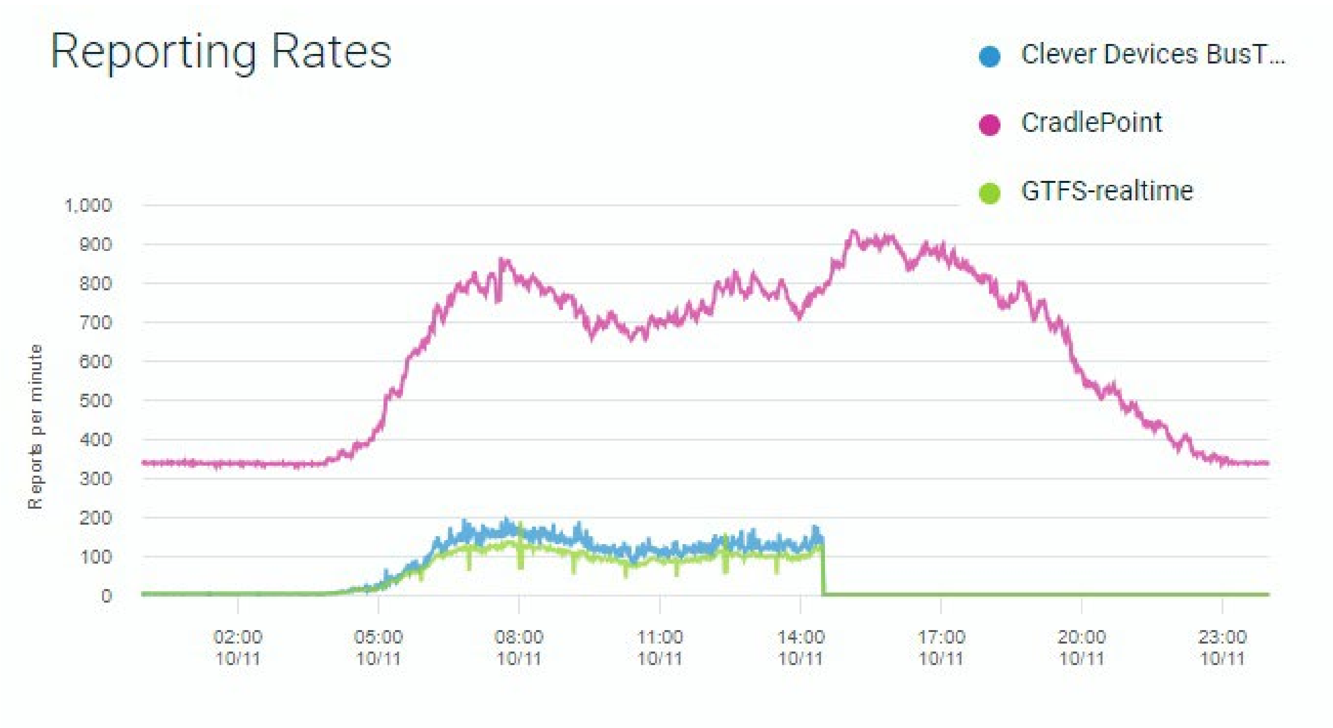
Historically, staff has relied on Computer-Aided Dispatch / Automatic Vehicle Location (CAD/AVL) data from our buses to track performance. However, this data has limitations, including delayed uploads, data loss due to login errors, and service disruptions. Additionally, schedule adherence data was only available at a limited number of timepoints per route which lacked the detail needed to identify specific delay locations.

Swiftly:

Since Winter 2022, staff has been using Swiftly for on-time performance tracking and run time analysis. Swiftly is a cloud-based transit data platform that integrates with existing hardware on the buses to provide data analytics and visualizations.

Swiftly uses a combination of three data sources to track the real-time location of buses and calculate on-time performance and run times at every stop along each route. In addition to the General Transit Feed Specification (GTFS) realtime data feed and the BusTime application programming interface (API) coming from the existing Clever Devices system, the platform also collects vehicle location data from the CradlePoint routers already installed on the buses to help fill in gaps from the other two data sources. If an operator is not logged in correctly, the platform uses the GPS data from the routers to determine which route the vehicle is on. Swiftly's algorithm can also recognize if a bus has gone off-route and resumes tracking when the bus comes back on route, thereby collecting more accurate and complete data.

The chart and table below show a sample of reporting rates on October 11th for each of the three data sources being used by Swiftly. A higher reporting rate indicates a greater frequency of GPS pings transmitted to the system for processing. The data illustrates the high granularity of data provided by the CradlePoint routers compared to the other two sources used by the Clever Devices' reporting system.



Data Source	Average Latency	Average Frequency
BusTime API	63.9 sec	25.3 sec
CradlePoint Routers	1.4 sec	2.9 sec
GTFS-Realtime	66.0 sec	31.8 sec

Data from October 11, 2024

Compared to the other data sources, the CradlePoint router data offers higher frequency and significantly lower latency. This means the data more accurately reflects real-time conditions. It also provides an additional level of redundancy, thereby increasing data reliability. For example, during a recent Clever Devices outage, Swiftly was able to rely on data from CradlePoint routers to continue providing on-time performance information.

Application:
In addition to having more accurate and complete data, Swiftly's On-Time Performance and Run Times modules have provided staff with a powerful set of analytical tools to help improve the reliability of County Connection's services. These tools have reduced the staff time required to analyze and develop schedule changes so staff can respond more quickly to performance issues and/or operator concerns.

Staff is currently using data from Swiftly for several current and upcoming projects. The Transit Signal Priority (TSP) project in partnership with the Contra Costa Transportation Authority (CCTA) and the Cities of Concord and Walnut Creek is using the data in its evaluation to measure the effectiveness of TSP technology in reducing delays and improving bus speed and reliability. In addition, County Connection recently kickstarted the Transit Corridor Study to identify bus priority improvements along four major corridors, and the analysis to determine the locations and causes for delays along those corridors will rely heavily on data from Swiftly to report vehicle speeds. Finally, bus transit priority is one of the key strategies in MTC's Bay Area Transit Transformation Action Plan, and robust data on speed and reliability will be necessary to identify potential projects and pursue future funding opportunities.

Based on the platform's value to date and anticipated future needs, staff proposes a renewal of the two Swiftly modules for eight months. This will align the contract's cycle with another Swiftly contract for additional software modules that began in August 2024.

Financial Implications:
The cost for an eight-month renewal of the On-Time Performance and Run Times modules will not exceed $58,000. Staff plans to use TDA funds to cover the cost of extension, which has been included in the FY 2024 budget.

Recommendation:
The O&S Committee and staff recommend renewing the license for Swiftly for eight months at a cost not to exceed $58,000.

Action Requested:
The O&S Committee and staff requests the Board of Directors adopt Resolution No. 2025-14 authorizing the General Manager to execute the Swiftly contract extension.

Attachments:
Attachment 1: Resolution 2025-14

RESOLUTION NO. 2025-14

BOARD OF DIRECTORS
CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA

* * *

RENEWING A CONTRACT WITH SWIFTLY, INC. FOR ON-TIME PERFORMANCE AND RUN TIMES SOFTWARE MODULES FOR AN EIGHT MONTH TERM FOR AN AMOUNT NOT TO EXCEED $58,000

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (Member Jurisdictions) have formed the Central Contra Costa Transit Authority (CCCTA), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions and certain unincorporated portions of Contra Costa County;

WHEREAS, on-time performance and run time data is critical for staff to make timely adjustments to CCCTA's bus schedules;

WHEREAS, obtaining useful and timely data from CCCTA's Clever Devices Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system installed on the buses has been an ongoing challenge;

WHEREAS, in December 2022, CCCTA entered into a sole source contract for on-time performance tracking and run time analysis with Swiftly, Inc. (Swiftly), a cloud-based transit data platform that integrates with existing hardware on the buses to provide data analytics and visualizations;

WHEREAS, on November 16, 2023 by Resolution 2024-08, the Board of Directors authorized renewal of CCCTA's contract with Swiftly for a one-year term for the On-Time Performance, Run Times, and Speed Maps software modules for an amount not to exceed $130,000;

WHEREAS, on July 18, 2024 by Resolution 2025-01, the Board of Directors authorized a contract with Swiftly for Live Operations/Real-time Passenger Predictions, GPS Playback, and Service Adjustments software modules for a one-year term for an amount not to exceed $181,000;

WHEREAS, Swiftly's modules have provided staff with a powerful set of analytical tools that have reduced staff time required to analyze and develop schedule changes so staff can respond more quickly to performance issues and/or operator concerns; and

WHEREAS, given the value demonstrated by the platform to date and anticipated needs for future projects, staff recommends and the Operations and Scheduling Committee concurs that the Board of Directors renew the contract with Swiftly for an eight month term for the On-Time Performance and Run Times software modules for an amount not to exceed $58,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority renews the contract with Swiftly, Inc. for an eight month term for the On-Time Performance and Run Times software modules for an amount not to exceed $58,000; and

BE IT FURTHER RESOLVED that the General Manager or designee is authorized to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 21st day of November, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Kevin Wilk, Chair, Board of Directors

ATTEST:

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Lathina Hill, Clerk to the Board

County Connection

INTER OFFICE MEMO

To: Board of Directors **Date:** 11/12/2024

From: John Sanderson, Director of ADA & Specialized Services **Reviewed by:** RH

SUBJECT: Permanent One-Seat Ride Program and Memorandum of Understanding

Background:

In November 2020, the Board of Directors approved a six-month One-Seat Ride (OSR) pilot program serving paratransit-eligible passengers across multiple transit agency service areas, governed by a Memorandum of Understanding (MOU) between participating agencies including: Tri-Delta Transit, WestCat, LAVTA, and County Connection. The pilot program simplified regional travel by eliminating the need for transfers when crossing between paratransit service areas, ensuring passengers have a continuous One-Seat ride throughout their journey.

Pilot Extensions:

The pilot program was extended in April 2021, November 2022, and November 2023, while the program matured and partner agencies implemented a variety of innovations and improvements, including: streamlining customer service procedures, expanding fare payment options to include County Connection prepaid fare accounts and Tri Delta, LAVTA, and WestCat paratransit tickets, unified data management and invoicing algorithms, and procedures for reporting OSR program data to the National Transit Database (NTD).

Ongoing Program & Permanent MOU:

After an extended pilot phase, the OSR program has proven itself to be enormously beneficial for riders as well as operationally advantageous and cost-effective for the partnering agencies, when compared to the previous system of coordinated inter-operator transfer trips. Customers benefit from shorter and more comfortable origin to destination rides as well as lower fares, while OSR partner agencies benefit from significantly greater predictability and much lower shared per-trip costs.

All OSR trips are booked and dispatched through County Connection's LINK paratransit call center. OSR trips are performed primarily by County Connection's paratransit subcontractor, with the primary contractor providing "reverse rescue" service in cases where the subcontractor is unable to provide the trip – typically about 12% of monthly OSR trips. OSR passengers are charged the local ADA paratransit fare for the jurisdiction where each one-way trip originates. Following the close of each month, County Connection invoices the other partner agencies for the actual hours and reverse rescue miles operated within each partner's jurisdiction. Going forward, County Connection will report all OSR operations data to the NTD in the same way as ADA paratransit service is reported, and the partners will report program costs through coordinated reports.

In consultation with the partner agencies and Legal, staff has prepared a draft permanent MOU to govern the OSR program going forward. The draft MOU is based largely on the earlier pilot-phase agreements and incorporates significant changes at the request of all parties involved. Notable changes from the pilot MOUs include clarification of party roles and responsibilities, and new provisions for cost sharing and monthly reporting. As before, the operating costs for OSR service will be apportioned between the partners based on the actual time and distance traveled in each agency's service area. However, the new MOU also includes partial support for County Connection's overhead costs. The new MOU also includes a list of specific metrics that will be reported to the partner agencies every month – which is also expected to facilitate more detailed and timely reporting and analysis to the Board.

Financial Implications:

Negligible. The FY 2025 budget for Paratransit services incorporated the expenses associated with the OSR program at approximately $738,000. Staff anticipates that the new MOU's cost sharing provision will offset County Connection's OSR overhead costs by approximately 10%.

Recommendation:

The Operations and Scheduling Committee and Staff recommend that the One-Seat ride program be made permanent through the execution of a permanent MOU.

Action Requested:

The Operations and Scheduling Committee and Staff respectfully request that the Board of Directors approve Resolution No. 2025-15, approving the One-Seat Ride program as a permanent program, and authorizing the General Manager to enter into an MOU with Tri Delta Transit, LAVTA, and WestCat to implement the program.

Attachments:

Resolution No. 2025-15

RESOLUTION NO. 2025-15

BOARD OF DIRECTORS
CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA

* * *

APPROVING ONE-SEAT RIDE PROGRAM AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING IMPLEMENTING THE PROGRAM

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (Member Jurisdictions) have formed the Central Contra Costa Transit Authority (CCCTA), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions and certain unincorporated portions of Contra Costa County;

WHEREAS, on August 20, 2020 by Resolution 2021-006, CCCTA's Board of Directors approved a six-month pilot program to provide a one-seat regional ride for paratransit passengers wishing to travel across multiple transit agency service areas;

WHEREAS, the participating agencies included the Eastern Contra Costa Transit Authority (Tri-Delta Transit), Western Contra Costa Transit Authority (WestCAT), Livermore Amador Valley Transit Authority (LAVTA), and CCCTA;

WHEREAS, the pilot program streamlined regional ride practices by eliminating required transfers for trips that crossed multiple transit service areas, enabling passengers to have a one-seat ride for the entire duration of their trip;

WHEREAS, due to the success of the pilot program and the participating agencies' need to collect and analyze data, the pilot program was extended through November 30, 2024;

WHEREAS, due to the continued success of the pilot program, CCCTA and the other participating agencies wish to implement the One-Seat Regional Ride Program as a permanent program; and

WHEREAS, staff recommends and the Operations and Scheduling Committee concurs that the Board of Directors approve the One-Seat Regional Ride Program as a permanent program and authorize the General Manager or designee to execute the Memorandum of Understanding with the participating agencies implementing the program.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority approves the One-Seat Regional Ride Program as a permanent program, which will begin on December 1, 2024 and continue until terminated by mutual written agreement of the parties; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager or designee to execute a Memorandum of Understanding implementing the program and to take any other actions necessary to implement the program.

Regularly passed and adopted this 21st day of November, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

Kevin Wilk, Chair, Board of Directors

ATTEST:

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Lathina Hill, Clerk to the Board

County Connection

To: Board of Directors **Date:** 11/14/2024

From: Pranjal Dixit, Manager of Planning **Reviewed by**: AMS

SUBJECT: Winter Bid Update

Background:
The COVID-19 pandemic necessitated significant service changes to maintain transit accessibility across the service area in response to fluctuating ridership. As businesses have reopened and more in-office work has resumed, ridership has shown steady growth. This growth has been further supported by system-wide and regional fare promotions like Monument Free, Summer Youth Pass, Pass2Class, and Clipper START.

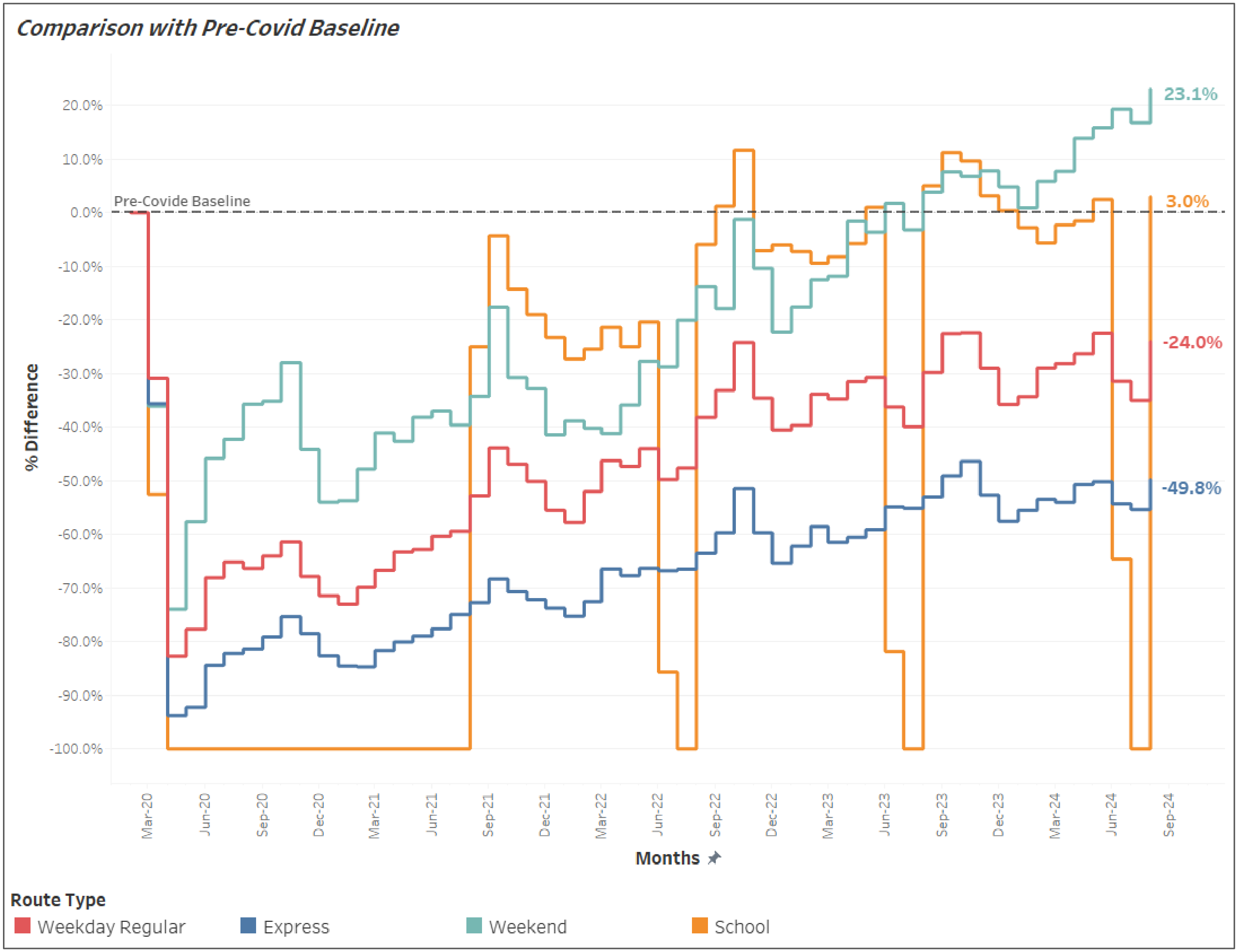
However, despite dedicated recruitment and training efforts, operator shortage and retention remain a significant barrier to expanding service levels. Additionally, increased traffic congestion necessitates frequent schedule adjustments to ensure reliable service delivery.

Ridership Trends:
Ridership has been growing steadily year-over-year as seen in Figure 1. This positive trend is particularly pronounced for weekend and school ridership, as illustrated in Figure 1. Notably, weekend ridership has sustained above pre-pandemic levels for over a year, likely due in part to the expansion of the Monument Free program and shift in travel patterns. School ridership has also shown significant recovery, reaching 103% of pre-pandemic levels as of August 2024. Weekday ridership currently sits at 76% of pre-pandemic levels for local routes and 50% for express routes. Overall ridership was at 81% of pre-pandemic level in August 2024.

On-Time Performance:
The Summer and Fall Bids incorporated several service adjustments to address operator suggestions and improve on-time performance. These changes primarily focused on Routes 5, 6, 10, 20, 91X, 93X, 98X, 321, and 335, with revised schedules and runtimes designed to enhance punctuality and address operator layover concerns.

Since the start of the school year, six of the nine affected routes have demonstrated improved on-time performance. However, Routes 10, 20, and 93X experienced a decline in on-time performance due to increased traffic congestion along Clayton Road and Ygnacio Valley Road.

Figure 1: Comparison with Pre-Covid Ridership



Winter Bid:
The Winter Bid, effective November 10, 2024, introduced several service adjustments. These changes were informed by an analysis of current schedules, ridership levels, passenger feedback, operator recommendations, and resource optimization.

Weekday Adjustments:

- Routes 10 and 20 saw schedule modifications to enhance on-time performance and operator recovery times.
- Routes 17 and 28 are now operating every 50 minutes (previously every 60 minutes), with increased run times and improved operator layovers.

School Adjustments:

- An additional bus was added to Route 605 during the AM peak to alleviate overcrowding.
- Routes 601, 602, and 612 saw schedule adjustments to improve on-time performance.

Weekend Adjustments:

- Route 6 underwent minor modifications to enhance on-time performance.
- Routes 321 and 335 were adjusted to improve on-time performance and operator layovers, including increasing the frequency of Route 335 to every 40 minutes (previously every 60 minutes).

Financial Implications:
None. The service levels for the Fall bid are consistent with the proposed FY 2025 budget.

Recommendation:
None, for information only.

Action Requested:
None, for information only.

Attachments:
None