



BOARD OF DIRECTORS ALAMEDA-CONTRA COSTA TRANSIT DISTRICT AGENDA

Regular Meetings of the Board of Directors and the External Affairs and Finance and Audit Committees

AC Transit General Offices
2nd Floor Board Room
1600 Franklin Street
Oakland, CA 94612

Wednesday, February 26, 2014 at 5:00 p.m.

Closed Session: 2:30 p.m. (Items 9A – 9E)

Committee meetings will commence when the
Board of Directors recesses to a Committee of the Whole

MEMBERS OF THE BOARD OF DIRECTORS

GREG HARPER, PRESIDENT (WARD 2)

JOE WALLACE, VICE PRESIDENT (WARD 1)

ELSA ORTIZ (WARD 3)

MARK WILLIAMS (WARD 4)

JEFF DAVIS (WARD 5)

JOEL YOUNG (AT-LARGE)

H. E. CHRISTIAN PEEPLES (AT-LARGE)

BOARD OFFICERS

DAVID J. ARMIJO, GENERAL MANAGER

DENISE C. STANDRIDGE, INTERIM GENERAL COUNSEL

LINDA A. NEMEROFF, DISTRICT SECRETARY

STANDING COMMITTEES

Planning Committee

Operations Committee

External Affairs Committee

Finance and Audit Committee

* All Standing Committees are held in conjunction with the regular Board of Directors meeting,

MEETING DAYS*

2nd Wednesday

2nd Wednesday

4th Wednesday

4th Wednesday

To access live and archived audio of Board of Directors and Standing Committee meetings as well as agendas, staff reports, and the schedule of future meetings please visit www.actransit.org and click on "Board Meetings". Dial (510) 891-7200 to access agendas by telephone. For questions, contact the District Secretary's Office at (510) 891-7201.

MEETING PROCEDURES

Public Comment: Members of the public wishing to present comments should complete a Speaker's Form and submit it to the District Secretary. For subjects not listed on this agenda, the public will be invited to speak under the "PUBLIC COMMENTS" section of the agenda. For specific agenda item(s), speakers will be invited to address the Board/Standing Committee(s) at the time the item is being considered. All speakers are allowed two (2) minutes to present comments. Individuals wishing to present more detailed information are encouraged to submit comments in writing. Written comments are included in the record for meeting(s), and as such, are available for public inspection and may be posted to the District's website.

Electronic Devices: All electronic devices (cell phones, pagers and similar-sounding devices) shall be placed on mute, vibrate or silent mode during Board and Committee meetings pursuant to District Ordinance No. 12.

Time of Meetings: Times included on this agenda for commencement of Standing Committee meetings are estimates only. Committee meetings will commence when the Board of Directors recesses to a Committee of the Whole.

Order of Agenda Items: The Board or Standing Committee(s) may discuss any item listed on this agenda and in any order.

Agenda Planning: The Agenda Planning portion of the agenda is designed to assist the Board and staff in the preparation of future Board and Committee agendas. Each item requested shall have the concurrence of at least two Directors in order to place a proposed agenda item on a future agenda.

LIVE AUDIO STREAMING OF BOARD AND COMMITTEE MEETINGS

Live audio streaming and an archive of previously recorded meetings is available on the District's website at www.actransit.org. For technological reasons, recordings of meetings held outside of the Board Room cannot be streamed to the web.

AVAILABILITY OF AGENDA RELATED MATERIALS

Written agenda related materials for all open session regular meetings are available to the public 72 hours prior to the meeting or at the time the materials are distributed to a majority of the Board. Written materials presented at a meeting by staff or a member of the Board will be available to the public at that time, or after the meeting if supplied by an outside party. Agenda related materials are available on the District's website or by contacting the District Secretary's Office.

ACCESSIBLE PUBLIC MEETINGS

Meetings of the Board of Directors are accessible to individuals in wheelchairs. The Board Room is equipped with Assistive Listening Devices for individuals with a hearing impairment. Written materials in appropriate alternative formats, disability-related modification/accommodation as well as sign language and foreign language interpreters must be made 72 hours in advance of the meeting or hearing to help ensure availability. Please direct requests for disability related modification or accommodation and/or interpreter services to Linda A. Nemeroff, District Secretary, 1600 Franklin Street, Oakland, California, 94612 or call (510) 891-7201.

AC Transit's General Offices are generally served by bus lines 1, 11, 12, 51A, 72, 72M. The nearest accessible bus service is provided at the intersection of Broadway and 17th Street in Oakland. The nearest accessible BART station is the 19th Street Station in Oakland.

District Ordinance No. 13 prohibits bringing non-service animals to District facilities unless specifically authorized by federal or state law.

To accommodate individuals with severe allergies and environmental illnesses, meeting participants should refrain from wearing scented products to the meeting.

BOARD OF DIRECTORS MEETING – Greg Harper, President Wednesday, February 26, 2014 at 5:00 p.m.		Staff Contact or Presenter
1. ROLL CALL		
2. PRESENTATION Update on state legislative matters.		Steve Wallauch Platinum Advisors
3. PUBLIC COMMENT Any person may directly address the Board at this time on any items of interest to the public that is within the subject matter and jurisdiction of the Board. Speakers wishing to address a specific agenda item will be invited to address the Board at the time the item is being considered. Two (2) minutes are allowed for each item.		
4. CONSENT CALENDAR Items listed under the Consent Calendar are considered to be routine and may be enacted by one motion/one vote. If discussion is desired, an item may be removed from the Consent Calendar and will be considered individually.		
4A. Consider approving Board of Directors and Standing Committee minutes of February 12, 2014.		Linda Nemeroff 891-7284
4B. Consider approving Accessibility Advisory Committee minutes of January 14, 2014 (Report 14-040).		Dennis Butler 891-4798
4C. Consider receiving the Retirement Board minutes of January 10, 2014 (Report 14-041).		Hugo Wildmann 891-4889
4D. Consider receiving the Quarterly Retirement Board Report (Report 14-032).		Hugo Wildmann 891-4889
5. REGULAR CALENDAR		
5A. Consider receiving report on the polling results associated with the placement of a measure to extend the District’s existing parcel tax at current levels with no increase in District One, and authorize the General Manager to draft language for the November 2014 ballot in District One; and receive the results associated with the initiation of a measure in District Two (Report 14-043).		Dennis Butler 891-4798
5B. Consider adoption of Resolution No. 14-010 approving Board Policy 201 – Personnel Policies for Unrepresented Employees and repeal various Board Policies, Administrative Regulations and prior resolutions (Report 14-031b).		Tom Prescott 891-7221 Kurt De Stigter 891-4791
6. BOARD WORKSHOP		
6A. Discussion regarding Title VI policies and program update (Report 13-305a).		Dennis Butler 891-4798

RECESS TO STANDING COMMITTEES (as the Committee of the Whole)

Speakers will be invited to address a Committee at the time an item on the agenda is being considered or under Public Comment for items not on the agenda. Immediately following the Standing Committee Meetings, the Board meeting will reconvene at which time the Board may take action on any of the following Committee agenda items.

ALL COMMITTEES ARE ADVISORY ONLY.

A.	EXTERNAL AFFAIRS COMMITTEE – Elsa Ortiz, Chairperson Held immediately following the Board Meeting recess.	Staff Contact or Presenter(s)
	<p>Public Comment (for items not on the agenda)</p> <p>Briefing/Action Items:</p>	
A-1.	Consider recommending receipt of the Monthly Legislative Report (Report 14-042).	Dennis Butler 891-4798
B.	FINANCE AND AUDIT COMMITTEE – Jeff Davis, Chairperson Held immediately following the External Affairs Committee meeting.	Staff Contact or Presenter(s)
	<p>Public Comment (for items not on the agenda)</p> <p>Consent Items:</p>	
B-1.	Consider recommending receipt of the Monthly Report on the Budget for December, 2013 (Report 14-018).	Lewis Clinton 891-4752
B-2.	Consider recommending receipt of the FY 2013-14 Second Quarter Employee and Non-Employee Out-of-State Travel Report (Report 14-045).	Lewis Clinton 891-4752
B-3.	Consider recommending receipt of the FY 2013-14 Second Quarter Board/Officer Travel and Meeting Expense Report for Directors and Board Officers (Report 14-044).	Linda Nemeroff 891-7284
B-4.	Consider recommending receipt of the Monthly Report on Investments for December, 2013 (Report 14-046).	Lewis Clinton 891-4752
B-5.	Consider recommending receipt of the FY 2013-14 Second Quarter Surplus and Obsolete Materials Report (Report 14-047).	Tom Prescott 891-7221
B-6.	Consider review of Board Policy 336 - Investment Policy, with no recommended revisions (Report 14-021).	Lewis Clinton 891-4752

Briefing/Action Items:		
B-7.	Consider recommending receipt of the FY 2013-14 Mid-year Budget Review and recommend adoption of Resolution No. 14-012 amending the FY 2013-14 Annual Operating and Capital Budget (Report 14-048).	Lewis Clinton 891-4752
B-8.	Consider recommending that the General Manager, or his designee, be authorized to execute a Regional Fare Coordination Agreement with the San Francisco Bay Area Rapid Transit District (BART) (Report 14-066).	Tom Prescott 891-7221 Lewis Clinton 891-4752
B-9.	Consider recommending receipt of the Quarterly Report on the Status of all Contracts and Purchase Orders over \$100,000 (Report 14-050).	Tom Prescott 891-7221
B-10.	Consider recommending that the General Manager, or his designee, be authorized to apply for a Federal Transit Administration (FTA) Low or No Emission Vehicle Deployment Program (LoNo) grant (Report 14-068).	Tom Prescott 891-7221
B-11.	Consider recommending that the General Manager be authorized to negotiate and execute a piggyback arrangement through the County of Riverside for a five-year Enterprise License Agreement with Microsoft (Report 14-065).	Tom Prescott 891-7221

RECONVENE BOARD OF DIRECTORS MEETING – Greg Harper, President		Staff Contact or Presenter(s)
7.	REPORTS OF STANDING COMMITTEES The District Secretary will report on the recommendations made by the Committees, including those items referred to the Consent Calendar Addenda. If discussion or comment is desired, any person may request that an item be considered individually.	Linda Nemeroff 891-7284
A.	EXTERNAL AFFAIRS COMMITTEE:	
A-1.	Consider receiving the Monthly Legislative Report (Report 14-042).	Dennis Butler 891-4798
B.	FINANCE AND AUDIT COMMITTEE	
B-1.	Consider receiving the Monthly Report on the Budget for December, 2013 (Report 14-018).	Lewis Clinton 891-4752
B-2.	Consider receiving the FY 2013-14 Second Quarter Employee and Non-Employee Out-of-State Travel Report (Report 14-045).	Lewis Clinton 891-4752
B-3.	Consider receiving the FY 2013-14 Second Quarter Board/Officer Travel and Meeting Expense Report for Directors and Board Officers (Report 14-044).	Linda Nemeroff 891-7284
B-4.	Consider receiving the Monthly Report on Investments for December, 2013 (Report 14-046).	Lewis Clinton 891-4752
B-5.	Consider receiving the FY 2013-14 Second Quarter Surplus and Obsolete Materials Report (Report 14-047).	Tom Prescott 891-7221

- | | | |
|-------|--|---|
| B-6. | Consider review of Board Policy 336 - Investment Policy, with no revisions (Report 14-021). | Lewis Clinton
891-4752 |
| B-7. | Consider receiving the FY 2013-14 Mid-year Budget Review and adoption of Resolution No. 14-012 amending the FY 2013-14 Annual Operating and Capital Budget (Report 14-048). | Lewis Clinton
891-4752 |
| B-8. | Consider authorizing the General Manager, or his designee, to execute a Regional Fare Coordination Agreement with the San Francisco Bay Area Rapid Transit District (BART) (Report 14-066). | Tom Prescott
891-7221
Lewis Clinton
891-4752 |
| B-9. | Consider receiving the Quarterly Report on the Status of all Contracts and Purchase Orders over \$100,000 (Report 14-050). | Tom Prescott
891-7221 |
| B-10. | Consider authorizing the General Manager, or his designee, to apply for a Federal Transit Administration (FTA) Low or No Emission Vehicle Deployment Program (LoNo) grant (Report 14-068). | Tom Prescott
891-7221 |
| B-11. | Consider authorizing the General Manager to negotiate and execute a piggyback arrangement through the County of Riverside for a five-year Enterprise License Agreement with Microsoft (Report 14-065). | Tom Prescott
891-7221 |

8. CONSENT CALENDAR ADDENDA

The Board is requested to authorize as recommended from the committee meetings above.

9. CLOSED SESSION/REPORT OUT

The items for consideration are listed below and will be reported on by the General Counsel as necessary at the end of the meeting.

Denise Standridge
891-7178

9A. Conference with Legal Counsel – Existing Litigation

(Government Code Section 54956.9 (a))

Ratliff v. AC Transit, ACSC, Case No. RG10551044 consolidated with Case No. RG10540712, Claim No. 10-1341 [Report out only]

Quarterly Litigation Report

- *Jones v. AC Transit*, ACSC No. RG12-620431;
- *Edwin v. AC Transit*, ACSC No. RG12-637734;
- *Newton v. AC Transit*, ACSC No. RG13-667254;
- *Newton v. AC Transit*, ACSC No. RG13-667258;
- *Crawford, et al. v. AC Transit*, ACSC No. RG13-699315;
- *Russell v. AC Transit*, ACSC No. RG13-699055;
- *Edwards v. AC Transit*, ACSC No. RG13-692596;
- *Forest Ambulatory Surgical Associates, L.P., et al. v. United Healthcare Insurance UnitedHealth Group, Inc., et al.*, U.S. Dist. Ct. (No.Cal.Dist.), No. C10-04911 EJD;
- *Freeman v. AC Transit*, ACSC No. RG13-683635;
- *Burke v. AC Transit, et al.*, ACSC No. RG13-692103;
- *Gonzalez v. AC Transit*, ACSC No. RG12-638271; and
- *Claim of Duarte (Miranda)*, Claim No. 13-1039.

(Government Code Section 54956.9(b)(3)(C))

Claim of Cedric Harrison, Claim No. 2012-0794-03-A4 [Report out only]

9B. Conference with Legal Counsel – Potential Litigation

(Government Code Section 54956.9(b)) (Two Cases)

9C. Conference with Labor Negotiators

(Government Code Section 54957.6):

Agency Designated Representative: David J. Armijo, General Manager

Employee Organizations: ATU Local 192, AFSCME Local 3916, IBEW Local 1245,
Unrepresented Employees

9D. Conference with Labor Negotiators

(Government Code Section 54957.6):

Agency Designated Representative: President Greg Harper

Title: Interim General Counsel

9E. Public Employee Performance Evaluation

(Government Code Section 54957)

Title: General Manager, Interim General Counsel, District Secretary

10. AGENDA PLANNING

11. GENERAL MANAGER'S REPORT

David Armijo

12. BOARD/STAFF COMMENTS

(Government Code Section 54954.2)

13. ADJOURNMENT

Next Meeting: March 12, 2014 at 5:00 p.m.

This page intentionally blank

BOARD OF DIRECTORS CONSENT CALENDAR

February 26, 2014

Agenda Item 4A – 4D

This page intentionally blank



**BOARD OF DIRECTORS
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
MINUTES**

**Regular Meetings of the Board of Directors and the
Planning and Operations Committees**

AC Transit General Offices
2nd Floor Board Room
1600 Franklin Street
Oakland, CA 94612

Wednesday, February 12, 2014 at 5:00 p.m.

Closed Session: 3:30 p.m. (Items 9A-9G)

**Committee meetings will commence when the
Board of Directors recesses to a Committee of the Whole**

MEMBERS OF THE BOARD OF DIRECTORS

GREG HARPER, PRESIDENT (WARD 2)
JOE WALLACE, VICE PRESIDENT (WARD 1)
ELSA ORTIZ (WARD 3)
MARK WILLIAMS (WARD 4)
JEFF DAVIS (WARD 5)
JOEL YOUNG (AT-LARGE)
H. E. CHRISTIAN PEEPLES (AT-LARGE)

Teleconference:

JOEL YOUNG, (AT-LARGE)
730 E. 3rd Street
Long Beach, CA 90802

BOARD OFFICERS

DAVID J. ARMIJO, GENERAL MANAGER
LINDA A. NEMEROFF, DISTRICT SECRETARY

The Alameda-Contra Costa Transit District Board of Directors held a regular meeting on Wednesday, February 12, 2014.

Prior to the start of the meeting, Denise Standridge of the General Counsel's Office confirmed that all requirements of the Ralph M. Brown Act (Govt. Code Sections 54950, et seq.) and the provisions of Board Policy 100, Section 4.8 regarding teleconferenced meetings were met in order for Director Young to participate in the meeting and advised that all votes must be taken by roll call vote. *[An affidavit verifying that the teleconference location was accessible to persons with disabilities and that the agenda was posted at the teleconference location at least 72 hours prior to the start of the first meeting is attached as Exhibit A.]*

The meeting was called to order at 3:30 p.m. for the purpose of Closed Session. All Board members were present, with the exception of Director Williams who arrived at 3:50 p.m. The District Secretary announced that the Board would convene in Closed Session to discuss Items 9A-G as listed on the agenda. Closed Session concluded at 4:50 p.m.

At 5:07 p.m., President Harper called the Board of Directors meeting to order.

1. ROLL CALL

Present: Ortiz, Davis, Peeples, Young, Wallace, Harper

Absent: Williams (Excused Absence)

2. PRESENTATION

- 2A. Consider the adoption of Resolution No. 14-009 honoring the legacy and lifetime achievements of former AC Transit Director Roy Nakadegawa.

ADOPTED

MOTION: PEEPLES/WALLACE to adopt Resolution No. 14-009 honoring the legacy and lifetime achievements of former AC Transit Director Roy Nakadegawa. The motion carried by the following vote:

AYES:6: Peeples, Wallace, Ortiz, Davis, Young, Harper

ABSENT:1: Williams

President Harper read the resolution aloud and presented it to Mrs. Judy Nakadegawa with numerous members of the Nakadegawa family in attendance.

3. PUBLIC COMMENT

- Jane Kramer commented on her recent Public Records Act Request, noting that the response was timely and that she would have a more formal response or critique at the next meeting.
- Ronald Williams, Business Agent for ATU Local 192, commented on the District's Apprenticeship Program, noting that newly hired mechanics didn't have the necessary training that other employees acquired under the Apprenticeship Program, but were hired at a higher level.

4. CONSENT CALENDAR

MOTION: PEEPLES/WALLACE to approve the Consent Calendar as presented. The motion carried by the following vote:

AYES:6: Peeples, Wallace, Ortiz, Davis, Young, Harper
ABSENT:1: Williams

**APPROVED OR
RECEIVED AS
INDICATED**

- 4A. **Consider approving Board of Directors and Standing Committee minutes of January 8, 2014.**
- 4B. **Consider approving Board of Directors minutes of January 22, 2014 (special meeting).**
- 4C. **Consider approving Board of Directors and Standing Committee minutes of January 22, 2014.**
- 4D. **Consider approving Joint Board of Directors/Retirement Board minutes of September 18, 2013.**
- 4E. **Consider receiving Accessibility Advisory Committee minutes of December 10, 2013 (Report 14-012).**

[A copy of Resolution No. 10-047, regarding the Accessibility Advisory Committee was provided at the meeting for the Board's information.]

Director Ortiz recognized members of the Accessibility Advisory Committee for their service and for making the Board aware of accessibility issues. She pointed out that some of the goals (priorities) outlined in the minutes seemed beyond the scope of the resolution that created the advisory committee, noting that the committee's role was to review, comment and advise the Board and District staff on accessibility-related issues.

Accessible Services Manager Mallory Nestor-Brush reported that the priorities outlined in the minutes were similar to those the committee has had for over a decade. She added that what was outlined in the minutes was part of a brainstorming session and discussion of a broad spectrum of activities the committee could undertake, noting that all of

the committee's actions were in support of the District's goals and objectives.

Director Ortiz commented that while she understood that any lobbying activities undertaken by the committee would be under the auspices of AC Transit, she expressed concern that, as described in the minutes, it appeared that such activity was beyond the scope of an advisory committee. Ms. Nestor Brush offered that several members of the committee participate in various groups and there was a need to have consistent messaging at other public meetings.

Director Peoples commented that he attended the AAC meeting the previous day and discussed the issue. He said that the committee wanted to be educated on the District's priorities so they could articulate them properly at other meetings, noting that the District used to take riders and passengers up to Sacramento to lobby the District's legislative positions. He also said that the AAC would like to have a yearly meeting to communicate directly with the Board, adding that the committee felt there was a lack of respect for their opinion.

Public Comment:

Hale Zukas, AAC member, commented that the committee had reviewed the District's state and federal advocacy positions and, in years prior, had taken a bus along with staff to the Lobby Day event in Sacramento. He added that if the AAC were to take a bus to Sacramento, he hoped the Board would know that the AAC would only lobby for District positions.

5. BOARD WORKSHOP

5A. Discussion regarding the Short-Range Transit Plan (SRTP) (Report 14-033).

**INFORMATION
ONLY**

[A copy of the PowerPoint Presentation given at the meeting is incorporated into the file by reference.]

Senior Transportation Planner Nathan Landau presented the staff report.

Discussion ensued regarding:

- The need to review the Guiding Principles, which are foundational to the SRTP and to providing service, along with Board Policy 550;
- The possibility of adding a "vision" chapter in the SRTP that would allow staff and the Board to exercise some creativity if additional funding were available;
- The importance of having a SRTP that reflects the District's need for adequate funding to provide sustainable service to

- riders, funding for capital projects, and stability for employees;
- The importance of articulating a vision that explains how the District is going to provide better mobility to the riders with integration of the District's service with other transit properties via a joint fare product; and
- The need to have a SRTP that staff can use to develop actual plans.

General Manager David Armijo commented on the importance of the SRTP, noting that the general ideas that the Board has discussed over the past two years should be reflected in the document.

No action was taken. The item was presented for information only.

6. REGULAR CALENDAR

- 6A. Consider the adoption of Resolution No. 14-005 authorizing the General Manager to increase the base salary for unrepresented employees by 5% effective February 16, 2014, and for those unrepresented employees employed by the District prior to July 1, 2011, the increase in the base salary shall be retroactive to July 1, 2013 (Report 14-059).

ADOPTED

Chief Human Resources Officer Kurt De Stigter presented the staff report.

Director Ortiz commented that she preferred to have merit-based salary increases rather than increases which were based on what other bargaining units had received.

Director Peoples supported the item, but said that he would like to consider merit increases based on a range which would allow some flexibility for those employees that are doing a better job.

MOTION: PEEPLES/WALLACE to adopt Resolution No. 14-005 authorizing the General Manager to increase the base salary for unrepresented employees by 5% effective February 16, 2014, and for those unrepresented employees employed by the District prior to July 1, 2011, the increase in the base salary shall be retroactive to July 1, 2013. The motion carried by the following vote:

AYES:6: Peoples, Wallace, Ortiz, Davis, Young, Harper
 ABSENT:1: Williams

RECESS TO STANDING COMMITTEES (as the Committee of the Whole)
The Board meeting recessed to the Standing Committees at 6:08 p.m.

ALL COMMITTEES ARE ADVISORY ONLY.

A.	PLANNING COMMITTEE – Mark Williams, Chairperson The Planning Committee convened at 6:08 p.m. with President Harper presiding. All Committee members were present with the exception of Director Williams who was absent (excused).	ACTION SUMMARY
	<p>Public Comment (for items not on the agenda) Yvonne Williams commented on the placement of apprentice journeyman Grant Pinkston on the Alameda Central Labor Council Workforce Investment Board with the goal of expanding the AC Transit Journeyman Apprenticeship Program. She added that the building trades, IBEW, and AC Transit all have programs, but AC Transit's program was the only one not open to the public and she hoped to change this.</p> <p>Consent Items: MOTION: ORTIZ/WALLACE to forward the item on the Consent Calendar to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).</p>	
A-1.	<p>Consider recommending receipt of the Quarterly Report on the Transbay Transit Center Project (Report 14-036).</p> <p>Briefing Items:</p>	<p>RECOMMEND RECEIPT</p>
A-2.	<p>Consider recommending receipt of Quarterly Report on the East Bay Bus Rapid Transit Project (Report 14-035).</p> <p>BRT Program Director David Wilkins presented the staff report.</p> <p>MOTION: ORTIZ/PEEPLES to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).</p>	<p>RECOMMEND RECEIPT</p>
A-3.	<p>Consider recommending receipt of the Quarterly Report on the District's Involvement in External Planning Processes (Report 14-034).</p> <p>Senior Transportation Planner Nathan Landau presented the staff report.</p> <p>MOTION: PEEPLES/ORTIZ to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).</p>	<p>RECOMMEND RECEIPT</p>
A-4.	<p>Consider recommending adoption of <u>Resolution No. 14-011</u> authorizing the filing of a Notice of Exemption for the Alameda-Contra Costa Transit District Line 51 Corridor Delay Reduction and Sustainability Project (Report 14-064).</p>	<p>RECOMMEND ADOPTION</p>

[A revised resolution and Notice of Exemption were presented at the meeting for the Board's consideration.]

Staff attorney Peter Sturges presented the staff report, noting that a revised resolution was presented for consideration to address an issue at the corner of Bancroft and College Avenue in Berkeley whereby the District had agreed with the property owner to remove a bus bulb and signal. Mr. Sturges further outlined the specific changes to the resolution and Notice of Exemption, noting that the property owner was in agreement with the changes.

Public Comment:

Sean Marciniak of Miller Starr Regalia representing his client, AMI LLC, announced that he was available to address questions from the Board.

MOTION: ORTIZ/PEEPLS to forward to the Consent Calendar Addenda recommending adoption; Director Williams, Absent (6-0-0-1).

The Planning Committee adjourned at 6:23 p.m.

	OPERATIONS COMMITTEE – Joe Wallace, Chairperson The Operations Committee convened at 6:23 p.m. All Committee members were present with the exception of Director Williams who was absent (excused).	ACTION SUMMARY
	<p>Public Comment (for items not on the agenda) There was no public comment offered.</p> <p>Consent Items: MOTION: PEEPLES/ORTIZ to forward the items on the Consent Calendar to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).</p>	RECOMMEND RECEIPT
B-1.	Consider recommending receipt of the Semi-Annual Report on the Customer Service Call Center (Report 14-003).	
B-2.	<p>Consider recommending receipt of the Quarterly Operations Performance Report for Fixed Route Services (Report 14-037).</p> <p>Director Davis requested that figures be provided on the total number of trips and actual missed trips in the next report as well as on-time performance figures for more of the routes.</p>	
B-3.	<p>Briefing/Action Items:</p> <p>Consider recommending receipt of the Quarterly Report on Clipper Outreach Activities and Usage (Report 14-004).</p>	RECOMMEND RECEIPT

Customer Services Manager Victoria Einhaus presented the staff report.

Chairman Wallace commented on the amount of time it takes to replace a lost or stolen Clipper card, noting that a student who loses the card cannot get to school because of the length of time required to process a replacement card.

Director Peeples requested information in the next report on the number of Clipper tags for UC Berkeley and the cost to the District, noting that the value of the data may not be worth what it would cost on a per tag basis.

Director Peeples asked why with Transbay ridership increasing was there a decrease in the usage of the Transbay pass. Ms. Einhaus advised that a contributing factor may have been the reliability of service as a result of contract negotiations resulting in fewer passes being purchased.

Director Peeples pointed out the transfers from VTA, SamTrans, Golden Gate, etc. referenced in the report and asked when the Board had approved these agreements. Director of Planning and Marketing, Robert del Rosario advised that there were some old agreements that were still in place. Members of the Committee agreed that the old transfer agreements should be reviewed to determine applicability.

Director Davis suggested that the District have goals with respect to the penetration rate. He also requested that the Metropolitan Transportation Commission (MTC) provide a report on the next generation of Clipper. Ms. Einhaus advised that the Metropolitan Transportation Commission was in the process of scheduling outreach and planning meetings with each of the transit operators. General Manager David Armijo advised that all of the transit operators share the same concerns about Clipper and expressed his willingness to share as much information as possible about activities concerning Clipper.

President Harper indicated that as part of the process, he would like to know what staff wants to get out of Clipper.

Chairman Wallace requested that he be provided with documents from all of the meetings with MTC regarding Clipper.

MOTION: ORTIZ/PEEPLES to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).

- B-4. **Consider recommending receipt of report on the AC Transit Facilities Assessment Study and associated recommendations for the Division 3 Richmond Operating Facility [Requested by Director Wallace – 12/12/12, 8/28/13] (Report 14-008).**

**RECOMMEND
RECEIPT**

Chief Operating Officer James Pachan presented the staff report.

Director Peoples' main concern was the need to reopen Division 3 prior to expanding service and the certainty that the money would be available to do it given the non-existence of redevelopment money.

General Manager David Armijo commented that the closure of Division 3 served its purpose to cut costs, and given the modest increases in revenue, staff feels some modest service increases can be implemented. With that said, Mr. Armijo advised that it would take at least 18 months to reopen Division 3 and the rehabilitation of the facility would cost between \$5-8 million.

President Harper articulated his understanding that it would cost \$8 million dollars to reopen the division only to operate it at a \$3 million loss annually. Mr. Pachan concurred, but said that the \$3 million figure was based on a 24/7 operation with three shifts. He added that staff is looking at operating one or two shifts Monday through Friday which would cost approximately \$1.5 million until service is expanded. President Harper also said that the reopening of Division 3 should be a part of the Short Range Transit Plan.

General Manager David Armijo added that, initially, staff was looking to evaluate all of the facilities; however, due to cost, it was limited to Division 3. He added that Divisions 4 and 6 require similar upgrades.

Public Comment:

Yvonne Williams, ATU Local 192, thanked Vice President Wallace for consistently advocating for the riders and his constituents in Contra Costa County. She also expressed appreciation to the Board and General Manager for taking the time to have the assessment done, noting that ATU strongly supported the reopening of Division 3.

MOTION: ORTIZ/PEEPLES to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).

- B-5. **Consider recommending receipt of the 2013 Annual Ridership Report (Report 14-038).**

**RECOMMEND
RECEIPT**

Planning Data Administrator Howard Der presented the staff report.

MOTION: ORTIZ/PEEPLES to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).

- B-6. Consider recommending receipt of report on the status of the Division 4 (Seminary) Hydrogen Fueling Station Project (Report 14-039).

**RECOMMEND
RECEIPT**

Senior Project Manager Joe Callaway presented the staff report.

MOTION: ORTIZ/PEEPLES to forward to the Consent Calendar Addenda recommending receipt; Director Williams, Absent (6-0-0-1).

The Operations Committee adjourned at 7:20 p.m.

	RECONVENE BOARD OF DIRECTORS MEETING – Greg Harper, President The Board of Directors meeting reconvened at 7:20 p.m.	ACTION SUMMARY
7.	REPORTS OF STANDING COMMITTEES District Secretary Linda Nemeroff reported that all of the items from the Planning and Operations Committee meetings had been referred to the Consent Calendar Addenda recommending receipt, approval or adoption as presented. Item A-4 from the Planning Committee was forwarded recommending adoption of revised Resolution No. 14-011.	REPORT GIVEN
8.	CONSENT CALENDAR ADDENDA MOTION: PEEPLES/WALLACE to receive, approve or adopt the items referred to the Consent Calendar Addenda as indicated on the agenda. The motion carried by the following vote: AYES:6: Peeples, Wallace, Ortiz, Davis, Young, Harper ABSENT:1: Williams The items brought before the Board were as follows: A. PLANNING COMMITTEE: A-1. Consider receiving the Quarterly Report on the Transbay Transit Center Project (Report 14-036). A-2. Consider receiving the Quarterly Report on the East Bay Bus Rapid Transit Project (Report 14-035). A-3. Consider receiving the Quarterly Report on the District’s Involvement in External Planning Processes (Report 14-034). A-4. Consider adoption of revised Resolution No. 14-011 authorizing the filing of a Notice of Exemption for the Alameda-Contra Costa Transit District Line 51 Corridor Delay Reduction and Sustainability Project (Report 14-064).	RECEIVED, APPROVED OR ADOPTED AS INDICATED

B. OPERATIONS COMMITTEE

- B-1. Consider receiving the Semi-Annual Report on the Customer Service Call Center (Report 14-003).
- B-2. Consider receiving the Quarterly Operations Performance Report for Fixed Route Services (Report 14-037).
- B-3. Consider receiving the Quarterly Report on Clipper Outreach Activities and Usage (Report 14-004).
- B-4. Consider receiving report on the AC Transit Facilities Assessment Study and associated recommendations for the Division 3 Richmond Operating Facility [Requested by Director Wallace – 12/12/12, 8/28/13] (Report 14-008).
- B-5. Consider receiving the 2013 Annual Ridership Report (Report 14-038).
- B-6. Consider receiving report on the status of the Division 4 (Seminary) Hydrogen Fueling Station Project (Report 14-039).

9. CLOSED SESSION/REPORT OUT

NO REPORT

President Harper reported on the following actions taken during closed session:

MOTION: ORTIZ/WALLACE to ratify a severance agreement with David Wolf. The motion carried by the following vote:

AYES:7: Ortiz, Wallace, Williams, Davis, Young, Peeples, Harper

President Harper also commented that the agreement between the Board and Mr. Wolf was consensual and that the Board wished Mr. Wolf well in his future endeavors. The agreement is on file and available through the District Secretary.

MOTION: PEEPLES/ORTIZ to select Denise Standridge as Interim General Counsel effective immediately. The motion carried by the following vote:

AYES:7: Peeples, Ortiz, Williams, Davis, Young, Wallace, Harper

Interim General Counsel Denise Standridge reported on the following:

MOTION: WALLACE/PEEPLES approve settlement in the amount of \$72,500 in the matter of *Williams v. AC Transit, ACSC*, Case No. RG12641047. The motion carried by the following vote:

AYES:6: Wallace, Peeples, Ortiz, Davis, Young, Harper

ABSENT: Williams

There was nothing to report out of closed session.

9A. Conference with Legal Counsel – Existing Litigation

(Government Code Section 54956.9 (a))

- *Ratliff v. AC Transit*, ACSC, Case No. RG10551044 consolidated with Case No. RG10540712, Claim No. 10-1341
- *Williams v. AC Transit*, ACSC, Case No. RG12641047, Claim No. 12-0378
- *Wilbert v. AC Transit*, ACSC Case No. RG10551129, consolidated with *Verdugo v. AC Transit*, consolidated number RG10540712; Claim No. 10-1341
- *Francisco, et. al. v. AC Transit, et al.*, ACSC Case No. RG12617444, Claim No. 11-2676

9B. Conference with Legal Counsel – Potential Litigation

(Government Code Section 54956.9(b)) (Two Cases)

9C. Conference with Legal Counsel – Initiation of Litigation

(Government Code Section 54956.9(c)) (One Case)

9D. Conference with Labor Negotiators

(Government Code Section 54957.6):

Agency Designated Representative: David J. Armijo, General Manager

Employee Organizations: ATU Local 192, AFSCME Local 3916, IBEW Local 1245, Unrepresented Employees

9E. Conference with Labor Negotiators

(Government Code Section 54957.6):

Agency Designated Representative: President Greg Harper

Title: General Counsel, Interim General Counsel

9F. Public Employee Appointment

(Government Code Section 54957):

Title: Interim General Counsel

9G. Public Employee Performance Evaluation

(Government Code Section 54957)

Title: General Manager, General Counsel, District Secretary

10. AGENDA PLANNING

There were no new items added to Agenda Planning.

Director Peeples requested the scheduling of a joint meeting of the Board of Directors and the Accessibility Advisory Committee. (Director Ortiz concurred)

President Harper requested that staff advise the Board on what would be required to resolve any outstanding issues concerning the Retirement Plan, noting that the Retirement Department needed clarity in order to inform new employees about their benefits.

11. GENERAL MANAGER'S REPORT

General Manager David Armijo reported on the following:

- Division meetings with transportation and maintenance staff to listen to issues and to discuss additional training programs;
- Ridership growth and associated challenges;

**INFORMATION
ONLY**

- S&P review regarding the District's credit rating;
- Re-opening of the Hydrogen Fueling Station at Division 2;
- Upcoming bus procurements; and
- Report on recent trip to New Orleans and upcoming safety trainings.

The item was presented for information only.

12. BOARD/STAFF COMMENTS

Members of the Board commented on meetings and events attended since the last meeting.

13. ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:40 p.m. The next meeting of the Board of Directors is scheduled for Wednesday, February 26, 2014.

Respectfully submitted,



Linda A. Nemeroff
District Secretary

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: David J. Armijo, General Manager
SUBJECT: Accessibility Advisory Committee (AAC) Minutes of January 14, 2014

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the Accessibility Advisory Committee (AAC) minutes of January 14, 2014.

EXECUTIVE SUMMARY:

The Minutes for January 14, 2014 were approved by the Accessibility Advisory Committee on February 11, 2014. Major topics included: Report on 2014 Federal and State Advocacy Program and Outreach Sub-Committee Report. Regular reports included: Review of Lift/Ramp Road Call Report, Review of MCI Fleet Lift Report and Wheelchair Lift Cycling Report – MCI (6000 series).

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

The Accessibility Advisory Committee was established by the Board of Directors in 1991 to review, comment and advise the Board of Directors and District staff regarding the implementation and enhancement of planning programs and services for seniors and people with disabilities. The AAC consists of 14 members with two members being appointed by each of the seven elected members of the District's Board of Directors. Committee members serve a one year term.

ADVANTAGES/DISADVANTAGES:

This report is being provided to inform the Board of the activities of the Accessibility Advisory Committee (AAC).

ALTERNATIVES ANALYSIS:

This report does not recommend an action.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

GM Memo No. 12-073, dated March 28, 2012, Accessibility Advisory Committee Bylaws

GM Memo No. 10-221, dated October 13, 2010, Adopted Resolution No. 10-047 Repealing all Prior Resolutions Concerning the Establishment of the Accessibility Advisory Committee (AAC) and Board Policy No. 504.

ATTACHMENTS:

1: AAC Minutes for January 14, 2014

Department Head Approval: Dennis W. Butler, Chief Planning and Development Officer

Reviewed by: Robert del Rosario, Director of Service Development
Mallory Nestor-Brush, Accessible Services Manager
Kim Ridgeway, Accessible Services Specialist

Prepared by: Tammy Kylo, Administrative Coordinator

AAC Minutes

January 14, 2014

**MINUTES
ATTACHMENT 1
REGULAR MEETING OF THE AC TRANSIT
ACCESSIBILITY ADVISORY COMMITTEE (AAC)
JANUARY 14, 2014**

The meeting came to order at 1:05 p.m.

1. Roll Call and Introduction of Guests

AAC members present:

Janet Abelson	Scott Blanks, Vice Chair
Shirley Cressey	Pam Fadem, Chair
Steve Fort	Yuli Jacobson
James Robson	Hector Varela
Marina Villena	Hale Zukas

AAC members absent:

Jim Gonsalves (excused)	Don Queen (excused)
Deborah Taylor (excused)	Will Scott (excused)

Staff: Mallory Nestor-Brush, Accessible Services Manager
Tammy Kylo, Administrative Coordinator
Kim Ridgeway, Accessible Services Specialist
Beverly Greene, Director of Legislative Affairs & Community Relations

Guests: Patrick J. Forte, Commission on Aging, City of Oakland
Chris Mullin
Danielle Roundtree
Sylvia Stadmire

2. Order of Agenda

The order of the agenda was approved.

3. Approval of Minutes

MOTION: Villena/Cressey approved the December 10, 2013 AAC meeting minutes.
8 Yeas. 1 Abstention.

4. Report on 2014 Federal and State Advocacy Program

Beverly Greene, Director of Legislative Affairs & Community Relations, gave an overview of the Draft 2014 Federal and State Advocacy Program. The Federal Advocacy Program includes

funding, transportation authorization principles, and other advocacy. The State Advocacy Program includes funding, equipment and operations, transit incentives, environment and transit supportive land use, and policy interests. Beverly asked that comments from the AAC on the State or Federal Advocacy Programs, should be forwarded to her in writing within a week. Beverly will take this item to the board on January 22, 2014.

5. Outreach Sub-Committee Report

Pam Fadem, AAC Chair, reported that the Outreach sub-committee met on January 14, 2014. The sub-committee includes the following members: Scott Blanks, Shirley Cressey, Pam Fadem, Steve Fort, Danielle Roundtree, and Jim Robson. The AAC has identified two Outreach goals:

1. Help spread the word about accessibility services and programs available from AC Transit for seniors and people with disabilities; and
2. Help facilitate the feedback-- both positive and negative- about transit experiences of seniors and people with disabilities.

To accomplish these goals, the AAC will create an outreach flyer that provides information to seniors and people with disabilities about the AAC, accessibility features, how to file a complaint or commendation, and invitation to attend monthly AAC meetings.

6. Review of Quarterly ADA Complaints

Mallory Nestor-Brush, Accessible Services Manager, reported that the ADA-Conduct/Discourtesy complaints were significantly higher compared to the same quarter last year. The Committee commented that including AAC Members in driver training would help lower the number of complaints.

7. Chair's Report

None.

8. Board Liaison Report

None.

9. Review of Lift/Ramp Road Call Report

The report for the period of December 1, 2013 – December 21, 2013, showed 11 lift/ramp road calls. Of these 11 roadcalls, 1 was chargeable, or had a mechanical issue.

10. Review of MCI Fleet Lift Report and Wheelchair Lift Cycling Report – MCI (6000 Series)

Mallory Nestor Brush, Accessible Services Manager, reviewed the MCI Fleet Lift Report and Wheelchair Lift Cycling Report. Drivers are continuing to do a great job in cycling the lifts during the pre-trip with the average percentage of cycled lifts above 94% daily.

11. Service Review Advisory Committee (SRAC) Report

Janet Abelson shared that Nusura, the Emergency Planning Consultant for East Bay Paratransit (EBP), gave an overview of the emergency planning efforts. The EBP Broker's Report included an overview of EBP and ridership numbers, which have remained constant.

12. ACTC PAPCO Report

Hale Zukas reported that Measure B1 may be put back on the ballot in November 2014.

13. Public Comments

None.

14. Transit Correspondence

This is an informational item for the committee.

15. Member Communications and Announcements

Steve Fort stated that on January 9th, the #12 did not arrive at the scheduled time of 8:48 am to 17th and Broadway. Another #12 arrived at 9:35 am. Another passenger on the bus confirmed that the 8:48 never arrived. Steve was encouraged to contact the Customer Relations Department immediately when he runs into issues.

Steve was also elected President of the local chapter of the California Counsel for the Blind.

16. Staff Communications and Announcements

None.

17. Set Next Agenda & Meeting Date

The next AAC Meeting will be held Tuesday, February 11, 2014 at 1:00 pm at 1600 Franklin Street, Oakland, CA, on the 2nd floor. Agenda items include Review Draft Outreach Flyer and an Update on the Fare Proposal.

18. Adjournment

The meeting adjourned at 2:50 pm.

This page intentionally blank

**Approved Minutes
Special Meeting of the
AC TRANSIT RETIREMENT BOARD
January 10, 2014**

ROLL CALL

Chair Jeffrey Lewis called the meeting to order at 12:04 PM

Members Present: Lewis Clinton, Davis Riemer, Joyce Willis, Chair Jeffrey Lewis, and Vice Chair Yvonne Williams, -- 5

Absent at Roll Call: None

Members Absent: None

Also Present: Hugo Wildmann, Retirement System Manager; Adelle Foley, Retirement System Administrator; Russell Richeda, Legal Counsel; (the following individuals were at part of the meeting) H.E. Christian Peeples, District Board Liaison; David Wolf, AC Transit General Counsel; Carolyn Smith, and Kevin Novak, NEPC; Tom Hickey, Outside Counsel (by phone); Lisa Stanton of GMO and Catherine LeGraw (by phone) of GMO; Tom Rose of BlackRock and Brian Miller (by phone) of Blackrock.

PUBLIC COMMENTS

None

CONSENT CALENDAR

MOTION: WILLIAMS/CLINTON to adopt the Consent Calendar. (5-0-0-0)

Ayes: Members Clinton, Riemer, and Willis, Vice Chair Williams, and Chair Lewis -- 5

Noes: None

Abstain: None

Absent: None

APPROVED

A. Approval of Minutes for December 17, 2013.

APPROVED

B. Approval of Financials for November 2013

APPROVED

C. Approval of Invoices in the Amount of \$17,037.30

APPROVED

D. Approval of Retirements for February 2014

2. Willie Bonner #795 – Term Vested

APPROVED

REGULAR CALENDAR

E. Approval of Retirements for January and February 2014:

With conditions, if any:

- 1 Andrew Galindo #80609 (January)
- 2 Janet Jackson #40555 (February) Contingent upon completion of Benefit Option form in January.
- 3 Clinton Shipp, Jr. #31988 (January)
- 4 Brenda Jones #32095 (February) -- Contingent upon completion of Benefit Option form in January.

MOTION: RIEMER/WILLIAMS to approve the four retirements listed above effective January and February 2014, subject to the conditions as stated. (5-0-0-0)

The Board congratulated retiree Andrew Galindo 41 years of service, retiree Clinton Shipp for 29 years of service, and retiree Janet Jackson for 25 years of service.

F. Rescission of Retirement of Aubrey Johnson

Adelle told the Board that Mr. Johnson had withdrawn his application for a January 1, 2014 retirement, which the Board had approved at the December 2013 meeting.

MOTION: WILLIAMS/CLINTON to rescind Board approval of Aubrey Johnson for a Service Retirement effective January 1, 2014. (5-0-0-0)

(Several Agenda Items were taken out of order to accommodate outside presenters.)

(Carolyn Smith, NEPC joined the Board for Agenda Items G through S.)
(Kevin Novak, NEPC joined the Board for Agenda Items N through P)

N. Crescent Direct Lending Review

Hugo reminded the Board that they had been considering a private debt investment for some time. When the Board hired NEPC the Board liked NEPC's approach of diversifying the fund away from its equity focused asset allocation. NEPC has promoted private debt as one possibility. Hugo mentioned that the Board would have to decide whether to invest in the Crescent Fund in the first quarter of 2014 as the Fund would close to new investments at that time.

Carolyn told the Board that the NEPC team had proposed three potential private debt managers, and Crescent had made an educational presentation in June, regarding a non-leveraged fund. As of September two of the three funds had closed, leaving Crescent. She added that NEPC did not have any other private debt recommendation at this time that are non-leveraged and lend in the U.S.

Chair Lewis asked if the increase in competition would make it harder for Crescent to achieve its anticipated 7-8% returns. Kevin said that they projected an 8% return in 2014, and Carolyn added that NEPC had reviewed the loans made by the Crescent team. Carolyn noted that about 1/3 of the funds were already committed. AC Transit would invest about 2.5% of the plan, or about \$13 million.

Hugo referred to a table showing the potential impact of a variety of possible returns achieved by the investment in Crescent. He also pointed out that Crescent locks up investments for a number of years, so it would be expected to return a premium compared to fixed income funds. The advantage of an investment in Crescent is improved diversification, and the expected reduction in volatility and risk. He noted that the worst outcome would be to lose the principal, while a lower return would be a less serious issue. He added that we should discuss where the funds for Crescent would come from.

(Tom Hickey, outside Legal Counsel, joined the Board, by phone, for Agenda Item O.)

O. Review of Crescent Legal Documents

Counsel Richeda referred to Tom Hickey's memorandum regarding Proposed Investment in Crescent Direct Lending Fund, dated January 2, 2014, included in the Board material. He told the Board that the only real concern he took from the document would be the possibility that the AC Transit Retirement fund might not receive equal opportunities to invest in Crescent's loans.

Tom told the Board that his work with Orange County's retirement board had already addressed AC Transit's potential concerns, and side letters addressed questions of reporting and responsibility to the fund, and AC Transit as an investor. He noted that Crescent is an SEC Registered Investment Advisor.

Responding to a Board question, Tom explained that an advisory board monitors the fairness of the allocation of opportunities among investors, and insures that there is no

conflict of interest. Chair Lewis asked Tom for the names of those on the advisory board. Tom agreed to provide the information.

Hugo cited the risks associated with a direct lending investment as: low quality loans; a negative economic environment; and fraud. Tom added a fourth risk, how the loans are originated and sold to the fund. In the case of Crescent, an affiliated entity originated the loans. However, Crescent is familiar with the loans, most of the loans are sold into the fund, (whereas other affiliates sell to a variety of funds) and Crescent can refuse to buy an individual loan.

The Board thanked Tom for his work on this issue.

(Tom left the discussion at this point.)

P. Investment Decision on Crescent

Board members discussed their reaction to the investment in Crescent and the legal protections that Tom had discussed.

MOTION: RIEMER/CLINTON to move forward with the investment in Crescent, including development of a side letter as spelled out by Tom Hickey. Tom Hickey will review the contract. The investment will be 2.5% of the fund. (4-1-0-0) Member Willis dissented.

(Chair Lewis called a recess at 1:10 PM.)

(The meeting reconvened at 1:17 PM.)

I. Review of Global Tactical Asset Allocation (GTAA) Managers

Carolyn referred to NEPC's Global Tactical Asset Allocation (GTAA) review, included in the Board material. She noted that the reasons presented to choose this asset class — additional diversification, asset rotation, better performance when other managers are down, better risk/return profile, and reasonable fees — are the same as those NEPC cited when they were hired three years ago. The Board had accepted NEPC's recommendation to hire several firms, with difference approaches. Carolyn described the Plan's three GTAA managers as follows:

- GMO allocates to areas that are undervalued based on a belief in reversion to the mean;
- BlackRock is the most aggressive manager and builds the portfolio stock by stock; and
- PIMCO places more emphasis on risk aversion. Its allocation is very different from GMO and BlackRock.

(Lisa Stanton joined the discussion of Agenda Item J and Catherine LeGraw joined the discussion by phone.)

J. Presentation by GMO (GTAA)

Lisa told the Board that GMO's Global Asset Allocation Fund managed \$15 billion in assets and dated back to the 1980's. The multi-asset funds differed from the benchmark, which had 65% in equities and 35% in US equities. She noted that GMO's 12.5% return for 2013 underperformed the benchmark's 13.6% due to their underweight in domestic equities, which they consider overvalued.

She stressed that the portfolio is managed to avoid the permanent impairment of capital. They do well when markets are lagging and lag when markets are strong.

Catherine told the Board that their process begins with allocations based on forecasts by asset class, followed by selection of individual securities. They focus on the long term and often buy when others sell. They consider overpaying a great risk and can be in and out of stocks before other managers. GMO forecasts real returns over a seven-year period – the time frame for the linear mean reversion. The forecasts are updated monthly. The latest return forecasts from GMO expect high-quality stocks to have a *real* return of 2.3%, emerging market stocks 3.4%, while large and small cap returns are negative. GMO's portfolio is made up of attractively-priced stocks of high-quality companies with low debt. Their underweight in US equities and their overweight in international value and emerging markets contributed to their underperformance.

Member Riemer told the Board that there is no theoretical basis to expect success in an investment strategy that selects individual stocks based on forecasts and times their purchase and sale. Catherine stated that GMO does not use short-term forecasts, but bases their forecasts on mean reversion. They stress value over the long term, and do not consider themselves market timers. In response to Hugo's questions Catherine told the Board that they should expect underperformance as long as the market goes up.

(Tom Rose joined the discussion of Agenda Item K and Brian Miller joined the discussion by phone.)

K. Presentation by BlackRock (GTAA)

Brian told the Board that that their fund provides competitive returns with one third less risk than an equity portfolio. BlackRock returned 14.7% in 2013, the highest of AC Transit's three GTAA managers, and 100 basis points above the benchmark. The fund is highly diversified with access to many asset classes, and holds 700 securities in 40 countries. BlackRock seeks to avoid permanent loss of capital. They hedge exposure to the Yen.

Their approach is both top down and bottom up. During 2013 they were overweighted to Japanese stock and underweighted to the Yen as well as fixed income.

Their returns were reduced by holdings of gold-related securities and longer-dated Treasuries. Looking ahead to 2014, BlackRock expects to hold fewer equities, but they see cyclical sectors as attractive. They expect to reduce the weight of US holdings and move to cheaper European stocks.

(Chair Lewis called a recess at 2:52 PM.)

(The meeting reconvened at 2:56 PM.)

(Mark Romano of PIMCO and John West of Research Affiliates joined the discussion of Agenda Item L.)

L. Presentation by PIMCO (GTAA)

Mark explained that PIMCO's All Asset Fund is composed of PIMCO mutual funds. The return in 2013, net of fees, was 0.8%. John told the Board that PIMCO's allocation program protects the portfolio when inflation becomes an issue. The allocation includes core stocks, core bonds and the third pillar – diversifiers. He called attention to a chart presenting the correlation of returns to inflation by asset class.

Mark told the board that PIMCO's benchmark is the CPI plus 5% and it had achieved that goal over time. The "third pillar had preformed as well as stocks over the last 40 years and better over the last 5-7 years. As of November 2013 PIMCO's All Asset Funds held almost no US stocks.

Looking ahead to 2014, John characterized PIMCO's strategy as value-oriented contrarian investing. He stressed the importance of emerging markets, where equities are cheaper, bond rates are higher and the younger workforce can be expected to generate economic growth.

M. Role of GTAA Managers in our Asset Allocation

Carolyn stressed that taken together the three GTAA managers serve to reduce volatility and risk, and reducing the volatility would improve the stability of the pension contribution from year to year. She added that it is not clear what would replace this asset class if the Board decided to discontinue it's holdings.

Member Riemer reiterated his mistrust of the GTAA strategy because it lacks a theoretical foundation. The Board discussed protecting the Plan against risk, projecting the future, and the lessons of history.

R. NEPC Work Plan

Carolyn said that she would discuss asset allocation, incorporating the NEPC projections, in February, with and without the GTAA asset class. Member Riemer

asked for the NEPC 2014 outlook and capital market assumptions a week prior to the February meeting.

G. Investment Performance Update

Carolyn referred to the NEPC Investment Market Update, as of December 31, 2013, included in the Board Package. She pointed out that at the end of 2013 the fund had assets of \$548 million, and returned 15% during the year. Hugo told the Board that he bet that these results will not be duplicated in 2014. The return outperformed both the Policy Index (index returns weighted by asset targets) and the Allocation Index (index returns applied to the actual allocation). Star performers Dodge & Cox, Sands and DFA returned over 40% and outperformed their benchmarks.

Carolyn pointed out that international managers returned 21%, and Emerging Market equity managers ended the year on the positive side. Fixed income managers lost 2.1% due to the increase in interest rates, although Loomis gained about 4%. Real Estate managers did well, and Global Asset Allocation managers gained about 9%, but underperformed their benchmark by 48 basis points.

Member Clinton asked when the Board would have an indication of the impact of 2013 returns on the Plan's unfunded liability. Hugo agreed to put this question on the February agenda, and to try to arrange for actuary Bob McCrory to be available.

H. Asset Allocation and Rebalancing

Hugo suggested that the Board wait until after the upcoming discussion of asset allocation to decide how to fund the potential investment in the Crescent Direct Lending Fund.

Q. Custody Search Update

Hugo told the Board that he had sent out the RFP for a custody bank. J.P. Morgan had declined to bid, but Hugo hoped that we would receive three bids.

S. Calendar for 2014

Chair Lewis told the Board that he would email Hugo when he was more certain of his availability for the February Board meeting.

U. AB 1222, PEPRA and Plan Amendment 13-A-16

Hugo reported that the contributions that had been collected from employees had been returned. These contributions were held by the District and returned by the District. He mentioned that he has met several times with David Wolf to discuss the next step(s) that need to be taken pertaining to Plan Amendment 13-A-16.

Website

Hugo told the Board that the material for the website regarding the Retirement System is ready to post. He expects to bring the final element, a disclaimer, to the February Board meeting.

V. Update on Calculation of Pension Benefit for Former Union Officer James Gardner

Nothing to report.

X. Retirement System Manager Report

1. CALAPRS Advanced Principles of Pension Management for Trustees (Jan. 22- 24, UCLA)
Member Riemer will attend that session.
2. CALAPRS General Assembly (March 2-4, Palm Springs)
Any interested Board Member should contact Hugo
3. Legal Update Memo
From Counsel Richeda on developments in San Jose and San Diego.
4. Pension & Investments Article by Harvey Leiderman on Detroit Bankruptcy
Regarding the question of applying the Detroit precedent in California.
5. Report on Unfunded Liability

Hugo told the Board that District Secretary Linda Nemeroff had informed him that District Board President, Greg Harper, had asked for a report on the Pension Plan's unfunded liability for the March 26 District Board Meeting. He added that President Harper had commented on the Retirement Board minutes at the January 8, 2014 District Board meeting, and that President Harper was quoted in the on-line *Oakland Tribune* as stating that the Retirement Plan was unsustainable. The Board asked Hugo to place Director Harper's questions and comments on the February Agenda.

T. James Kyle Retirement Service Calculation

Hugo referred to Counsel Richeda's January 7, 2014 Analysis of Service Credits by James Kyle, in the Board Package. When Mr. Kyle retired in September 2013 he received credit for his service through December 2005, his last day compensated. Mr. Kyle approached staff with a request that the service time used in his benefit calculation be increased to continue through August 2013, because he was on industrial injury leave. Mr. Kyle based his request on the collective bargaining agreement between the District and AFSCME Local 3916. Counsel Richeda concluded that Mr. Kyle's request should be denied because: 1) the labor contract is not applicable to this issue and 2) Mr. Kyle's request is contrary to the Plan rules. Hugo added that the District believes that Mr. Kyle's service should be calculated through 2005, and AFSCME has not supported Mr. Kyle's request.

MOTION: RIEMER/WILLIS to deny Mr. Kyle's request that his benefit be calculated using his service time through August 2013. (5-0-0-0)

Y. (CLOSED SESSION)

- 1) Matters Relating to Personnel: Disability Applicants' and Disability Retirees' Medical Records (Government Code Section 54957; 65 Ops. Cal. Atty. Gen. 412 (1982)
 - a. Ansar Muhammad -- Occupational Disability
 - b. Desiree Lambert -- Occupational Disability
 - c. James Kidd -- Occupational Disability
 - d. Gwendolyn Randle -- Total and Permanent Disability
 - e. Zakiya Mawusi -- Occupational Disability
 - f. Judith Aranda-Garcia -- Total and Permanent Disability
 - g. Aubrey Johnson -- Total and Permanent Disability
 - h. Brenda Walker -- Occupational Disability
 - i. Lynda Hill -- Occupational Disability

Public Employee Performance Evaluation
(Government Code Section 54957)
Title: Retirement System Manager

Z. (RESUME OPEN SESSION)

The Board did not go into closed session.

STAFF COMMENTS

None

RETIREMENT BOARD COMMENTS

None

ATTORNEYS' REPORT

None

ADJOURNMENT

MOTION: CLINTON/WILLIAMS to adjourn. (5-0-0-0)

This page intentionally blank



AC Transit
Employees' Retirement System

(510) 891-7257
fax (510) 891-7169
retirement@actransit.org

To: AC Transit Board of Directors February 2014
From: Jeffrey Lewis - Chair, AC Transit Retirement Board
Re: 2014 Quarterly Retirement Board Report (#1)

The first Quarterly Report of the year will focus on the following:

- 1) The Plan's investment results in 2013.
- 2) The Plan's investment results over the longer-term.
- 3) A preliminary estimate of the Funded Ratio as of 1/1/14.
- 4) Issues pertaining to PEPPRA and Plan Amendment 13-A-16.
- 5) Communication between the Retirement System and the District.

2013 Investment Results

As you are all aware, 2013 was a spectacular year for the U.S. equity (stock) markets and a very good year for the Plan. As you know, the Plan's assets are invested in a diversified portfolio, including U.S. stocks, bonds and other fixed income investments, international stocks, and other types of investments. In 2013, the Plan's investments returned roughly 15.1%. In 2013, the Russell 3000 U.S. stock index returned almost 33.6%, the Barclays U.S. Aggregate Bond Index returned a negative 2.0%, EAFE (a stock index of international developed countries) returned 22.8%, high-yield bonds returned in excess of 7.4%, the emerging market equity index returned a negative 2.6% and an index of real estate investments returned 10.4%. To put it mildly, 2013 was a very good year for the Plan (as was the previous year). The Plan had roughly \$548 million in assets on 12/31/13, which was an increase of \$66 million from the \$482 million in assets on 12/31/12.

In 2013, our domestic equity managers substantially outperformed their benchmarks (i.e. the published indices against which we compare them), our international managers underperformed, and our recently hired emerging market managers outperformed their benchmark. Our fixed income portfolio matched the Barclays U.S. Aggregate Bond Index, our real estate managers performed well, and our Global Asset Allocation managers underperformed. In simple terms, 2013 was a year that we would love to see repeated in the near future.

Longer Term Investment Results

Over the last 10 years, the Russell 3000 index (U.S. stocks) has returned 7.9% on an annual basis, while the Barclays U.S. Aggregate Bond index has returned 4.5%. Over the last 10 years, the Plan, which has had a mixture of these and, more recently,

The AC Transit Employees' Retirement System is dedicated to providing a secure and predictable source of retirement income for eligible employees, retirees and beneficiaries

**1600 Franklin Street
Oakland, CA 94612**

other investments, has returned 6.3%. Over the last 5 years the Plan's return has averaged 13.5%. The Plan's actuarially assumed earnings rate is now 7.375%. Since its inception, the Plan has returned an average annual 8.3% on its investments.

Over the last 5 years, the U.S. equity market has returned roughly 18.7% on an annual basis (the 5-year figures now exclude the market meltdown of 2008). I think it is worth making the point again that just as we are now in a 5-year period of great equity returns, we will and other investors most likely in the near future will undergo a period when the equity markets decline in value. In the event that this happens, we will continue to invest the Plan's assets in a diversified portfolio that includes different types of assets. We did not panic and sell off assets that had declined in value after the 2008 financial market meltdown, and, as a result, we have been able to take advantage of the past 5 years' rebound in the value of those assets. I would not expect us to act any differently when, as is inevitable, our U.S. equities or any other sectors in which our assets are invested, decline.

A Preliminary Look at the 1/1/14 Funded Ratio

At the January Retirement Board meeting, Lewis Clinton requested a preliminary estimate of the Plan's funded ratio. It is always risky to provide preliminary figures as we are all aware that to compute the funded ratio our actuary will need to complete the 2014 Actuarial Valuation (which is typically completed in June or July). Nevertheless, the Retirement Board discussed preliminary funded ratio figures at its February 11th Board meeting. Subject to numerous caveats, our Actuary estimated that the 1/1/14 funded ratio would be around 68% on the market value of assets and about 67% on an actuarial value of assets. (Last year, both of these figures were around 64%). These estimates assume no changes to any of the key assumptions in the Actuarial Valuation.

Issues Pertaining to PEPRA and 13-A-16

The District Board is well aware of the issues pertaining to PEPRA and Plan Amendment 13-A-16. The Retirement Board is awaiting a Plan Amendment that will clarify the pension benefits for certain recent hires. We have been told that all ATU employees have pension benefits that are not changed as a result of 13-A-16. We are awaiting clarification for other employees. At the moment, with the District's agreement, we are telling non-ATU employees hired after 12/31/12 and unrepresented employees hired after 6/30/12 that we are unsure of their retirement benefits and that we are awaiting clarification from the District.

Communication Between our Boards

We have always viewed communication between our Boards as important, and towards that end, we provide the District Board with four written reports a year, we have an annual joint meeting, and the District has a liaison to our Board who regularly attends our meetings and provides valuable input. I would like to take this opportunity to encourage District Board members to share any comments or questions they have as to any aspect of the Retirement System either with Hugo Wildmann or me.

Please feel free to call me, Jeffrey Lewis, at (510) 839-6824, or Hugo Wildmann (891-4889) if you would like to discuss this report or request additional information.

BOARD OF DIRECTORS REGULAR CALENDAR

February 26, 2014

Agenda Item 5A – 5B

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: David J. Armijo, General Manager
SUBJECT: Parcel Tax Polling Results and Authorization to Draft Language for Ballot Measure

ACTION ITEM

RECOMMENDED ACTION(S):

Consider receiving report on polling results associated with placement of a measure to extend the District’s existing parcel tax at current levels with no increase in District One, and authorizing the General Manager to draft language for the November 2014 ballot; and consider receiving report on polling results associated with initiating a parcel tax in District Two.

EXECUTIVE SUMMARY:

Likely November 2014 voters in District One will support extending the existing parcel tax for 15 years at the current amount with the two-third approval level required to pass the measure. The level of likely voter support in District Two is short of the two-thirds required to pass the measure at \$2.00 per month for 10 years.

BUDGETARY/FISCAL IMPACT:

The current parcel tax provided approximately \$29,400,000 in revenue for District One in the fiscal year ending June 30, 2013.

BACKGROUND/RATIONALE:

The current parcel tax, which represents approximately 9% of the operating budget, was approved for a length of ten years and expires on June 30, 2019.

EMC Research completed a telephone poll in February of 2014 of likely November 2014 voters in District One (n=609) to determine the viability of permanently extending the current parcel tax at the current amount of \$8.00 per month, and in District Two (n=202) to determine support for initiating a parcel tax at \$2.00 per month for 15 years.

Likely voters in District One continue to find benefit in and support the public transit that AC Transit provides in western Alameda and Contra Costa Counties. Initial polling results indicate an approval level of 61%. When potentially positive and negative statements about the measure are communicated with likely voters, support surpasses the two-thirds threshold required to pass such a measure. The polling indicates 71% voter approval to extend the existing parcel tax of \$8.00 per month for 15 years. In 2008, 72% of District One voters overwhelmingly passed Measure V V.

Over half (59%) of District Two voters initially support a parcel tax of \$2.00 per month for 15 years. After potentially positive and negative statements about the measure are communicated, voter

support in District Two is 48%, lower than the two-thirds necessary for voter approval. There is no parcel tax in District Two at this time.

In District One, the Alameda County Transportation Commission measure would pass with at least 79% voter approval even if the AC Transit measure is on the ballot. However, the AC Transit measure would only pass in District One.

ADVANTAGES/DISADVANTAGES:

An advantage of asking District One voters to support extending the parcel tax during the 2014 election year is that the District would be able to count on continuous funding from this source for 15 years. The stabilization of this revenue stream is pivotal to the District and allows for long term operations and maintenance support in the current uncertain funding environment.

If the District waits to seek an extension of this measure, the environment may not be as favorable as current polling indicates, thus risking future revenues.

ALTERNATIVE ACTIONS:

The District can consider extending the parcel tax in 2016, prior to the current sunset of June 30, 2019.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

AC Transit has sponsored parcel tax measures in District One in 2002, 2004 and 2008.

ATTACHMENTS:

- 1: Telephone Survey of AC Transit District Likely 2014 Voters: February 2014

Department Head Approval:	Dennis Butler, Chief Planning & Development Officer
Prepared by:	Beverly Greene, Director of Legislative Affairs & Community Relations



AC Transit Survey of Likely Voters

February 2014

Methodology

- Telephone survey of likely voters in AC Transit Special Transit Service Districts 1 and 2
- Overall n=811; Margin of Error: ± 3.44 percentage points
 - STSD 1: n=609; Margin of Error: ± 3.97 percentage points
 - STSD 2: n=202; Margin of Error: ± 6.90 percentage points
- Special Transit Service District 2 was oversampled to ensure a large enough sample size for analysis
- Statistics were weighted to reflect the actual size of the two districts and the voter population using key demographics
- Interviewing completed by trained, professional interviewers

Please note that due to rounding, some percentages may not add up to exactly 100%.

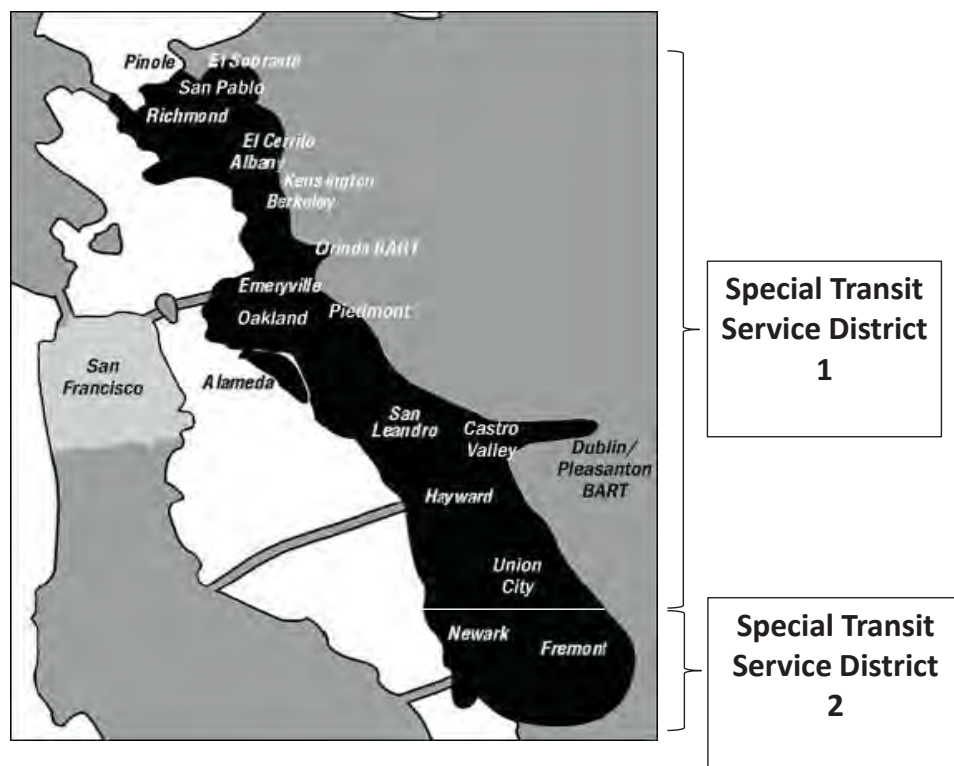


Key Findings

- Majorities of voters in both Special Transit Service Districts (STSDs) feel that the Bay Area and their local area are heading in the right direction
- More than half of all STSD 1 voters express a need for greater funding for AC Transit and express support for a tax increase, while STSD 2 voters are more unsure
- 61% in STSD 1 initially support a 15 year extension of the current AC Transit measure; support rises with more information about the measure
- The new tax in STSD 2 is initially supported by 60%, but that support is easily eroded by information



Map

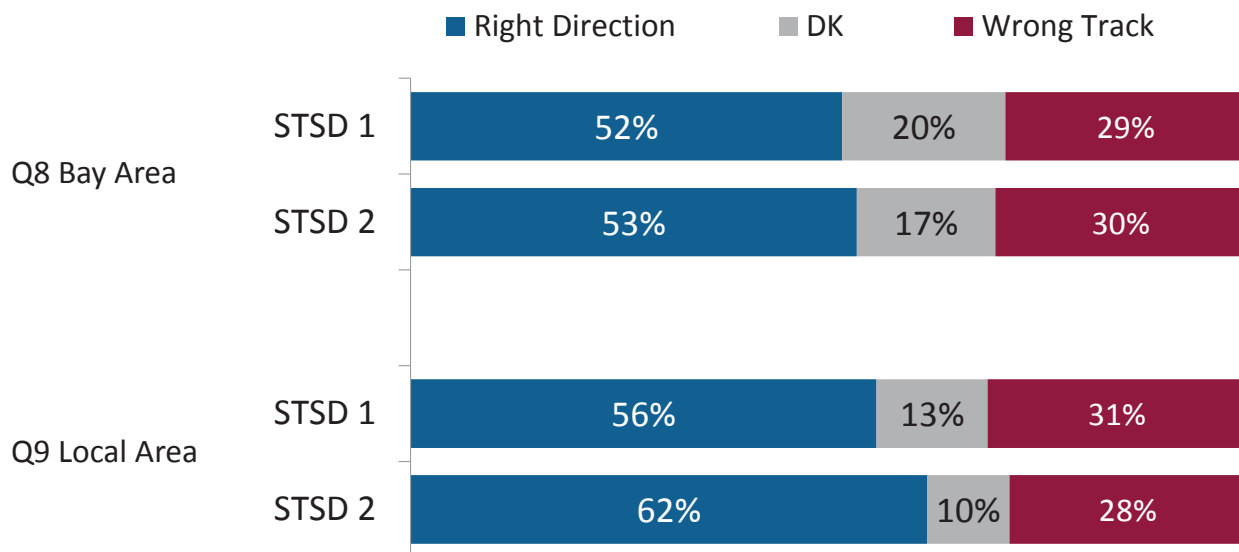


Issue Environment



Direction of State

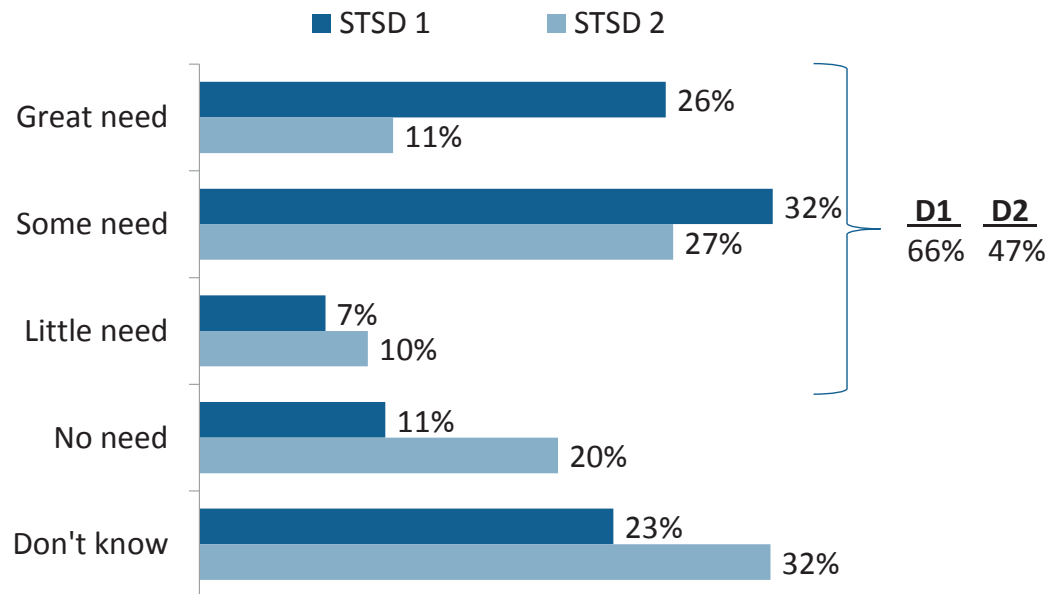
Majorities in both STSDs feel that the Bay Area and their local area are going in the right direction. However, STSD 2 residents are somewhat more optimistic about their local area than District 1 residents.



Q8. Do you think things in the Bay Area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track? Q9. And what about your own local area, do you think things in your local area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?

Need for Funding

More than half of STSD 1 voters believe AC Transit has at least some need for money, while just two in five in STSD 2 see that level of need.



Q10. As you may know, you live in the A.C. Transit District, which is the public bus system in your area. Would you say that A.C. Transit has a great need for additional funding, some need, a little need or no real need for additional funding?

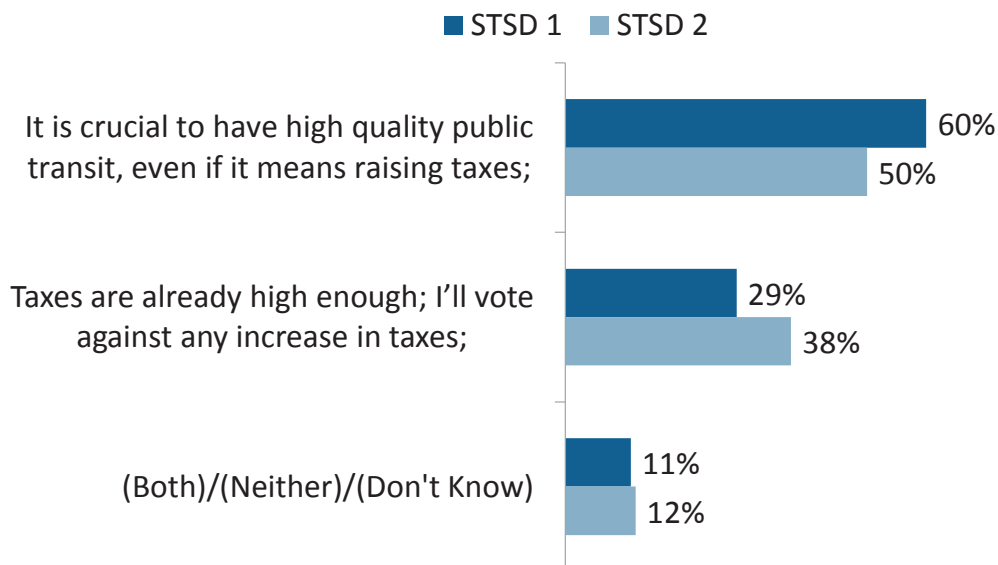
AC Transit District Survey 2014



EMC 14-5142 | 7

Forced Choice: Taxes

Majorities in both STSDs express support for higher taxes if they are needed for public transit, but support is clearly higher in STSD 1, and more than one-third in STSD 2 say they'd vote against any tax increase.



Q33. Which of the following is closer to your opinion?

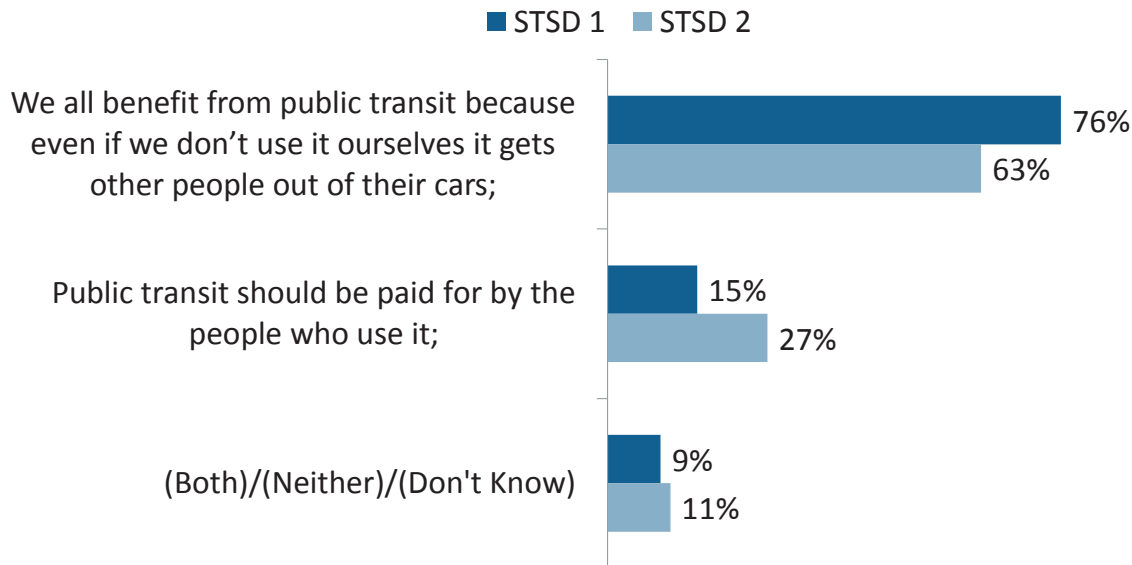
AC Transit District Survey 2014



EMC 14-5142 | 8

Forced Choice: Benefit

Again, while majorities in both districts believe all benefit from public transit, STSD 1 residents are more likely to hold this opinion.

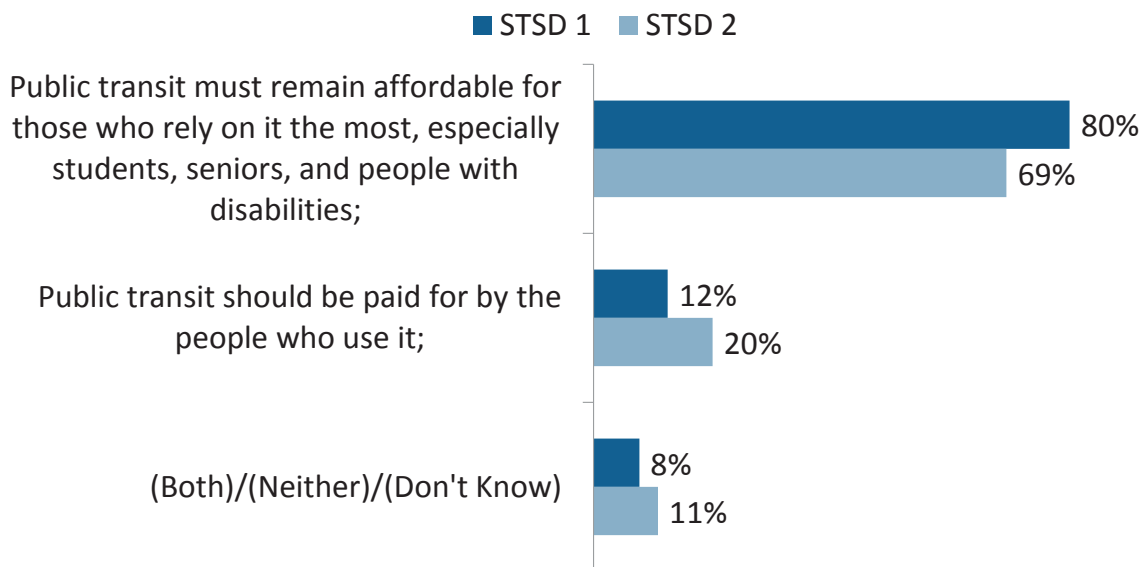


Q34. Which of the following is closer to your opinion?



Forced Choice: Affordability

When forced to make a choice between payment by users and affordability for those who rely on it, large majorities choose the latter.



Q35. Which of the following is closer to your opinion?



Transit Measures



Initial Vote Prompts

Special Transit Service District 1

Shall the Alameda-Contra Costa Transit District, or A.C. Transit, extend its existing parcel tax at current levels for 15 years with no increase, with independent oversight and all money spent locally?

Special Transit Service District 2

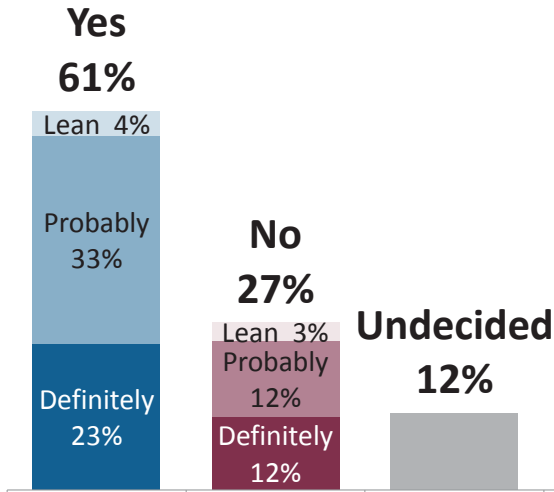
To offset State funding cuts and protect public transportation in Fremont and Newark that ensures affordable transit service for seniors and people with disabilities, provides local students with reliable and affordable school transportation, gives drivers reliable and convenient commuting options, and improves air quality, shall the Alameda-Contra Costa Transit District, or A.C. Transit, be authorized to levy a tax of \$2 per parcel per month for 10 years with independent oversight and all money spent locally?



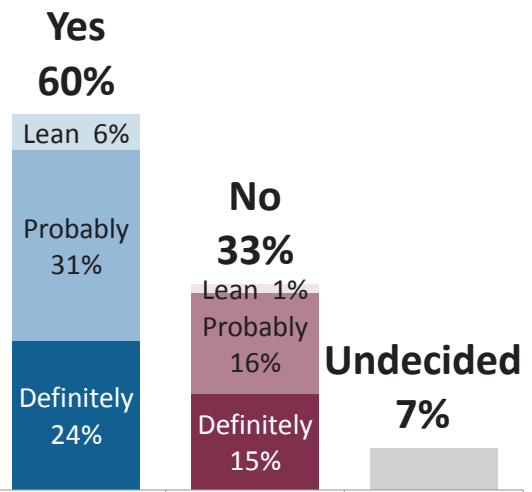
Initial Vote: Support in both districts

After hearing the AC Transit measures, similarly sized majorities of voters express their support for passage in both STSD 1 and STSD 2.

Special Transit Service District 1



Special Transit Service District 2



Q11 & 13. If this measure were on the ballot today, would you vote "Yes" to approve this measure, or "No" to reject it?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 13

Second Vote Prompts

Special Transit Service District 1

As you may know, property owners in your area currently pay \$8 per month to A.C. Transit, which is scheduled to expire in 2018. This measure would extend that tax for 15 years to protect local transportation services.

Special Transit Service District 2

As you may know, property owners in Fremont and Newark do not pay a parcel tax to A.C. Transit; however, property owners in the rest of the district currently pay \$8 per month. This measure would levy a \$2 per parcel per month tax on property owners in Fremont and Newark only.

EMC

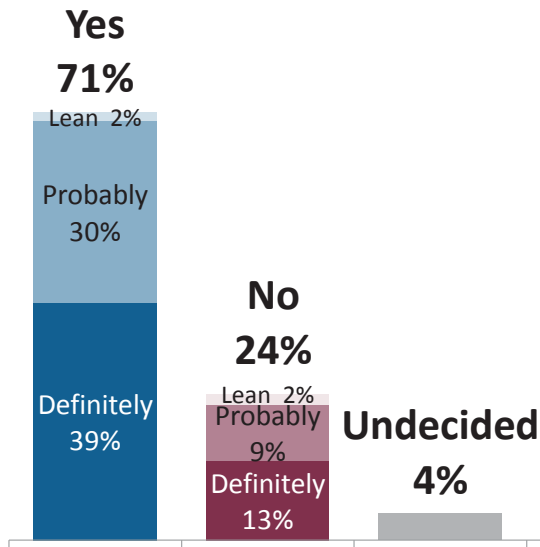
AC Transit District Survey 2014

EMC 14-5142 | 14

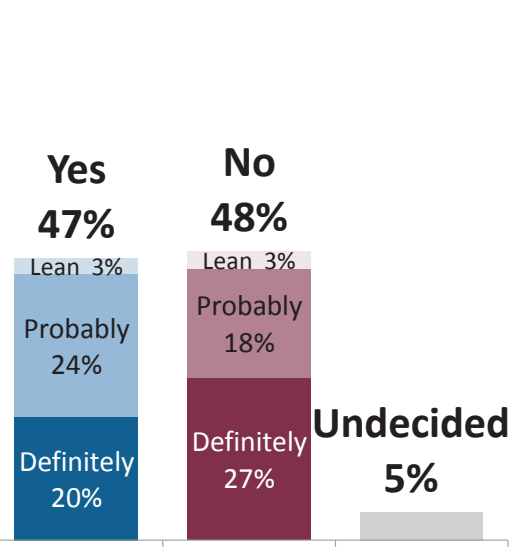
Second Vote: Support up in D1, down in D2

After hearing that they already pay \$8 per month that will expire soon, support for the extension in STSD 1 goes up 10 points. Explicitly pointing out that this is a new tax for Fremont and Newark only drops support in STSD 2 to just under 50%.

Special Transit Service District 1



Special Transit Service District 2



Q12 & 14. Knowing this, if this measure were on the ballot today, would you vote "Yes" to approve this measure, or "No" to reject it?

AC Transit District Survey 2014



County Transportation Sales Tax Measure (B3)

Shall voters authorize implementing the Alameda County 30 year Transportation Expenditure Plan to:

- Expand BART in Alameda County;
- Improve transit connections to jobs and schools;
- Fix roads, improve highways, and increase bicycle and pedestrian safety;
- Reduce traffic congestion and improve air quality;
- Keep senior, youth, and disabled fares affordable?

Approval augments and extends the existing County sales tax, with independent oversight and audits. All money spent will benefit Alameda County residents.

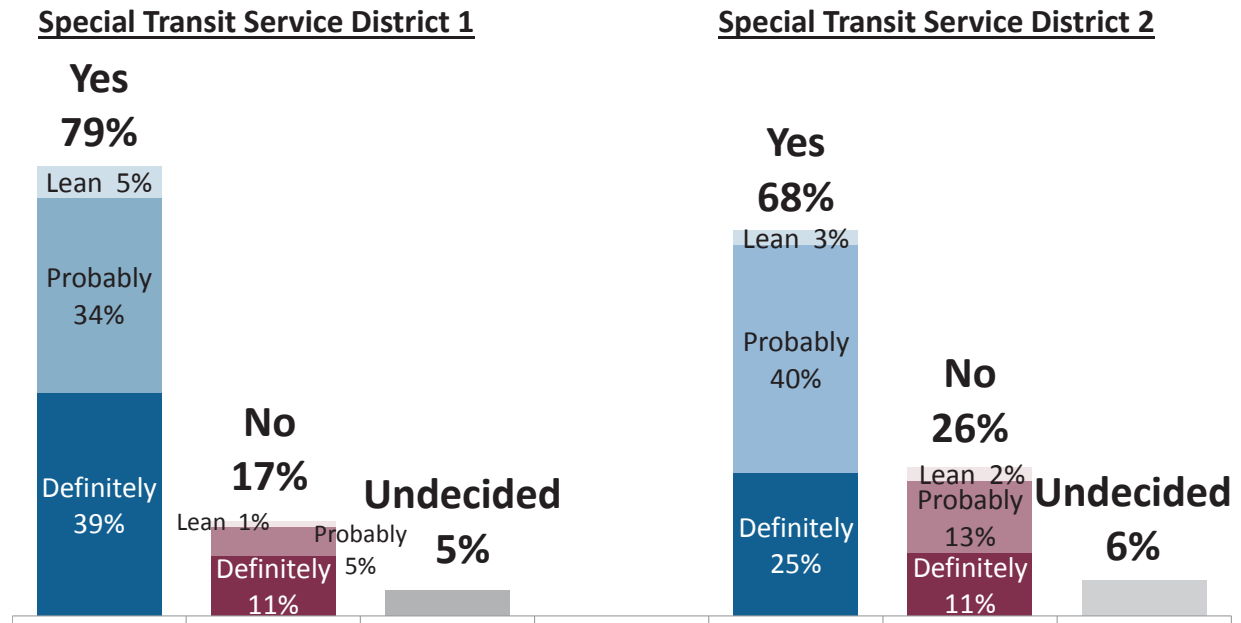


AC Transit District Survey 2014

EMC 14-5142 | 16

AC Expenditure Plan (B3) Vote

Support for Measure B3 is high in STSD 1, but also gets the support of two thirds of voters in STSD 2.



Q15. If this measure were on the ballot today, would you vote "Yes" to approve this measure, or "No" to reject it?

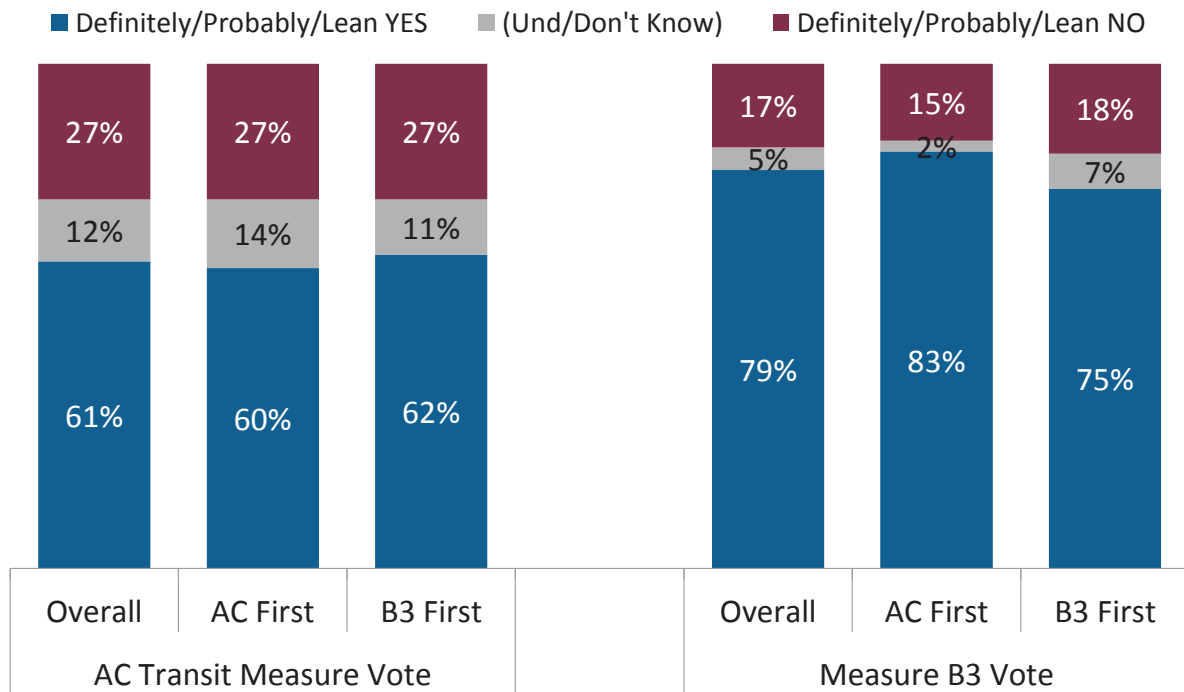
AC Transit District Survey 2014

EMC RESEARCH
EMC 14-5142 | 17

In Focus: Special Transit Service District 1

STSD 1: Does B3 impact an AC Transit Measure?

Hearing Measure B3 first does not impact voters' support for the AC measure. However, those that heard Measure B3 first were less supportive of it.



AC Transit District Survey 2014

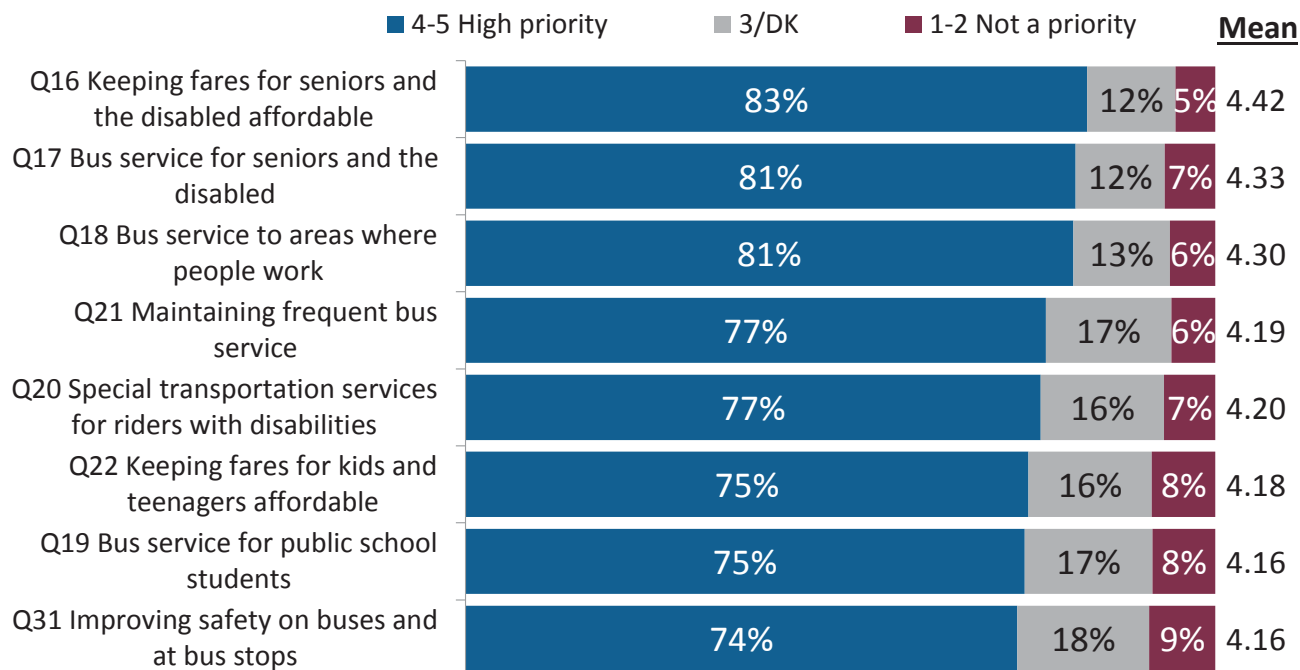
EMC 14-5142 | 19

STSD 1 Priorities



STSD 1 Priorities

Affordable fares, consideration for the elderly and disabled, and convenient service are the highest priorities for STSD 1 voters.



Q16-31. How a high a priority should that be to pay for with the tax revenues? Use a scale from one to five, where one means it should not be a priority at all and five means it should be a very high priority.

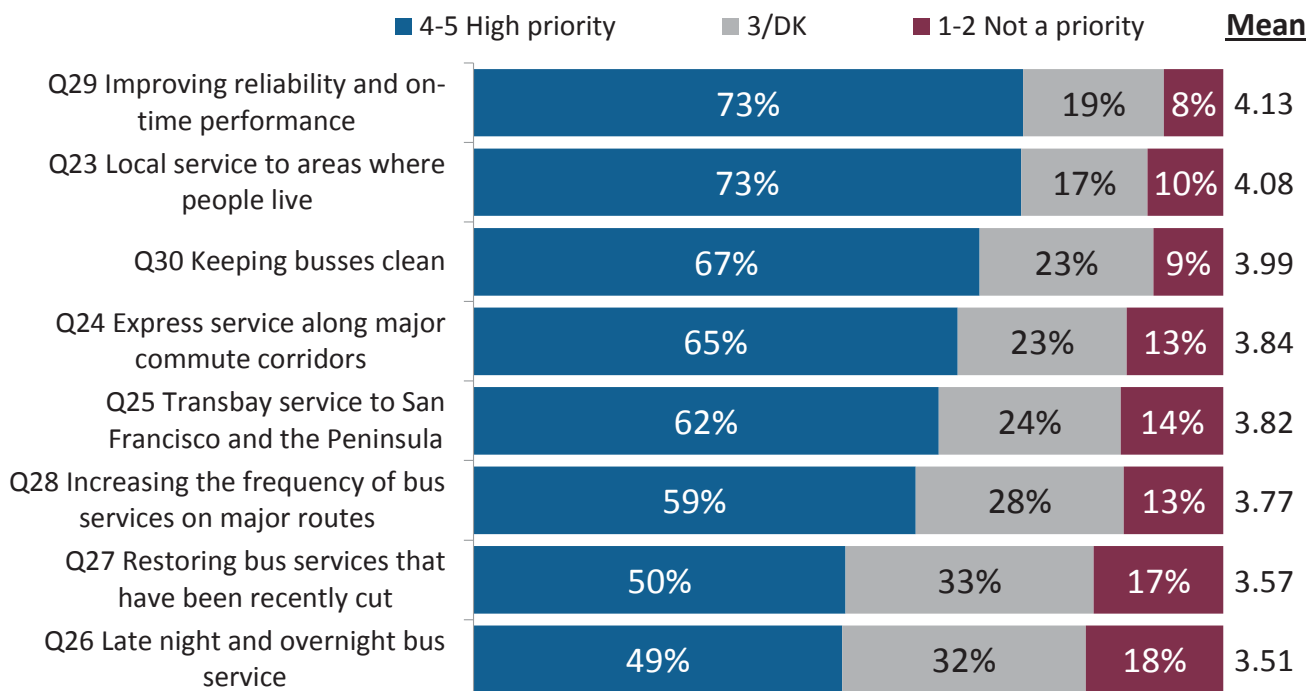
AC Transit District Survey 2014

EMC 14-5142 | 21



STSD 1 Priorities (continued)

Late night service and restoring bus service are less of a priority for STSD 1 voters.



Q16-31. How a high a priority should that be to pay for with the tax revenues? Use a scale from one to five, where one means it should not be a priority at all and five means it should be a very high priority.

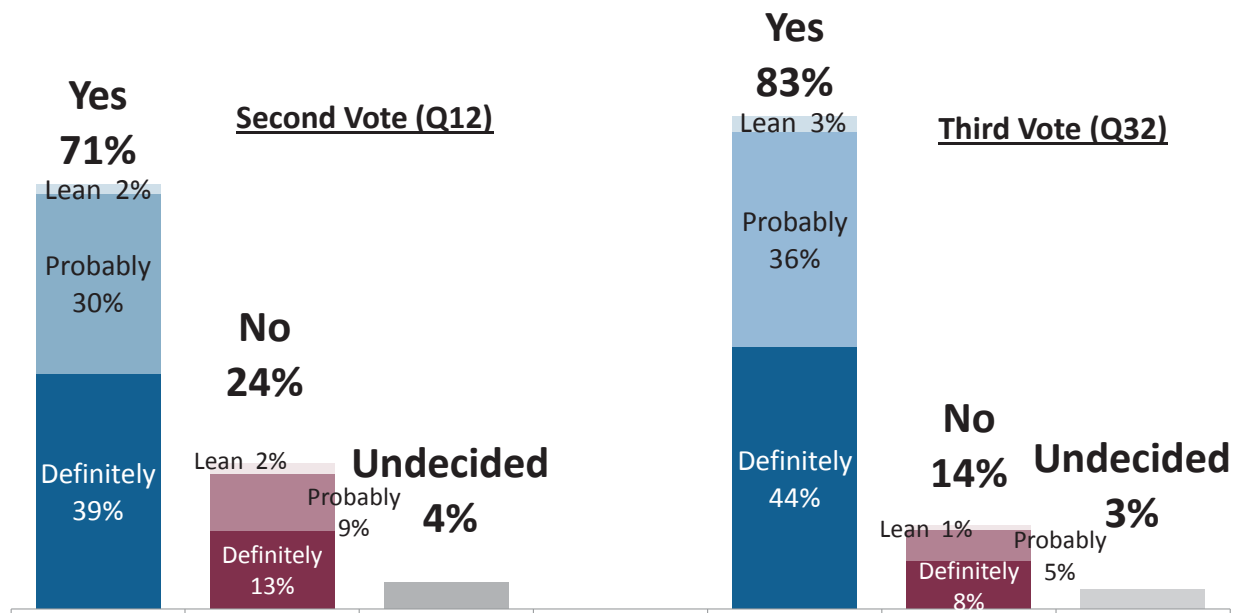
AC Transit District Survey 2014

EMC 14-5142 | 22



STSD 1 Third Vote – After Priorities

After hearing what may be included in the measure, support increases from 71% to 83%.



Q32. Now that you have heard some of the things this measure would pay for, if the A.C. Transit measure were on the ballot today, would you vote "Yes" to approve it, or "No" to reject it?

AC Transit District Survey 2014

EMC 14-5142 | 23



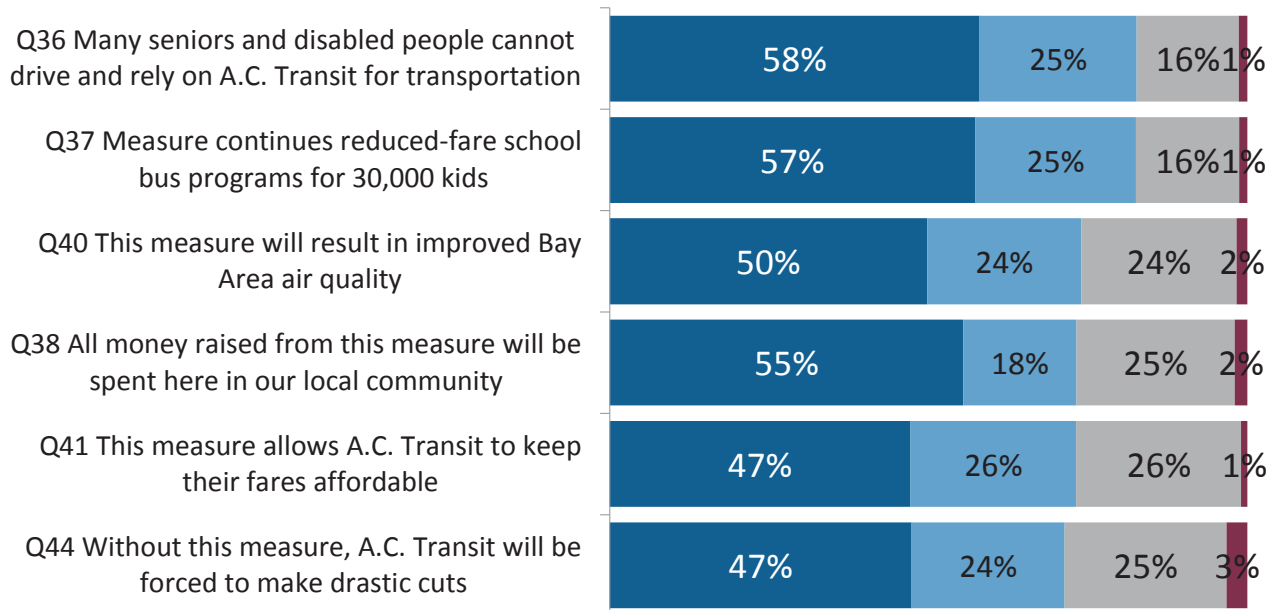
STSD 1
Positive Information



STSD 1 Positive Information

Information about service for seniors, the disabled, and students are most likely to increase voters' support for the AC Transit measure. Keeping money local is also important.

■ Much more likely to support ■ Somewhat more likely to support ■ (DK/No Diff) ■ (Oppose)



Q36-46. Please tell me if it would make you much more likely to support the measure or somewhat more likely to support the measure, or if it makes no difference.

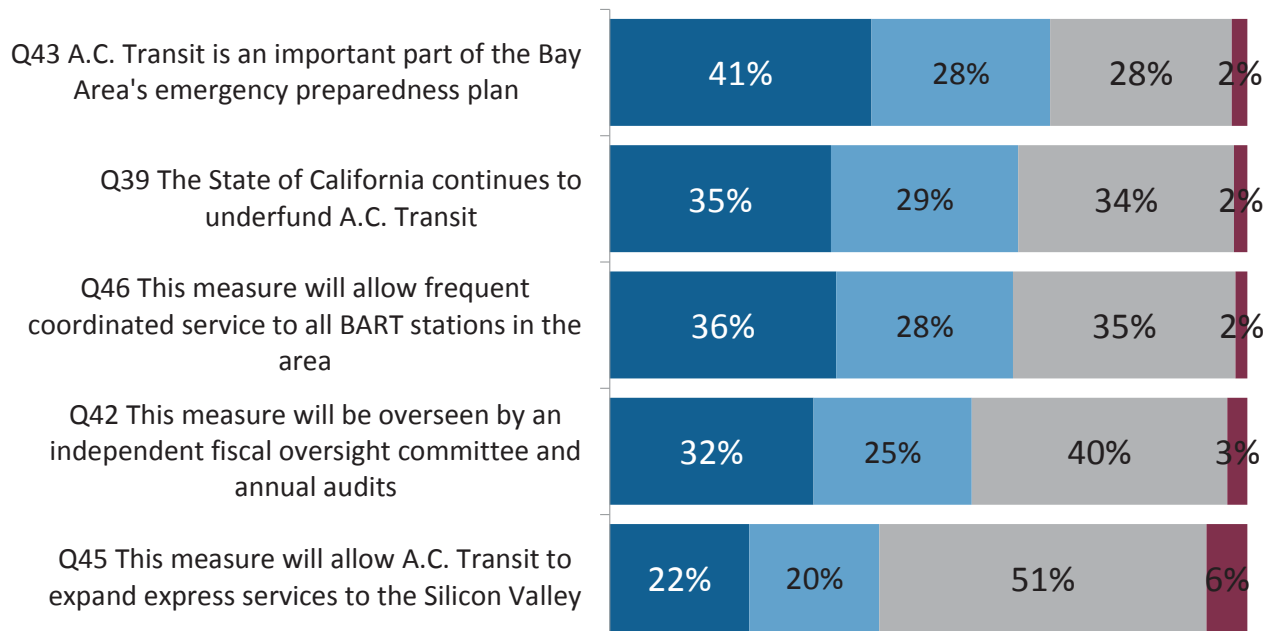
AC Transit District Survey 2014

EMC
EMC 14-5142 | 25

STSD 1 Positive Information (continued)

Express service to Silicon Valley and general accountability provisions are the least compelling reasons to support the measure; however, even those have strong supporters.

■ Much more likely to support ■ Somewhat more likely to support ■ (DK/No Diff) ■ (Oppose)



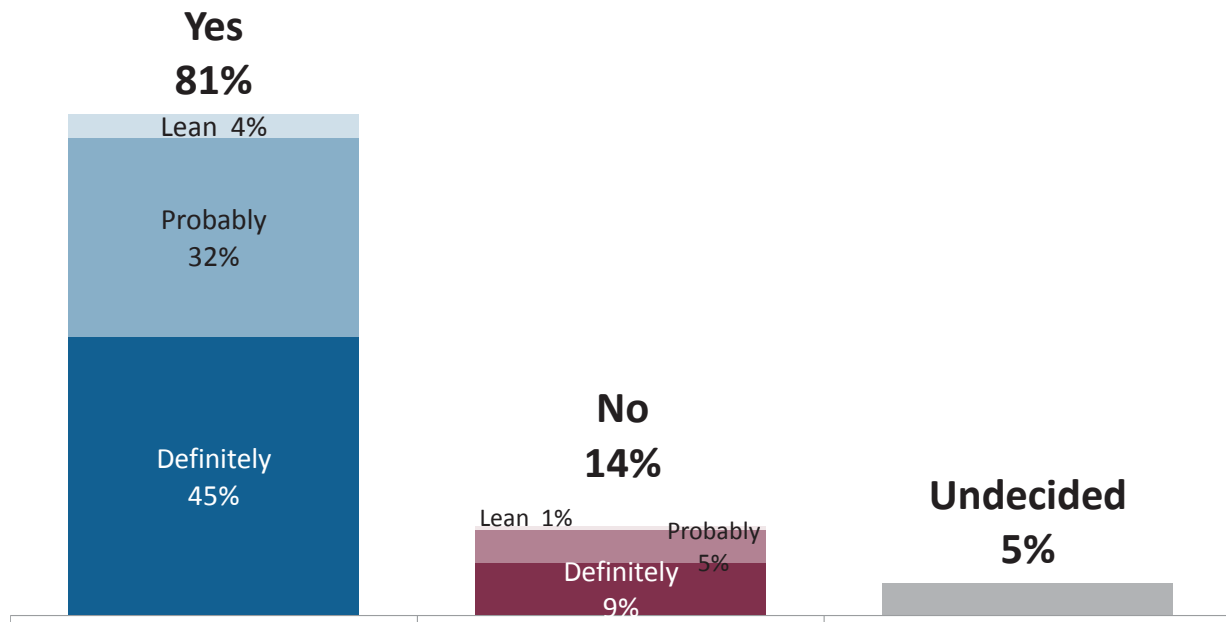
Q36-46. Please tell me if it would make you much more likely to support the measure or somewhat more likely to support the measure, or if it makes no difference.

AC Transit District Survey 2014

EMC
EMC 14-5142 | 26

STSD 1 Fourth Vote – After Positive Information

After hearing the positive information, support for the AC Transit measure remains high.



Q49. Sometimes people change their minds in a survey like this. Given everything you have heard, if the A.C. Transit measure were on the ballot today, would you now vote "Yes" to approve it, or "No" to reject it?

AC Transit District Survey 2014



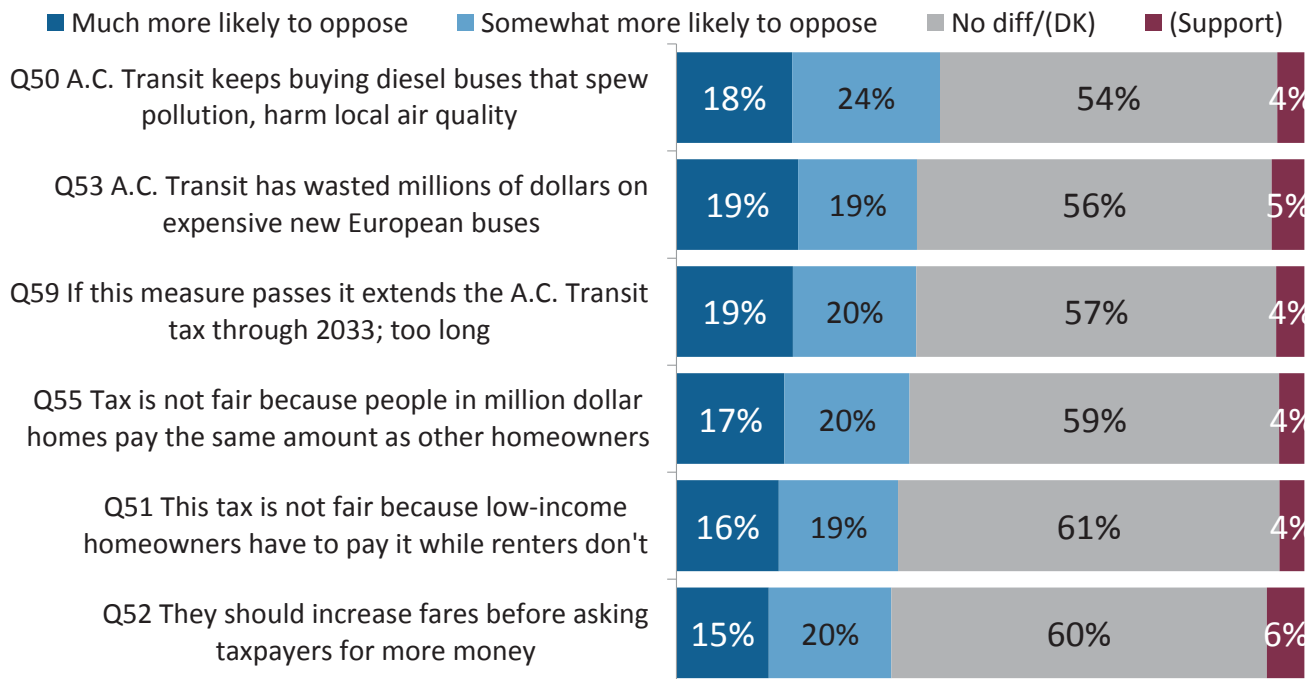
EMC 14-5142 | 27

STSD 1 Negative Information



STSD 1 Negative Information

Air pollution, wasted money, and the length of the extension are the most compelling reasons to oppose the AC Transit measure in STSD 1.



Q50-61. Please tell me if it would make you much more likely to oppose the measure or somewhat more likely to oppose the measure, or if it makes no difference.

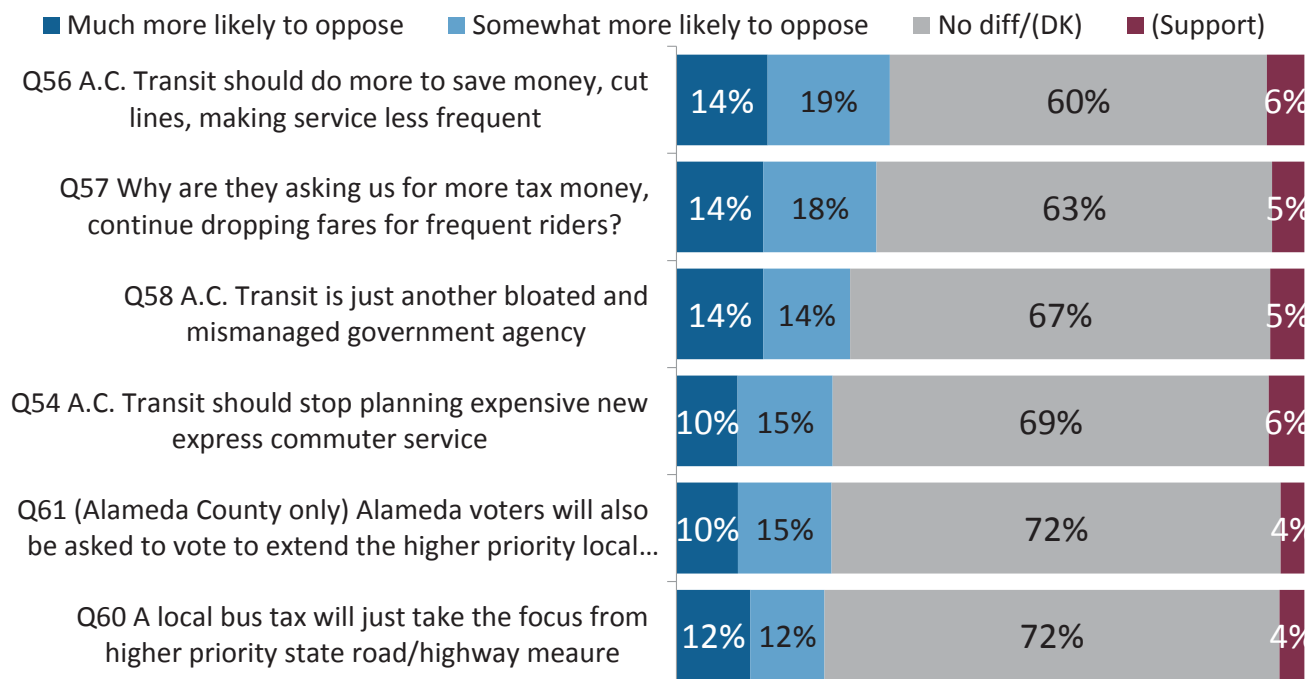
AC Transit District Survey 2014

EMC 14-5142 | 29



STSD 1 Negative Information (continued)

Few in STSD 1 believe sharing a ballot with a County or State transportation measure is a reason to oppose a tax extension for AC Transit.



Q50-61. Please tell me if it would make you much more likely to oppose the measure or somewhat more likely to oppose the measure, or if it makes no difference.

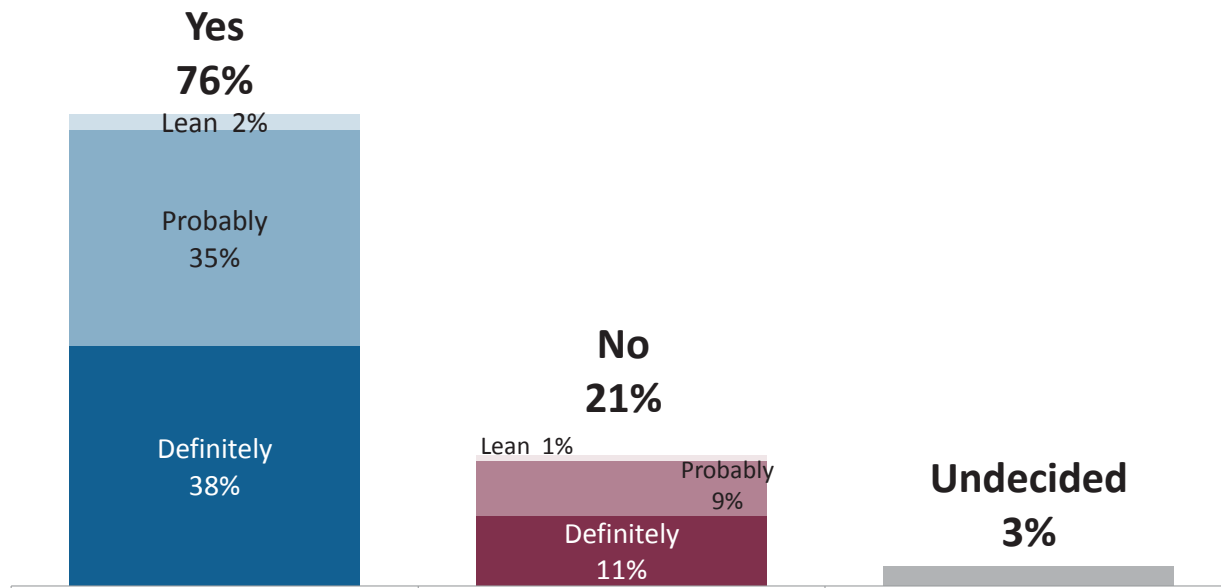
AC Transit District Survey 2014

EMC 14-5142 | 30



STSD 1 Final Vote – After All Information

After hearing the negative information, support decreases slightly for the AC Transit measure, but remains comfortably above the two-thirds threshold.



Q63. Given everything you have heard, would you now vote yes to approve or no to reject this measure?

AC Transit District Survey 2014

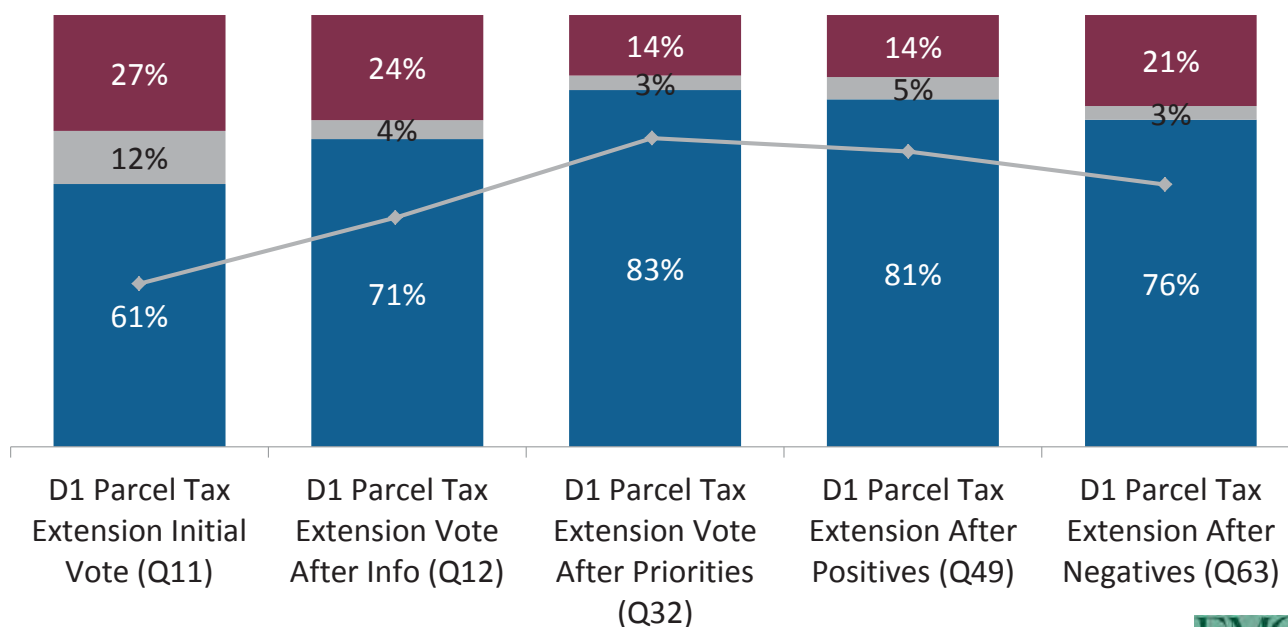
EMC 14-5142 | 31



Summary of STSD 1 Vote Questions

Support for the AC Transit measure increases as more information is given, and stays comfortably above the two-thirds threshold even after negative information is given.

■ Definitely/Probably/Lean YES ■ (Und/Don't Know) ■ Definitely/Probably/Lean NO



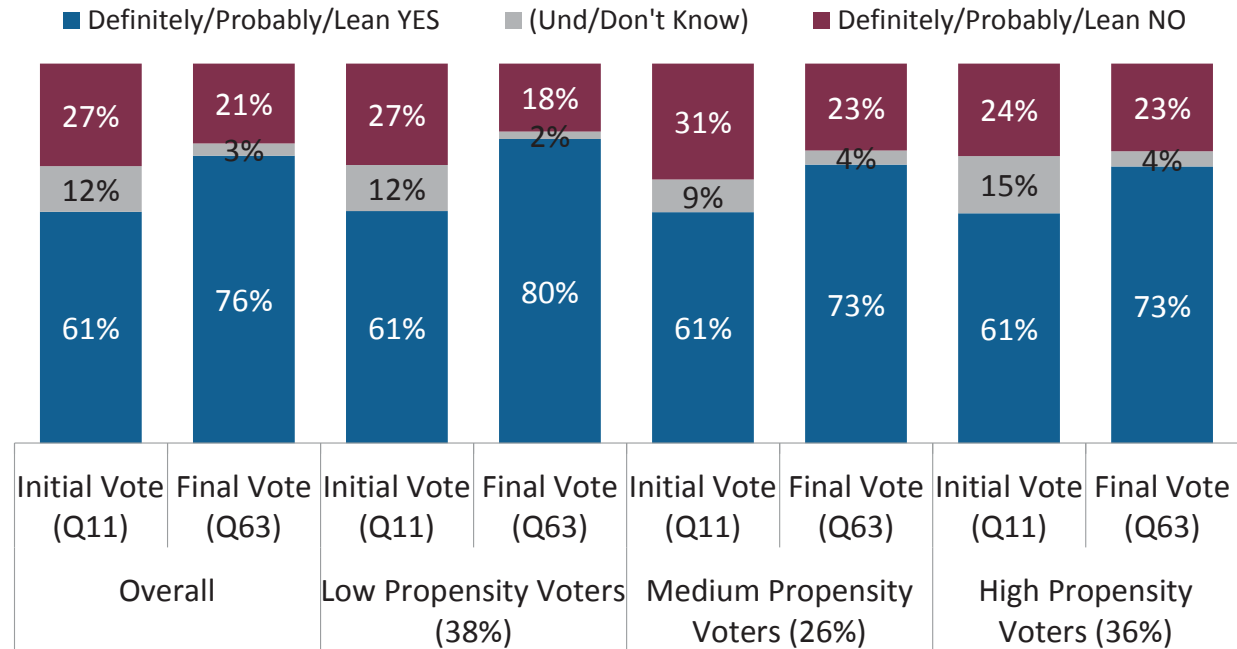
AC Transit District Survey 2014

EMC 14-5142 | 32



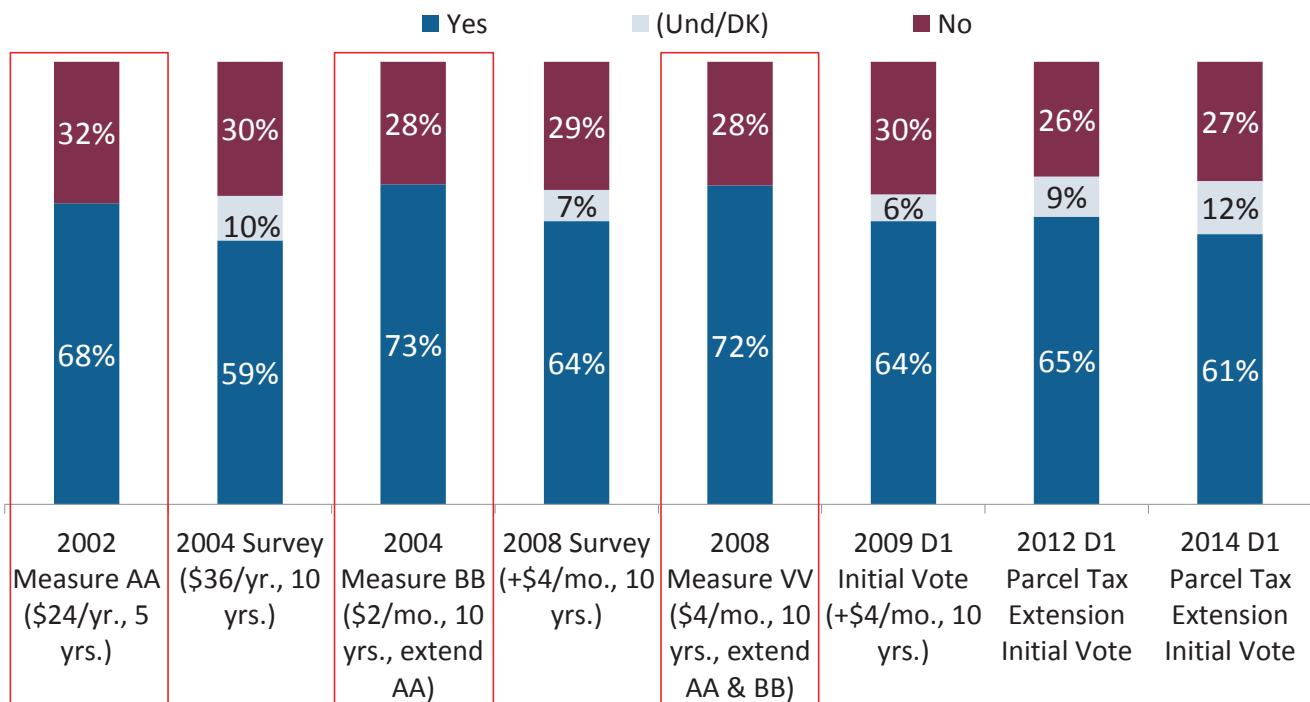
STSD 1 Initial Vote by Vote Propensity

Voters of all propensities support the measure at the same level initially; the least frequent voters (who make up a larger proportion of the electorate in higher-turnout elections, versus lower-turnout elections) are most moved by the information given in the poll



STSD 1 Comparison of Polling and Vote Outcomes

While initial support for the AC Transit measure in STSD 1 is lower than it was in May 2012, historically ballot measures have outperformed the polls in STSD 1.



Red boxes indicate elections

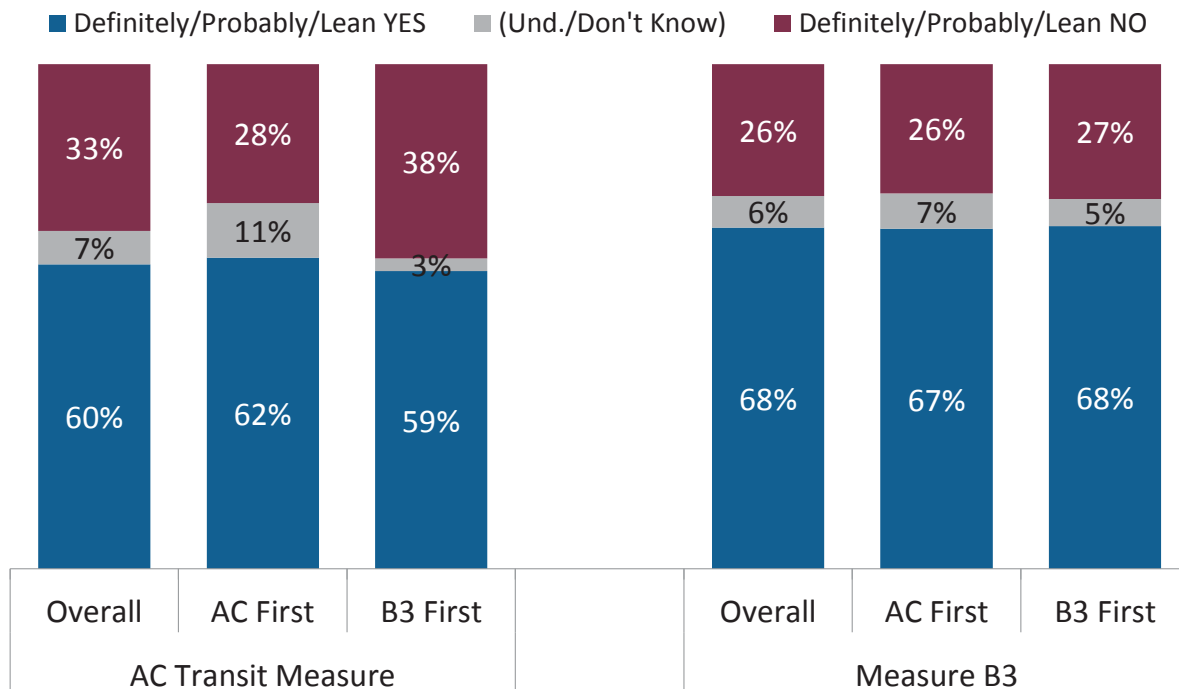


In Focus: Special Transit Service District 2



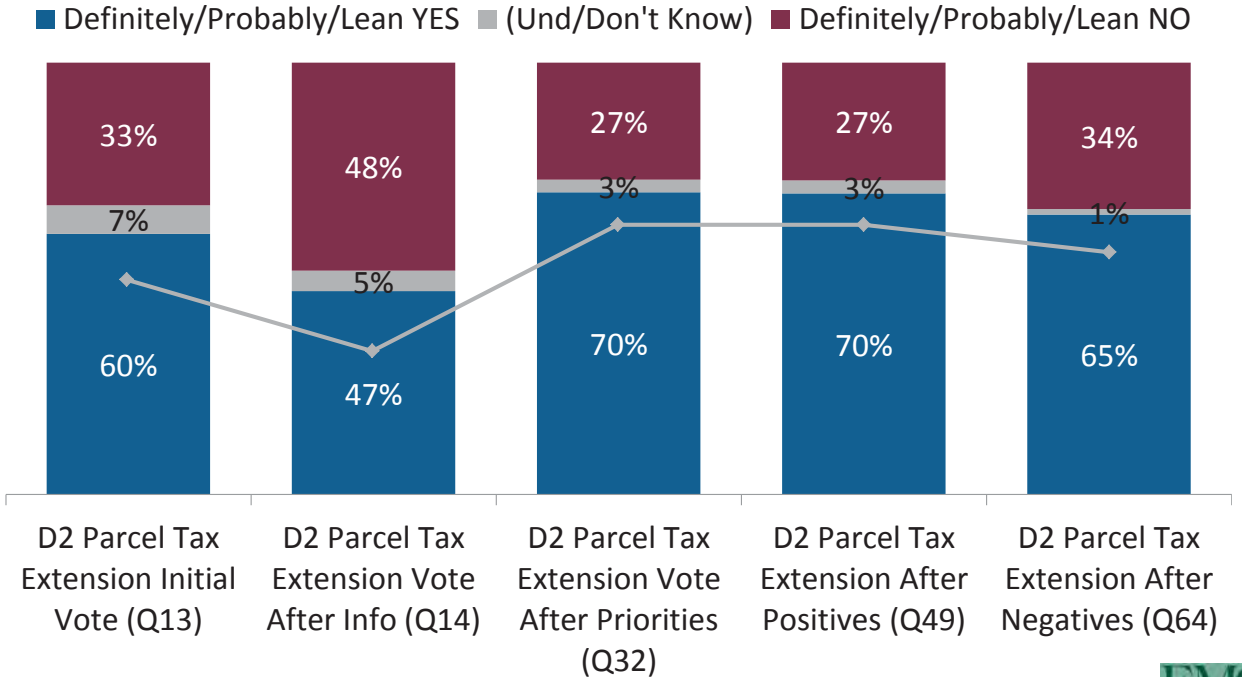
STSD 2: Does B3 impact an AC Transit Measure?

Hearing Measure B3 first does not impact voters' support for the AC measure or B3.



Comparison of STSD 2 Vote Questions

Support for the AC Transit measure drops when voters are told they pay nothing now, but hearing the priorities and positive information increases. After negative messages, support for the measure drops just below the two-thirds threshold.



Conclusions

- An extension-only measure in Special Transit Service District 1 is a viable option for a November and potentially even a June election.
 - Simply letting voters know that it is only a \$8 per month tax for local transportation services and is set to expire in 2018 if not extended pushes support to 71%. The more information given the better.
 - There are no indications that sharing a ballot with B3 hurts either measure, nor that other potential measures (Measure A renewal, state transportation measure) impact support for an AC Transit measure.
- Passing a new tax in Special Transit Service District 2 is possible, but it faces a tougher battle.
 - Initial support is strong, but support drops significantly when told it is a new tax for their area only. Care must be taken when offering voters information about the measure if it is to be successful.
 - Overcoming this area’s level of tax aversion will be a challenge for any type of tax measure.

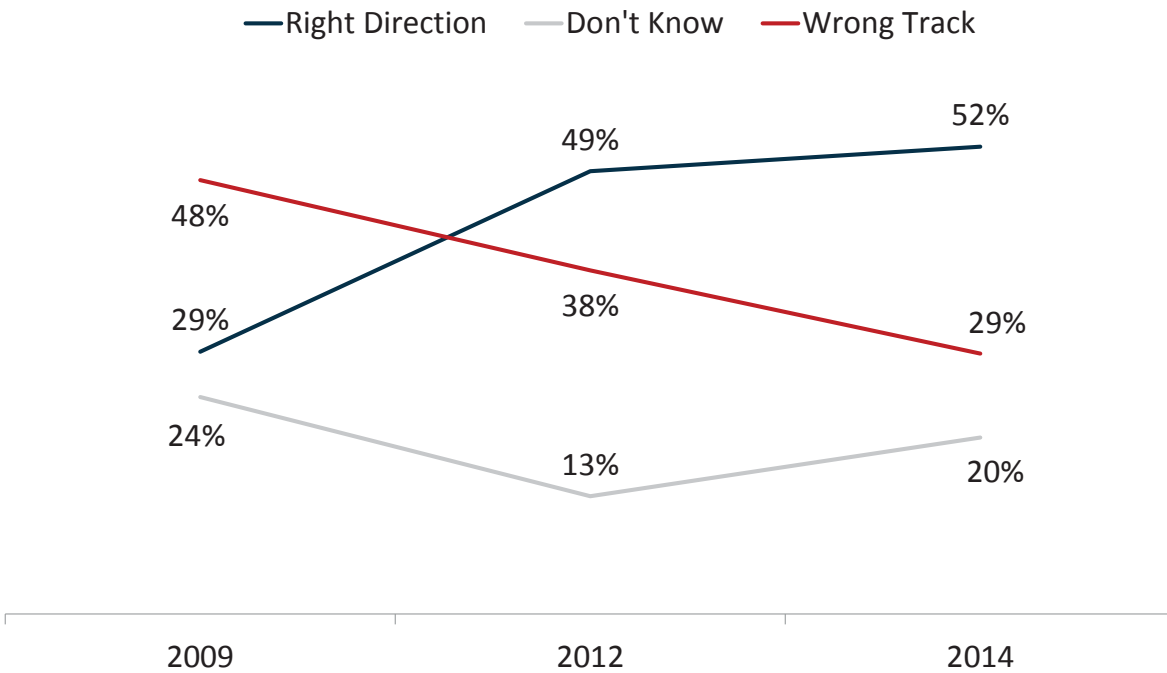
Appendix: STSD 1 Data



STSD 1
Issue Environment



STSD 1: Bay Area Direction

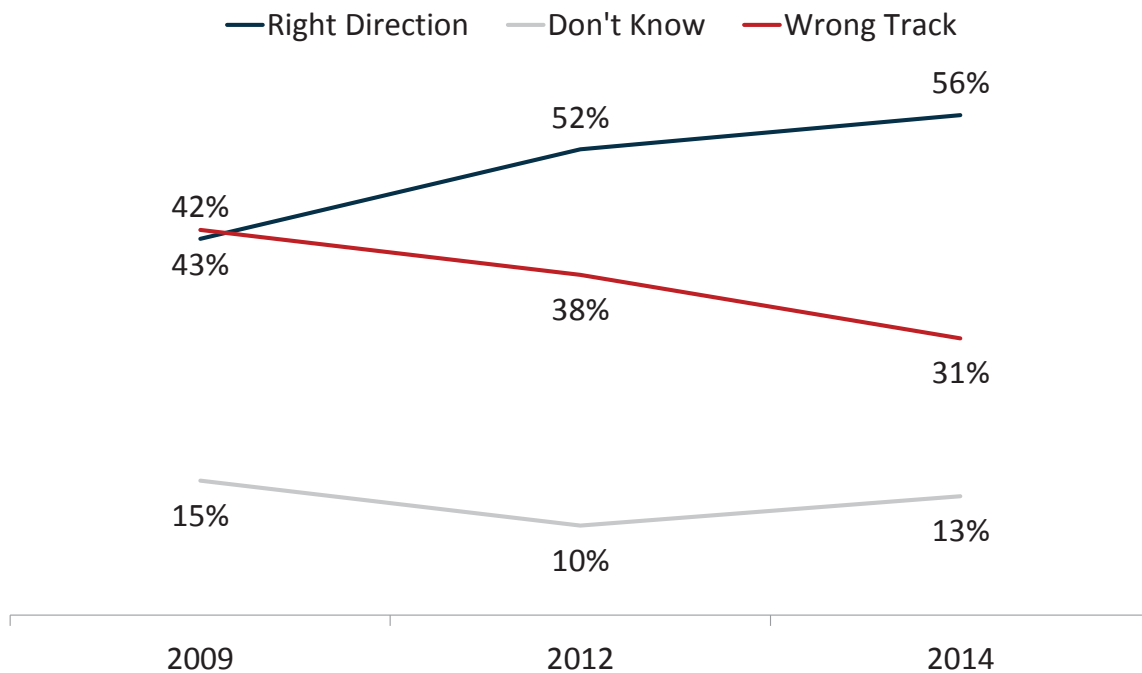


Q8. Do you think things in the Bay Area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 41

STSD 1: Your Local Area Direction

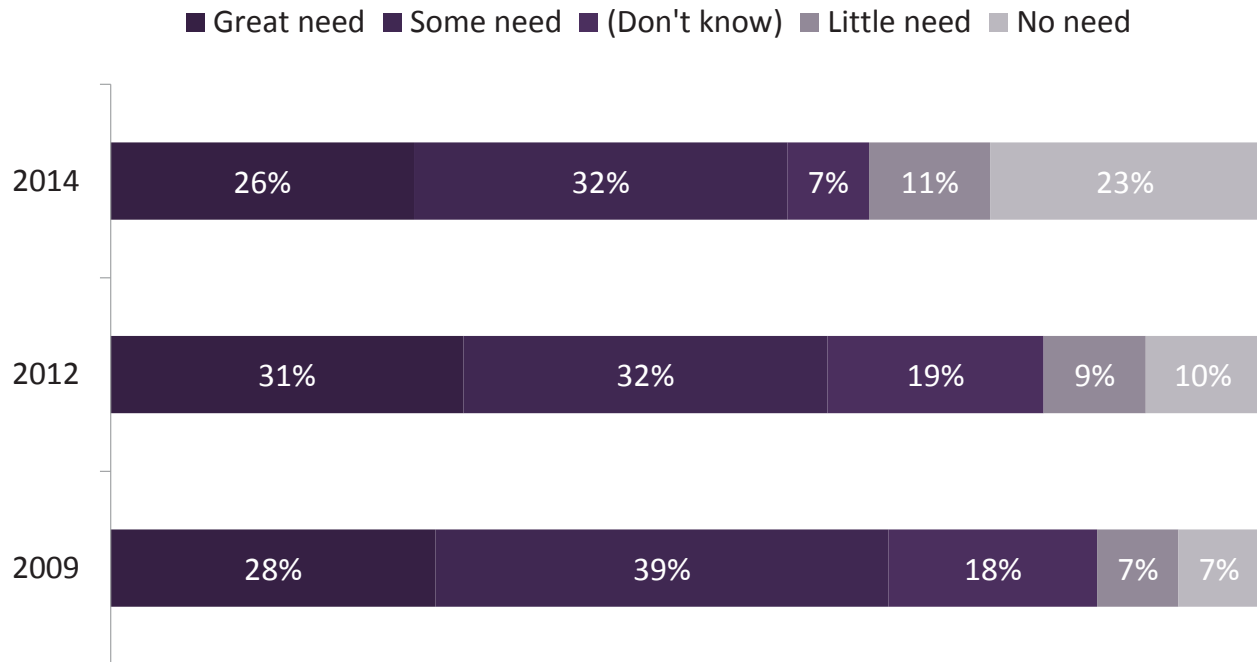


Q9. And what about your own local area, do you think things in your local area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 42

STSD 1: Need for Funding

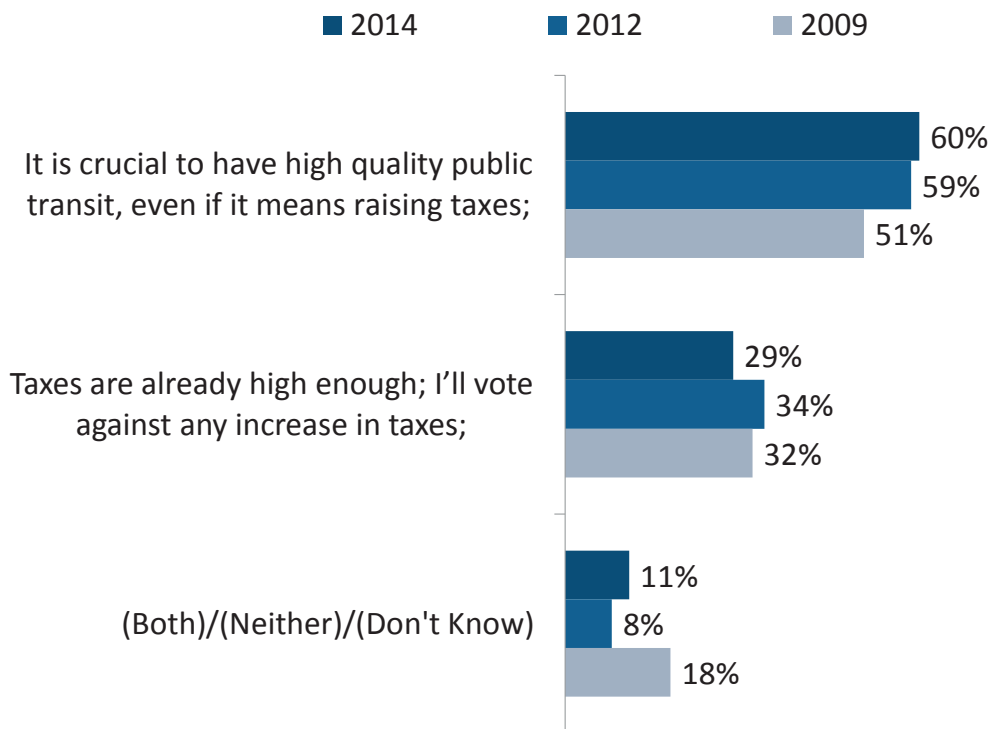


Q10. As you may know, you live in the A.C. Transit District, which is the public bus system in your area. Would you say that A.C. Transit has a great need for additional funding, some need, a little need or no real need for additional funding?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 43

STSD 1 Forced Choice: Taxes

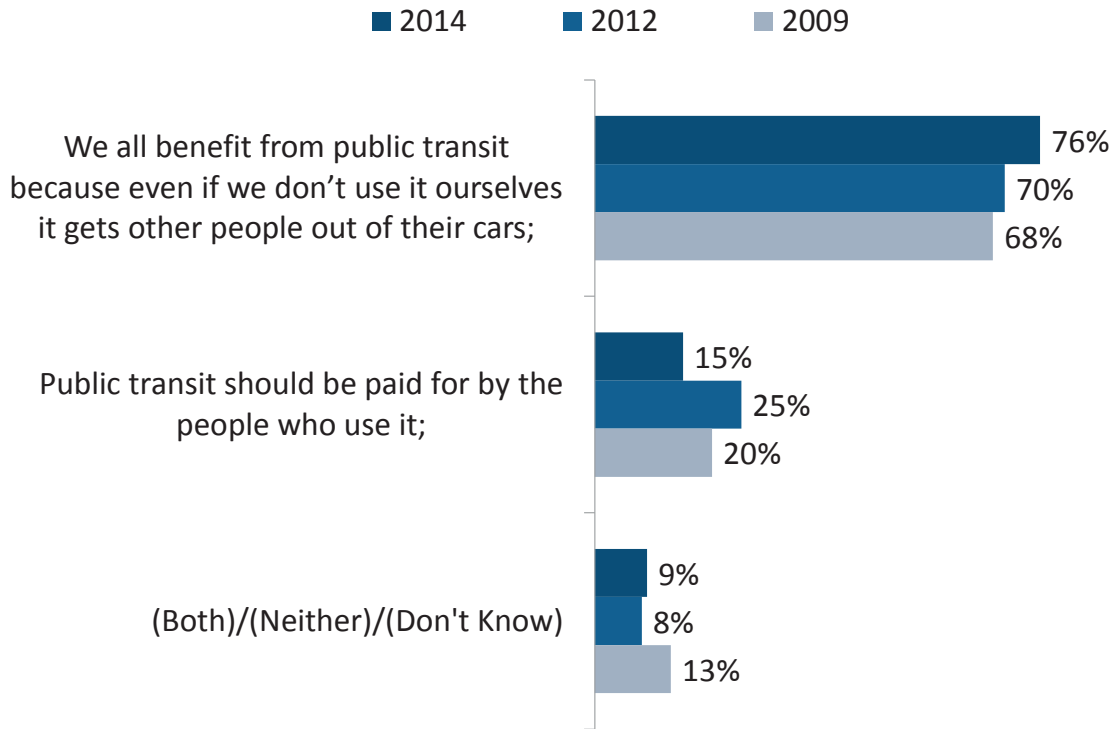


Q33. Which of the following is closer to your opinion?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 44

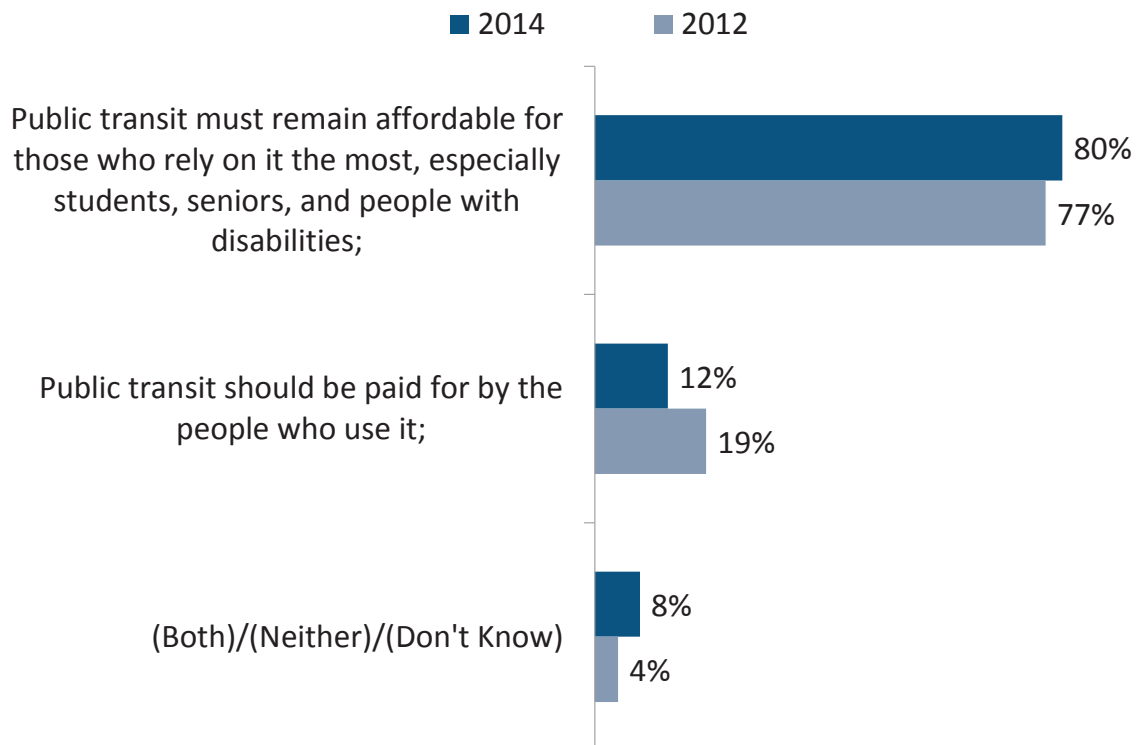
STSD 1 Forced Choice: Benefit



Q34. Which of the following is closer to your opinion?



STSD 1 Forced Choice: Affordability



Q35. Which of the following is closer to your opinion?



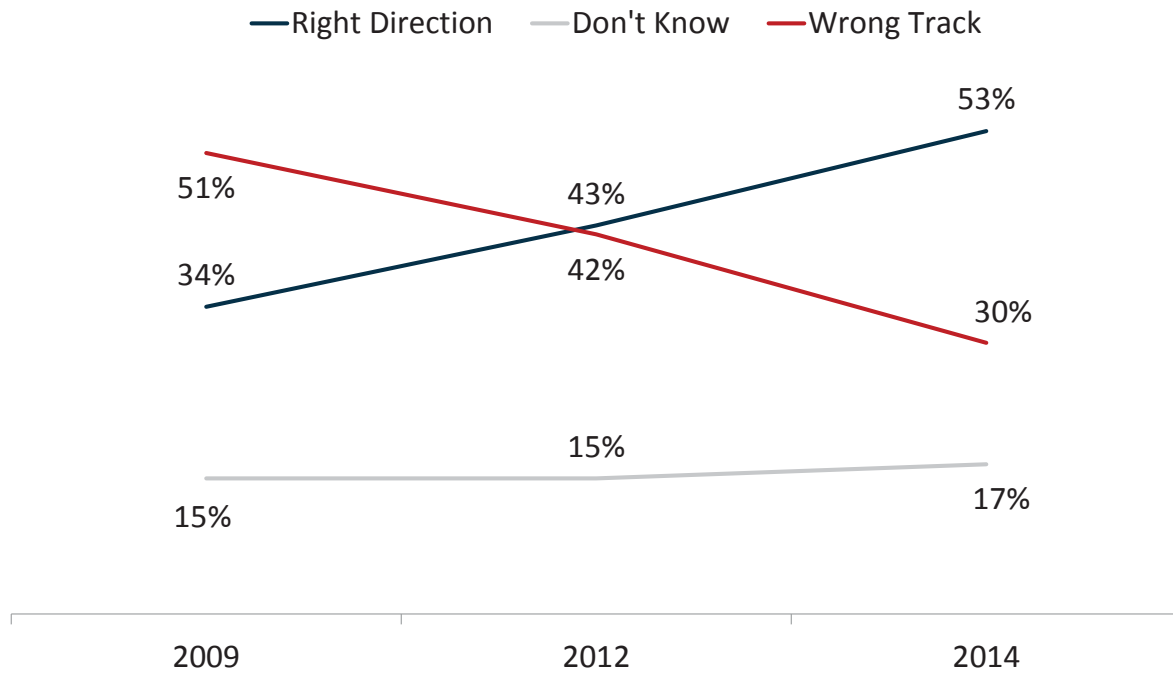
Appendix: STSD 2 Data



STSD 2
Issue Environment



STSD 2: Bay Area Direction

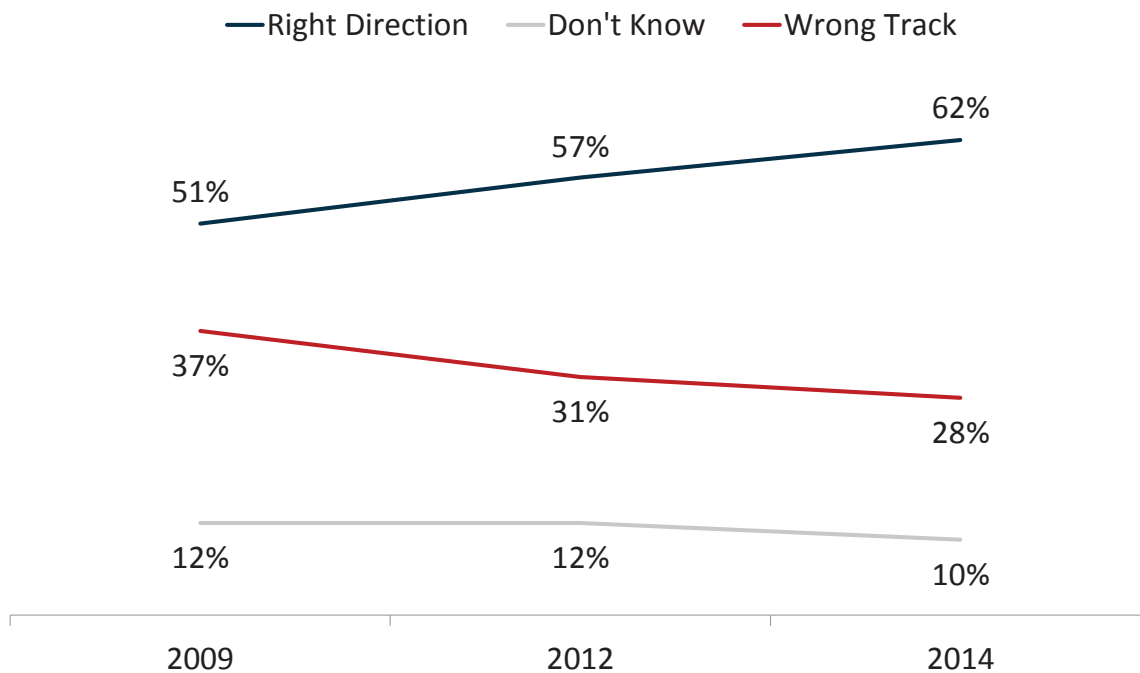


Q8. Do you think things in the Bay Area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 49

STSD 2: Your Local Area Direction

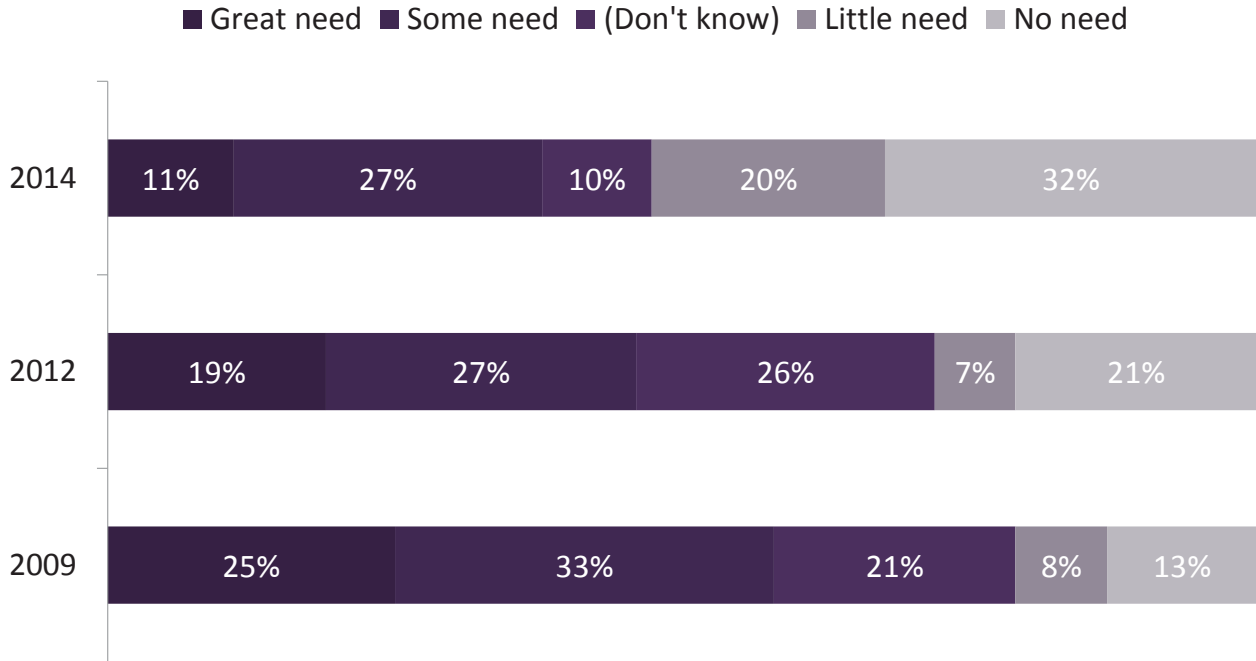


Q9. And what about your own local area, do you think things in your local area are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 50

STSD 2: Need for Funding

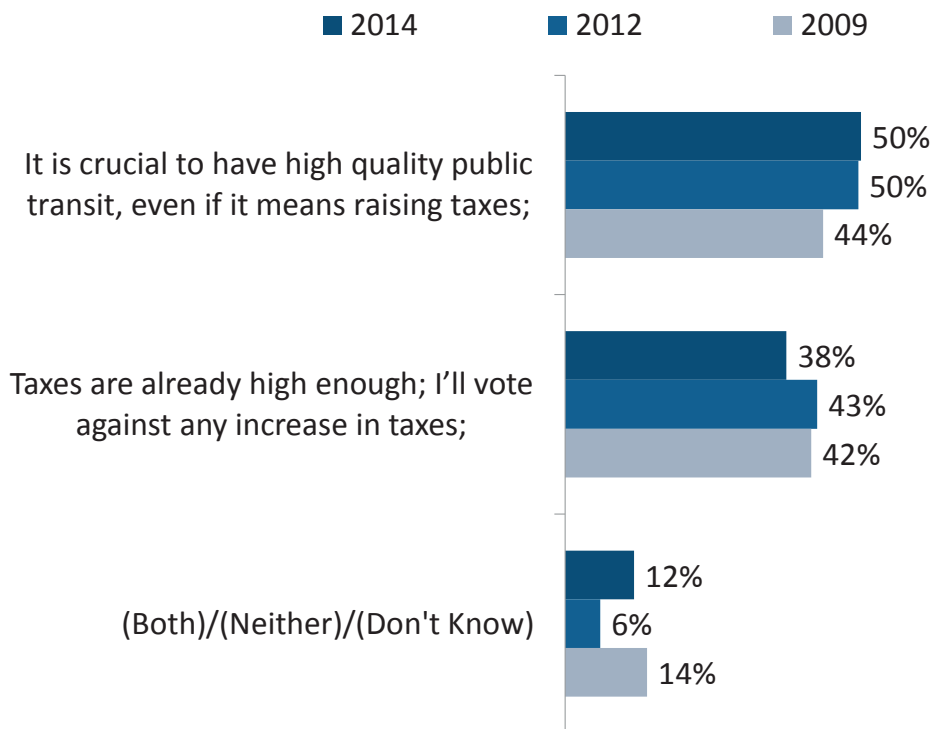


Q10. As you may know, you live in the A.C. Transit District, which is the public bus system in your area. Would you say that A.C. Transit has a great need for additional funding, some need, a little need or no real need for additional funding?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 51

STSD 2 Forced Choice: Taxes

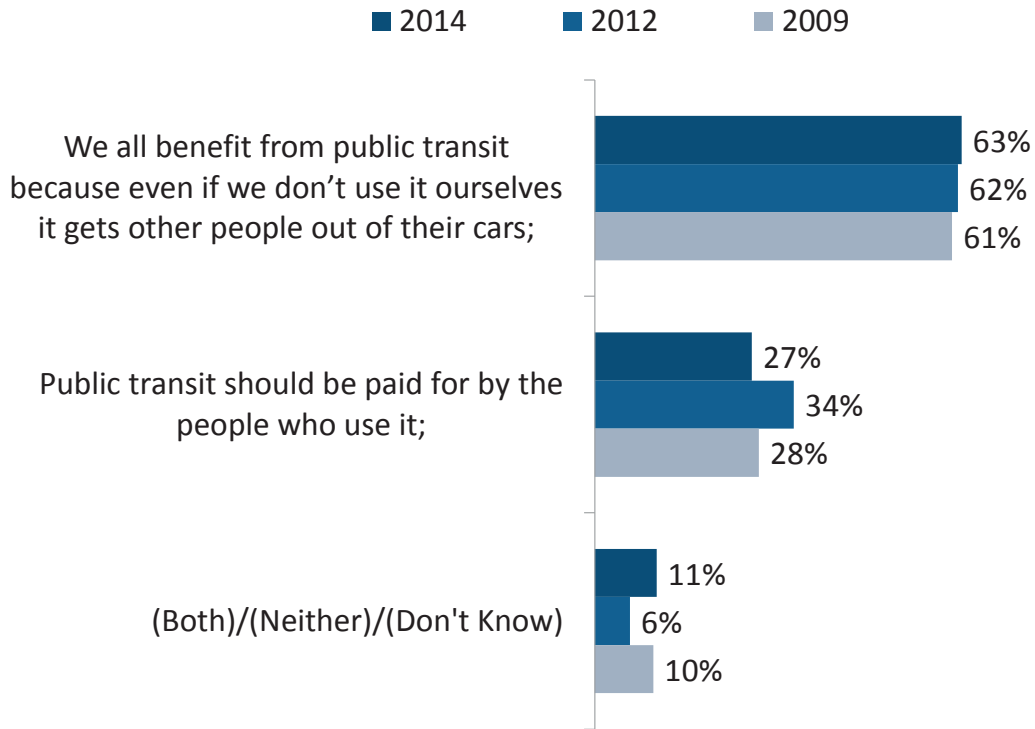


Q33. Which of the following is closer to your opinion?

AC Transit District Survey 2014

EMC
EMC 14-5142 | 52

STSD 2 Forced Choice: Benefit



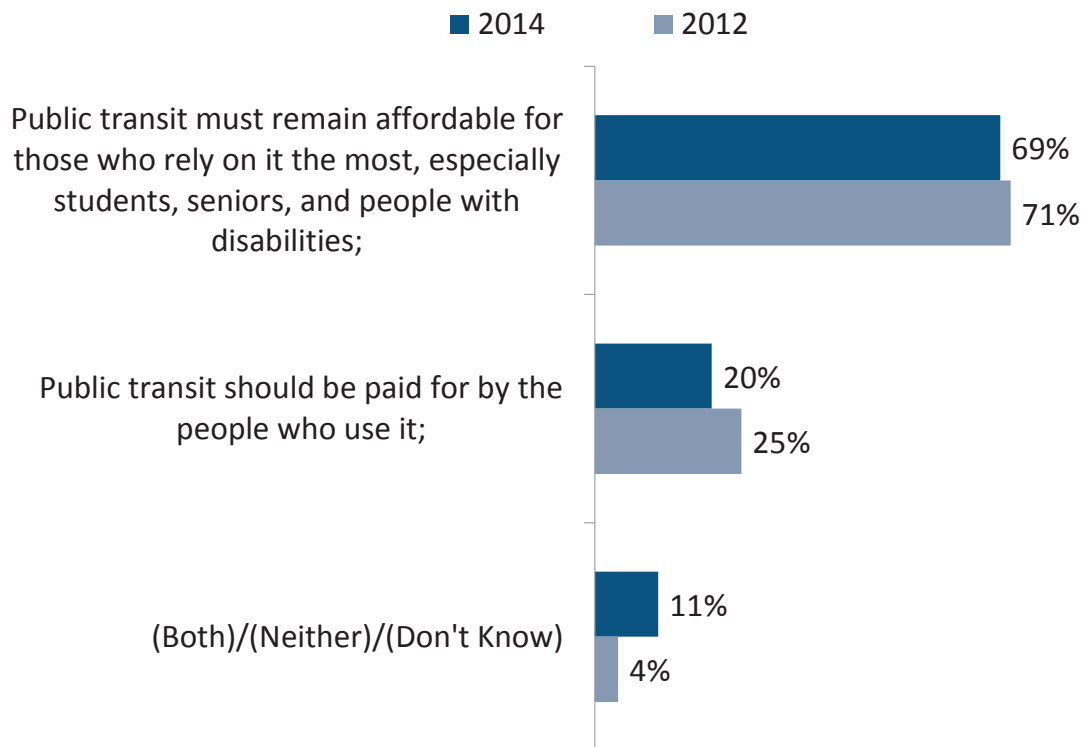
Q34. Which of the following is closer to your opinion?

AC Transit District Survey 2014

EMC 14-5142 | 53



STSD 2 Forced Choice: Affordability



Q35. Which of the following is closer to your opinion?

AC Transit District Survey 2014

EMC 14-5142 | 54

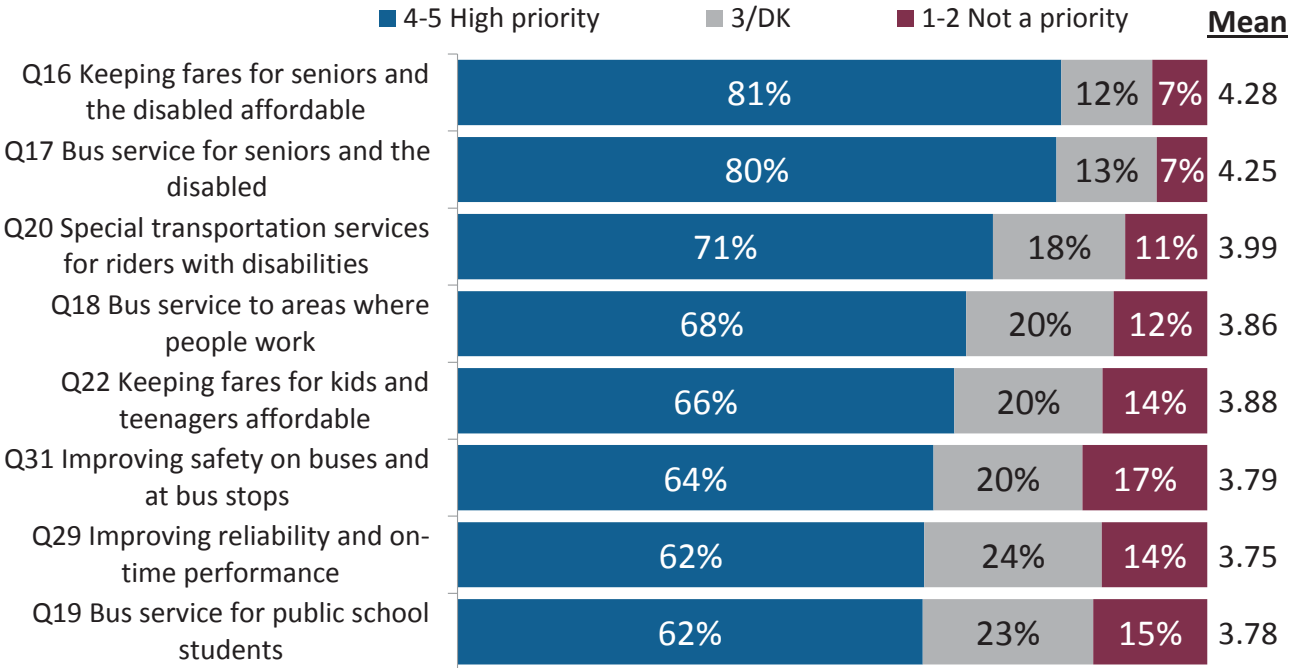


STSD 2 Priorities



STSD 2 Priorities

Affordable fares, consideration for the elderly and disabled, and convenient service are the highest priorities for STSD 2 voters.

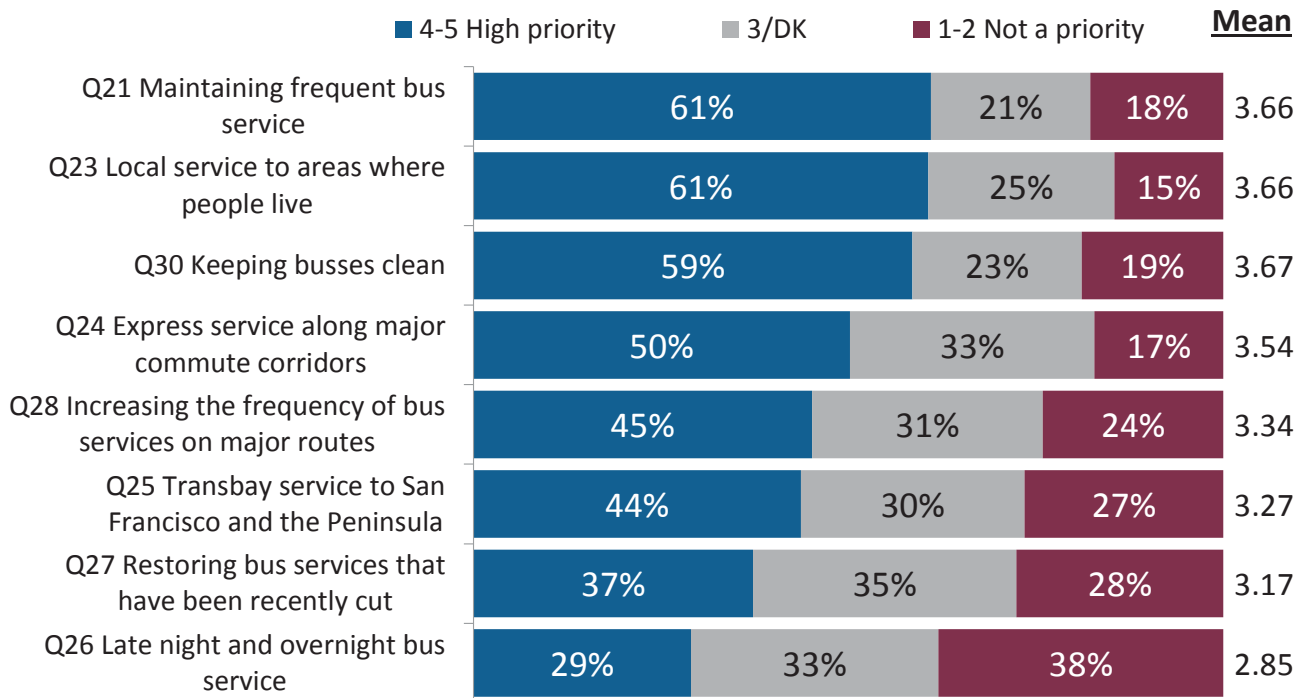


Q16-31. How a high a priority should that be to pay for with the tax revenues? Use a scale from one to five, where one means it should not be a priority at all and five means it should be a very high priority.



STSD 2 Priorities (continued)

Late night service and restoring bus service are less of a priority for STSD 2 voters.



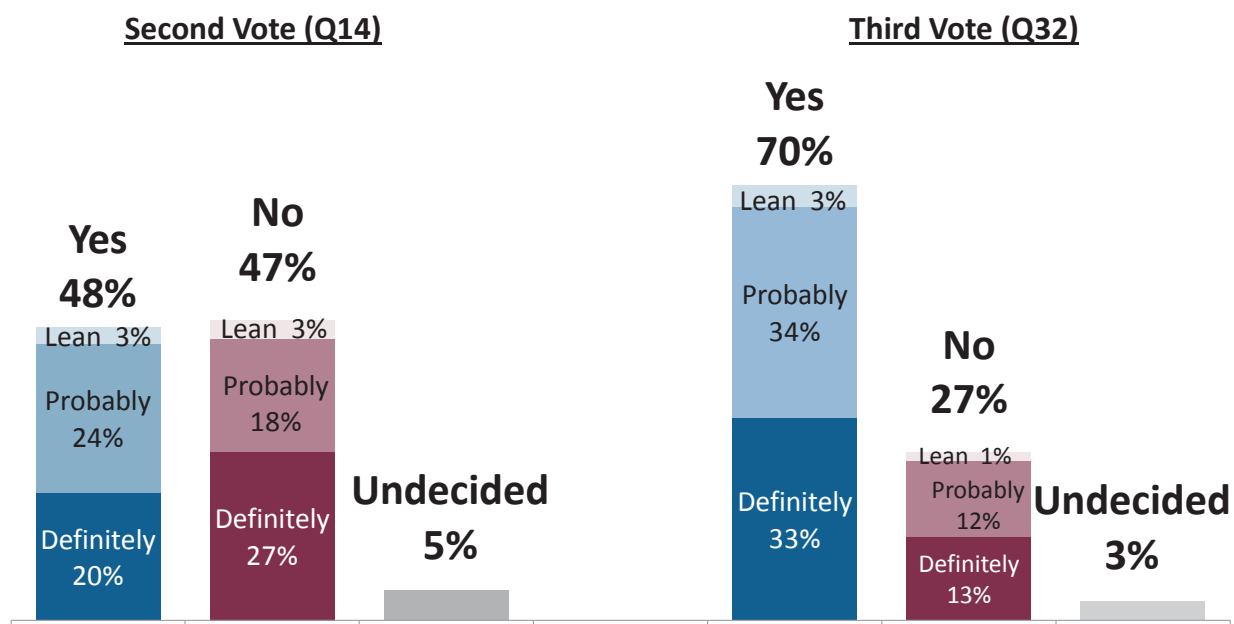
Q16-31. How a high a priority should that be to pay for with the tax revenues? Use a scale from one to five, where one means it should not be a priority at all and five means it should be a very high priority.

AC Transit District Survey 2014



STSD 2 Third Vote – After Priorities

After hearing the priorities, support for the AC Transit measure increases a great deal, from 47% to 70%



Q32. Now that you have heard some of the things this measure would pay for, if the A.C. Transit measure were on the ballot today, would you vote "Yes" to approve it, or "No" to reject it?

AC Transit District Survey 2014



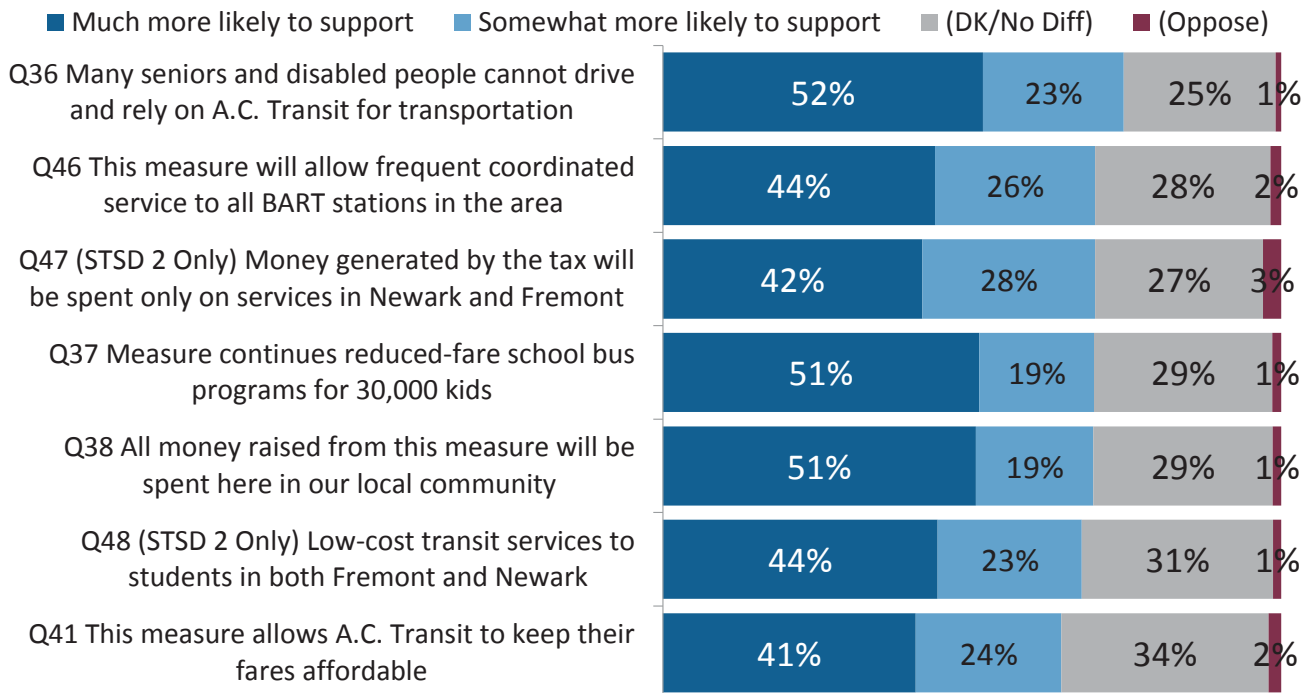
STSD 2

Positive Information



STSD 2 Positive Information

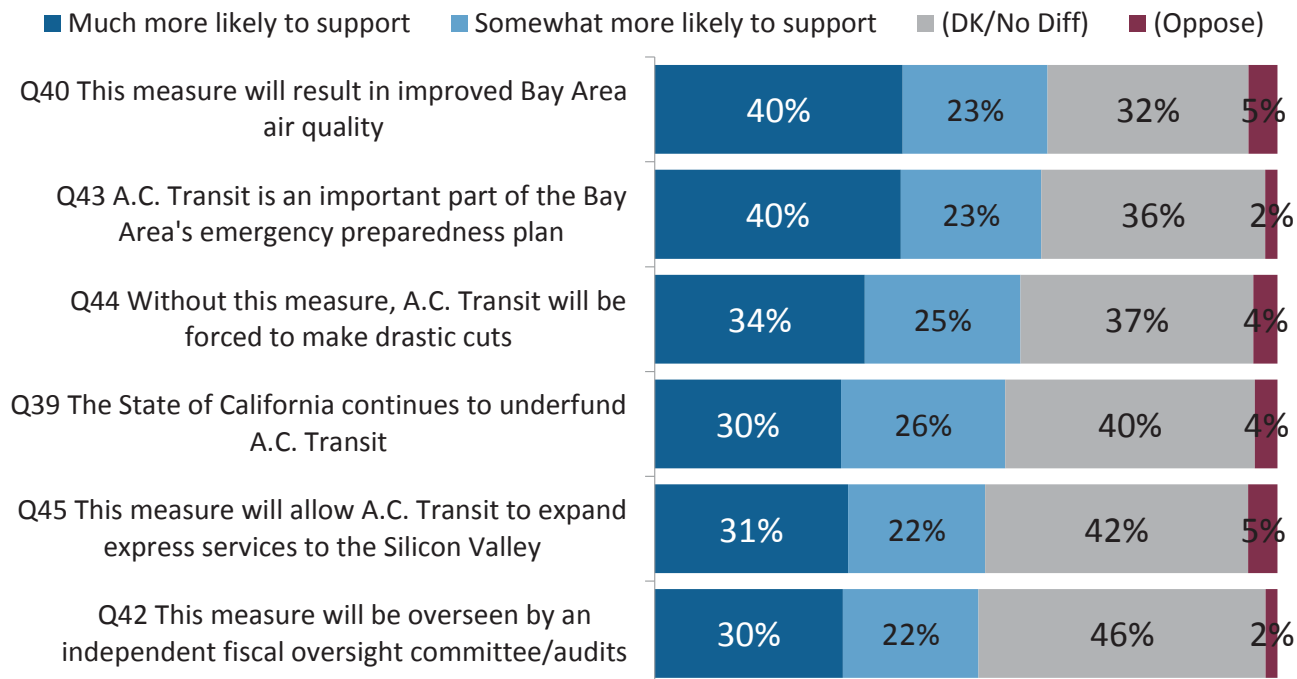
Talking about seniors and the disabled, students, and keeping funds local are the most compelling reasons to support a measure for District 2



Q36-46. Please tell me if it would make you much more likely to support the measure or somewhat more likely to support the measure, or if it makes no difference.

STSD 2 Positive Information (continued)

Even in the south, service expansion to the Silicon Valley is not compelling.



Q36-46. Please tell me if it would make you much more likely to support the measure or somewhat more likely to support the measure, or if it makes no difference.

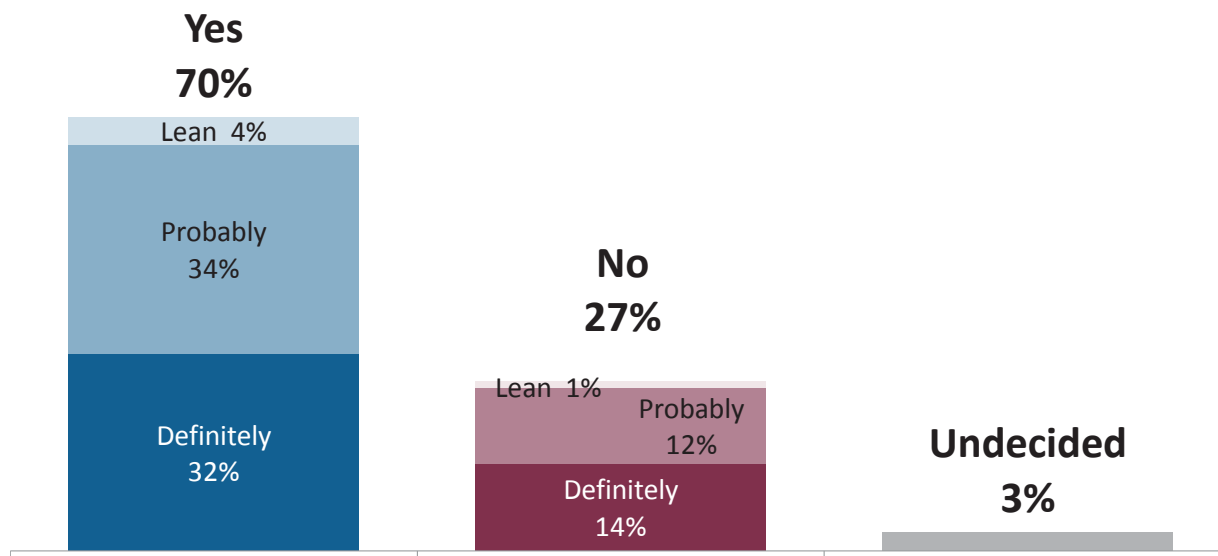
AC Transit District Survey 2014

EMC 14-5142 | 61



STSD 2 Fourth Vote – After Positive Information

After positive information is read, voters remain supportive of the measure.



Q49. Sometimes people change their minds in a survey like this. Given everything you have heard, if the A.C. Transit measure were on the ballot today, would you now vote "Yes" to approve it, or "No" to reject it?

AC Transit District Survey 2014

EMC 14-5142 | 62



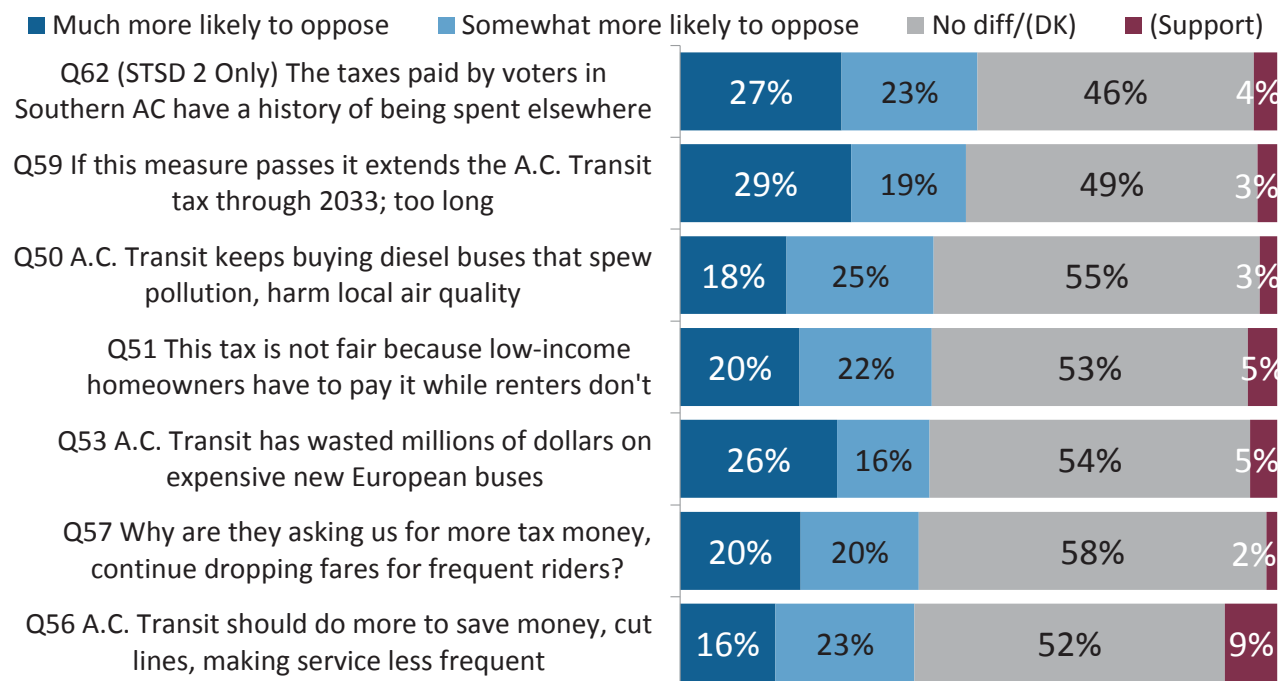
STSD 2

Negative Information



STSD 2 Negative Information

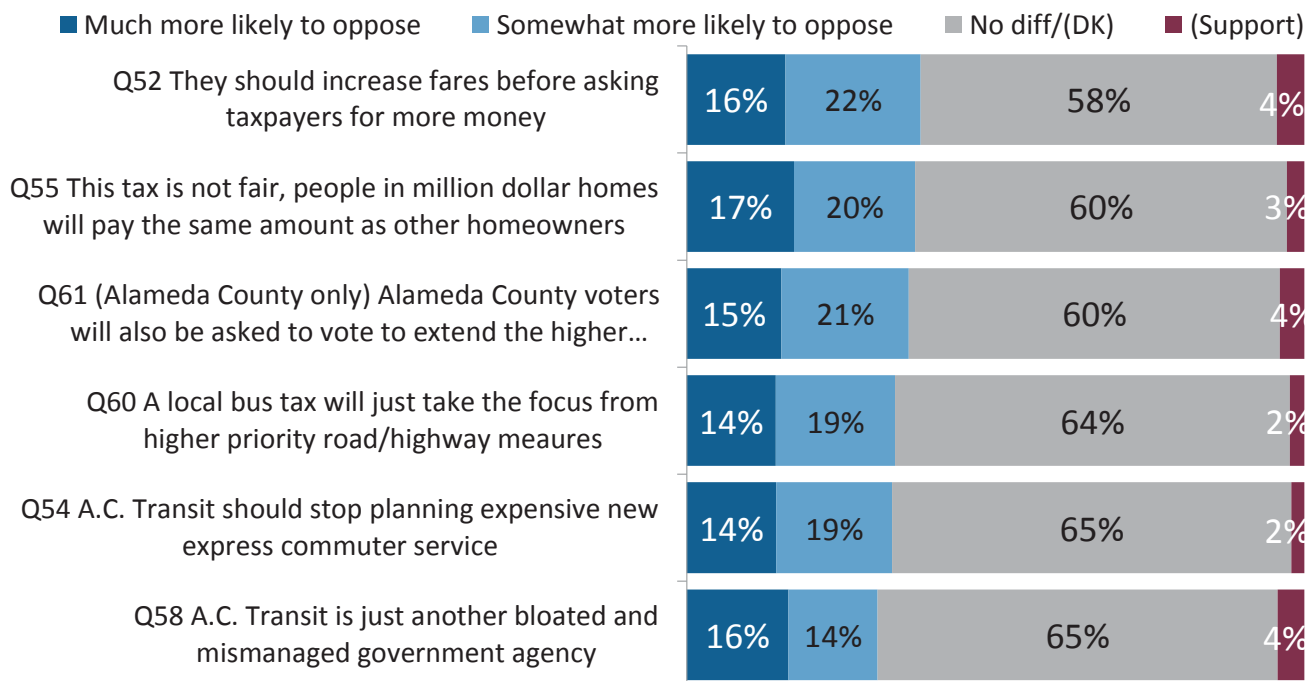
A history of misdirection of money and the length of the tax are the top reasons to vote against it in District 2.



Q50-62. Please tell me if it would make you much more likely to oppose the measure or somewhat more likely to oppose the measure, or if it makes no difference.

STSD 2 Negative Information (continued)

“Competing” measures on the same ballot are not a compelling reason to oppose the measure.



Q50-62. Please tell me if it would make you much more likely to oppose the measure or somewhat more likely to oppose the measure, or if it makes no difference.

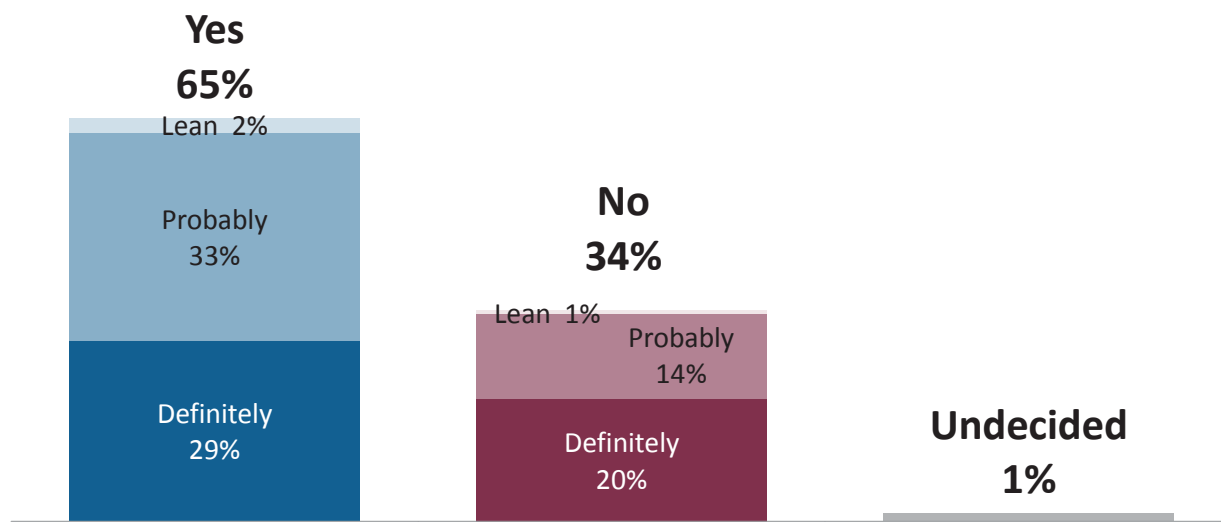
AC Transit District Survey 2014

EMC 14-5142 | 65



STSD 2 Final Vote – After All Information

After all of the information is read, support for the AC Transit in STSD 2 drops below the two-thirds threshold.



Q64. Given everything you have heard, would you now vote yes to approve or no to reject this measure?

AC Transit District Survey 2014

EMC 14-5142 | 66



This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: David J. Armijo, General Manager
SUBJECT: Approving Personnel Policies for Unrepresented Employees

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 14-010 approving Board Policy 201 – Personnel Policies for Unrepresented Employees and repeal various Board Policies, Administrative Regulations and prior resolutions.

EXECUTIVE SUMMARY:

Historically the terms and conditions of employment for unrepresented employees have been contained in different Board Policies and Administrative Regulations, as amended and/or supplemented from time to time by Board Resolutions. There has been no single document that contains the terms and conditions of employment applicable to unrepresented employees.

Staff proposes to consolidate these terms and conditions of employment into a single document in order to provide consistent application and understanding of the terms and conditions of employment applicable to unrepresented employees for members of the Board of Directors, District management, and for the unrepresented employees themselves.

A draft of the consolidated policy was reviewed by the Board in two parts, the first at its meetings of January 8, 2014, and the second at its meeting of January 22, 2014. Comments from the Board were considered and included in the final draft, which is before the Board now for adoption. Adopting Resolution No. 14-010 approving this Policy will repeal the prior related Board policies and resolutions, and General Manager Administrative Regulations. These are identified in Exhibit B to Resolution No. 14-010 (see Attachment 1).

BUDGETARY/FISCAL IMPACT:

The consolidation of existing Board Policies, Administrative Regulations, and Board Resolutions will not have a fiscal impact on the District.

BACKGROUND/RATIONALE:

As indicated above, currently the personnel rules with respect to unrepresented employees are contained in a variety of Board policies, Board resolutions, and Administrative Regulations. As a

result, it is often difficult to determine which rules apply to unrepresented employees. The consolidation of all the prior policies and regulations into a single document will facilitate the understanding of the applicable rules and provide for a clearer mechanism to amend personnel rules as required. The consolidated policy also provides greater flexibility to address changes in the future to wage and benefit issues.

The proposed policy contains 15 Articles, which were reviewed with the Board in two parts during the Board's meetings of January 8, 2014, and January 22, 2014. Several changes to the proposed Policy were made as a result of feedback from the Board of Directors. These are outlined below.

Article 1

Section 1.1B The proposed Policy had two categories of part-time employees, those working half time or more and those working less than half time. As the rules for both categories are the same, these were consolidated into one category of part time employee without reference to the number of hours worked.

Section 1.1 D A category of "Limited Term Employee" was added to the Policy to accommodate employees hired for a specific project and/or whose position is created through a grant funding agreement. Language was also added in Section 1.2 D to reference this new employee category and a footnote was added in Section 11.4 to clarify that Limited Term employees do not have any bumping rights.

Article 2

Section 2.8 With respect to project pay, additional language was added to require the written approval of the General Manager before project pay is granted and a requirement for the Chief Human Resources Officer to regularly monitor the project pay program and ensure that project pay terminates once the project has finished.

Article 3

Section 3.7 A The ability of retiree to receive a medical and/or dental opt out payment after 6 months of work with District was removed. These retirees would remain on their retiree benefits during any work that occurs post retirement.

Article 4

Section 4.12 A The language was amend to specify that second tier pension plan for unrepresented employees mirrors the benefits outlined in the *California Public Employees' Pension Reform Act of 2013* (PEPRA). This is to address the issue that as a result of Senate Bill 13 PEPRA is currently not applicable to employees of transit districts in California that receive federal assistance.

Article 12

Section 12.9 This section was amended to read “tablet computer” rather than “iPad”.

Article 15

Section 15.2 A procedure to amend the Policy in the future, which was not included in the original draft, was added.

Staff believes that these amendments to the proposed Policy address the various concerns raised by the Board of Directors during the January 2014 workshops.

As this new Policy will repeal a number of prior Board Policies and Resolutions, as well as a number of General Manager Administrative Regulations, a list of all such repealed items is included herewith for clarity (see Exhibit B to Resolution No. 14-010).

In addition, a request was made to identify the current unrepresented positions with the District. A list of those positions is included at Attachment 2.

ADVANTAGES/DISADVANTAGES:

As indicated in the prior staff reports on this issue, consolidating the terms and conditions of employment for unrepresented employee into a single document will provide better control and understanding of these terms and conditions of employment for members of the Board of Directors, District management, and for the unrepresented employees themselves. It will also allow amendments to terms and conditions of employment to proceed in a more orderly fashion, thereby avoiding confusion and potential oversight when amendments are adopted on a piece-meal basis.

There are no identified disadvantages to consolidation of the terms and conditions of employment for unrepresented employees into a single policy document.

ALTERNATIVES ANALYSIS:

As this Staff Report includes only a description of the proposed policy consolidation there was no alternative analysis undertaken.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

- Board Policy No. 240 Management Compensation
- Board Policy No. 262 Bereavement Leave
- Board Policy No. 266 Holidays
- Board Policy No. 278 Sick Leave
- Board Policy No. 280 Vacation
- Board Policy No. 282 Probation
- Board Policy No. 290 Reduction in Force

Board Policy No. 292 Rehire
Board Policy No. 296 Employee Categories
Board Policy -- Management Leave
Board Policy -- Pension/Deferred Comp
Board Policy -- Long Term Disability
Resolution No. 1034 Benefits - adopted February 11, 1998
Resolution No. 1109 Salaries/Benefits - adopted September, 1999
Resolution No. 2020 Sick leave rollover/3 Year Average on Pension/Holidays - adopted August 2, 2001
Resolution No. 2104 United Health/Medical Opt Out - adopted September 3, 2003
Resolution No. 06-033 Pension Formula/Dental/ Retiree Medical - adopted August 2, 2006
Resolution No. 09-014 Wages/Benefits - adopted February 25, 2009
Resolution No. 10-037 Wages/Benefits - adopted June 23, 2010
Resolution No. 11-034 Wages/Benefits - adopted July 27, 2011
Administrative Regulation No. 239 Benefits - adopted April 2008
Administrative Regulation No. 254 Employee Discipline - adopted September 2006
Administrative Regulation No. 266 Holiday – adopted April 1991
Administrative Regulation No. 278 Sick Leave – adopted April 1991, amended November 1991
Administrative Regulation No. 280 Vacations - adopted April 11, 1998, amended November 15, 1991

ATTACHMENTS:

- 1: Resolution No. 14-010 with attachments
- 2: List of current unrepresented positions

Department Head Approval: Tom Prescott, Chief Performance Officer

Reviewed by: David A. Wolf, General Counsel

Prepared by: Tom Prescott, Chief Performance Officer

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
RESOLUTION NO. 14-010**

**A RESOLUTION ADOPTING BOARD POLICY NO. 201 ENTITLED
PERSONNEL POLICIES FOR UNREPRESENTED EMPLOYEES**

WHEREAS, the Board of Directors of the Alameda-Contra Costa Transit District has from time-to-time adopted Board Policies and Resolutions related to the policies and procedures that apply to the employment of unrepresented District employees; and

WHEREAS, the General Manager has from time-to-time issued Administrative Regulations related to the policies and procedures that apply to the employment of unrepresented District employees; and

WHEREAS, the Board of Directors has undertaken a comprehensive review of these Policies, Administrative Regulations, and prior Resolutions in order to consolidate these policies and procedures into a single Board Policy; and

WHEREAS, the proposed Board Policy No. 201 entitled, Personnel Policies for Unrepresented Employees, was reviewed by all members of the Board of Directors in its regular meetings held on January 8, 2014, and January 22, 2014;

NOW, THEREFORE, the Board of Directors of the Alameda-Contra Costa Transit District hereby resolves as follows:

Section 1. Board Policy No. 201 entitled Personnel Policies for Unrepresented Employees, dated February 26, 2014, attached hereto as Exhibit A, is hereby adopted in its entirety.

Section 2. The Board Policies, General Manager Administrative Regulations, and prior Resolutions listed in Exhibit B are hereby repealed, in whole or in part, as indicated in Exhibit B.

Section 3. This resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

PASSED AND ADOPTED this 26th day of February, 2014.

Greg Harper, President

Attest:

Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 26th day of February, 2014 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda A. Nemeroff, District Secretary

Approved as to Form and Content:

Denise Standridge, Interim General Counsel

AC Transit

Policy No. 201

BOARD POLICY

Category: Personnel Matters

**PERSONNEL POLICIES FOR
UNREPRESENTED DISTRICT EMPLOYEES**

Table of Contents

I. PURPOSE	1
II. POLICY	2
ARTICLE 1. EMPLOYEE CATEGORIES	2
SECTION 1.1 CATEGORIES OF EMPLOYEES	2
SECTION 1.2 APPLICABILITY TO PART-TIME/TEMPORARY/PROBATIONARY /LIMITED TERM EMPLOYEES	3
SECTION 1.3 EXEMPT/NON-EXEMPT EMPLOYEES	4
ARTICLE 2. COMPENSATION	5
SECTION 2.1 SALARY GRADES	5
SECTION 2.2 INITIAL HIRE RATES	5
SECTION 2.3 SALARY STEP ADVANCES	5
SECTION 2.4 MAINTENANCE OF DIFFERENTIALS	6
SECTION 2.5 ACTING APPOINTMENTS	6
SECTION 2.6 PROMOTIONS	6
SECTION 2.7 EXTENUATING CIRCUMSTANCES	7
SECTION 2.8 PROJECT PAY	7
SECTION 2.9 OVERTIME	7
ARTICLE 3. EMPLOYEE BENEFITS	8
SECTION 3.1 HEALTH BENEFITS	8
SECTION 3.2 DENTAL PLAN	8
SECTION 3.3 VISION CARE	9
SECTION 3.4 OPT OUT	9
SECTION 3.5 FLEXIBLE SPENDING PLAN	9
SECTION 3.6 DOMESTIC PARTNERS	9
SECTION 3.7 PART-TIME EMPLOYEE BENEFITS	11
SECTION 3.8 DISTRICT PROVIDED INSURANCE	11
SECTION 3.9 SUPPLEMENTAL INSURANCE	12
ARTICLE 4. PENSION AND DEFERRED COMPENSATION	13
SECTION 4.1 PENSION BENEFITS	13
SECTION 4.2 PENSION VESTING	13
SECTION 4.3 TERM VESTED EMPLOYEES	13
SECTION 4.4 THREE HIGHEST YEARS	14
SECTION 4.5 BENEFIT FORMULA – TIER ONE PLAN	14
SECTION 4.6 PARTIAL YEARS	14
SECTION 4.7 POP-UP	15
SECTION 4.8 PRE-RETIREMENT DEATH BENEFITS	15
SECTION 4.9 OCCUPATIONAL DISABILITY RETIREMENT BENEFITS	15

SECTION 4.10	DEFERRED COMPENSATION.....	15
SECTION 4.11	SICK LEAVE ROLLOVER.....	15
SECTION 4.12	TIER TWO PENSION PLAN.....	16
ARTICLE 5. RETIREE BENEFITS		18
SECTION 5.1	MEDICAL/DENTAL/VISION FOR RETIREES.....	18
SECTION 5.2	DEPENDENT MEDICAL/DENTAL/VISION FOR RETIREES.....	19
SECTION 5.3	ALTERNATE MEDICAL COVERAGE.....	19
SECTION 5.4	OPT-OUT.....	20
SECTION 5.5	MEDICARE.....	20
SECTION 5.6	LIFE INSURANCE.....	20
SECTION 5.7	TRANSFER OR PROMOTION.....	20
SECTION 5.8	DIRECT PAY OPTION.....	20
ARTICLE 6. VACATION		21
SECTION 6.1	VACATION CREDITS.....	21
SECTION 6.2	ACCRUAL OF VACATION CREDITS.....	22
SECTION 6.3	USE OF VACATION CREDITS.....	22
SECTION 6.4	MAXIMUM ACCRUAL.....	22
SECTION 6.5	HOLIDAYS.....	23
SECTION 6.6	SCHEDULING.....	23
SECTION 6.7	PARTIAL DAY ABSENCE.....	23
SECTION 6.8	PAYMENT UPON SEPARATION.....	24
SECTION 6.9	VACATION PAY ADVANCE.....	24
SECTION 6.10	VACATION PAY ADVANCE DUE TO FINANCIAL HARDSHIP.....	24
ARTICLE 7. HOLIDAYS		25
SECTION 7.1	OBSERVED HOLIDAYS.....	25
SECTION 7.2	ALTERNATIVE HOLIDAYS.....	25
SECTION 7.3	OTHER HOLIDAY CREDITS.....	25
SECTION 7.4	USAGE OF HOLIDAY CREDITS.....	26
SECTION 7.5	USAGE OF EXCESS HOLIDAY CREDITS.....	26
ARTICLE 8. MANAGEMENT LEAVE		29
SECTION 8.1	ANNUAL CREDIT.....	29
SECTION 8.2	QUALIFICATIONS.....	29
SECTION 8.3	IMPLEMENTATION.....	29
SECTION 8.4	ACTING AND TEMPORARY ASSIGNMENTS.....	29
ARTICLE 9. SICK LEAVE		30
SECTION 9.1	ACCRUAL.....	30
SECTION 9.2	USAGE.....	30
SECTION 9.3	QUALIFICATIONS.....	30
SECTION 9.4	MAXIMUM ACCRUAL.....	31
SECTION 9.5	ADDITIONAL CREDITS.....	31
SECTION 9.6	CONVERSION TO PERSONAL LEAVE.....	31
SECTION 9.7	PAYMENT UPON RETIREMENT.....	32
SECTION 9.8	DISTRICT SICK LEAVE BANK.....	32
ARTICLE 10. MISCELLANEOUS LEAVES OF ABSENCE		33
SECTION 10.1	BEREAVEMENT LEAVE.....	33
SECTION 10.2	OTHER LEAVES OF ABSENCE.....	33
SECTION 10.3	MODIFIED DUTY RETURN TO WORK PROGRAM.....	33
ARTICLE 11. REDUCTION IN FORCE		34
SECTION 11.1	LAYOFF DEFINED.....	34
SECTION 11.2	NOTICE TO THE EMPLOYEE.....	34
SECTION 11.3	ORDER OF LAYOFF.....	34
SECTION 11.4	BUMPING RIGHTS.....	35
SECTION 11.5	SEVERANCE.....	35
SECTION 11.6	REEMPLOYMENT.....	36

SECTION 11.7	ELIGIBILITY FOR REEMPLOYMENT.	36
SECTION 11.8	BENEFITS.	36
SECTION 11.9	COBRA.	36
SECTION 11.10	LAYOFF STATUS.	37
SECTION 11.11	BENEFITS UPON REEMPLOYMENT.	37
SECTION 11.12	OUT-PLACEMENT SERVICES.	37
SECTION 11.13	ALTERNATIVES TO LAY OFF.	37
ARTICLE 12.	DISCHARGE, SUSPENSION, DEMOTION, REDUCTION-IN-PAY, AND APPEAL PROCESS	39
SECTION 12.1	APPLICATION.	39
SECTION 12.2	WRITTEN WARNING.	39
SECTION 12.3	ADVERSE ACTION.	39
SECTION 12.4	SKELLY NOTICE.	39
SECTION 12.5	SKELLY CONFERENCE.	40
SECTION 12.6	APPEAL OF SKELLY CONFERENCE DECISION.	40
SECTION 12.7	ARBITRATION HEARING PROCESS.	41
SECTION 12.8	SUSPENSION, DEMOTION, REDUCTION IN PAY OR TERMINATION.	41
SECTION 12.9	IMMEDIATE SUSPENSION/REMOVAL FROM DISTRICT PREMISES.	42
ARTICLE 13.	PROBATIONARY PERIOD	43
SECTION 13.1	NO AUTOMATIC APPOINTMENT.	43
SECTION 13.2	PURPOSE.	43
SECTION 13.3	INITIAL PROBATION.	43
SECTION 13.4	SUPERVISION.	43
SECTION 13.5	EXTENSION OF PROBATION.	44
SECTION 13.6	REVIEW.	44
SECTION 13.7	NO APPEAL OF RELEASE.	44
SECTION 13.8	PROBATIONARY PERIOD FOR REGULAR EMPLOYEES.	44
ARTICLE 14.	REHIRE	45
SECTION 14.1	ELIGIBILITY FOR REHIRE.	45
SECTION 14.2	REVIEW PRIOR TO REHIRE.	45
SECTION 14.3	STATUS UPON REHIRE.	45
SECTION 14.4	APPLICATION PROCEDURES.	45
SECTION 14.5	PROBATION PERIOD.	45
SECTION 14.6	SALARY PLACEMENT.	46
ARTICLE 15.	OTHER PROVISIONS	47
SECTION 15.1	REFERENCE EMPLOYEES.	47
SECTION 15.2	AMENDMENTS TO THIS POLICY.	47

I. PURPOSE

The purpose of this Policy is to consolidate the policies and procedures that apply to the employment of unrepresented District employees

UNREPRESENTED EMPLOYEES – POLICY NO. 201

II. POLICY

ARTICLE 1. EMPLOYEE CATEGORIES¹

- Section 1.1 Categories of Employees
- Section 1.2 Applicability to Part-Time/Temporary/Probationary Employees
- Section 1.3 Exempt/Non-Exempt Employees

SECTION 1.1 CATEGORIES OF EMPLOYEES.

The following categories of unrepresented employees are hereby established:

- A. Full-time Regular. A regular employee who is assigned and scheduled to work at least 1,950 hours during each consecutive twelve (12) month period.
- B. Part-time Regular. A regular employee who is assigned and scheduled to work 20 hours or more per week (equivalent to 1,040 hours or more in any consecutive twelve (12) month period) but under 37½ hours per week (equivalent to less than 1,950 hours in any consecutive twelve (12) month period).
 - 1. Compensation shall be as established by the Board of Directors prorated to an hourly rate using 2,080 hours in any consecutive twelve (12) month period to establish the prorated compensation.
 - 2. Benefits including but not limited to health, welfare, vacation, and sick leave for employees in this category shall be provided as set forth herein. Pension benefits are not provided.
- C. Temporary. An employee who is assigned and scheduled to fill a temporary position or who is appointed to fill a regular position for a limited period of time. An employee's assignment in this capacity may be on a full-time, part-time, seasonal, intermittent, or other basis. The employee may be simultaneously or consecutively assigned to a single or series of positions.
 - 1. Compensation shall be as established by the Board of Directors prorated to an hourly rate using 2,080 hours in any consecutive twelve (12) month period to establish the prorated compensation.

1 Replacing Board Policy No. 296 – Employee Categories

UNREPRESENTED EMPLOYEES – POLICY NO. 201

2. Benefits including but not limited to health, welfare, vacation, pension, and sick leave shall not be provided by the District.
- D. Limited Term. An employee who is assigned and scheduled to fill a regular position for a limited period of time, usually as the result of grant funding for such position and/or the creation of the position to support a particular project. An employee's assignment in this capacity will terminate upon the expiration of the grant funding and/or the project. Employees in this category will be advised of their limited term status upon hiring.
- E. Probationary. An employee who is assigned to work a regular position but who has not completed the probationary period established by this Policy. Probationary employees may be released at any time during probation in accordance with District Policy and practice.
- F. Regular Employee. An employee who has successfully completed the probationary period and is a holder of a regular position established by the Board of Directors.

SECTION 1.2 APPLICABILITY TO PART-TIME/TEMPORARY/PROBATIONARY /LIMITED TERM EMPLOYEES

- A. All provisions of this Policy are applicable to part-time regular employees with the exception of those judged to be inconsistent with their part-time status or the provisions of this Policy.
- B. All provisions of this Policy are applicable to temporary employees with the exception of those judged to be inconsistent with either their at-will status or the provisions of this Policy.
- C. All provisions of this Policy are applicable to probationary employees with the exception of those judged to be inconsistent with their probationary status or the provisions of this Policy.
- D. All provisions of this Policy are applicable to limited term employees with the exception of those judged to be inconsistent with their limited term status or the provisions of this Policy.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 1.3 EXEMPT/NON-EXEMPT EMPLOYEES

- A. An exempt employee is one who is exempt from the overtime provisions of the federal Fair Labor Standards Act ("FLSA").
- B. A non-exempt employee is one who is subject to the overtime provisions of the FLSA.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 2. COMPENSATION²

- Section 2.1 Salary Grades³
- Section 2.2 Initial Hire Rates
- Section 2.3 Salary Step Advances
- Section 2.4 Maintenance of Differentials
- Section 2.5 Acting Appointments
- Section 2.6 Promotions
- Section 2.7 Extenuating Circumstances
- Section 2.8 Project Pay
- Section 2.9 Overtime⁴

SECTION 2.1 SALARY GRADES.

The salary structure for unrepresented classifications shall be comprised of seven (7) steps with three percent (3%) between each step, which shall be subject to change from time to time in accordance with District policies, practice and labor market considerations.

SECTION 2.2 INITIAL HIRE RATES.

Initial hire rates of pay shall be determined based on the qualifications and experience a candidate brings to the position within the classification.

SECTION 2.3 SALARY STEP ADVANCES.⁵

A salary step advancement may be granted to employees who continue to demonstrate satisfactory job performance after completion of one year of service in the former step until said employees reach the top step of the salary grade schedule.

A salary step advancement may be postponed for an employee who has not demonstrated satisfactory performance. The employee shall not be entitled to a salary step increase until such time as his/her performance is deemed satisfactory. After

2 Replacing Board Policy No. 240 – Management Compensation; and in relevant part Resolution No. 1109, 09/99

3 Replacing in relevant part Resolution No. 1034, 02/98

4 Replacing in relevant part Resolution No. 11-034, 07/11

5 Salary Step Advances were suspended on June 23, 2010, as a result of Resolution No. 10-037 and reinstated on July 27, 2011, as a result of Resolution No. 11-034

UNREPRESENTED EMPLOYEES – POLICY NO. 201

demonstration of satisfactory performance, the employee's supervisor is responsible for determining the effective date of the step increase in coordination with the Human Resources Department. That date shall become the employee's new salary anniversary date.

A salary step increase shall be postponed if an employee has been placed on performance review. After the employee has successfully completed the performance review, the employee will be entitled to a non-retroactive step increase, which shall become effective on the date the employee is no longer on performance review. That date shall become the employee's new salary anniversary date.

SECTION 2.4 MAINTENANCE OF DIFFERENTIALS.

The General Manager may authorize salary adjustments in order to maintain appropriate supervisory salary differentials.

Except as noted below, a minimum differential of 5% may be paid to supervisors/managers over the base salary of their highest paid direct report.

For determination of Transportation Superintendent differential, the highest paid direct report shall be defined as the highest paid incumbent in the Assistant Transportation Superintendent classification.

With respect to the Maintenance Superintendent a minimum differential of 2.5% may be paid over the base salary of their highest paid direct report in the Senior Maintenance Supervisor classification.

SECTION 2.5 ACTING APPOINTMENTS.

A minimum adjustment of 4.75% shall be provided for individual employees acting in higher level assignments for a period in excess of one or more consecutive weeks.

SECTION 2.6 PROMOTIONS.

Employees promoted to a higher level classification shall be placed on at least the first step of the new salary grade, or at minimum the step that provides for at least a 4.75% salary increase.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 2.7 EXTENUATING CIRCUMSTANCES.

When necessary and appropriate, and in coordination with the Human Resources Department, the General Manager may authorize individual step movements within salary grades provided such movements are within the minimum and maximum ranges of the Board adopted grade and step system.

SECTION 2.8 PROJECT PAY.

Project Pay may be granted by the written authorization of the General Manager, in consultation with the Chief Human Resources Officer, to compensate an employee for additional work performed by employees. Such work is typically outside the employee's job description and performed on a limited term basis. Project Pay is discretionary and may be no more than 10% of the employee's base pay. The Chief Human Resources Officer shall ensure that Project Pay is reviewed periodically and terminated upon completion of the identified project.

SECTION 2.9 OVERTIME.

Notwithstanding any other provision of this Policy, non-exempt employees are entitled to be paid overtime in accordance with the FLSA following completion of forty (40) hours of actual work in one week.

Overtime must be authorized in advance in writing by the employee's supervisor or performed in accordance with pre-approved departmental procedures based on identified operational needs.

Overtime is paid at time and one half the employee's applicable straight-time hourly rate.

No overtime will be credited for work at home that is not specifically authorized by the District. In general, District employees are not permitted to work from home; on occasion, some exempt staff members are permitted to do so. Permission to work from home, however, should be approved in advance by the employee's supervisor.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 3. EMPLOYEE BENEFITS⁶

- Section 3.1 Health Benefits
- Section 3.2 Dental Plan⁷
- Section 3.3 Vision Care⁸
- Section 3.4 Opt Out⁹
- Section 3.5 Flexible Spending Plan
- Section 3.6 Domestic Partners
- Section 3.7 Part-Time Employee Benefits
- Section 3.8 District Provided Insurance¹⁰
- Section 3.9 Supplemental Insurance

SECTION 3.1 HEALTH BENEFITS.

The District provides medical, dental, and vision plan(s) for unrepresented employees and their eligible dependents.

Until further notice the District shall pay 90% of the cost of the monthly medical and dental plan premiums and the employee shall pay 10% of the cost of the monthly medical and dental plan premiums by way of payroll deduction.

Employees in an unpaid status will be required to make their 10% contribution while in such status. Failure to do so will result in cancellation of benefit coverage and/or issuance of a COBRA notice in accordance with applicable law and lawful District practice.

The District's medical plans provide for certain co-payments. Employees should refer to the most recent Medical Plan document and/or summary for a full disclosure of all required co-payments.

SECTION 3.2 DENTAL PLAN.

6 Replacing in relevant parts Resolution No. 1034, 02/98 and Resolution No. 11-034, 07/11

7 Replacing in relevant parts Resolution No. 2020, 08/01 and Resolution No. 06-033, 08/06

8 Replacing in relevant part Resolution No. 09-014, 02/09

9 Replacing in relevant part Resolution No. 2104, 09/03

10 Replacing Board Policy – Long Term Disability; and in relevant parts Resolution No. 1034, 02/98 and Resolution No 1109, 09/99

UNREPRESENTED EMPLOYEES – POLICY NO. 201

Until further notice, the Dental Plan will include four annual dental cleanings payable at 100% usual and customary, with other basic and major services payable at 90%. The annual maximum dental limit is \$3,000.00 per eligible beneficiary. The maximum deductible is \$50 per individual, with a maximum of three deductibles per family unit. The orthodontia benefit is payable at 50%, with a lifetime maximum of \$4,000.00 per eligible beneficiary.

SECTION 3.3 VISION CARE.

Until further notice, the Vision Plan for employees and eligible dependents will include an eye examination and a lense and frame allowance of \$200 annually.

SECTION 3.4 OPT OUT.

Subject to the District's compliance with federal healthcare reform, and until further notice, employees who Opt out of medical or dental coverage shall receive each month the opt out payment set out below:

Medical:

Single to zero -	\$100
Double to zero -	\$200
Family to zero -	\$300

Dental:

Single to zero -	\$10
Double to zero -	\$20
Family to zero -	\$30

SECTION 3.5 FLEXIBLE SPENDING PLAN.

The District offers a flexible spending plan (IRS Section 125 plan), which includes benefits permitted by the Internal Revenue Code Section 125

SECTION 3.6 DOMESTIC PARTNERS.

An employee's domestic partner, and qualifying dependents of the domestic partnership, shall be eligible for health/dental/vision benefits. In order to receive domestic partnership benefits the couple must provide to the District a signed copy of their

UNREPRESENTED EMPLOYEES – POLICY NO. 201

Declaration of Domestic Partnership¹¹ filed with the State of California or a sworn affidavit that attests both individuals meet all of the following criteria:

- A. Are 18 years of age or older;
- B. Are competent to enter into a contract;
- C. Are not legally married to, or the domestic partner of, any other person;
- D. Are not related by marriage;
- E. Are not related by blood closer than permitted under marriage laws of the State of California;
- F. Have entered into the domestic partner relationship voluntarily, willingly, and without reservation;
- G. Have entered into a relationship which is the functional equivalent of a marriage, and which includes all of the following:
 - 1. living together as a couple;
 - 2. mutual support of each other;
 - 3. mutual caring and commitment to each other;
 - 4. mutual fidelity;
 - 5. mutual responsibility for each other's welfare; and
 - 6. joint responsibility for the necessities of life.
- H. Have been living together as a couple for at least six (6) months prior to registration with the District;
- I. Intend to continue the domestic partner relationship indefinitely, with the understanding that the relationship is terminable at the will of either partner.

A domestic partnership terminates when one or both domestic partners:

- A. Files a Notice of Termination of Domestic Partnership¹² with the State of California;
- B. No longer meet the above qualification;

11 Secretary of State Form NP/SF DP-1

12 Secretary of State Form NP/SF DP-2

UNREPRESENTED EMPLOYEES – POLICY NO. 201

- C. Gives notice that the relationship has been dissolved; or
- D. Dies.

SECTION 3.7 PART-TIME EMPLOYEE BENEFITS.

A. Health & Welfare Benefits Part-time employees are eligible for the following single level District paid benefits effective the first of the month after six (6) months of employment:

1. Medical
2. Dental
3. Vision
4. Basic Life Insurance and AD&D

The part-time employee is responsible for 10% of the monthly premiums for his/her individual medical and dental benefits. Part-time employees will be allowed to add medical coverage for dependents, the full cost of which will be covered by the employees through payroll deduction.

Retirees: Part-time employees who are also District retirees enrolled in District retiree health benefit plans will remain in retiree health benefit plans. Their life insurance benefit will be based upon the active group (2x annual salary).

- B. Pension/Retirement Plans Part-time employees are not entitled to participate in the District's retirement plans. All questions of eligibility are resolved by the Retirement Board.
- C. Paid Time Off Vacation, sick leave, and holidays will accrue for part-time employees at a rate of four (4) hours vs. eight hours (8) for full-time employees.
- D. Service Time Except for layoff, service as a part -time employee shall not count as service time for any purposes. Upon conversion of an employee to full time status, accrued benefits or credit toward benefits shall be carried forward.

SECTION 3.8 DISTRICT PROVIDED INSURANCE.

At no cost to the employee, subject to change from time to time, the District provides the following insurance to full-time employees:

UNREPRESENTED EMPLOYEES – POLICY NO. 201

- A. Basic Life Insurance in the amount of two times annual salary, rounded to the nearest \$5,000.
- B. Long Term Disability Insurance that provides, if the employee is eligible, coverage at the level of 50% of base salary to a maximum of \$15,000 per month. There is a waiting period of 180 days.
- C. Accidental Death and Dismemberment Insurance in the amount of \$15,000.

SECTION 3.9 SUPPLEMENTAL INSURANCE.

Full-time employees may purchase additional supplemental life insurance and long-term disability insurance.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 4. PENSION AND DEFERRED COMPENSATION¹³

- Section 4.1 Pension Benefits
- Section 4.2 Pension Vesting
- Section 4.3 Term Vested Employees
- Section 4.4 Three Highest Years
- Section 4.5 Benefit Formula –Tier One Plan¹⁴
- Section 4.6 Partial Years
- Section 4.7 Pop-Up
- Section 4.8 Pre-Retirement Death Benefits
- Section 4.9 Occupational Disability Retirement Benefits
- Section 4.10 Deferred Compensation¹⁵
- Section 4.11 Sick Leave Rollover¹⁶
- Section 4.12 Tier Two Pension Plan¹⁷

SECTION 4.1 PENSION BENEFITS.

All retirement benefits for unrepresented employees shall be in accordance with the AC Transit Retirement Plan and amendments as approved by the AC Transit Board of Directors. As between these policies, any summary plan description, and/or any other documents, the AC Transit Retirement Plan document as amended shall be controlling.

SECTION 4.2 PENSION VESTING.

Vesting requirement for unrepresented employees is currently five (5) years.

SECTION 4.3 TERM VESTED EMPLOYEES.

Employees who left employment with the District after July 1, 1998, but before January 2, 2007, and who were vested, shall be eligible to receive pension benefits starting at age 55.

13 Replacing Board Policy – Pension/Deferred Comp; and in relevant part Resolution No. 1034, 02/98

14 Replacing in relevant parts Resolution No. 2020, 08/01 and Resolution No. 06-033, 08/06

15 Replacing in relevant parts Resolution No. 1109, 09/99 and Resolution No. 09-014, 02/09

16 Replacing in relevant part Resolution No. 2020, 08/01

17 Replacing in relevant part Resolution No.11-034, 07/11

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 4.4 THREE HIGHEST YEARS.

Retirement benefits will be determined by the monthly average of the highest three (3) years of salary or the last 36 months of employment, whichever is higher.

SECTION 4.5 BENEFIT FORMULA – TIER ONE PLAN.

For employees hired on or before June 30, 2012, regular retirement benefits will be based on the formula outlined below. This formula will be used for the time period immediately preceding retirement that an employee has been continuously employed as an unrepresented employee since July 1, 1994.

This retirement formula will also apply to eligible Term Vested employees who are employed after June 21, 2006 and who retire after January 1, 2007. (Term Vested employees are those who are vested in the Retirement Plan, but who left District service before reaching retirement eligibility based on one's age at that time.)

- 2.00% at age 50
- 2.15% at age 51
- 2.30% at age 52
- 2.45% at age 53
- 2.60% at age 54
- 2.75% at age 55

Regular retirement benefits will be calculated based on the formula below for any years of service prior to July 1, 1994. This formula will also be used for the years of service after July 1, 1994 but prior to the employee becoming an unrepresented employee with no break in unrepresented status.

- 2.0% at age 50
- 2.1% at age 51
- 2.2% at age 52
- 2.3% at age 53
- 2.4% at age 54
- 2.5% at age 55

SECTION 4.6 PARTIAL YEARS.

Retirement formula shall include partial year service for additional months worked on a pro rata basis.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 4.7 POP-UP.

A “pop-up” option shall be available for employees choosing a survivor benefit, if survivor predeceases the retiree.

SECTION 4.8 PRE-RETIREMENT DEATH BENEFITS.

If a participant dies prior to retirement, regardless of age at the time of death, no death benefit shall be payable unless the participant: (i) was eligible to elect to receive a retirement benefit on the date of death; or (ii) had at least ten (10) years of service on the date of death and had a spouse or an eligible child on the date of death. The preretirement death benefit currently provided for in the Retirement Plan shall be payable to a participant’s spouse or, if there is no spouse, to an eligible child.

For the purposes of this section, an eligible child shall be defined as an unmarried child up to the age of 19. Eligibility shall continue from the age of 19 through the age of 24 for a child who is enrolled as a full-time student in an accredited school and is unmarried. A full-time student is one taking at least twelve semester units (or equivalent hours) in a qualified college, university, or vocational school.

SECTION 4.9 OCCUPATIONAL DISABILITY RETIREMENT BENEFITS.

Occupational disability retirement benefits otherwise payable to any unrepresented employee who becomes entitled to an Occupational Disability Retirement Benefit shall be reduced by the amount of any payment received by such individual through any workers’ compensation program, excluding any such payment determined without reference to such Participant’s earnings as an employee.

SECTION 4.10 DEFERRED COMPENSATION.

The District shall contribute \$69.23 per pay period (\$1,800 annually) to the 457 Deferred Compensation account for each full-time, unrepresented employee who is in a paid (regular or leave) status for at least 50% of a pay period.

SECTION 4.11 SICK LEAVE ROLLOVER.

Employees shall be allowed to make a sick leave rollover to deferred comp per the following formula:

If the employee has this number of sick days accrued:	Employee may convert up to this # of sick days to deferred comp:
---	--

UNREPRESENTED EMPLOYEES – POLICY NO. 201

10 days	2 days
25 days	5 days
50 days	20 days

NOTE: Sick leave rollover into deferred comp is not pensionable income.

SECTION 4.12 TIER TWO PENSION PLAN.

Unless otherwise directed by the District, the following provisions apply to eligible unrepresented employees in the District's Second Tier Retirement Plan. As between this Policy, a summary plan description, or any other documents, the District's Retirement Plan document as amended shall be controlling.

- A. All unrepresented employees hired on or after July 1, 2012, shall participate in the District's second tier pension plan equivalent to that set forth in Government Code Section 7522 et seq., and known as the *California Public Employees' Pension Reform Act of 2013*.
- B. For purpose of reference only (i.e. refer to plan document for complete information), the service retirement benefits for employees participating in the District second tier pension plan are:

<u>Age at Retirement</u>	<u>Percentage</u>	<u>Age at Retirement</u>	<u>Percentage</u>
52	1.000%	59 ³ / ₄	1.775%
52 ¹ / ₄	1.025%	60	1.800%
52 ¹ / ₂	1.050%	60 ¹ / ₄	1.825%
52 ³ / ₄	1.075%	60 ¹ / ₂	1.850%
53	1.100%	60 ³ / ₄	1.875%
53 ¹ / ₄	1.125%	61	1.900%
53 ¹ / ₂	1.150%	61 ¹ / ₄	1.925%
53 ³ / ₄	1.175%	61 ¹ / ₂	1.950%
54	1.200%	61 ³ / ₄	1.975%
54 ¹ / ₄	1.225%	62	2.000%
54 ¹ / ₂	1.250%	62 ¹ / ₄	2.025%
54 ³ / ₄	1.275%	62 ¹ / ₂	2.050%
55	1.300%	62 ³ / ₄	2.075%
55 ¹ / ₄	1.325%	63	2.100%
55 ¹ / ₂	1.350%	63 ¹ / ₄	2.125%
55 ³ / ₄	1.375%	63 ¹ / ₂	2.150%
56	1.400%	63 ³ / ₄	2.175%

UNREPRESENTED EMPLOYEES – POLICY NO. 201

Exhibit A to Resolution No. 14-010

56¼	1.425%		64	2.200%
56½	1.450%		64¼	2.225%
56¾	1.475%		64½	2.250%
57	1.500%		64¾	2.275%
57¼	1.525%		65	2.300%
57½	1.550%		65¼	2.325%
57¾	1.575%		65½	2.350%
58	1.600%		65¾	2.375%
58¼	1.625%		66	2.400%
58½	1.650%		66¼	2.425%
58¾	1.675%		66½	2.450%
59	1.700%		66¾	2.475%
59¼	1.725%		67	2.500%
59½	1.750%			

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 5. RETIREE BENEFITS¹⁸

- Section 5.1 Medical/Dental/Vision for Retirees¹⁹
- Section 5.2 Dependent Medical/Dental/Vision for Retirees
- Section 5.3 Alternate Medical Coverage
- Section 5.4 Opt-Out
- Section 5.5 Medicare
- Section 5.6 Life Insurance²⁰
- Section 5.7 Transfer or Promotion
- Section 5.8 Direct Pay Option

SECTION 5.1 MEDICAL/DENTAL/VISION FOR RETIREES.

Unrepresented employees who retire directly from the District (i.e. service retirement, not term vested separation from service or term vested retirement) are entitled to the following benefits upon retirement.²¹

- A. Paid dental and vision coverage for the retiree only enrolled in the District's dental and vision plan.
- B. For employees who retire with 10 or more years of service, paid medical coverage for the retiree only enrolled in one of the District's medical plans. District will pay full cost of lowest plan available, and retiree will pay the difference if enrolled in a higher cost plan.

For employees who retire with fewer than 10 years of service, medical insurance coverage will be prorated, as described below:

Fifty percent of premium is paid by the District for five years of service, with increments of 10% added for each additional year up to 10 years of service. For example, the District will pay 70% of the lowest cost Medicare or non-Medicare plan rate for a retiree with 7 years of service.

18 Replacing Administrative Regulation No. 239 – Benefits; and in relevant part Resolution No. 1034, 02/98

19 Replacing in relevant part Resolution No. 2020, 08/01

20 Replacing in relevant part Resolution No. 09-014, 02/09

21 In other words, for purposes of these benefits one must have both age and length of service, be a participant in group benefit plans at the time one leaves District service, simultaneously applying for and beginning to receive retirement benefits. Term Vested employees are not eligible.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

- C. Hearing aids are included in retiree only coverage.

SECTION 5.2 DEPENDENT MEDICAL/DENTAL/VISION FOR RETIREES.

Dependent eligibility is determined by the District. For details, please refer to the AC Transit Employee Benefits Handbook.

- A. Effective September 1, 2006, dependent medical coverage was provided, subject to a \$100 per month contribution by the retiree and/or dependent(s).
 - 1. New dependents may be added within the first thirty days following qualifying events (e.g. marriage).
 - 2. Dependents may elect to continue coverage under the District's health plans, after retiree's death, subject to dependent eligibility criteria.
 - 3. Dependents of an unrepresented employee who dies while on the active employee rolls, and who is vested and age eligible for retirement, may elect to continue coverage under the District's health plans, subject to eligibility criteria.
- B. The retiree may purchase dependent vision and dental coverage at a rate established by the District.

SECTION 5.3 ALTERNATE MEDICAL COVERAGE.

Unrepresented employees who retire and who subscribe to alternate medical coverage outside of AC Transit, in lieu of a District health plan, will receive monetary reimbursement as follows:

Reimbursement of medical premiums shall be based upon the equivalent of the District's lowest HMO rate or lowest HMO Medicare rate (whichever is applicable).

For out of area retirees, reimbursement will be based upon the lowest cost District plan, subject to proof of payment. Reimbursement will be made on a quarterly basis.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 5.4 OPT-OUT.

If District medical coverage is waived, and the retiree is in a no cost or low cost plan (e.g. military, spousal plan, prior employer), then the retiree may opt out and be entitled to \$100.00 per month. There will be no opt-out payment for dependent(s).

SECTION 5.5 MEDICARE.

Medical contribution for retirees and spouses with Medicare Parts A & B is as follows:

Retiree:	\$40
Retiree and spouse:	\$80

SECTION 5.6 LIFE INSURANCE.

Retiree life insurance in the amount of \$50,000 per retiree.

SECTION 5.7 TRANSFER OR PROMOTION.

Employees who transfer or are promoted into an unrepresented employee position must remain in the unrepresented position for at least one year in order to receive unrepresented employee retiree medical benefits. Exceptions are to be made only at the discretion of the General Manager and must be in writing.

SECTION 5.8 DIRECT PAY OPTION.

Employees who terminate service with at least 15 years of service and who are at least 50 years old may elect to remain with the District benefit plan on Direct Pay Status. Employee is entitled to convert to Direct Pay retiree medical benefits at age 55.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 6. VACATION ²²

- Section 6.1 Vacation Credits ²³
- Section 6.2 Accrual of Vacation Credits
- Section 6.3 Use of Vacation Credits
- Section 6.4 Maximum Accrual ²⁴
- Section 6.5 Holidays
- Section 6.6 Scheduling
- Section 6.7 Partial Day Absence
- Section 6.8 Payment Upon Separation
- Section 6.9 Vacation Pay Advance
- Section 6.10 Vacation Pay Advance Due to Financial Hardship

SECTION 6.1 VACATION CREDITS.

It is the policy of the District to grant vacation to unrepresented employees on an earned basis as follows:

- A. Employees with less than one year's service will earn vacation credits on a prorated basis.
- B. Employees with one, but less than five years of service shall earn 80 hours of vacation each year.
- C. Employees with five, but less than ten years of service shall earn 120 hours of vacation each year.
- D. Employees with 10, but less than 15 years of service shall earn 160 hours of vacation each year.
- E. Employees with 15, but less than 25 years of service shall earn 200 hours of vacation each year.
- F. Employees with 25 years or more of service shall earn 240 hours of vacation each year.

22 Replacing Board Policy No. 280 - Vacation and Administrative Regulation No. 280 - Vacation

23 Replacing in relevant part Resolution No. 2020, 08/01

24 Replacing in relevant part Resolution No. 2104, 09/03

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 6.2 ACCRUAL OF VACATION CREDITS.

For each month, or major fraction thereof, of continuous service an employee shall earn one-twelfth of the annual vacation credits he/she is eligible to accrue. Vacation credit accruals are based on the number of years of service and total hours earned.

The accumulation of vacation credits shall not be affected by absences of one year or less due to industrial injury or illness. A maximum of 720 hours shall be allowed for illness or non-occupational injury without forfeiture of vacation credits. Leaves of absence whether continuous or not, which total 176 hours or less during any calendar year shall not result in the forfeiture of vacation credits.

SECTION 6.3 USE OF VACATION CREDITS.

Vacation credit can only be used in increments of one or more full half hours. Day-at-a-time vacation may be granted at the discretion of the department manager or supervisor. Employees requesting day-at-a-time vacation should submit their requests to their immediate supervisors at least 24 hours in advance. For employees with an alternate work schedule, the number of vacation hours charged for each absence will be the same as the number of scheduled work of hours missed. For the purpose of computing leave only, current accrual practices which equate one (1) workday to eight (8) hours regardless of employee's work schedule will be maintained.

SECTION 6.4 MAXIMUM ACCRUAL.

Except as otherwise provided herein, Vacation is limited to no more than 240 hours. An employee will cease accruing vacation hours if he/she has reached the 240 hour cap on accrual. The employee will begin accruing vacation again after his or her vacation hours fall below the 240 cap, i.e., through vacation usage or partial "cash out" as may be authorized by the District.

Employees who had more than 240 hours vested as of December 31, 1988, will not forfeit the excess. However, they will not vest any additional vacation hours in excess of the number on record as of December 31, 1988. Any pre-1994 "frozen" vacation hours must be held until retirement. Hours held until retirement will be paid at their July 1, 2003 value.

Supervisors and managers must ensure that employees do not exceed the maximum carry-over rate. Only in extraordinary cases where there are justifiable personal reasons or critical business needs may an exception be granted. Exceptions

UNREPRESENTED EMPLOYEES – POLICY NO. 201

require the prior written concurrence of the department manager and the approval of the responsible Executive Staff member for the employee's department.

SECTION 6.5 HOLIDAYS.

A District-observed regular holiday occurring during an employee's vacation will be counted as same, and the employee will either extend time off eight (8) additional hours or four (4) for part-time employees (with the approval of the department manager) or reschedule the vacation time.

SECTION 6.6 SCHEDULING.

Supervisors and department managers are responsible for approving, controlling, and adjusting vacations for their respective departments as necessary to ensure operational continuity. Supervisors should consider availability of leave time prior to granting vacation requests.

SECTION 6.7 PARTIAL DAY ABSENCE.

Even if paid leave time is exhausted, absences of less than one full work day shall not be deducted from the pay of any employee who is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA).

Any such employee who works part of a day and is absent the remainder of the same day due to illness, injury or medical appointments and whose available sick leave balance is not sufficient to cover such absence shall be required to charge it against available vacation, management leave, or historical compensatory time off (CTO) credits.

Any such employee who works part of a day and is absent the remainder of the same day for reasons other than illness, injury, or medical appointments shall be required to charge such absence against available vacation, management leave, or historical CTO credits. If sufficient leave credits are not available in any one or a combination of applicable categories, the employee must nonetheless receive his/her full pay for the work day.

For any employee who is exempt from the overtime provisions of the FLSA , charges against available leave credits for partial-day absences shall not be required in those circumstances where an employee has prior supervisory approval, and has actually worked, or is scheduled to work, an equivalent number of extra hours within the same pay period.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 6.8 PAYMENT UPON SEPARATION.

Vested and accrued vacation time will be paid at the time of voluntary or involuntary separation.

SECTION 6.9 VACATION PAY ADVANCE.

Employees requesting a vacation pay advance should submit their written requests to the Payroll Department in accordance with applicable procedures at least two weeks in advance.

SECTION 6.10 VACATION PAY ADVANCE DUE TO FINANCIAL HARDSHIP.

The District permits vacation cash-outs for reasons of personal "hardship" subject to prior approval by the District's Chief Financial Officer (CFO)).

In Order to protect all employees from incurring a tax liability related to Internal Revenue Service Letter Ruling 90-09052,²⁵ any unrepresented employee requesting a payout of accrued unused vacation due to financial hardship is required to complete the District's approved form for this purpose. The form, when completed will be considered confidential and will be reviewed only by the Chief Financial Officer (CFO) and other employees with a need to know.

Upon approval of the application, the CFO will notify the payroll Supervisor to process the payout.

In the event that the District's vacation plan is modified to allow vacation cash-outs on a limited basis, for purposes other than "hardship," such cash-out shall be like-wise extended to unrepresented employees.

²⁵ Internal Revenue Service Letter Ruling 90-09052 concludes that annual leave is taxable to an employee in the year of accrual if the employee has a right to request cash in exchange for the accrued leave. This income is subject to income tax and FICA withholding even if not paid in the current fiscal year.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 7. HOLIDAYS²⁶

- Section 7.1 Observed Holidays²⁷
- Section 7.2 Alternative Holidays
- Section 7.3 Other Holiday Credits
- Section 7.4 Usage of Holiday Credits
- Section 7.5 Usage of Excess Holiday Credits

SECTION 7.1 OBSERVED HOLIDAYS.

It is the policy of the District to grant unrepresented employees paid holidays as outlined below:

Regular Holiday	Observed
New Year's Day	January 1
Martin Luther King, Jr. Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Fourth Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving	Fourth Thursday in November
Christmas	December 25

SECTION 7.2 ALTERNATIVE HOLIDAYS.

If a regular holiday falls on Sunday, Monday shall be considered the regular holiday. If a regular holiday falls on Saturday, or on an employee's regular day off, the employee will be given, at the District's option, an eight (8) hour holiday credit or eight (8) hours pay for the holiday.

SECTION 7.3 OTHER HOLIDAY CREDITS.

- One (1) eight-hour birthday holiday credit per calendar year.
- Two (2) eight-hour floating holiday credits per fiscal year.

26 Replacing Board Policy No. 266 - Holidays; Administrative Regulation No. 266 – Holidays; and in relevant part Resolution No. 2020, 08/01
27 Replacing in relevant part Resolution No. 11-034, 07/11

UNREPRESENTED EMPLOYEES – POLICY NO. 201

The birthday holiday credit is accrued annually on the employee's birthday. An employee who is on the payroll as of the date of his/her birthday will be granted an eight hour birthday holiday credit for that year.

The floating holiday credits are accrued on a fiscal year basis (July 1 through June 30). Employees on the payroll on June 30 will be granted floating holiday credits for the next fiscal year beginning July 1.

General Office employees who are scheduled to work both Christmas Eve and New Year's Eve may take one half day off on both days where operationally feasible. Department managers must ensure adequate coverage for the department.

Employees who are on scheduled vacation on Christmas and New Year's Eve are entitled to four (4) hours of vacation pay and four (4) hours of regular pay.

SECTION 7.4 USAGE OF HOLIDAY CREDITS.

All holiday credits must be used within one year of being granted. They cannot be accumulated.

Holiday credits may be used at the employee's discretion with prior supervisory approval. The department manager or supervisor will ensure that the operational continuity of his/her department or section is not disrupted by employees using holiday credits.

Holiday credits are earned at eight (8) hours for full-time employees regardless of employee's work schedule. Holiday credits can only be used in full eight-hour increments.

When an employee is on a sick leave or industrial injury/illness leave in excess of six (6) consecutive calendar months, holiday pay provisions will not apply.

SECTION 7.5 USAGE OF EXCESS HOLIDAY CREDITS.

As of July 1, 2012, the following will occur:

Holiday credits for all employees will be reset as follows:

Floating Holidays	16 hours
Birthday Holiday	8 hours
Banked Holidays	0 hours

UNREPRESENTED EMPLOYEES – POLICY NO. 201

The excess holiday credits for each employee in any of these three categories will be transferred to a new holiday credit account called Historical Holiday.

The District will begin strict enforcement of this provision requiring all holiday credits to be used within one year of being granted. Any holiday credit(s) - except Historical Holiday credits - not used within one year of being granted will be forfeited by the employee.

Historical Holiday credits are available for use by employees immediately after July 1, 2012, under the same scheduling and approval conditions as floating and birthday holidays are currently scheduled.

Employees will be given until December 31, 2014 to exhaust their Historical Holiday credits but are encouraged to use any available credits as soon as possible.

To ensure an orderly reduction in the Historical Holiday credits the following schedule establishes the maximum Historical Holiday credits allowed at the end of each six month period (the "burn rate"). Any Historical Holiday credit(s) in excess of the maximum permitted on the dates indicated below shall be forfeited by the employee.

Date:	Maximum Historical Holiday Credits:
December 31, 2012	300
June 30, 2013	225
December 31, 2013	150
June 30, 2014	75
December 31, 2014	0

It is the employee's responsibility to ensure that he/she uses the appropriate amount of Historical Holiday credits in each calendar quarter to ensure that his/her credits are not subject to forfeiture.

Employees will be advised of the balance of their Historical Holiday credits on their pay stubs or through some other regular method.

The District will advise all of its management employees of this provision and direct management personnel, including but not limited to those responsible for approving leave requests, to work with employees to ensure that employees are given adequate time off to exhaust their Historical Holiday credits in accordance with the burn rate schedule above.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

The District recognizes that meeting the burn rate schedule may present a challenge for some long term employees who are also attempting to meet the usage requirements and limitation of other leave balance accounts.

Any difficulties in implementing the burn rate, including any impediments individual employees are facing with management staff in scheduling sufficient Historical Holiday hours to comply with the burn rate, may be discussed with the Chief Human Resources Officer, or designee.

After July 1, 2012, any employee who is not able to schedule a floating, birthday, or banked holiday during the 12-month period after the holiday was granted, despite his/her best efforts to schedule the same, shall bring the matter to the Chief Human Resources Officer, or designee before any forfeiture of such hours is imposed.

If the Chief Human Resources Officer, or designee determines that the employee made every reasonable effort to schedule the holiday during the 12-month period but was impeded by the District then the employee shall be paid at his or her regular rate of pay for such holiday.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 8. MANAGEMENT LEAVE ²⁸

Section 8.1	Annual Credit
Section 8.2	Qualifications
Section 8.3	Implementation
Section 8.4	Acting and Temporary Positions

SECTION 8.1 ANNUAL CREDIT.

On an annual basis, all unrepresented employees who are exempt from the overtime provisions of the FLSA and who are not on a performance improvement plan will receive five (5) days of Management Leave.

SECTION 8.2 QUALIFICATIONS.

To qualify for Management Leave employees must have worked 1200 hours in the previous year (except for employees hired within the previous calendar year) and must have maintained satisfactory performance during the same period.

SECTION 8.3 IMPLEMENTATION.

- A. The five (5) days of Management Leave shall be granted on January 1 of each year.
- B. Management Leave must be used in the calendar year in which it is granted and may not be cashed out or carried forward to the following year.

SECTION 8.4 ACTING AND TEMPORARY ASSIGNMENTS.

Unrepresented employees in Acting and Temporary assignments will receive benefits based upon their prior or underlying regular, positions. Exceptions may be made in the reasonable discretion of the General Manager.

28 Replacing Board Policy – Management Leave

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 9. SICK LEAVE²⁹

Section 9.1	Accrual
Section 9.2	Usage
Section 9.3	Qualifications
Section 9.4	Maximum Accrual
Section 9.5	Additional Credits
Section 9.6	Conversion to Personal Leave
Section 9.7	Payment Upon Retirement
Section 9.8	District Sick Leave Bank

SECTION 9.1 ACCRUAL.

Accrual of sick leave, on a prorated basis, for unrepresented employees shall be as follows:

- A. 64 hours (8 days) per year for the first year of employment.
- B. 96 hours (12 days) per year after the first year of employment.

SECTION 9.2 USAGE.

Sick leave is available for actual illness or injury of an employee, or for any other reason permitted by State or Federal law.

Accrued unused sick leave should be charged whenever an employee is absent from work due to illness or non-occupational injury. Upon the exhaustion of sick leave the employee must use his or her vacation and any other paid leave available in accordance with District leave management practices.

SECTION 9.3 QUALIFICATIONS.

An employee must work 1200 hours in a year (except for employees hired within the previous calendar year) to accrue sick leave the following calendar year. In addition to hours actually worked, other paid leave (including vacation, holiday, military leave, jury duty, funeral leave, related training and education) will be counted as hours worked for purposes of this accrual process.

29 Replacing Board Policy No. 278 – Sick Leave; Administrative Regulation No. 278 – Sick Leave; and in relevant part Resolution No. 1109, 09-99

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 9.4 MAXIMUM ACCRUAL.

- A. Unused sick leave may be accrued to a maximum of 1120 hours (140 days).
- B. Employees who have accrued sick leave in excess of 1120 hours on January 1 shall receive payment for 50 percent of the hours in excess of 1120.
- C. An employee who has accrued sick leave in excess of 1120 hours and not used any sick leave, paid or unpaid, during the previous calendar year shall receive an additional payment equivalent to 24 hours (3 days).
- D. An employee may elect to have the above payment(s) placed into his/her individual deferred compensation (457) account. Employees must make said election by January 15th of each year.

SECTION 9.5 ADDITIONAL CREDITS.³⁰

An employee who does not use any sick leave, paid or unpaid, during a calendar year accrues eight (8) additional hours of sick leave the following year.

SECTION 9.6 CONVERSION TO PERSONAL LEAVE.

Unrepresented employees covered by the overtime provisions of the FLSA (i.e. non-exempt employees) shall also be entitled to use sick leave under the following circumstances:

- A. Non-exempt employees who have twenty-five (25) or more accumulated sick leave days as of January 1st of each year shall be permitted to use two (2) days of sick leave as paid personal leave during that calendar year.
- B. Non-exempt employees who have fifty (50) or more accumulated sick leave days as of January 1st of each year shall be permitted to use four (4) days of sick leave as personal leave during that calendar year.
- C. Personal leave must be used in the year in which it is granted and may not be cashed in or carried forward to the following year. Unused personal leave will be reconverted back to sick leave.

30 This provision was suspended indefinitely by the Board of Directors on July 27, 2011, as a result of Resolution No. 11-034 and remains suspended as of the adoption of this Policy in February 2014.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 9.7 PAYMENT UPON RETIREMENT.

An employee who service retires with accumulated sick leave will receive a lump sum payment of one hundred (100) percent of the unused sick leave.

SECTION 9.8 DISTRICT SICK LEAVE BANK.

Unrepresented employees may donate to a District Sick Leave Bank consistent with sick leave donation practices applicable to other District employees.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 10. MISCELLANEOUS LEAVES OF ABSENCE

- Section 10.1 Bereavement Leave ³¹
- Section 10.2 Other Leaves of Absence
- Section 10.3 Modified Duty Return to Work Program

SECTION 10.1 BEREAVEMENT LEAVE.

Unrepresented employees may take up to five (5) consecutive days off with pay in the event of death of an immediate family member who is defined as the employee's spouse, previously designated domestic partner, children of either spouse, parents of either spouse, grandparents or great-grandparents of either spouse, or brother, sister, brother-in-law or sister-in-law of the employees. The leave days must be tied to the days of the funeral or memorial service.

SECTION 10.2 OTHER LEAVES OF ABSENCE.

Unrepresented employees who take any of the following leaves shall be treated in the same manner as, and follow the same rules applicable to, District employees represented by AFSCME, Local 3916:

- Jury Duty/Witness Duty
- Military Leave
- Administrative Leave
- General Leave of Absence – including Family Medical Leave

SECTION 10.3 MODIFIED DUTY RETURN TO WORK PROGRAM.

A modified duty return to work program for injured or ill employees is available to unrepresented employees consistent with programs established for other employees.

31 Replacing Board Policy No. 262 – Bereavement Leave; and in relevant parts Resolution No. 1034, 02/98 and Resolution No. 2020, 08/01

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 11. REDUCTION IN FORCE ³²

Section 11.1	Layoff Defined
Section 11.2	Notice to the Employee
Section 11.2	Order of Layoff
Section 11.4	Bumping Rights
Section 11.5	Severance
Section 11.6	Reemployment
Section 11.7	Eligibility for Reemployment
Section 11.8	Benefits
Section 11.9	COBRA
Section 11.10	Status While On Layoff
Section 11.11	Benefits Upon Reemployment
Section 11.12	Out-Placement Services
Section 11.13	Alternatives to Layoff

SECTION 11.1 LAYOFF DEFINED.

For purposed of this Policy a Layoff is defined as an involuntary termination of employment due to non-disciplinary reasons (e.g. lack of work or lack of funds).

SECTION 11.2 NOTICE TO THE EMPLOYEE.

Any regular employee affected by the District's decision to eliminate his/her position for lack of work or lack of funds will be informed in writing at least thirty (30) calendar days in advance of the effective date of the Layoff. The notice shall also include the reason for the Layoff, all the positions that the employee can bump into, and alternatives to the Layoff, if any.

SECTION 11.3 ORDER OF LAYOFF.

In general, subject to District operational needs, temporary and initial probationary employees within a classification will be released before regular employees within a classification. In the event of a Layoff, employees in an affected classification will be laid off in inverse order of District seniority. In the event of a tie, the employee with the lowest classification seniority shall be subject to Layoff.

32 Replacing Board Policy No. 290 – Reduction in Force

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 11.4 BUMPING RIGHTS.

Regular employees³³ who receive a layoff notice will be afforded the opportunity to bump into a lower or lateral unrepresented classification if the laid off employee:

A. has served in the classification and has the experience and qualifications needed to perform the duties of that position and has more seniority than any incumbent in the classification:

1. for purposes of this section "seniority" is based on the time between the employee's first date of employment within the classification into which he/she seeks to bump to the present date;

or

B. is qualified for a vacant position and has the experience needed to perform the duties of that position:

1. for purposes of this section vacant positions include those positions currently filled by temporary employees.

If permitted by the AFSCME, Local 3916 collective bargaining agreement, or based upon a mutual agreement with Local 3916, unrepresented employees may bump, by seniority, into AFSCME positions if the employee previously served in the classification or if the AFSCME bargaining unit position is vacant.

If an employee bumps into a lower classification and the previously held classification becomes vacant within eighteen (18) months of the date of Layoff, he/she will be reassigned to the higher classification he/she previously occupied and shall not be required to apply or compete for the vacancy as long as he/she still meets the minimum qualifications.

SECTION 11.5 SEVERANCE.

In the event an employee is laid off, in addition to compensation for accrued and unused vacation and compensatory time off, the employee shall receive severance compensation based on one week's pay for each full year, or major fraction thereof, of service with the District. An employee is entitled to severance pay only in the event that the employee is placed on the reemployment list and remains on the list for three (3) months. In the event an employee who is selected for Layoff elects not to be placed on

33 Does not include Temporary Employees or Limited Term Employees

UNREPRESENTED EMPLOYEES – POLICY NO. 201

the reemployment list, he/she shall be entitled to severance pay as of the effective date of his or her Layoff. . Accepting severance pay constitutes termination from the District and has the effect of eliminating the possibility of one's recall from Layoff.

SECTION 11.6 REEMPLOYMENT.

The District's obligation to retain an individual in a Layoff status ends upon the laid off employee's rejection of any District reemployment offer to a position in the classification last served in by the employee or one of comparable salary. For this purpose "comparable salary" means a classification that pays at least 90% of the employee's rate of pay at the time of Layoff and for which the employee is qualified. Rejection of an offer that does not meet these criteria does not result in the removal of the employee from the reemployment list.

If an employee has elected to remain on the District's rehire list as described above and is not reemployed during the eighteen (18) month period following Layoff then the employee will receive any severance pay due and his/her employment with the District will terminate.

SECTION 11.7 ELIGIBILITY FOR REEMPLOYMENT.

If the work force is increased in a classification which was reduced within eighteen (18) months of the reduction, the person(s) laid off from that classification shall be eligible for reemployment to the added or restored position provided he/she continues to meet the minimum qualifications and has the experience and qualifications needed to perform the duties of that position. Subject to the foregoing, individuals will be offered reemployment based on inverse order of Layoff.

SECTION 11.8 BENEFITS.

The District will continue employer payments for health plan, dental plan, vision plan, and life insurance benefits, for up to six (6) months for an individual who is laid off provided that the employee does not become eligible for employer-paid or employer-subsidized health and welfare coverage through new full-time, regular employment. The employee is responsible for his/her share of the benefit costs. Failure to pay the employee share will result in termination of benefit coverage. The coverage provided will be the same as available to District employees in the group benefit plans. It is the responsibility of the individual to notify the District promptly of the individual's entitlement to coverage pursuant to other employment.

SECTION 11.9 COBRA.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

The laid off employee may elect to continue coverage under applicable District plans for the period of time established by COBRA law after completion of the above six (6) month continuation period by paying the full cost of coverage under the applicable enrolled group plan(s). The employee is responsible for his/her share of the benefit costs. Failure to pay the employee share will result in termination of benefit coverage.

SECTION 11.10 LAYOFF STATUS.

Individuals on Layoff status shall not be considered District employees and shall not accrue any benefits, pension credits, vacation, or sick leave while on Layoff status.

SECTION 11.11 BENEFITS UPON REEMPLOYMENT.

Upon reemployment from Layoff status under any of these provisions, or as a result of obtaining District employment through a competitive recruitment process, the affected individual shall regain his/her seniority date; resume accrual of sick leave credits on a pro rata basis for the remainder of that calendar year; and receive full restoration of all earned, unused sick leave on the books at time of Layoff including credits, on a pro rata basis, for every month or major fraction thereof worked during the calendar year the Layoff occurred. Health and welfare benefits shall be reestablished on the first day of the month following 30 calendar days of employment. The terms of the District's Retirement Plan govern participation in the Plan upon reemployment after a break in service.

SECTION 11.12 OUT-PLACEMENT SERVICES.

Employees selected for Layoff may be provided with outplacement services, as determined by the District, from the date of layoff notice.

SECTION 11.13 ALTERNATIVES TO LAY OFF.

- A. Transfer Once a reduction in force has been authorized, the District shall have the right by District seniority to transfer affected employee(s) into a vacant position (versus "bumping" into a filled position) in the classification or comparable classification for which the employee meets the minimum qualifications. Vacant positions include those positions filled by temporary employees.
 - 1. Reassignment to a Lower Classification/Demotion The District may offer reassignment into a vacancy in a lower classification or reassignment to a classification for which the employee does not meet the minimum qualifications, but can in a reasonable amount of time, obtain the minimum

UNREPRESENTED EMPLOYEES – POLICY NO. 201

qualifications. The District has no obligation to offer and the employee has no obligation to accept said reassignment and the employee may elect to take the Layoff or use bumping rights. If the employee accepts the reassignment, he/she shall remain on the reemployment list for the higher classification from which the employee was laid off. The employee will also automatically be reassigned to the higher classification if it becomes vacant within eighteen (18) months of the reassignment, provided the employee meets the minimum qualifications and is otherwise qualified to perform the duties of the classification in which case the employee shall not be required to apply or compete for a vacancy within the former classification.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

**ARTICLE 12. DISCHARGE, SUSPENSION, DEMOTION,
REDUCTION-IN-PAY, AND APPEAL PROCESS³⁴**

Section 12.1	Application
Section 12.2	Written Warning
Section 12.3	Adverse Action
Section 12.4	Skelly Notice
Section 12.5	Skelly Conference
Section 12.6	Appeal of Skelly Conference Decision
Section 12.7	Arbitration Hearing Process
Section 12.8	Suspension, Demotion, Reduction in Pay or Termination
Section 12.9	Immediate Suspension/Removal from District Premises

SECTION 12.1 APPLICATION.

This Article applies to unrepresented, regular employees, excluding temporary employees, probationary employees, contract employees and Board Officers, and establishes procedures for taking corrective or disciplinary action for misconduct, poor performance, and/or attendance problems.

SECTION 12.2 WRITTEN WARNING.

A written warning is not an adverse action. An employee who receives a written warning is entitled to write a rebuttal to the letter of written warning. There is no right to appeal the District's decision to issue a written warning. The written warning and any response will be kept together in the employee's personnel file.

SECTION 12.3 ADVERSE ACTION.

An adverse action includes but is not limited to, a suspension without pay, reduction in pay,³⁵ demotion, written reprimand in lieu of suspension, or termination.

SECTION 12.4 SKELLY NOTICE.

The employee will be provided a written notice of the proposed adverse action to be taken against the employee. Such notice shall set forth the reasons for the proposed

³⁴ Replacing Administrative Regulation No. 254 – Employee Discipline

³⁵ A temporary reduction in pay is not permitted for employees exempt from the overtime provisions of the Fair Labor Standards Act.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

adverse action, the materials relied upon by the District in proposing the disciplinary action, and a statement advising the employee that he/she has the right to respond to the proposed adverse action before it is imposed.

Within five (5) working days of receipt of the notice of the proposed adverse action, unless the District agrees in writing to an extension of time upon good cause shown by the employee, an employee may request a Skelly Conference or respond in writing. The request or response must be in writing, dated and signed by the employee and sent to the Chief Human Resources Officer or designee.

If a Skelly Conference is requested, it should generally be held within five (5) working days of the receipt of the request.

SECTION 12.5 SKELLY CONFERENCE.

The purpose of the Skelly Conference is to provide the employee an opportunity to present additional facts or mitigating circumstances he/she wishes the District representative to take into consideration before a final disciplinary decision is made.

The Chief Human Resources Officer or designee will appoint the Skelly Conference Officer (SCO). The SCO should not be someone who is directly involved in the incident that gave rise to the proposed discipline.

The Skelly Conference is not a full evidentiary hearing. The employee may bring but may not compel the attendance of supporting witnesses. The employee may bring one representative to the meeting; however, the District is not responsible for any fees or costs incurred by the employee exercising the option of representation.

The SCO shall consider the employee's response to the proposed adverse action and the District shall determine whether any modification to or withdrawal of the recommendation is appropriate.

As soon as possible following the conclusion of the Skelly Conference, the SCO will issue a written decision including a notice of appeal rights of the employee.

SECTION 12.6 APPEAL OF SKELLY CONFERENCE DECISION.

Within ten (10) working days from the date of the SCO's decision, the employee has the right to request an appeal hearing. The hearing request must be in writing and submitted to the Chief Human Resources Officer's Office. If the employee does not timely request an appeal hearing, the employee waives his/her appeal rights.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 12.7 ARBITRATION HEARING PROCESS.

If the employee timely requests a hearing on the adverse action, the Chief Human Resources Officer or designee shall appoint a neutral Hearing Officer and give written notification to the parties of the appointment. The Chief Human Resources Officer or designee shall be responsible for setting a mutually agreed upon time, location and date for the hearing which shall be confirmed in writing.

The Hearing Officer will be an unbiased, neutral District employee, or when appropriate, an outside neutral individual who is not involved in the incident forming the basis of the adverse action. If the employee has any objections to the proposed Hearing Officer, the employee shall convey the objections in writing to the Chief Human Resources Officer prior to the hearing. The General Counsel shall resolve any conflicts regarding the naming of a Hearing Officer.

At the hearing, both parties are entitled to cross-examine all witnesses and present evidence. The Hearing Officer is not bound by the rules of evidence; however, hearsay may not form the sole basis for the discipline. Both parties have the right to counsel or other representation at the hearing. The District shall not pay for any costs incurred by the employee.

Unless agreed to in writing by the employee and the District, the Hearing Officer shall make every effort to issue a written decision within ten (10) working days from completion of the hearing.

The Hearing Officer may uphold, reject, or modify the adverse action taken. If the Hearing Officer upholds the SCO's decision for adverse action, the employee shall be so informed. If the adverse action is rejected or modified by the Hearing Officer, then the Hearing Officer shall determine an appropriate award to the employee within the range of remedies normally available to labor arbitrators under collective bargaining agreements. For Skelly violations, the Arbitrators' award shall be limited to back pay and benefits from the date of the Skelly violation to the date of his or her opinion and award.

SECTION 12.8 SUSPENSION, DEMOTION, REDUCTION IN PAY OR TERMINATION

- A. Suspension When a suspension is recommended, the proposed action must comply with the employee's FLSA exempt or non-exempt status for purposes of overtime. Suspension will be without pay. Reduction in accrued leave may be substituted for suspension.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

A suspension of five (5) or fewer days does not require a Skelly Conference prior to the suspension.

- B. Demotion When the adverse action results in demotion the employee shall receive the lesser rate of pay as of the date specified in the notice of decision from the SCO. If the Hearing Officer overturns the demotion decision, the employee will receive an appropriate amount of back pay for the period of the demotion.
- C. Reduction-in-Pay An employee who receives a reduction-in-pay shall receive the lesser rate of pay as of the date specified in the notice of decision of the SCO. If the decision of the SCO is overturned, the employee may be awarded back pay as deemed appropriate by the Hearing Officer within the range of remedies normally available to labor arbitrators under collective bargaining agreements.
- D. Discharge If no modification to a discharge recommendation is made following the decision of the SCO the employee shall be notified of the effective date of the discharge. If the discharge is not subsequently upheld by the Hearing Officer then the employee will be entitled to such relief as determined appropriate by the Hearing Officer.

SECTION 12.9 IMMEDIATE SUSPENSION/REMOVAL FROM DISTRICT PREMISES.

In a situation where management determines that an employee should be immediately removed from the District's premises, the employee will be placed on paid leave until the decision of the SCO is rendered, at which time any discipline that has been determined to be appropriate shall be implemented. At the discretion of the District, while on paid leave an employee maybe permitted to return to the District's premises for the purposes of a scheduled Skelly Conference.

Prior to the commencement of the paid leave, the employee is required to return all District property including without limitation District records, computers, District-issued telephones, tablet computers, office keys, non-revenue vehicle keys, and building passes. The employee may take any personal belongings from his/her work area or make arrangements with others to retrieve them.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 13. PROBATIONARY PERIOD ³⁶

- Section 13.1 No Automatic Appointment
- Section 13.2 Purpose
- Section 13.2 Initial Probation
- Section 13.4 Supervision
- Section 13.5 Extension of Probation
- Section 13.6 Review
- Section 13.7 No Appeal of Release
- Section 13.8 Probationary Period for Regular Employees

SECTION 13.1 NO AUTOMATIC APPOINTMENT.

Appointment to regular status within the District is not automatic with the mere passage of time. In order for the individual to acquire regular status within the District, the individual must satisfactorily pass the probationary period and be recommended for regular status.

SECTION 13.2 PURPOSE.

As a continuation of the selection process, the probationary period is intended to provide the District with the opportunity to observe the individual's work, and to "on board," train, and assist the individual in adjusting to the position.

SECTION 13.3 INITIAL PROBATION.

The first six (6) months of District employment is a probationary period for newly hired or rehired individuals and is considered the last phase of the selection process. All District positions have the same probationary period of six (6) months. The individual must successfully meet established goals, objectives, and performance standards to obtain regular employment status with the District.

Probationary periods are not applicable to temporary employees. All temporary employees will remain at-will throughout their temporary employment with the District.

SECTION 13.4 SUPERVISION.

It is the responsibility of the supervisor and/or Department Manager to monitor and discuss job performance with the individual periodically during the probationary period.

36 Replacing Board Policy No. 282 - Probation

UNREPRESENTED EMPLOYEES – POLICY NO. 201

Additionally, the supervisor and/or Department Manager should assist the individual in determining and taking necessary action to achieve performance standards and meet established goals and objectives, and become familiar with the District.

SECTION 13.5 EXTENSION OF PROBATION.

The District, at its discretion, may extend any probationary period for an additional period of time not to exceed six months when the District believes additional time is needed to completely evaluate the individual's performance.

SECTION 13.6 REVIEW.

Prior to the end of the initial probationary period, the individual's immediate supervisor will recommend to the Department Manager and the Chief Human Resources Officer whether the individual should pass the probationary period.

SECTION 13.7 NO APPEAL OF RELEASE.

An individual released during a probationary period shall not have the right to appeal the release.

SECTION 13.8 PROBATIONARY PERIOD FOR REGULAR EMPLOYEES.

Upon assuming a new classification or position within the same classification, regular employees shall serve a six (6) month probationary period. In the event a regular employee's performance in the new position proves to be unsatisfactory, the employee may be returned to his/her former position. The District will notify the employee of his/her unsatisfactory performance prior to directing the employee to resume his or her immediately prior District position.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 14. REHIRE³⁷

- Section 14.1 Eligibility for Rehire
- Section 14.2 Review Prior To Rehire
- Section 14.3 Status Upon Rehire
- Section 14.4 Application Procedures
- Section 14.5 Probation Period
- Section 14.6 Salary Placement

SECTION 14.1 ELIGIBILITY FOR REHIRE.

Former employees who voluntarily terminated their employment with the District with a satisfactory work record or who were laid-off (and who accepted severance pay or are outside of the reemployment period) may be eligible for rehire.

SECTION 14.2 REVIEW PRIOR TO REHIRE.

It is the responsibility of the Chief Human Resources Officer or designee to review the former employee's personnel record to determine if the applicant's past performance record is satisfactory and the applicant is eligible for rehire.

SECTION 14.3 STATUS UPON REHIRE.

Individuals who are rehired following a break in service are considered new employees from the effective date of their rehire for most purposes. The terms of the District's Retirement Plan govern participation in the Plan upon reemployment after a break in service.

SECTION 14.4 APPLICATION PROCEDURES.

A former employee applying for a vacant position must submit an employment application; and if eligible, must follow the normal procedures of the District's employee selection process, including but not limited to customary post-offer, pre-employment occupational health tests.

SECTION 14.5 PROBATION PERIOD.

Individuals who are rehired following a break in service must serve a new initial six-month probationary period.

37 Replacing Board Policy No. 292 – Rehire

UNREPRESENTED EMPLOYEES – POLICY NO. 201

SECTION 14.6 SALARY PLACEMENT.

Rehired employees will be placed in the authorized salary range for the vacant position.

UNREPRESENTED EMPLOYEES – POLICY NO. 201

ARTICLE 15. OTHER PROVISIONS

Section 15.1 Reference Employees
Section 15.2 Amendments to this Policy

SECTION 15.1 REFERENCE EMPLOYEES.

Any terms and conditions of employment for unrepresented employees that are not specifically covered here are governed by other existing District policies and procedures and remain within the discretion of the District under applicable law. In the absence of such policy, the District may also refer to the practices applicable to District employees represented by AFSCME, Local 3916 for guidance and consistency.

SECTION 15.2 AMENDMENTS TO THIS POLICY.

Unless waived by the Board of Directors, any proposed amendment(s) to this Policy shall follow a two-step process:

1. The amendment(s) shall be set out in an informational staff report that is presented to the appropriate committee of the Board of Directors for its review and comment. A copy of this report will be made available to unrepresented employees.
2. At its next meeting, or any time thereafter, the Board of Directors may adopt the proposed amendment(s) to this Policy.

Contact Position: Chief Human Resources Officer

UNREPRESENTED EMPLOYEES – POLICY NO. 201

Exhibit B to Resolution 14-010

Prior Board Policies repealed in their entirety by virtue of the adoption of Board Policy 201:

#	Title	Date Adopted/Updated
240	Management Compensation	02/09
262	Bereavement Leave	02/98 updated 08/01
266	Holidays	04/91
278	Sick Leave	as updated through 1999
280	Vacation	03/91 updated 08/01
282	Probation	03/90
290	Reduction in Force	as updated through 1999
292	Rehire	03/90
296	Employee Categories	09/91
n/a	Management Leave	as updated through 1999
n/a	Pension/Deferred Comp	02/98 updated 08/06
n/a	Long Term Disability	as updated through 1999

Prior Resolutions repealed in their entirety by virtue of the adoption of Board Policy 201:

#	Description	Date Adopted
1034	Benefits	02/98
1109	Salaries/Benefits	09/99
2020	Sick leave rollover, 3 year average for pension/Holidays	08/01
2104	United Health/Opt out	09/03
06-033	Pension formula/Dental/Retiree medical	08/06
09-014	Wages/Benefits	02/09
10-037	Wages/Benefits	06/10

Prior Resolution repealed in part by virtue of the adoption of Board Policy 201:

#	Description	Date Adopted
11-034	Wages/Benefits	07/11

Repealed in its entirety with the exception of the following provision (see note in section 9.5), which remains in force until further action by the Board of Directors:

- "Sick leave bonus of 8 hours for no use of sick leave in prior year suspended"

Prior Administrative Regulations repealed in their entirety by virtue of the adoption of Board Policy 201:

#	Title	Date Adopted/Updated
239	Benefits	04/08
254	Discipline	03/90 updated 09/06
266	Holiday	04/91
278	Sick Leave	04/91 updated 11/91
280	Vacations	04/91 updated 11/91

Job Title	Job Code	Department	Location
Assistant District Secretary	116	District Secretary	GO
Attorney III	251	General Counsel	GO
Attorney III	251	General Counsel	GO
Attorney III	251	General Counsel	GO
Attorney IV	253	General Counsel	GO
Budget Manager	206	Budget Department	GO
Chief Financial Officer	014	Finance-Senior Management	GO
Chief Human Resources Officer	081	Human Resource Management	GO
Chief Operating Officer	015	COO-Operations	GO
Chief Performance Officer	031	Performance	GO
Chief Planning & Dev Officer	032	Planning & Development	GO
Chief Technology Officer	007	Information Services	GO
Controller	238	Controller	GO
Dir of Legis Aff & Comm Rel	033	Legis Affrs and Comm Outreach	GO
Dir of Prj Ctrl & Sys Analysis	034	Prjt Ctrl & Sys Analysis	GO
Director of Bus Rapid Transit	038	BRT Bus Rapid Transit	GO
Director of Maintenance	696	Maint-Senior Management	CMF
Director of Srvc Devl&Planning	024	Service Development	GO
Director of Transportation	009	Transportation Senior Managemt	GO
District Secretary	030	District Secretary	GO
EEO Program Administrator	035	EEO/Workplace MediationDivrsty	GO
Executive Administrative Asst.	348	Finance-Senior Management	GO
Executive Administrative Asst.	348	Human Resource Management	GO
Executive Administrative Asst.	348	Information Services	GO
Executive Administrative Asst.	348	Planning & Development	GO
Executive Coordinator	354	General Counsel	GO
Executive Coordinator	354	GM - Executive Office	GO
General Counsel	002	General Counsel	GO
General Manager	001	GM - Executive Office	GO
Human Resources Administrator	188	Leave Management/Workers' Comp	GO
Human Resources Administrator	188	Alcohol & Sub Abuse Compliance	GO
Human Resources Manager	082	Human Resource Management	GO
Human Resources Manager	082	Human Resource Management	GO
Internal Audit Manager	087	Internal Audit	GO
Maintenance Superintendent	156	D-6 Maintenance Management	D6 - M
Maintenance Superintendent	156	D-4 Maintenance Management	D4 - M
Maintenance Superintendent	156	Cent Maint Management	CMF
Maintenance Superintendent	156	D-2 Maintenance Management	D2 - M
Management Analyst	067	COO-Operations	GO
Manager of Special Projects	063	GM - Executive Office	GO
Manager of Special Projects	063	Capital Projects	GO
Manager of Special Projects	063	Capital Projects	CMF
Media Affairs Manager	106	Media Relations	GO
Mgr of Safety & Envrnmtal Engr	040	Environmental Engineering	CMF
Mrkt'g & Communicatns Director	634	Marketing and Communications	GO
Payroll Manager	240	Payroll Administration	GO
Principal Financial Analyst	632	Budget Department	GO
Procurement & MatrIs Director	086	Procurement and Materials	CMF

Job Title	Job Code	Department	Location
Real Estate Manager	065	Capital Projects	GO
Retirement System Manager	042	Retirement	GO
Senior Administrative Asst.	347	Labor Relations	GO
Senior Administrative Asst.	347	Performance	GO
Senior Project Manager	064	Capital Projects	GO
Senior Project Manager	064	Capital Projects	GO
Senior Project Manager	064	BRT Bus Rapid Transit	GO
Senior Project Manager	064	BRT Bus Rapid Transit	GO
Sr Human Resources Admin	190	Staffing/Classification/Comp	GO
Sr Human Resources Admin	190	Staffing/Classification/Comp	GO
Sr Human Resources Admin	190	Health & Welfare	GO
Sr Labor Relatns Administrator	281	Labor Relations	GO
Training And Education Mgr	072	Transportation Training	TEC
Transportation Superintendent	164	D-2 Management	D2 - T
Transportation Superintendent	164	D-4 Management	D4 - T
Transportation Superintendent	164	D-6 Management	D6 - T
Transportation Superintendent	164	Service Supervision Management	D2 - CD
Treasury Manager	207	Treasury Management	GO

WORKSHOP

February 26, 2014

Agenda Item 6

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: David J. Armijo, General Manager
SUBJECT: Title VI Policies and Program Update

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving informational update on Title VI policies.

EXECUTIVE SUMMARY:

Recipients of federal funds are required to document their compliance with the Civil Rights Act by submitting a Title VI program to the Federal Transit Administration (FTA) every three years. In 2012, the FTA established regulations outlining new requirements for the program, including new policies governing when and how a Title VI equity analysis would be conducted; and plans to define the District’s public outreach, service monitoring, and efforts to include persons with limited English proficiency in its planning process. This report will present drafts of several new program elements for the Board to consider and give input and feedback on.

BUDGETARY/FISCAL IMPACT:

There are no budgetary impacts related to this update.

BACKGROUND/RATIONALE:

Title VI Program Update

The Board of Directors approved Board Policy 551, “Title VI Service Review and Compliance Report Policy” in 2004. In October 2012, the FTA released Circular 4702.1B, outlining new requirements for recipients of federal transit funds.

To maintain compliance with the latest FTA guidance, it is necessary to update BP 551, along with Board Policy 163, “Public Hearings Processes for the Board of Directors,” to bring them into compliance with the new requirements. The District’s program update must be submitted by October 1, 2014.

The new Circular requires recipients of federal funds to submit “evidence that the board of directors [...] has approved the Title VI Program,” and to “engage the public in the decision-making process to develop” the policies and plans set forward below.

Major Service Change

The Major Service Change policy governs when a service change proposal will trigger the need for a Title VI service equity analysis. (In addition to the policy governing service equity analyses, all proposed fare changes require, by FTA regulation and by existing Board policy, a Title VI fare equity analysis.) The Circular states, 'In order to begin the analysis, the transit provider must first identify what constitutes a "major service change" for its system, as only "major service changes" are subject to a service equity analysis.' The proposed policy aligns what already exists in several policies as well as acknowledges past Planning practice. The goal of the policy is to ensure that equity is considered whenever a service change might have a disproportionate impact on Title VI populations.

Staff's proposed draft Major Service Change policy, which would be incorporated into Board Policy 551, states:

"A Title VI analysis shall occur whenever there is a significant change to service provision. Service changes covered by this policy are those indicated as "Major Adjustments of Transit Service" under Board Policy 163 ("Public Hearings Processes for the Board of Directors"). A major service change is generally one that constitutes a significant aggregate change in route miles or hours, and could include system wide route restructuring, changes in frequency, or adding and deleting service. For such major service changes, the Title VI service equity analysis will assess the quantity and quality of service provided and populations affected."

This is similar to existing language in Board Policy 551 in that it states that changes characterized as "major" under Board Policy 163 would also be considered major for Title VI purposes. Staff's draft removes examples of proposed changes that would trigger an analysis from Board Policy 551 since they are spelled out definitively in Board Policy 163. Current language which describes a process for identifying and reviewing "Minor Service Adjustments" has also been removed because such a designation does not conform to FTA guidelines.

Under the draft Board Policy 163, any of the following proposed service changes would trigger the public hearing process and a Title VI service equity analysis:

- A new transit route
- New service on streets not previously used by any route (excluding major arterials)
- An aggregate change of 10% or more of transit revenue miles or hours system-wide
- An aggregate change of 20% or more of transit revenue miles or hours in one of the four planning areas of the District (West Contra Costa County, North Alameda County, Central Alameda County, South Alameda County).
- An aggregate change of 25% or more of transit revenue miles or hours of an individual route.

Staff's proposal to categorize changes at the system-wide or planning area level as potential triggers for a "Major Service Change" designation is a move of that language from Board Policy 551 to Board Policy 163, placing all definitions of Major Service Change in one location. The 20% change threshold for planning areas is a new proposal.

The following exceptions would not be considered major:

- A reassignment of route numbers, or creation of a new route “number” from combining routes;
- Standard seasonal variations as compared to operations during the previous season
- Emergency service changes necessitated by a disaster or change which impairs the ability to operate service on public streets (BP 163 lays out the process for a subsequent public hearing when required);
- Restoration of service which had been eliminated within the past 10 years due to budget constraints, provided the service runs on the same route as it had prior to its elimination, subject to minor deviations which do not exceed the major service change definition;
- The introduction or discontinuance of short-term or temporary service which will be/has been in effect for less than twelve months;
- Up to 50% change to service on a route with fewer than ten total trips in a typical service day; and
- Discontinuance of District-operated service that is replaced by a different mode or operator, providing a service with the same or better headways, fare, transfer options, span of service, and stops served

Most of the above exceptions are in existing Board policies. Staff proposes to add a time limit of ten years to the restoration of service, as well as new exceptions for temporary service, service with a very small number of trips, routes that are created by combining existing service, and service that is replaced by another that provides the same or better service.

In addition, staff proposes to eliminate an exception for headway adjustments that are done in conjunction with a major service change, because headways can and should be considered in a service equity analysis.

In alignment with FTA guidelines, staff proposes that Board Policy 551 include a requirement to treat as “major” changes that, when considered cumulatively over a three year period, would meet the major service change qualification and trigger a Title VI analysis.

In addition to policies which mandate when Title VI analyses must be conducted, additional analyses may be conducted whenever the Board or Staff believe it is warranted to assist in the planning process and in the equitable provision of transit service.

Disparate Impact Policy

In the Circular, the FTA states,

“Disparate Impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where the recipient’s policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that

would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin.”

AC Transit does not currently have a Disparate Impact policy. Staff’s proposed draft Disparate Impact policy, which would be incorporated in Board Policy 551, states:

“When minority populations or riders will experience a 15% or more greater adverse effect than that borne by non-minority populations or riders, such changes will be considered to have a disparate impact.”

The FTA says that disparate impact is measured by comparing impacts borne by minority populations to impacts borne by non-minority populations. The District’s Title VI service and fare equity analyses will compare existing service or fares to proposed changes, and calculate the absolute change as well as the percent change. For the service equity analysis, the District will measure service in terms of current AC Transit standards such as frequency, span of service, vehicle load, and/or distance to bus routes. If the change affecting minority populations or riders will be 15% or more than the change affecting non-minority populations or riders, and the change has an adverse effect, it would be considered to have a disparate impact under this new policy.

The FTA does not specify what percentage is the correct threshold for the Disparate Impact policy; it states only that “the disparate impact threshold defines statistically significant disparity.” A review of peer agencies shows many other transit agencies that have chosen thresholds between 5 and 20%:

Agency	Disparate Impact Policy threshold
BART	5-10%*
County Connection	20%
Golden Gate	10%
Marin Transit	20%
SamTrans	20%
San Diego	15% (proposed)
Denver RTD	20% (proposed)
Chicago Transit Authority	15%
Greater Cleveland	10%
Georgia RTA	15%
King County Metro	10%

Note: BART’s Disparate Impact threshold is different for different types of proposed service changes.

Disproportionate Burden Policy

The FTA Circular states,

“Disproportionate burden refers to a facially neutral policy or practice that disproportionately affects low-income populations more than non-low-income

populations. A finding of disproportionate burden requires the recipient to evaluate alternatives and mitigate where practicable.”

The Circular further states, “low-income populations are not a protected class under Title VI. However, recognizing the inherent overlap of environmental justice principles in this area, and because it is important to evaluate the impacts of service and fare changes on passengers who are transit-dependent, FTA requires transit providers to evaluate proposed service and fare changes to determine whether low-income populations will bear a disproportionate burden of the changes.”

AC Transit does not currently have a Disproportionate Burden policy. Staff’s proposed draft Disproportionate Burden Policy, which would be incorporated into Board Policy 551, says:

“When the proportion of low-income populations or riders adversely affected by the proposals is 15% or more than the proportion of non-low-income populations or riders adversely affected, such changes will be considered to have a disproportionate burden.”

Under this policy AC Transit will conduct Title VI equity analyses by comparing existing service or fares to proposed changes, and calculate the absolute change as well as the percent change. If a proposal is found to have a disproportionate burden, the District will evaluate alternatives and mitigate where practicable.

The FTA also does not specify what percentage is the correct threshold for the Disproportionate Burden policy; it states only that “the disproportionate burden threshold defines statistically significant disparity.” A review of peer agencies in the Bay Area shows that other transit agencies have chosen thresholds between 5 and 20%.

Transit Service Monitoring

The FTA circular requires transit providers to “monitor the performance of their transit system relative to their system-wide service standards and service policies (i.e., vehicle load, vehicle assignment, transit amenities, etc.) not less than every three years” to ensure all elements of the service are being provided equitably. Board Policy 550, “Service Standards and Design Policy,” requires staff to assess route performance according to standards laid out in that policy. Staff proposes to revise Board Policy 551 to ensure that all the elements required by FTA Title VI guidance are included in this monitoring program.

After monitoring, for cases in which the service for any route exceeds or fails to meet the standard or policy, depending on the metric measured, the District shall analyze why the discrepancies exist and take steps to reduce the potential effects. If staff determines that prior decisions have resulted in a disparate impact on the basis of race, color, or national origin, the District shall take corrective action to remedy the disparities to the greatest extent possible, and report these efforts in the Title VI program update.

District standards for the required elements in the monitoring program include:

- Vehicle Load (VLF) is the ratio of the number of seats on a vehicle to the number of passengers on-board, and varies by type of vehicle on category of route. For example,

on Major Corridors, VLF is 1.25 (up to 25% standees).

- Vehicle Headway (VH) is the maximum scheduled time interval between buses. For example, weekday peak VH (in minutes) for Rapid Service is 10-14.
- On Time Performance (OTP) is the percent adherence to scheduled service. The AC Transit standard for on time performance is 70% overall.
- Service Accessibility (SA) is the distance to bus routes and varies according to population density (i.e. persons per square mile). These standards will be studied to ensure that access is equitably distributed.
- Distribution of Transit Amenities includes such things as Park & Ride facilities, transit centers, real-time information signage, shelters, system maps, and schedules. AC Transit will equitably provide amenities where possible at bus stops where it has decision-making authority.
- Vehicle Assignment is based on ridership demands, road conditions, service types, maintenance garage capacity, and vehicle technologies (e.g., Hydrogen fueling only provided at a specific location).

Of the above standards, only two (the standards for on time performance and for the distribution of transit amenities) are not already included in Board Policy 550 reporting requirement. Staff proposes to include the requirement to monitor and report on these in Board Policy 551, until such time that Board Policy 550 is reviewed and changed. If or when different fleet types are acquired, or standards in Board Policy 550 are changed, the monitoring program will be adjusted to align with new standards and policies.

Title VI Complaint Process

The FTA Circular states, "in order to comply with the reporting requirements established in 49 CFR Section 21.9(b), all recipients shall develop procedures for investigating and tracking Title VI complaints filed against them and make their procedures for filing a complaint available to members of the public." Board Policy 501 outlines the District's policies concerning customer contact, including complaints, reports of service problems, requests for information, and suggestions. It also describes the process to notify the public of their rights to file a Title VI complaint, and how the District will respond to such complaints. Staff propose moving the section outlining Title VI complaint procedures to Board Policy 551, which contains all other Title VI compliance policies.

AC Transit shares information about the Title VI complaint process with the public in a variety of ways, including through the District website, on-board car cards, and in the content of the complaint forms. Current Staff practice has changed to bring the complaint procedures into alignment with FTA guidance; by updating BP 551 this practice will be codified into District policy.

Staff proposes to include two new items to the complaint process:

- Include low-income status as a category for which a person could use a Title VI complaint form, as a way of integrating environmental justice concerns into the process
- Include the intention to make information about the Title VI complaint process available in languages other than English, as required by Limited English Proficiency best practices.

The proposed draft BP551 includes deadlines and timelines for both the claimant and the District, in accordance with new federal guidance, as follows:

- A complaint must be filed within 180 calendar days of the date the claimant believes the discrimination occurred
- Staff shall complete a review of a complaint within 60 calendar days of receipt
- If the claimant disagrees with the outcome, they may request reconsideration within 10 calendar days after receipt of the response
- The General Manager will notify the claimant of the decision to accept or reject the request within 10 calendar days
- Claimant may also file a complaint directly with the FTA within 180 days of the alleged discrimination

Definitions

The FTA guidance defines the term “Minority persons” as including persons of American Indian and Alaska Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic or Latino (regardless of race) heritage.

Staff rely on US Census Bureau data for much of its Title VI analysis work (as recommended by the FTA.) The Census bureau asks two separate questions related to race and ethnicity: “what is your race?” and “are you Hispanic, Latino, or Spanish origin?” Staff use the definition that anyone who self identifies as not White is “Minority”; additionally, anyone who identifies as Hispanic or Latino is also “Minority”. In practice, that means that data analysts take the entire population, identify those people who say they are White and also not Hispanic/Latino, and classify that population as “non-Minority.” The remaining people are classified as “Minority.”

For the purpose of AC Transit Title VI policies and activities, the following definitions shall apply:

- Minority – any population that self-identifies as other than White and non-Hispanic/Latino in Census or other surveys
- Non-Minority – any population that self-identifies as White and also not Hispanic/Latino in Census or other surveys

Using these definitions, in 2010 US Census, 71% of the service area population was considered “Minority”. Using the most recent onboard survey, 76% of riders identified as “non-White.”

In the FTA guidance, “low-income person” means a person whose median household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines and also states that “recipients are encouraged to use a “locally developed threshold.” The HHS has set the federal poverty level at \$23,550 for a family of 4 this year. The Metropolitan Transportation Commission and most Bay Area transit agencies use 200% of the federal poverty

level as the low-income designation because of the high cost of living in the Bay Area; therefore, staff propose to use that same threshold.

The Census bureau factors in family size and income to determine someone's income status and to determine what percentage of a Census tract (or Block Group) is below the poverty level. Using these definitions, for example, an individual in a family of 4 whose household income is less than \$47,100 would be classified low-income.

For the purpose of AC Transit Title VI policies and activities, the following definitions shall apply:

- Low-Income – any population with a household income of less than 200% of the Federal poverty level
- Not Low-Income – any population with a household income of 200% or more of the Federal poverty level

Using these definitions and Census data, 29% of the service area population is “low-income”. In the most recent onboard survey, almost 50% of riders said they lived in a household with income under \$25,000.

Plans

Other than the above policies, which require public outreach and a public hearing in addition to Board approval, two new plans will have to be developed and approved by the Board for the Title VI program update.

Public Participation Plan

The FTA guidance requires the District to have a plan that promotes inclusive public participation and provides early and continuous opportunity for public review and comment. It states, “The content and considerations of Title VI, the Executive Order on LEP, and the DOT LEP Guidance shall be integrated into each recipient’s established public participation plan.” It should “engage minority and limited English proficient (LEP) populations,” and include “efforts that extend more broadly to include other constituencies that are traditionally underserved, such as people with disabilities, low-income populations, and others.”

It continues, “Recipients have wide latitude to determine how, when, and how often specific public participation activities should take place, and which specific measures are most appropriate.” The FTA circular describes efforts which include both comprehensive measures as well as targeted measures “to address linguistic, institutional, cultural, economic, historical, or other barriers that may prevent minority and LEP persons from effectively participating in the [District’s] decision-making process.”

Language Assistance Plan

The FTA guidance defines Limited English Proficient (LEP) persons as, “persons for whom English is not their primary language and who have a limited ability to read, write, speak or understand English.” It requires recipients to submit a plan “for providing language assistance to persons with limited English proficiency, based on the DOT LEP Guidance.”

District staff developed a Language Assistance Plan in 2012, using that handbook as guidance. When the initial Plan was developed, there was no Federal requirement that the Plan be approved by the Board. As this plan is now a required element of the overall Title VI program, staff will present it to the Board for review and approval.

Title VI Program Update

There are several additional elements of the Title VI program update, which will require review and revision.

These elements are already part of the District's Title VI program, or are part of Staff's ongoing Title VI work. They will be included in the final Title VI program update report, which will be brought to the Board for approval before submission to the FTA.

Required additional elements include:

- Title VI Notification Procedures
- System-Wide Service Standards & Policies
- Analysis of ridership and service area population; surveys, charts, and maps
- Results of Service and Fare Equity Analyses
- Records of Board review and approval
- Report of membership of non-elected committees and advisory boards
- Report of Title VI complaints, investigations

Additional Items, Timing, and Deadlines

Along with preparing the Title VI program update for submission to the FTA in October, staff anticipate the Triennial FTA review, which will have a Title VI element.

As was reported in SR 13-305, Staff will be requesting a line item in the mid-year budget adjustment to acquire consultant support for the many tasks required to update Title VI policies and plans, and preparing the program update for submittal to the FTA. Ongoing Title VI activities will continue through this process.

Following is the tentative schedule of major Title VI activities:

- February – Title VI presentation to the Board of Directors
- March – Seek allocation for Title VI activities; identify consultant support
- March-May – Conduct public outreach
- May – Hold public hearing for new policies
- June – Seek Board approval of new policies
- now-July – Review/develop plans; complete additional program elements
- Summer (date tbd) – Complete FTA Triennial Review
- August – Seek Board approval of new plans
- September – Seek Board approval of Title VI Program Update
- October 1, 2014 – File final Title VI Program Update with FTA

Upcoming reports on these Title VI activities will be presented to the complete Board because they impact the entire AC Transit service area and they amend Board Policies.

ADVANTAGES/DISADVANTAGES:

The advantage to the Board receiving this report is to be informed early in the Title VI program update process, and to provide feedback and give direction to staff as they develop new policies and plans. There are no discernable disadvantages.

ALTERNATIVES ANALYSIS:

The purpose of this staff report is to present the Board with an opportunity to provide input, feedback, and direction to staff as new policies are developed. As such, there are no alternatives to the report.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Staff Report 13-305 – Title VI Program Update

BP 550 – Service Standards and Design Policy

BP 163 – Public Hearings Processes for the Board of Directors

BP 551 – Title VI Service Review and Compliance Report Policy

BP 501 – Customer Contact Policy and Title VI Complaint Process for the Alameda-Contra Costa Transit District

ATTACHMENTS:

1: Title VI Workshop Presentation

Department Head Approval: Dennis W. Butler, Chief Planning and Development Officer

Reviewed by: Robert Del Rosario, Director of Service Development
Denise Standridge, Interim General Counsel

Prepared by: Sally Goodman, Title VI Coordinator

Title VI Civil Rights Act Program Update



Sally Goodman
Planning & Development
February 26, 2014

SRI 13-305a, Attachment A



1

Overview

- Federal Regulatory Changes Drive Update to Title VI Program
- District Required to:
 - Revise Board Policies 163, 501, 551
 - Develop Public Participation Plan
 - Develop Language Assistance Plan
 - Update overall Title VI Program

Title VI – Overview



2

Board Policies

- Policy 501, Customer Contact
 - Move Title VI elements to Policy 551
- Policy 551, Title VI Service Review & Compliance
 - Incorporate many required definitions, thresholds, and processes
- Policy 163, Public Hearing Processes
 - Clarify conditions triggering both public hearing and Title VI equity analysis

Title VI – Board Policies



3

Board Policy 551, Title VI Service Review and Compliance Report

Proposed changes:

- Revise Title VI Complaint Policy
- Clarify major service change definition
- Establish thresholds for Disparate Impact & Disproportionate Burden
- Establish Transit Monitoring Program

Title VI – Board Policies - 551



4

Draft Title VI Complaint Process

Proposed Policy:

- Moves complaint process into Policy 551
- Aligns communications
- Adds low-income status for Environmental Justice
- Adds languages other than English
- Includes deadlines and timelines

Title VI – Board Policies – 551 – Complaint Process



5

Draft Major Service Change Policy

Proposed Policy:

“A Title VI analysis shall occur whenever there is a significant change to service provision. Service changes covered by this policy are those indicated as “Major Adjustments of Transit Service” under Board Policy 163 (“Public Hearings Processes for the Board of Directors”). A major service change is generally one that constitutes a significant aggregate change in route miles or hours, and could include system wide route restructuring, changes in frequency, or adding and deleting service.”

Title VI – Board Policies – 551 – Major Service Change



6

Triggers for Public Hearing & Title VI Equity Analysis

Proposed changes to what triggers a public hearing and Title VI equity analysis:

- Consolidate triggers into Policy 163
- Define Planning Areas
- Define amount of change to planning area that will be considered “major” – 20% change to hours or miles

Title VI – Board Policies – 163 – Major Service Change



7

Exceptions for Major Service Change definition

Proposed new exceptions:

- Temporary service (less than 12 months)
- Routes created by combining service
- Up to 50% change to service with 10 or fewer daily trips
- Service that's replaced by better service

Proposed to eliminate exception for headway adjustments in current policy

Title VI – Board Policies – 163 – Major Service Change



5

Draft Disparate Impact Policy

According to the FTA, Disparate Impact refers to:

- seemingly neutral policy or practice
- disproportionate impact on minorities
- that lacks a substantial legitimate justification
- where there exists less discriminatory alternatives

Title VI – Board Policies – 551 – Disparate Impact Policy



9

Draft Disparate Impact Policy

Proposed Policy:

“When minority populations or riders will experience a 10% or more greater adverse effect than that borne by non-minority populations or riders, such changes will be considered to have a disparate impact.”

Proposed threshold is similar to transit peers

Title VI – Board Policies – 551 – Disparate Impact Policy



10

Disparate Impact and the “Legal Test”

A transit provider may still implement a change that is found to have a disparate impact:

- substantial legitimate justification for the proposed service change, and
- no alternatives with a less disparate impact that still accomplishes legitimate program goals.

Title VI – Board Policies – 551 – Disparate Impact Policy



11

Draft Disproportionate Burden Policy

The FTA describes disproportionate burden as:

- facially neutral policy or practice
- disproportionately affects low-income populations more than non-low-income

A finding of disproportionate burden requires the recipient to:

- evaluate alternatives
- mitigate where practicable

Title VI – Board Policies – 551 – Disproportionate Burden Policy



12

Draft Disproportionate Burden Policy

Proposed Policy:

“When the proportion of low-income populations or riders adversely affected by the proposals is 10% or more than the proportion of non-low-income populations or riders adversely affected, such changes will be considered to have a disproportionate burden.”

Title VI – Board Policies – 551 – Disproportionate Burden Policy



13

Draft Transit Service Monitoring

Current: BP 550 “Service Standards and Design Policies” – guiding principles for the design and allocation of AC Transit-operated transit service

Requirement: monitor four service standards and two service policies for its fixed-route modes

Proposed Policy: monitor and report on the required service standards and service policies not less than every three years

Title VI – Board Policies – 551 – Transit Service Monitoring



14

Plans

- Public Participation Plan:
 - Promote inclusive public participation
 - Utilize comprehensive as well as targeted measures
 - Provide early and continuous opportunity for public review and comment
- Language Assistance Plan
 - Review/update plan to provide meaningful access to persons with limited English proficiency

Title VI – Title VI Program Update – Plans



15

Board Approval Process

- Public outreach/Public hearing process for Policy changes (March-May)
- Public outreach for development of Public Participation & Language Assistance plans (May-July)
- FTA Triennial Review (July?)
- Additional Title VI Program Elements (August)
- Final Title VI Program Update approval (September)

Title VI – Title VI Program Update – Board Approval Process



16

Questions?

Comments?



17

Federal Requirements

- Title VI of the Civil Rights Act of 1964
- 49 CFR part 21 – Effectuation of Title VI
- Executive Order 12898, Environmental Justice
- Executive Order 13166, Limited English Proficiency
- FTA guidance:
 - **Circular 4702.1B, Title VI Requirements and Guidelines**
 - Limited English Proficiency Handbook
 - Circular 4703.1, Environmental Justice Policy Guidance
- FTA Triennial Review, Summer 2014

Title VI – Federal Requirements



18

Policy 163, List of Triggers

The following will qualify as a major service change

- New route
- Service on streets without previous transit
- 10% or more change of transit miles or hours system-wide
- 20% or more change of transit miles or hours in one of District's planning areas (West Contra Costa County; North, Central, South Alameda County)
- 25% or more change of transit miles or hours of an individual route

Title VI – Board Policies – 163 – Major Service Change Triggers



19

Policy 163, List of Exceptions

The following will NOT qualify as a major service change:

- New route # resulting from combining service
- Standard seasonal variations
- Emergency service changes
- Temporary (<12 months) changes
- Restoration of service which had been eliminated within past 10 yrs due to budget constraints
- Up to 50% change to service on a route with fewer than 10 trips/day
- Discontinuance of service that's replaced by better

Title VI – Board Policies – 163 – Major Service Change Exceptions



20

Other Agencies - Disparate Impact Policy

BART	5-10%
County Connection	20%
Golden Gate	10%
Marin Transit	20%
SamTrans	20%
San Diego (proposed)	15%
Denver RTD (proposed)	20%
Chicago Transit Authority	15%
Greater Cleveland	10%
Georgia RTA	15%
King County Metro	10%

Title VI – Title VI Program Update – Disparate Impact Policy



21

Transit Service Monitoring

Required Element	Already in BP 550?
Vehicle Load	Yes
Vehicle Headway	Yes
On Time Performance	No
Service Accessibility	Yes
Distribution of Transit Amenities	No
Vehicle Assignment	Yes

Title VI – Title VI Program Update – Transit Service Monitoring



22

Definition – Race & Ethnicity

For the purpose of Title VI policies and activities, the following definitions apply:

- “Minority” – any population that self-identifies as other than White and non-Hispanic/Latino in Census or other surveys
- “Non-Minority” – any population that self-identifies as both White and non-Hispanic/Latino in Census or other surveys

Title VI – Title VI Program Update – Policies and Plans – Definitions



23

Definitions – Income Status

For the purpose of Title VI policies and activities, the following definitions apply:

- “Low-Income” – any population with a household income of less than 200% of the Federal poverty level
- “Not Low-Income” – any population with a household income of 200% or more of the Federal poverty level

These are the same definitions used by the MTC and by peer transit agencies around the Bay Area

Title VI – Title VI Program Update – Policies and Plans – Definitions



24

Title VI Program Update

Additional Elements

- Title VI Notification Procedures
- System-Wide Service Standards & Policies
- Analysis of ridership and service area population; surveys, charts, and maps
- Results of Service and Fare Equity Analyses
- Records of Board review and approval
- Report of membership of non-elected committees and advisory boards
- Report of Title VI complaints, investigations

Title VI – Title VI Program Update – Additional Elements



25

Timeline

- March – Seek allocation for Title VI activities; identify consultant support
- March-May – Conduct public outreach
- May – Hold public hearing for new policies
- June – Seek Board approval of new policies
- now-July – Review/Develop plans; complete additional program elements
- Summer (date tbd) – complete FTA Triennial Review
- August – Seek Board approval of new plans
- September – See Board approval of Title VI Program Update
- October 1, 2014 – File Title VI Program Update with FTA

Title VI – Title VI Program Update – Timeline



26

This page intentionally blank

EXTERNAL AFFAIRS COMMITTEE

February 26, 2014

Agenda Item A-1

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: External Affairs Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Monthly Legislative Report

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receipt of the Monthly Legislative Report.

EXECUTIVE SUMMARY:

President Obama signed the FY 2014 Omnibus Appropriations law. Department of Transportation Secretary Foxx has appointed Therese McMillan as the Acting Federal Transit Administrator.

California’s budget situation continues to improve due to increased personal income tax revenues which are projected to comprise two-thirds of general fund revenues in 2014-15.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Federal Legislation Update

1) FY 2014 Appropriations Signed

The House and Senate leaders reached an agreement on the FY 2014 Omnibus Appropriations bill and passed the bill. It includes all 12 regular appropriations bills, including the Transportation, Housing and Urban Development and the Homeland Security bills. President Obama signed the bill into law.

Transportation highlights include:

- Transit: \$8.6 billion for Highway Trust Fund formula programs, consistent with MAP-21. Another \$2.1 billion was made available for the New Starts/Small Starts/Core Capacity program.
- TIGER: \$600 million for the infrastructure grant program, compared to \$474 in FY 2013.

2) Department of Transportation Personnel Changes

Secretary Foxx named FTA Administrator Peter Rogoff as Acting DOT Under Secretary for Policy, replacing Polly Trottenberg. FTA Deputy Administrator Therese McMillan, formerly the Deputy Executive Director from the Bay Area's Metropolitan Transportation Commission, will serve as Acting Administrator. Both will serve in these positions until the Senate confirms a replacement.

State Legislation Update

1) Governor Brown released his proposed 2014-15 budget

The Governor's proposal outlines a general fund spending plan for 2014-15 of \$107 billion, an \$8 billion increase over the 2013-14 budget. The budget takes an \$11 billion decrease of the state's debt by paying off the economic recovery bonds (\$3.9 billion payment), eliminating the debt to schools for deferred payments (\$6.1 billion payment), and repaying various internal loans from special funds. The budget also proposes creating a new rainy day fund, spending Cap & Trade auction revenue, and expanding the use Infrastructure Financing Districts by cities and counties.

- Rail Modernization, \$300 million --The budget allocates \$250 million to the High Speed Rail Authority and \$50 for the integration and connectivity to the high speed rail system.
- Sustainable Communities \$100 million—to implement Sustainable Communities Strategies that improve transit ridership, increase active transportation, and other activities. Priority will be given to projects in disadvantaged communities. Over two-thirds of AC Transit's riders are low income so there may be some opportunity for the District to partner with cities and counties to apply for these.
- Low Carbon Transportation \$200 million —The Air Resources Board will use these funds to accelerate the transition to low carbon freight and passenger transportation, with a priority for disadvantaged communities. These funds will be used to expand the Air Board's existing programs that provide rebates for zero-emission cars and vouchers for hybrid and zero-emission trucks and buses.
- Loan Repayment --The budget finally includes a \$351 million payment of a loan made from the State Highway Account to the general fund. This represents most of the outstanding debt. Based on the priorities developed by the Transportation Stakeholder Working Group, \$9 million will be used for active transportation projects to funds the maintenance, preservation and improvement projects.

ADVANTAGES/DISADVANTAGES:

This report is being provided to inform the Board of monthly legislative activities. This provides clear direction to legislators, and other bodies, of AC Transit's positions.

ALTERNATIVES ANALYSIS:

This report provides an update of monthly legislative activities. AC Transit could opt to defer from legislative positions and operate without making its positions known, leaving the District vulnerable to unfavorable legislation.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Staff Report 14 – 028: 2014 Federal and State Legislative Advocacy Programs

ATTACHMENTS:

- 1: Federal Update from Van Scoyoc Associates
- 2: State Legislative Report from Platinum Advisors
- 3: FY 2014 State Advocacy Program
- 4: FY 2014 Federal Advocacy Program

Department Head Approval: Dennis W. Butler, Chief Planning & Development Officer
Prepared by: Beverly Greene, Director of Legislative Affairs & Community Relations

This page intentionally blank

VAN SCOYOC
A S S O C I A T E S

Transportation Update

January 20, 2014

Steven O. Palmer, Vice President
David Haines, Manager

This Week

The House and Senate are both out of session this week in recognition of Martin Luther King, Jr. Day.

Last Week

FY 2014 Appropriations. The House and Senate leaders reached an agreement on the FY 2014 Omnibus Appropriations bill and passed the bill. The Omnibus Appropriations bill includes all 12 regular appropriations bills, including the Transportation, Housing and Urban Development and the Homeland Security bills. President Obama signed the bill into law on Saturday.

Transportation highlights include:

- Highways: \$41 billion, consistent with authorized levels in MAP-21, an increase of \$557 million over FY 2013;
- Transit: \$8.6 billion for Highway Trust Fund formula programs, consistent with MAP-21. Another \$2.1 billion was made available for the New Starts/Small Starts/Core Capacity program. The bill includes \$150 million for WMATA capital and safety programs.
- Airports: \$3.35 billion for the Airport Improvement Program, consistent with the authorization. The bill extends the Aviation War Risk program through FY 2014.
- TIGER: \$600 million for the infrastructure grant program, compared to \$474 in FY 2013.
- Amtrak: \$1.39 billion for capital and operating grants, \$47 million more than in FY 2013.
- High Speed Rail: No funding for high speed rail grants, but the bill does not prohibit funding for the California high speed rail project (e.g., TIGER grants).

Homeland Security highlights include:

- Transportation Security Administration: \$4.6 billion, a decrease of \$225 million over FY 2013. The bill caps TSA staffing at 46,000 and directs TSA to continue staffing airport exit lanes.
- Customs and Border Protection: \$10.6 billion for CBP, an increase of \$111 million over FY 2013. The bill funds the hiring of 2,000 additional CBP officers and adds \$10 million for trusted traveler programs such as Global Entry kiosks.
- Transit security: \$100 million, an increase of \$7.5 million over FY 2013.

House

Hearing: Surface Transportation Authorization. On Tuesday, January 14, the House Transportation and Infrastructure Committee held a hearing entitled “Building the Foundation for Surface Transportation Authorization.” Witnesses included the Governor of Oklahoma, Mary Fallin; Atlanta Mayor Kasim Reed, and representatives from Caterpillar and the Amalgamated Transit Union. Chairman Bill Shuster outlined an ambitious schedule for the transportation bill, stating his intent to have a bill approved by the Committee in late spring or summer, and on the House floor before the August recess.

Hearing: California High Speed Rail. On Wednesday, January 15, the Railroads, Pipelines, and Hazardous Materials Subcommittee of the House Transportation and Infrastructure Committee held a hearing to examine challenges facing the California High Speed Rail (CHSR) project. Witnesses included California Representatives Kevin McCarthy, Zoe Lofgren, Loretta Sanchez, Jim Costa, Doug LaMalfa, David Valadao; Federal Railroad Deputy Administrator Karen Hedlund and Dan Richard, Chairman of the California High Speed Rail Authority board. Subcommittee Chairman Jeff Denham expressed his frustration that the FRA continued to fund the CHSR project, despite recent actions that will delay State funding.

T&I Panel: P3s. On Thursday, House Transportation and Infrastructure Committee Chairman Bill Shuster announced the creation of a special panel focused on the use and opportunities for public-private partnerships (P3). Congressman Jimmy Duncan will chair the panel, with Michael Capuano serving as the Ranking Democrat. The ten-member panel will have six months to hold hearing and make recommendations to the Committee.

Letter: Transportation Revenue. On Thursday, the 16 Democratic Members of the House Ways and Means Committee sent a letter to Chairman Dave Camp, urging that because of the impending revenue shortfall in the Highway Trust Fund, he hold hearings on transportation finance.

Senate

Hearing: Unmanned Aerial Systems. On Wednesday, January 15, the Senate Committee on Commerce, Science, and Transportation held a hearing entitled “The Future of Unmanned Aviation in the U.S. Economy: Safety and Privacy Considerations.” FAA Administrator Michael Huerta outlined steps FAA will take to integrate unmanned aerial vehicles safely into the National Airspace System. While several Senators expressed concerns over drone safety and privacy, witnesses from Duke University and Yamaha Motor Corporation discussed how drones were being used in other countries and stressed that the United States was falling behind those countries.

Hearing: Transit Authorization. On Thursday, January 16, the Senate Banking, Housing and Urban Affairs Committee held a hearing entitled “Progress Report on Public Transportation Under MAP-21.” The witnesses were Federal Transit Administrator Peter Rogoff and David Wise, Director, Physical Infrastructure, Government Accountability Office. Administrator Rogoff highlighted recent FTA priorities and accomplishments.

Department of Transportation

Speech: DOT Priorities. On Wednesday, Transportation Secretary Anthony Foxx spoke to the Transportation Research Board, highlighting his priorities, which included the need to pass a surface transportation bill and a rail bill. Secretary Foxx announced that the Highway Trust Fund would start bouncing checks as soon as August. He expressed support for the proceeds of corporate tax reform as

a source of transportation funding, as well as the need for an integrated transportation plan, citing work being done at DOT to develop a National Freight Plan.

DOT Personnel Changes. Last week, Secretary Foxx named FTA Administrator Peter Rogoff as Acting DOT Under Secretary for Policy, replacing Polly Trottenberg. FTA Deputy Administrator Therese McMillan will serve as Acting Administrator. Both will serve in these positions until the Senate confirms a replacement.

###

This page intentionally blank



January 30, 2014

TO: Director Greg Harper, President, and
Members of the Board

David J. Armijo, General Manager

Beverly Greene, Director, Community Relations & Legislative Affairs

FR: Steve Wallauch
Platinum Advisors

RE: Legislative Update

Floor session will be busy this week as all 2-year bills remaining in their house of origin must pass to the second house by January 31st in order to be considered by the Legislature this year. A large number of new bills will be introduced in the coming weeks, as the February 21st introduction deadline approaches. New bills must be in print for thirty days prior to being heard in policy committees allowing time for the public to review the measures.

Transportation Initiative on Hold: Transportation California and the California Alliance for Jobs have decided not to proceed at this time on their initiative proposal to impose a vehicle license fee dedicated to transportation projects. In November, the backers submitted a proposal to phase in a 1% VLF charge that would be dedicated to transportation and transit capital projects, which would generate up to \$4 billion annually. With the recent release of the title and summary, additional polling was done to gauge voter support. While passage of this proposal would be difficult, lingering economic worries have made the chance of success unlikely. Both Transportation California and the Alliance for Jobs will continue to work with stakeholders to find a long term solution to our transportation funding needs.

Reports, Reports: The California State Transportation Agency (CalSTA) is expected to release today the findings and recommendation of the State Smart Transportation Initiative (SSTI). SSTI is an independent management auditing organization consisting of transportation policy experts from across the country. SSTI's report will likely propose significant organizational changes within Caltrans. A copy will be forwarded to you as soon as it is released.

In addition, the CalSTA established the California Transportation Infrastructure Priorities Workgroup (CTIP) last spring. The CTIP Workgroup consists of over 50 transportation related representative, which have been meeting regularly over the past year. The initial report from

the CTIP Workgroup is expected to be released next week. The report is expected to prioritize state transportation needs for the near and long term.

Leadership Changes: Both the Senate and Assembly Democrats have selected new leaders to take over for Senate Pro Tem Steinberg and Assembly Speaker Pérez later this year. Senator Kevin de León and Assemblywoman Toni Atkins both received caucus support, marking the first time in almost twenty years that both leaders will come from Southern California.

De León, from L.A. County was first elected to the Assembly in 2006 and then to the Senate in 2010. He currently chairs the Senate Appropriations Committee. Prior to being elected to the Legislature, Senator de León worked as a community organizer and was a staff advocate for public schools at the California Teachers Association. While in the Legislature, he has focused much of his energy on public safety issues, particularly gun control. Senate Pro Tem Steinberg made the announcement that he will hold a formal vote this summer with the expectation of de León's succession. Senator DeSaulnier from Concord had been in the running until recently when he announced his intention to run for Congressman George Miller's seat.

Assemblywoman Toni Atkins, from San Diego would be the first gay woman to serve as Speaker. She began serving in 2011 and is the Majority Floor Leader. She has announced that her primary interests for 2014 include finding ways to mitigate the drought, California's business climate, and education. Atkins was previously on the San Diego City Council for eight years as well as interim Mayor. Both de León and Atkins will be termed out in 2016.

State of the State Address: Governor Brown made an impression last week during his State of the State speech by bringing party favors featuring his dog, Sutter. The speech itself was touted by observers to be the kick-off of his not yet announced re-election campaign, highlighting California's surplus and his proposal for a solid rainy day fund to help maintain the State's fiscal stability. Brown emphasized the need to address California's worsening drought by stating, "Water recycling, expanded storage and serious groundwater management must all be part of the mix." He called on residents to use less water to mitigate the effects of the drought. The playing cards the Governor passed out at the end of his address included one side with a chart of the history of California deficits, the other with his dog encouraging fiscal prudence.

The six versions of the cards included a picture of Sutter with these inspirational messages:

- ❖ Don't let our balanced budget go to the dogs!
- ❖ Always keep a bone buried in the back yard.
- ❖ Bark if you hate deficits!
- ❖ Let's keep new spending on a short leash.
- ❖ A prudent Corgi knows to nibble at his kibble.
- ❖ Save some biscuits for a rainy day.

Legislation

Transit Strikes: At the end of the 2013 Session Senator Huff amended SB 423 to prohibit BART employees from striking. SB 423 was amended earlier this year to prohibit any transit employee from striking. SB 423 failed passage on a party line vote in the Senate Committee on Public Employees & Retirement this month, and is now a dead bill. However, Assemblywoman Kristin Olsen recently introduced AB 1536, which would also prohibit any public transit employee from striking. AB 1536 likely faces a similar fate as SB 423 when it is heard in its first policy committee.

State Budget:

Legislature's Budget Review: Both the Assembly Budget and Senate Budget Committees convened for an overview of the Governor's Budget proposal following its release. Although fairly tame in comparison to prior year proposals, both sides of the aisle have found points of disagreement with the Governor's plan. According to Legislative Analyst Mac Taylor, "the budget is great for the schools, not so much for the rest of the budget." Democrats are particularly unhappy that the Governor did not include more restorations to safety net services for the poor. Concerns from Republicans include funding for high-speed rail, a lack of emphasis on job creation, and the need to do more to build reserves and pay down debt.

This page intentionally blank



2014 State Advocacy Program

Funding

- Support efforts to implement the Moving Ahead for Progress in the 21st Century Act (MAP-21) and future transportation authorizations that at least maintains funding level for mass transit projects and programs for bus operators in the Bay Area.
- Support the development and implementation of an expenditure plan for AB 32 cap and trade revenue that provides an equitable investment in mass transit capital improvements, operations, and infill/transit oriented development.
- Support efforts that create new sources of operating funds with equitable distribution to reflect urban transit needs.
- Support efforts to sustain existing transit revenues.
- Support efforts that would exempt public transit providers from state sales tax.
- Support efforts to provide funding for lifeline services including, but not limited to, services for access to work, school or medical facilities.
- Support local ability to increase fees and gas taxes to be used for local mass transit purposes.
- Support legislation and programs that would provide funding to offset the costs of global warming initiatives, clean air and clean fuels and implementation of AC Transit's Climate Action Plan.
- Seek funding to support and promote Bus Rapid Transit projects.
- Support congestion pricing strategies and legislation that provide an equitable multi-modal distribution of generated revenues.
- Support legislative or administrative action to remove State barriers so that Medicaid transportation funds can be used for public transit services, including ADA paratransit services.
- Support funding and coordination between Health and Human Service (HHS) agencies and other transportation agencies to provide services to HHS clients.

- Support legislation and programs that would provide funding for employee benefits programs.
- Support funding initiatives that relieve the fiscal burden of mandatory regulations.

Equipment and Operations

- Support legislation or administrative action that would direct Caltrans to establish and maintain HOV lanes on state highway routes and to improve existing HOV lane management to maximize throughput.
- Support incentives to provide bus contra flow lanes on the San Francisco-Oakland Bay Bridge to/from the Transbay Terminal.
- Support legislation to exempt public transit vehicles from state and local truck route ordinances.
- Support legislation or administrative action that would direct Caltrans to permit permanent use of freeway shoulders by public transit buses.

Transit Incentives

- Support legislation to provide incentives for employees and employers to use public transportation to commute to work, including tax credits for purchasing transit passes.
- Support Clean Air Initiatives that encourage increased public transit use.
- Support incentives that would give auto insurance credits to heavy transit users.
- Support common fare programs between Bay Area systems.
- Support legislation to provide incentives for local governments and developers to incorporate transit passes into the cost of housing.

Environment and Transit Supportive Land Use

- Support efforts that provide a new form of tax increment financing that promotes economic investment through transit oriented development, and requires the approval of all affected taxing entities.
- Advocate for transit-supportive legislation that addresses climate change, healthy communities and environments.

- Foster transit supportive land use initiatives that require coordination with transit providers in the initial stages of local planning or project development that impacts transit, including density level decisions or transit oriented developments (TODs); and advocate for the required use of:
 - Transit streets agreements, and
 - Complete streets plans in which local transportation plans anticipate use of all modes.
- Support legislation that requires reporting of Vehicle Miles Traveled (VMT) annually through DMV renewal.

Policy Interests

- Support simple majority vote for local transportation ballot tax initiatives.
- Support legislation to allow District to ban persons for specified offenses from entering district property.
- Seek revisions to the Metropolitan Planning Organization (MPO) grandfather clause that supports direct representation of transit properties on local transportation policy boards.
- Support legislation for STA formula reform that includes federal operating funding as eligible revenue.
- Support efforts that maintain existing Workers' Compensation regulation.

This page intentionally blank



2014 Federal Advocacy Program

Funding

- **FY 2014 Grant Opportunities-** Secure federal funds for key capital projects and support funding for 2014 Project Priorities for:
 - East Bay BRT Improvements within the Small Starts Program and other programs
 - AC Transit's Intelligent Transportation and Communication System upgrades
 - Bus lifting equipment program
 - Rehabilitation of aging facilities
- Advocate for supplemental funding through the Federal Transit Administration to offset rising operating costs without jeopardizing total funding available for capital projects.
- Support funding for the Transbay Terminal.
- Support/seek additional funding for lifeline services including, but not limited to services for access to work, school or medical facilities.
- Support efforts to rescind the planned across-the-board cuts to all federal programs, called "Sequestration," as enacted under the Budget Control Act of 2011. Such cuts would reduce funding for the Small Starts Program, which could impact the East Bay BRT project schedule.

Transportation Authorization Principles

- Support efforts to increase the gas tax or to increase other revenues to replenish and sustain long-term growth of the Highway Trust Fund/Mass Transit Account.
- Support transportation authorization reform that emphasizes greater funding levels to urban mass transit systems, and oppose efforts to reduce spending on transit formula programs.
- Support FTA and Congressional efforts to make State of Good Repair for transit bus systems a strategic priority.

- Support broad funding eligibility for BRT projects in federal transit programs, including New Starts and Small Starts programs,
- Seek revisions to the Metropolitan Planning Organization (MPO) grandfather clause that supports the direct representation of transit properties on local transportation policy boards.

Other Advocacy

- Advocate for transit-supportive legislation that mitigates global warming and/or calls for environmental stewardship and related funding.
- Support funding and coordination between Health and Human Service (HHS) agencies and other transportation agencies to provide services to HHS clients.
- Support modal parity in the commute tax benefits.
- Support legislation that relieves the fiscal burden of mandatory regulations.

FINANCE AND AUDIT COMMITTEE

February 26, 2014

Agenda Items B-1 – B-11

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Monthly Budget Report Update

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receipt of the Monthly Budget Update for December 2013, the sixth month of operations of Fiscal Year 2013-14.

EXECUTIVE SUMMARY:

On a Year-To-Date (YTD) basis, the District's operating expenses are under budget by approximately \$3.6 Million or 2.2% as of the end of December 2013. Overall, labor costs were \$0.2 Million or 1.2% under budget for the month. This was primarily due to the continued favorable positive variance in Operations wages for Transportation, Maintenance and Clerical workers. The District secured a labor contract agreement with the Amalgamated Transit Union in late December, which provides for a contribution by employees towards healthcare costs. The absence of this agreement has caused the District to incur additional labor costs of approximately \$1.6 million on a Year-To-Date basis.

Other important figures that continued showing positive trends were Bus parts and Supplies as well as Fuel and lubricants, while Staff finally received confirmation of expected significant savings accrued for the ADA Consortia program.

In conclusion, YTD operating costs continue to trend under budget, with the non-labor cost activity having the largest impact with a positive variance of \$3.3 million on an YTD basis.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

During the month of December, most of the dynamics seen in previous months associated with the general fund operating expense budget remained in place, provided in Attachment 1.

Labor Costs are basically at projected budget levels on an YTD basis. As explained in previous monthly budget reports, the main reason why total labor costs have been kept at par to budgetary levels is that total wages in the Operations area, associated with Operators, Maintenance Technicians and Mechanics and Clerical workers have remained consistently under budget. These lower total costs of wages are seen not just in Overtime wages, as discussed previously, but also in regular time wages.

For example, in the case of Operators total wages, Staff analysis has found that the reduction in base wages costs is derived from two basic factors: the ratio of operators paid at the highest step has dropped from slightly over 90% two years ago to just short of 74% as of December 2013, which brings the average base hourly rate paid lower than budget. Also, Pay to Platform pay (which includes items such as allowance and spread time, travel time, and many others, besides overtime) has been reduced by at least one percentage point and has trended down during FY 2013-14 thus far (See Attachment 2 and graph).

Similar results were seen in the case of Maintenance Technicians and Mechanics. The combined effect of these positive developments constitutes the main reason why total salaries and wages is \$1.9 Million or 3.5% under Budget for the period July to December 2013. Since the District was finally able to secure an agreement with the Amalgamated Transit Union in late December 2013, the previously discussed absence of contributions by ATU employees will no longer be an issue. As of December, this represented a negative budget variance of approximately \$1.6 Million. The financial cost of the aforementioned ATU agreement, already approved by the Board, will also be included in adjustments during the ongoing FY 2013-14 mid-year review.

It is also worth mentioning that due to a twist in the payroll calendar, the holiday wages cost associated with the year-end holiday work will be reflected in the January 2014 report. On a YTD basis, Labor costs are basically at budget levels on net, in spite of the aforementioned lack of healthcare contributions planned for the period.

The positive variance seen for Pension Contributions YTD will very likely be adjusted once the new Actuarial Cost Study is incorporated into the District's annual pension contributions, which may also require a budget amendment at mid-year.

Non-Labor expenses for the month of December show the impact of certain significant transactions that occurred during the month. For example, the Services category which shows a -9% negative variance compared to the monthly budget, is due to Administrative Fees for Property Tax collection, PeopleSoft hosting costs and Actuarial studies. Bus parts and supplies continued showing the positive trend seen since early last calendar year, while utilities and taxes reflect a -52% negative variance caused by the booking of a large one-time payment of \$325k for the Annual Worker's Compensation Assessment Fee. Meanwhile, purchased transportation costs were higher than estimated due to billings from the Dumbarton Bridge program, which are covered by Regional Measure 2 funding. The budget for both revenues and expenses associated with the Dumbarton Bridge program will be revised during the ongoing mid-year budgetary review process, with a projected net zero financial impact.

Finally, the Other Expenses category did not show much activity during the month due to a lower level of activity in dues and subscriptions, employee incentive costs and promotional and media ads.

On an YTD basis, the cumulative variances for non-labor costs shows positive variances, particularly in Services with \$1.1 Million or 10.1% under Budget, Bus parts and Other Materials and Supplies with \$0.9 Million or 11.5% under Budget, Fuel and lubricants at \$ 0.4 Million or 4.3% under budget, and the ADA Consortia Program costs. The recent ADA Consortia December 2013 report did confirm that the ADA Program indeed has generated a positive variance of \$0.6 Million YTD, and potentially of up to \$1.0 Million for the FY 2013-14. The main reason for the lowered forecast is due to the sustained real reduction in demand or trips for American Disabilities Act passengers, coupled with effective average paratransit provider billing rates that have remained stable at approximately the same levels seen in the previous year.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report does not recommend an action.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 312 – Budget Policy

ATTACHMENTS:

- 1: FY 2013-14 Operating Expense Trend Analysis (with charts)
- 2: Operating Statistics

Department Head Approval: Lewis G. Clinton, Jr., Chief Financial Officer

Prepared by: Hernan Vargas, Budget Manager

This page intentionally blank

FY13/14 Operating Expense Trend Analysis

December 2013

Operating Expenses (000's)	July				August				September			
	Budget	Actual	Var \$	Var %	Budget	Actual	Var \$	Var %	Budget	Actual	Var \$	Var %
Salary & Wages	8,982	8,558	424	4.7%	8,982	8,538	444	4.9%	8,982	8,567	415	4.6%
Fringe Benefits	6,435	6,647	(212)	-3.3%	6,435	8,017	(1,583)	-24.6%	6,435	6,900	(465)	-7.2%
Pension Fund	3,519	3,090	429	12.2%	3,519	3,085	434	12.3%	3,519	3,097	422	12.0%
Total Labor Costs	18,936	18,295	641	3.4%	18,936	19,640	(705)	-3.7%	18,936	18,564	372	2.0%
Adjusted Labor Costs	18,852	18,295	558	3.0%	18,852	19,640	(788)	-4.2%	18,852	18,564	288	1.5%
Services	1,856	1,912	(55)	-3.0%	1,856	579	1,277	68.8%	1,856	2,217	(361)	-19.5%
Fuel & Lubricants	1,596	1,574	21	1.3%	1,596	1,523	73	4.6%	1,596	1,566	29	1.8%
Other Materials & Supplies	1,314	1,353	(39)	-2.9%	1,314	1,133	181	13.8%	1,314	1,005	309	23.5%
Utilities & Taxes	494	401	94	18.9%	494	379	115	23.2%	494	530	(35)	-7.2%
Casualty & Liability	841	820	20	2.4%	841	666	175	20.8%	841	897	(57)	-6.7%
Interest Expense	103	111	(8)	-7.6%	103	105	(2)	-2.2%	103	108	(5)	-4.9%
ADA Consortium and Other Purchased	2,251	2,392	(141)	-6.3%	2,251	1,091	1,160	51.5%	2,251	2,232	19	0.8%
Other	85	93	(8)	-9.5%	85	23	62	73.1%	85	185	(100)	-118.1%
Total Operating Expenses	27,392	26,950	442	1.6%	27,392	25,140	2,252	8.2%	27,392	27,304	88	0.3%

*** Note:**

December 2013 final accruals and final adjustments were already performed by the Accounting department. Budget review of actual figures will not lead to further adjustments.

FY13/14 Operating Expense Trend Analysis

December 2013

Operating Expenses (000's)	October				November				December			
	Budget	Actual	Var \$	Var %	Budget	Actual	Var \$	Var %	Budget	Actual	Var \$	Var %
Salary & Wages	8,982	8,961	20	0.2%	8,982	8,687	294	3.3%	8,982	8,672	310	3.4%
Fringe Benefits	6,435	6,266	169	2.6%	6,435	6,355	80	1.2%	6,435	6,701	(266)	-4.1%
Pension Fund	3,519	3,076	443	12.6%	3,519	4,387	(868)	-24.7%	3,519	3,257	262	7.4%
Total Labor Costs	18,936	18,304	632	3.3%	18,936	19,430	(494)	-2.6%	18,936	18,631	305	1.6%
Adjusted Labor Costs	18,852	18,304	549	2.9%	18,852	19,430	(577)	-3.1%	18,852	18,631	222	1.2%
Services	1,856	1,850	6	0.3%	1,856	1,436	420	22.7%	1,856	2,023	(167)	-9.0%
Fuel & Lubricants	1,596	1,621	(25)	-1.6%	1,596	1,268	328	20.6%	1,596	1,612	(16)	-1.0%
Other Materials & Supplies	1,314	1,268	46	3.5%	1,314	1,055	258	19.7%	1,314	1,164	150	11.4%
Utilities & Taxes	494	619	(125)	-25.4%	494	444	50	10.2%	494	750	(256)	-51.8%
Casualty & Liability	841	774	67	8.0%	841	884	(43)	-5.1%	841	794	47	5.6%
Interest Expense	103	108	(5)	-4.9%	103	108	(5)	-4.9%	103	108	(5)	-4.9%
ADA Consortium and Other Purchased	2,251	2,257	(6)	-0.3%	2,251	2,313	(62)	-2.8%	2,251	2,383	(132)	-5.8%
Other	85	28	57	66.7%	85	55	30	35.3%	85	42	43	50.8%
Total Operating Expenses	27,392	26,829	563	2.1%	27,392	26,992	400	1.5%	27,392	27,505	(114)	-0.4%

*** Note:**

December 2013 final accruals and final adjustments were already performed by the Accounting department. Budget review of actual figures will not lead to further adjustments.

FY13/14 Operating Expense Trend Analysis

December 2013

Operating Expenses (000's)	Total FYTD			
	Budget	Actual	Var \$	Var %
Salary & Wages	53,890	51,983	1,907	3.5%
Fringe Benefits	38,609	40,886	(2,277)	-5.9%
Pension Fund	21,115	19,993	1,122	5.3%
Total Labor Costs	113,614	112,863	751	0.7%
Adjusted Labor Costs	113,114	112,863	251	0.2%
			-	
Services	11,137	10,018	1,120	10.1%
Fuel & Lubricants	9,574	9,164	410	4.3%
Other Materials & Supplies	7,883	6,976	906	11.5%
Utilities & Taxes	2,964	3,123	(158)	-5.3%
Casualty & Liability	5,045	4,835	210	4.2%
Interest Expense	617	648	(30)	-4.9%
ADA Consortium and Other Purchased	13,506	12,669	837	6.2%
Other	508	425	83	16.4%
			-	
Total Operating Expenses	164,349	160,720	3,629	2.2%

*** Note:**

December 2013 final accruals and final adjustments were already performed by the Accounting department. Budget review of actual figures will not lead to further adjustments.

This page intentionally blank

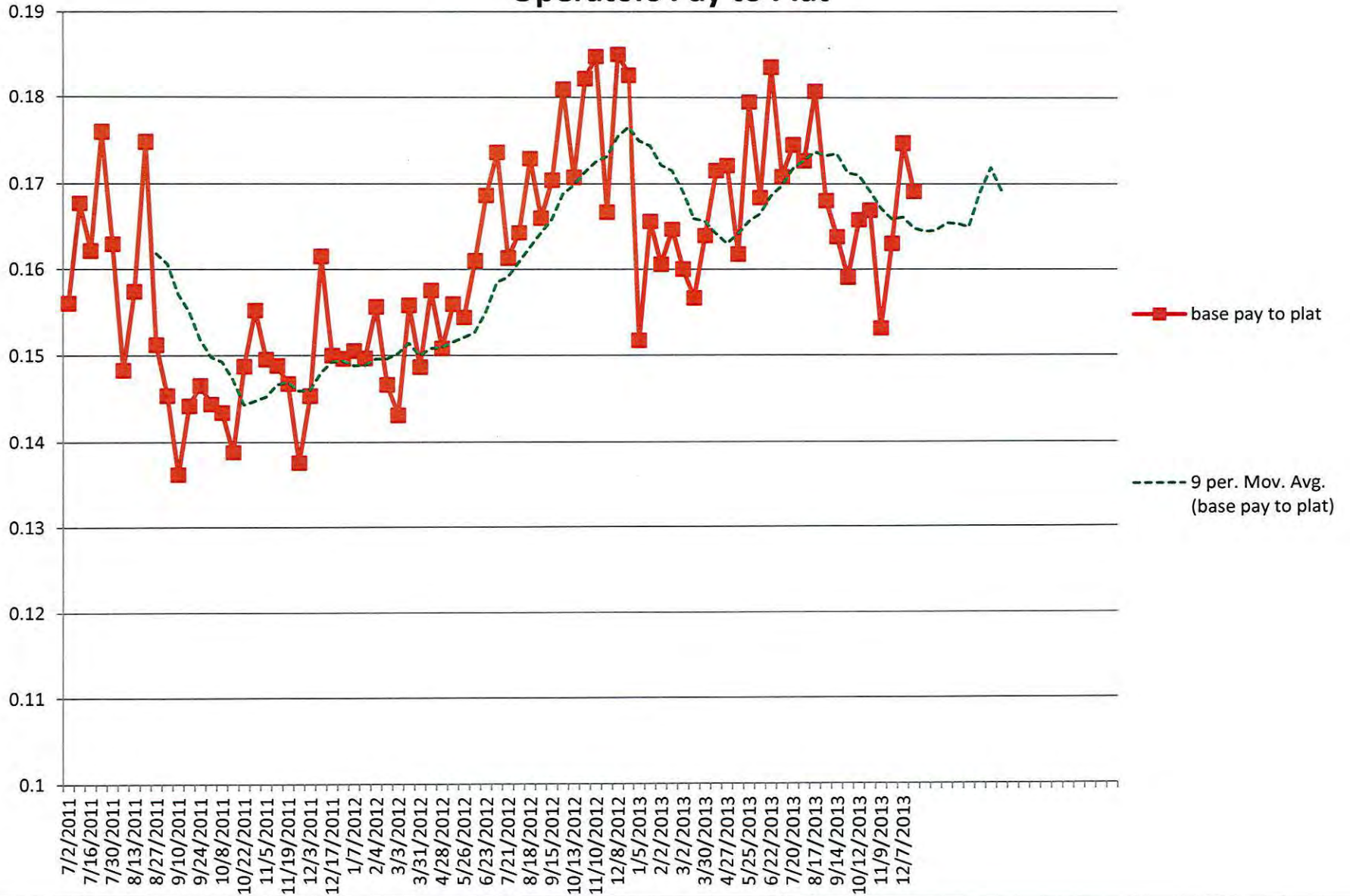
**AC TRANSIT
MONTHLY BUDGET REPORT TO BOARD
OVERVIEW - DRIVERS AND MAINTENANCE WAGES BREAKDOWN**

OPERATORS	FY1314 YTD		
	FY1112	FY1213	Dec 2013
Platform time	\$ 42,241,051.50	\$ 41,781,505.86	\$ 20,914,044.34
Base Pay To Plat	\$ 6,451,970.73	\$ 7,545,130.01	\$ 3,592,327.13
OT	\$ 8,888,975.94	\$ 8,410,370.35	\$ 3,896,850.45
Hol	\$ 950,396.80	\$ 939,976.26	\$ 355,828.17
Total Pay	\$ 58,532,394.97	\$ 58,676,982.48	\$ 28,759,050.09
Platform time	100.0%	100.0%	100.0%
Base Pay To Plat	15.3%	18.1%	17.2%
OT	21.0%	20.1%	18.6%
Hol	2.2%	2.2%	1.7%
Total Pay	38.6%	40.4%	37.5%
Platform Hrs Act	1,763,000	1,763,000	894,777
Est Platf rate / Hr	\$ 23.96	\$ 23.70	\$ 23.37

MAINTENANCE	FY1314 YTD		
	FY1112	FY1213	Dec 2013
Base Reg Time	\$ 14,311,270.98	\$ 15,031,794.88	\$ 7,439,644.93
Pay To Reg time	\$ 926,384.72	\$ 909,174.52	\$ 427,728.50
OT	\$ 2,453,991.08	\$ 931,759.00	\$ 309,340.51
Hol	\$ 187,057.01	\$ 146,722.86	\$ 55,030.89
Total Pay	\$ 17,878,703.79	\$ 17,019,451.26	\$ 8,231,744.83
Base Reg Time	100.0%	100.0%	100.0%
Base Pay To Plat	6.5%	6.0%	5.7%
OT	17.1%	6.2%	4.2%
Hol	1.3%	1.0%	0.7%
Total Pay	24.9%	13.2%	10.6%

Note: as reported from the HCM Peoplesoft system

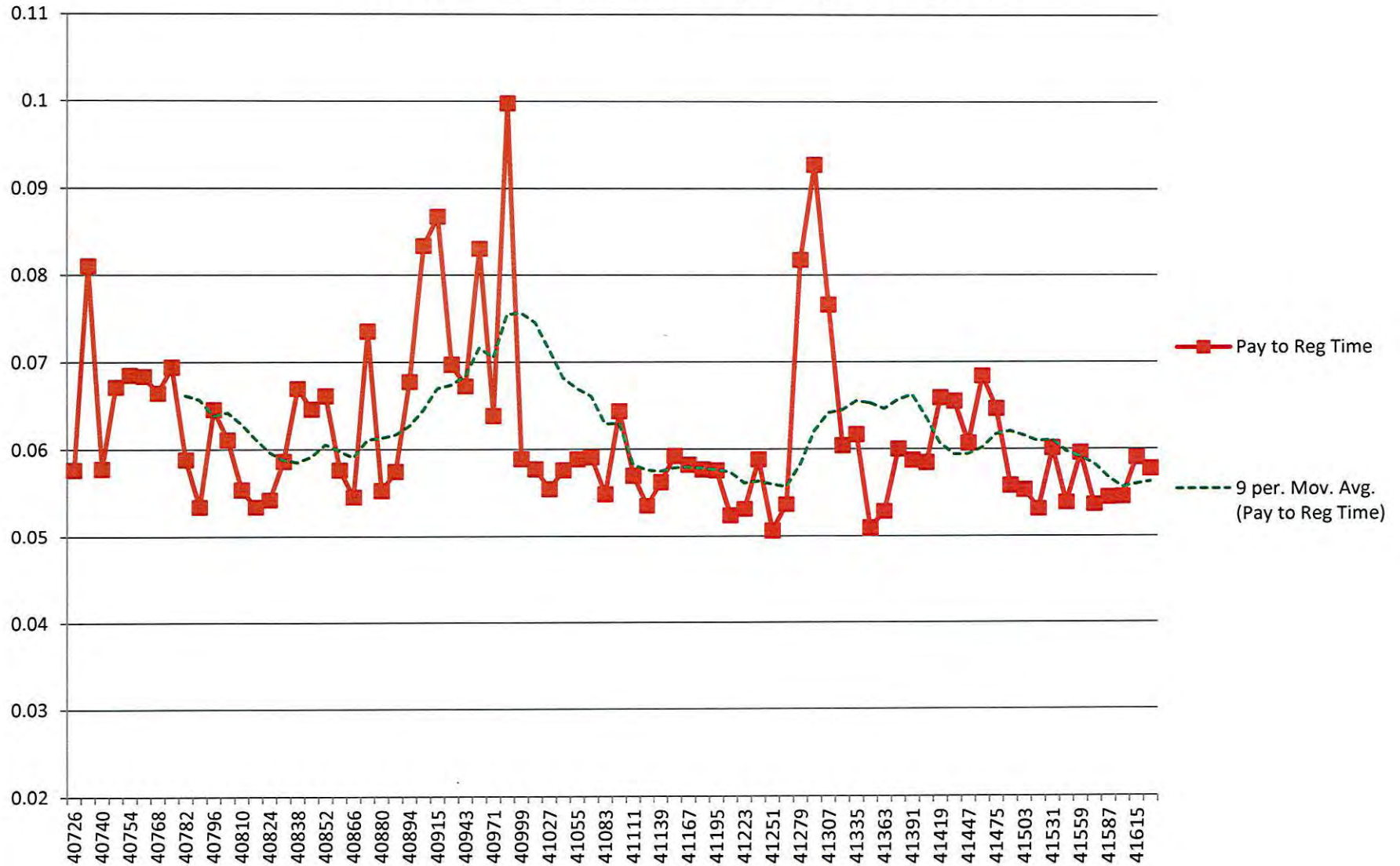
AC Transit Operators Pay to Plat



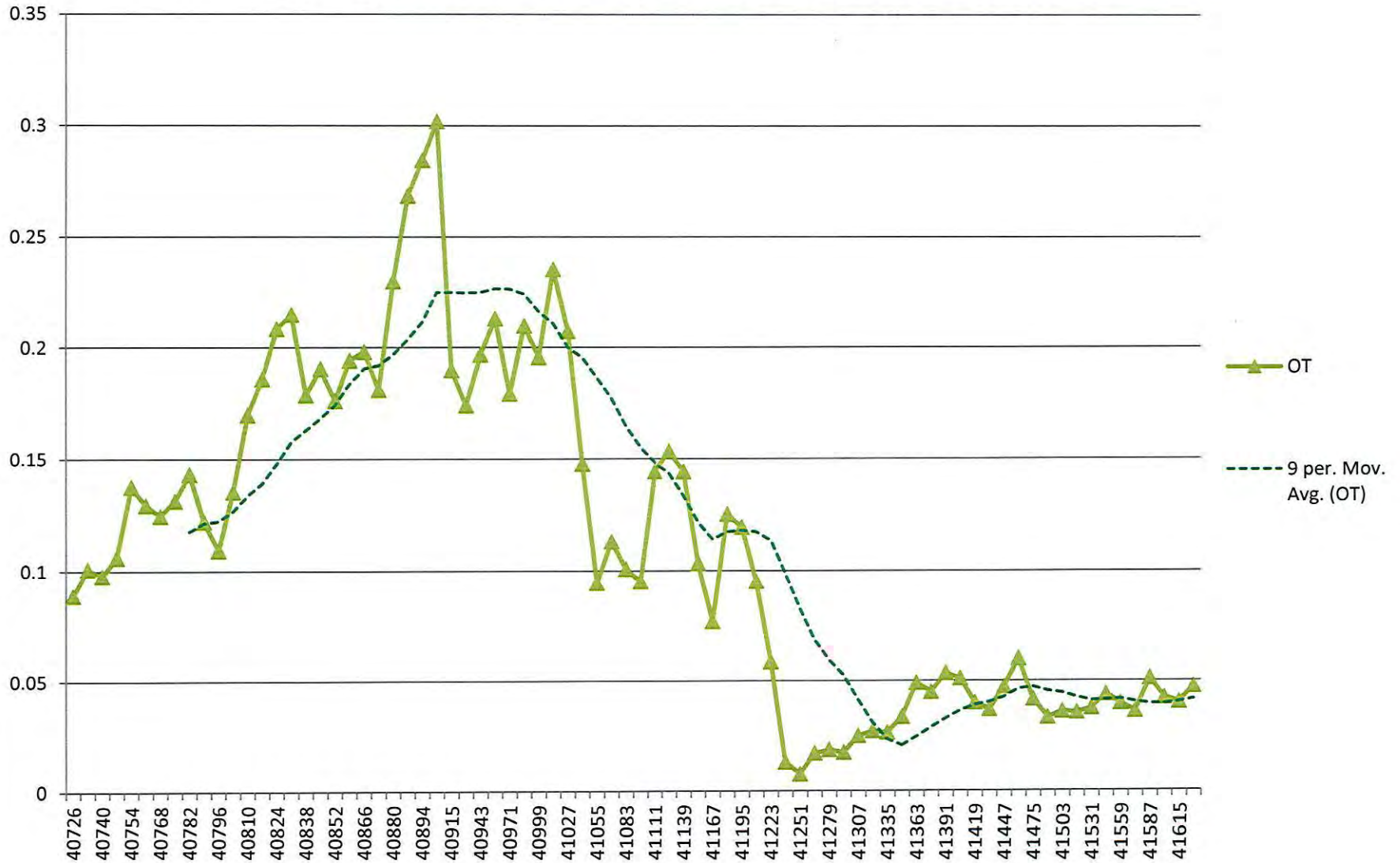
AC Transit Operators Overtime



AC Transit Maintenance mechs techs Pay to Reg time



AC Transit Maintenance mechs techs Overtime as% of Reg Time



This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: FY 2013-14 Second Quarter Employee and Non-Employee Out-of-State Travel

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider Receiving the FY 2013-14 Second Quarter Employee and Non-Employee Out-of-State Travel Report.

EXECUTIVE SUMMARY:

The Employee Out-of-State travel for the Second Quarter of FY 2013-14 totals \$18,403.52 of which \$994.60 was grant funded and \$17,408.92 was funded by the District Operating Program. There are no non-employee travel expenses to report. Attachment 1 summarizes the trips that were taken in the Second Quarter, and Attachment 2 provides a detailed description of the justification for the trip, the nature of the expenses.

BUDGETARY/FISCAL IMPACT:

Budgeted travel activity part of FY 2013-14 budget.

BACKGROUND/RATIONALE:

The Employee Out-of-State travel for the Second Quarter of FY 2013-14 totals \$18,403.52 of which \$994.60 was grant funded and \$17,408.92 was funded by the District Operating Program. There are no non-employee travel expenses to report. Attachment 1 summarizes the trips that were taken in the Second Quarter, and Attachment 2 provides a detailed description of the justification for the trip, as well as the nature of the expenses.

ADVANTAGES/DISADVANTAGES:

There are no notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report does not recommend an action.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Staff Report 13-281 FY 2012-13 First Quarter Employee and Non-Employee Out-of-State Travel

ATTACHMENTS:

- 1: Employee Out-of-State Travel Summary, Second Quarter FY 2013-14
- 2: Detailed Description of Employee Travel, Second Quarter FY 2013-14

Department Head Approval: Lewis G. Clinton, Jr., Chief Financial Officer

Prepared by: Sue Lee, Treasury Manager

AC Transit
OUT OF STATE TRAVEL SUMMARY (EMPLOYEES)
2ND QUARTER (OCT - DEC) FY 2013/2014

Sorted by start date

Name	Start Date	End Date	Purpose	City/State	Grant Funded?	Project ID	Total Cost
Le,Duc	10/2/2013	10/3/2013	Neogov User Conference	LAS VEGAS, NV	No		540.44
West,Elisabeth	10/2/2013	10/4/2013	NEOGOV Annual User Conference	LAS VEGAS, NV	No		899.95
Tonis Jr,William	10/6/2013	10/11/2013	2013 Transit Mid Mgr. Seminar	LOUISVILLE,KY	No		4,755.15
Wong Mah,William	10/6/2013	10/12/2013	2013 Transit Mid Mgr. Seminar	LOUISVILLE,KY	No		4,917.86
Lee,Sue	10/13/2013	10/15/2013	T-FLEx Workshop	SALT LAKE CITY,UT	No		984.84
Medwin,Jonathan	11/1/2013	11/2/2013	Request for Proposal workshop	PHOENIX,AZ	No		747.70
Moheb,Mitra	11/4/2013	11/9/2013	Mgmnt of Transit Construction	PORTLAND,OR	Yes	#2003	994.60
O'Neill,Tom	11/17/2013	11/20/2013	Transit CIO Consortium	PORTLAND,OR	No		980.61
Sooch,Manjit Kaur	12/3/2013	12/6/2013	Dev Express ASP.net Training	LAS VEGAS, NV	No		2,092.73
Greene,Beverly	12/4/2013	12/7/2013	APTA Leg.; FTA workshops	WASHINGTON,DC	NO		1,489.64
Total							18,403.52

Recap:

Grant-funded travel total	994.60
District-funded travel total	<u>17,408.92</u>
Total	<u>18,403.52</u>

This page intentionally blank

Detailed Description of Employee Travel, Second Quarter FY 2013-2014

Employee: Duc Le
Date: 10/2/2013-10/3/2013
Purpose: Neogov User Conference
Place: Las Vegas, Nevada
Cost: \$540.44
Nature of Expenses: Airfare (\$276.80); Lodging (\$192.64); Per Diem (\$71.00)

Authorization was requested for the HR Administrator to attend the Neogov User Conference. Neogov is the online applicant tracking system the District uses to collect job applications and resumes for recruitments. This user conference is to provide training on systems enhancements such as: Online Hiring Manager-to automate and keep electronic record of job requisitions. This will expedite and streamline the approval process; scoring plans will allow us to use certain supplemental questions to filter candidates based on their responses; new reporting capabilities will allow us to track and report applicant disposition through the recruitment process. These enhancements will reduce the amount of staff time required to administer manual processes and will increase productivity, allowing staff to spend more time on critical assignments.

Employee: Elisabeth West
Date: 10/2/2013 – 10/4/2013
Purpose: Neogov User Conference
Place: Las Vegas, Nevada
Cost: \$899.95

Nature of Expenses: Airfare (\$276.80); Lodging (\$192.64); Conference Fee (349.00); Ground Transportation (\$40.00); Per Diem (\$41.51)

The NeoGov Applicant Tracking User Training Conference provided a full overview of Insight Technology functionality. The training included Security, Customizations, Enhanced Reports, Auto-scoring and best practices for system optimization. Other products were presented such as "Onboard" which enables completion of Web-based I9, W4 and other forms to expedite the new hire onboarding process while reducing costs. The enhancements can reduce the amount of staff time required to administer manual processes and will increase productivity, allowing staff to spend more time on critical assignments.

Detailed Description of Employee Travel, Second Quarter FY 2013-2014

Employee: William Tonis, Jr.
Date: 10/6/2013-10/11/2013
Purpose: 2013 Transit Mid Mgr. Seminar
Place: Louisville, Kentucky
Cost: \$4,755.15

Nature of Expenses: Airfare (\$646.40); Lodging (\$891.35); Per Diem (\$183.50); Conference Fees (\$2,950.00); Miscellaneous (\$50.00); Mileage (\$33.90)

Authorization from the Chief Operating Officer requested attendance to the ENO Center for Transportation Leadership's Transit Mid-Manager Seminar. The leadership program was developed in conjunction with the National Transit Institute, and partners with the American Public Transportation Association. The course structure involved Emotional Intelligence overview, classroom instruction and group workshops. William Tonis scored 109 of the 110 target in the Emotional Intelligence assessment and obtained the following objectives in continuing his education:

- Increased role of self-awareness and reflection to become a successful leader
- New approach and practices to problem solving
- Incorporate leadership strengths and EI results as a plan for growth as a leader
- Identify transits multiple constituents and understand ways to address the needs and concerns
- Consider organizational culture, impact of change, building a strong team to articulate a mission
- Appreciation of workforce development and succession planning to build into practice

Employee: William Wong
Date: 10/6/2013-10/12/2013
Purpose: 2013 Transit Mid Mgr. Seminar
Place: Louisville, Kentucky
Cost: \$4, 917.86

Nature of Expenses: Airfare (\$622.10); Lodging (\$1,069.62); Per Diem (\$244.50); Conference Fee (\$2,950.00); Mileage (\$31.64)

Authorization was approved by the COO for the request of the Assistant Superintendent Transbay to attend ENO Mid Managers Seminar to enhance management skills to manage in complex situations and identify leadership strengths and broaden their peer support system. The seminar provided an examination of emotional intelligence, hone listening and communication skills and provided constructive feedback.

Detailed Description of Employee Travel, Second Quarter FY 2013-2014

Employee: Sue Lee
Date: 10/13/2013-10/15/2013
Purpose: T-Flex Workshop
Place: Salt Lake City, UT
Cost: \$984.84
Nature of Expenses: Ground Transportation (\$70.52); Lodging (\$313.02); Per Diem (\$127.50); Airfare (\$348.80); Conference Fee (\$125.00)

Transit Finance Learning Exchange workshop provides opportunity for Finance managers to share best practices and "needs and leads", and learn from other transit finance experts.

Employee: Jon Medwin
Date: 11/1/2013-11/2/2013
Purpose: Request for Proposal Workshop
Place: Phoenix, AZ
Cost: \$747.70
Nature of Expenses: Airfare (\$277.70); Conference Fees (\$470.00)

Performance Based Contracting (PBC) via the Request for Proposal (RFP) method is a recognized public procurement best practice that is outcome based. PBC is a shift away from prescriptive statements of work and incorporates standards, metrics, performance measurement strategies and contractor incentives that encourage innovative solutions to achieve the desired outcomes and results. This seminar provided the requisite skills needed to achieve best value through the use of proven performance contracting models and examples. This seminar provided tools necessary to understand performance contracting techniques that reflect effective practices for measuring and monitoring contractor performance. This seminar incorporated case studies and extensive use of Performance Based Request for Proposals that have been successfully used by other public entities. It is another methodology that can be used for appropriate procurements. It is not, however, a "one size fits all solution".

Detailed Description of Employee Travel, Second Quarter FY 2013-2014

Employee: Mitra Moheb
Date: 11/4/2013-11/9/2013
Purpose: Mgmt. of Transit Construction
Place: Portland, OR
Cost: \$994.60

Nature of Expenses: Lodging (\$651.77); Airfare (\$150.80); Ground Transportation (\$104.00); Per Diem (\$88.03)

Authorization was requested for the SR. PM Civil Engineer to attend the Management of Transit Construction Projects Workshop to explore best practices to Manage Transit Construction Project successfully. This course explained how the PMP tool can be beneficial on capital projects (Federal laws requires transit agencies to have a Project Management Plan(PMP) for projects >\$100MM), how the PMP tool can be beneficial to the all size capital projects, covered the basics of good project management and encouraged discussion of real world every day transit construction problems.

Employee: Tom O'Neill
Date: 11/17/2013-11/20/2013
Purpose: Transit CIO Consortium
Place: Portland, OR
Cost: \$980.61

Nature of Expenses: Lodging (\$432.81); Airfare (\$247.80); Ground Transportation (\$26.00); Per Diem (\$198.00); Parking (\$36.00); Miscellaneous (\$40.00)

Traveled to Tri-Met in Portland, Oregon to attend the Transit CIO Quarterly Meeting. The Transit CIO Consortium is a professional organization of CIOs representing more than 30 major transit authorities. The Consortium provides a forum for transit CIOs to share technology and program information with each other on a broad range of technology subjects. CTO attended to discuss Data Security initiatives, review Tri-Met's recent CAD/AVL implementation and participate in national transit CIO group discussions. Below is the agenda from the August meeting.

Detailed Description of Employee Travel, Second Quarter FY 2013-2014

Employee: Manjit Sooch
Date: 12/3/2013-12/6/2013
Purpose: Dev Express ASP.net Training
Place: Las Vegas, Nevada
Cost: \$2,092.73

Nature of Expenses: Lodging (\$125.44); Airfare (\$267.80); Ground Transportation (\$27.50); Per Diem (\$124.00); Conference Fees (\$1,499.99); Parking (\$48.00);

The course provided an in-depth look at the DevExpress DXperience ASP.NET suite of products, focusing on the WebForms components, and providing an introduction to the related ASP.NET MVC Extensions. During the process of creating a business application for the ASP.NET platform, it included creation of UIs both for public consumption and internal use. Special areas of attention were navigation features and all topics around data viewing, editing and analysis. It gathered experience working with the products in hands-on labs during the class.

Employee: Beverly Greene
Date: 12/4/2013 – 12/7/2013
Purpose: APTA Legislative: FTA Workshops
Place: Washington, D.C.
Cost: \$1,489.64

Nature of Expense: Lodging (\$774.04); Airfare (\$340.10); Ground Transportation (\$146.00); (\$229.50)

Traveled to Washington, DC for meetings with General Manager David Armijo and Congresswoman Barbara Lee; Congressman Eric Swlawell; FTA Planning Staff Lucy Garliauskas, Associate Administrator for Planning and Environment , FTA Director of Planning Beth Day, FTA Community Planner Ben Owen, (via phone) Region 9 Staff including Regional Administrator Leslie Rogers and federal advocates Steve Palmer and David Haines of VanScoyoc Associates, Inc. to provide updates on the Bus Rapid Transit Project and discuss the importance of the BRT in the FY 15 budget.

Attended meetings of the APTA Legislative Committee to discuss APTA recommendations on the Federal Public Transportation Authorizing Law, The Task Force on Reauthorization, Highway Trust Fund, Federal High Speed and Intercity Passenger Programs and other key legislative issues. Additionally, attended Leadership APTA Committee meetings and sessions.

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
 AC Transit Board of Directors

FROM: Linda A. Nemeroff, District Secretary

SUBJECT: Travel and Meeting Expenses for Directors and Board Officers

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the FY 2013-14 Second Quarter Travel and Meeting Expense Report for Directors and Board Officers.

EXECUTIVE SUMMARY:

The Board is provided with an itemized quarterly summary of travel, meeting and miscellaneous expenses.

BUDGETARY/FISCAL IMPACT:

On April 10, 2013, the Board voted to continue the 25% (\$2,250) reduction in their travel budgets, leaving \$6,750 for travel and meeting expenses during FY 2013-14, with the Board President receiving an extra \$2,000 during each half of the fiscal year. Total expenses for the second quarter of the fiscal year amounted to \$4,198.32.

With regard to Board Officers, each Officer has an annual budget for travel and meeting expense reimbursements which was approved by the Board of Directors with the adoption of the District's budget. Board Officers' expenses totaled \$888.14 for the second quarter of FY 2013-14.

BACKGROUND/RATIONALE:

Board Policy No. 180A - Travel, Meeting and Miscellaneous Expense Reimbursements for Directors and Board Officers, provides that the Board of Directors receive an itemized quarterly summary of all travel, meeting and miscellaneous expenses reimbursed under the policy. A summary of expenses for each Director and Board Officer is provided in Attachment 1. In addition, the year-to-date expense total for each Director is provided in Attachment 2.

ADVANTAGES/DISADVANTAGES:

This report is provided to the Board in the interest of transparency with regard to travel and miscellaneous expenses incurred by the Board and Board Officers.

ALTERNATIVE ACTIONS:

This report is provided for information only.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 180A: Travel, Meeting and Miscellaneous Expense Reimbursements for Directors and Board Officers.

ATTACHMENTS:

- 1: FY 2013-14 Second Quarter Directors and Officers Travel/Meeting Expense Report
- 2: Board Annual Expense Summary

Prepared by: Kathleen Eichmeier, Assistant District Secretary

TRAVEL/MEETING EXPENSE
 Directors and Officers
 FY 2013/2014
 Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
WALLACE	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$120.00	\$6,630.00
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$351.75	\$351.75	\$6,278.25
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$2,230.49	\$4,047.76
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$120.00	\$3,927.76
	2nd Quarter Report			
	October			
	10/09/2013 - Faxline Setup and Monthly Charge	35.63		
	10/21/2013 - COMTO Annual Individual Membership Fee	\$125.00		
	PDA Service Fee*	\$40.00		
	November			
	11/09/2013 - Faxline Monthly Charge	\$29.97		
	PDA Service Fee*	\$40.00		
	December			
	12/14/2013 - Monthly Planner for 2014	\$12.20		
	12/31/2013 - Faxline Monthly Charge	\$28.95		
	PDA Service Fee*	\$40.00		
	Total:	\$351.75		

Staff Report 14-044
 Attachment 1

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

President	Expense Description	Expense Q2	Quarter	Declining Balance
Beginning January 2013	(Pursuant to Board Policy 180a, the Board President shall receive an additional \$2000 available during 1st half of fiscal year, and \$2,000 available during 2nd half of fiscal year)			
HARPER	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	Additional \$2000 available 1st half of fiscal year-Board President			\$2,000.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$150.00	\$8,600.00
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$395.70	\$395.70	\$8,204.30
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$150.00	\$8,054.30
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$150.00	\$7,904.30
	2nd Quarter Report			
	October			
	10/03/2013 - Mileage to attend Board meeting - Emeryville to Oakland	\$4.00		
	10/09/2013 - Mileage to attend Board Meeting - Emeryville to Oakland	\$4.00		
	10/10/2013 - Mileage to General Office to take BART to Transbay Joint Powers Authority in San Francisco	\$4.00		
	10/10/2013 - BART Fare to San Francisco for Transbay Joint Powers Authority meeting	\$6.30		
	California Transit Association Annual Legislative Conference, Anaheim, CA, October 15-18, 2013 - Trip Cancelled			
	Registration	\$350.00		
	Registration Refunded	-\$350.00		
	Airfare - Airline issued credit for future trip	\$178.80		
	10/16/2013 - Mileage to attend Board meeting - Emeryville to Oakland	\$4.00		
	10/23/2013 - Mileage to attend Board meeting - Emeryville to Oakland	\$4.00		
	10/30/2013 - Mileage to attend Board meeting - Emeryville to Oakland	\$4.00		
	PDA Service Fee *	\$50.00		
	November			
	09/11/2013 - Mileage to General Office to take BART to meet with Mayor Lee of San Francisco re: Transbay Joint Powers Authority	\$4.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

President	Expense Description	Expense Q2	Quarter	Declining Balance
beginning January 2013	(Pursuant to Board Policy 180a, the Board President shall receive an additional \$2000 available during 1st half of fiscal year, and \$2,000 available during 2nd half of fiscal year)			
HARPER	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	Additional \$2000 available 1st half of fiscal year-Board President			\$2,000.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$150.00	\$8,600.00
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$395.70	\$395.70	\$8,204.30
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$150.00	\$8,054.30
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$150.00	\$7,904.30
	09/11/2013 - BART Fare to San Francisco for meeting with Mayor Lee re: Transbay Joint Powers Authority	\$6.30		
	09/13/2013 - Mileage to General Office to meet with General Manager re: Hiring Preferences	\$4.00		
	09/25/2013 - Mileage to attend Board meeting - Emeryville to Oakland	\$4.00		
	11/13/2013 - Mileage to attend Board Meeting - Emeryville to Oakland	\$4.00		
	11/14/2013 - Mileage to General Office to take BART to Transbay Joint Powers Authority in San Francisco	\$4.00		
	11/14/2013 - BART Fare to San Francisco for Transbay Joint Powers Authority meeting	\$6.30		
	PDA Service Fee*	\$50.00		
	December			
	12/11/2013 - Mileage to attend Board Meeting - Emeryville to Oakland	\$4.00		
	PDA Service Fee*	\$50.00		
	Total:	\$395.70		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
ORTIZ	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$284.58	\$6,465.42
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$261.17	\$261.17	\$6,204.25
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$449.20	\$5,755.05
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$120.00	\$5,635.05
	2nd Quarter Report			
	October			
	09/30/2013 - Mileage to General Office for BRT Policy Steering Committee	\$7.91		
	10/07/2013 - Mileage to General Office to pick up letter to Governor Brown	\$7.91		
	10/07/2013 - Mileage to Peet's Coffee at Fruitvale and MacArthur to meet with Genesis re: Fares	\$3.39		
	10/09/2013 - Mileage to General Office for meeting with Randolph Belle, Exec Director of Support Oakland Artists	\$7.91		
	10/10/2013 - Mileage to General Office for meeting re: Measure B	\$7.91		
	10/11/2013 - Mileage to General Office for meeting re: Transbay Transit Center	\$7.91		
	10/14/2013 - Mileage to General Office for Alameda County Transportation Commission meeting in downtown Oakland	\$7.91		
	10/16/2013 - Mileage to General Office for meeting with Revive Oakland re: Construction Careers Policy	\$7.91		
	10/21/2013 - Mileage to General Office for Board of Inquiry at State Building	\$7.91		
	10/29/2013 - Mileage to Oakland City Hall for meeting with Councilmember	\$9.04		
	PDA Service Fee*	\$40.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
ORTIZ	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$284.58	\$6,465.42
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$261.17	\$261.17	\$6,204.25
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$449.20	\$5,755.05
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$120.00	\$5,635.05
	November			
	11/12/2013 - Mileage to General Office for meeting with Transform	\$7.91		
	11/12/2013 - Mileage to Peet's Coffee at 12th & Clay, Oakland for meeting with Teamsters	\$9.04		
	PDA Service Fee*	\$40.00		
	December			
	12/05/2013 - Mileage to General Office for Alameda County Transportation Commission	\$7.91		
	12/16/2013 - Mileage to Oakland City Hall, 1 Frank Ogawa Plaza to attend Oakland Oversight Board Meeting	\$7.91		
	12/16/2013 - Printer Toner Cartridge	\$32.69		
	PDA Service Fee*	\$40.00		
	Total:	\$261.17		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
 Directors and Officers
 FY 2013/2014
 Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
WILLIAMS	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$5,771.20	\$978.80
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$648.55	\$648.55	\$330.25
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$150.00	\$180.25
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$150.00	\$30.25
	2nd Quarter Report			
	October			
	10/03/2013 - Mileage to attend Board Meeting - Castro Valley to Oakland	16.95		
	10/09/2013 - Mileage to attend Board Meeting - Castro Valley to Oakland	16.95		
	10/10/2013 - Mileage to General Office for meeting with ACCE/Revive Oakland - Castro Valley to Oakland	16.95		
	10/16/2013 - Mileage to attend Board Meeting - Castro Valley to Oakland	16.95		
	California Transit Association Annual Legislative Conference, Anaheim, CA, October 15-18, 2013 - Trip Cancelled			
	Registration	\$350.00		
	Registration Refund	-\$350.00		
	Airfare - Airline issued credit for future travel	\$413.80		
	Lodging	\$1,006.20		
	Lodging Refund	-\$1,006.20		
	Ground Transportation	\$21.24		
	Ground Transportation Refund	-\$21.24		
	10/22/2013 - Mileage to General Office for followup meeting with ACCE - Castro Valley to Oakland	\$16.95		
	PDA Service Fee*	\$50.00		
	November			
	PDA Service Fee*	\$50.00		
	December			
	PDA Service Fee*	\$50.00		
	Total:	\$648.55		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
DAVIS	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$3,240.06	\$3,509.94
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$1,245.85	\$1,245.85	\$2,264.09
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$161.00	\$2,103.09
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$105.00	\$1,998.09
	2nd Quarter Report			
	October			
	10/03/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	10/04/2013 - Registration for Shared-Use Mobility Conference Co-sponsored by Metropolitan Transportation Commission and Transportation Sustainability Research Center, San Francisco, October 10-11, 2013	\$350.00		
	10/09/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	10/10/2013 - BART from Union City to San Francisco for Shared-Use Mobility Conference	\$10.70		
	10/11/2013 - BART from Union City to San Francisco for Shared-Use Mobility Conference	\$10.70		
	10/15/2013 - Mileage to GO for meeting with ACCE/Revive Oakland - Newark to Oakland	\$28.25		
	10/16/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	10/23/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	10/24/2013 - Registration Fee for Association of Commuter Transportation Conference, Mountain View, CA	\$20.00		
	10/24/2013 - Mileage to attend Association of Commuter Transportation Conference - Newark to Mountain View, CA	\$16.95		
	10/30/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	Voice Service Charge*	\$35.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
DAVIS	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$3,240.06	\$3,509.94
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$1,245.85	\$1,245.85	\$2,264.09
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$161.00	\$2,103.09
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$105.00	\$1,998.09
	November			
	11/01/2013 - Membership in SPUR San Francisco/San Jose	\$75.00		
	11/07/2013 - Mileage to General Office for meeting with ACCE re: Fare Policy - Newark to Oakland	\$28.25		
	11/13/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25		
	11/20/2013 - Membership in Association of Commuter Transportation, Washington, DC	\$375.00		
	Voice Service Charge*	\$35.00		
December				
12/09/2013 - Mileage to GO to attend meeting with CFO and Maze Associates re: Measure VV - Newark to Oakland	\$28.25			
12/11/2013 - Mileage to attend Board Meeting - Newark to Oakland	\$28.25			
Voice Service Charge*	\$35.00			
Total:	\$1,245.85			

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
 Directors and Officers
 FY 2013/2014
 Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
PEEPLES	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$1,985.92	\$4,764.08
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$925.30	\$925.30	\$3,838.78
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$1,064.01	\$2,774.77
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$120.00	\$2,654.77
	2nd Quarter Report			
	October			
	10/14/2013 - Registration for Local Clean Energy Alliance Clean Power, Healthy Communities Conference, San Francisco, October 17, 2013	\$75.00		
	10/14/2013 - TRB Affiliate Membership yearly dues	\$173.00		
	Rail-Volution, Seattle, WA, October 20-23, 2013			
	Registration - Pre-paid in prior fiscal year			
	Airfare	\$256.80		
	Per Diem	\$300.50		
	PDA Service Fee*	\$40.00		
November				
PDA Service Fee*	\$40.00			
December				
PDA Service Fee*	\$40.00			
Total:	\$925.30			

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
 Directors and Officers
 FY 2013/2014
 Second Quarter Report

Director	Expense Description	Expense Q2	Quarter	Declining Balance
YOUNG	Beginning Balance			\$9,000.00
	Less 25% Reduction (Approved by Board on 04/10/13)			-\$2,250.00
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$3,114.40	\$3,635.60
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$370.00	\$370.00	\$3,265.60
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$241.24	\$3,024.36
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$120.00	\$2,904.36
	2nd Quarter Report			
	October			
	10/21/2013 - COMTO Annual Elected Official Membership	\$250.00		
	PDA Service Fee*	\$40.00		
	November			
	PDA Service Fee*	\$40.00		
	December			
	PDA Service Fee*	\$40.00		
	Total:	\$370.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
Directors and Officers
FY 2013/2014
Second Quarter Report

	Expense Description	Expense Q2	Quarter	Declining Balance
BOARD OFFICERS	DAVID J. ARMIJO - GENERAL MANAGER			
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$359.90	
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$888.14	\$888.14	
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$0.00	
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$0.00	
	2nd Quarter Report			
	October			
	No Reportables.			
	November			
	11/20/2013 - Parking for Oakland Chamber Breakfast at Waterfront Hotel	\$4.50		
	December			
	APTA Legislative Meetings, Washington, D.C., December 4-6, 2013			
	Airfare	\$310.50		
	Lodging	\$415.84		
	Per Diem	\$131.00		
	Ground Transportation	\$20.00		
	12/10/2013 - Roundtrip BART ticket from 12th Street to Civic Center, San Francisco for monthly GM's meeting at SFMTA	\$6.30		
	Total:	\$888.14		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE
 Directors and Officers
 FY 2013/2014
 Second Quarter Report

	Expense Description	Expense Q2	Quarter	Declining Balance
BOARD OFFICERS	DAVID A. WOLF - GENERAL COUNSEL			
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$0.00	
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$0.00	\$0.00	
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$0.00	
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$0.00	
	2nd Quarter Report			
	October			
	No Reportables.			
	November			
	No Reportables.			
	December			
	No Reportables.			
	Total:	\$0.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE

Directors and Officers

FY 2013/2014

Second Quarter Report

	Expense Description	Expense Q2	Quarter	Declining Balance
BOARD OFFICERS	LINDA A. NEMEROFF - DISTRICT SECRETARY			
	1st Quarter Travel/Meetings (July/Aug/Sep)		\$0.00	
	2nd Quarter Travel/Meetings (Oct/Nov/Dec)	\$0.00	\$0.00	
	3rd Quarter Travel/Meetings (Jan/Feb/Mar)		\$0.00	
	4th Quarter Travel/Meetings (Apr/May/Jun)		\$0.00	
	2nd Quarter Report			
	October			
	No Reportables.			
	November			
	No Reportables.			
	December			
	No Reportables.			
	Total:	\$0.00		

*Pursuant to Board Policy 180A, Section V.B, expenses related to District provided faxes and cell phones shall be charged against the funds provided to each Director under Section III.C (Travel).

TRAVEL/MEETING EXPENSE

Board of Directors

FY 2013/2014

Year-to-Date Summary

As of February 5, 2014

BOARD MEMBER	Expense Q1	Expense Q2	Expense Q3	Expense Q4	TOTAL	YTD BALANCE	% Available
Wallace	\$120.00	\$351.75	\$2,230.49	\$120.00	\$2,822.24	\$3,927.76	58.19%
Harper (Board President effective January 2013)	\$150.00	\$395.70	\$150.00	\$150.00	\$845.70	\$7,904.30	90.33%
Ortiz	\$284.58	\$261.17	\$449.20	\$120.00	\$1,114.95	\$5,635.05	83.48%
Williams	\$5,771.20	\$648.55	\$150.00	\$150.00	\$6,719.75	\$30.25	0.45%
Davis	\$3,240.06	\$1,245.85	\$161.00	\$105.00	\$4,751.91	\$1,998.09	29.60%
Peeples	\$1,985.92	\$925.30	\$1,064.01	\$120.00	\$4,095.23	\$2,654.77	39.33%
Young	\$3,114.40	\$370.00	\$241.24	\$120.00	\$3,845.64	\$2,904.36	43.03%
GRAND TOTALS	\$14,666.16	\$4,198.32	\$4,445.94	\$885.00	\$24,195.42	\$25,054.58	50.87%



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
 AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Monthly Report on Investments

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider Receiving Monthly Report on Investments for December 2013.

EXECUTIVE SUMMARY:

As of December 31, 2013 the District had the following investments:

Repurchase Agreement (REPO)	\$25 million (Collateralized 102%)
Money Market Account	\$ 84.16 million (Collateralized 110%)
Money Market Account	\$1.75 million (small banks; all FDIC insured)

BUDGETARY/FISCAL IMPACT:

There are no budgetary or fiscal impacts associated with this report.

BACKGROUND/RATIONALE:

In compliance with Section 15.0 of Board Policy 336, Investment Policy, the Monthly Report on Investments for December 2013 is forwarded to the Board of Directors for review.

The portfolio contained in this report for December 2013 is in compliance with Board Policy 336, Investment Policy. The District is able to meet its expenditure requirements for the next six months.

Return on the District’s investments is small due to the market conditions and ultra conservative investment approach. Daily roll-over of REPO and collateralized money market accounts is done with preservation of principal foremost in mind.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report is being provided to inform the Board of activities of the Treasury Department.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 336, Investment Policy

ATTACHMENTS:

1: Monthly Report on Investments on December 2013.

Department Head Approval: Lewis G. Clinton, Jr., Chief Financial Officer

Prepared by: Beverly Abad-Fitzgerald, Treasury Administrator

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
MONTHLY REPORT ON INVESTMENTS
FOR THE GENERAL FUND
DECEMBER 31, 2013**

ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
MONTHLY REPORT ON INVESTMENTS

Table of Contents

Investment Summary	1
Investment Overview	2
Return on Investments	3
Detail of Portfolio	4
Repurchase Agreements	5
Government Securities (General Fund)	6

**INVESTMENT SUMMARY
FOR THE GENERAL FUND & BUS/OTHER FUND
DECEMBER 31, 2013**

TYPE	Average Interest Rate %	Carrying Value	Par Value	Fair Value	% of Total
MONEY MARKET ACCOUNTS	0.248%	\$22,552,300.23	\$22,552,300.23	\$22,552,300.23	47.43%
REPO'S	0.025%	\$25,000,000.00	\$25,000,000.00	\$25,000,000.00	52.57%
TREASURY BILLS	0.000%	\$0.00	\$0.00	\$0.00	0.00%
DISCOUNT NOTES	0.000%	\$0.00	\$0.00	\$0.00	0.00%
AGENCY BONDS	0.000%	\$0.00	\$0.00	\$0.00	0.00%
TOTAL GENERAL FUND INVESTMENTS		\$47,552,300.23	\$47,552,300.23	\$47,552,300.23	100.00%

TYPE	Average Interest Rate %	Carrying Value	Par Value	Fair Value	% of Total
MONEY MARKET	0.070%	\$63,360,651.13	\$63,360,651.13	\$63,360,651.13	100.00%
REPO'S	0.000%	\$0.00	\$0.00	\$0.00	0.00%
DISCOUNT NOTES	0.000%	\$0.00	\$0.00	\$0.00	0.00%
AGENCY BONDS	0.000%	\$0.00	\$0.00	\$0.00	0.00%
TOTAL OTHER (CalEMA/Bus Proc.) INVESTMENTS		\$63,360,651.13	\$63,360,651.13	\$63,360,651.13	100.00%

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
INVESTMENT OVERVIEW
FOR THE GENERAL FUND & BUS PROCUREMENT/OTHER FUND
DECEMBER 31, 2013**

DESCRIPTION	2013 JUL	AUG	SEP	OCT	NOV	DEC	2014 JAN	FEB	MAR	APR	MAY	JUN	YTD AVERAGE
<u>CURRENT MONTH AVERAGE INTEREST RATES</u>													
Repurchase Agreements (current month)	0.012%	0.020%	0.015%	0.032%	0.033%	0.025%							0.023%
Money Market Accounts (current month)	0.070%	0.070%	0.070%	0.070%	0.070%	0.070%							0.070%
Govt Securities held at month end													
Treasury Bills (purchased in current month)													
Discount Notes (purchased in current month)													
Agency Bonds (purchased in current month)													
<u>AVERAGE INTEREST RATE</u>													
Repurchase Agreements (12-month avg)	0.080%	0.072%	0.061%	0.051%	0.041%	0.034%							0.057%
Money Market Accounts (12-month avg)	0.070%	0.070%	0.070%	0.070%	0.070%	0.070%							0.070%
Govt Securities held at month end													
Treasury Bills (Portfolio)													
Discount Notes (Portfolio)													
Agency Bonds (Portfolio)													
<u>INVESTMENT BENCHMARKS</u>													
Current Month Daily Fed Funds Average	0.060%	0.110%	0.100%	0.090%	0.090%	0.100%							0.092%
Current Month Daily 3 Month T Bill Rate Average	0.030%	0.040%	0.010%	0.045%	0.080%	0.065%							0.045%
Monthly Avg of Daily Fed Funds (12 month avg)	0.139%	0.136%	0.133%	0.127%	0.120%	0.118%							0.129%
Monthly Avg 3 Month T Bill Rate (12 month avg)	0.083%	0.077%	0.069%	0.062%	0.060%	0.058%							0.068%
<u>AVERAGE MATURITY OF INVESTMENTS</u>													
	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS	DAYS
Repurchase Agreements	7	9	7	7	7	8							8
Treasury Bills													
Discount Notes													
Agency Bonds													
<u>INVESTMENTS AT CARRYING VALUE</u>													
Repurchase Agreements	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000							\$25,000,000
Money Market	\$93,625,417	\$93,631,187	\$93,636,924	\$93,642,075	\$85,907,055	\$85,912,951							\$91,059,268
Treasury Bills													
Discount Notes													
Agency Bonds													
	\$118,625,417	\$118,631,187	\$118,636,924	\$118,642,075	\$110,907,055	\$110,912,951	\$0	\$0	\$0	\$0	\$0	\$0	\$116,059,268
<u>INVESTMENTS AT COST</u>													
	\$118,625,417	\$118,631,187	\$118,636,924	\$118,642,075	\$110,907,055	\$110,912,951	\$0	\$0	\$0	\$0	\$0	\$0	\$58,029,634

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
RETURN ON INVESTMENTS
FOR THE GENERAL FUND & BUS PROCUREMENT/OTHER FUND
DECEMBER 31, 2013**

RETURN ON INVESTMENTS	2013						2014						YTD TOTAL
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
Repurchase Agreements	\$389	\$410	\$306	\$667	\$687	\$632							\$3,091
Money Market	5,392	5,446	5,287	5,464	5,139	5,004							\$31,732
Treasury Bills													\$0
Discount Notes	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Bonds	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Total return on investments	\$5,781	\$5,856	\$5,593	\$6,131	\$5,826	\$5,636	\$0	\$0	\$0	\$0	\$0	\$0	\$34,823
Interest received	\$389	\$389	\$292	\$632	\$632	\$757							\$3,091
Accrued interest	5,392	5,467	5,301	5,499	5,194	4,879	0	0	0	0	0	0	\$31,732
Total return on investments	\$5,781	\$5,856	\$5,593	\$6,131	\$5,826	\$5,636	\$0	\$0	\$0	\$0	\$0	\$0	\$34,823

PORTFOLIO INVESTED

Average daily portfolio available for investment	\$71,402,818	\$71,402,818
Average daily portfolio invested	\$33,870,968	\$33,870,968
% of average daily portfolio invested	47.44%	47.44%

CARRYING VALUE GENERAL FUND PORTFOLIO

	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Jul 2013	\$45,496,647	Jul 2012 \$42,603,947	Jul 2011 \$35,460,813	Jul 2010 \$25,423,957
Aug	\$46,135,214	Aug \$42,607,123	Aug \$25,463,299	Aug \$15,427,078
Sep	\$46,136,641	Sep \$42,610,779	Sep \$25,464,942	Sep \$15,429,234
Oct	\$47,548,538	Oct \$42,931,605	Oct \$25,465,414	Oct \$15,429,332
Nov	\$47,550,347	Nov \$42,935,324	Nov \$40,467,036	Nov \$45,432,936
Dec	\$47,552,300	Dec \$42,939,037	Dec \$40,468,599	Dec \$45,437,277
Jan 2014		Jan 2013 \$42,940,095	Jan 2012 \$40,837,954	Jan 2011 \$45,442,015
Feb		Feb \$43,416,351	Feb \$40,840,300	Feb \$45,447,053
Mar		Mar \$45,493,510	Mar \$40,843,075	Mar \$45,451,256
Apr		Apr \$44,777,188	Apr \$41,844,149	Apr \$45,453,059
May		May \$45,220,228	May \$42,597,995	May \$45,456,386
Jun		Jun \$45,493,510	Jun \$42,601,366	Jun \$40,459,599

CARRYING VALUE BUS/OTHER PORTFOLIO

	FY 13/14	FY 12/13	FY 11/12	FY 10/11
Jul 2013	\$73,128,770	Jul 2012 \$34,705,371	Jul 2011 \$5,743,559	Jul 2010 \$5,742,841
Aug	\$72,495,973	Aug \$34,707,265	Aug \$5,743,605	Aug \$5,742,990
Sep	\$72,500,284	Sep \$34,709,158	Sep \$5,743,649	Sep \$5,743,090
Oct	\$71,093,538	Oct \$49,291,355	Oct \$5,743,695	Oct \$5,743,140
Nov	\$63,356,709	Nov \$49,293,816	Nov \$5,743,739	Nov \$5,743,184
Dec	\$63,360,651	Dec \$49,296,513	Dec \$5,743,817	Dec \$5,743,245
Jan 2014		Jan 2013 \$49,299,100	Jan 2012 \$5,375,346	Jan 2011 \$5,743,291
Feb		Feb \$50,975,655	Feb \$5,375,389	Feb \$5,743,332
Mar		Mar \$48,916,111	Mar \$34,699,100	Mar \$5,743,378
Apr		Apr \$49,623,413	Apr \$32,551,967	Apr \$5,743,423
May		May \$49,184,941	May \$32,553,678	May \$5,743,468
Jun		Jun \$48,916,111	Jun \$34,703,831	Jun \$5,743,513

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
 DETAIL OF PORTFOLIO
 FOR THE GENERAL FUND & BUS PROCUREMENT/OTHER FUND
 DECEMBER 31, 2013**

TYPE	Purchased From	Settlement Date	Maturity Date	Days to Maturity	Purchased Rate %	Maturity Rate %	Carrying Value	Par Value	Fair Value		
MONEY MARKET ACCOUNTS											
	Wells Fargo				0.070%	0.070%	20,798,038.71	20,798,038.71	20,798,038.71		
	Local Banks				0.425%	0.425%	1,754,261.52	1,754,261.52	1,754,261.52		
	TOTAL MONEY MARKET ACCOUNTS				0.248%	0.248%	22,552,300.23	22,552,300.23	22,552,300.23		
REPO'S	Bank of America	12/30/13	01/07/14	8	0.010%	0.010%	25,000,000.00	25,000,000.00	25,000,000.00		
TREASURY BILLS:											
TOTAL TREASURY BILLS											
AGENCY DISC NOTES:											
TOTAL DISCOUNT NOTES											
							0.00	0.00	0.00		
AGENCY BONDS:											
TOTAL BONDS											
							0.00	0.00	0.00		
PORTFOLIO - GENERAL FUND							47,552,300.23	47,552,300.23	47,552,300.23		
MONEY MARKET:											
	Wells Fargo										
	MONEY MARKET ACCOUNTS		CalEMA		0.070%	0.070%	1,309,217.31	1,309,217.31	1,309,217.31		
			CalEMA Grant No. 6461		0.070%	0.070%	1,308,209.06	1,308,209.06	1,308,209.06		
			Bus Procurement		0.070%	0.070%	60,743,224.76	60,743,224.76	60,743,224.76		
TREASURY BILLS:											
							0.00	0.00	0.00		
AGENCY DISC NOTES:											
AGENCY BONDS:											
PORTFOLIO - OTHER (CalEma/Bus Procurement)							0.070%	0.070%	63,360,651.13	63,360,651.13	63,360,651.13
TOTAL PORTFOLIO							110,912,951.36	110,912,951.36	110,912,951.36		

COMPOSITION OF PORTFOLIO :	GENERAL FUND	OTHER (CalEma/Bus Procurement)
Money Market	47.43%	100.00%
Repurchase Agreements	52.57%	0.00%
Treasury Bills	0.00%	0.00%
Discount Notes	0.00%	0.00%
Bonds	0.00%	0.00%
	100.00%	100.00%

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT
 REPURCHASE AGREEMENTS
 FOR THE MONTH ENDED
 DECEMBER 31, 2013**

SETTLEMENT DATE	MATURITY DATE	DAILY "REPO" INVESTMENT\$	# OF DAYS	CURRENT INTEREST RATE	INTEREST EARNED	INTEREST RECEIVED	CASH RECEIPT	A/R ACTIVITY	NET ACTIVITY	AVERAGE INVESTMENT AMT. INV * # OF DAYS / DAYS IN MONTH : 31
BANK OF AMERICA										
11/26/13	12/03/13	\$25,000,000.00	7	0.0400%	55.55	194.44	25,000,000.00	-138.89	-25,000,000.00	5,645,161.29
12/03/13	12/10/13	\$25,000,000.00	7	0.0400%	194.44	194.44	25,000,000.00	0.00	0.00	5,645,161.29
12/10/13	12/17/13	\$25,000,000.00	7	0.0200%	97.22	97.22	25,000,000.00	0.00	0.00	5,645,161.29
12/17/13	12/30/13	\$25,000,000.00	13	0.0300%	270.83	270.83	25,000,000.00	0.00	0.00	10,483,870.97
12/30/13	01/07/14	\$25,000,000.00	8	0.0100%	13.89	0.00	25,000,000.00	41.67	25,000,000.00	6,451,612.90
TOTAL		\$100,000,000.00	9	0.0250%	\$631.93	\$756.93	\$125,000,000.00	-\$97.22	\$0.00	\$33,870,967.74

**ALAMEDA - CONTRA COSTA TRANSIT DISTRICT GENERAL FUND
GOVERNMENT SECURITIES SUMMARY
FOR THE MONTH ENDED
DECEMBER 31, 2013**

CUSIP NUMBER	AGENCY	SETTLEMENT DATE	MATURITY DATE	DISCOUNT RATE (%)	PAR VALUE	COST	DAYS HELD	MARKET RATE	FAIR VALUE	YIELD RATE (%)	CARRYING VALUE	CURRENT MONTH INT. EARNED	PURCHASED DURING MONTH	MATURED DURING MONTH	PRIOR MONTH CARRYING VALUE
Treasury Bills Matured:															
Treasury Bills Held at Month End:															
TOTAL TREASURY BILLS					0.00	0.00		0.00				0.00		0.00	0.00

Discount Notes Matured:															
Discount Notes Held at Month End:															
TOTAL DISCOUNT NOTES					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00

Agency Bond Matured															
Agency Bond Held at Month End:															
TOTAL BONDS					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00

TOTAL GOVERNMENT SECURITIES					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00
Government Securities 90 days and less					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00
Government Securities over 90 days					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00
Total Government Securities - Aged					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00
Variance					0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
 AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Fiscal year 2013 – 14 Second Quarter Surplus and Obsolete Materials Report

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider Receiving the FY 2013 – 14 Second Quarter Surplus and Obsolete Materials Report.

EXECUTIVE SUMMARY:

During the Second Quarter of Fiscal Year 2013 - 2014 the District sold at auction; seven (7) non-revenue vehicles for a net return of five thousand two hundred twenty eight dollars, and twenty five cents (\$5,228.25).

BUDGETARY/FISCAL IMPACT:

The net return in the amount of \$5,228.25 for the sale of obsolete vehicles and equipment listed on Staff Report 13-097 applied to the District’s General Fund.

BACKGROUND/RATIONALE:

The non-revenue vehicles and equipment listed on Staff Report 13-097 have served their useful life, have been fully depreciated, and have a zero (0) net book value. These vehicles were approved for disposal by the Board of Directors, and were disposed of by means that are most advantageous to the District.

The non-revenue vehicle numbers for the above sale are as follows:

I.D. Number	Year	Description	Mileage
99924	1999	Truck: GMC UTILITY 3500, CAB	121,395
99956	1999	CAR: FORD, CROWN VIC.	200,123
90013	2001	VAN: GMC SAFARI	114,121
90069	2000	CAR: FORD, CROWN VIC.	160,783
99135	1991	VAN: GMC	130,678

99322	1993	TRUCK: FORD,3/4 TON PU	181,822
99520	1995	TRUCK: GMC SONOMA MINI PU	180,124

ADVANTAGES/DISADVANTAGES:

The Board of Directors has requested a quarterly report on obsolete and surplus sales.

ALTERNATIVE ANALYSIS:

This report is provided for information only.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Report 13-097: Disposal of retired buses and other equipment through sale, or by means most advantageous to the District.

Board Policy 356: Disposition of surplus equipment, supplies, and other tangible personal property of the District.

Board Policy 394: Write – Off Policy

ATTACHMENTS:

None.

Department Head Approval: Ed Barrow, Materials Superintendent
Reviewed by: Thomas Prescott, Chief Performance Officer
Lewis G. Clinton, Chief Financial Officer
Prepared by: Fred Walls, Inventory Control



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Board Policy No. 336 – Investment Policy

ACTION ITEM

RECOMMENDED ACTION(S):

Consider Review and Approval of Board Policy No. 336 – Investment Policy with No Revisions.

EXECUTIVE SUMMARY:

In accordance with Board Policy No. 302, “the Board of Directors shall review each fiscal policy of the District once every two years with the exception of the investment policy which shall be reviewed annually.” Action is requested to continue Board Policy No. 336 Investment Policy with no revisions. Board Policy No. 336 meets all accounting requirements for Generally Accepted Accounting Principles (GAAP), and reflects best practices as conducted by public agencies.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

The applicable policy documents are attached for reference.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

Staff found no practical alternatives to the course of action recommended in this report.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Staff Report 13-020 Review and Approval of Board Policy 336 – Investment Policy

ATTACHMENTS:

1: Board Policy No. 336

Department Head Approval: Lewis G. Clinton, Jr., Chief Financial Officer

Reviewed by: Denise Standridge, Interim General Counsel

Prepared by: Sue Lee, Treasury Manager

AC Transit BOARD POLICY

Policy No. 336

Category: FINANCIAL MATTERS

INVESTMENT POLICY

Table of Contents

<u>Item</u>	<u>Page</u>
1.0 - Investment Policy Statement	2
2.0 - Investment Policies	2
3.0 - Accounting Policies	2
4.0 - Prudence (Prudent Person Rule)	2
5.0 - Objectives	3
6.0 - Delegation of Authority	3
7.0 - Ethics and Conflicts of Interest	4
8.0 - Authorized Financial Dealers and Institutions	4
9.0 - Authorized and Suitable Investments	5
10.0 - Collateralization	5
11.0 - Safekeeping and Custody	5
12.0 - Diversification	6
13.0 - Maximum Maturities	6
14.0 - Internal Controls	6
15.0 - Reporting Requirements	7
16.0 - Fuel Hedging Program	8
17.0 - Investment Policy Adoption	10
18.0 - Glossary of Terms Used	10

Last Amended by Resolution No. 12-032

Page 1 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

1.0 - INVESTMENT POLICY STATEMENT

It is the policy of the District to invest all public funds in accordance with the following goals, listed in descending order of priority:

- A. Compliance with all applicable laws, statutes, ordinances, and regulation requirements.
- B. Preservation of capital.
- C. Liquidity to meet required cash demands.
- D. Maximization of income.

2.0 - INVESTMENT POLICIES

This investment policy applies to the investment activities of the Alameda Contra Costa Transit District. The financial assets of all District funds shall be administered in accordance with the provisions of this policy, except for Section 457 Deferred Compensation Plan funds, which shall be invested in accordance with the applicable laws, regulations, and contracts for such funds.

Funds of the Alameda Contra Costa Transit District Pension Fund are not subject to this policy as the Pension Fund is administered by the Alameda Contra Costa Transit District Retirement Board, a separate entity from the District.

3.0 ACCOUNTING POLICIES

Short-term investments (those with a remaining maturity at the time of purchase of one year or less) are reported at cost, which approximates fair value, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

Investments with a remaining maturity at the time of purchase of greater than one year are carried at fair value. For financial reporting purposes, all investment income, including changes in fair value of investments, is recognized as revenue in the District's operating statement.

4.0 - PRUDENCE (Prudent Person Rule)

District investments shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Persons acting in accordance with this policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk, or market price changes, provided

Last Amended by Resolution No. 12-032

Page 2 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

deviations from expectations are reported in the monthly investment report to the District Board, and appropriate action is immediately taken to control adverse developments.

5.0 - OBJECTIVES

The primary objectives, in priority order, of the investment activities of the District shall be:

- A. With respect to all investments:
 - 1. To be in compliance with all Federal, State and local laws as well as all District policies and procedures.
 - 2. To ensure safety of principal. All investments of the District shall be undertaken in a manner which seeks the preservation of principal.
 - 3. To remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
 - 4. To maximize yield consistent with risk limitations identified herein and prudent investment principles.

- B. With respect to short-term Cash Management objectives:
 - 1. To accelerate receipt of all funds due the District.
 - 2. To accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible.
 - 3. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The basis used by the Treasury Manager to determine whether market yields are being achieved shall be the three (3) month U.S. Treasury Bill and the average Federal Funds rate. This index is considered a benchmark for "riskless" investment transactions and therefore should be a minimum standard for the portfolio's rate of return.

6.0 - DELEGATION OF AUTHORITY

The following individuals are authorized to sign investment documents and/or execute cash transfers and make investments of the District's funds:

- A. General Manager
- B. Chief Financial Officer
- C. Treasury Manager or Treasury Services Administrator

Last Amended by Resolution No. 12-032

Page 3 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

All investment documents and cash transfer authorization forms shall be approved by (2) signature authorities from the above list. In the exercise of this responsibility, the authority to perform specific investment tasks and duties may be delegated as follows:

Controller: If the General Manager or Chief Financial Officer are out of the office for any reason, the Controller may sign and execute the necessary investment documents and cash transfer authorization forms as the 2nd signature authority.

7.0 - ETHICS AND CONFLICTS OF INTEREST

The officers and authorized employees as defined in Section 6.0 of this policy who are responsible for the investment of District funds shall refrain from personal business activity that could conflict with the proper execution of the District's investment program, or which could impair the ability to make impartial investment decisions.

Pursuant to the District's Conflict of Interest Code, employees shall disclose any financial interests in financial institutions that conduct business within the District. They shall further disclose any personal financial/investment holdings that could affect the performance of the District's portfolio or the individual's judgement or decisions regarding the District's portfolio.

In addition, the services provided by the District's external auditors shall include an annual review of the Fair Political Practices Commission "Statement of Economic Interests, Form 700", for individuals authorized to make investments of District funds. As outlined in Section 6.0 of this policy, those individuals are:

- A. General Manager
- B. Chief Financial Officer
- C. Treasury Manager
- D. Treasury Services Administrator

8.0 - AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Treasury Manager shall maintain a list of "Primary Government Securities Dealers" reporting to the Market Reports Division of the Federal Reserve Bank of New York. This list is published by the Federal Reserve Bank. In conformance with the District Investment Policy, only those entities listed will be considered as a viable dealer to provide investment services to the District.

All Primary Dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer with the following: 1) audited financial statements; 2) proof of National Association of Security Dealers (NASD) certification; 3) certification of having read our investment policy and agreement to comply with the policy requirements.

No public deposit shall be made except in a qualified public depository as established by Government Code Section 53635.2.

Last Amended by Resolution No. 12-032

Page 4 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

9.0 - AUTHORIZED AND SUITABLE INVESTMENTS

In accordance with and subject to the restrictions in California Government Code Section 53601, the District may invest in the following types of investments:

- A. Repurchase Agreements
- B. Securities of U.S. Government and its agencies
- C. California Local Agency Investment Fund (LAIF)
- D. Negotiable Certificates of Deposit
- E. Commercial Paper
- F. Bankers Acceptances

Although Local Agency Investment Funds, Negotiable Certificates of Deposit, Commercial Paper, and Bankers Acceptances, are allowed under the California Government Code, these types of investments may not be utilized without the prior authorization of the Chief Financial Officer, after prudent investigation of the credit risk of such investments.

10.0 - COLLATERALIZATION

California banks and savings and loan associations are required to secure District deposits by pledging eligible securities as collateral, pursuant to California Government Code Section 53651. In accordance with California Government Code Section 53652, the fair value of the pledged securities must equal at least 110 percent of the District's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the District's total deposits.

Pursuant to California Government Code Section 53601, the fair value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly.

As a matter of District policy, all deposits of the District are secured by the pledge of eligible securities equal to 110 percent of the District's deposits. All repurchase agreement transactions of the District must meet the requirements in California Government Code Section 53601 and shall be secured by the pledge of eligible securities equal to 102 percent of the District's principal investment.

In accordance with California Government Code 53653, the District Treasury Manager may waive the 110 percent collateral requirement for deposits which are insured up to \$250,000 by the FDIC.

11.0 - SAFEKEEPING AND CUSTODY

Securities purchased as District investments must be physically delivered to a third-party agent of the District. If U.S. Treasury securities are purchased, delivery may be made by book entry only. All investment transactions for the District require "Delivery vs. Payment" method of

Last Amended by Resolution No. 12-032

Page 5 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

settlement only.

The District's securities and collateral for those securities shall be maintained, in the name of the District, in the Trust Department or Safekeeping Department of the various banks doing business with the District as established by written third-party safekeeping agreements between the District and the banks.

12.0 - DIVERSIFICATION

The District shall diversify its investments by security type, institution and maturity. With the exception of securities of the U.S. Government and its Agencies, no more than 33% of the District's total investment portfolio shall be invested in a single security type or with a single financial institution.

13.0 - MAXIMUM MATURITIES

To the extent possible, the District shall match its General Fund investments with anticipated cashflow requirements. Unless matched to a specific cashflow, the District shall not directly invest in maturities greater than **3 years** from the date of purchase without prior authorization of the Board of Directors.

All investments of District funds shall be made in accordance with and subject to the restrictions in California Government Code Section 53601. Short term investment of District funds shall be restricted to the following instruments:

<u>Investment Instrument</u>	<u>Maximum Percentage/Amt\$ of Portfolio</u>	<u>Maximum Length To Maturity for Short Term Investments</u>
Repurchase Agreements*	\$25M	7 days
U.S. Treasury Bills & Notes	100%	3 years
U.S. Government Agency Securities	100%	3 years
Bankers Acceptance	20%	180 days
Commercial Paper	20%	270 days
Local Agency Investment Funds	20%	N/A
Negotiable Cert. of Deposit	20%	3 years
Money Market Accounts (Non U.S. Gov't)	\$25M	N/A
Interest Bearing Cash Collateralized by Securities of the U.S. Government or Its Agencies	100%	

*All repurchase agreements entered into by the District require that an authorized master repurchase agreement between the District and the financial institution be in place before any repurchase agreement transactions occur.

Last Amended by Resolution No. 12-032

14.0 - INTERNAL CONTROLS

The Treasury Manager shall establish a system of internal controls through procedures designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. These controls shall include:

- A. Development of investment procedures inclusive of but not limited to:
 - 1. Separation of transaction authority from accounting and record keeping responsibilities.
 - 2. Third-Party safekeeping of securities.
 - 3. Competitive bids shall be obtained only from "Primary Government Securities Dealers" reporting to the Market Reports Division of the Federal Reserve Bank of New York, as described in Section 8.0 of this policy.
 - 4. All investments shall be selected through an informal documented competitive telephone bid process. If a specific maturity date is required, bids will be requested from at least three "Primary Dealers" for instruments which meet the maturity requirement. If no specific maturity is required, a yield curve analysis will be conducted to determine which maturities produce the greatest yield prior to securing the required competitive bids described above.
 - 5. Written confirmation of all financial transactions.
 - 6. Written documentation of bids, transactions and investment strategies.
- B. Periodic independent reviews to be conducted to ensure the District's investment operation is in compliance with the established policy and associated procedures.
- C. The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Controller's office on a monthly basis.

15.0 - REPORTING REQUIREMENTS

The Treasury Manager shall be responsible for preparing a monthly investment report as required by California Government Section 53607. The investment report shall include:

- A. Type of Investment

Last Amended by Resolution No. 12-032

Page 7 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

- B. Institution of Purchase
- C. Date of Purchase, and Maturity
- D. Interest Rate, Rate of Return, and Yield
- E. Target Benchmark
- F. Par, Book and Fair Values

In addition, the investment report shall state compliance of the portfolio with the statement of investment policy and a statement denoting the ability of the District to meet pool expenditure requirements for the next 6 months in accordance with California Government Section 53646 (b) (2) and (3).

The investment report is to be produced monthly and will be forwarded to the Finance and Audit Committee and then to the full Board of Directors for review.

16.0 – FUEL HEDGING PROGRAM

Staff is directed to utilize appropriate fuel hedging strategy to minimize the variability in the District’s budget due to fluctuations in the price of diesel fuel. This variability is due to the fact that the District primarily purchases fuel on the spot market, which varies daily and may subject the District to volatile variances between budgeted and actual fuel expense. Variances between budgeted and actual fuel expenses vary significantly during any given year. The hedging program is designed to minimize large budget variances resulting from the volatility of diesel fuel prices. Hedging increases budget certainty and facilitates more effective utilization of budgetary resources. The District’s hedging program will include:

- A. Fixed price Physical Delivery Contracts

Subject to an open and competitive process, the District solicits bid prices and award contracts for future delivery of fuel from suppliers.

- B. Fuel Commodity Swap

The District enters into a financially-settling contract with qualifying counterparties under which the District either pays an upfront amount or exchanges future payments with a counterparty.

- C. Futures Contracts

The District may enter into such contracts that allow it to enter into smaller transactions and make certain pricing decisions over time.

Last Amended by Resolution No. 12-032

Page 8 of 14

Adopted: 1/92
 Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

Risks

Any strategy to fix or otherwise hedge future prices carries certain risks, some of which are identified below. Certain of these risks may be mitigated, in part, by taking certain measures, some of which are also identified below.

Counterparty Risk: The risk that the counterparty fails to make required payments or otherwise comply with the terms of the hedging contract. This non-performance would be expected to result from financial difficulty, but also may occur for physical, legal or business reasons. This risk is mitigated by establishing minimum credit quality criteria, establishing maximum credit limits, requiring collateral upon a counterparty downgrade and when credit limits are exceeded, limiting the term of the agreement and employing credit rating surveillance.

Pricing Risk: The risk that, during the term of the hedging contract, the District usually pays a higher price than it would have paid by purchasing diesel fuel in the spot market alone, without entering into a hedging contract.

Political Risk: The risk that the hedging program may be unjustly criticized. Political risk is mitigated by ensuring that the Board and public are fully informed about the purpose, nature and expectations for the hedging program.

Basis Risk: The risk that there is a mismatch between any payment received from a counterparty and the variable cost for diesel fuel actually paid to a gas company. Such basis risk may be mitigated by basing hedging contracts on indices that have a strong historical correlation with the price of diesel fuel in the relevant market.

Termination Risk: The risk that there will be an early termination of a hedging contract. An early termination may result in the District either paying or receiving a termination payment. Early termination may result in the District either paying or receiving a termination payment. Early terminations generally occur when one of the parties deteriorates in credit quality, suffers bankruptcy or fails to perform. The risk is mitigated by establishing safeguards such as requiring collateral posting if credit limits are exceeded or credit ratings decline.

Fuel Commodity Transactions

Each Fuel Commodity Transaction shall have a term not to exceed the Maximum Term and shall be for a notional quantity of diesel fuel not to exceed the Maximum Percentage. Further, each Fuel Commodity Transaction shall be entered into solely with a Fuel Hedge Counterparty under a Fuel Hedge Agreement and shall contain a Fuel Hedge Collateral Provision and a Fuel Hedge Termination Provision. Each Fuel Commodity Transaction shall include a provision that permits the District to early terminate such transaction at any time and for any reason, at its option.

Each contemplated Fuel Commodity Transaction shall be approved by the Board prior to the Staff entering into such transaction. Subject to any additional parameters established by the

Last Amended by Resolution No. 12-032

Page 9 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

Board in its approval, the Staff shall be permitted to award a Fuel Commodity Transaction to any qualifying Fuel Hedge Counterparty bidding on such transaction after evaluating the price quoted, credit quality and reputation of each bidding Fuel Hedge Counterparty, and any other information it may deem relevant or appropriate. Each Fuel Hedge Counterparty shall enter into a Fuel Hedge Agreement prior to or promptly following the execution of a Fuel Commodity Transaction.

The Staff shall monitor, on a continuing basis during the existence of a Fuel Commodity Transaction, the index upon which any Fuel Commodity Transaction is based and the credit ratings of each Fuel Hedge Counterparty. On a quarterly basis following the execution of a Fuel Commodity Transaction, the Staff shall deliver a report to the Board regarding such Fuel Commodity Transaction, including the existence of any significant events or occurrences under the Fuel Hedge Agreement, any operational or other issues relating to the management of such transaction and the overall economic performance of such transaction. The Staff shall report to the Board the occurrence of any default or termination event, however described, with respect to a Fuel Hedge Counterparty under a Fuel Hedge Agreement or the downgrade of any Fuel Hedge Counterparty immediately upon becoming aware of any such event or occurrence.

17.0 - INVESTMENT POLICY ADOPTION

The District's investment policy shall be adopted by resolution of the District's Board of Directors. This policy shall be reviewed on an annual basis by the Board of Directors. Any modifications made thereto must be formally approved by the Board of Directors.

18.0 - GLOSSARY

ACCRUED INTEREST: The accumulated interest due on a bond as of the last interest payment made by the issuer.

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

AMORTIZATION: The systematic reduction of the amount owed on a debt issued through periodic payments of principal.

BASIS POINT: A unit of measure used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active

Last Amended by Resolution No. 12-032

Page 10 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

in markets in which banks buy and sell money and in interdealer markets.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; a certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, including buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The amount by which the par value of a security exceeds the price paid for the security.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL FUNDS (FED FUNDS): Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking systems. Fed funds are considered to be immediately available funds.

FEDERAL FUNDS RATE: Interest rate charged by one institution lending federal funds to the other.

FUEL COMMODITY TRANSACTIONS: A financially-settling diesel fuel swap, cap, option or similar transaction (or combination thereof) entered into with a Fuel Hedge Counterparty that enables the District to fix or otherwise hedge its budgeted fuel costs, whether for a pre-paid premium or through regularly scheduled payments, based on a published index.

FUEL HEDGE AGREEMENT: A 1992 ISDA Master Agreement, including a Schedule and Credit Support Annex thereto, and a Confirmation reflecting the economic terms of the Fuel

Last Amended by Resolution No. 12-032

Page 11 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

Commodity Transactions.

FUEL HEDGE COLLATERAL PROVISION: A provision that requires a Fuel Hedge Counterparty to deliver daily collateral (in the form of U.S. cash or U.S. Treasury obligations) if such counterparty's (or its guarantor's) long-term debt rating becomes rated below "A3" or "A-" by one or more nationally recognized statistical rating organization.

FUEL HEDGE TERMINATION PROVISION: A provision that permits the District to early terminate the Fuel Commodity Transaction if the Fuel Hedge Counterparty's (or its guarantor's) long-term debt rating becomes rated below "Baa2" or "BBB" by one or more nationally recognized statistical rating organization.

FUEL HEDGE COUNTERPARTY: A financial institution or recognized commodity hedge counterparty which, at the time of execution of a Fuel Commodity Transaction with the District, has (or is guaranteed by a party that has) a long-term debt rating (i) in at least the "Aa" or "AA" category by at least one nationally recognized statistical rating organization and (ii) no less than "A2" or "A" by any nationally recognized statistical rating organization(s).

GOVERNMENT SECURITIES: An obligation of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND: A voluntary investment fund open to government entities in California that is managed by the State Treasurer's office.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current fair value.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MAXIMUM PERCENTAGE: Eighty percent (80%) of the District's budgeted diesel fuel costs for a fiscal year.

MAXIMUM TERM: With respect to each Fuel Commodity Transaction, no more than eighteen months.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Last Amended by Resolution No. 12-032

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NOTE: A written promise to pay a specified amount to a certain entity on demand or on a specified date.

OFFER: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask Price."

PAR VALUE: The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Collection of securities held by an investor.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRUDENT PERSON RULE: An investment standard. California Government Code requires that a fiduciary may invest money only in a list of securities selected by the state-the so-called legal list. In addition, the fiduciary can only invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (REPO): The purchase of securities by a local agency pursuant to an agreement by which the counterparty will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third party custodial

Last Amended by Resolution No. 12-032

Page 13 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12

agreement. Refer to section 10.0 for detailed information on the District's collateralization policy.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par, or plus any discount from par in purchase price, with the adjustment spread over period from the date of purchase to the date of maturity of the bond.

Last Amended by Resolution No. 12-032

Page 14 of 14

Adopted: 1/92
Amended: 3/03, 3/04, 3/05, 3/06, 3/07, 6/09,
3/10, 4/10, 1/11, 6/12



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Receive the FY 2013-14 Mid-Year Operating and Capital Budget Review and Adopt Resolution No. 14-012

ACTION ITEM

RECOMMENDED ACTION(S):

Consider recommending receipt of the FY 2013-14 Mid-year Budget Review and recommend adoption of Resolution No. 14-012 amending the FY 2013-14 Annual Operating and Capital Budget.

EXECUTIVE SUMMARY:

The mid-year results for FY 2013-14 show positive developments on both revenues and expenses, as well as in the capital program, that prompts Staff to anticipate a continuous strengthening of the financial sustainability of the District's fiscal position.

Farebox revenues are showing very positive trends, with 5% increases year-over-year in receipts and trending higher than budget, which included an assumption for ridership growth. The underlying ridership growth trends are indicative of more improvement in this revenue stream. Other operating revenues and subsidies are also higher than budget, largely due to an improved regional economy, especially taxable sales subsidies.

On the operating expenses side, the first 6 months of the fiscal year also show continuous signs of improved labor cost efficiencies, particularly in Operations area, while non-labor costs have been a significant main contributor to the lower than budgeted costs during the period, with Operations and associated costs again becoming an important part of the savings and efficiencies achieved thus far.

As a result, the FY 2013-14 Mid-Year budget changes reflect positive revisions to revenues totaling \$8.4 million, or 2.6% over the original adopted budget. These additional revenues more than offset projected increases in operating costs of around \$6.7 Million or 2.1% of the original adopted budget, which includes the recently adopted labor contracts and adjustments in compensation for ATU and Unrepresented employees, as well as other adjustments to Pension contribution costs.

Additionally, the FY 2013-14 Capital Program grew by \$33.3 Million – from \$95.3 Million to \$128.6 Million due to the reallocation of state and federal funds as approved by the Board in October 2013 and the successful generation of new grants funding to date, which reduced District Capital commitment by \$3.8 Million. Of which, staff is requesting \$937,827 (or \$ 0.9 Million) for the list of capital projects shown in Attachment 2. This will reduce the District's overall capital commitment by \$2.9 Million in FY 2013-14 (from \$12.1 Million to \$9.2 Million), with a larger amount now being grant-funded.

The recommended revenue and expenditure adjustments result in a projected surplus of \$4.67 Million in FY 2013-14. With a continued upward trend in the economy and implementation of cost efficiencies, the District is expected to conclude the fiscal year with a positive balance which would position the District to provide enhanced service. A proposal will be brought to the Board for consideration in March.

BUDGETARY/FISCAL IMPACT

The District's general fund budget for FY 2013-14 will show a net increase of \$4.5 Million from the previously projected Surplus of the original adopted budget for a total end Surplus of \$4.67 Million projected as of end of June 2014. Therefore, the projected budget will not only be balanced for the Fiscal Year 2013-14, but the budget will show early signs of financial sustainability and continuous resilience.

BACKGROUND/RATIONALE:

This report presents the operating results for the first 6 months of the fiscal year 2013-14 as well as the revised recommended budget projected to be executed for the full fiscal year 2013-14.

For the period July to December 2013, or the Mid-Year Review, the main highlights are the following:

- Operating revenues showed a positive growth trend for the period, in particular for Contract Services and Advertising revenues. Farebox receipts are also trending upwards, underscoring important ridership gains that started over a year ago, which are in large part associated with the improvement during the period of many key performance indicators like Service Operated, Miles Between Roadcalls, and the Accident Rate. Income from rental properties also contributed to the good showing in the period for this revenue category. The only softness, apparently related to temporary factors, was in the receipts of proceeds from parking ticket citations. Overall, Staff sees the strengthening of Operating Revenues as a very critical development in the confirmation of the long-term sustainability of the District's operations.

- Subsidies revenues were also showing strong indication of enhanced long-term sustainability prospects for the District. This category overall was also slightly better than budget for the period, which is worth emphasizing since as discussed during the budget adoption process, this is the first year in a long time where the District's operations are not supported by capital exchanges from preventive maintenance funding. Even more significantly, Staff's initial revenue projections and funding agencies allocations for the year signal an important upside for the remainder of the fiscal year.
- Operating Expenses for the District's General Fund on a budgetary basis and on a Year-To-Date (YTD) basis, are under budget by approximately \$3.6 Million or 2.2% as of the end of December 2013. Overall, the District's labor costs were at budget for the period. This was primarily due to the continued favorable positive variance in Operations wages for Transportation, Maintenance and clerical workers, which is the main reason why total salaries and wages are under budget on a Year-to-Date basis. The District secured a labor contract agreement with the Amalgamated Transit Union in late December, which provides for a contribution by employees towards healthcare costs. The absence of an agreement caused the District to incur additional labor costs of approximately \$1.6 million on a Year-To-Date basis due to this employee group not contributing to its Health and Welfare costs. Other important figures that continued showing positive trends were Bus parts and Supplies as well as Fuel and lubricants, while Staff finally received confirmation of expected significant savings accrued for the ADA Consortia program. In conclusion, YTD operating costs continue to trend under budget, with the non-labor cost activity having the largest impact with a positive variance of \$3.3 million on an YTD basis.

Staff presents the revised recommended budget for the full fiscal year 2013-14.

The projected operating results for the general fund after mid-year review show a net increase of \$1.65 Million compared to the previously adopted budget. Most of the change comes as a result of an important increase in many revenue categories, but particularly in taxable-sales related subsidies. Increased revenues were offset by higher labor costs, due to the effect of the new contract with ATU, and pension cost related adjustments. The Net final Surplus / (Deficit) position of the District's General Fund is expected to be increased by \$4.5 Million, as a consequence of the additional net favorable change in the District-funded capital program by \$2.9 Million.

The following summarizes the main District budgetary recommended changes and adjustments and projected year end results, including Staff's recommended budget for FY 2013-14:

FY 2013-14 Operating Budget Recommended Changes:

Revenues:

- Farebox revenues are increased by \$0.6 Million due to the acceleration in ridership growth trends during the period.
- Contract Services revenues are also increased by \$0.6 Million due to significant growth in volume for certain contracts, especially the UC Berkeley program.

- Advertising revenues are projected to also increase, by \$0.7 Million due to the much improved economy in the region and the additional utilization of space for advertising by the contractor.
- Other operating revenues also are increased by \$0.4 Million which is the net result of a reduction in receipts from parking ticket citation revenues by \$-0.2 Million due to temporary factors, while Staff expects the District to receive \$0.6 Million on cost reimbursements billed in relation with additional services provided during the strikes affecting BART service.
- TDA, AB1107 and STA are projected to increase by approximately \$5.8 Million as a consequence of the recent revision of allocations by MTC in their February Fund Estimate, associated with a much improved economy. Other taxable sales-based revenues like Measure B are also projected to be stronger than expected, though Measure J appears to end up the year softer. These are not figures reported by MTC but Staff's own estimates, netting an increase of \$0.9 Million.
- Property taxes revenues are expected to continue showing solid increases and may add \$1.0 Million, not including any potential new redevelopment funds, while on the other hand there seems to be no reason for changes in projected revenues from Measure VV.
- ADA Paratransit funding is projected to generate \$0.5 Million more.
- Other grants and subsidies are reduced as a whole by \$-1.9 Million on net, as a consequence of the early reception of proceeds from the Lifeline STA funding source, which were mostly advanced and reported in FY 2012-13 while budgeted for FY 2013-14.
- Redirecting \$1.03 million in State Transit Assistance funds to Lifeline Program – FTA Jobs Access and Reverse Commute (JARC) funds lapsed on September 30, 2013 due to delays in U.S. Department of Labor certification resulting from a dispute over potential conflicts between the California Public Employees' Pension Reform Act (PEPRA) and federal transit labor law. The lapsed JARC funds were programmed for several projects in the Lifeline Transportation Cycle 3 program for the region, including funding for AC Transit's existing services in low-income neighborhoods, City of Oakland's Oakland Broadway Shuttle project and San Leandro Transportation Management Organization's LINKS shuttle project. In its efforts to make the lifeline projects whole, MTC has proposed using FY 2013-14 STA funding to replace the lapsed federal funds. However, the cities are not eligible recipients of STA funds and the proposed use of STA funding will require the District to redirect \$1.03 million in Measure B funds to the Cities of Oakland and San Leandro in lieu of the STA funds. This has no net budgetary impact to the District.

Expenses:

- Operating Expenses are being adjusted to recognize the need to strengthen the Tiger teams to achieve on-time performance; the impact of legislative action on the implementation of PEPRA (\$0.65 Million); a revision to the contributions to the Pension

Plan based on the recent actuarial report (\$0.89 Million); the financial cost of the approved new labor contract with ATU (\$4.37 Million) and compensation changes to Unrepresented employees (\$0.48 Million); and a new allocation for certain Services for \$0.2 Million.

- A total of \$937,827 (or \$0.9 Million) in District Capital funds is being requested for the list of capital projects shown in Attachment 2.

The District's General Fund Operating Budget is based on 1.65 Million Revenue Vehicle Hours, 21.9 Million total miles operated, and 1,874 authorized positions, including grant-funded positions.

FY 2013-14 Capital Budget Mid-Year Review

In June 2013, the District Board approved the Fiscal Year 2013-14 Capital Budget, which included \$12.1 Million in District funds. In October 2013, the District Board approved the reprogramming of state and federal funds that reduced District funds in the budget by \$3.8 Million to \$8.3 Million. Staff is requesting an additional \$937,827 (or \$0.9 Million) in District funds (please see Attachment 2), which will bring the total District funds in the FY 2013-14 Capital Budget to \$9.2 Million. The FY 2013-14 Capital Budget also recognizes the \$36.2 Million in additional grant funds as approved by the Board in October 2013 and grant-funding awards to date. The total capital program (all years) will then be \$436.5 Million. Attachment 3 reviews the spending status of all the projects in the capital program.

Mid-Year Capital Program Actions

Staff is recommending 10 changes to the FY 2013-14 capital budget, with seven requiring Board approval, for a total addition of \$937,827 (or \$0.9 Million) in District capital funds to accelerate the delivery of the capital projects. The changes are shown in the Attachment 2, and detailed below:

- Boardroom AV Upgrade – This project requires an additional \$100,000 for more extensive electrical repairs than planned and additional equipment purchases.
- D4 Environmental Cleanup – The State recently approved the Corrective Action Plan submitted by the District to clean up soil contamination at D4. This new project for \$200,000 will fund two years of the cleanup process.
- D4 Parking Garage Repair – The repair method selected through the design process requires that the garage be completely closed for 1-2 weeks during the repairs. It was initially planned that the garage could be partially open for parking during the repair. An additional \$100,000 is required to secure temporary parking for employees during the repair.
- General Office (GO) Fire Sprinkler Compliance – Design costs for the sprinkler repair work is higher than estimated. The additional \$65,000 will also allow the District to meet its Title 19 5-year compliance inspections requirements.
- District-Wide Elevator Rehab – The construction cost estimate for the elevators at the divisions are higher than the remaining budget in this project. An additional \$290,000 is needed to cover the cost of the expected bids.

- Facilities State of Good Repair: GO Fire Door Replacement Design – The scope of the design for replacement of the fire doors at the GO has been increased to require specific plans for the each door instead of a generic typical door specification totaling \$56,000.
- Facilities State of Good Repair: GO Customer Service Counter Rehab - Rehabilitation of the areas behind the customer service counters requires more extensive electrical and other work than planned. An additional \$100,000 is required.
- Computer-To-Plate Machine: The print shop has been experiencing abnormally high downtime due to equipment breakdowns in the litho-film prepress process. A new \$80,000 Computer-To-Plate machine will eliminate the film step and improve the process with greatly reduced maintenance needs.

ADVANTAGES/DISADVANTAGES:

This report is being provided to inform the Board of the activities of the last six months, and to provide a projected recommended budget for the remainder of FY 2013-14, including, in the case of the Capital Budget, the implementation of urgently needed facilities repairs and vehicle and other equipment replacements.

ALTERNATIVES ANALYSIS:

Staff found no practical alternatives to the course of action recommended in this report.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Resolution 13-026 Operating Budget Adoption, June 26, 2013

Resolution 13-029 Capital Budget Adoption, June 12, 2013

Board Policy 312 Budget Policy

ATTACHMENTS:

- 1: Mid-Year General Fund Operating and Capital Budget Review FY 2013-14
- 2: Mid-Year FY 2013-14 Capital Requests
- 3: Overview of the Capital Program
- 4: Resolution No. 14-012

Department Head Approval:	Lewis G. Clinton, Jr., Chief Financial Officer
Reviewed by:	Denise Standridge, Interim General Counsel John Haenftling, Director of Projects Control
Prepared by:	Hernan Vargas, Budget Manager Chris Andrichak, Senior Analyst, Capital Planning & Grants

AC TRANSIT**Mid-Year Budget Review FY 2013-14****Summary - Recommended Budget, Comparison and****Budget Changes**

February 26, 2014

	Adopted Budget FY 13-2014	Mid-Year Adjustments	Recom Mid- Year FY 13-2014	FY1314 Mid-Year vs Adopted Bdg Var Fav / (Unfav) %
<u>REVENUES AND SUBSIDIES</u>				
<u>Operating</u>				
1 Total Farebox	52,438	562	53,000	1.1%
1a Contract Services	5,017	583	5,600	11.6%
2 BART Transfers	3,460	140	3,600	4.0%
3 Interest Income	50		50	0.0%
4 Advertising	1,185	735	1,919	62.0%
5 Other Revenue	1,700	381	2,081	22.4%
6 Rental Income	290	60	350	20.7%
7 Other Operating Revenues	11,702	1,899	13,600	16.2%
8 Total Operating Revenues	64,139	2,461	66,600	3.8%
<u>Subsidies</u>				
9 Transportation Develop. Act (TDA)	54,029	3,514	57,543	6.5%
10 AB 1107	34,500	1,350	35,850	3.9%
11 Measure B	24,436	(436)	24,000	-1.8%
12 State Transit Assistance (STA)	9,376	2,003	11,379	21.4%
13 Measure J	4,475	(128)	4,347	-2.9%
14 Total Sales-Tax based Subsidies	126,816	6,303	133,119	5.0%
15 Property Taxes	75,500	1,000	76,500	1.3%
16 Measure AA/BB/VV	29,241	-	29,241	0.0%
17 Total Property Taxes based Subsidies	104,741	1,000	105,741	1.0%
18 ADA Paratransit Fund (inc. fares)	5,378	544	5,922	10.1%
19 Federal Assistance (ADA)	3,988	0	3,988	0.0%
20 ADA Paratransit Vehicles	1,433	(0)	1,433	0.0%
21 Total ADA related Subsidies	10,799	544	11,343	5.0%
22 Fed Assis - Prev Maint.	-	-	-	N/A
23 Capital Funds Exchange	-	-	-	N/A
24 Total Prev Maint and related Subs	-	-	-	N/A
25 Supplemental Service	2,000	225	2,225	11.3%
26 Labor Reimbursement	2,008	(187)	1,821	-9.3%
27 RM2 subsidies, DB local assistance	12,229	431	12,660	3.5%
28 BART Escrow account	3,000	(278)	2,722	-9.3%
32 Lifeline STA JARC, AB664	3,100	(2,111)	989	-68.1%
33 Total Other Federal, State and Local grants s	22,337	(1,920)	20,417	-8.6%
34 Total Subsidies	264,692	5,928	270,620	2.2%
35 Total Revenues and Subsidies	328,832	8,389	337,220	2.6%

AC TRANSIT

Mid-Year Budget Review FY 2013-14

Summary - Recommended Budget, Comparison and

Budget Changes

February 26, 2014

	Adopted Budget FY 13-2014	Mid-Year Adjustments	Recom Mid- Year FY 13-2014	FY1314 Mid-Year vs Adopted Bdg Var Fav / (Unfav) %
<u>OPERATING EXPENSES</u>				
36 Salary & Wages	107,781	14	107,795	0.0%
37 Fringe Benefits	79,247	60	79,307	-0.1%
38 Pension Fund	40,850	899	41,749	-2.2%
PEPRA	(650)	650	-	-100.0%
39 Total Labor Costs	227,228	1,623	228,851	-0.7%
Impact of ATU and Unrep comp agreement/adjustments		4,856	4,856	N/A
39.d Adjusted Total Labor Costs	227,228	6,479	233,707	-2.9%
District OPEX to be capitalized	(1,000)	-	(1,000)	0.0%
40 Services	22,275	200	22,475	-0.9%
41 Fuel & Lubricants	19,148	-	19,148	0.0%
42 Other Materials & Supplies	15,765	-	15,765	0.0%
44 Utilities & Taxes	5,929	-	5,929	0.0%
45 Casualty & Liability	10,090	-	10,090	0.0%
46 Interest Expense	1,235	-	1,235	0.0%
47 ADA Consortium and Other Purchased Transp	27,012	-	27,012	0.0%
48 Other	1,027	-	1,027	0.0%
50 Total Operating Expenses	328,708	6,679	335,387	-2.0%
52 Operating Surplus / (Deficit)	124	1,709	1,833	1382.1%
<u>CAPITAL PROGRAM</u>				
55 District Funded Capital	12,100	(2,900)	9,200	-24.0%
55.b Grant Funded Capital	83,200	36,233	119,433	43.5%
56 District Contribution to Capital	(12,100)	-	(12,100)	0.0%
56.b Grants Contribution to Capital	(83,200)	(36,233)	(119,433)	43.5%
58 Total Capital Expenses, Net	-	(2,900)	(2,900)	N/A
59 Total Expenses	328,708	3,779	332,487	1.1%
60 Surplus / (Deficit)	124	4,609	4,733	3727.0%

FY 13-2014 Mid-Year Capital Request

Project Manager	Project Description	Project #	Justification for Mid-Cycle Request	District Funds Requested
Magnus Heinszch	District-wide Weatherproofing	10033	Completed under budget	(\$21,445)
Stuart Hoffman	Non-Revenue Vehicles	2034	Allow purchase of additional vehicle and unit price increase	\$3,314
Mike Carvalho	Disaster Plan - ITS Systems	1857	Completed under budget	(\$35,042)
Magnus Heinszch	Boardroom AV Upgrade	2012	Repairs more extensive than planned, additional equipment requested	\$100,000
Wahid Amiri	D4 - Environmental Clean-up	TBD	Submitted State Corrective Action Plan calls for soils decontamination	\$200,000
Magnus Heinszch	D4 - Parking Garage Deck Repair Ph1	2044	Proposed repair method requires entire garage to be cleared for 1-2 weeks. Funds are to secure temp parking for employees	\$100,000
Craig Michels	GO Fire Sprinkler Compliance	2012	Design costs higher than expected, and added costs for Title 19 5-year compliance	\$65,000
Craig Michels	District-wide Elevator Rehab	10011	Construction estimate for non-GO facilities higher than budget	\$290,000
Magnus Heinszch	Facilities SGR - GO Fire Door Replacement	2063	Design scope expanded to cover all door locations instead of typical location	\$56,000
Magnus Heinszch	Facilities SGR - GO Customer Service Rehab	2063	Conditions worse than planned, estimate to fix is higher	\$100,000
Bo Aubrey	New Computer-To-Plate Machine	TBD	Current litho-film offset printing process increasingly breaking down. New machine will greatly improve reliability.	\$80,000
				\$937,827

This page intentionally blank

FY 2014 Capital Budget Mid-Year Review

ID	Project	Category	Project Cost	Amount Spent	% Spent
2001	BRT Right Of Way/TPA	BRT	3,163,000	1,817,500	57%
2002	BRT Preliminary Engineering	BRT	5,421,850	5,288,135	100%
2003	BRT Final Design, Plans & Spec	BRT	14,642,000	9,967,154	68%
2004	BRT Construction	BRT	99,945,000	-	0%
2005	BRT Vehicles	BRT	2,580,000	-	0%
2006	BRT Proj Mgt/Constr Mgt	BRT	43,511,000	7,786,368	18%
Various	BRT Environmental	BRT	8,635,708	8,635,708	100%
2042	Line 51 Corridor TPI	Corridors	10,515,624	2,065,140	20%
1655	66th Avenue	Facilities	59,485	55,630	94%
1808	D2-Storm Drains	Facilities	1,036,304	726,709	70%
1861	CAD/AVL/Radio System Replace	Facilities	38,500,000	2,353,657	6%
2010	Rework GO Office Config	Facilities	100,000	-	0%
2011	GO-Fire Code Compliance	Facilities	146,000	66,387	45%
2012	Boardroom AV	Facilities	100,000	95,770	96%
2023	D6-Reroof Maint & Mack Bldgs	Facilities	548,000	-	0%
2025	D6-Pavement Rehabilitation	Facilities	500,000	2,404	0%
2026	D2-Replace concrete at FI	Facilities	209,000	559	0%
2028	Upgrade Hazmat berms	Facilities	474,600	158	0%
2032	Finance Equipment	Facilities	14,000	9,976	71%
2037	Photovoltaic Solar Panels Ph2	Facilities	2,982,526	2,710,823	91%
2044	D4-Garage Deck Repair, Phase 1	Facilities	432,000	43,153	10%
2049	GO-Relocate Guard Desk Phase 1	Facilities	134,000	-	0%
2054	San Leandro BART Terminal	Facilities	3,929,026	448	0%
2056	D2-Roof Replacement /Equipment	Facilities	655,000	75,434	12%
2058	D4-Trans.Bldg./Chiller Replacement	Facilities	3,030,000	-	0%
2064	Concrete Repairs/Drain Trench	Facilities	351,250	-	0%
2079	Emergency Facilities Repair	Facilities	215,000	75,553	35%
2080	Maintenance Equipment	Facilities	15,000	7,697	51%
2081	IS-Equipment Replacement	Facilities	150,000	102,915	69%
2082	Contra Costa College Transit Center	Facilities	660,000	-	0%
2089	Ground Hoists & Bus Washers	Facilities	4,500,000	-	0%
2090	External Painting of Divisions (D2, D4, D6)	Facilities	700,000	-	0%
10009	GO-Replace Fire Alarm Panel	Facilities	880,000	862,453	98%
10011	District-wide Elevator Modernization	Facilities	2,371,742	2,364,634	100%
10016	D2/D6-Study Parking Structures	Facilities	76,000	74,426	98%

FY 2014 Capital Budget Mid-Year Review

ID	Project	Category	Project Cost	Amount Spent	% Spent
10033	District-Wide Weatherproofing	Facilities	150,000	128,555	86%
10036	GO Weatherization	Facilities	5,349,600	462,802	9%
Various	Facilities SGR Projects	Facilities	650,000	198,462	31%
1691	ZEBA Buses	Hydrogen	2,267,484	3,286	0%
1701	Oakland Hydrogen Fueling Facil	Hydrogen	13,908,782	12,134,112	87%
1704	Marketing and Outreach - ZEBA	Hydrogen	482,495	362,580	75%
2027	D2-Hydrogen Maintenance Bay	Hydrogen	650,000	-	0%
1366	Richmond Parkway Transit Center	Other	650,000	645,107	99%
2055	Spectrum Ridership Growth	Other	2,036,232	380,426	19%
2078	Corridor Study	Other	460,000	-	0%
1829	Internal Text Messaging Signs	Technology	1,700,000	1,293,968	76%
1836	Peoplesoft Server Migration	Technology	397,574	241,674	61%
1857	Disaster Plan-ITS Systems	Technology	493,672	457,586	93%
2029	IS-Claims System	Technology	143,000	43,022	30%
2030	Automatic Passenger Counters	Technology	133,500	130,228	98%
2033	NextBus Replacement	Technology	120,000	-	0%
2047	IS-Unity upgrade to 8.x	Technology	60,000	38,860	65%
10019	Hastus Integrated Operations	Technology	3,515,000	2,181,926	62%
1856	State of Good Repair-Veh.	Vehicles	7,403,000	948,351	13%
2017	23 x 60' Articulated Buses	Vehicles	18,778,743	18,778,743	100%
2018	65 x 40' Urban Buses	Vehicles	29,958,513	29,192,608	97%
2019	16 x 40' Transbay Buses	Vehicles	7,556,969	7,556,969	100%
2021	38 x 40' Transbay Buses	Vehicles	18,213,042	17,192,389	94%
2034	Replace Non-Revenue Vehicles	Vehicles	200,000	200,000	100%
2040	Replace Fareboxes	Vehicles	11,800,000	11,287,455	96%
2050	(51) Diesel Particulate Filters	Vehicles	1,590,450	1,431,392	90%
2055	MCI Exhaust Retrofits	Vehicles	275,000	-	0%
2066	68 x 40' Urban Buses	Vehicles	31,436,761	549,915	2%
2068	27 x 60' BRT Hybrid Buses	Vehicles	25,006,405	-	0%
Totals			436,569,336	151,029,207	35%

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
RESOLUTION NO. 14-012**

**A RESOLUTION AMENDING THE GENERAL FUND OPERATING AND CAPITAL BUDGET FOR
FISCAL YEAR 2013-14 AT MID YEAR FY 2013-14**

WHEREAS, the Board of Directors approved the Calendar and Process for the Development of the General Fund Operating and Capital Budgets for FY 2013-14 on November 11, 2012; and

WHEREAS, the Board of Directors reviewed and established the Budgetary Principles, Budgeting Model, Goals and Objectives and KPIs Framework, and Strategic and Fiscal Priorities for the Development of the General Fund Operating and Capital Budgets for FY 2013-14 on Budget workshops and meetings held on February 27, 2013 March 13, 2013, and April 24, 2013 according to the approved Budget Development Calendar and Process; and

WHEREAS, the Board of Directors approved the FY 2013-14 Capital Budget per Resolution 13-029 on June 12, 2013; and

WHEREAS, the Board of Directors approved the FY 2013-14 Operating Budget per Resolution 13-026 on June 26, 2013; and

WHEREAS, the Board of Directors has received and reviewed the General Manager's Recommended Mid Year Budget Revisions for FY 2013-14 General Fund Operating and Capital Budget; and

NOW THEREFORE, the Board of Directors of the Alameda-Contra Costa Transit District does resolve as follows:

Section 1. Amend the Fiscal Year 2013-14 General Fund Operating and Capital Budget for Fiscal Year 2013-14 Mid Year Revisions as identified on the FY 2013-14 Mid Year Budget Review Summary:

- a. Total Operating Revenues for the Fiscal Year 2013-14 is revised to \$ 337.2 Million as identified on the FY 2013-14 Mid Year Budget Review Summary.
- b. Total Operating and Non-Operating Expenses for the Fiscal Year 2013-14 is revised to \$ 335.4 Million as identified on the FY 2013-14 Mid Year Budget Review Summary.
- c. Total Capital Program for the Fiscal Year 2013-14 is revised to \$ 128.6 Million as identified on the FY 2013-14 Mid Year Budget Review Summary.
- d. Total Capital Program Contributions for the Fiscal Year 2013-14 is revised to \$ 131.5 Million as identified on the FY 2013-14 Mid Year Budget Review Summary.
- e. Transfer to Unrestricted Net Assets is revised to \$ 4.67 Million, as identified on the FY 2013-14 Mid Year Budget Review Summary

Section 2. This resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

PASSED AND ADOPTED this 26th day of February 2014

Greg Harper, President

Attest:

Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 26th day of February, 2014 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda A. Nemeroff, District Secretary

Approved as to Form and Content:

Denise Standridge, Interim General Counsel

AC TRANSIT DISTRICT
Resolution No 14-012
(AMOUNTS IN THOUSANDS)

	FY 2013-14 Mid-Year Budget 2/26/2014	
OPERATING REVENUES & SUBSIDIES:		
Farebox	53,000	
Other Operating Revenue	13,600	
Total Operating Revenues	66,600	
Sales-Tax based subsidies	133,119	
Property-Tax based subsidies	105,741	
Preventive Maintenance and related Subsidies	-	
ADA Paratransit related operating subsidies	11,343	
Other Federal, State and Local grants subs	20,417	
Total Operating Subsidies	270,620	
TOTAL OPERATING REVENUES & SUBSIDIES	337,220	Total Revenues FY 2013-14 \$ 337.2M
OPERATING EXPENSES:		
Labor Costs	233,980	
PEPRA	-	
District's Operating Expenses to be Capitalized	(1,800)	
Services	23,632	
Fuel & Lubricants	18,646	
Other Materials & Supplies	15,678	
Utilities & Taxes	6,237	
Casualty & Liability	11,590	
Interest Expense	1,253	
Other	1,170	
ADA and DB purchased transp	26,111	
TOTAL OPERATING EXPENSE	336,497	Total Expenses FY 2013-14 \$ 336.5M
OPERATING SURPLUS/(DEFICIT)	723	
Net Non-Operating Expenses	-	
ADJUSTED OPERATING SURPLUS/(DEFICIT)	723	
CAPITAL PROGRAM		
District Funded Capital Program	9,200	Total Capital Program FY 2013-14 \$ 94.0M
Grant Funded Capital Program	84,800	
District Contribution to Capital Program	(9,200)	Total Contributions to Fund Capital Program
Grants Contribution to Capital Program	(84,800)	
Total Capital Program, Net of Funding	-	
REVENUE / EXPENSE ADJUSTMENTS:		
Transfer From / (To) Unrestricted Net Assets	(723)	Transfer From / (To) Unrestricted Net Assets
TOTAL ADJUSTMENTS	(723)	
ADJUSTED SURPLUS / (DEFICIT)	-	

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Regional Fare Coordination Agreement with BART

ACTION ITEM

RECOMMENDED ACTION(S):

Consider Authorizing the General Manager, or his designee, to execute a Regional Fare Coordination Agreement with San Francisco Bay Area Rapid Transit District (BART).

EXECUTIVE SUMMARY:

BART transfer payments to AC Transit and San Francisco Municipal Transportation Authority (Muni) were established as part of AB842 as a financial incentive to provide enhanced feeder service to BART consistent with the coordinated fare principle. The payments started at \$3 million in 1985 to AC Transit. The amount of this transfer subsidy has been negotiated multiple times since then and payments have been directed by the Metropolitan Transportation Commission (MTC) using BART's State Transit Assistance (STA) apportionments. In 2011, MTC created an escrow holding \$1.1 million of the transfer payment annually pending an agreement between the agencies.

As directed by MTC's Programming and Allocations Committee in June 2013, MTC has facilitated discussions between AC Transit and BART to address both the one-time release of escrow funds and the on-going transfer payments. The terms of a potential 6-year agreement would – 1) set the base amount of BART transfer payment at \$3.6 million starting in FY 2015, and each following year it would be indexed on a combination of ridership growth for transferring passengers and Consumer Price Index up to a maximum increase or decrease of 5 percent annually; 2) release \$2.7 million in escrow funds to AC Transit upon execution of the agreement; and 3) allow MTC to build up a reserve of \$1 million for joint fare coordination activities including the Inner East Bay Fare Discount Pilot program, a recommendation of the Comprehensive Operations Analysis (COA).

Staff believes this agreement is fair and was negotiated in good faith between the agencies and requests Board approval to authorize the General Manager, or his designee, to execute the Regional Fare Coordination Agreement with BART.

BUDGETARY/FISCAL IMPACT:

The District expects to receive \$2.7 million from the escrow account before the end of the current fiscal year. Additionally, \$3.24 million is anticipated in FY 2015 in BART transfer subsidy. Following year, this amount may increase or decrease by a maximum of 5% based on the cumulative percentage change in Clipper ridership of transferring passengers and the Consumer Price Index.

BACKGROUND/RATIONALE:

In 1979, the legislature enacted AB 842, which removed the service improvement restriction and called for cooperative financial management planning among MTC and the three operators – BART, AC Transit and Muni. Subsequently, MTC formed an AB842 Policy Committee as an ongoing advisory committee to MTC, with a membership comprised of MTC commissioners and a board member each from BART, Muni and AC Transit. In 1981, the Policy Committee established the “Coordinated Fare Principle” whereby fares would periodically be raised in a coordinated manner to address the combined deficit of the three operators after passage of Proposition 13. BART transfer payments were established as part of AB842 and began paying AC Transit in 1985 and Muni in 1987. Such payments helped consistency with the coordinated fare principle and were intended to provide a financial incentive for bus operators to emphasize feeder service to BART.

Initially, the amount of the BART payment was based on formulas incorporating estimates of transferring passengers and net operating costs. Later the transfer amount was indexed to BART’s State Transit Assistance (STA) revenue and was distributed by MTC to AC Transit and Muni. The subsidy amount to AC Transit has varied from \$3 million to \$6.7 million and has been reset by MTC on multiple occasions depending on the flow of STA revenues. In absence of a formal agreement between BART and AC Transit, MTC set the transfer payments at \$3.6 million in FY 2011. And, in FY 2011 to FY 2013, MTC held \$1.1 million annually of the transfer payments in escrow pending an agreement, with \$3 million in escrow to date.

In June 2013, MTC’s Programming and Allocations Committee directed MTC staff to work with AC Transit and BART to formalize a new agreement. The terms of a proposed 6-year agreement include:

- Effective FY 2015, BART would make payments directly to AC Transit with a base amount set at \$3.6 million. Each subsequent year, the subsidy may increase or decrease up to a maximum of 5% based on the cumulative percentage change in total ridership of transfer passengers and the Consumer Price Index.
- MTC will release \$2.7 million held in escrow to AC Transit upon execution of the new agreement.
- A total of \$1 million will be held by MTC in reserve - \$0.3 million from the escrow for the Inner East Bay Fare Discount Pilot implementation, a recommendation resulting from the COA; and the balance from the ongoing BART transfer payments, at 10% of annual share, for the joint fare coordination activities.

ADVANTAGES/DISADVANTAGES:

The advantages include release of escrow funds and an executed BART Fare Coordination Agreement for future transfer payments.

ALTERNATIVES ANALYSIS:

There are no recommended alternative actions at this point. This report found no practical alternatives to the course of action outlined above.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

None

ATTACHMENTS:

None

Department Head Approval: Thomas Prescott, Chief Performance Officer
Reviewed by: Denise Standridge, Interim General Counsel
Lewis G. Clinton, Jr., Chief Financial Officer
Robert Del Rosario, Director of Service Development
Prepared by: Kiran Bawa, Manager of Special Projects

This page intentionally blank



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Quarterly Report on the Status of Contracts and Purchase Orders over \$100,000

BRIEFING ITEM

RECOMMENDED ACTION(S):

Recommend receipt of the quarterly report on the status of contracts and purchase orders over \$100,000.

EXECUTIVE SUMMARY:

The attachments to this report contain information related to the status of contracts and purchase orders over \$100,000 awarded by the District for the period of September 1, 2013 through December 31, 2013, including an explanation of the purpose of the contract and purchase orders that equal or exceed \$100,000 in value, each was procured through a formal procurement process.

BUDGETARY/FISCAL IMPACT:

There is no budgetary/fiscal impact related to this briefing issue.

BACKGROUND/RATIONALE:

Board Policy 350 requires that the Board of Directors review on a quarterly basis the status of all contracts and purchase orders over \$100,000 awarded by the District. The attached spreadsheets represent procurement actions that necessitate formal procurement process as the award value is at least \$100,000. Typically, purchase orders are valid for the fiscal year that they were issued in. Exceptions to this practice occur most commonly in capital projects where funds may roll over to the next fiscal year.

Additionally, procedures have been put in place to track expiring contracts well in advance of contract expiration. An eight month rolling report is sent to project managers monthly to remind them of the expiring contract, which enables the Purchasing department to work proactively and closely with requesting departments to renew, rebid, or let contracts expire. This coupled with Procurement 101, a seminar developed for District personnel and project managers involved with the procurement process, will promote a more collaborative procurement process along with improved communication.

ADVANTAGES/DISADVANTAGES:

There are no advantages or disadvantages.

ALTERNATIVES ANALYSIS:

There is no alternate analysis. This report serves to list issued purchase orders and all awarded contracts above \$100,000.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 350

ATTACHMENTS:

1. Quarterly Report on open contracts valued at >\$100,000 that were awarded between September 30, 2013-December 31, 2013
2. Quarterly Report on open purchase orders from September 30, 2013-December 31, 2013 valued >\$100,000

Department Head Approval: Tom Prescott, Chief Performance Officer

Prepared by: Jon Medwin, Director of Procurement and Materials

Contract No.	Contract Specialist	Expiration Date	Description	Project Manager	Award Date	Board Award	Board No.	Dollar Amount	Opt Prds total	Opt Prds remain	Vendor	Comments
2009-1077	Brian Jackson	6/30/2014	Actuarial Services	Lewis Clinton	6/24/2009	12/11/2013 (This amendment)	09-171a	\$712,164	0	0	Buck Consultants	Amendment/ Addition of \$150,000 to take the contract through 6/30/2014
2010-1090	Brian Jackson	12/31/2013	HVAC Replcement	Craig Michels	9/1/2010	12/11/2013 (This amendment)	13-307	\$3,800,000	0	0	Best Contracting Services	5th Amendment for \$122,300 for related roof repairs for the chiller project
2012-MA-02 (CCCTA)	Sharon Dennis	7/31/2018	Fixed Route Piggyback Buses	James Pachan	11/13/2013	11/13/2013	13-273	\$128,682,275	0	0	CCCTA & Gillig Buses	Agreement with CCCTA and Gillig for piggybacking on purchase of 25-300 buses over 5 years. Dollar amount is an estimate.
2013-1266	Eric Burks	6/30/2014	D6 Photovoltaic Project	Joe Callaway	10/9/2013	10/9/2013	13-227	\$2,294,045	0	0	RGS Energy	Initial Contract
2010-1137	Brian Jackson	11/21/2014	Third Party Administrator for Workers	Janet Jackson	10/1/2010	9/25/2013	10-227a	\$5,955,987	4	2	Sedgwick Claims Management	Amendment for \$1,218,974 for services for Option Year 2
2013-1247	Eric Burks	12/31/2014	General Offices- Life Safety-Fire Panel Replacement Project	Craig Michels	9/25/2013	9/25/2013	13-197	\$748,935	0	0	Integrated Communications Systems	

This page intentionally blank

Pos in Excess of \$100k-4th Quarter 2013					
PO No.	Sum Amount	PO Date	Vendor	Vendor Name	Buyer
0000023113	\$11,255,391.00	10/1/2013	10694	GENERAL FAREBOX, INC.	eburks
0000023183	\$101,900.00	10/2/2013	10622	GILLIG CORPORATION	jbonds
0000023223	\$131,667.64	10/3/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023225	\$131,667.64	10/3/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023226	\$131,667.64	10/3/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023203	\$203,537.60	10/3/2013	7433	DOWN TOWN FORD/TRUCK PARTS	jbonds
0000023343	\$103,665.00	10/8/2013	10668	METROPOLITAN TRANSPORTATION COMMISSION	jbonds
0000023344	\$150,000.00	10/8/2013	15046	BP ENERGY COMPANY	bkjackso
0000023396	\$107,528.06	10/10/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023397	\$134,410.08	10/10/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023398	\$134,410.08	10/10/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023474	\$275,000.00	10/15/2013	14305	AMERICAN CUSTOMER CARE INC	bkjackso
0000023485	\$103,213.41	10/17/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023484	\$129,016.76	10/17/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023486	\$129,016.76	10/17/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023584	\$748,935.00	10/21/2013	15183	INTEGRATED COMMUNICATION SYSTEM	eburks
0000023635	\$102,585.57	10/24/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023636	\$128,231.96	10/24/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023637	\$153,878.35	10/24/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023715	\$106,087.52	10/31/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023716	\$106,087.52	10/31/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023717	\$132,609.40	10/31/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023719	\$2,294,045.00	10/31/2013	15196	RGS ENERGY	eburks
0000023733	\$7,523,261.12	11/1/2013	10622	GILLIG CORPORATION	jbonds
0000023751	\$142,011.40	11/4/2013	14087	LINDE LLC	bkjackso
0000023812	\$128,245.04	11/7/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023813	\$128,245.04	11/7/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023814	\$128,245.04	11/7/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000023828	\$11,255,391.01	11/8/2013	10694	GENERAL FAREBOX, INC.	eburks
0000023888	\$104,981.82	11/14/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023889	\$131,227.28	11/14/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000023890	\$131,227.28	11/14/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024019	\$105,616.64	11/21/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024020	\$105,616.64	11/21/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024021	\$105,616.64	11/21/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024056	\$274,000.00	11/25/2013	12522	ORACLE AMERICA, INC	eburks
0000024079	\$105,278.30	11/27/2013	11905	IPC	jbonds
0000024082	\$105,278.30	11/27/2013	11905	IPC	jbonds
0000024081	\$131,597.88	11/27/2013	11905	IPC	jbonds
0000024124	\$103,987.74	12/5/2013	11905	IPC	jbonds
0000024125	\$103,987.74	12/5/2013	11905	IPC	jbonds
0000024126	\$129,984.68	12/5/2013	11905	IPC	jbonds
0000024188	\$170,000.00	12/10/2013	14474	LKS CONSULTING	jwoodard
0000024211	\$101,434.53	12/12/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024207	\$101,448.48	12/12/2013	11905	IPC	jbonds

PO No.	Sum Amount	PO Date	Vendor	Vendor Name	Buyer
0000024212	\$126,793.16	12/12/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024213	\$126,793.16	12/12/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024208	\$126,810.60	12/12/2013	11905	IPC	jbonds
0000024209	\$126,810.60	12/12/2013	11905	IPC	jbonds
0000024362	\$103,865.66	12/19/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024363	\$103,865.66	12/19/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000024364	\$103,865.66	12/19/2013	10451	SOUTHERN COUNTIES OIL COMPANY	jbonds
0000024490	\$107,015.33	12/26/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024491	\$107,015.33	12/26/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024492	\$133,769.16	12/26/2013	10468	GOLDEN GATE PETROLEUM CO.	jbonds
0000024497	\$242,733.81	12/27/2013	14526	CORDOBA CORPORTATION	eburks



Alameda-Contra Costa Transit District

STAFF REPORT

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Federal Transit Administration Low or No Emission Vehicle Deployment Grant Application

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager or his designee to apply for a Federal Transit Administration (FTA) Low or No Emission Vehicle Deployment Program (LoNo) grant.

EXECUTIVE SUMMARY:

The District plans to apply for approximately \$2.7 million in FTA funds to cover the incremental costs of purchasing six zero-emission buses and any required facility improvements. This mini-fleet would operate in the Oakland B Shuttle service, replacing the existing Van Hool buses. The procurement for these buses would be open to the zero-emission propulsion technology (essentially either hydrogen fuel cell or battery electric) as long as the bus met the other District and FTA requirements.

BUDGETARY/FISCAL IMPACT:

These FTA funds would require approximately \$467,000 in local matching funds.

BACKGROUND/RATIONALE:

The FTA announced the availability of \$24.9 million of Section 5312 Research and Development FY 2013 funds for the deployment of low or no emission transit buses. Of that amount, \$21.6 million is available for buses and \$3.3 million is available for supporting facilities and related equipment. The main purpose of the LoNo Program is to deploy the cleanest and most energy efficient U.S.-made transit buses that have been largely proven in testing and demonstrations but are not yet widely deployed in transit fleets. The LoNo Program provides funding for transit agencies for capital acquisitions and leases of zero emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities such as recharging, refueling, and maintenance facilities. The proposals will be evaluated on several factors, including: amount of emissions reductions; project size – five buses minimum; preference for incremental funding to build on existing procurements; leadership and commitment to low/no emissions technologies; and strong project teams.

Through the Metropolitan Transportation Commission (MTC) Transit Capital Priorities (TCP) process for distributing FTA formula funds, the District is eligible for funding to replace standard diesel buses with diesel-electric hybrid buses. The FTA LoNo funding would be used to offset the additional cost of a zero-emissions bus over the cost of a hybrid bus. For FY 2015 the District has a fleet of 102 40-foot diesel buses that are due for replacement. The TCP 'pricelist' amount for a 40-foot diesel-electric hybrid bus is approximately \$747,660 per bus, of which 80% would be FTA funding. Using an estimated cost of \$1.1 million for a zero-emission bus, the total additional amount for six buses would be \$2.11 million. An additional \$1 million for any necessary facilities upgrades brings the total to \$3.11 million. The LoNo program would fund 85% of that cost at \$2.7 million and the District would have to contribute the remaining matching funds.

This District has two main reasons for pursuing this opportunity. First is to offset against the likely future requirements from the California Air Resources Board (CARB) for transit fleet emissions. CARB has previously suspended implementation of a rule to require 15% of fleet purchases to be low or no emissions, but has announced its intentions of finalizing a ruling by the end of 2014. The other reason is to provide a zero-emissions fleet for the Oakland B Shuttle service. The B Shuttle operations are funded by the City of Oakland with partial grant funding from the Bay Area Air Quality Management District (BAAQMD) through its Transportation For Clean Air (TFCA) grants. Transitioning the B Shuttle fleet to zero-emissions would increase the chances of Oakland retaining the TFCA funding for operation of this important service.

The District is required to submit its grant proposal through the MTC, as they are the eligible applicant for the region based on FTA regulations. The MTC has informed us that they are willing to submit all reasonable proposals from regional agencies to the FTA.

ADVANTAGES/DISADVANTAGES:

The advantages of pursuing this grant:

- Allow the District to expand its zero-emissions fleet to assist in complying with future CARB mandates
- Assist the City of Oakland in preserving the Oakland B Shuttle service

The disadvantages of pursuing this grant:

- The incremental District local match required for this grant could be used for other purposes, including service enhancements
- Maintenance costs of low/no emissions vehicles may be higher than conventional diesel vehicles

ALTERNATIVES ANALYSIS:

If AC Transit did not apply for the funds, we would procure replacement buses as per the normal District and TCP processes.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

None

ATTACHMENTS:

None

Department Head Approval: Tom Prescott, Chief Performance Officer
Reviewed by: James Pachan, Chief Operating Officer
Dennis Butler, Chief Planning and Development Officer
Lewis G. Clinton, Chief Financial Officer
Denise Standridge, Interim General Counsel
Prepared by: Chris Andrichak, Senior Analyst, Capital Planning and Grants

This page intentionally blank



Alameda-Contra Costa Transit District

S T A F F R E P O R T

TO: Finance and Audit Committee
AC Transit Board of Directors

FROM: David J. Armijo, General Manager

SUBJECT: Renew Enterprise License Agreement with Microsoft

ACTION ITEM

RECOMMENDED ACTION(S):

Authorize the General Manager to negotiate and execute documents related to a piggyback arrangement through the County of Riverside for a five (5) year enterprise license agreement with Microsoft.

EXECUTIVE SUMMARY:

The District is required to renew its enterprise license agreements for the Microsoft products used by the District. The current license agreement expires at the end of February 2014. Failure to do so could put the District at risk.

Staff is recommending the use of County of Riverside Cooperative Microsoft License Contract that is available to all California public agencies. The use of a cooperative contract makes sound fiscal sense, as the District is able to leverage license pricing discounts through awarded Microsoft resellers.

Staff is also recommending that the District pursue a five year agreement rather than a three year agreement as that generates annual savings of approximately \$10,000.

BUDGETARY/FISCAL IMPACT:

This is a yearly recurring expense that we are obligated to pay to remain compliant with our Microsoft software licensing. However, by opting for a five year agreement the District will save approximately \$10,000 per year as compared to a three year agreement. The yearly fee is \$286,892.96 or \$1,434,464.86 for the full five (5) year term. In contrast, for a three (3) year terms, the price would be \$296,702.57 per year.

BACKGROUND/RATIONALE:

The District is required to renew its enterprise license agreements for the Microsoft products used by the District. Staff is recommending the use of County of Riverside Cooperative Microsoft License Contract that is available to all California public agencies. The use of a

cooperative contract makes sound fiscal sense, as the District is able to leverage license pricing discounts through awarded Microsoft resellers. The reason for the timing (that this be entered into in February) is that the District's license renewal is a different date than the County of Riverside's contract renewal date. The District could not wait for the start of the new fiscal year to contract for these licenses.

This agreement licenses all our Microsoft products including:

- Desktop operating systems
- Desktop software like Microsoft Office and Visio
- Office 365 cloud application licenses including Exchange E-mail and Lync
- Antivirus for all workstations and servers
- Server operating systems for over 200 servers
- SQL servers
- SharePoint servers
- Terminal servers
- System management servers
- Windows Network Operating System (NOS) licenses

Staff is also recommending that the District pursue a five year agreement rather than a three year agreement as that generates annual savings of approximately \$10,000 annually compared to the three (3) year agreement that has been used previously.

ADVANTAGES/DISADVANTAGES:

If AC Transit were to procure these licenses on its own, the District would be unable to achieve the level of discounts available through this cooperative agreement.

ALTERNATIVES ANALYSIS:

There is no alternate analysis. This report serves to recommend an acquisition methodology that best serves the District for this requirement.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 350

ATTACHMENTS:

1. 2014 County of Riverside Microsoft License Agreement
2. County of Riverside Microsoft Enterprise License Request For Quotes
3. Tabulation Spreadsheet
4. County of Riverside Board Agenda Signed Approval and Price Reasonableness Determination
5. CompuCom Quote to AC Transit

Report No. 14-065

Page 3 of 3

Department Head Approval: Tom Prescott, Chief Performance Officer

Reviewed by: Denise Standridge, Interim General Counsel

Prepared by: Jon Medwin, Director of Procurement and Materials

This page intentionally blank

CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000044732
 Insight Public Sector Inc
 6820 South Harl Avenue
 Tempe AZ 85283
 USA

Contract ID RIVCO-20800-007-12/14		Page 1 of 3	
Contract Dates 11/01/2013 to 12/31/2014	Currency USD	Rate Type CRRNT	Rate Date PO Date
Description: MS Enterprise Agreement YR3of5		Contract Maximum 5,700,000.00	
Allow Multicurrency PO			

Tax Exempt? N **Tax Exempt ID:**

Line #	Vendor Item ID	Item Desc	Minimum Order		Maximum / Open	
			Qty	Amt	Qty	Amt
1	RI20800-00002	CORE CAL/Device-Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (INSERT PRODUCT DESCRIPTION AND ITEMS#/SKU)OPTIONAL 3 OR 5 YEAR MUST BE REFERENCED	1.00	0.00	0.00	0.00
		Pricing Agreement:	Pricing Date: Pricing Quantity: Quantity Type:			
		Electronic Software Delivery				
2	RI20800-00003	CORE CAL/User-Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (ITEM DESCRIPTION AND ITEM#/SKU MUST BE ENTERED)OPTIONAL 3 OR 5 YEAR MUST BE	1.00	0.00	0.00	0.00
		Pricing Agreement:	Pricing Date: Pricing Quantity: Quantity Type:			
		Electronic Software Delivery				
3	RI20800-00004	ECAL/Device-Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (ITEM DESCRIPTION AND ITEM#/SKU MUST BE ENTERED)OPTIONAL 3 OR 5 YEAR MUST BE	1.00	0.00	0.00	0.00

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


CONTRACT

County of Riverside
USA

Dispatch via Print


Vendor ID 0000044732
Insight Public Sector Inc
6820 South Harl Avenue
Tempe AZ 85283
USA

Contract ID RIVCO-20800-007-12/14		Page 2 of 3	
Contract Dates 11/01/2013 to 12/31/2014	Currency USD	Rate Type CRRNT	Rate Date PO Date
Description: MS Enterprise Agreement YR3of5		Contract Maximum 5,700,000.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
<p>Pricing Agreement: Pricing Date: Pricing Quantity: Quantity Type:</p> <p>Electronic Software Delivery</p>						
4	RI20800-00005	ECAL/User-Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (ITEM DESCRIPTION AND ITEM#/SKU MUST BE ENTERED)OPTIONAL 3 OR 5 YEAR MUST BE	1.00	0.00	0.00	0.00
<p>Pricing Agreement: Pricing Date: Pricing Quantity: Quantity Type:</p> <p>Electronic Software Delivery</p>						
5	RI20800-00006	ADDITIONAL PRODUCTS (DESKTOP)-Device-Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (INSERT PRODUCT DESCRIPTION AND ITEMS#/SKU) OPTIONAL 3 OR 5 YEAR?	1.00	0.00	0.00	0.00
<p>Pricing Agreement: Pricing Date: Pricing Quantity: Quantity Type:</p> <p>Electronic Software Delivery</p>						
6	RI20800-00007	ADDITIONAL PRODUCTS (SERVERS)-Device-Computer software:Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California (INSERT PRODUCT DESCRIPTION AND ITEMS#/SKU) 3 or 5 YEARS?	1.00	0.00	0.00	0.00

Final = The price is final after adjustments
Hard = Apply adjustments regardless of other adjustments
Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


CONTRACT

County of Riverside
USA

Dispatch via Print

Vendor ID 0000044732
Insight Public Sector Inc
6820 South Harl Avenue
Tempe AZ 85283
USA

Contract ID RIVCO-20800-007-12/14		Page 3 of 3	
Contract Dates 11/01/2013 to 12/31/2014	Currency USD	Rate Type CRRNT	Rate Date PO Date
Description: MS Enterprise Agreement YR3of5		Contract Maximum 5,700,000.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
		Pricing Agreement: Pricing Date: Pricing Quantity: Quantity Type: Electronic Software Delivery				
7		PREMIER SUPPORT SERVICES	1.00	0.00	0.00	0.00
		Pricing Agreement: Pricing Date: Pricing Quantity: Quantity Type:				

INSIGHT PUBLIC SECTOR IS THE COUNTY OF RIVERSIDE'S MAIN LARS FOR ALL MS EA PRODUCTS INCLUDING PREMIER SUPPORT (NEW CUSTOMER ONLY FOR PREMIER, EXISTING CUSTOMERS MAY GO THROUGH MS DIRECT FOR PREMIER SUPPORT).

Level D-7.5 Cost plus mark up % (Added at Signing-2.50% AND True-ups 0.00%)

Reference Microsoft Master Agreement Number 01E73134

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.

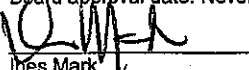
PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.


The County reserves the right to cancel the unexpended balance of this order at any time.

License Period of Performance: From January 1, 2014 through December 31, 2014.
Year: 3 of 5, final year end date of December 31, 2016

Not to Exceed: Maximum contract amount \$ 6,000,000.00
Board approval date: November 8, 2011


Ihes Mark
Procurement Contract Specialist
County of Riverside- Purchasing and Fleet Services
Voice: (951) 955-4944
Fax: (951) 955-4946
E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
Hard = Apply adjustments regardless of other adjustments
Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000026616
 Pc Mail
 File 55327
 Los Angeles CA 90074-5327
 USA

Contract ID		Page	
RIVCO-20800-005-12/14		1 of 1	
Contract Dates	Currency	Rate Type	Rate Date
11/01/2013 to 12/31/2014	USD	CRRNT	PO Date
Description:		Contract Maximum	
Microsoft Enterprise Agreement		0.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order		Maximum / Open	
			Qty	Amt	Qty	Amt
1		Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California	1.00	0.00	0.00	0.00

Pricing Agreement: Pricing Date:
 Pricing Quantity:
 Quantity Type:

RFQ#PUARC-1200F11-11/8/11 3.27
 Reference Microsoft Master Agreement Number 01E73134.

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.

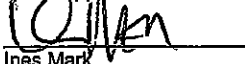
PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.


The County reserves the right to cancel the unexpended balance of this order at any time.

License Period of Performance: From January 1, 2014 through December 31, 2014.
 Year: 3 of 5, final year end date of December 31, 2016.

Board approval date: November 8, 2011


 Ines Mark
 Procurement Contract Specialist
 County of Riverside- Purchasing and Fleet Services
 Voice: (951) 955-4944
 Fax: (951) 955-4946
 E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000044719
 Softchoice Corporation
 314 W Superior Street, Suite 301
 Chicago IL 60654
 USA

Contract ID RIVCO-20800-006-12/14		Page 1 of 1	
Contract Dates 11/01/2013 to 12/31/2014	Currency USD	Rate Type CRRNT	Rate Date PO Date
Description: Microsoft Enterprise Agreement		Contract Maximum 0.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order		Maximum / Open	
			Qty	Amt	Qty	Amt
1		Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California	1.00	0.00	0.00	0.00

Pricing Agreement: Pricing Date:
 Pricing Quantity:
 Quantity Type:

RFQ#PUARC-1200F11-11/8/11 3.27
 Reference Microsoft Master Agreement Number 01E73134.

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.


PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.


The County reserves the right to cancel the unexpended balance of this order at any time.

License Period of Performance: From January 1, 2014 through December 31, 2014.
 Year: 3 of 5, final year end date of December 31, 2016.

Board approval date: November 8, 2011


 Ines Mark
 Procurement Contract Specialist
 County of Riverside- Purchasing and Fleet Services
 Voice: (951) 955-4944
 Fax: (951) 955-4946
 E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied


 Authorized Signature

CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000000033
 Compucom Systems Inc
 7171 Forest Lane
 Dallas TX 75230
 USA

Contract ID		Page	
RIVCO-20800-002-12/14		1 of 1	
Contract Dates	Currency	Rate Type	Rate Date
11/01/2013 to 12/31/2014	USD	CRRNT	PO Date
Description:		Contract Maximum	
Microsoft Enterprise Agreement		0.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
1		Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California	1.00	0.00	0.00	0.00

Pricing Agreement: Pricing Date:
 Pricing Quantity:
 Quantity Type:

RFQ#PUARC-1200F11-11/8/11 3.27
 Reference Microsoft Master Agreement Number 01E73134.

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.

PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.

The County reserves the right to cancel the unexpended balance of this order at any time.

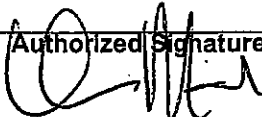
License Period of Performance: From January 1, 2014 through December 31, 2014.
 Year: 3 of 5, final year end date of December 31, 2016.

Board approval date: November 8, 2011



Ines Mark
 Procurement Contract Specialist
 County of Riverside- Purchasing and Fleet Services
 Voice: (951) 955-4944
 Fax: (951) 955-4946
 E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000015980
 En Pointe Technologies
 PO Box 514429
 Los Angeles CA 90051
 USA

Contract ID		Page	
RIVCO-20800-004-12/14		1 of 1	
Contract Dates	Currency	Rate Type	Rate Date
11/01/2013 to 12/31/2014	USD	CRRNT	PO Date
Description:		Contract Maximum	
Microsoft Enterprise Agreement		0.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order		Maximum / Open	
			Qty	Amt	Qty	Amt
1		Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies withIn California	1.00	0.00	0.00	0.00

Pricing Agreement: Pricing Date:
 Pricing Quantity:
 Quantity Type:

RFQ#PUARC-1200F11-11/8/11 3.27
 Reference Microsoft Master Agreement Number 01E73134.

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.


PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.

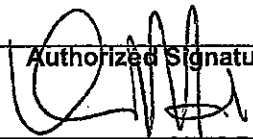
The County reserves the right to cancel the unexpended balance of this order at any time.

License Period of Performance: From January 1, 2014 through December 31, 2014.
 Year: 3 of 5, final year end date of December 31, 2016.

Board approval date: November 8, 2011


 Ines Mark
 Procurement Contract Specialist
 County of Riverside- Purchasing and Fleet Services
 Voice: (951) 955-4944
 Fax: (951) 955-4946
 E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied


 Authorized Signature

CONTRACT

County of Riverside

Dispatch via Print

Vendor ID 0000005200
 Dell Marketing LP
 PO Box 910916
 Pasadena CA 91110-0916
 USA

Contract ID RIVCO-20800-003-12/14		Page 1 of 1	
Contract Dates 11/01/2013 to 12/31/2014	Currency USD	Rate Type CRRNT	Rate Date PO Date
Description: Microsoft Enterprise Agreement		Contract Maximum 0.00	
Allow Multicurrency PO			

Tax Exempt? N Tax Exempt ID:

Line #	Vendor Item ID	Item Desc	Minimum Order		Maximum / Open	
			Qty	Amt	Qty	Amt
1		Computer software: Microsoft Enterprise Agreement software licenses for Riverside County ad surrounding Government Agencies within California	1.00	0.00	0.00	0.00

Pricing Agreement: Pricing Date:
 Pricing Quantity:
 Quantity Type:

RFQ#PUARC-1200F11-11/8/11 3.27
 Reference Microsoft Master Agreement Number 01E73134.

All terms, conditions, and specification of RFQ#PUARC-1200 are hereby included with full force and like effect as if set forth herein.

PAYMENT TERMS - For calculating due dates for payment terms, the County will use either the date that the invoice is received by the County or the date the goods/services are received, which ever is later.

In the event of contradiction, between the County's and the Seller's conditions, the County's conditions shall prevail.


The County reserves the right to cancel the unexpended balance of this order at any time.

License Period of Performance: From January 1, 2014 through December 31, 2014.
 Year: 3 of 5, final year end date of December 31, 2016.

Board approval date: November 8, 2011


 Ines Mark
 Procurement Contract Specialist
 County of Riverside- Purchasing and Fleet Services
 Voice: (951) 955-4944
 Fax: (951) 955-4946
 E-mail: imark@co.riverside.ca.us

Final = The price is final after adjustments
 Hard = Apply adjustments regardless of other adjustments
 Skip = Skip adjustments if any other adjustments have been applied

Authorized Signature


REQUEST FOR QUOTE # PUARC-1200

Microsoft Enterprise License



By:
Ines Mark
Riverside County Purchasing & Fleet Services
2980 Washington Street
Riverside, CA 92504-4647
Telephone: (951) 955-4937
Email: imark@co.riverside.ca.us

NIGP Code(s):20800, 20811

County of Riverside
Purchasing & Fleet Services

Request for Quote # **PUARC-1200**
Closing Date: **10/11/2011@1:30 P.M.**

INSTRUCTIONS TO BIDDERS

- I. **Vendor Registration** – Unless stated elsewhere in this document, vendor must register online at www.Purchasing.co.riverside.ca.us and <http://http://www.publicpurchase.com/> with all current Vendor information, to be registered on the County's database.
- II. For all RFQ's Riverside County's Purchasing website will post a letter of notification on its website, and will provide a direct link to PublicPurchase.com.
- III. **Format** - Use the electronic format provided by PublicPurchase.com. If submitting more than one bid, separate the bid documents.
- IV. **Pricing/Delivery/Terms/Tax** - All pricing shall be quoted F.O.B. destination, (e.g., cash terms less than 20 days should be considered net) excluding applicable tax, which is a separate line item. The County reserves the right to designate method of freight. The County pays California Sales Tax and is exempt from Federal excise tax. In the event of an extension error, the unit price shall prevail.
- V. **Other Terms and Conditions** - The terms and conditions as indicated in this document and/or attached are hereby included with full force and like effect as if set forth herein. Copies of the applicable Terms and Conditions may be obtained by contacting Riverside County Purchasing at the number shown above and requesting a copy be faxed or mailed to you.
- VI. **Period of Firm Pricing** - Unless stated otherwise elsewhere in this document, prices shall be firm for 90 days after the closing date, and prior to an award being made.
- VII. **Specification/Changes** - Wherever brand names are used, the words "or equal" shall be considered to appear and be a part of the specification. If you are quoting another make or model, cross out our nomenclature and insert yours. If no make or model is stipulated, insert yours. Attach applicable specifications and/or brochures. Variations in manufacturers, design, etc., may be acceptable, bidders are encouraged to offer them as alternatives; however, the County reserves the right to reject those alternatives as non-responsive.
- VIII. **Recycled Material** - Wherever possible, the County of Riverside is looking for items made from, or containing in part, recycled material. Bidders are encouraged to bid items containing recycled material as an alternative for the items specified; however, the County reserves the right to reject those alternatives as non-responsive.
- IX. **Method of Award** - The County reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the County to be most advantageous to the County. The County recognizes that prices are only one of several criteria to be used in judging an offer and the County is not legally bound to accept the lowest offer.
- X. **Return of Bid/Closing Date/Return to** - The bid response shall be submitted electronically to PublicPurchase.com by 1:30 p.m. on the closing date listed above. Bid responses not received by County Purchasing by the closing date and time indicated above will not be accepted. The County will not be responsible for and will not accept late bids due to slow internet connection, or incomplete transmissions.
- XI. **Local Preference** - The County of Riverside has adopted a local preference program for those bidders located within the County of Riverside. A five percent (5%) price preference may be applied to the total bid price during evaluation of the bid responses. To qualify as a local business, the business must have fixed offices within the geographical boundaries of Riverside County and must credit all sales taxes paid resulting from this RFQ to that Riverside County location.
or
- XII. **Disabled Veteran Business Enterprise Preference** - The County of Riverside has implemented a Disabled Veteran Owned Business preference policy. A three percent (3%) preference shall be applied to the total bid price of all quotes/bids/proposals received by the County from certified disabled veterans owned businesses. If the bid is submitted by a non-Disabled Veteran owned business, but lists subcontractors that are identified and qualified as Disabled Owned Business, the total bid price will be adjusted by 3% of the value of that subcontractor's portion of the bid

IF CHECKED, THE FOLLOWING DOCUMENTS HEREBY MADE PART OF THIS RFQ

<input checked="" type="checkbox"/> APPENDIX "A"	<input type="checkbox"/> PLANS/DRAWINGS	<input type="checkbox"/> SAMPLES	<input checked="" type="checkbox"/> EXHIBITS (A)	<input checked="" type="checkbox"/> ATTACHMENT (Product List)
<input type="checkbox"/> #116-110	Special Conditions/Response		<input type="checkbox"/> #116-130	Equipment Information Sheet
<input checked="" type="checkbox"/> #116-260	Local Business Qualification Affidavit		<input type="checkbox"/> #116-310	Boilerplate Contract

IF CHECKED, THE FOLLOWING GENERAL CONDITIONS ARE INCLUDED WITH FULL FORCE AND LIKE EFFECT AS IF SET FORTH HEREIN

<input checked="" type="checkbox"/> #116-200	General Conditions	<input checked="" type="checkbox"/> #116-210	General Conditions Materials and/or Services
<input type="checkbox"/> #116-230	General Conditions - Equipment	<input type="checkbox"/> #116-220	General Conditions - Public Works
<input type="checkbox"/> #116-240	General Conditions - Personal/Professional Service		

To access any of these General Conditions go to www.purchasing.co.riverside.ca.us, located in Vendor Registration/Bidding Opportunities.

If an addendum is issued for this procurement, it will be the vendor's responsibility to retrieve all applicable addendum(s) from the Public Purchase website.

APPENDIX A**1.0 INFORMATION**

- 1.1 **LIQUIDATED DAMAGES** - It is agreed by the parties that time is of the essence, and in the event complete delivery is not made within the schedule set by the County, and pursuant to the bid specifications, damage will be sustained by the County, it will be impractical, and extremely difficult to ascertain, and determine the actual damage sustained. Therefore, it is agreed that the successful bidder shall pay to the County of Riverside, as fixed and liquidated damages, and not as penalty, a dollar sum in the amount of \$_____ per calendar day for each and every calendar day that a delay in making delivery in excess of the time or times specified. It is further agreed that in the event such damages are sustained by the County, the County shall deduct the amount from any payment due or that may become due to the vendor under the contract.
- 1.2 "Electronic submission hereof is certification that the Bidder has read and understands the terms and conditions hereof, and that the Bidder's principal is fully bound and committed." All County terms and conditions are found at www.purchasing.co.riverside.ca.us. Bidders must acknowledge the applicable terms and conditions that are checked at the bottom of page 2 of this document.
- 1.3 CASH DISCOUNT_% from receipt of good or invoice, whichever is later. (terms less than 20 days will be considered net) Cash discount shall be applied to grand total.
- 1.4 Delivery: ___ calendar days after receipt of order.
- 1.5 Please Check: ___ Disabled Veteran ___ Local Business – if checked, the above signer certifies that the above business is located within the geographical boundaries of Riverside County and that all sales taxes generated based on this RFQ will be credited to that location in Riverside County. If claiming Local Preference please submit form 116-260.
- 1.6 If Bidder experiences technical issue with the online bidding process, Bidder must contact the Procurement Contract Specialist (PCS) for further bid submission instructions. Bidder must contact the appropriate PCS a minimum of 1 hour prior to bid close time of 1:30 PM.

2.0 DEFINITIONS

- A. Wherever these words occur in this RFQ, they shall have the following meaning:
- B. "RFQ" shall mean Request for Quote.
- C. "Addendum" shall mean an amendment or modification to the RFQ (Request for Quote).
- D. "Bid" shall mean the proposal submitted by a Bidder on the Bid Form consistent with the Instructions to Bidders, to complete the Work for a specified sum of money and within a specified period of time.
- E. "Bidder" shall mean an individual, firm, partnership, or corporation that submits a qualified Bid for the Work, either directly or through a duly authorized representative.
- F. "Contractor" shall mean any employee, agent, or representative of the contract company used in conjunction with the performance of the contract. For the purposes of this RFQ, Contractor and Bidder are used interchangeably.

- G. "COUNTY" shall mean the County of Riverside and its agencies.
- H. "CCISDA" shall mean the California County Information Services Directors Association
- I. "MISAC" shall mean the Municipal Information Systems Association
- J. "LAR" shall mean the Large Account Resellers
- K. "EA" shall mean Enterprise Agreement
- L. "Qualified Device" shall mean any personal desktop computer, portal computer, workstation, or similar device that is used by of for the benefit of Enrolled Affiliate's Enterprise. It does not include: (1) any computer that is designated as a server and not used as a personal computer, (2) any Industry Device, (3) any device running an embedded operating system (e.g., Windows Phone 7) that does not access a virtual desktop infrastructure, or (4) any device that is not managed and/or controlled either directly or indirectly by Enrolled Affiliate's Enterprise. Enrolled Affiliate may include as a Qualified Device any device which would be excluded above (e.g., Industry Device).
- M. "MDOP" shall mean Microsoft Desktop Optimization Platform
- N. "MSDN" shall mean Microsoft Developer Network

3.0 PURPOSE/BACKGROUND

3.1 Purpose

- a) The County of Riverside is soliciting bids for a consortia approach to collectively enter into a Microsoft Enterprise Agreement and Select program in order to utilize the desktop volumes to achieve the best possible price as detailed in this RFQ. Microsoft has demonstrated flexibility in dealing with CCISDA/MISAC to accommodate government issues and concerns to offer a customized Enterprise Agreement that will work for all government agencies within the state of California.
- b) The purpose of this RFQ is to seek both renewal pricing for those under the current Microsoft Agreement from any authorized LAR within the State of California plus allow new enrollments to take place based on combined volumes of those staying with the old agreement, those renewing in this new contract, and those joining into the new contract for the first time.
- c) The intent of this RFQ is to award to no more than five (5) Microsoft authorized and responsible Large Account Resellers (LAR) in the State of California that meets the terms and conditions of this RFQ. The LAR(s) will serve as the administrator of this agreement and will collect all dollars directly from those jurisdictions enrolled under this awarded contract.

3.2 Background

- a) Since June 19, 2001, The **California County Information Services Directors Association (CCISDA)** and the **Municipal Information Systems Association (MISAC)** of California have been participating in a state-wide Microsoft Enterprise Agreement (EA) and Select program. The County of Riverside will continue to administer this award, to include participation from CCISDA and MISAC.

- b) The **California County Information Services Directors Association (CCISDA)** is the official organization of the county information technology directors in the state of California. They represent the 58 California counties in the area of information technology and county government.
- c) The **Municipal Information Systems Association (MISAC)** of California is a statewide organization of approximately 150 member agencies. They represent the 475 Cities and Special Districts in the state of California in the area of information technology and county government.
- d) Current participation in this successful contract has surpassed 488,000 desktops and over 460 separate enrollments to this Microsoft Enterprise Agreement. The current Large Account Resellers (LAR) have worked with each of these entities to explain the Microsoft Enterprise Agreement, helped them make decisions about their licensing needs, provided enrollment assistance, and coached them during annual EA requirements including true-ups and annual payments. The awarded LAR(s) will be required to deliver this same level of service, as well as provide continuing education to enrollees on other services and benefits provided to participants in the EA.
- e) The LAR(s) must allow CCISDA/MISAC members with the opportunity to continue to enroll in the Enterprise Agreement after the open enroll period at a highly discounted price based on cumulative volumes of desktops enrolled under the new and existing contracts.
- f) In addition, many government entities could not purchase from a sole LAR due to local preference purchasing requirements. The intent of this RFQ is to award to multiple Large Account Resellers (LARs) under a single agreement and to get credit for volumes under the existing contract and for those that want to change to the renewal contract or for those governments enrolling for the first time.
- g) Many counties do not upgrade their software on their desktops on an annual basis and most do so every two to three years. As a result, most may not benefit from Software Assurance under the Select Program nor can justify an Enterprise Agreement. Therefore, to make an Enterprise Agreement a tool for government, it must be cost effective, ease licensing management, and encourage government to stay current with new software versions to take advantage of the latest technological improvements that could benefit employee productivity. An additional benefit can be realized through other offerings made available to EA participants. When such offerings are introduced, it is imperative that the LAR make the offering known to the agency in order for them to obtain the most out of their EA investment.

4.0 PRODUCT LINE

4.1 Enterprise Agreement Program Products

The products offered under the Enterprise Agreement (EA) may be purchased individually or in total as follows:

4.2 Enterprise Products

- a) The Enterprise Agreement offers California County Governments access to the most recent releases of the Desktop Professional Platform products. The Enterprise Agreement Desktop Platform products are:
- i. Microsoft Windows 7 Enterprise Edition with MDOP
 - ii. Microsoft Office Professional Plus 2010
 - iii. Microsoft Core Client Access License Suite or Enterprise Client Access License Suite

- b) Government entities who enroll in the Professional or Enterprise Platform (the Windows 7 Enterprise Edition operating system upgrade, Office Professional Plus 2010, and Core CAL Suite or Enterprise CAL Suite) receive a platform discount on top of their already discounted enterprise software product.
- c) Government entities not adding products at signing may still add additional products to their enrollment at any time with License & Software Assurance (pro-rated annually for the remaining term of their enrollment).
- d) For full product listing see excel attachment "PUARC-1200 Product listing."

4.3 Additional Products and Services

- a) Nearly all other available Microsoft software titles are obtainable as additional products. They provide the same License & Software Assurance coverage as enterprise products, but *do not* require an enterprise-wide commitment. For products licensed at signing, payments can be spread throughout enrollment years in the same way that enterprise product payments are annualized. Also, additional products at signing will have corresponding pricing for the use of the True Up ordering process, enabling an annual consolidation of ordering. Government entities not adding products at signing may still add additional products to their enrollment *at any time* with License & Software Assurance (pro-rated for the remaining term of their enrollment).
- b) Premier Services are available through the Riverside Master Agreement for as long as it is offered as products under the Microsoft Enterprise Agreement.
- c) Examples of software products available as additional products include Office Visio, Microsoft Project, Windows servers, Exchange servers, Microsoft Office SharePoint Servers, SQL Servers, Visual Studio Team Edition (w/ MSDN), MapPoint Web Service, and many others.
- d) A complete list of additional products is available on the Microsoft Product List at:
<http://www.microsoftvolumelicensing.com/userights/PL.aspx>
- e) To learn more about Product Use Rights, visit:
<http://www.microsoftvolumelicensing.com/userights/PUR.aspx>

4.5 Customized Components:

- a) The awarded Large Account Reseller(s) as part of the contract must be willing to accept the administration of the contract. California government entities will enroll by Agency (understanding that all desktops in a department must be committed unless the desktop has an asset tag where it has been paid and owned by another government jurisdiction).
- b) Commitment for each government entity is at least 25 desktops in the entire organization. Organizations under 25 qualified workstations are required to combine enrollments with other local government entities for a total of at least 25 qualified workstations to qualify. The government entity who handles the enrollment for multiple jurisdictions will also be responsible for distributing license confirmations.
- c) The LAR's are required to provide annual reports of qualified workstation counts by enrollment and ask for desktop true-ups for net additional desktops added during each contract year. The customer is expected to true up additional products added to during past year. Quarterly reports of licenses purchased under the Select agreement (provided by this contract) must also be provided including product and version number. It is preferred that this capability be provided through the Internet.

- d) All products covered under the EA automatically include Software Assurance for either the full thirty-six (36) or sixty (60) month contract period options. During the contract period, participating government entities will be entitled to all version upgrades at no additional charge. And on termination of the contract, participating organizations will own the most current version of covered products as of the contract termination date, whether the version is installed or not.
- e) During the EA each participant will be required (but not limited) to count total qualified workstations in their organization which will be reported to the LAR. Other counts such as True-Up of additional products and additional of 'not-at-signing' products may be required.
- f) The Enterprise Agreement term is sixty (60) calendar months from the date of acceptance, or an optional thirty-six (36) months if requested. Enrollment for this program will be open until the expiration of the Master Agreement. While the number of net desktops in each organization may increase annually, there could be certain economic issues (such as discontinuing a government service due to funding) or political shifts (such as County Courts becoming a State Agency or a government entity filing for bankruptcy) that could impact desktop counts. Microsoft will deal with decreases in qualified workstation counts on an individual basis without penalty to other enrollments. EA participants that terminate for cause, will own licenses equal to the portion of the total contract period for which they participated. Participants terminating prior to year 2 shall own licenses for 1/3 of the total desktops enrolled. Participants terminating prior to year 3 shall own licenses for 2/3 of the total desktops enrolled. The licenses shall be for the current version of the products at the time of termination. If any one County/Department terminates the enterprise agreement, it shall have no bearing or impact on the others enrolled.
- g) EA enrollees receive perpetual license to the most current version of the software covered under this agreement upon initial payment. By participating under the EA, enrollees immediately become current and stay current. Net new desktops added during the contract period immediately have the right to install the most current versions of the products covered under the EA and the "true-up" payment must be made at the beginning of the next contract year.
- h) All new software covered and purchased under the EA is to be delivered to the COUNTY electronically, unless explicit instructions are communicated that delivery method would be otherwise.

5.0 TIMELINE	DATES:
1. RELEASE OF REQUEST FOR QUOTATION	September 20, 2011
2. DEADLINE FOR SUBMISSION OF QUESTIONS Bidders must submit their questions online at PublicPurchase.com. All questions submitted are within the correct RFQ located on PublicPurchase.com.	Must be submitted by: Date: October 3, 2011 Time: 1:30 PM
3. DEADLINE FOR QUOTATION SUBMITTAL Bid results are posted on PublicPurchase.com	October 11, 2011 at 1:30 PM
4. TENTATIVE DATE FOR AWARDDING CONTRACT	5-90 days, contingent upon lowest bidder meeting all of the bid specifications.

6.0 PERIOD OF PERFORMANCE

The period of performance shall be for 5 year(s), with each year renewable in one-year increments, with the completion date of 12/31/17, with no obligation by the County of Riverside to purchase any specified amount of services.

7.0 GENERAL REQUIREMENTS**Procedures for Submitting Quotations**

All quotations must be submitted in accordance with the standards and specifications contained within this Request for Quote (RFQ).

The County reserves the right to waive, at its discretion, any irregularity, which the County deems reasonably correctable or otherwise not warranting rejection of the quotation.

The County shall not pay any costs incurred or associated in the preparation of this or any quotation or for participation in the procurement process.

Quotes must be specific unto themselves. For example, "*See Enclosed Manual*" will not be considered an acceptable quotation. Receipt of all addenda, if any, must be acknowledged in the quotation.

Late quotations will not be accepted. Postmarks **will not** be accepted in lieu of this requirement. Quotations submitted to any other County office will be rejected.

8.0 METHOD OF AWARD (Specifications)

Quotations will be evaluated based on relevant factors, including but not limited to the following:

- a. Lowest overall purchase price
- b. Adherence to specifications as detailed in this RFQ (PUARC-1200)
- c. Prompt payment discounts on 30 days or less
- d. Warranties
- e. All associated delivery costs
- f. Delivery date
- g. Product acceptability
- h. Service/Customer Support

9.0 EVALUATION PROCESS

All quotations will be given thorough review. All contacts during the review selection phase will be only through the Purchasing Department. Attempts by the Bidder to contact any other County representative may result in disqualification of the Bidder. The County recognizes that prices are only one of several criteria to be used in judging an offer, and the County is not legally bound to accept the lowest offer.

10.0 INTERPRETATION OF RFQ

The Contractor must make careful examination and understand all of the requirements, specifications, and conditions stated in the RFQ. If any Contractor planning to submit a quote finds discrepancies in or omissions from the RFQ, or is in doubt as to the meaning, a written request for interpretation or correction must be given to the County. Any changes to the RFQ will be made only by written addendum and may be posted on the Purchasing website at www.purchasing.co.riverside.ca.us and PublicPurchase.com. The County is not responsible for any other explanations or interpretations. If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way. All notices regarding this procurement may be posted on the County's purchasing website at www.purchasing.co.riverside.ca.us and PublicPurchase.com.

11.0 CANCELLATION OF PROCUREMENT PROCESS

The County may cancel the procurement process at any time. All quotations become the property of the County. All information submitted in the quotation becomes "public record" as defined by the State of California upon completion of the procurement process. If any proprietary information is contained in or attached to the quote, it must be clearly identified by the Bidder; otherwise, the Bidder agrees that all documents provided may be released to the public after bid award.

The County reserves the right to withdraw the Request for Quote (RFQ), to reject a specific quote for noncompliance within the RFQ provisions, or not award a bid at any time because of unforeseen circumstances or if it is determined to be in the best interest of the County.

12.0 COMPENSATION

12.1 The County shall pay the awarded bidder for equipment and services performed, after the equipment are installed and tested to the satisfaction of the County. Expenses incurred and compensation shall be paid in accordance with an invoice submitted to County by awarded bidder. The County shall pay the acceptable invoice within thirty-(30) working days from the date of receipt of the invoice, or the goods/services are received, whichever is later.

12.2 No price increases will be permitted during the first year of the award. All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the County. The County requires written proof of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance written notice is required for consideration and approval by County. No retroactive price adjustments will be considered. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside, and Orange County areas (Microsoft Enterprise License Agreement) and be subject to satisfactory performance review by the County and approved (if needed) for budget funding by the Board of Supervisors.

13.0 USE BY OTHER POLITICAL ENTITIES

The CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this Agreement to every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR; and County shall in no way be responsible to CONTRACTOR for other entities' purchases.

Exhibit A

Software Assurance Benefits:

The Enterprise Agreement includes Software Assurance, Microsoft's enhanced maintenance program that helps customers get the most out of their software investments. Access to valuable benefits such as training, deployment planning, software upgrades, and product support can help increase the productivity of the entire organization. Awarded LAR(s) will continue to educate and assist participants on what these benefits are and how participants can take full advantage of them.

Here are details on Software Assurance benefits throughout each phase of software management.

Stage	Benefit	Description
Planning Stage	New Version Rights	With Software Assurance, you receive new versions of licensed software released during the term of your agreement to deploy at your own pace as they become available. You can reduce the costs associated with acquiring new version releases and immediately take advantage of the latest technology.
	Spread Payments	You can make payments annually, instead of making one up-front payment. This helps you to reduce initial costs and forecast annual software budget requirements up to three years in advance.
Deployment Stage	Packaged Services: Information Work Solution Services	These one- to three-day partner-managed workshops help IT teams learn how desktop applications assist support deployment, security, and infrastructure business goals like project prioritization. You also learn how to implement high-value projects in the IT environment to maintain or accelerate productivity. Workshops include Information Work Business Value Discovery and Information Work Architectural Design Session.
	Microsoft Windows Pre-installation Environment (WinPE)	This is a tool based on the Windows Server® 2003 operating system and the Windows XP Professional operating system that allows IT staff to build custom solutions that speed up deployment through automation, so they spend less time and effort keeping desktops updated. WinPE can run Windows setup, scripts, and imaging applications.
Using Stage	Training Vouchers	You will receive training vouchers for training on select courses from Microsoft Certified Partners for Learning Solutions (CPLS), the premier authorized training channel for delivering learning products and services on Microsoft technology. Taking training from Microsoft CPLSs helps you prepare for deployment, enable smoother migration, and stay up-to-date with the latest Microsoft technologies, giving you the competitive advantage you need.

Exhibit A Cont'
Software Assurance Benefits:

	eLearning Courses	Microsoft's eLearning provides your employees access to individual, on-demand Microsoft software courses. eLearning can be delivered online or offline and includes simulations, hands-on exercises, and learning assessments.
	Home Use Program	The Home Use Program increases employee productivity and maximizes the value of your Microsoft Office investment because with it, your employees can use Office desktop programs for work or personal needs.
	Microsoft Windows 7 Enterprise Edition	The Windows 7 Enterprise Edition is optimized for large organizations and includes features such as data protection that safeguard lost or stolen PCs, application compatibility, and the ability to deploy a single image in multiple locations around the world (per availability of Windows Vista), helping you to lower your deployment and management costs.
	Microsoft Virtual PC Express	Migrate legacy applications during an operating system upgrade in a safe, protected way. Microsoft Virtual PC Express supports a single instance of a virtual operating system (in comparison, Virtual PC 2004 supports multiple instances). Virtual PC Express will be made available to our Software Assurance customers in early 2006, ahead of the Windows Vista Enterprise Edition.
Maintenance Stage	24 X 7 Problem Resolution Support	With Software Assurance, you can be continuously connected with Microsoft for your support needs. You can select the right level of help when you need it with business-critical 24 hours a day, 7 days a week phone support for all Microsoft server products, Windows, and the 2007 Microsoft Office system, in addition to unlimited Web support.

Exhibit A Cont'

Software Assurance Benefits:

	Unlimited Web Support	Complement your business-critical 24 hours a day, 7 days a week phone support with unlimited Web support during business hours, and decide which level of support is best for the issue. This helps you lower your total cost of support and ownership through time and gives you a choice for how to use your direct connection to Microsoft.
	TechNet Plus Subscription with Two Support Calls/Year	IT professionals have access to TechNet Plus subscription media, featuring resources such as the Microsoft Knowledge Base, software updates, utilities, technical training, and how-to articles to help them succeed. They also have access to additional premium TechNet Plus benefits, including evaluation software without time limits, pre-release versions of Microsoft products, two technical support incidents per year, and TechNet Plus Subscriber Online Services. IT professionals can also access TechNet Managed Newsgroups with more than 100 IT-related newsgroups, where they can post technical questions and are guaranteed responses by the next business day.
	"Cold" Backups for Disaster Recovery	Customers with Software Assurance for Microsoft server software, as well as related Client Access Licenses, are eligible for complimentary "cold backup" server licenses for disaster recovery.
	Corporate Error Reporting	Corporate Error Reporting (CER) gives you a clear and easy way to monitor and review error information so you can control deployment of fixes and resolutions. It provides the ability for applications and the operating system to collect and report on crashes in the system.
Transition	Extended Life-cycle Hotfix Support	Enter into Extended Hotfix Support Account (EHSA) as hotfix issues arise. Annual fees and required sign-up periods associated with EHSA are waived for Software Assurance customers, increasing peace of mind and reducing support costs. A Premier or Essential Support agreement is a pre-requisite for eligibility.

For more information about Software Assurance benefits, please visit:
<http://www.microsoft.com/licensing/programs/sa>

County of Riverside
Purchasing & Fleet Services

Request for Quote # **PUARC-1200**
Closing Date: **10/11/2011@1:30 P.M.**

Local Business Qualification Affidavit

The County of Riverside Local Business Preference may be applied to this Request for Proposal/Quotation. If you qualify for this preference, please submit this form along with your response to this RFP/Q.

Definition of Local Business

A local business shall mean a business or firm with fixed offices located within the geographical boundaries of Riverside County, and authorized to perform business within the County. In doing so, credit all sales tax from sales generated within Riverside County to the County, and who provide product or perform contracted work using employees, of whom the majority are physically located in said local offices.

Local businesses" shall have a Riverside County business street address. Post office box numbers, residential addresses, or un-staffed sales offices shall not suffice to establish status as a "local business." To qualify as a "local business" the location must be open and staffed during normal business hours and the business must establish proof that it has been located and doing business in Riverside County for at least (6) six months preceding its certification to the County as a local business.

Additional supporting documentation that may be requested by the County to verify qualification includes:

1. **A copy of their current BOE 531-A and/or BOE 530-C form** (State, Local & District Sales, and Use Tax Return Form). This is what businesses submit to the State Board of Equalization when paying the sales tax to the State of California indicating the amount of the payment to be credited to each jurisdiction (i.e. Counties, Cities).
2. **A current business license** if required for the political jurisdiction the business is located.
3. **Proof of the current business address.** The local business needs to be operating from a functional office that is staffed with the company's employees, during normal business hours.

Business Name: _____

Physical Address: _____

Phone: _____ FAX: _____ E-Mail: _____

Length of time at this location: _____ Number of Company Employees at this address: _____

If less than 6 month, list previous

Riverside County location: _____

Business License # (where applicable): _____ Jurisdiction _____

Hours of Operation: _____

Primary function of this location (i.e., sales, distribution, production, corporate, etc):

Signature of Company Official

Date

Print Name, Title

Submittal of false data will result in disqualification of local preference and/or doing business with the Riverside County.

This page intentionally blank

ExcelFormat : Bid Tabulation By Vendor
 Version: 1
 Bid: RFQ #PUARC-1200 - Microsoft Enterprise License
 End Date: Oct. 11, 2011@1:30PM

Item Name	Softchoice Corporation		PC Mall Gov, Inc.		EnPointe Technologies Sales Inc		Dell Marketing, L.P.		CompuCom Systems, Inc.		Insight Public Sector, Inc.	
	Level D-7.5 Cost plus mark up %		Level D-7.5 Cost plus mark up %		Level D-7.5 Cost plus mark up %		Level D-7.5 Cost plus mark up %		Level D-7.5 Cost plus mark up %		Level D-7.5 Cost plus mark up %	
Applications	Added at Signing	2%	Added at Signing	1.25%	Added at Signing	0.25%	Added at Signing	0.00%	Added at Signing	-1.50%	Added at Signing	-2.50%
Applications	True-ups	4%	True-ups	1.25%	True-ups	0.25%	True-ups	0.00%	True-ups	-0.50%	True-ups	0.00%
Systems	Added at Signing	2%	Added at Signing	1.25%	Added at Signing	0.25%	Added at Signing	0.00%	Added at Signing	-1.50%	Added at Signing	-2.50%
Systems	True-ups	4%	True-ups	1.25%	True-ups	0.25%	True-ups	0.00%	True-ups	-0.50%	True-ups	0.00%
Servers	Added at Signing	2%	Added at Signing	1.25%	Added at Signing	0.25%	Added at Signing	0.00%	Added at Signing	-1.50%	Added at Signing	-2.50%
Servers	True-ups	4%	True-ups	1.25%	True-ups	0.25%	True-ups	0.00%	True-ups	-0.50%	True-ups	0.00%
New Additional Products (Non-Specific)	Added at Signing	2%	Added at Signing	1.25%	Added at Signing	0.25%	Added at Signing	0.00%	Added at Signing	-1.50%	Added at Signing	-2.50%
New Additional Products (Non-Specific)	True-ups	4%	True-ups	1.25%	True-ups	0.25%	True-ups	0.00%	True-ups	-0.50%	True-ups	0.00%

SUMMARY: Recap Cost is provided at a level D-7.5 cost plus mark up percentage (%). Negative numbers represent a "below cost" percentage.
 The County has determined **Insight Public Sector, Inc.** to be the overall most responsive and responsible bidder for this commodity.
 The County reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the County to be most advantageous to the County.

This page intentionally blank

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Purchasing and Fleet Services and Riverside County Information Technology (RCIT)

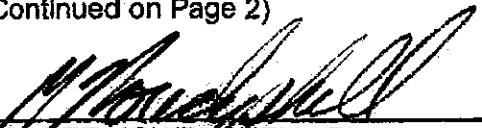
SUBMITTAL DATE:
November 2, 2011

SUBJECT: APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize County departments to enroll in the statewide renewal of Microsoft Enterprise Agreement (EA), which runs for up to five (5) years, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459.4, to enter in the Master Enterprise Agreement and Premier Support Services without seeking competitive bids, and sign the purchase orders, amendments, and exercise the renewal option based on the availability of fiscal funding that does not change the substantive terms of the purchase, and will not exceed the annual CPI rates.

(Continued on Page 2)



ROBERT HOWDY SHELL, Director
 Purchasing and Fleet Services



DEAN DEINES
 Interim Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 5,300,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 2,650,000	For Fiscal Year:	11/12

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Serena Chow
 Serena Chow

County Executive Office Signature

FOR APPROVAL OF COUNTY COUNSEL
 BY: NEAL R KIPNIS
 DATE: 11/3/11
 Departmental Concurrence

Consent Policy
 Consent Policy

Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.33, 6/17/08; 3.55, 6/29/01	District:	Agenda Number:
---	-----------	----------------

3.27

**BOARD OF SUPERVISORS
FORM 11: APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT
PAGE 2**

BACKGROUND

The County of Riverside has been the leader in the negotiations and procurement of the statewide cooperative license purchase agreement for the statewide Microsoft Enterprise software and services. There are 388 governmental agencies in California that utilize this enterprise agreement.

Through this negotiation process, the County of Riverside has obtained the deepest discounts offered to any governmental agencies, and as a result will be utilized by most of the public entities throughout the State of California.

The Microsoft Enterprise Agreement is an annual program that covers licensing of standard desktop software (Microsoft Office, Microsoft Windows, and Back Office products) and Enterprise Platform products.

The County has been challenged in the past in consistently maintaining software at current version levels and Microsoft products are the most predominant product used by all departments on all personal computers and Enterprise Platform products to support Departments basic needs in the County.

In an effort to keep software current and licensed at the County, a maintenance program is provided by Microsoft. A maintenance program will cost less than what departments would spend upgrading all products once over a three or five-year period. The potential for significant savings exists due to changes in Microsoft licensing policies and potential cost increases of Microsoft products over the next five years.

Some of the key benefits realized from this program are:

- Departments can upgrade to any Microsoft product version as they choose and when convenient.
- Licensing for the products covered by this program no longer need to be tracked. Participants merely count the qualified desktops or user counts and true up with that number of licenses.
- The flexibility to sign-up by user allows for multiple devices such as smart phones and tablets (i.e., iPhones, iPads, etc.) and securing only one license opposed to multiple.
- EA provides a consistent year-to-year budget for this program in an effort to keep County software current, legal, and consistent.
- EA protects the County against Microsoft price increases for the duration of the agreement.
- EA compliments other countywide technology initiatives (PeopleSoft, Exchange, Remedy, and Resumix).

County departments and agencies are currently enrolled in this program. In Fiscal Year 2010/11, the county invested \$3,851,890 for 19,734 desktops enrolled in the program. Departments may also order other Microsoft products (such as Window Server, Visio, MS

**BOARD OF SUPERVISORS
FORM 11: APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT
PAGE 3**

BACKGROUND (Continued)

project) off of this contract and receive the same discounting offered for the core desktop licensing for Riverside County. County Departments will have agreement options that best fit their departmental needs including either a three or five year agreement.

PRICE REASONABLENESS

Information Technology and the Purchasing Department, working with Microsoft, determined best pricing and developed a customized licensing program that works best for California Government. The analysis shows that by participating in the Enterprise Agreement (EA), the County can save as much as \$907,686 annually off the retail price and \$4,538,430 over the next five (5) years. The requested \$6 million annual amount allows individual departments to purchase their user or device license and various platform products and services that departments purchase to meet their business needs. The \$6 million is an estimated amount that provides for the purchasing authority off the Microsoft agreement in order to ensure county departments receive all applicable discounts. As with any county purchase, all purchase orders will be processed through County Purchasing for approval.

Because Microsoft only sells their products through resellers, Purchasing released a Request for Quote PURAC-1200, on PublicPurchase.com and advertised on the County's Internet to obtain Microsoft Large Account resellers (LARs), which resulted in six LARs responding to the solicitation. The County evaluated the responses and recommends that Insight Public Sector Inc. be awarded as the primary LAR for Riverside County, and the remaining five, CompuCom Systems, Inc., Dell Marketing, L.P., Enpointe Technologies Sales Inc., PC Mall Gov, Inc., and Softchoice Corporation also be awarded for use by other governmental entities to allow these entities the option to select their LAR based on their own geographical or other criteria. These LARs shall be authorized to offer a contract for any government entity in California to enroll into the Microsoft Enterprise Agreement through December 31, 2016.

This page intentionally blank

CompuCom - software quote				
Quoted by Aaron Liggitt, CompuCom 7171 Forest Lane, Dallas TX 75230				
Phone 916-993-9809 aaron.liggitt@compucom.com				
Please fax your POs to Client Assistance Center at 800-366-9994. You may call 800-400-9852, option 2, to check status on orders.				
<u>Quoted to:</u>	Alameda - Contra Costa Transit			
	Michael Carvalho			
	mcarvalho@actransit.org			
Date 1/30/14	This is BUDGETARY pricing to renew EA agreement 4746386 (through 2/28/19).			
Important: Please provide the email address of the recipient designated to receive a CompuCom "order confirmation"				
Quantity	Part #	Description	Unit Price	Ext. Price
Enterprise Products				
800	U7S-00008	Office365PlanG3 ShrdSvr ALNG SubsVL MVL PerUsr	\$ 140.66	\$ 112,528.00
500	K4U-00265	WinProw/MDOP ALNG SA MVL Pltfrm	\$ 34.54	\$ 17,270.00
300	K4U-00266	WinProw/MDOP ALNG UpgrdSAPk MVL Pltfrm	\$ 40.30	\$ 12,090.00
50	U5J-00002	ECALBridgeOff365 ALNG LicSAPk MVL Pltfrm UsrCAL	\$ 32.83	\$ 1,641.50
750	U5J-00004	ECALBridgeOff365 ALNG SA MVL Pltfrm UsrCAL	\$ 25.04	\$ 18,780.00
Additional Products				
35	D87-01057	VisioPro ALNG LicSAPk MVL	\$ 138.91	\$ 4,861.85
30	D87-01159	VisioPro ALNG SA MVL	\$ 82.22	\$ 2,466.60
7	77D-00111	VSProwMSDN ALNG SA MVL	\$ 276.29	\$ 1,934.03
1	9JD-00050	VSUItwMSDN ALNG LicSAPk MVL	\$ 2,844.61	\$ 2,844.61
5	FUD-00936	CISDataCtr ALNG LicSAPk MVL 2Proc	\$ 2,153.90	\$ 10,769.50
24	FUD-01148	CISDataCtr ALNG LicSAPk MVL woWinSvrLic 2Proc	\$ 1,465.48	\$ 35,171.52
3	H04-00268	SharePointSvr ALNG SA MVL	\$ 1,000.31	\$ 3,000.93
30	7JQ-00343	SQLSvrEntCore ALNG SA MVL 2Lic CoreLic	\$ 2,022.91	\$ 60,687.30
60	6VC-01254	WinRmtDsktpSrvcsCAL ALNG SA MVL UsrCAL	\$ 17.17	\$ 1,030.20
14	P73-05898	WinSvrStd ALNG SA MVL 2Proc	\$ 129.78	\$ 1,816.92
	Product-total			\$ 286,892.96
	Sub-Total			\$ 286,892.96
	Tax	Please write "Electronic Delivery Only" on your order.		\$ -
	Shipping			No Charge
	Total	Your ANNUAL EA Price (on a 5-year EA contract)		\$ 286,892.96
Prices good for 30 days		total of 5 years of payments =		\$ 1,434,464.80
<small>Pass-Through Warranty and Other Rights. As a reseller, end-user warranties and liabilities (with respect to any third party hardware and software products provided by CompuCom) shall be provided as a pass-through from the manufacturer of such products. All software products are subject to the license agreement of the applicable software supplier, as provided with the software packaging or in the software at time of shipment. Public Sector Disclosure: CompuCom may receive incentive fees for public sector EA transactions.</small>				

This page intentionally blank

REPORTS OF STANDING COMMITTEES

**The District Secretary will report on the
recommendations made by the Committees,
including those items referred
to the Consent Calendar Addenda.**

**PLEASE REFER TO THE
COMMITTEE SECTIONS OF
THIS AGENDA PACKAGE
FOR STAFF REPORTS**

This page intentionally blank

EXTERNAL AFFAIRS COMMITTEE

Monthly

- Legislative Report [Updates on State, Federal, Regional and Local Legislation, including Measure B and the APTA Reauthorization process for T-4].

Annual

- State/Federal Advocacy Program

Pending Not Scheduled

- Status report on the Oral History Project. [Request from Director Peeples to retain on long-term pending. Staff to continue efforts to locate funds, hire personnel utilizing grant funds, and contact local museums to determine if there is interest in taking on the project].
- Planning staff to provide comments and recommendations pertaining to California Environmental Quality Act (CEQA) Reform. [Requested by Director Peeples – 10/24/12]
- Submission of request to hold a future California Transit Association conference in Oakland. [Requested by Director Williams – 11/14/12]
- Long-range strategy to obtain better information as to why people choose not to ride the bus. [Requested by President Harper – 5/22/13]

FINANCE AND AUDIT COMMITTEE

March

- Follow-up report from the Internal Audit Department regarding the costs associated with legal services provided by outside counsel. The report to provide 1) an analysis of what the outside firms were used for, 2) what kind of work was being sent out to these firms, 3) whether that was a good idea or not, and 4) whether the historical balance between what went to outside counsel and what was handled by inside counsel had changed drastically under the prior general counsel or was the same [Requested by Director Peeples – 12/12/12; Retained in Committee – 10/23/13] (Report 13-268).
- Informational report on post-employment benefit plans. [Requested by President Harper – 11/13/13]
- Report on why the District's unfunded liability associated with the retirement plan has not improved over the past three years. [Requested by President Harper – 11/15/13]
- Report on contract compliance approval [Requested by Director Ortiz – 6/12/13]

April

- Report on the programs being crafted by CARB, California Energy Commission, etc. to fund the District's fuel cell program as a result of recent legislation signed into law and what the District's plan is to apply for the funding. [Requested by Director Peeples - 11/13/13]
- Development of a policy concerning ex parte communications and disclosures by Directors during the entire procurement process from issuance of an RFP, IFB, or RFQ through protest. *It was suggested that staff review the policies of the California Public Utilities Commission pertaining to ex parte situations.* [Requested by Director Peeples – 9/5/12]

Monthly

- Report on Investments
- Fiscal Policies (Review one per month)
- Budget Update

Finance and Audit Committee, Cont.

Quarterly Reports (Nov, Feb, May, Aug)

- Board/Officer Travel/Meeting Expense
- Employee Out-of-State Travel
- Surplus/Obsolete Materials
- Financial Performance/Quarterly Budget Update
- Update on DBE Goal
- Contracts/Purchasing Activity Report

Semi Annual Reports

- DBE/FTA Report and Goal Update (May/Nov)

Annual Reports

- Appropriations Limit (June); Adoption (July)
- Audit Engagement Letter (June)
- Budget Calendar (Nov)
- Externally Funded Welfare to Work (Nov)
- Parcel Tax Oversight Committee (Dec to Board)
- Year-End Audited Financial Statements (Nov)

OPERATIONS COMMITTEE

March

- Report on the efforts that should be made to recruit, retain, and promote women at all levels of the organization. [Requested by Director Young 10/9/13]
- Report on ways to enhance operator safety. [Requested by Director Ortiz 7/31/13]

April

- Report on technology infrastructure (i.e. CAD/AVL system). [Requested by President Harper – 5/22/13] – *Future Board Retreat*
- Report on the implications of the Affordable Care Act on AC Transit. [Requested by President Harper – 1/22/14]

Quarterly Reports (Nov, Feb, May, Aug)

- Operations Performance Report (Next report to include the total number of trips and actual missed trips as well as on-time performance figures for more of the routes.)
- Combination of On-Time Performance and Service Cancellations and Outlates Reports)
- Clipper Outreach efforts [Next report to include the number of Clipper tags for UC Berkeley and the cost to the District and the status of regional transfer agreements.]

Semi Annual Reports (Feb/Aug)

- Customer Service Call Center

Operations Committee, Cont.

Pending Not Scheduled

- Request for staff investigate reports that bus stops are being painted over with grey paint and provide a report on whether there is a cost effective way to determine if these incidents were isolated or more frequent occurrences and what could be done. [Requested by Director Peeples – 7/9/11]
- Report on the savings associated with the October service cuts. [Requested by Director Harper – 2/23/11]
- Report on the closure of the print shop. Retained in Committee pending further study of the placement of Print Shop employees into other positions, the anticipated cost savings, capital investments and useful life of capital equipment, and to explore whether the Print Shop can in-source work from outside of AC Transit (Retained in Committee 8/15/12).
- Implementation of a District-wide calendaring system to track contracts, license renewals, etc. [Requested by Director Peeples – 4/25/12]
- Discussion regarding suggestions for a Board Policy on exit interviews and to what extent those interviews, and the reporting thereof, should be different if the person who exited reports directly to a Board Officer. [Requested by Director Peeples – 11/14/12]
- Investigate the creation of a District store which would have hats, clothing and other items available or sale. [Requested by Director Williams -8/28/13]
- Report on strategies to improve access to Clipper, i.e. increasing locations, marketing, and a short-term discount ride program. [Requested by Director Davis – 11/13/13]

PLANNING COMMITTEE

March

- Development of a policy to officially require regular ridership surveys every four or five years. [Requested by Director Peeples – 6/24/09]

April

- Report on AC Transit's attitude toward shuttles. [Requested by Director Harper – 5/9/12] *To be Discussed at April Board Retreat*

Quarterly Reports (Nov, Feb, May, Aug)

- Bus Rapid Transit Project
- MTC Sustainability Process
- Transbay Transit Center Project
- Update on District Involvement in External Planning Processes.
 - ❖ Lake Merritt Area Plan [Requested by Director Peeples – 3/9/11]
 - ❖ Oak to 9th Street project and details of the commitments made by and to Signature Properties [Requested by Director Peeples – 3/25/06]

Annual Reports

- Update on CARB (Jun)
- Update on Service and Operations Special District 2 (Oct)

Planning Committee, Cont.

Pending Not Scheduled

- Update of the Designing with Transit document which is to include the development of bus shelter design standards. [Requested by Director Peeples – 10/27/10]
- Review Board Policy 163 with respect to environmental issues. (Board Policy 512) [Requested by Director Peeples]
- Amendments to Board Policy 550 – Service Standards and Design. [Requested by the Board – 12/17/08]
- Report on the implications of a study by the California Transportation Commission on anticipated transportation needs in California and the implications to AC Transit. [Requested by Director Peeples – 11/16/11]
- Report Due Upon Conclusion of the Tri-Valley Transit Study: Report on how to better serve lower density diffuse communities and increase the use of public/private shuttles, including:
 - ❖ General Purpose Demand Rapid Transit [Requested by Director Davis – 1/28/09]
 - ❖ Trends regarding the use of private shuttles, carpools, van pools and taxis to serve the public and how it has changed over time [Requested by Director Davis – 2/9/11]
- Update on the status of the customer satisfaction survey. Matter was retained in committee on July 9, 2008 pending receipt of proposed survey. On 9/30/09 Director Peeples requested the report include staff's analysis of surveys conducted in Europe, specifically surveys conducted in Helsinki Finland, to determine how surveys can be done cheaper, better and more often. [Requested by Director Peeples – 5/28/08]
- Report on the feasibility of cancelling the Bus Rapid Transit Project. [Requested by Director Peeples – 7/31/13]