

FINAL MINUTES

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES AND MONTEREY
COUNTY REGIONAL DEVELOPMENT IMPACT FEE
JOINT POWERS AGENCY**

EXECUTIVE COMMITTEE MEETING

*Members are: Fernando Armenta (Chair),
Alejandro Chavez (1st Vice Chair), Dave Potter (2nd Vice Chair),
Kimbley Craig (Past Chair),
John Phillips (County representative), Robert Huitt (City representative)*

Wednesday, February 3, 2016

*** 9:00 a.m. ***

Transportation Agency Conference Room
55-B Plaza Circle, Salinas

1. **CALL TO ORDER:** Chair Armenta called the meeting to order at 9:00 a.m. Committee members present: Armenta, Chavez, Craig, Huitt, Phillips and Potter. Staff present: Delfino, Goel, Hale, Muck, Rodriguez, and Wright. Others present: Agency Counsel Reimann and Meredith Evans, Senator Canella's office.
 2. **PUBLIC COMMENTS:** None.
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3. **CONSENT AGENDA:**
On a motion by Committee Member Huitt and seconded by Committee Member Chavez the committee voted 4– 0 to approve the consent agenda.
Abstained: Phillips
Board member Craig arrived after the consent agenda.
 - 3.1 Approved minutes from the Executive Committee meeting of January 6, 2016.

END OF CONSENT

4. On a motion by Committee Member Craig and seconded by Committee Member Chavez the committee voted 5– 0 to receive report regarding the prefunding of the estimated current calculated unfunded liabilities of the Agency’s Governmental Accounting Standards Board Statement No. 45 Other Post-Employment Benefits.

Dave Delfino, Finance Director, reported the Agency provides its retirees with the minimum medical benefit required by the CalPERS medical plan. In March of 2010, the Agency chose the “pay as you go” basis which requires paying the Minimum Employer Contribution as it becomes due. The Agency, at that time, also designated \$85,219 of the Agency’s fund balance to partially fund a reserve for the future accrued unfunded liability.

The Governmental Accounting Standards Board (GASB) Statement No. 45 requires that the financial reports of U.S. public employers should provide financial information about all retirement benefits not just pension benefits. OPEBs are defined as medical, prescription drug, dental, vision, hearing, life insurance, long term care and long term disability benefits. In the Agency’s situation this presently is the minimum employer contribution for health insurance required by CalPERS that in calendar year 2016 is \$125.00 per month per retiree who purchases health insurance through CalPERS.

5. On a motion by Committee Member Potter and seconded by Committee Member Chavez the committee voted 5– 0 to receive the report regarding the prepayment of the current calculated unfunded net pension liability of the Agency’s according to Governmental Accounting Standards Board Statement No. 68, “Accounting and Financial Reporting for Pensions;” and, recommended that the Board authorize the Executive Director to make a payment of \$550,842 to California Public Employee Retirement System to pay off the Agency’s current net pension liability.

Dave Delfino, Finance Director, reported that according to the most current CalPERS actuarial report, if the Agency were to pay its net pension liability of \$550,842 on June 30, 2016, the Agency would save future interest payments of \$586,458 over 30 years. The Agency would still have to make normal yearly pension payments. The Agency has sufficient reserves to fully pay down this unfunded liability and still meet the established minimum reserve of six months of operating expenses. TAMC is only earning about a ½ percent return on its reserve balance; the interest earned on the full paydown amount in question is about \$2,754 a year. By contrast, by paying off the liability early, the Agency would have a net savings of \$26,924 in 2016/17, and similar or higher savings in future years. Committee member Huitt asked staff to add some additional information on the GASB 68 regarding number of employees who are claiming OPEB Benefits and clarify that the costs identified in the staff report for long-term yearly costs represent the future cost 20 years from now.

6. On a motion by Committee Member Potter and seconded by Committee Member Huitt the committee voted 5– 0 to recommend that the Board authorize Executive Director to submit the draft fiscal year 16/17 budget and Overall Work Program to federal and state funding agencies for initial review; and recommended that the Board provide direction and guidance to staff on the three-year budget for fiscal years 16/17 through 18/19, and the Overall Work Program for fiscal year 16/17; and directed the Executive Director to bring the final three-year budget and one-year Overall Work Program back to the Board on May 25, 2016 for approval.

Todd Muck, Deputy Executive Director, gave a brief overview of the changes in the Overall Work Program for fiscal year 16/17, noting that there will not be a lot of significant changes this year. He noted that staff would be hiring a 511 coordinator position, update the Regional Transportation Plan for 2018, Public outreach for roundabout project, Level 2 traffic revenues study and evaluating tolling on highway 156, and how to proceed with results, third cycle of the bicycle and skate board secure program, the regional bicycle way planning signage and Monterey Salinas Highway 68 study, the Right-of-way for the Salinas rail extension and lastly the Monterey-Salinas Transit funding for busses and the Monterey Branch Line busway.

Rita Goel, Director of Finance & Administration, reported the Agency budget separates expenditures into two types: operating and direct programs. Operating expenditures include staff salaries and benefits, materials and supplies, and equipment purchases. Direct program expenditures include outside consultants, contracts, expenditures that apply to specific project delivery tasks such as rail program, highway projects, bicycle and pedestrian program, noting the direct program has major fluctuations. The proposed fiscal year 2016-2017 operating expenditure budget is \$2,616,738, a net increase over fiscal year 2015-2016 of \$194,439. The proposed fiscal year current direct program expenditure budget is \$14,410,795 a net decrease over fiscal year 15/16 of \$2,398,440. This decrease is primarily due to a shift in expenditures on the Rail Extension to Salinas project. Ms. Goel concluded, noting the next steps in the process are to present the draft budget and Overall Work Program to the Board of Directors in February and in May to bring the final budget and Overall Work Program to the Executive Committee for review and the Board of Directors for adoption.

7. The Committee received a report on the draft agenda for TAMC Board meeting of February 24, 2016:

Executive Director Hale highlighted the draft TAMC Board agenda for February 24, 2016. She reported the Board will hold an unmet transit needs public hearing. The Board would be asked to adopt a revised Regional Transportation Improvement Program based on reduced fund estimate and the final Transportation Investment Plan to release to the cities and county for adoption. She reported on the consent agenda the Board would be asked to authorize and direct staff to partner with Metropolitan Transportation Commission, Santa Cruz Regional Transportation Commission, and the San Luis Obispo County Council of Governments' staff in a joint Request for Proposals for the operation of the call box answering service.

8. **ADJOURNMENT**

Chair Armenta adjourned the meeting at 10:13 a.m.



Elouise Rodriguez, Senior Administrative Assistant