



EL DORADO TRANSIT

County of El Dorado
Board of Supervisors Meeting Room
330 Fair Lane, Bldg. A
Thursday, March 5, 2020; 1:00 PM

EL DORADO COUNTY TRANSIT AUTHORITY Regular Meeting

Chairperson: John Hidahl, County of El Dorado Supervisor, District I
Vice Chairperson: Kara Taylor, City of Placerville Councilmember
Mark Acuna, City of Placerville Councilmember
Shiva Frentzen, County of El Dorado Supervisor, District II
Brian Veerkamp, County of El Dorado Supervisor, District III

- Patty Borelli, Alternate for City Councilmembers
- Lori Parlin, Alternate for Board of Supervisors, District IV

Executive Director: Matthew Mauk

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF AGENDA AND APPROVAL OF CONSENT CALENDAR

The Board may make any necessary additions, deletions or corrections to the agenda including moving items to or from the Consent Calendar and adopt the agenda with one single vote. A Board member may request an item to be removed from the Consent Calendar for discussion and possible action, and the item will be moved from Consent and heard as a separate item. Any member of the public may ask to address an item on the Consent Calendar prior to Board action.

OPEN FORUM

At this time, any person may comment on any item that is not on the agenda. Please state your name and address for the records. Action will not be taken on any item that is not on the agenda. Please limit your comments to no more than three (3) minutes. Please give any written material presented at the meeting to the clerk for public record.

1. <u>CONSENT CALENDAR</u>	<u>PAGE</u>
A. Approve Conformed Minutes of Regular Meeting February 6, 2020	4
B. Receive and File January 2020 Check Registers	8
C. Receive and File January 2020 Ridership Reports	11

1.	<u>CONSENT CALENDAR CONTINUED</u>	<u>PAGE</u>
	D. Adopt Resolution No. 20-06 Authorizing Financial Transactions by Elected Officers and Executive Director	15
	E. Approve the implementation of the pilot Employee Referral and New Hire Incentive Programs	18
	F. Adopt Resolution No. 20-04 Authorizing the El Dorado County Transit Authority and the Executive Director to execute all documents for the Caltrans Division of Rail and Mass Transportation Low Carbon Transit Operations Program (LCTOP), Fiscal Year 2019/20	24
	G. Adopt Resolution No. 20-07 Authorizing the Executive Director to Claim Transportation Development Act (TDA) Funds for Fiscal Year 2020/21	28
	H. 1. Accept Actuarial Valuation of Other Post-Employee Benefit Program for fiscal years ending June 30, 2020 and June 30, 2021	33
	2. Adopt Resolution No. 20-05 approving the pre-fund amount in the California Employer's Retiree Benefit Trust Program (CERBT)	
	3. Authorize Executive Director to execute all documents necessary for continued participation	
	I. 1. Adopt Resolution No. 20-08 approving a new Commercial Credit Card Agreement with UMPQUA BANK and participation in the California Special District Association Purchasing Card Rebate Program	80
	2. Authorize Executive Director to execute all documents necessary for participation	
2.	<u>ACTION ITEMS</u>	
	A. 1. Receive and File the proposed Fiscal Year 2020/21 Preliminary Operating and Capital Budgets	92
	2. Form an Ad Hoc Committee to review the proposed Fiscal Year 2020/21 Preliminary Operating and Capital Budgets	
	3. Appoint the Chair and Vice-Chair to the Ad Hoc Budget Review Committee	
3.	<u>INFORMATION ITEMS</u>	
	A. Fiscal Year 2019/20 6-Month Administrative Operations Report	100
	B. Public Transportation Agency Safety Plan	119
	C. 2019 Safe Driving Awards	122

EXECUTIVE DIRECTOR REPORT *

BOARD MEMBER COMMENTS *

RECESS TO CLOSED SESSION

Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators concerning discussions with Unrepresented Regular Employees and Unrepresented Regular Management Employees of the El Dorado County Transit Authority. The designated representatives for the El Dorado County Transit Authority are Executive Director Matthew Mauk and Legal Counsel Michael Tucker

RECONVENE TO OPEN SESSION AND CLOSED SESSION REPORTS

ADJOURNMENT

* Verbal Report

NEXT REGULARLY SCHEDULED
EL DORADO COUNTY TRANSIT AUTHORITY BOARD MEETING
Thursday, April 2, 2020 1:00 P.M.
County of El Dorado
Board of Supervisors Meeting Room
330 Fair Lane, Bldg A
Placerville, CA 95667

The El Dorado County Board of Supervisors Meeting Room is accessible for persons with disabilities. In compliance with the Americans with Disabilities Act, if you require modification or accommodation to participate in this meeting, please contact El Dorado County Transit Authority by telephone at (530) 642-5383 or by fax at (530) 622-2877. Requests must be made as early as possible and at least one full business day before the start of the meeting.

To listen to open session portions of the meeting in real time, dial (530) 621-7603. This specialized dial in number is programmed for listening only and is operable when the audio system inside the meeting room is activated. Please be advised that callers will experience silence anytime the Board is not actively meeting, such as during Closed Session or break periods.

The Agenda is also available on the website www.eldoradotransit.com



**County of El Dorado
Board of Supervisors Meeting Room
330 Fair Lane, Bldg. A
Thursday, February 6, 2020; 1:00 PM**

**EL DORADO COUNTY TRANSIT AUTHORITY
CONFORMED MINUTES
Regular Meeting**

Chairperson: Mark Acuna, City of Placerville Councilmember
Vice Chairperson: John Hidahl, County of El Dorado Supervisor, District I
Shiva Frentzen, County of El Dorado Supervisor, District II
Kara Taylor, City of Placerville Councilmember
Brian Veerkamp, County of El Dorado Supervisor, District III

- Patty Borelli, Alternate for City Councilmembers
- Lori Parlin, Alternate for Board of Supervisors, District IV

Executive Director: Matthew Mauk

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Acuna called the meeting to order at 1:00 PM and the pledge of allegiance was recited.

ELECTION OF OFFICERS

A. Election of Chairperson and Vice-Chairperson for Calendar Year 2020

It was moved and seconded to elect Director Hidahl as Chairperson and Director Taylor as Vice-Chairperson

M/S: Frentzen/Veerkamp

Ayes: Acuna, Frentzen, Hidahl, Taylor, Veerkamp

B. Oath of Office

The Oath of Office was completed and signed by each of the following Board Members:

Mark Acuna, Shiva Frentzen, John Hidahl, Kara Taylor, Brian Veerkamp

CEREMONIAL ITEMS

- A. Newly elected Chairperson plaque presentation to outgoing Chairperson Mark Acuna

Director Hidahl presented outgoing Chairperson Acuna with a plaque

ROLL CALL

Directors Present: Mark Acuna, Shiva Frentzen, John Hidahl, Kara Taylor, Brian Veerkamp

A quorum was present.

ADOPTION OF AGENDA AND APPROVAL OF CONSENT CALENDAR

The Board may make any necessary additions, deletions or corrections to the agenda including moving items to or from the Consent Calendar and adopt the agenda with one single vote. A Board member may request an item to be removed from the Consent Calendar for discussion and possible action, and the item will be moved from Consent and heard as a separate item. Any member of the public may ask to address an item on the Consent Calendar prior to Board action.

M/S: Acuna/Veerkamp

Ayes: Acuna, Frentzen, Hidahl, Taylor, Veerkamp

OPEN FORUM

None

1. CONSENT CALENDAR

- A. Approve Conformed Minutes of Regular Meeting December 5, 2019
- B. Receive and File November and December 2019 Check Registers
- C. Receive and File November and December 2019 Ridership Reports
- D. Receive and file Quarterly Investment Reports for the periods ending 09/30/2019 and 12/31/2019
- E.
 - 1. Adopt Resolution No. 20-01 Authorizing the Executive Director to File Applications for Federal Administration Funding Programs
 - 2. Adopt Resolution No. 20-02 Authorizing the Executive Director to File Application specific to the Federal Transit Administration Section 5311 Grant Program

- F. 1.** Award contract for preliminary design and engineering services for the County Line Multi-Modal Transit Center to the lowest responsible bidder, consistent with the bid documents
- 2.** Approve Purchase Order No. 25247 issued to CTA Engineering in an amount not to exceed \$29,580
- 3.** Authorize the Executive Director to execute the contract, including change order authority not exceeding ten percent of the contract price and to execute all related documents necessary to complete the project within the approved budget
- G. 1.** Award contract to Orion Outdoor Media for bus shelter advertising and maintenance services consistent with the scope of work in Request for Proposal No. 19-03
- 2.** Authorize the Executive Director to finalize terms, exercise future options and execute all documents related to the contract award from Request for Proposal No. 19-03
- H.** Approve Revised Blanket Purchase Orders above \$25,000 for Fiscal Year 2019/20

2. ACTION ITEMS

- A.** Approve Revisions to the El Dorado County Transit Authority Employment Background Check Policy

Action:

Approve Revisions to the El Dorado County Transit Authority Employment Background Check Policy

M/S: Frentzen/Acuna

Ayes: Acuna, Frentzen, Hidahl, Taylor, Veerkamp

- B.** Adopt Resolution No. 20-03 approving the **El Dorado County Transit Authority Personnel Policies and Procedure Manual** with revisions and additions

Action:

Adopt Resolution No. 20-03 approving the El Dorado County Transit Authority Personnel Policies and Procedure Manual with revisions and Additions

M/S: Veerkamp/Taylor

Ayes: Acuna, Frentzen, Hidahl, Taylor, Veerkamp

- C. 1. Adopt Fiscal Year 2019/20 Revised Mid-Year Operating Budget Adjustments
2. Approve the use of Contingency funds to offset reduction in revenues

Action:

1. Adopt Fiscal Year 2019/20 Revised Mid-Year Operating Budget Adjustments
2. Approve the use of Contingency funds to offset reduction in revenues

M/S: Acuna/Frentzen

Ayes: Acuna, Frentzen, Hidahl, Taylor, Veerkamp

3. INFORMATION ITEMS

A. Newsletter

No action. Information only.

EXECUTIVE DIRECTOR REPORT *

BOARD MEMBER COMMENTS *

* Verbal Report

ADJOURNMENT

Chairperson Hidahl adjourned the meeting at 1:29 PM. The next regularly scheduled meeting is Thursday, March 5, 2020.

Respectfully Submitted,

**Megan Wilcher
Secretary to the Board**

AGENDA ITEM 1 B
Consent Item

MEMORANDUM

DATE: March 5, 2020
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Finance Manager
SUBJECT: Receive and File January 2020 Check Register

REQUESTED ACTION:
BY MOTION,
Receive and File January 2020 Check Register

BACKGROUND

The following check register includes routine transactions for the month of January 2020. These expenditures fall within budgets adopted by the El Dorado County Transit Authority Board of Directors.

DISCUSSION

Four (4) items merit further detail;

Check #1013 – City of Placerville.....\$211,678.18
This warrant pays the obligation for Progress Payment #12 associated with the Western Placerville Interchange (WPI) project using Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) funds; CIP Project #12-06.

Check #33975 – Creative Bus Sales.....\$4,504.50
This check pays the February 2020 lease obligation for a 2018 Ford Cutaway using Local Transportation Funds (LTF).

Check #33976 – Creative Bus Sales.....\$548,566.90
This check pays the obligation for five (5) 2019 StarCraft Allstar 24 Demand Response cutaway buses using Federal Transit Administration (FTA) Section 5310 and State Transit Assistance (STA) funds; CIP Project #19-04.

Check #33980 – Feild and Associates.....\$7,267.50
This check pays an obligation for management of multiple transit projects for the period from October thru December 2019 using both local and grant funding as directed under individual capital plan budgets.

EL DORADO COUNTY TRANSIT AUTHORITY

Check Register

January 2020

Date	Num	Name	Memo	Amount
01/06/2020	EFT TRANS	CalPERS - HEALTH BENEFIT SERVICE DIVISION	Health Premium - January 2020	40,155.58
01/09/2020	1013	CITY OF PLACERVILLE	WPI - Progress Payment #12	211,678.18
01/09/2020	33920	A-Z BUS SALES	Parts And Supplies	3,124.64
01/09/2020	33921	ABSOLUTE GLASS INC	Windshield Repair Driver's & Pass Side	180.00
01/09/2020	33922	AMERICAN HERITAGE LIFE INSURANCE COMPANY	Employee Paid Premium - January 2020	110.46
01/09/2020	33923	ARNOLDS FOR AWARDS	EOM Engraving - December 2020	12.50
01/09/2020	33924	BUS & EQUIPMENT REPAIR OF CA	Parts And Supplies	1,814.40
01/09/2020	33925	CAPITOL CLUTCH & BRAKE	Parts And Supplies	1,414.79
01/09/2020	33926	CELL ENERGY	Battery #1002 #1304	1,206.45
01/09/2020	33927	DAWSON OIL	Fuel Purchases-December 2019	41,742.90
01/09/2020	33928	ECO SIGNS	Replace Bulbs CAMB ans EDH P&R	1,468.57
01/09/2020	33929	EDC RISK MANAGEMENT	Health Insurance December 2019 & Jan 2020	3,141.28
01/09/2020	33930	EL DORADO DISPOSAL	Monthly Utilities	337.04
01/09/2020	33931	EL DORADO IRRIGATION DISTRICT	Monthly Utilities	261.99
01/09/2020	33932	FASTENAL	Parts And Supplies	292.68
01/09/2020	33933	FLEMING DISTRIBUTING CO.	Additives PM Services	411.30
01/09/2020	33934	FOLSOM CHEVROLET	Parts And Supplies	942.99
01/09/2020	33935	GILLIG LLC	Parts And Supplies	30,943.45
01/09/2020	33936	KINETICO WATER OF PLACERVILLE	Drinking Water Service Jan 2020	42.90
01/09/2020	33937	MAG LANDSCAPING INC	December 2019 - Landscaping Service	690.00
01/09/2020	33938	MISSION UNIFORM SERVICE	Uniform Services, Towels, Mats	308.93
01/09/2020	33939	O'REILLY AUTO PARTS	Parts And Supplies	463.50
01/09/2020	33940	OPERATING ENGINEERS - MEDICAL	Medical Premium - January 2020	52,391.00
01/09/2020	33941	PACIFIC GAS & ELECTRIC	Monthly Utilities	3,273.93
01/09/2020	33942	QUILL	Misc. Office Supplies	252.91
01/09/2020	33943	RIEBES AUTO PARTS	Parts And Supplies	26.27
01/09/2020	33944	RON DUPRATT FORD	Parts And Supplies	629.31
01/09/2020	33945	RTS IT INC	IT Care Gold Service Plan-Jan 2020	4,592.50
01/09/2020	33946	SIERRA NEVADA TIRE & WHEEL	Fleet Vehicles Tires	3,577.79
01/09/2020	33947	SUN LIFE FINANCIAL	Life/LTD Premium - January 2020	2,909.49
01/09/2020	33948	TOWN CENTER EAST LP	Lease Pymt for January 2020 P&R	700.00
01/09/2020	33949	TRUE VALUE HARDWARE	Parts And Supplies	248.62
01/09/2020	33950	VERIZON WIRELESS	Cellular & Wifi Service - December 2019	1,951.27
01/09/2020	33951	VISA	Reconciled Charges	4,389.19
01/09/2020	33952	WESTERN TRUCK PARTS LLC	Parts And Supplies	5,681.02
01/13/2020	EFT TRANS	CalPERS 457 DEFERRED COMPENSATION PROGRAM	PAY DATE JAN. 10, 2020	5,536.28
01/13/2020	EFT TRANS	PUBLIC EMPLOYEES RETIREMENT SYSTEM	SERVICE PERIOD PR #1 CLASSIC	11,982.58
01/13/2020	EFT TRANS	PUBLIC EMPLOYEES RETIREMENT SYSTEM	SERVICE PERIOD PR #1 PEPRA	9,161.98
01/21/2020	33953	AFTERMARKET PARTS CO LLC	Parts And Supplies	2,788.88
01/21/2020	33954	ALPHA ANALYTICAL LABORATORIES INC	Storm Water Testing 2020	662.00
01/21/2020	33955	AT&T / CALNET 3	Monthly Utilities	433.97
01/21/2020	33956	AUTOZONE	Parts And Supplies	397.81
01/21/2020	33957	C & H MOTOR PARTS	Parts And Supplies	159.86
01/21/2020	33958	CITY OF PLACERVILLE	Livescan Fee for November 2019-3	60.00
01/21/2020	33959	CITY OF PLACERVILLE	Bus Shelter Maintenance-Jan., Feb. & March 2020	330.00
01/21/2020	33960	DELUXE	Heavy Duty Coin Bags/Deposit Ticket Bks	277.33
01/21/2020	33961	EL DORADO DISPOSAL-HAZARDOUS WASTE & DUMP	Clean YW-Self Haul-2 Loads-December 2019	29.28
01/21/2020	33962	EL DORADO IRRIGATION DISTRICT	Monthly Utilities	682.32
01/21/2020	33963	FACTORY MOTOR PARTS	Parts And Supplies	1,141.31
01/21/2020	33964	GIRARD & EDWARDS	Legal Counsel - December 2019	1,975.00
01/21/2020	33965	HUNT & SONS INC	Bulk Oil 10w-30 & Dec Fuel	4,702.62
01/21/2020	33966	PRO-LINE CLEANING SERVICES INC	Janitorial Services - December 2019	900.00
01/21/2020	33967	QUILL	Misc. Office Supplies	263.38
01/21/2020	33968	ROBERTS & COMPANY INC	CPA Services - December 2019	55.00
01/21/2020	33969	SACRAMENTO CENTRAL YMCA	Annual Membership	240.00
01/21/2020	33970	TRANSIT INFORMATION PRODUCTS	Lghtfst Transit Prints for Use in Tolar Map Cases	808.57
01/21/2020	33971	UNIVERSAL SECURITY & FIRE INC	Alarm Monitoring for 01/01/2020 - 03/31/2020	135.00
01/21/2020	33972	VAN DE POL ENTERPRISES INC	DEF-Tote	350.97
01/21/2020	33973	XEROX FINANCIAL SERVICES	Lease Payment-January 2020	774.35
01/24/2020	33974	CDW GOVERNMENT	Acer Monitors V276HL-7 & V246HL-2	1,426.87
01/24/2020	33975	CREATIVE BUS SALES	Vehicle Lease-February 2020	4,504.50
01/24/2020	33976	CREATIVE BUS SALES	5 - 2019 StarCraft Allstar 24	548,566.90
01/24/2020	33977	EDC HHSA-PUBLIC HEALTH DIVISION	Pre-Employment PPD Testing & Eval-1 EC	30.00
01/24/2020	33978	EMP. MISC. REIMBURSEMENT	Uniform Pants - EP	50.00
01/24/2020	33979	FEDERAL EXPRESS	Shipping Overnight	73.33
01/24/2020	33980	FEILD AND ASSOCIATES	Transit Project Mgmt for 10-12/2019	7,267.50
01/24/2020	33981	FLEET MAINT SPECIALISTS INC	Travel Costs & Veh Inspect for Replace Veh	952.50
01/24/2020	33982	GCR TIRES & SERVICE	Tires #1401	2,072.16
01/24/2020	33983	MOUNTAIN DEMOCRAT INC	Local Newspaper Subscription Renewal-2 Yrs	205.92
01/24/2020	33984	MOUNTAIN DEMOCRAT INC	Public Notice: RFQ County Line Multi Modal	101.25
01/24/2020	33985	PERFECTO LABEL CO INC	"You Are Here" Stickers-Shelter Maps-200	77.22

EL DORADO COUNTY TRANSIT AUTHORITY
Check Register
January 2020

Date	Num	Name	Memo	Amount
01/24/2020	33986	QUILL	Misc. Office Supplies	134.40
01/24/2020	33987	VIPER PEST CONTROL INC	Bi-Monthly Pest Control-#6565	60.00
01/24/2020	33988	WOLFPACK INSURANCE SERVICES, INC.	Dental/Vision Premium - February 2020	4,678.60
01/28/2020	EFT TRANS	CalPERS 457 DEFERRED COMPENSATION PROGRAM	PAY DATE JAN. 24, 2020	4,586.47
01/28/2020	EFT TRANS	PUBLIC EMPLOYEES RETIREMENT SYSTEM	SERVICE PERIOD PR #2 CLASSIC	12,092.09
01/28/2020	EFT TRANS	PUBLIC EMPLOYEES RETIREMENT SYSTEM	SERVICE PERIOD PR #2 PEPR	8,924.20
01/28/2020	33989	CA DEPT OF TAX & FEE ADMIN	4th QTR Exempt Bus Operator Diesel Fuel Tax 2019	370.00
				<u>1,061,390.23</u>
Total				<u>1,061,390.23</u>

AGENDA ITEM 1 C
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Brian James, Planning and Marketing Manager

SUBJECT: January 2020 Ridership Report

REQUESTED ACTION:

BY MOTION,

Receive and File the January 2020 Ridership Report

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) staff reports monthly and fiscal year-to-date ridership trend reports at each Board meeting.

DISCUSSION

Following is the January 2020 monthly ridership table comparing the current fiscal year to the previous fiscal year.

January Ridership

January 2020	January 2019	Decrease	% Decrease
31,186	31,340	-154	-0.5%

In January, Demand Response ridership decreased by 1.2%, Local Fixed Route ridership decreased by 4.0% and Commuter ridership increased by 3.6%. Productivity improved as demonstrated by a 7.6% increase in passengers per revenue hour. Year-to-date ridership has increased by 3,897 passenger trips or 1.8%, and passengers per revenue hour has increased by 8.5%.

Following is the January 2020 and fiscal year-to-date ridership reports, comparing the current fiscal year to the previous fiscal year.

In January El Dorado Transit recorded 15,266 Connect Card taps or 49.0% of all ridership. Following is the Connect Card Ridership Report for the past twelve (12) months with a graph showing the percent of total Connect Card ridership per month and a graph of the fare revenues.

January 2020 Ridership Report

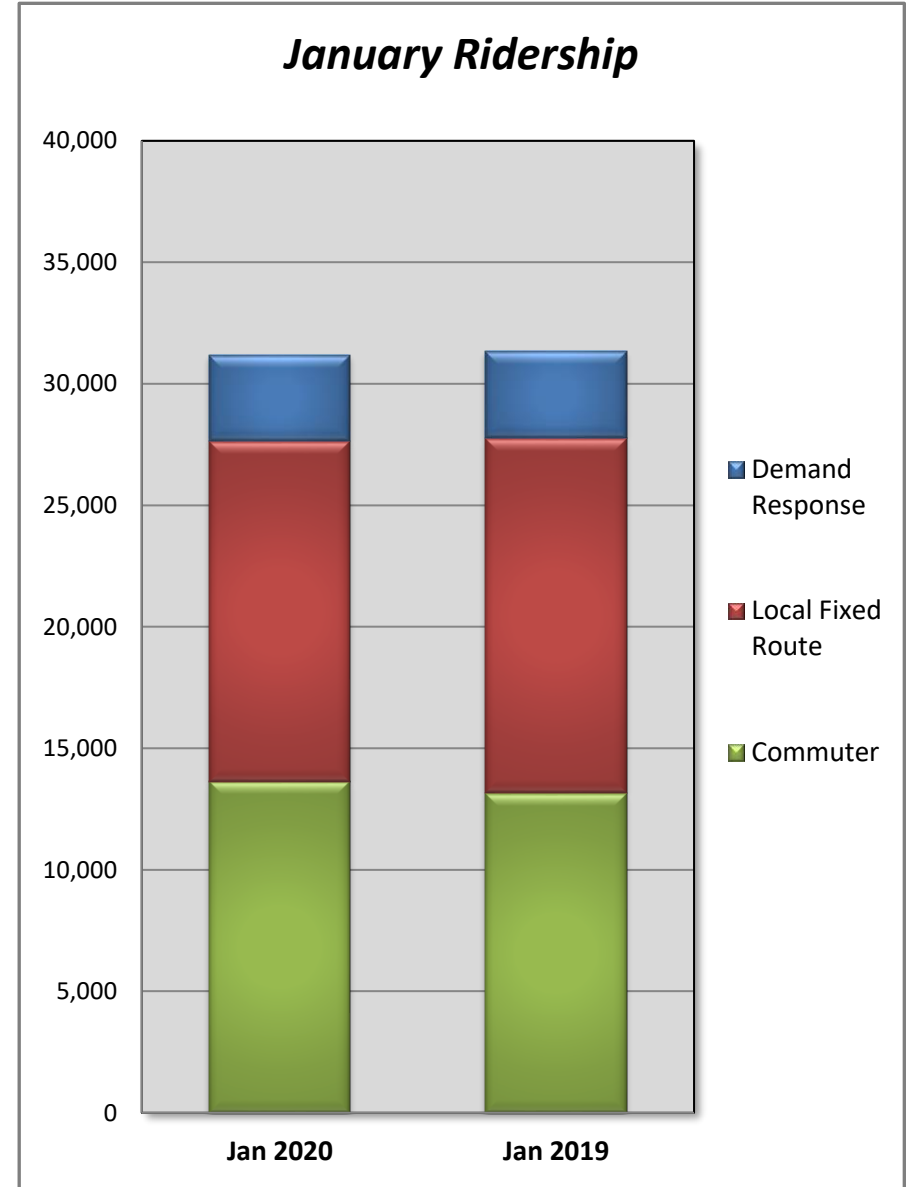


Demand Response	Jan 2020	Jan 2019	% Change
Dial-a-Ride	1,254	1,378	-9.0%
Sac-Med	27	31	-12.9%
ADA Paratransit	62	71	-12.7%
M.O.R.E.*	1,842	1,640	12.3%
Senior Day Care*	346	455	-24.0%
Total Demand Response	3,531	3,575	-1.2%

Local Fixed Route	Jan 2020	Jan 2019	% Change
20 - Placerville	3,607	3,774	-4.4%
25 - Saturday Express	349	338	3.3%
30 - Diamond Springs	2,234	2,559	-12.7%
35 - Diamond Springs Saturday	147	80	83.8%
40 - Cameron Park	1,275	1,043	22.2%
50x - 50 Express	3,554	3,529	0.7%
60 - Pollock Pines	2,858	3,211	-11.0%
70 - El Dorado Hills	0	80	-100.0%
Total Local Fixed Route	14,024	14,614	-4.0%

Commuter	Jan 2020	Jan 2019	% Change
Sacramento Commuter	13,575	13,043	4.1%
Reverse Commuter	56	108	-48.1%
Total Commuter	13,631	13,151	3.6%

	Jan 2020	Jan 2019	% Change
Systemwide	31,186	31,340	-0.5%
Passengers per Revenue Hour	7.4	6.8	7.6%



*Contracted Services - Ridership Determined by Client Enrollment

Ridership Report Fiscal Year-to-Date

July 2019 to January 2020

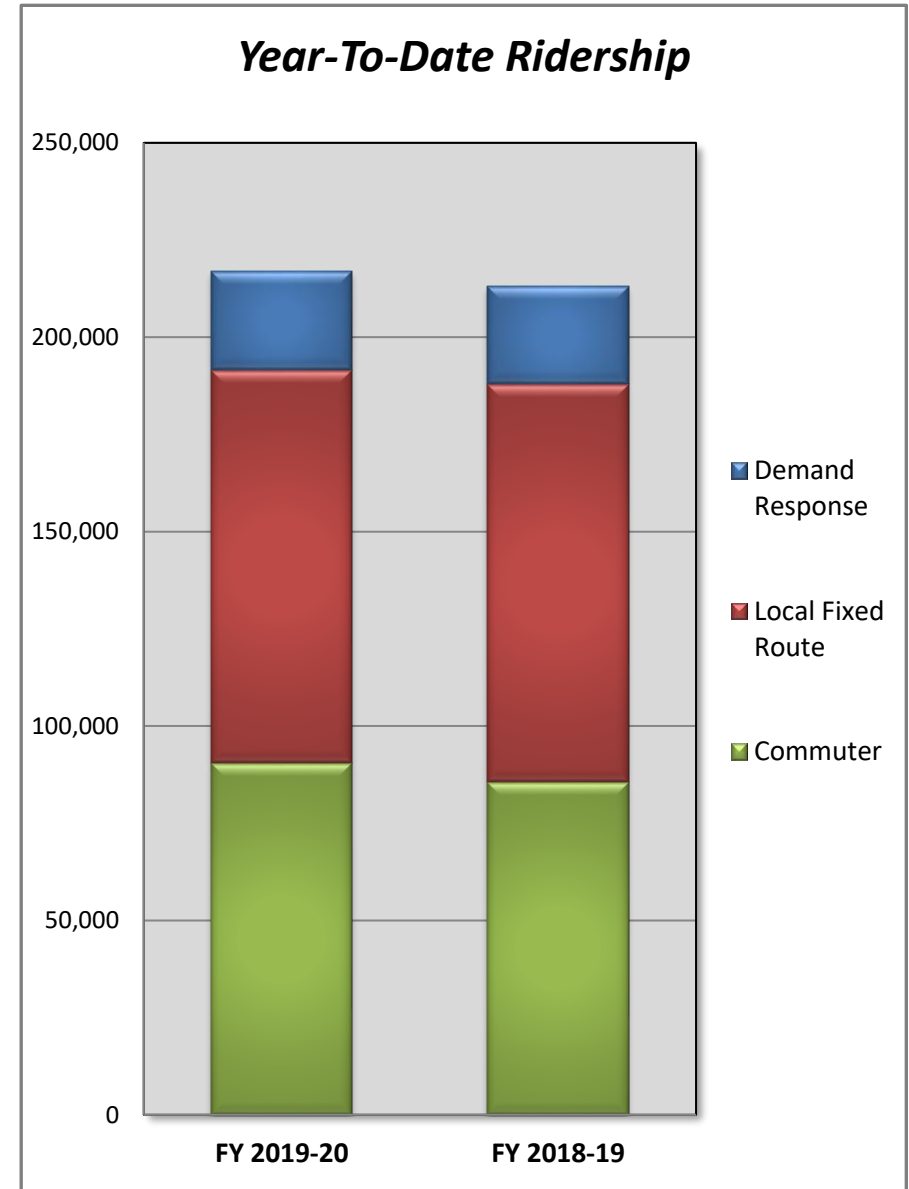


Demand Response	FY 2019-20	FY 2018-19	% Change
Dial-a-Ride	9,105	9,928	-8.3%
Sac-Med	190	203	-6.4%
ADA Paratransit	375	455	-17.6%
M.O.R.E.*	12,789	11,000	16.3%
Senior Day Care*	2,790	3,475	-19.7%
Total Demand Response	25,249	25,061	0.8%

Local Fixed Route	FY 2019-20	FY 2018-19	% Change
20 - Placerville	24,744	25,871	-4.4%
25 - Saturday Express	2,878	2,655	8.4%
30 - Diamond Springs	16,047	16,597	-3.3%
35 - Diamond Springs Saturday	894	819	9.2%
40 - Cameron Park	9,186	7,502	22.4%
50x - 50 Express	25,115	24,517	2.4%
60 - Pollock Pines	22,331	21,822	2.3%
70 - El Dorado Hills	0	2,431	-100.0%
Total Local Fixed Route	101,195	102,214	-1.0%

Commuter	FY 2019-20	FY 2018-19	% Change
Sacramento Commuter	89,888	85,268	5.4%
Reverse Commuter	512	404	26.7%
Total Commuter	90,400	85,672	5.5%

	FY 2019-20	FY 2018-19	% Change
Systemwide	216,844	212,947	1.8%
Passengers per Revenue Hour	7.3	6.7	8.5%



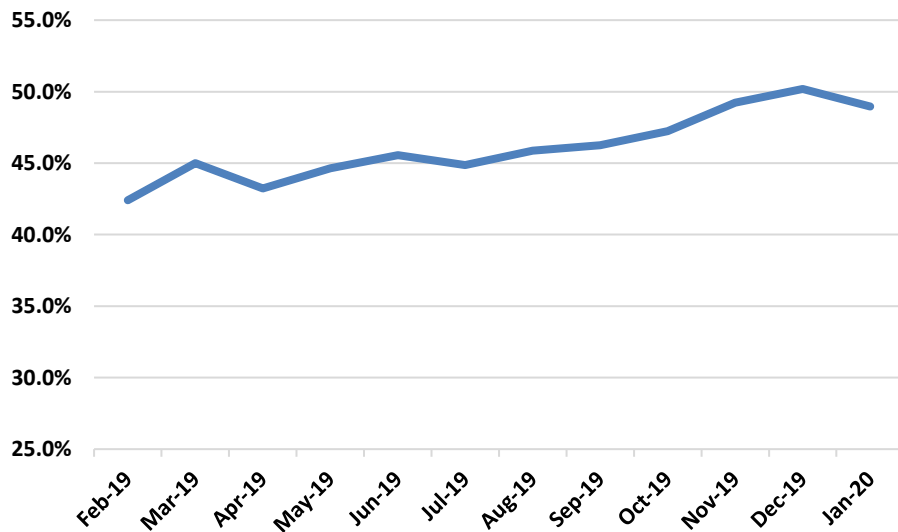
*Contracted Services - Ridership Determined by Client Enrollment

Connect Card Ridership Report

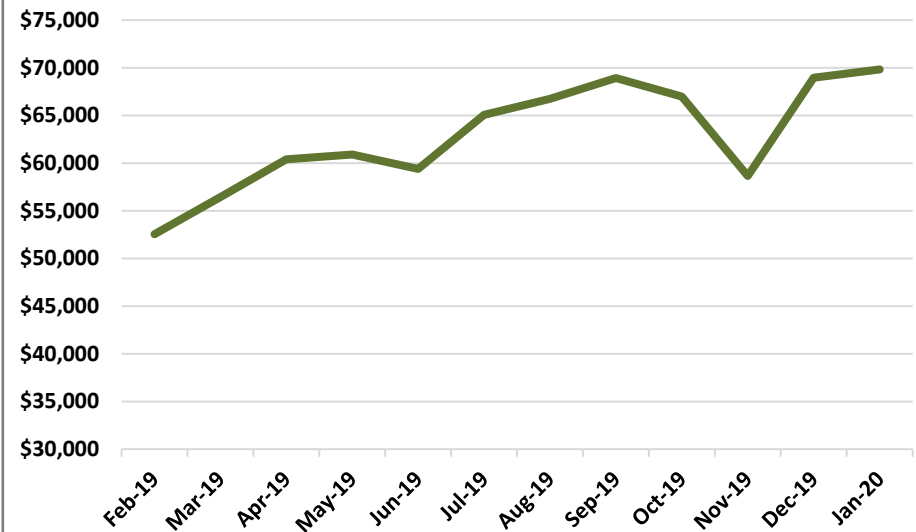


Month	Number of Taps	Total Ridership	% of Total Ridership	Fare Revenue
Feb-19	11,299	26,645	42.4%	\$52,547
Mar-19	14,468	32,158	45.0%	\$56,449
Apr-19	13,885	32,111	43.2%	\$60,406
May-19	14,704	32,934	44.6%	\$60,909
Jun-19	12,719	27,915	45.6%	\$59,388
Jul-19	14,091	31,403	44.9%	\$65,071
Aug-19	15,167	33,064	45.9%	\$66,729
Sep-19	14,505	31,356	46.3%	\$68,913
Oct-19	16,236	34,375	47.2%	\$66,978
Nov-19	13,430	27,285	49.2%	\$58,647
Dec-19	14,140	28,175	50.2%	\$68,969
Jan-20	15,266	31,186	49.0%	\$69,832

Connect Card Percent of Total Ridership



Connect Card Fare Revenue



AGENDA ITEM 1 D
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Megan Wilcher, Secretary to the Board/Administrative Coordinator

SUBJECT: Authorizing Financial Transactions by Elected Officers and Executive Director

REQUESTED ACTION:
BY MOTION,

Adopt Resolution No. 20-06 Authorizing Financial Transactions by
Elected Officers and Executive Director

BACKGROUND

El Dorado Transit banks with Umpqua Bank and Bank of America. The recent election of officers requires a new authorization for signature approval on accounts at financial institutions.

DISCUSSION

Resolution No. 20-06 authorizes the El Dorado County Transit Authority (El Dorado Transit) Chairperson John Hidahl; Vice-Chairperson Kara Taylor and Executive Director Matthew Mauk to perform financial transactions required to complete normal banking business practices.

FISCAL IMPACT

None

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 20-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EL DORADO COUNTY TRANSIT AUTHORITY
REGARDING FINANCIAL TRANSACTIONS**

A. I, Megan Wilcher, certify that I am the Secretary to the Board for the above named organization (referred to as the “association”) organized under the laws of the State of California, Federal Employer I.D. Number 68-0316621, and that the following is a correct copy of resolution adopted at a meeting of the association duly and properly called and held on this 5th day of March 2020. This resolution appears in the minutes of this meeting and has not been rescinded or modified.

B. BE IT HEREBY RESOLVED AND ORDERED THAT,

- 1.** The Financial Institution Umpqua Bank is designated as a depository for the funds of this association.
- 2.** This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by this Financial Institution.
- 3.** All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowing by or on behalf of this association with this Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- 4.** Any of the persons named below, so long as they act in a representative capacity as agents of this association, are authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated below, from time to time with this Financial Institution, concerning funds deposited in this Financial Institution, moneys borrowed from this Financial Institution or any other business transacted by and between this association and this Financial Institution subject to any restrictions stated below.
- 5.** Any and all prior resolutions adopted by this association and certified to this Financial Institution as governing the operation of this association’s account(s), are in full force and effect, unless supplemented or modified by this authorization.
- 6.** This association agrees to the terms and conditions of any account agreement, properly opened by an authorized representative(s) of this association, and authorizes the Financial Institution named above, at any time, to charge this association for all checks, drafts, or other orders, for the payment of money, that are drawn on this Financial Institution, regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimens in Section C. (or the facsimile signature specimens that this association files with this Financial Institution from time to time) and contain the required number of signatures for this purpose.
- 7.** Any checks or drafts shall have two (2) signatures for amounts over \$5,000.00.

C. If indicated, any person listed below (subject to any expressed restrictions) is authorized to:

- (A) John Hidahl - Chairperson
- (B) Kara Taylor - Vice-Chairperson
- (C) Matthew Mauk - Executive Director

Please see signature approval below.

- | | | |
|-----------------------|-----|--|
| A,B,C | (1) | Exercise all of the powers listed in (2) through (6). |
| C | (2) | Open any deposit or checking account(s) in the name of this association. |
| A,B,C | (3) | Endorse checks and orders for the payment of money and withdraw funds on deposit with this Financial Institution. |
| A,B,C | (4) | Borrow money on behalf and in the name of this association, sign, execute and deliver promissory notes or other evidence of indebtedness. |
| A,B,C | (5) | Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts or bills of lading. |
| Requires Board Action | (6) | Endorse, assign, transfer stocks, bonds, real estate or other property now owned or hereafter owned or acquired by this association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment. |
| A,B,C | (7) | Enter into written lease for the purpose of renting and maintaining a Safe Deposit Box in this Financial Institution. |
| A,B,C | (8) | Deposit and withdrawal of monies in the Local Agency Investment Fund (LAIF) in the State Treasury in accordance with Section 16429.1 of Government Code. |

D. I further certify that this association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named who have full power and lawful authority to exercise the same.

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at a regular meeting of said Board, held on the 5th Day of March 2020, by the following vote of said Board:

AYES: **NOES:** **ABSTAIN:** **ABSENT:**

John Hidahl, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

AGENDA ITEM 1 E
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Maria Harris, Human Resources Manager

SUBJECT: Employee Referral and New Hire Incentive Programs

REQUESTED ACTION:

BY MOTION,

Approve the implementation of the pilot Employee Referral and New Hire Incentive Programs

BACKGROUND

El Dorado County Transit Authority (El Dorado Transit) is continually searching for quality Transit Operators. Transit agencies nationwide have been facing a driver workforce shortage with the decline in unemployment and a general lack of interest in driving career fields. El Dorado Transit has always recruited through traditional resources such as local newspaper publications, social media and El Dorado Transit's website.

On average El Dorado Transit retains roughly one-third of Transit Operator new hires recruited throughout the year from traditional resources. Attracting and maintaining top driving talent requires strategic recruitment initiatives that are sourced and driven to attract qualified individuals.

Staff recognizes these recruiting challenges and has developed a recruitment campaign that purposefully targets the hard to fill position of Transit Operator.

DISCUSSION

Statistics show that new hires recruited through an employee referral are more likely to stay employed longer, are excellent contributors and are more cost-effective recruits. Potential benefits of an employee referral incentive program include better employee engagement and an expanded recruitment pipeline. Likewise, a new hire incentive program encourages retention through the initial employment period, increases motivation and promotes agency loyalty.

In an effort to improve El Dorado Transit's recruitment outcomes and encourage employee retention, staff has developed the pilot Employee Referral and New Hire Incentive Programs.

The attached draft documents provide clear descriptions and guidelines for the program rules and procedures.

If approved, staff will analyze recruitment and retention trends during the first full year of implementation to assess the results and cost effectiveness of the programs. Based on the findings, staff will determine continuation or termination of the program and budget accordingly in the future.

Staff is recommending approval and immediate implementation of the pilot Employee Referral and New Hire Incentive Programs. Program descriptions, rules and distribution of awards guidelines are attached for reference.

FISCAL IMPACT

Funding needed for the incentive programs has been projected based on a modest potential increase over recent Transit Operator hiring and retention levels. The following estimated program expenses are within the adopted current Fiscal Year 2019/20 and proposed Fiscal Year 2020/21 Operating Budgets, respectively.

Projected Fiscal Year 2019/20

Employee Referral Bonus - \$2,000

New Hire Incentive Bonus - \$2,000

Projected Fiscal Year 2020/21

Employee Referral Bonus - \$11,500

New Hire Incentive Bonus - \$11,500

Employee Referral Bonus Program Procedures

Description

El Dorado Transit is always looking for quality employees, and you can help. Research has shown, and our own experience supports, that new hires who come into an agency through employee referrals are excellent contributors, stay with the agency longer and are more cost-effective recruits.

That's where you come in! If you know someone who would be a good addition to El Dorado Transit, you may be awarded a referral bonus of up to \$1,000 in total (less taxes) if you refer a candidate and he or she is hired and completes probation for Regular Transit Operators (RTO) or twelve (12) consecutive months of employment or 940 work hours (whichever is later) for Extra-Help Transit Operators (EHTO).

To be eligible for the referral bonus program, employees must refer candidates to Human Resources under the following rules/conditions:

Program Rules

- All El Dorado Transit employees, except Managers and Supervisors with hiring authority and Human Resources personnel, are eligible for the referral bonus.
- Referral bonuses are only applicable to job recruitments for the Transit Operator Job Classification (Regular and Extra-help).
- Referral bonuses do not apply to re-hires or promotional opportunities. The referral must represent the candidates first contact with El Dorado Transit.
- To be eligible for the referral bonus, an employee must submit a referral to Human Resources with a completed Candidate Referral Form and employment application (resumes optional).
- The referral date should coincide with the date the candidate's application is signed or submitted.
- The referring employee must agree to have his/her name used when the agency contacts the candidate.
- The first employee to refer a candidate will be the only referring employee eligible for payment.
- Only candidates that meet the minimum qualifications for the position will be considered.
- All candidates will be evaluated for employment consistent with the agency's recruiting program and procedures.
- Any disputes or interpretations of the employee referral program will be handled through the Executive Director or his/her designee.
- The referring employee must be employed with El Dorado Transit during the hired candidates first year of employment to receive all payments of the referral program.
- All information regarding the hiring decision will remain strictly confidential.
- El Dorado Transit reserves the right to suspend or discontinue the program, at our discretion, with the understanding that any current participants within the program at that time would be grandfathered in until they have completed the required time frames for distribution of bonuses.

Distribution of Bonus

- Referring employee shall receive \$250.00 the first full pay period following the new hire's original date of hire.
- Referring employee shall receive \$250.00 the first full pay period following the new hire's successful completion of their initial six (6) month probationary period for RTO or six (6) consecutive calendar months or 470 work hours (whichever is later) for EHTO.
- Referring employee shall receive \$500.00 the first full pay period following the new hire's successful completion of their full probationary period which may be the twelfth (12th) or fifteenth (15th) month of employment for RTO or twelve (12) consecutive calendar months or 940 work hours (whichever is later) for EHTO.

Candidate Referral Form

Job Title:	Job Requisition #:
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Candidate's Name: Referral Date:

Referring Employee's Name:

Phone: E-mail:

I have read and understand the referral program rules.

Referring Employee's Signature

Date

Attach the candidate's resume or copy of application and submit this form to Human Resources.

INTERNAL USE ONLY: (Original to Payroll)	
To: Payroll	
From: Human Resources	
Referred Candidates DOH:	
Target Date for 1 st award payment:	(first full pay period following DOH)
Target Date for 2 nd award payment:	
Target Date for final award payment:	
Signature & Date of Approval from HR:	
Signature & Date of Approval from Executive Director:	
Initial of Receipt & Date from Accounting:	

New Hire Incentive Bonus Program Procedures

Description

El Dorado Transit offers a hiring incentive bonus to newly hired Transit Operators. New Hires may be awarded a new hire incentive bonus of up to \$1,000 in total (less taxes) upon successful completion of full probationary period for Regular Transit Operators (RTO) or twelve (12) consecutive months of employment or 940 work hours (whichever is later) for Extra-Help Transit Operators (EHTO).

Eligible new hires must complete, sign and date the New Hire Incentive Bonus Form.

Program Rules

- New hire incentive bonuses are only applicable to the Transit Operator Job Classification (Regular and Extra-Help).
- New hire incentive bonus does not apply to re-hires or promotional opportunities.
- To be eligible for the new hire incentive bonus, candidates must meet the minimum qualifications of the Transit Operator job description. Only candidates that meet the minimum qualifications for the position will be considered.
- All new hires will be evaluated for employment consistent with the agency's recruiting program and procedures.
- Any disputes or interpretations of the new hire incentive program will be handled by the Executive Director or his/her designee.
- Employees must remain employed with El Dorado Transit pursuant to terms and conditions required for distribution of payments to receive all awards of the bonus program.
- All information regarding the hiring decision will remain strictly confidential.
- El Dorado Transit reserves the right to suspend or discontinue the program at our discretion, with the understanding that any current participants within the program at that time would be grandfathered in until they have completed the required time frames for distribution of bonuses.

Distribution of Payments:

- Eligible Regular and Extra-help Transit Operator new hires shall receive \$250.00 the first full pay period following their original date of hire.
- Eligible Regular Transit Operator new hires shall receive \$250.00 the first full pay period following successful completion of their initial six (6) month probationary period.
- Eligible Regular Transit Operator new hires shall receive \$500.00 the first full pay period following successful completion of their full probationary period which may be the twelfth (12th) or fifteenth (15th) month of employment.
- Eligible Extra-help Transit Operator new hires shall receive \$250 following six (6) consecutive calendar months of employment or 470 work hours (whichever is later).
- Eligible Extra-help Transit Operator new hires shall receive \$500 following twelve (12) consecutive calendar months of employment or 940 work hours (whichever is later).

New Hire Incentive Bonus Form

Job Class:	Job Requisition #:
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Applicant's Name: _____ Phone: _____

I have read and understand the New Hire Incentive Program rules.

Applicant's Signature Date

How did you hear of this job recruitment (please check one): _____ Newspaper
_____ Craigslist _____ Temp Agency _____ Other (please explain)

If you have been referred by a current employee, please complete the following information:

Current Employees Name:

INTERNAL USE ONLY: (Original to Payroll)	
To: Payroll	
From: Human Resources	
Applicant's DOH:	
Target Date for 1 st award payment:	(first full pay period following DOH)
Target Date for 2 nd award payment:	
Target Date for final award payment:	
Signature & Date of Approval from HR:	
Signature & Date of Approval from Executive Director:	
Initial of Receipt & Date from Accounting:	

AGENDA ITEM 1 F
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Brian James, Planning and Marketing Manager

SUBJECT: Caltrans Division of Rail and Mass Transportation Low Carbon Transit Operations Program (LCTOP) Grant

REQUESTED ACTION:

BY MOTION,

Adopt Resolution No. 20-04 Authorizing the El Dorado County Transit Authority and the Executive Director to execute all documents for the Caltrans Division of Rail and Mass Transportation Low Carbon Transit Operations Program (LCTOP), Fiscal Year 2019/20

BACKGROUND

The Low Carbon Transit Operations Program (LCTOP) is administered by the Caltrans Division of Rail and Mass Transportation as a component of the Transit, Affordable Housing and Sustainable Communities Program established by the California Legislature in 2014 under Senate Bill 862. The purpose of this program is to provide operating and capital assistance to transit operators to reduce greenhouse gas emissions and improve mobility, with a focus on environmentally disadvantaged communities. LCTOP funding is allocated to eligible project sponsors under the Public Utilities Commission (PUC) 99313, and 99314 funding formula for projects that meet certain emissions reduction specifications.

DISCUSSION

With approval, the El Dorado County Transit Authority (El Dorado Transit) staff anticipates applying for the full Fiscal Year (FY) 2019/20 allocation of \$334,181 in LCTOP funds to potentially deliver three (3) projects meeting program requirements. Building on the recommendations in the adopted Western El Dorado County 2019 Short- and Long- Range Transit Plan, staff proposes to apply LCTOP funding to a reduced fixed route fare program, implementation of a 50 Express service on Saturdays with one (1) bus, and additional weekday commuter service to Highway 50 and 65th Street in Sacramento with one (1) bus in the morning and one (1) bus in the afternoon. Per the LCTOP program guidelines, these demonstration projects could be funded for up to four (4) years depending on validated productivity and emission reduction benefits.

FISCAL IMPACT

The Fiscal Year (FY) 2019/20 LCTOP allocation represents a total of \$334,181 in grant revenue to fund transit operations and replace fare revenue necessary to fully implement the first year of the three (3) proposed demonstration projects. This grant amount is included in the FY 2020/21 Preliminary Operating Budget presented elsewhere in this agenda.

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 20-04**

AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS
FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
FOR THE FOLLOWING PROJECTS:
REDUCED FARES, EXPANSION OF SATURDAY SERVICE AND
EXPANSION OF COMMUTER SERVICE
\$334,181 IN LOW CARBON TRANSIT OPERATIONS PROGRAM FUNDS

WHEREAS, the El Dorado County Transit Authority (El Dorado Transit) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, El Dorado Transit wishes to delegate authorization to execute these documents and any amendments thereto to Matthew Mauk, Executive Director.

WHEREAS, El Dorado Transit wishes to implement the following LCTOP projects listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of El Dorado Transit that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW, THEREFORE, BE IT FURTHER RESOLVED that Matthew Mauk, Executive Director be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of El Dorado Transit that it hereby authorizes the submittal of the following project nomination and allocation request to the Department in FY 2019-20 LCTOP funds:

Project Names: Reduced Fares, Expansion of Saturday Service and Expansion of Commuter Service

Amount of LCTOP Funds Requested: \$334,181

Description of Project: Reduced fares, 50 Express service on Saturdays with one (1) bus and weekday commuter service from Park-and-Ride locations in El Dorado County to Highway 50 and 65th Street in Sacramento with one (1) bus in the morning and one (1) bus in the afternoon.

Contributing Sponsors: No contributing sponsors

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at a regular meeting of said Board, held on this 5th day of March 2020, by the following vote of said Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

John Hidahl, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

AGENDA ITEM 1 G
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Transportation Development Act Claim for Fiscal Year
2020/2021

REQUESTED ACTION:

BY MOTION,

**Adopt Resolution No. 20-07 Authorizing the Executive Director to
Claim Transportation Development Act (TDA) Funds for Fiscal Year
2020/21**

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) operates with funding from the Transportation Development Act (TDA) which includes the Local Transportation Fund (LTF) and State Transit Assistance (STA), Federal Transit Administration (FTA) funds, passenger fares and grant monies.

The TDA statute establishes the Local Transportation Fund (LTF) by designating that ¼ cent of the state sales tax revenue collected within each region be used for transportation purposes, primarily for public transit. TDA statute establishes STA from a statewide excise tax on gasoline and diesel fuel.

DISCUSSION

El Dorado Transit prepared a \$7,014,181.66 claim for Fiscal Year (FY) 2020/21 TDA funds based on the following:

LTF claim amount is based on the February 11, 2020 Memorandum from the El Dorado County Transportation Commission (EDCTC) listing the preliminary apportionment available for Public Transportation – Transit – Article 4 as \$5,430,342.66 (see attachment).

STA claim amount is based on the January 31, 2020 State Controller's Office STA Fund Allocation Estimate Fiscal Year 2020/21 Summary.

On today's agenda (March 5, 2020) staff is requesting the Board adopted the Preliminary Operating Budget for FY 2020/21. The requested \$5,430,342.66 in LTF funds and \$1,583,839 in STA funds represents approximately sixty-five percent (65%) of projected operating FY 2020/21 budget revenue.

The FY 2020/21 claim will support maintaining the current level of service, with implementation of several route changes as outlined in the Western El Dorado County 2019 Short- and Long-Range Transit Plan (SLRTP) recommendations.

The complete TDA claim packet is available for review during regular business hours at the El Dorado Transit office – 6565 Commerce Way, Diamond Springs, CA.

FISCAL IMPACT

		Proposed <u>Budget</u>
4000.00	Transportation Development Act (TDA/LFT)	\$5,430,342.66
4270.00	State Transit Assistance (STA)	\$1,583,839.00

<p style="text-align: center;">TDA – 1 TRANSPORTATION DEVELOPMENT ACT CLAIM</p>

To: El Dorado County Transportation Commission
2828 Easy Street, Suite 1
Placerville, California 95667-3907
Attn: Administrative Services Officer

From: Claimant: El Dorado County Transit Authority

Address: 6565 Commerce Way

Diamond Springs, CA 95619-9454

Contact: Julie Petersen, Finance Manager

Phone: (530) 642-5383 extension 206

The above claimant hereby requests, in accordance with authority granted under the Transportation Development Act and applicable rules and regulations adopted by the El Dorado County Transportation Commission, that its request for funding be approved as follows:

Local Transportation Fund/State Transit Assistance Fund:

LTF or STA	Amount	Fiscal Year
LTF	\$5,430,342.66	2020/21
STA	\$1,583,839.00	2020/21

Submitted by: Matthew C. Mauk

Title: Executive Director

Date: March 5, 2020

EDCTC Date of Approval: _____

EDCTC Resolution #: _____

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 12-07**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EL DORADO COUNTY TRANSIT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A
CLAIM FOR TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS**

WHEREAS, the El Dorado County Transit Authority intends to use its TDA Article 4 funding to finance transit services for the Western Slope of El Dorado County;

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director or the designated representative shall be authorized to file a claim for the TDA Article 4 funding for transit services for fiscal year 2020/21 as follows:

Article 4	Operating Expenses	\$5,430,342.66
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BE IT FURTHER RESOLVED, that the Executive Director or the designated representative shall be authorized to file a revised claim for the STA Article 6.5, Section 99314.6 (c) projects as follows:

Total 2020/2021 Claim	\$1,583,839.00
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PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at a regular meeting of said Board, held on the 5th day of March, 2020 by the following vote of said Board:

AYES:	NOES:	ABSTAIN:	ABSENT:
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John Hidahl, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

February 11, 2020

Matthew Mauk
Executive Director
El Dorado County Transit Authority
6565 Commerce Way
Diamond Springs, CA 95619

Dear Mr. Mauk,

According to the Transportation Development Act (TDA) Statutes and California Code of Regulations, Section 99230 and 6644, the El Dorado County Transportation Commission (EDCTC) as the Regional Transportation Planning Agency for the west slope of El Dorado County advises the TDA Local Transportation Fund (LTF) claimants of the anticipated apportionments within the county by March 1st of each year.

Below is the Preliminary Apportionment and Allocation based on the 2020/2021 TDA LTF estimates from the El Dorado County Auditor-Controller.

Preliminary FY 2020/2021 Apportionments		
Claimant	Purpose	Amount
El Dorado County Auditor	TDA Administration	\$ 10,000.00
El Dorado County Transportation Commission	TDA Administration	\$ 150,472.47
El Dorado County Transportation Commission	Planning & Programming	\$ 179,527.53
SACOG (EDCTC Contribution)	Planning & Programming	\$ 110,823.32
City of Placerville or El Dorado County	Pedestrian & Bicycle Facilities – Article 3	\$ 113,085.02
El Dorado County Transit Authority	Public Transportation - Transit - Article 4	\$ 5,430,342.66
City of Placerville	Other Transportation – Article 8	\$ 0.00
El Dorado County	Other Transportation – Article 8	\$ 0.00

The Final TDA LTF Apportionment and Allocation will be presented to the Commission in May 2020.

If you have any questions regarding these estimates, please contact me at (530) 642-5264 or kthompson@edctc.org.

Sincerely,



Karen Thompson
Administrative Services Officer

AGENDA ITEM 1 H
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: California Employer's Retiree Benefit Trust Program (CERBT)
funding for Other Post-Employment Benefits (OPEB) Funding

REQUESTED ACTION:
BY MOTION,

1. Accept Actuarial Valuation of Other Post-Employee Benefit Program for fiscal years ending June 30, 2020 and June 30, 2021
2. Adopt Resolution No. 20-05 approving the pre-fund amount in the California Employer's Retiree Benefit Trust Program (CERBT)
3. Authorize Executive Director to execute all documents necessary for continued participation

BACKGROUND

In July 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. GASB 45 mandates disclosure of Other Post-Employment Benefits (OPEB) liabilities for public employees. OPEB may include retiree benefits such as medical, dental, prescription drug, vision and life insurance plans. GASB 45 establishes a standard for measuring and reporting the liability of retirement benefits other than pensions; however, it does not require funding the liability.

In June 2015, GASB issued Statement No. 75 replacing Statements No. 45 and 57. The basis point of GASB No. 75 expands the financial statement disclosures to ten (10) years and changed the measurement dates. Currently there are three (3) years of calculations available and will be reported by El Dorado Transit.

During Fiscal Year (FY) 2007/08 El Dorado Transit contracted with California Public Employers' Retirement System (CalPERS) to provide cost effective medical insurance for the unrepresented employee group. CalPERS contractually requires El Dorado Transit to contribute an amount towards the cost of retiree medical coverage as a condition of participating in the CalPERS medical plans. Monthly cost to the agency is currently at the lowest level possible of

\$90.35 per eligible retiree. This contribution is based on a formula and increases a modest amount each year.

On August 5, 2010 the Board adopted resolution 10-10 to pre-fund the OPEB future liability by placing assets in the CERBT program to allow for a manageable dollar amount to be budgeted each year for contributions to build reserves and earn interest to offset the cost of the program. A thirty (30) year amortization period is consistent with the anticipated retirement trend of current employees; twenty (20) years remain as of fiscal year-end 2020.

In March 2011, the CalPERS Board approved a change to the classes in which assets of the CERBT are invested in public market securities. The Executive Director approved the development of the actuarial valuation based on “Strategy 1” which is the class most similar to the strategy previously chosen by the Board and the class El Dorado Transit is currently participating in.

DISCUSSION

The El Dorado Transit continuing retiree health plan allows eligible retirees to enroll in the agency group medical plan through CalPERS at the time of their separation or at any subsequent open enrollment period. The plan includes only medical insurance coverage excluding other possible retiree benefits e.g. dental, vision, etc. Since plan inception in 2007, five (5) eligible participants have elected coverage; however, three (3) retirees remain eligible and may enroll during future enrollment period. There are twenty-six (26) current employees who are qualified, of which seven (7) may retire within the next five (5) years. These employees have the option to continue their medical coverage under this plan.

Actuarial valuations are used as a method of qualifying the changing conditions of an agency’s workforce that impact the annual cost of OPEB obligations and future potential liabilities. CalPERS requires an actuarial valuation every two (2) years under the CERBT pooling program.

El Dorado Transit contracted MacLeod Watts to complete an actuarial valuation of other post-employment benefits to capture and report the current and future potential liabilities of this benefit. This report provides statistics as of July 1, 2019 for the years ending June 30, 2020 and June 30, 2021.

The El Dorado County Transit Authority Actuarial Valuation of Other Post-Employment Benefits Programs of the as of July 1, 2019 & GASB 75 Report for Fiscal Year Ending June 30, 2020 represents the CERBT Trust is 75% funded as of the June 30, 2019 valuation date.

As discussed in the Actuarial Report, El Dorado Transit is currently using the “Pay-As-You-Go” method for five (5) retiree’s currently enrolled. The total of those expenses for FY 2018/19 equaled \$2,044.61. This amount was paid in addition to the OPEB Pre-Funding amount of \$57,407. The remaining unfunded liability is estimated at \$140,558 as of July 1, 2020.

Staff is recommending the acceptance of the Report as presented and the continued “Pay-As-You-Go” methodology, covering current retiree’s, for fiscal years 2019/20 and 2020/21.

FISCAL IMPACT

The projected actuarial expense for FY 2019/20 of \$49,568 and FY 2020/21 of \$51,022 total \$100,590 to capture both years. Costs for FY 2019/20 are included in the adopted budget. Costs for both fiscal years are represented. Detailed funding information can be found on page 21 of the actuarial report.

Fiscal Year 2019/20 Mid-Year Budget

		<u>Revenue</u>	<u>Proposed</u>
4000.00	Local Transportation Fund (LTF)	\$49,568	
5020.02	OPEB Pre-fund		\$49,568

Fiscal Year 2020/21 Proposed Preliminary Budget

		<u>Revenue</u>	<u>Proposed</u>
4270.00	State Transit Assistance	\$51,022	
5020.02	OPEB Pre-fund		\$51,022

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 20-05**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY
TRANSIT AUTHORITY ADOPTING PRE-FUNDING FOR OTHER POST EMPLOYMENT
BENEFITS ADMINISTERED BY THE CALIFORNIA EMPLOYERS' RETIREE BENEFITS
TRUST FOR PRE-FUNDED ACCOUNTS**

WHEREAS, Governmental Standards Board Statement Number 45/75, dealing with Other Post-Employment Benefits (OPEB), requires that governments report the annual cost of OPEB and the unfunded actuarial accrued liabilities for past service costs; and

WHEREAS, the El Dorado County Transit Authority (El Dorado Transit) provides eligible regular unrepresented employees with medical benefits subsequent to their retirement from El Dorado Transit; and

WHEREAS, El Dorado Transit has deemed it to be in El Dorado Transit's best financial interest and the most financially prudent action to pre-fund post-employment health benefits past service liabilities and fund current year contributions; and

WHEREAS, the actuarially determined costs for fiscal year (FY) 2019/2020 to pre-fund an annual contribution of \$49,568; and

WHEREAS, the actuarially determined costs for FY 2020/2021 to pre-fund an annual contribution of \$51,022; and

WHEREAS, the California Employers' Retiree Benefits Trust, part of the California Public Employees Retirement System, is a trust fund that allows public employers to pre-fund the future cost of retiree benefits;

NOW, THEREFORE, BE IT RESOLVED, that El Dorado Transit hereby approves and directs staff to pre-fund the FY 2019/2020 Annual Contribution of \$49,568 and the FY 2020/2021 Annual Contribution of \$51,022; and

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at the regular meeting of said Board held on the 5th day of March 2020, by the following vote:

AYES: NOES: ABSTAIN: ABSENT:

John Hidahl, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

MacLeod Watts

February 3, 2020

Mr. Matthew Mauk
Executive Director
El Dorado County Transit Authority
6565 Commerce Way
Diamond Springs, CA 95619

Re: June 30, 2019 Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2020

Dear Mr. Mauk:

We are pleased to enclose our actuarial report providing information regarding the other post-employment benefit (OPEB) liability **provided for the unrepresented employees** of El Dorado County Transit Authority. The report's text describes our analysis and assumptions in detail.

The primary purposes of this report are to:

- 1) Remeasure plan liabilities as of June 30, 2019, in accordance with GASB 75's biennial valuation requirement;
- 2) Develop Actuarially Determined Contributions levels for prefunding plan benefits;
- 3) Provide information to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust; and
- 4) Provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the Authority's financial statements for the fiscal year ending June 30, 2020. *Some of these exhibits are preliminary because payroll and actual benefit payments for fiscal year end 2020 are not yet known.*

Exhibits in the body of the report reflect the Authority's current OPEB Funding Policy of contributing 100% or more of the ADC each year. We assumed OPEB trust assets remain in CERBT Asset Allocation Strategy 1. If either assumption is incorrect, please let us know as results would need to be revised.

We based the valuation on the employee data, details on plan benefits and retiree benefit payments reported to us by the Authority. As with any analysis, the soundness of the report is dependent on the inputs. Please review our summary of this information to be comfortable that it matches your records.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of District employees who provided valuable time and information to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary



El Dorado County Transit Authority

Actuarial Valuation of Other
Post-Employment Benefit Programs
As of June 30, 2019

& GASB 75 Report for the Fiscal Year Ending
June 30, 2020

Submitted February 2020

MacLeod Watts

Table of Contents

A.	Executive Summary	1
	OPEB Obligations of the Authority	1
	OPEB Funding Policy.....	2
	Actuarial Assumptions.....	2
	Important Dates for GASB 75 in this Report	2
	Significant Results and Differences from the Prior Valuation	3
	Impact on Statement of Net Position and OPEB Expense for Fiscal 2020	3
	Important Notices	3
B.	Discussion of June 30, 2019 Valuation Results.....	4
C.	Accounting Information (GASB 75)	8
	Components of Net Position and Expense.....	8
	Change in Net Position During the Fiscal Year	9
	Change in Fiduciary Net Position During the Measurement Period	10
	Expected Long-term Return on Trust Assets.....	10
	Recognition Period for Deferred Resources.....	11
	Deferred Resources as of Fiscal Year End and Expected Future Recognition	11
	Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate	12
	Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios	13
	Schedule of Contributions.....	14
	Detail of Changes to Net Position	15
	Schedule of Deferred Outflows and Inflows of Resources.....	16
	District Contributions to the Plan.....	17
	Projected Benefit Payments (15-year projection).....	18
	Sample Journal Entries	19
D.	OPEB Funding Information	20
E.	Certification	22
F.	Supporting Information	23
	Section 1 - Summary of Employee Data.....	23
	Section 2A - Summary of Retiree Benefit Provisions	25
	Section 2B - Excise Taxes for High Cost Retiree Coverage (Repealed)	26
	Section 3 - Actuarial Methods and Assumptions	27
	Addendum 1: Important Background Information.....	32
	Addendum 2: MacLeod Watts Age Rating Methodology	37
	Addendum 3: MacLeod Watts Mortality Projection Methodology	38
	Glossary.....	39



A. Executive Summary

This report presents the results of the June 30, 2019 actuarial valuation of the other post-employment benefit (OPEB) program **provided on behalf of unrepresented employees** of El Dorado County Transit Authority (the Authority). The purposes of this valuation are to: 1) summarize the results of the valuation and review differences from prior valuation results; 2) assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2020; 3) develop Actuarially Determined Contribution (ADC) levels for prefunding plan benefits; and 4) provide information required by CERBT.

Important background information about the process is found in Addendum 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present various exhibits and other relevant information for financial reporting and plan funding.

Absent material changes to plan benefits or eligibility, employee population and/or funding strategy, we anticipate that the results of the June 30, 2019 valuation will be adjusted (rolled forward) to prepare the Authority's GASB 75 report for the fiscal year ending June 30, 2021. If there are any significant changes in the employee population, plan benefits provided, or the Authority's funding policy, please contact us to discuss whether an earlier valuation might be required.

OPEB Obligations of the Authority

The Authority provides continuation of medical coverage to its retiring employees. This benefit creates one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare.¹ In this program, the Authority contributes a portion of retiree medical premiums for qualifying retirees. These benefits are described in Section 2A.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. In the CalPERS medical program, the same monthly premiums are charged for active employees and for pre-Medicare retirees. CalPERS has confirmed that the claims experience of these members is considered together in setting premium rates.

As is the nature of group premium rate structures, however, at some ages, retirees may be expected to experience higher claims than the premiums they pay, where at other ages, the reverse may be true. We determine the implicit rate subsidy for pre-Medicare retirees as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process see Section 3 and Addendum 2: MacLeod Watts Age Rating Methodology.

Different monthly premiums are charged for Medicare-eligible members. CalPERS confirmed that only the claims experience of these members is considered in setting Medicare-eligible premium rates. Thus, there is no implicit subsidy by active employee premiums, and we assumed that the Medicare Supplement premium structure is adequate to cover their expected retiree claims.

¹ A liability for potential future excise tax liability for "high cost" retiree coverage was included in the prior valuation. However, this provision of the Affordable Care Act was repealed in December 2019, so this liability was eliminated.



Executive Summary

(Continued)

OPEB Funding Policy

The Authority's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

The Authority has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contributions each year. With the Authority's approval, the discount rate used in this valuation is 6.85%, equal to the expected long-term return on trust assets as of the measurement date. For additional information, see Expected Return on Trust Assets on page 10.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e. rates of retirement, death, disability or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plan(s) covering District employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits. Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

Important Dates for GASB 75 in this Report

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2020
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019
Valuation Date	June 30, 2019



Executive Summary

(Concluded)

Significant Results and Differences from the Prior Valuation

No benefit changes were reported to MacLeod Watts relative to those in place at the time the July 2017 valuation was prepared. We reviewed and updated some assumptions used to project the OPEB liability. Differences between actual and expected results (referred to as “plan experience”) since July 2017 were also recognized. Overall, the Net OPEB Liability on the current measurement date is lower than that reported one year ago.

Section B. Discussion of Valuation Results, provides additional information on the impact of the new assumptions and plan experience. Details of the assumption changes are at the end of Section 3.

Impact on Statement of Net Position and OPEB Expense for Fiscal 2020

The plan’s impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan’s impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2020
Total OPEB Liability	\$ 552,779
Fiduciary Net Position	412,221
Net OPEB Liability (Asset)	140,558
Deferred (Outflows) of Resources	(73,261)
Deferred Inflows of Resources	89,359
Impact on Statement of Net Position	\$ 156,656
 OPEB Expense, FYE 6/30/2020	 \$ 47,639

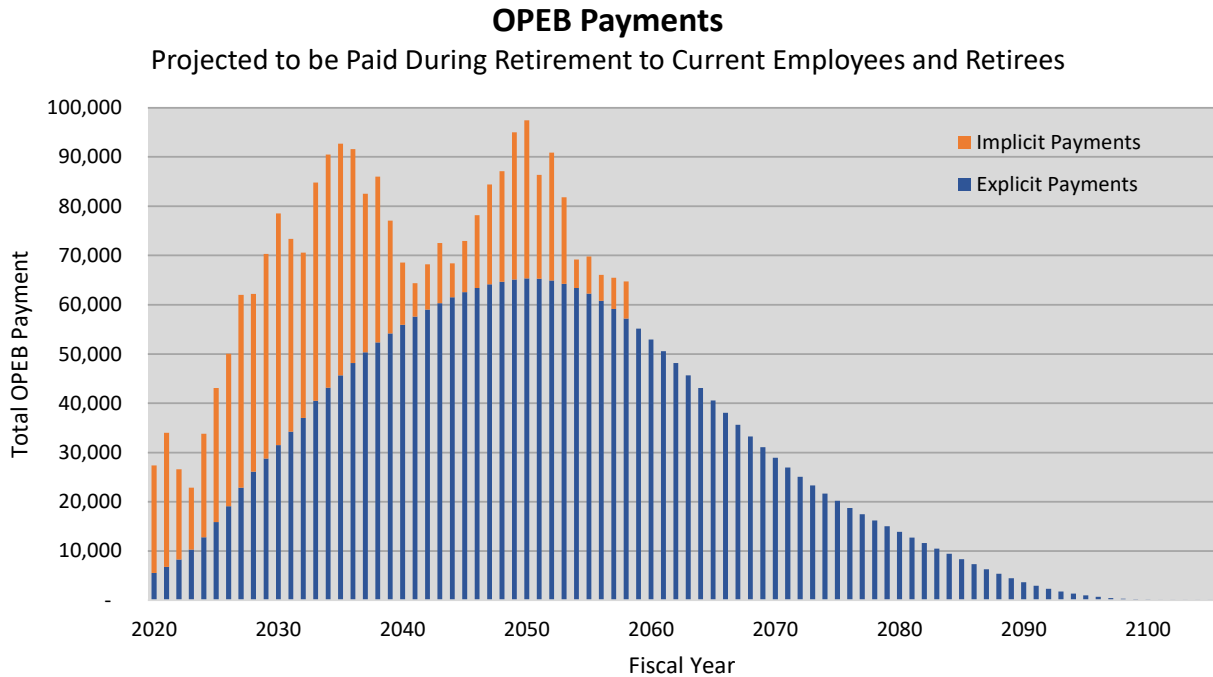
Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the Authority’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The Authority should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the Authority consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.



B. Discussion of June 30, 2019 Valuation Results

This section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us. The new valuation performed as of June 30, 2019 starts by projecting all future benefits to be paid to retirees and current employees if they retire from the Authority. Based on the data provided and utilizing all the assumptions about future participant elections, mortality, etc., the actuary provides a very long-term projection of expected future payments. A snapshot of the valuation's projected payments appears below.



Annual OPEB payments to current retirees and current employees assumed to retire in the future from EDCTA are expected to increase from roughly \$27,000 in 2020 to almost \$100,000 in 2051, then start to decrease. The explicit benefit payments have a smooth bell shape indicating a more consistent variance year over year while the implicit payments vary significantly year over year. Of course, future employees (not yet hired) who become covered under this program will increase benefit payments in the later years, so the pattern of benefits in later years will be different.

Next, this long-term projection of future OPEB payments is translated into a *present value* as of the measurement date using the 6.85% assumed discount rate. As of June 30, 2019, the present value of projected benefits is \$857,236. If the OPEB trust currently held this amount *and if* all actuarial assumptions about the future were exactly realized, then the trust could pay all plan benefits of retirees and current employees assumed to retire and elect health coverage. No assets would be available for new employees hired *after* current employees retired. Benefits of future employees are not considered in the valuation and future funding contributions would still be required for their benefits.

The next step in the valuation is to split (attribute) the Present Value of Projected Benefits into 1) the value of benefits already *earned by prior service* of current employees and retirees and 2) the value of benefits expected to be *earned by future service* of current employees. Using the Entry Age Normal attribution method, the value of benefits deemed earned by prior service as of June 30, 2019, is \$552,779. This is called the **Total OPEB Liability** (in GASB terminology) or **Actuarial Accrued Liability** (in actuarial terminology).

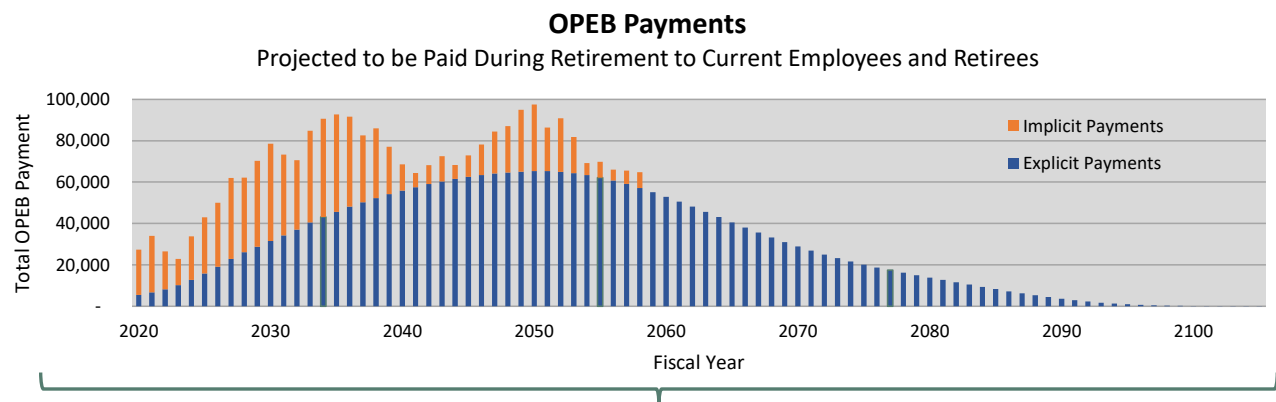


Discussion of June 30, 2019 Valuation Results

(continued)

Benefits deemed earned by service in a single year is called the “service cost” or “normal cost” of benefits. The present value of all future service costs is \$304,457 (i.e. \$857,236 - \$552,779). This represents the value of OPEB benefits expected to be earned by *future* service of current employees.

The Authority has committed to making regular contributions to a trust in order to prefund plan benefits. Prior trust contributions and earnings have accumulated so that, as of June 30, 2019, the market value of assets is \$412,221. In comparison to the Present Value of Future OPEB Benefits (i.e. \$857,236), the trust is about 48% funded. However, the funded status of a plan is generally viewed relative to benefits that have been earned by service up to the valuation date. When compared to the Actuarial Accrued Liability, current assets are 75% of liabilities. In other words, trust assets as of June 30, 2019 cover 75% of benefits earned by prior service but no portion of OPEB benefits expected to be earned by future service of current employees. Pictorially, we can represent the June 30, 2019, valuation as follows:



Present Value of Future OPEB Benefits = \$857,236 <i>Present value as of the measurement date of all future benefits projected to be paid to current and former employees</i>	
Actuarial Accrued Liability (AAL), or Total OPEB Liability (TOL) = \$552,779 <i>Present value of all benefits deemed earned by employees and retirees as of the measurement date</i>	Future Earned Benefits = \$304,457 <i>Present value of benefits expected to be earned by future service of current employees</i>
Actuarial Value of Assets (AVA) = \$412,221 <i>Actuarial value of trust assets set aside to pay future benefits</i>	Unfunded AAL (Surplus) = \$140,558 <i>Excess of AAL over AVA</i>

The Unfunded Actuarial Accrued Liability (actuarial terminology) or Net OPEB Liability (“NOL”) (GASB terminology), is about 25% of the AAL. Future contributions will prefund the remaining UAAL plus the portion of OPEB benefits that will be earned by future service of current employees. See Section D, OPEB Funding Information, for development of plan contributions for fiscal years ending June 30, 2020, June 30, 2021 and June 30, 2022 based on this June 30, 2019 valuation.

Please recognize, however, that these projections are based on numerous assumptions that almost certainly will not be exactly realized; differences between future actual and expected results (plan gains or losses) will also decrease or increase future contributions.



Discussion of June 30, 2019 Valuation Results
(continued)

The chart below compares valuation results measured as of June 30, 2018, based on the July 1, 2017 valuation, with the results measured as of June 30, 2019, based on the June 30, 2019 actuarial valuation.

Valuation date	7/1/2017			6/30/2019		
Fiscal Year End	6/30/2019			6/30/2020		
Measurement Date	6/30/2018			6/30/2019		
Subsidy	Explicit	Implicit	Total	Explicit	Implicit	Total
Discount rate	6.95%	6.95%	6.95%	6.85%	6.85%	6.85%
Number of Covered Employees						
Actives	27	27	27	25	25	25
Retirees	2	-	2	5	2	5
Total Participants	29	27	29	30	27	30
Actuarial Present Value of Projected Benefits						
Actives	\$ 401,527	\$ 393,953	\$ 795,480	\$ 353,421	\$ 336,096	\$ 689,517
Retirees	47,555	-	47,555	120,162	47,557	167,719
Total APVPB	449,082	393,953	843,035	473,583	383,653	857,236
Total OPEB Liability (TOL)						
Actives	243,187	239,746	482,933	192,782	192,278	385,060
Retirees	47,555	-	47,555	120,162	47,557	167,719
TOL	290,742	239,746	530,488	312,944	239,835	552,779
Fiduciary Net Position			333,321			412,221
Net OPEB Liability			197,167			140,558
Service Cost	21,694	21,666	43,360	19,392	17,258	36,650

The Net OPEB Liability (a.k.a., Unfunded Actuarial Accrued Liability) has decreased by \$56,609 from one year ago, from \$197,167 to \$140,558. Factors contributing to this improvement in the plans' funded position are described on the following page.



Discussion of June 30, 2019 Valuation Results

(Concluded)

The roughly \$57,000 improvement in the plan's funded position from one year ago is the combination of 1) about a \$22,000 increase in the Total OPEB Liability offset by 2) an \$79,000 increase in trust assets over this same period.

Part of the change in the TOL was expected based on normal plan operation and the passage of time. Some of the change was not expected including the change due to changes in actuarial assumptions and the change due to plan experience different than projected. Plan experience includes a variety of factors, such as unexpected changes in the plan's population and medical costs different than assumed.

This chart reconciles the Total OPEB Liability (TOL) reported at June 30, 2019 to the TOL to be reported as of June 30, 2020.

We observe that while the TOL did increase, this increase was less than expected. The largest driver of the unexpected changes was our change in the assumed future increases (trend) on the PEMHCA Minimum Employer Contribution. Updated assumptions about future employee separations, deaths and retirement and the elimination of the liability for the excise tax on high cost retiree coverage all reduced the liability somewhat.

Plan liability experience relative to our prior assumptions was small and slightly unfavorable. Return on trust assets was about \$1,000 less than assumed. There was also one new retiree not included in the prior valuation because he was not in the eligible group at that time.

For more details on assumption changes, see the last page of Supporting Information, Section 3.

Reported Total OPEB Liability at June 30, 2019 Measurement Date June 30, 2018	\$ 530,488
Expected Changes:	
Service Cost	43,360
Benefit Payments	(7,384)
Interest Cost	39,626
Total Expected Change	75,602
Expected Total OPEB Liability at June 30, 2020 Measurement Date June 30, 2019	\$ 606,090
Unexpected Changes:	
Updated demographic assumptions, including mortality improvement	(14,873)
Adjusted future trend on PEMHCA Minimum Employer Contribution (MEC)	(27,193)
Change in percentage of future retirees assumed to cover a spouse	(12,201)
Change in discount rate	5,837
Removed liability due to excise tax repeal	(12,140)
Plan experience	7,259
Total Unexpected Change	(53,311)
Actual Total OPEB Liability at June 30, 2020 Measurement Date June 30, 2019	\$ 552,779



C. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2020. The Authority is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2020 <i>Measurement Date is June 30, 2019</i>		EDCTA
Items Impacting Net Position:		
Total OPEB Liability	\$	552,779
Fiduciary Net Position		412,221
Net OPEB Liability (Asset)		140,558
Deferred (Outflows) Inflows of Resources Due to:		
Assumption Changes		64,161
Plan Experience		3,149
Investment Experience		(1,644)
Deferred Contributions		(49,568)
Net Deferred (Outflows) Inflows of Resources		16,098
Impact on Statement of Net Position, FYE 6/30/2020	\$	156,656
Items Impacting OPEB Expense:		
Service Cost	\$	43,360
Cost of Plan Changes		-
Interest Cost		39,626
Expected Earnings on Assets		(25,158)
Administrative Expenses		74
Recognized Deferred Resource items:		
Assumption Changes		(9,508)
Plan Experience		(791)
Investment Experience		36
OPEB Expense, FYE 6/30/2020	\$	47,639



Accounting Information

(Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2019 <i>6/30/2018</i>	6/30/2020 <i>6/30/2019</i>	Change During Period
Total OPEB Liability	\$ 530,488	\$ 552,779	\$ 22,291
Fiduciary Net Position	333,321	412,221	78,900
Net OPEB Liability (Asset)	197,167	140,558	(56,609)
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	13,099	64,161	51,062
Plan Experience	11,199	3,149	(8,050)
Investment Experience	1,911	(1,644)	(3,555)
Deferred Contributions	(64,791)	(49,568)	15,223
Net Deferred (Outflows) Inflows	(38,582)	16,098	54,680
Impact on Statement of Net Position	\$ 158,585	\$ 156,656	\$ (1,929)

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2019	\$ 158,585
OPEB Expense (Income)	47,639
Employer Contributions During Fiscal Year	(49,568)
Impact on Statement of Net Position, FYE 6/30/2020	<u>\$ 156,656</u>

OPEB Expense

Employer Contributions During Fiscal Year	\$ 49,568
Deterioration (Improvement) in Net Position	(1,929)
OPEB Expense (Income), FYE 6/30/2020	<u>\$ 47,639</u>



Accounting Information

(Continued)

Change in Fiduciary Net Position During the Measurement Period

	EDCTA
Fiduciary Net Position at Fiscal Year Ending 6/30/2019	\$ 333,321
<i>Measurement Date 6/30/2018</i>	
Changes During the Period:	
Investment Income	21,567
Employer Contributions	64,791
Administrative Expenses	(74)
Benefit Payments	(7,384)
Net Changes During the Period	78,900
Fiduciary Net Position at Fiscal Year Ending 6/30/2020	\$ 412,221
<i>Measurement Date 6/30/2019</i>	

If all transactions into/out of the trust occurred mid-year, the estimated return over this 12 month period is 6.0%.

Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are summarized in the following table:

CERBT Strategy 1		Years 1-10			Years 11+		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-10 Year Expected Real Rate of Return*	Compound Return Yrs 1-10	General Inflation Rate Assumption	11+ Year Expected Real Rate of Return*	Compound Return Years 11+
Global Equity	57%	2.50%	5.25%	7.75%	3.00%	5.71%	8.71%
Fixed Income	27%	2.50%	1.79%	4.29%	3.00%	2.40%	5.40%
Global Real Estate(REITs)	8%	2.50%	3.25%	5.75%	3.00%	7.88%	10.88%
Treasury Inflation Protected Securities (TIPS)	5%	2.50%	1.00%	3.50%	3.00%	2.25%	5.25%
Commodities	3%	2.50%	0.34%	2.84%	3.00%	4.95%	7.95%
Volatility	11.74%						

Currently, CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the expected return specifically for the Authority, we projected plan benefits in each future year. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 6.85%.



Accounting Information

(Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARS�"). The EARS� of 8.38 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability differences due to benefit changes occurring during the period are recognized immediately.

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2020.

El Dorado County Transit Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 15,656	\$ 79,817
Differences Between Expected and Actual Experience	6,393	9,542
Net Difference Between Projected and Actual Earnings on Investments	1,644	-
Deferred Contributions	49,568	-
Total	\$ 73,261	\$ 89,359

The Authority will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2021	\$ (10,263)
2022	(10,265)
2023	(9,444)
2024	(9,580)
2025	(10,299)
Thereafter	(15,815)



Accounting Information

(Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for the fiscal year end 2020 is 6.85%. Healthcare Cost Trend Rate was assumed to start at 6.5% (increase effective January 1, 2021) and grade down to 5% for years 2024 and later. Increases in the PEMHCA minimum benefit (MEC) are 4.0% per year. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 5.85%	Current 6.85%	Current + 1% 7.85%
Total OPEB Liability	617,117	552,779	498,598
Increase (Decrease)	64,338		(54,181)
% Increase (Decrease)	11.6%		-9.8%
Net OPEB Liability (Asset)	204,896	140,558	86,377
Increase (Decrease)	64,338		(54,181)
% Increase (Decrease)	45.8%		-38.5%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Total OPEB Liability	487,871	552,779	631,844
Increase (Decrease)	(64,908)		79,065
% Increase (Decrease)	-11.7%		14.3%
Net OPEB Liability (Asset)	75,650	140,558	219,623
Increase (Decrease)	(64,908)		79,065
% Increase (Decrease)	-46.2%		56.3%



Accounting Information

(Continued)

Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Only results for years since GASB 75 was implemented (fiscal years 2018, 2019 and 2020) are shown in the table.

Fiscal Year Ending	2020	2019	2018
<i>Measurement Date</i>	<i>6/30/2019</i>	<i>6/30/2018</i>	<i>6/30/2017</i>
<i>Discount Rate on Measurement Date</i>	<i>6.85%</i>	<i>6.95%</i>	<i>7.28%</i>
Total OPEB liability			
Service Cost	\$ 39,599	\$ 39,599	\$ 31,222
Interest	39,364	34,753	33,711
Changes of benefit terms	-	-	-
Differences between expected and actual experience	11,282	-	(14,513)
Changes of assumptions	(60,570)	20,288	(40,263)
Benefit payments	(7,384)	(3,872)	(4,550)
Net change in total OPEB liability	22,291	90,768	5,607
Total OPEB liability - beginning	530,488	439,720	434,113
Total OPEB liability - ending (a)	\$ 552,779	\$ 530,488	\$ 439,720
Plan fiduciary net position			
Contributions - employer	\$ 64,791	\$ 59,503	\$ 55,642
Net investment income	21,567	20,106	19,606
Benefit payments	(7,384)	(3,872)	(4,550)
Administrative Expenses	(74)	(139)	(102)
Other Expenses		(341)	
Net change in plan fiduciary net position	78,900	75,257	70,596
Plan fiduciary net position - beginning	333,321	258,064	187,468
Plan fiduciary net position - ending (b)	\$ 412,221	\$ 333,321	\$ 258,064
Net OPEB liability - ending (a) - (b)	\$ 140,558	\$ 197,167	\$ 181,656
Covered-employee payroll	\$ 1,525,472	\$ 1,472,288	\$ 1,670,014
Net OPEB liability as a % of covered-employee payroll	9.21%	13.39%	10.88%



Accounting Information (Continued)

Schedule of Contributions

Since establishing the OPEB trust, the Authority has consistently contributed 100% or more of the Actuarially Determined Contribution (ADC) each year and confirmed its intention to continue doing so. This chart shows the contributions for the years since GASB 75 was implemented:

Fiscal Year Ending	FYE 2020	FYE 2019	FYE 2018
Actuarially Determined Contribution	\$ 49,568	\$ 57,407	\$ 55,631
Contributions in relation to the actuarially determined contribution	49,568	64,791	59,503
Contribution deficiency (excess)	\$ -	\$ (7,384)	\$ (3,872)
Covered employee payroll	\$ 1,575,050	\$ 1,525,472	\$ 1,472,288
Contributions as a percentage of covered employee payroll	3.15%	4.25%	4.04%

Notes to Schedule

Valuation Date

Actuarial cost method

Amortization method

Amortization period

Asset valuation method

Inflation

Healthcare cost trend rates

Salary increases

Investment rate of return

Retirement age

Mortality

Mortality Improvement

6/30/2019	7/1/2017	7/1/2017
Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Level % of Pay, Closed 30 yr period	Level % of Pay, Closed 30 yr period	Level % of Pay, Closed 30 yr period
20 Years	21 Years	22 Years
Market Value	Market Value	Market Value
2.75%	2.75%	2.75%
6.50% in 2021, stepping down 0.5% each yr to 5.0% in 2024	7.50% in 2019, stepping down 0.5% each year to 5.0% in 2024	7.50% in 2019, stepping down 0.5% each year to 5.0% in 2024
3.25%	3.25%	3.25%
6.85%	7.28%	7.28%
From 50 to 75	From 50 to 75	From 50 to 75
CalPERS 2017 Experience Study	CalPERS 2014 Experience Study	CalPERS 2014 Experience Study
MacLeod Watts Scale 2018	Projected with MW Scale 2017	Projected with MW Scale 2017



Accounting Information

(Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

El Dorado County Transit Authority	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows (Inflows) Due to:				Impact on Statement of Net Position (e) = (c) - (d)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	
Balance at Fiscal Year Ending 6/30/2019 <i>Measurement Date 6/30/2018</i>	\$ 530,488	\$ 333,321	\$ 197,167	\$ (13,099)	\$ (11,199)	\$ (1,911)	\$ 64,791	\$ 158,585
Changes During the Period:								
Service Cost	43,360		43,360					43,360
Interest Cost	39,626		39,626					39,626
Expected Investment Income		25,158	(25,158)					(25,158)
Employer Contributions		64,791	(64,791)					(64,791)
Changes of Benefit Terms	-		-					-
Administrative Expenses		(74)	74					74
Benefit Payments	(7,384)	(7,384)	-					-
Assumption Changes	(60,570)		(60,570)	(60,570)				-
Plan Experience	7,259		7,259		7,259			-
Investment Experience		(3,591)	3,591			3,591		-
Recognized Deferred Resources				9,508	791	(36)	(64,791)	54,528
Employer Contributions in Fiscal Year							49,568	(49,568)
Net Changes in Fiscal Year 2019-2020	22,291	78,900	(56,609)	(51,062)	8,050	3,555	(15,223)	(1,929)
Balance at Fiscal Year Ending 6/30/2020 <i>Measurement Date 6/30/2019</i>	\$ 552,779	\$ 412,221	\$ 140,558	\$ (64,161)	\$ (3,149)	\$ 1,644	\$ 49,568	\$ 156,656



Accounting Information

(Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2019

Deferred Resource					Balance as of Jun 30, 2019	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Cause	Initial Amount	Period (Yrs)	Annual Recognition		2018-19 (FYE 2020)	2019-20 (FYE 2021)	2020-21 (FYE 2022)	2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	Thereafter
6/30/2017	Gain Due To Assumption Changes	\$ (40,263)	8.76	\$ (4,596)	\$ (26,475)	\$ (4,596)	\$ (4,596)	\$ (4,596)	\$ (4,596)	\$ (4,596)	\$ (4,596)	\$ (3,495)
6/30/2017	Investment Earnings Greater than Expected	(4,102)	5.00	(820)	(1,642)	(820)	(820)	(822)	-	-	-	-
6/30/2017	Gain Due To Plan Experience	(14,513)	8.76	(1,657)	(9,542)	(1,657)	(1,657)	(1,657)	(1,657)	(1,657)	(1,657)	(1,257)
6/30/2018	Loss Due To Assumption Changes	20,288	8.76	2,316	15,656	2,316	2,316	2,316	2,316	2,316	2,316	4,076
6/30/2018	Investment Earnings Less than Expected	689	5.00	138	413	138	138	138	137	-	-	-
6/30/2019	Loss Due To Plan Experience	7,259	8.38	866	6,393	866	866	866	866	866	866	2,063
6/30/2019	Gain Due To Assumption Changes	(60,570)	8.38	(7,228)	(53,342)	(7,228)	(7,228)	(7,228)	(7,228)	(7,228)	(7,228)	(17,202)
6/30/2019	Investment Earnings Less than Expected	3,591	5.00	718	2,873	718	718	718	718	719	-	-



Accounting Information

(Continued)

District Contributions to the Plan

District contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Note that the implicit subsidy contribution does not represent cash payments to retirees, but reclassification of a portion of active healthcare cost to be treated as a retiree healthcare expense.

Benefits and other contributions paid by the Authority during the measurement period are shown here:

Benefit Payments During the Measurement Period, Jul 1, 2018 thru Jun 30, 2019	EDCTA
Benefits Paid by Trust	\$ -
Benefits Paid by Employer (not reimbursed by trust)	2,045
Implicit benefit payments	5,339
Total Benefit Payments During the Measurement Period	\$ 7,384
<hr/>	
Employer Contributions During the Measurement Period, Jul 1, 2018 thru Jun 30, 2019	EDCTA
Employer Contributions to the Trust	\$ 57,407
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	2,045
Implicit contributions	5,339
Total Employer Contributions During the Measurement Period	\$ 64,791

Authority contributions estimated to be made in the year following the measurement period but prior to the end of the fiscal year are shown below. *These estimates should be replaced with total actual payments once known after the close of the fiscal year.*

Employer Contributions During the Fiscal Year, Jul 1, 2019 thru Jun 30, 2020	EDCTA
Employer Contributions to the Trust	\$ 22,187
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	5,559
Implicit contributions	21,822
Total Employer Contributions During the Fiscal Year	\$ 49,568



Accounting Information

(Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the Authority. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2020	\$ 5,156	\$ 403	\$ 5,559	\$ 20,004	\$ 1,818	\$ 21,822	\$ 27,381
2021	5,752	993	6,745	22,504	4,758	27,262	34,007
2022	6,376	1,928	8,304	9,239	9,026	18,265	26,569
2023	7,028	3,266	10,294	-	12,610	12,610	22,904
2024	7,707	5,056	12,763	-	21,068	21,068	33,831
2025	8,410	7,479	15,889	-	27,199	27,199	43,088
2026	9,136	9,956	19,092	-	30,947	30,947	50,039
2027	9,883	12,984	22,867	-	39,136	39,136	62,003
2028	10,386	15,713	26,099	-	36,088	36,088	62,187
2029	10,625	18,135	28,760	-	41,550	41,550	70,310
2030	10,848	20,635	31,483	-	47,028	47,028	78,511
2031	11,050	23,173	34,223	-	39,121	39,121	73,344
2032	11,228	25,816	37,044	-	33,557	33,557	70,601
2033	11,371	29,136	40,507	-	44,295	44,295	84,802
2034	11,477	31,666	43,143	-	47,373	47,373	90,516

The amounts shown in the Explicit Subsidy table reflect the expected payment by the Authority toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

Explicit retiree benefits shown for FYE 2020 are estimates.

The amounts shown in the Implicit Subsidy table reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



Accounting Information (Concluded)

Sample Journal Entries

Beginning Account Balances

As of the fiscal year beginning 7/1/2019

	Debit	Credit
Net OPEB Liability		197,167
Deferred Resource -- Assumption Changes		13,099
Deferred Resource -- Plan experience		11,199
Deferred Resource -- Investment Experience		1,911
Deferred Resource -- Contributions	64,791	
Net Position	158,585	

* The entries above assume nothing is on the books at the beginning of the year. So to the extent that values already exist in, for example, the Net OPEB Liability account, then only the difference should be adjusted. The entries above represent the values assumed to exist at the start of the fiscal year.

Journal entry to recharacterize retiree benefit payments not reimbursed by a trust, and record cash contributions to the trust during the fiscal year

OPEB Expense
 Premium Expense
OPEB Expense
 Cash

Will change at year end when actual payments are known	
Debit	Credit
5,559	
	5,559
22,187	
	22,187

* This entry assumes a prior journal entry was made to record the payment for retiree premiums. This entry assumes the prior entry debited an account called "Premium Expense" and credited Cash. This entry reverses the prior debit to "Premium Expense" and recharacterizes that entry as an "OPEB Expense". Also, the entry for cash contributions to the trust is shown.

Journal entries to record implicit subsidies during the fiscal year

	Debit	Credit
OPEB Expense	21,822	
Premium Expense		21,822

* This entry assumes that premiums for active employees were recorded to an account called "Premium Expense". This entry reverses the portion of premium payments that represent implicit subsidies and assigns that value to OPEB Expense.

Journal entries to record other account activity during the fiscal year

	Debit	Credit
Net OPEB Liability	56,609	
Deferred Resource -- Assumption Changes		51,062
Deferred Resource -- Plan experience	8,050	
Deferred Resource -- Investment Experience	3,555	
Deferred Resource -- Contributions		15,223
OPEB Expense		1,929



D. OPEB Funding Information

The employer's OPEB funding policy and level of contributions to an irrevocable OPEB trust directly affects the discount rate which is used to calculate the OPEB liability to be reported in the employer's financial statements. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes.

The Authority established an OPEB trust with CERBT during fiscal year 2010-11. The percent of the Total OPEB liability set aside in trust as of the June 30, 2019 valuation date was roughly 75%, as shown here:

Total AAL	FNP (Assets)	Funded %
\$ 552,779	\$ 412,221	75%

Different terminology is sometimes used by actuaries and accountants when referring to key liability and expense components. Here are some of these terms which are often interchangeable:

Actuarial Funding Terminology

Present Value of Projected Benefits (PVPB)
Actuarially Accrued Liability (AAL)
Market Value of Assets
Unfunded Actuarially Accrued Liability (UAAL)
Normal Cost

GASB 75 Terminology

N/A; typically not reported for accounting purposes
Total OPEB Liability (TOL)
Fiduciary Net Position
Net OPEB Liability
Service Cost

The Authority approved development of Actuarially Determined Contributions (ADC) based on these two components, calculated at the beginning of the year, then adjusted with interest to fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL) over a closed 30-year period with level % of pay annual payments.

The ADC for FYE 2020, developed from the June 30, 2019 valuation, is summarized below:

Discount Rate	6.85%
Actuarial Accrued Liability (projected)	\$ 552,779
Actuarial Value of Assets (projected)	412,221
Unfunded Actuarial Accrued Liability (UAAL)	140,558
Amortization Factor*	14.4313
Actuarially Determined Contribution for FYE 2019	
Amortization of UAAL	\$ 9,740
Normal Cost	36,650
Interest to Fiscal Year End	3,178
Total ADC	\$ 49,568

*Level % of pay basis over a closed 30 year period; 20 years remain for FYE 2020.

In our professional judgement, the ADC determined on this basis should provide for trust sufficiency, based on the current plan provisions and employee data, *if* (1) all assumptions are exactly realized, including return on trust assets, and (2) the Authority contributes 100% or more of the ADC each year. When an agency commits to funding the trust at or above the ADC, GASB 75 allows use of the expected long term trust return to be used as the discount rate in determining the plan liability.



OPEB Funding Information
(Concluded)

Actuarially Determined Contributions are developed for the Authority's fiscal years ending June 30, 2020, June 30, 2021 and June 30, 2022 in the chart below. These contribution levels include both explicit and implicit benefits.

Funding Policy	Prefunding Basis		
Valuation date	6/30/2019		
For fiscal year ending	6/30/2020	6/30/2021	6/30/2022
Expected long-term return on assets	6.85%	6.85%	6.85%
Discount rate	6.85%	6.85%	6.85%
Number of Covered Employees			
Actives	25	25	25
Retirees	5	5	5
Total Participants	30	30	30
Actuarial Present Value of Projected Benefits			
Actives	\$ 689,517	\$ 734,452	\$ 778,814
Retirees	167,719	153,187	134,457
Total APVPB	857,236	887,639	913,271
Actuarial Accrued Liability (AAL)			
Actives	385,060	448,300	513,493
Retirees	167,719	153,187	134,457
Total AAL	552,779	601,487	647,950
Actuarial Value of Assets	412,221	463,405	512,746
Unfunded AAL (UAAL)	140,558	138,082	135,204
UAAL Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (years)	20	19	18
Amortization Factor	14.4313	13.9333	13.4168
Actuarially Determined Contribution (ADC)			
Normal Cost	\$ 36,650	\$ 37,841	\$ 39,071
Amortization of UAAL	9,740	9,910	10,078
Interest to fiscal year end	3,178	3,271	3,366
Total ADC	49,568	51,022	52,515
Projected covered payroll	\$ 1,525,472	\$ 1,575,050	\$ 1,626,239
Normal Cost as a percent of payroll	2.4%	2.4%	2.4%
ADC as a percent of payroll	3.2%	3.2%	3.2%

Funding of the ADC

Actuarially Determined Contribution for this period	49,568	51,022	\$ 52,515
Less current implicit subsidy (expense reclassification)	(21,822)	(27,262)	\$ (18,265)
Cash payments needed to meet ADC	27,746	23,760	34,250
Estimated retiree benefits paid by the District	5,559	6,745	8,304
Estimated contribution needed to the trust	22,187	17,015	25,946

The retiree benefit payments are estimates and could be lower than projected above. If so, the Authority's reimbursement from the trust should be adjusted so that total actual contributions are greater than or equal to the ADC each year.



E. Certification

The primary purposes of this report are: (1) to provide actuarial information of the other postemployment benefits (OPEB) provided by El Dorado County Transit Authority (the Authority) in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75); and (2) to provide Actuarially Determined Contributions for prefunding of this program in conformity with the Authority's OPEB funding policy. The Authority is not required to contribute the ADC shown in this report and we make no representation that it will, in fact, fund the OPEB trust at any particular level).

In preparing this report we relied without audit on information provided by the Authority. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.


We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

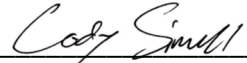
Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75 and in accordance with the Authority's stated OPEB funding policy. Results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of the Authority and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions are: The Authority may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the Authority may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuary is unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. The signing actuary is a member of the American Academy of Actuaries and meets the qualification standards for rendering this opinion.

Signed: February 3, 2020


Catherine L. MacLeod, FSA, FCA, EA, MAAA


Cody J. Simrell, Actuarial Analyst



F. Supporting Information

Section 1 - Summary of Employee Data

Active employees: The Authority reported 25 active employees in the data provided to us for the June 2019 valuation. Of these, 24 were reported as currently enrolled in the medical program while 1 employee was waiving coverage. Their age and service information are summarized below.

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29		1					1	4%
30 to 34		1	2				3	12%
35 to 39							0	0%
40 to 44			1				1	4%
45 to 49	1	2	1	2			6	24%
50 to 54			2	1	1	2	6	24%
55 to 59		1		2		1	4	16%
60 to 64	1	1		1			3	12%
65 to 69					1		1	4%
70 & Up							0	0%
Total	2	6	6	6	2	3	25	100%
Percent	8%	24%	24%	24%	8%	12%	100%	

Valuation	July 2017	June 2019
Average Attained Age for Actives	48.5	50.3
Average Years of Service	8.7	9.2

Retired members: There were also 5 retired employees receiving benefits under this program on the valuation date. Their ages are summarized in the chart below.

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	0	0%
55 to 59	0	0%
60 to 64	2	40%
65 to 69	1	20%
70 to 74	1	20%
75 to 79	1	20%
80 & up	0	0%
Total	5	100%
Average Age:		
On 6/30/2019	68.3	
At retirement	65.4	

GASB 75 requires the employer to report specific plan member counts. The chart below shows these counts as of the June 30, 2019 valuation date:

Summary of Plan Member Counts	
Number of active plan members	25
Number of inactive plan members currently receiving benefits	5
Number of inactive plan members entitled to but not receiving benefits	0*

*We were not provided information about whether there are any retirees entitled to but not currently receiving benefits.



Supporting Information

(Continued)

Section 1 - Summary of Employee Data

(continued)

The chart below reconciles the number of actives and retirees included in the July 1, 2017 valuation of the Authority plan with those included in the June 30, 2019 valuation:

Reconciliation of Client Plan Members Between Valuation Dates				
Status	Covered Actives	Waiving Actives	Covered Retirees	Total
Number reported as of July 1, 2017	26	1	2	29
New employees	3			3
Separated employees	(3)			(3)
New retiree, elected coverage	(2)		2	0
New retiree, waiving coverage				0
Previously ineligible, now eligible			1	1
Number reported as of June 30, 2019	24	1	5	30

Overall, the number of plan members valued increased by 1, from 29 to 30. The most notable changes since the last valuation are:

- Three employees left the Authority prior to retirement.
- Three employees retired from the Authority and elected to continue their health coverage through the Authority and are receiving the retiree medical benefit.
- One of the three new retirees was previously in a represented group who changed positions to an unrepresented group which would make this employee eligible for retiree benefits from the Authority. He was not included in the prior valuation.



Supporting Information

(Continued)

Section 2A - Summary of Retiree Benefit Provisions

OPEB provided: The Authority provides lifetime medical coverage for qualifying retirees.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires attainment of age 50 (age 52, for PEPR employees) with 5 years of State or public agency service or approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the Authority to be eligible to continue retiree medical coverage through the Authority and be entitled to the employer subsidy described below. In other words, it is the timing of initiating pension benefits and not timing of enrollment in the medical program which determines whether or not the retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.

Once eligible for retiree medical coverage, a retiree not already enrolled in the medical plan may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

Benefits provided by the Authority: As a PEMHCA employer, the Authority is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The benefit is continued to a surviving spouse, if covered at the time of the retiree's death. The Authority maintains an "unequal" resolution with CalPERS (executed in 2007) defining the level of the Authority's contribution toward the cost of medical plan premiums for *active* employees to be the PEMHCA minimum employer contribution (MEC)². The Authority's contribution toward *retiree* medical benefits is determined by multiplying (a), (b) and (c) together, as described below:

- (a) 5% *times* (b) the number of prior years the employer has been contracted with PEMHCA *times*
- (c) the employer's contribution toward active employee health benefits (i.e., the MEC).

The Authority's contribution toward retiree medical coverage was \$81.60 in 2019 and is \$90.35 in 2020.

The 2020 CalPERS monthly medical plan rates in the Region 1 rate group are shown below.

Region 1 2020 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Kaiser HMO	768.49	1,536.98	1,998.07	339.43	678.86	1,139.95
PERS Choice PPO	861.18	1,722.36	2,239.07	351.39	702.78	1,219.49
PERS Select PPO	520.29	1,040.58	1,352.75	351.39	702.78	1,014.95
Western Health Advantage HMO	731.96	1,463.92	1,903.10	Not Available		

² It is our understanding that there is a pre-tax flexible benefit plan in place for active employees that provides premiums in excess of the MEC and these additional payments are not required to be provided to retired employees to meet PEMHCA requirements.



Supporting Information

(Continued)

Section 2B - Excise Taxes for High Cost Retiree Coverage (Repealed)

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on high-cost employer-sponsored health coverage. The tax applied to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022.

As noted earlier in this report, this excise tax on high cost retiree coverage was repealed by Senate Amendment to H.R. 1865, *Further Consolidated Appropriations Act, 2020*, and signed by the President on December 20, 2019. While the repeal of this excise tax occurred after the valuation date and measurement date, we assumed no future OPEB tax liability for the Authority relating to this excise tax.



Supporting Information (Continued)

Section 3 - Actuarial Methods and Assumptions

Valuation Date	June 30, 2019
GASB 75 Measurement Date	Last day of prior fiscal year (June 30, 2019)
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.85% as of June 30, 2019 and 6.95% as of June 30, 2018 net of plan investment expenses and including inflation
Discount Rates	6.85% as of June 30, 2019 and 6.95% as of June 30, 2018
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Assumed Wage inflation	3.0% per year; used to determine amortization payments for developing the Actuarially Determined Contributions
General Inflation Rate	2.75% per year

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015, then projected as described below.

Mortality Improvement MacLeod Watts Scale 2018 applied generationally from 2015
(see Addendum 3)

Mortality Before Retirement
(before improvement applied)

CalPERS Public Agency Miscellaneous Non- Industrial Deaths		
Age	Male	Female
15	0.00019	0.00004
20	0.00027	0.00008
30	0.00044	0.00018
40	0.00070	0.00040
50	0.00135	0.00090
60	0.00288	0.00182
70	0.00693	0.00438
80	0.01909	0.01080



Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Mortality After Retirement
(before improvement applied)

Healthy Lives			Disabled Miscellaneous		
CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality			CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female	Age	Male	Female
40	0.00070	0.00040	20	0.00027	0.00008
50	0.00431	0.00390	30	0.00044	0.00018
60	0.00758	0.00524	40	0.00070	0.00040
70	0.01490	0.01044	50	0.01371	0.01221
80	0.04577	0.03459	60	0.02447	0.01545
90	0.14801	0.11315	70	0.03737	0.02462
100	0.35053	0.30412	80	0.07218	0.05338
110	1.00000	1.00000	90	0.16585	0.14826

Termination Rates

These rates reflect the assumed probability that an employee will leave the Authority in the next 12 months for reasons other than a service or disability retirement or death.

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued December 2017						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0654	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0634	0.0433	0.0000	0.0000
30	0.1606	0.1055	0.0615	0.0416	0.0262	0.0000
35	0.1537	0.0987	0.0567	0.0399	0.0252	0.0184
40	0.1468	0.0919	0.0519	0.0375	0.0243	0.0176
45	0.1400	0.0849	0.0480	0.0351	0.0216	0.0168

Service Retirement Rates

The following miscellaneous retirement formulas apply:

For "Classic" employees:

2.0% @ 55

Each rate in these tables reflects the assumed probability that an employee with that age and service will take a service retirement from the Authority in the next 12 months.

Miscellaneous Employees: 2% at 55 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0080	0.0130	0.0180	0.0210	0.0220	0.0330
55	0.0400	0.0400	0.0560	0.0930	0.1090	0.1540
60	0.0580	0.0750	0.0930	0.1260	0.1430	0.1690
65	0.1450	0.1730	0.2010	0.2330	0.2660	0.2890
70	0.1500	0.1710	0.1920	0.2390	0.3040	0.3300
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Service Retirement Rates (continued)

For "PEPRA" employees 2% @ 62

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
55	0.0100	0.0190	0.0280	0.0360	0.0610	0.0960
60	0.0310	0.0510	0.0710	0.0910	0.1110	0.1380
65	0.1080	0.1410	0.1730	0.2060	0.2390	0.3000
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Dec 2017 Experience Study Report		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00039	0.00071
40	0.00102	0.00135
45	0.00151	0.00188
50	0.00158	0.00199
55	0.00158	0.00149
60	0.00153	0.00105

Healthcare Trend

Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2020	Actual	2023	5.50%
2021	6.50%	2024	5.00%
2022	6.00%	2025 & later	5.00%

The required PEMHCA minimum employer contribution (MEC) is assumed to increase by 4.0% annually.

Medicare Eligibility

Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Participation Rate

Active employees are assumed to continue their current plan election in retirement based on their year of retirement, as shown below:

Year	Percent	Year	Percent
2020	52%	2023	64%
2021	56%	2024	68%
2022	60%	and later	70%

Retired participants: Existing medical plan elections are assumed to continue until the retiree's death.

Spouse Coverage

Active employees: 60% are assumed to be married when they retire and to elect coverage for their spouse. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Excise tax on high-cost plans

With the repeal of this provision of the Affordable Care Act in December 2019, we excluded any liability for prior excise tax on high cost coverage in the results presented in this report.

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Addendum 2 to this report.

Representative claims costs derived for retirees not currently covered or not expected to be eligible for Medicare were developed from the program dataset provided by CalPERS. Sample monthly claim costs in 2020 used in developing the liability are shown in the chart below. These claim costs are projected and compared to projected premium rates (see 2020 rates on page 25) to develop the implicit subsidy liability.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related
Medical Premiums (continued)

Expected Monthly Claims by Medical Plan for Selected Ages						
Region	Medical Plan	Male				
		50	53	56	59	62
Region 1	Kaiser HMO	\$ 763	\$ 900	\$ 1,045	\$ 1,198	\$ 1,362
Region 1	PERS Choice PPO	773	912	1,059	1,214	1,380
Region 1	PERS Select PPO	543	640	744	852	969
Region 1	Western Health Advantage HMO	684	807	937	1,074	1,221
Region	Medical Plan	Female				
		50	53	56	59	62
Region 1	Kaiser HMO	\$ 946	\$ 1,039	\$ 1,118	\$ 1,208	\$ 1,331
Region 1	PERS Choice PPO	958	1,052	1,132	1,224	1,349
Region 1	PERS Select PPO	673	739	795	859	947
Region 1	Western Health Advantage HMO	848	931	1,002	1,083	1,194

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees. Therefore, no implicit subsidy is calculated for Medicare-eligible retirees.

Assumption changes reflected in the current measurement period:

Assumed Long-term Trust Return
and Discount rate

Decreased from 6.95% to 6.85%, reflecting updated projections of long term return on trust assets.

Demographic Assumptions

Assumed termination, disability and retirement rates were updated to the rates in the most recent available experience study (2017) of the CalPERS program.

Mortality Improvement

Updated from MacLeod Watts Scale 2017 (projected from base year 2008) to MacLeod Watts Scale 2018 (projected from base year 2015). See Addendum 3 for details.

Spouse Coverage

We decreased the assumed likelihood that employees would cover a spouse in retirement, based on information provided by the Authority and on other relevant historical experience.

PEMHCA MEC Trend

Following reviewing recent historical increases and projections about future increases in CPI-medical trend, we decreased our assumption about future increases in the PEMHCA Minimum Employer Contribution (MEC) from 4.5% to 4% per year.

Excise tax on High-cost Coverage

We excluded the excise tax from the results given the December 2019 repeal of this provision of the Affordable Care Act.



Addendum 1: Important Background Information

General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. Upcoming excise taxes under the Affordable Care Act for retirees covered by high cost plans is another potential source of explicit subsidies.

In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Valuation Process

The valuation was based on employee census data and benefits provided by the Authority. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Authority as to its accuracy. The valuation was also based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.



Important Background Information

(Continued)

- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future premium rates;
- A change in the subsidy provided by the Agency toward retiree premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and/or
- Changes in the discount rate used to value the OPEB liability



Important Background Information

(Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected and actual trust earnings:	5 year straight-line recognition
All other amounts:	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



Important Background Information

(Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when expected retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year's "implicit subsidy". Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year's implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year's premium expense for active employees.



Important Background Information

(Continued)

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



Addendum 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g. GASB 75) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Addendum 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2018** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2017 Report, published in October 2017 and (2) the demographic assumptions used in the 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published July 2017.

MacLeod Watts Scale 2018 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2017 which has two segments – (1) historical improvement rates for the period 1951-2013 and (2) an estimate of future mortality improvement for years 2014-2016 using the Scale MP-2017 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2016 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2017-2026. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2026-2040. The SSA's Intermediate Scale has a final step down in 2041 which is reflected in the MacLeod Watts scale for years 2041 and thereafter. Over the ages 95 to 115, the SSA improvement rate is graded to zero.

Scale MP-2017 can be found at the SOA website and the projection scales used in the 2017 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate – Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was repealed in December 2019.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position – The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board



Glossary

(Continued)

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



AGENDA ITEM 1 I
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Commercial Credit Card Agreement with UMPQUA BANK
and participation in the California Special District Association
(CSDA) Purchasing Card Rebate Program

REQUESTED ACTION:
BY MOTION,

1. Adopt Resolution No. 20-08 approving a new Commercial Credit Card Agreement with UMPQUA BANK (UMPQUA) and participation in the California Special District Association (CSDA) Purchasing Card Rebate Program
2. Authorize Executive Director to execute all documents necessary for participation

BACKGROUND

In 2004 the El Dorado County Transit Authority (El Dorado Transit) began the practice of issuing agency credit cards to designated employees for purchases related to travel, staff development, training, supplies and other work-related charges.

Credit cards are issued to the Executive Director, Operations Manager, Human Resources Manager, Planning and Marketing Manager and the Administrative Coordinator. Charges are reconciled each month and expensed into the proper general ledger account. In accordance with adopted policies and procedures, any unauthorized charges or charges for which receipts are not produced become the personal responsibility of the card holder.

DISCUSSION

In 2019, El Dorado Transit staff inquired into changes needed to the current agency credit card account due to turnover of the Executive Director position. At that time, staff was informed by UMPQUA that a commercial credit card account option and rebate program was available to El Dorado Transit as an existing member of the CSDA. Under the terms of the CSDA program, El Dorado Transit will be eligible for a rebate of 1% on all annual commercial card purchases exceeding \$1.00.

Staff recommends adoption of the attached Resolution No. 20-08 approving a new Commercial Credit Card Agreement with UMPQUA BANK and authorizing participation in the (CSDA) Purchasing Card Rebate Program. Once the new commercial account has been fully activated with new cards issued, the old account will be closed.

The standard UMPQUA Commercial Card Account Agreement and UMPQUA/CSDA Commercial Card Rebate Agreement are attached for reference.

FISCAL IMPACT

Credit cards are a mechanism for payment only. All expenses associated with credit card charges are recognized within approved budget categories.

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 20-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY TRANSIT
AUTHORITY AUTHORIZING AGREEMENT WITH UMPQUA BANK TO PARTICIPATE IN
THE CSDA DISTRICT PURCHASING CARD PROGRAM**

WHEREAS, Credit cards and purchasing cards are mechanisms for purchasing goods and services for the convenience of the El Dorado County Transit Authority (El Dorado Transit) and

WHEREAS, the California Special Districts Association (CSDA) has negotiated with Umpqua Bank to provide a Purchasing Card Program for vendor payments, purchasing, travel or fleet transactions, and

WHEREAS, the CSDA District Purchasing Card Program is available to members of the CSDA and El Dorado Transit is a member of the CSDA; and

WHEREAS, the Program requires an application for credit approval, a resolution by the El Dorado Transit Governing Board, and El Dorado Transit policy and procedures regarding the use of the credit cards; and

WHEREAS, El Dorado Transit has a Standard Practice of procedures for using credit cards as required by the Program,

NOW THEREFORE BE IT RESOLVED, that the Governing Board of El Dorado Transit directs the following actions:

- a. Authorize participation with Umpqua Bank in the CSDA District Purchasing Card program
- b. Authorize the application to the Program for credit cards or purchasing cards.
- c. Authorize the Executive Director to execute any necessary agreements
- d. Authorize Julie Petersen, Finance Manager, to add new participants or cancel former employees.

BE IT FURTHER RESOLVED, that this Resolution shall be effective March 5, 2020 upon adoption.

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at the regular meeting of said Board held on the 5th day of March 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

John Hidahl, Chairperson

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

Megan Wilcher, Secretary to the Board

Michael Tucker, Legal Counsel



This Commercial Card Account Agreement ("Account Agreement" or "Agreement") sets forth the terms of the Umpqua Bank Commercial Card

Account ("Account") for _____ and entered into effective as of _____, 20____ (the "Effective Date"). Your Commercial Card Account has been opened in the name of Company pursuant to the credit application submitted by Company to Umpqua Bank. All extensions of credit in connection with your Commercial Card Account are being made by Umpqua Bank ("Umpqua").

1. **Definitions.** In this Account Agreement the following definitions shall apply:

"Account" means each individual credit card account established in connection with a Commercial Card and for which Company is fully liable under the Commercial Card Account in accordance with this Account Agreement.

"Annual Percentage Rate" or "APR" means an annualized rate of Finance Charge, as determined by us.

"Authorized Officer" means the individual(s) who signed Company credit application and this Account Agreement on behalf of Company.

"Cash Advance" means a Transaction to obtain a cash loan from Umpqua or other financial institution that accepts the Commercial Card (whether through an ATM, a teller at a branch, or otherwise) and/or a loan from Umpqua through your use of any checks or drafts Umpqua may provide for drawing funds from Umpqua to be posted as Cash Advances on your Commercial Card Account (any surcharges charged by any owner or operator of any ATM, or by Umpqua, or by any other bank with respect to the Cash Advance will be deemed a part of the Cash Advance).

"Commercial Card" means each Visa® credit card that is issued to a Commercial Cardholder under your Commercial Card Account and this Account Agreement.

"Commercial Cardholder" means a Company employee who is designated by Company to receive a Commercial Card and who is approved to use such Commercial Card to effect Transactions during the term of this Account Agreement.

"Commercial Cardholder Agreement" means the Commercial Credit Cardholder Agreement that applies to each Account and whose terms bind a Commercial Cardholder.

"Company" means the corporation, limited liability company, partnership, proprietorship, or other entity that opened the Commercial Card Account with Umpqua pursuant to which Commercial Cards will be issued.

"Finance Charge" means any charge to an Account by Umpqua that is calculated and assessed in accordance with this Account Agreement or a Commercial Cardholder Agreement.

"Initial Term" means the period commencing on the Effective Date and continuing for a period of _____

"Note" means any promissory note or other agreement, including this Account Agreement, for the extension of credit entered into between Lender and Borrower. "Purchase" means a Transaction made to purchase or lease goods or services, or pay amounts you or any Commercial Cardholder owes (excluding Cash Advances).

"Periodic Statement" is a written record of the account activity (purchases, payments, fees, etc.) supplied to you by Umpqua on a monthly basis or at set intervals such as weekly or bi-weekly. Also called a "Billing Statement."

"Renewal Term" means each one-year renewal period following the Initial Term.

"Transaction" means any Account activity that has a debit value.

The words "we", "us", and "our" refer to Umpqua Bank ("Umpqua"). The words "Borrower", "you", and "your" refer to Company.

2. **Acceptance of this Account Agreement.** Your Authorized Officer's signing of the credit application, Commercial Card or use of Commercial Card or Commercial Card Account confirms your acceptance to be bound by this Account Agreement, as well as any other agreements, disclosures, rules, or notices relating to the Commercial Cards and/or the Commercial Card Account as may be posted on Umpqua's website or otherwise made available to you and as amended from time to time. You represent and warrant that (a) you have all necessary corporate or applicable organizational authority and have taken all action necessary to enter into this Account Agreement and to perform your obligations hereunder, (b) this Account Agreement has been duly executed and delivered by you and is a legal, valid, and binding obligation, enforceable against you in accordance with the terms hereof, and (c) the Authorized Officer signing is duly authorized to execute and deliver this Account Agreement on your behalf.
3. **Ownership of Commercial Cards.** Each Commercial Card remains the property of Umpqua. Umpqua can revoke your and/or any Commercial Cardholder's right to use the Commercial Card Account at any time. Umpqua can do this with or without cause and without giving you or the applicable Commercial Cardholder notice. You and/or your Commercial Cardholders must immediately surrender Commercial Cards to Umpqua upon request.
4. **Program Administration.** Company shall designate in writing to us a Program Administrator to actively manage the Commercial Card Account on your behalf. If not specifically designated by Company, the Program Administrator shall be the first Authorized Officer listed in the signature block of Company's credit application. You agree and acknowledge that such Program Administrator is duly authorized by you to act on your behalf with respect to the Commercial Card Account, and that we may rely on all directions and information we receive from Program Administrator regarding the Commercial Card Account, including issuance of Commercial Cards to your employees. The Program Administrator's responsibilities shall include:
 - (a) Conducting Commercial Account maintenance;



- (b) Collecting Commercial Card request forms, ensuring proper authorization, and facilitating new Commercial Card orders;
 - (c) Communicating Company policy to all Commercial Cardholders that restricts the use of the Commercial Card to business purposes only;
 - (d) Accessing and monitoring Commercial Card Account spending reports;
 - (e) Regularly auditing Company's expense management program to ensure compliance with Company policies;
 - (f) Maintaining internal Company Commercial Card Account forms, policies, procedures, approved and prohibited usage guidelines, web site details and training materials;
 - (g) Maintaining hierarchical approval of all Purchases;
 - (h) Being familiar with all aspects of the Commercial Card Account and each Commercial Card;
 - (i) Handling all Company and Commercial Cardholder inquiries and billing disputes, credit line increase requests, and other requests and notices under this Account Agreement;
 - (j) Upon request, providing us with such information and documentation as we may deem necessary to protect our interests; and
 - (k) Promptly advising us of any termination of any Commercial Cardholder employment relationships with Company and, upon such termination, collect, cut in half and return to us the associated Commercial Card(s)
 - (l) Immediately notifying us by phone and in writing of any reported or suspected unauthorized use of or access to any Commercial Card or the Commercial Card Account.
5. **Scope of Commercial Card Program.** This Account Agreement shall apply to Cash Advances and Purchases by Company, its subsidiaries, divisions, or affiliates as approved by Umpqua, and Commercial Cardholders. Umpqua is a card-issuing member of Visa®, USA, Inc. and Visa® International and may issue credit cards and establish credit card accounts to designated employees of Company as set forth in this Account Agreement. Company will designate employees who are to receive Commercial Cards and become Commercial Cardholders, and unless Umpqua notifies Company to the contrary, Umpqua will issue Commercial Cards to such employees. Unless Umpqua notifies Company to the contrary, or a Commercial Card has been terminated as provided herein, all Commercial Cards will expire upon termination of this Account Agreement. Umpqua may elect in its sole discretion not to issue a Commercial Card to an employee that Company wishes to receive such Commercial Card. Any or all charging privileges may also be withdrawn with or without cause at any time with or without notice.
6. **Use of Commercial Card Account.** You and your Commercial Cardholders may use your Commercial Card Account for Purchases and Cash Advances, wherever the Commercial Card is honored. You agree not to use, and agree that your Commercial Cardholders will not use, your Commercial Card Account for any transaction that is primarily for personal, family or household purposes. You agree to accept credits to the Commercial Card Account instead of cash refunds when the original Purchase was charged to the Commercial Card Account. You agree not to use, and agree that your Commercial Cardholders will not use, the Commercial Card Account for any illegal transactions. You acknowledge that Umpqua provides the Commercial Cards as an accommodation party only and, except as otherwise expressly provided by law or herein, Umpqua is not responsible for the manner in which the Commercial Cards are used.
7. **Refusal to Honor Commercial Card.** Umpqua will not be responsible for a merchant's or financial institution's refusal to honor the Commercial Card. Umpqua also reserves the right to deny authorization of any Purchase or Cash Advance. Except as otherwise required by applicable law or regulation, we will not be responsible for merchandise or services purchased or leased through use of any Commercial Card or the Commercial Card Account.
8. **Obligations on the Commercial Card Account.** You authorize us to pay and charge the Commercial Card Account for all Purchases and Cash Advances made or obtained by any Commercial Cardholder or anyone you authorize to use a Commercial Card or the Commercial Card Account. You promise to pay us for all of these Transactions, plus any related Finance Charges assessed on the Commercial Card Account and any other charges and fees that you may owe us under the terms of this Account Agreement or that your Commercial Cardholders may owe us under the terms of the applicable Commercial Cardholder Agreement. Company will be obligated to pay Transactions posted to the Commercial Card Account whether resulting from (a) actual use of a Commercial Card, (b) mail order or telephone, computer or other electronic Purchases made without presenting the Commercial Card, or (c) any other circumstance where you authorize a Transaction, or authorize someone else to effect a Transaction, to the Commercial Card Account.
9. **Statements.** We will send each Commercial Cardholder a statement at the end of each billing cycle in which the Commercial Cardholder's Account reflects a debit or credit balance (i.e., the total amount of Transactions, Finance Charges and other charges (including, without limitation, any fees) and amounts due under the Commercial Cardholder Agreement, net of any payments and credits, as shown on a Commercial Cardholder's Periodic Billing Statement (such amount for each Commercial Cardholder's Account, the "New Balance") or if a Finance Charge has been imposed. An electronic statement may be made available in substitution of a paper statement upon request. Among other things, the Periodic Statement will: itemize Transactions, credits and adjustments; show any Finance Charge; and, set forth the New Balance, the credit limit, available credit, and the date on which the New Balance is due and payable in full ("Payment Due Date").
10. **Payments. Individual Billing.** If you select individual billing, we will bill each Commercial Cardholder for such Commercial Cardholder's New Balance (as the term "New Balance" is defined in the Commercial Cardholder Agreement), which amount is due in full, on or before the Payment Due Date. Notwithstanding individual billing, you are responsible for full payment of the New Balance on each Commercial Cardholder's Account on or prior to the Payment Due Date, independent of any agreement or program for reimbursement that may exist between you and your employee and independent of any attempts of Umpqua to bill or collect the New Balance from such Commercial Cardholder. All payments must be made in U.S. dollars. Any payment made by check or other item must be drawn on a financial institution located in the United States. The account payment must be sent to Umpqua at the address shown on your Periodic Statement.



Central Billing. If you select central billing, we will bill you for all New Balances regarding all Commercial Cards under Company's Commercial Card Account, and we will send Commercial Cardholders billing statements showing their New Balances as memorandum items only. You will pay Umpqua directly the total amount of all Commercial Cardholders' New Balances, as shown on your Periodic Statement.

General Terms for Both Billing Methods. You agree not to deduct or withhold, without our prior written approval, any amount shown as due on a Billing Statement. Acceptance of late payments, partial payments or any payment marked as being payment in full or as being a settlement of a dispute will not effect any of our rights to payment in full. You agree that payment terms set forth herein supersede any agreement with regard to payment terms established between you or any Commercial Cardholder and the seller of goods or services or any payment terms that might be imputed to you or any Commercial Cardholder and the seller under applicable law for goods or services purchased using Commercial Cards. Subject to any mandatory provisions of applicable law, all payments made on the Commercial Card Account will be applied to your balances in the Commercial Card Account in the manner we determine. In general, we apply payments to lower APR balances before higher APR balances, which means, among other things, your finance charges will increase if you make transactions that are subject to higher APRs. If payment does not conform to the requirements stated above, crediting of the Commercial Card Account may be delayed. If this happens, additional charges may be imposed.

11. **Cash Advances.** If you consent, a Commercial Cardholder may be able to use the Commercial Card to obtain Cash Advances.
12. **Finance Charges.** Finance Charges begin on the date of the Transaction, or the first day of the Commercial Cardholder's billing cycle in which the Transaction is posted, whichever is later. However, Finance Charges will be imposed on Purchases only if the entire New Balance, as shown on the Commercial Cardholder's Billing Statement, is not paid in full on or before the Payment Due Date. The Annual Percentage Rates for Cash Advances and Purchases are described below. In each case, the periodic rate is calculated by dividing the APR by the total number of days in the calendar year (i.e., 365 or 366).

We figure a portion of the Finance Charge on Cash Advances by applying the periodic rate to the "average daily balance" of Cash Advances (including current transactions). To get the "average daily balance" we take the beginning balance of your Cash Advances each day (which such beginning balance includes any past due Finance Charges on Cash Advances), add any new Cash Advances, and subtract any applicable payments or credits. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The **Annual Percentage Rate** for Cash Advances is currently **23.99%** Depending on qualifications, other rates for Cash Advances may apply or be available and notice thereof will be provided to you or the cardholder. The minimum **Finance Charge** on your combined Cash Advance and Purchase balance is **\$1.00**.

We figure a portion of the Finance Charge on Purchases by applying the periodic rate to the "average daily balance" of your Purchases (excluding current transactions). To get the "average daily balance" we take the beginning balance of your Purchases each day (which such beginning balance includes any Finance Charges on Purchases), and subtract any applicable payments or credits. We do not add in any new Purchases. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The **Annual Percentage Rate** for Purchases is 21.99%. Depending on qualifications, rates other than the standard APR for Purchases may apply or be available and notice thereof will be provided to you or the Commercial Cardholder. The minimum **Finance Charge** on your combined Purchase and Cash Advance balance is **\$1.00**.

If we have "special" Finance Charge offers in effect from time to time, we will separately identify them on your Periodic Statement and separately disclose on your Periodic Statement the balances to which the special offers apply. These separate balances and the related periodic Finance Charges will be calculated in the same manner as Purchases described above. Any such special Finance Charge arrangements may be forfeited if you or Company breach, or are in default under, this Account Agreement or any other agreement governing use of the Commercial Card Account, in which case the above described APRs may apply.

13. **Foreign Currency Transactions.** Transactions in foreign currencies will be converted to U.S. Dollars at the exchange rate determined by Visa® USA, Inc. or its affiliates ("Visa®"), using Visa® currency conversion procedures. Currently, the currency conversion rate is generally either wholesale market rate or a government-mandated rate in effect for the date of conversion, determined by Visa® in its sole discretion. The currency conversion rate used on the conversion date may differ from the rate in effect on the date you used your Card. A conversion international transaction charge will be charged to the Card. In addition, an International Transaction Fee will be charged if such transaction was in U.S. Dollars but charged by a merchant who is outside of the U.S. in the amount set forth in the Pricing Information located on the final page of this agreement.
14. **Other Charges.** In addition to any Finance Charge, the following other charges will be applicable to each Account:
- (a) **Late Fee.** If we do not receive payment by the Payment Due Date shown on the Commercial Cardholder's Billing Statement, we may charge a late payment fee in the amount set forth in the Pricing Information located on the final page of this agreement. For the avoidance of doubt, this late payment fee applies each time a Commercial Cardholder's New Balance is not paid by the Payment Due Date.
 - (b) **Return Check Fee.** If a bank does not honor the check or ACH withdrawal used to pay amounts owing under a Commercial Cardholder Agreement or we must return a check because it is not signed or is otherwise irregular, we may charge a return check fee in the amount set forth in the Pricing Information located on the final page of this agreement. For the avoidance of doubt, this return check fee applies to each Account for which a bank does not honor the check or ACH withdrawal used or for which we must return a check.
 - (c) **Payment by Phone Fee.** We may charge a fee if you or a Commercial Cardholder make a payment through a phone call to us in the



amount set forth in the Pricing Information located on the final page of this agreement.

We may change the Pricing Information from time to time (through disclosures posted on Umpqua's website or otherwise made available to you).

When a Commercial Cardholder uses an ATM not owned by us, there may be a fee charged by the ATM operator, Umpqua or by any network used to complete a transaction, and/or a fee may be charged for a balance inquiry (even if any other transaction is not completed).

Unless otherwise arranged between us, any late, return check, or payment by phone will be added to the Commercial Cardholder's Purchase balance and be treated as a Purchase.

15. Default. You will be in default if:

- (1) you fail to comply with this Account Agreement or a Commercial Cardholder fails to comply with the Commercial Cardholder Agreement,
- (2) you fail to meet any of your other obligations to us, howsoever arising (i.e., whether related or unrelated to this Account Agreement or your Commercial Card Account), including, but not limited to any other obligations you have to Umpqua, as Borrower or Guarantor, under any note, account agreement, guaranty, business loan agreement, commercial security agreement, deed of trust or other similar loan documents,
- (3) a petition for bankruptcy, insolvency, receivership, or similar protection is filed by or against Company or any Commercial Cardholder,
- (4) in any period, we do not receive the amount due by the Payment Due Date regarding any Commercial Card,
- (5) any Commercial Cardholder exceeds his or her credit line or Company's overall credit line is exceeded,
- (6) Company is dissolved, consolidated or merged, or a change in control of the ownership of Company or any of its affiliates occurs,
- (7) any Guarantor of this Account Agreement becomes insolvent, dies or becomes incompetent, or revokes or disputes the validity of, or liability under any guaranty of indebtedness that includes this Account Agreement,
- (8) any Guarantor of this Account Agreement fails to comply with any term, obligation, covenant or condition contained in its guaranty,
- (9) or we believe in good faith that the payment or performance of your or any Commercial Cardholder's obligations to us is impaired for any reason.

If you or any Commercial Cardholder is in default, Umpqua may, at its option, restrict some or all further Commercial Card Account activity. Umpqua may also, at its option, demand immediate payment of the full balance and take any available legal action. If you are in default and fail to pay any amount that you owe, then you will be liable for Umpqua's collection costs and, if the claim is referred to an attorney for collection, then you will be liable for any reasonable attorney fees which are incurred, plus the costs and expenses of legal action. Nothing herein shall limit our right to terminate any or all of your Commercial Card Account privileges as otherwise provided in this Account Agreement. We will not be obligated to honor any attempted use of any Commercial Card if a default has occurred regarding such Commercial Card or regarding Company's Commercial Card Account or if we have decided to suspend or terminate the Commercial Card or the Commercial Card Account privileges.

16. Liability. Company shall be liable for all Purchases, fees, Cash Advances and other charges incurred or arising by virtue of the use of Commercial Card Account whether or not authorized. The Program Administrator shall notify Umpqua by telephone (with written confirmation) of the termination of employment of any Commercial Cardholder or any lost or stolen Commercial Card. Based upon Standard Industry Classifications ("SIC") or Visa® Merchant Category Codes ("MCC") and as agreed to by Company, Umpqua shall consider requests to establish charge authorization procedures in order to cause certain transactions to be refused or denied. Umpqua may monitor transaction activity in order to assist Company in detecting transactions which are outside of usage procedures established by Company or Authorized Officer; provided, Company will bear any incremental costs borne by Umpqua to monitor transaction activity and assist Company in detecting such transactions, including allocated cost of personnel needed to administer such functions, and provided that Umpqua shall have no liability regarding any alleged failure on its part to detect any detecting transactions which are outside of usage procedures established by Company or otherwise unauthorized or improper.

17. Billing Disputes. Disputes regarding charges or billings hereunder shall be communicated in writing to Umpqua at the address indicated in paragraph 'Notice and Communication'. Be advised that oral communications with us regarding disputed charges or billings may not preserve your rights. Communications should include the Commercial Cardholder name and Account number, the dollar amount of any dispute or suspected error, the reference number and a description of the dispute or error. Any communication regarding a dispute or suspected error must be received by Umpqua within sixty (60) days of the date of the statement on which the disputed or incorrect charge first appeared or you will be deemed to have accepted them and waived any objection to them. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges, unauthorized charges, disputes as to the quantity or quality of goods or services purchased with a Commercial Card, and billing errors on your Periodic Statement. Umpqua will investigate disputes and billing errors, and may, in its sole discretion, attempt to facilitate their resolution or correction, but it will not be responsible for resolving or correcting them.

18. Notice and Communication. We will send statements and any other notices to Company at the address shown in our files. Our notice may



refer you to a link on our website, in which case you hereby agree to access such link and read the content on the webpage to which it directs you, or else contact us to receive a hardcopy of such notification and then read it. Company agrees to inform us promptly in writing of any change in address. We may, in our discretion, accept address corrections from the United States Postal Service. All notices, requests and other communication from Company to Umpqua must be directed to: Umpqua Bank, Credit Card Department, PO Box 1952 Spokane, WA 99210-1952, or by calling us at 1-866-777-9013. If you have a dispute with us, please be advised that contacting us verbally may not preserve your rights.

19. **Internet Access and Account Information.** Umpqua may permit you to access certain information regarding your Commercial Card Account via the Internet and may provide certain advance reporting regarding your Commercial Card Account. Such Internet access and advance reporting may be subject to additional terms and conditions that will be displayed upon initial login, and you hereby agree to be bound thereby. Umpqua may, in its sole and absolute discretion, at any time and without prior notice, discontinue providing you with Internet access and/or such advance reporting or elect to assess certain fees (or increase such fees) in connection with providing such access or such advance reporting. UMPQUA SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO ANY INTERNET ACCESS OR ADVANCE REPORTING PROVIDED TO YOU (REGARDLESS OF WHETHER ANY FEE IS ASSESSED), INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. ANY INTERNET ACCESS AND/OR ADVANCE REPORTING IS PROVIDED "AS IS," "WHERE IS" AND WITHOUT RECOURSE TO UMPQUA. If Umpqua elects to provide you with access to certain information regarding your Commercial Card Account via the Internet or provides any advance reporting regarding your Commercial Card Account, you will be responsible for any configuration, system programming, or other compatibility issues associated with obtaining such access or receiving or utilizing such reports, and Company agrees to accept full liability for any changes made to the Commercial Card Account using these internet services.
20. **Proprietary Information.** Umpqua considers the Commercial Card program to be a unique service involving Umpqua's proprietary information. Company agrees that Commercial Card program reports, manuals, documentation (including, without limitation, this Account Agreement) and related materials will not be used or disclosed other than as necessary to participate in the Commercial Card program, and to take reasonable steps to safeguard the confidentiality of such proprietary information.
21. **Renewal; Termination.**
- (a) Following the expiration of the Initial Term, this Account Agreement will automatically renew for successive Renewal Terms unless either Party provides notice of non-renewal at least ninety (90) days prior to the end of the then-current term or unless earlier terminated pursuant to Section 21.
 - (b) At any time without cause, either party may terminate this Account Agreement with 90 days prior written notice; provided, however, that if Company terminates this Account Agreement pursuant to this Section 21(b), Company shall pay an amount equal to (i) \$5,000 if terminated during the first six months of the Initial Term or \$2,500 if terminated during the sixth through eighteenth month of the Initial Term, plus (ii) a pro rata (based on the number of months remaining in the Initial Term at termination divided by the total number of months in the Initial Term) portion of any signing bonus, incentive or rebate provided to Company upon commencement of this Account Agreement.
 - (c) Umpqua may immediately terminate this Account Agreement if Company fails to pay any amount due hereunder, is in default or otherwise breaches any of its obligations hereunder.
 - (d) All Commercial Cards and related Accounts shall be deemed canceled effective upon termination of this Account Agreement.
- Upon termination of this Account Agreement, Company shall instruct all Commercial Cardholders to return all Commercial Cards, cut in half, to Company, and Company shall thereafter be responsible for returning all Commercial Cards to Umpqua. Company and the Commercial Cardholders shall remain liable for all purchases, fees and other charges incurred or arising by virtue of the use of a Commercial Card prior to the termination date.
- Umpqua shall have the right to suspend all services and its obligations under this Account Agreement in the event that the amount due from Company, as the result of Purchases, fees, Cash Advances and other such charges, exceeds the credit limit established by Umpqua.
- Upon the termination of this Account Agreement, all amounts outstanding on the Commercial Card Account shall be immediately due and payable, without further demand or notice.
- The provisions of this Account Agreement shall survive termination of this Account Agreement as their context may naturally dictate.
- Notwithstanding the foregoing or any other provision in this Account Agreement, we may limit, suspend, or terminate your privileges under this Account Agreement or the privileges of any Commercial Cardholder under a Commercial Cardholder Agreement (and list the Commercial Card and the Commercial Card Account in warning directories) at any time without notice or liability.
22. **Credit Worthiness.** Umpqua reserves the right to:
- (a) Determine the creditworthiness of Company periodically by obtaining financial statements from Company;
 - (b) Request a guaranty of payment, pledge of collateral, or other similar security from Company or its subsidiaries or affiliates based on the review of Company financial statements;
 - (c) Approve or decline the issuance, renewal, or replacement of a Commercial Card to any person at our sole discretion;
 - (d) Cancel, suspend or limit spending on any Commercial Card at any time for any reason or no reason, subject to the notice requirements set forth in the Termination section of this Account Agreement.



23. **Warranties.** Company warrants that:

- (a) This Account Agreement constitutes a valid, binding and enforceable agreement of Company;
- (b) The execution of this Account Agreement and the performance of its obligations under this Account Agreement are within Company's powers; have been duly authorized by all necessary action; and do not constitute a breach of any agreement of Company with any party;
- (c) The execution of this Account Agreement and the performance of its obligations under this Account Agreement will not cause a breach by it of any duty arising in law or equity or otherwise; and
- (d) Company is solvent and possesses the financial capacity to perform all of its obligations under this Account Agreement.

Failure of any of the above representations and warranties to be true and correct in all respects during the term of this Account Agreement shall constitute a breach of this Account Agreement, and Umpqua will have the right, upon notice to Company, to immediately terminate this Account Agreement and all amounts outstanding hereunder shall be immediately due and payable, without further demand or notice.

24. **Collateral.** This Account Agreement shall be secured by any and all personal property that you have granted to Umpqua under any security agreement securing other Notes from you to Umpqua, except for titled vehicle. However, in no event shall the obligations of the Company under this Account Agreement be secured by real property of any cross-collateralization provision to the contrary in any commercial loan documents between Company and Umpqua.

25. **Financial Information.** Umpqua may elect to defer to Financial Information contained within an active Commercial Borrowing Agreement between the Company and Umpqua. If Company does not have an existing Commercial Borrowing Agreement with Umpqua, then Company shall deliver to Umpqua as soon as available, and in any event not later than One hundred and twenty (120) days after the end of each fiscal year of Company, Company's audited financial statements prepared by independent certified public accountants selected by Company. If audited financials are not available, bank at its sole discretion, may accept reviewed or prepared financial statements. Company further agree to provide to Umpqua from time-to-time, such other information regarding the financial condition of Company as Umpqua may reasonable request. You hereby authorize Umpqua to request credit reports in connection with the issuance and use of the Commercial Cards. Information concerning your credit history with Umpqua may be furnished to consumer reporting agencies or others who may properly receive that information.

26. **Unauthorized Transactions.** We assume no responsibility to discover or audit any possible breach of security or unauthorized disclosure or use of any Commercial Cards or PINs. You will promptly notify us of any actual or suspected breach of security or unauthorized activity involving the Commercial Cards or the Commercial Card Account (whether or not involving your employees). Company must establish, maintain, and follow commercially reasonable security procedures regarding the Commercial Cards and Commercial Card Account.

27. **Trademarks.** Company and Umpqua each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. Company and Umpqua each agree that, without prior written consent of the other party, they will not use the name or any name, logo, copyright, service mark or trademark owned or licensed by the other party.

28. **Amendment.** We can amend this Account Agreement at any time upon notice. Subject to the requirements of applicable law, any amendments to this Account Agreement will become effective at the time stated in our notice and unless we specify otherwise, the amended terms of this Account Agreement will apply to all outstanding unpaid indebtedness in the Commercial Card Account relating to your Commercial Card usage as well as new transactions. Use of any Commercial Card by a Commercial Cardholder after the effective date of the change constitutes acceptance of the change. You shall have no right to amend this Account Agreement.

29. **Interpretation.** The section headings shall in no way be held to explain, modify, or aid in the interpretation of the provisions hereof. Wherever possible, each provision will be interpreted in a manner as to be valid, legal, and enforceable under applicable law. If any provision is declared invalid, illegal, or unenforceable in any jurisdiction, it shall be modified to render it valid, legal, and enforceable in the manner that best advances the spirit of this Account Agreement and/or such provision shall be deemed deleted, as the subject court or arbitrator(s) shall determine, and the remaining provisions will continue in full force and effect in the subject jurisdiction. The rule of construing ambiguities against the drafter shall not apply.

30. **Non-Waiver.** We can accept late payments, partial payments, checks and money orders marked "Paid in Full" or similar language purporting to have the same effect without losing or in any way impairing any of our rights. We can also delay enforcing our rights for any length of time and for any number of times without losing or in any way impairing those or any other of our rights. The fact that we may at any time honor a Purchase or Cash Advance in excess of a credit line does not obligate us to do so again, nor does it waive any of our rights or remedies regarding any breach of this Account Agreement. Without limiting the foregoing, the delay or failure of Umpqua to exercise any right, power or option, or to insist upon strict compliance with any term of this Account Agreement, shall not constitute a waiver of that or any other right, power, option, or term of this Account Agreement, nor a waiver of that or any other breach thereof, nor a waiver of our right at any time thereafter to require strict compliance with that or any other term hereof. No waiver shall be effective against Umpqua unless it is expressly stated in a writing signed by Umpqua.

31. **Survivability of Payment Obligations, Rights and Remedies.** The obligation of Company to make payments as herein set forth, shall continue until fully performed. Rights, obligations or liabilities which arise prior to the suspension or termination of this Account Agreement shall survive the suspension or termination of this Account Agreement, including any rights Company or Umpqua may have with respect to each other arising out of either party's performance of services or obligations prior to the expiration or termination of this Account Agreement.



32. **DISCLAIMER.** UMPQUA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SERVICES PROVIDED TO COMPANY OR ANY COMMERCIAL CARDHOLDER WITH RESPECT TO THIS ACCOUNT AGREEMENT OR ANY COMMERCIAL CARDHOLDER AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. All UMPQUA SERVICES ARE PROVIDED "AS IS," "WHERE IS" AND WITHOUT RECOURSE TO UMPQUA.
33. **LIMITATION OF LIABILITY.** TO THE EXTENT SUCH LIMITATION OF LIABILITY IS PERMITTED BY LAW, (I) UMPQUA WILL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES OR LOSSES, WHETHER OR NOT FORESEEABLE, (II) UMPQUA WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE ARISING DIRECTLY OR INDIRECTLY FROM OR IN CONNECTION WITH ANY INACCURACY, ACT OR FAILURE TO ACT ON THE PART OF ANY PERSON NOT WITHIN OUR REASONABLE CONTROL, OR ANY ERROR, FAILURE, OR DELAY IN EXECUTION OF ANY TRANSACTION RESULTING FROM CIRCUMSTANCES BEYOND OUR REASONABLE CONTROL, INCLUDING, BUT NOT LIMITED TO, ANY INOPERABILITY OF COMMUNICATIONS FACILITIES OR OTHER TECHNOLOGICAL FAILURE, AND (III) UMPQUA WILL NOT BE LIABLE FOR ANYTHING EXCEPT FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. PROVIDED WE HAVE COMPLIED WITH OUR OBLIGATIONS UNDER THIS ACCOUNT AGREEMENT, AND SUBJECT TO APPLICABLE LAW, COMPANY AGREES TO INDEMNIFY, DEFEND, AND HOLD UMPQUA HARMLESS AGAINST ANY THIRD PARTY CLAIM ARISING FROM, OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, ANY USE OF ANY COMMERCIAL CARD, THE COMMERCIAL CARD ACCOUNT, THIS ACCOUNT AGREEMENT, OR ANY RELATED SERVICE WE PROVIDE.
34. **Governing Law.** This Agreement and your Card will be controlled by and construed and enforced under the laws of the State of Oregon without regard to Oregon's conflict of laws principles (i.e., as applicable to agreements made and performed in Oregon) and, as applicable, Federal law.
35. **Venue.** If there is a dispute or issue relating to your account or to this Agreement, you and we agree that the location of the court proceeding will occur in the state where you opened the account and that the county will be chosen by us in our sole discretion.
36. **Assigns & Successors.** You may not assign, in whole or in part, any Commercial Card, the Commercial Card Account, or this Account Agreement to any other person or entity. We may at any time(s) assign, in whole or in part, the Commercial Card Account, any sums due on the Commercial Card Account, this Account Agreement. The person(s) or entity(ies) to whom we make any such assignment shall succeed to our rights and/or obligations under this Account Agreement to the extent assigned. Except as otherwise provided in this Account Agreement, it shall be binding upon the parties' successors.
37. **Remedies.** Except where a remedy is expressly stated to be exclusive, the remedies herein provided are cumulative and not exclusive of any remedies provided herein or otherwise, at law or in equity. To the extent permitted by applicable law, Umpqua reserves a right of setoff in all Company accounts with Umpqua (whether checking, savings or other account), including all existing accounts and all such accounts that may be opened in the future. Company authorizes Umpqua, to the extent permitted by applicable law, to charge or setoff all sums owing on the Commercial Card Account against any and all such accounts, and, at Umpqua's option, to administratively freeze all such accounts to allow Umpqua to protect Umpqua's charge and setoff rights provided in this paragraph or otherwise.
38. **Entire Agreement.** This Account Agreement, along with the related credit application documents, and other related agreement(s) is the entire agreement between the parties hereto regarding the subject matter and supersedes any oral agreements, oral representations, or oral warranties relating thereto.
39. **Confidentiality.** We will disclose information to third parties about your account or the transactions you make in order to process transactions or otherwise perform our obligations under this Agreement, to verify the existence and condition of your account for a third party (such as a credit bureau or merchant), or to comply with government agency or court orders, or if you give us your written permission.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US (LENDER) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.



PRICING INFORMATION

Interest Rates and Interest Charges	Purchase Annual Percent Rate (APR)	A fixed APR, currently 21.99%
	Cash Advance APR	A fixed APR, currently 23.99%
	Balance Calculation Method	Average Daily Balance (Including new purchases)
	Minimum Interest Charge per Billing Cycle	\$1.00 unless Average Daily Balance for combined Purchases and Cash Advances is zero
	Payment Due Date	We will not charge you interest on purchases if you pay your entire balance by the due date as outlined below. We will begin charging interest on balance transfers, cash advances, and overdraft advances on the transaction date. <i>Monthly Cycles:</i> Your due date as shown on your Periodic Statement will be a minimum of 25 days after the close of each billing cycle. <i>Weekly or Bi-weekly Cycles:</i> Your due date as shown on your Periodic Statement will be 5 days after the close of each billing cycle. Automatic payment required. <i>Daily Settlement</i> requires automatic payment of your daily balances with no grace period.
Fees	Balance Transfer	Not available
	Cash Advance	Either \$15 or 5% of the amount of each transaction, whichever is greater
	International Transaction	2.00% of transactions made outside the U.S., in either foreign currency or U.S. dollars, using an Umpqua Bank card
	Late Payment	\$15 if the balance is less than \$100; \$35 if the balance is \$100 or more
	Payment by Phone	\$10
	Return Payment	\$35
	Return Check	\$35
	Custom Card Design Fee	\$500 one-time setup fee; fee waived with a minimum of \$2MM in annual card program spend

The information listed above is correct as of September 26, 2017 and is subject to change at any time without prior notice. To receive the most recent information, please write to Umpqua Bank, PO Box 1952 Spokane, WA 99210-1952 or access Umpqua's website at www.umpquabank.com/disclosures/.

COMPANY

AUTHORIZED SIGNER

AUTHORIZED SIGNER

SIGNATURE

SIGNATURE

PRINT NAME

PRINT NAME

TITLE

TITLE

DATE

DATE

UMPQUA BANK

ASSOCIATE SIGNATURE

ASSOCIATE NAME

ASSOCIATE TITLE

DATE

This agreement requires a minimum of one (1) signature by an authorized signer of the company. Any and all signers must be authorized to sign on behalf of the company.



UMPQUA BANK



California Special
Districts Association
Districts Stronger Together

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

COMMERCIAL CARD REBATE AGREEMENT

_____, referred to henceforth as "Company", shall be eligible for rebates according to the rebate parameters set forth below. Annual sales volume will be calculated as eligible¹ purchases less returns, credits, and cash advances. Rebates are net of all fraud and credit losses and, upon a termination event, net of the full outstanding balance due from any participating entity under this rebate program and any other commercial card program between Umpqua Bank (the "Bank") and Company. The bank reserves all rights of setoff under applicable law.

Rebate Terms

Because Company has entered into a Commercial Card Agreement with Umpqua Bank, the Bank shall complete rebate calculations as follows:

1.0 % on all annual Commercial Card spend exceeding \$1.00

An additional 0.10% will be paid to CALIFORNIA SPECIAL DISTRICTS ASSOCIATION as part of Company participation in this program.

Rebate Payment

The rebate payment shall be paid:

YEARLY* Within thirty (30) days after the end of year

*Notwithstanding anything to the contrary contained in the Commercial Card Agreement, Company shall be required to commit to a twelve (12) month non-cancelable term ("Term") under the Commercial Card Agreement. The Term shall commence upon the later date of this Commercial Card Rebate Agreement. Any termination prior to the end of the Term shall result in loss of any accrued rebate amounts.

The rebate will be automatically paid as follows

A rebate credit to the billing account or credit card account of business choice

OR

*Direct deposit into bank account number: _____ ABA Routing: _____

*Company acknowledges that the origination of ACH transactions to our account must comply with applicable provisions of U.S. law and further agrees to be bound by the NACHA Operation Rules.

Unless as otherwise specified herein, this Rebate Program is subject in all respects to the Commercial Card Agreement between Company and Umpqua Bank. Any conflict between the Rebate Program and the Commercial Card Agreement shall be resolved in favor of the Commercial Card Agreement. Company account(s) must be in good standing in any year/quarter the rebate is paid. The Bank reserves the right to change these terms without advance notice, including termination of the rebate program. Commercial Card Account must be open and active at the time of payout, defined as average sales volumes for the trailing month no less than 75% of same month prior year.

Commercial Card Company Authorization

Company: _____
Signature: _____
Print Name: _____
Title: _____
Date: _____

Bank Name: Umpqua Bank
Signature: _____
Print Name: _____
Title: _____
Date: _____

AGENDA ITEM 2 A
Action Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Fiscal Year 2020/21 Preliminary Operating and Capital Budgets

REQUESTED ACTION:
BY MOTION,

1. Receive and File the proposed Fiscal Year 2020/21 Preliminary Operating and Capital Budgets
2. Form an Ad Hoc Committee to review the proposed Fiscal Year 2020/21 Preliminary Operating and Capital Budgets
3. Appoint the Chair and Vice-Chair to the Ad Hoc Budget Review Committee

BACKGROUND

The Bylaws of the El Dorado County Transit Authority (El Dorado Transit) requires the Executive Director to submit preliminary operating and capital budgets on or before the March meeting of each year and Board adoption of the preliminary budgets by April 15th of each year. Final operating and capital budgets are to be proposed to the Board on or before June 15 of each year with final adoption required by July 15th.

DISCUSSION

El Dorado Transit is required to operate within a balanced budget. The Fiscal Year (FY) 2020/21 Preliminary Operating Budget presented is based on maintaining current service levels with implementation of minor route changes as recommended in the Western El Dorado County 2019 Short- and Long-Range Transit Plan (SLRTP).

The El Dorado Transit management team reports that Transportation Development Act (TDA) funding is stable as projected by the State Controllers' Office (SCO) and the El Dorado County Auditors' office. This funding is based on sales tax revenue received throughout the County of El Dorado.

PRELIMINARY FISCAL YEAR 2020/21 OPERATING BUDGET

The Fiscal Year (FY) 2020/21 Preliminary Operating Budget assumes full employment of the current seventy-four (74) allocated regular full-time and part-time positions including executive management, administrative staff, operations and maintenance supervisors, maintenance technicians; twenty-one (21) Full-time Transit Operators and twenty-six (26) Part-time Transit Operators. In addition to regular staff El Dorado Transit employs temporary “Extra-Help” Transit Operators, Transit Dispatchers and support staff. The final operating budget and allocation plan may include additional staffing adjustments based on operational need.

The preliminary operating budget report presented includes a comparison of prior year adopted mid-year budget utilizing the following criteria:

- Projected expenses using an analysis of the first six (6) months of current fiscal year actual expenses and funding liabilities.
- Preliminary budget assumes current level of service with implementation of recommendations for route adjustments.
- Renewals for insurance are not available in March. Renewals go into effect on May 1, July 1, and January 1.
- Contingency is typically set at ten percent (10%) of preliminary budget per board policy.

Revenue Accounts

Transportation Development Act (TDA)

- Following the apportionment and allocation of TDA funds by the El Dorado County Transportation Commission (EDCTC), the projected amount available to transit for operations is \$5,430,343. This amount is an increase from the prior years’ allocation in the amount of \$190,052 due to increased sales tax earned in El Dorado County and the full funding of the transit operating contingency held by EDCTC.

State Transit Assistance (STA)

- STA funds for FY 2020/21 are allocated by the SCO. This number is subject to change because the program does not rely on a budget-line item at the State but rather on sales tax receipts associated with the consumption of diesel fuel. The budget strategy at El Dorado Transit is to not use these funds for operations due to the volatility of the funding. Typically, El Dorado Transit includes STA in the preliminary operating budget then with Board approval, transfers these funds to the Capital Budget at mid-year. This allows the greatest flexibility for use of STA funds.
- Deferred STA are funds claimed but not used in the prior fiscal year and are typically part of the unused monies from the operating budget Contingency line item. To balance the FY 2020/21 Preliminary Budget, deferred funds from prior years’ allocations are used to balance the Preliminary Operating Budget.
- STA/State of Good Repair (SGR) is funding under Senate Bill 1 (SB 1).

Federal Transit Administration (FTA) Section 5311 Grant

FTA Section 5311 provides Federal grants, made through states, for public transportation projects in non-urbanized areas. There are two (2) types of programming in Section 5311; 1) County/Regional apportionment by formula and 2) Competitive Discretionary for Intercity connection projects. Historically, El Dorado Transit receives funds under the formula program for operating assistance or capital projects. This year's allocation has not been received so a placeholder of last year's amount has been provided.

Contract Services

Contract Services revenue is based on an agreement with ALTA Regional California (ALTA) to transport ALTA clients to Motherlode Rehabilitation Enterprises, Inc. (M.O.R.E.). El Dorado Transit receives approximately 70% of the cost of this service from ALTA. This item is being closely monitored by the Executive Director with a maximum subsidy for FY 2019/20 of \$228,000.

Passenger Fares

This includes the following line items: Cash Fares, Contract Services, Charter Services, Commuter Route Fare Media, Local Route fare Media and Paper Scrip. Estimates based on first six (6) month actual receipts. Management is predicting a slight increase to this revenue.

Advertising Revenue

El Dorado Transit has a third-party contract for bus shelter advertising.

Fair Shuttle AB2766 Grant

El Dorado Transit has submitted a grant application to the El Dorado County Air Quality Management District (EDCAQMD) for this service.

Low Carbon Transit Operations Program (LCTOP) Grant

These funds are allocated by the State Controllers' Office to provide operating and capital assistance for transit agencies to reduce greenhouse emissions. These grant funds are planned to subsidize possible implementation of additional service and fare program recommendations from the SLRTP.

Offset Reserve Fund – CalTIP (restricted)

These funds are dollars held by El Dorado Transit's liability and vehicle physical damage insurance pool. Each year revised amounts are provided to pool members in April or May. These funds can be used to offset the current year's premiums or held for future premiums.

Salary and Benefits Accounts

Regular Employees and Overtime

The regular employee and overtime line items include funding for eligible merit step increases and longevity.

Temporary Employees

The preliminary budget includes \$100,000 for Extra-Help employees to provide relief driving and fill-in Transit Dispatch assignments on an intermittent basis. These employees fill in when regular operators and Transit Dispatchers are off work. Included in the FY 2020/21 line item are requirements from the passage of AB1522 allowing for this employee group to be eligible for three (3) days of sick leave per year.

Employee Retirement

Employee Retirement is based on a CalPERS formula. El Dorado Transit has a “Classic” and a “PEPRA” plan for regular employees. The employer contribution is approximately \$470,493 or an 11.746 % of base wages (based on actuarial reports); the employee contribution is \$280,390. The Employer Payment of Unfunded Liability is \$287,709 will be paid as a lump sum in July 2020.

Health Insurance

- The Health Insurance line item includes the El Dorado Transit contribution towards health, vision and dental coverage for enrolled employees. Plan coverage is calendar year; therefore, premium increases will occur in January 2021.
- The Human Resources Department administers agreements and/or insurance policies for services and insurance coverage’s that renew automatically each year. The following are perpetual contracts and agreements for employee insurance coverage and benefits;
- Health Insurances
 - **Regular Full/Part-Time Unrepresented Employees**
 - ❖ CalPERS Health Plan with OptumRX Pharmaceutical
 - ❖ Delta Dental
 - ❖ Vision Service Plan (VSP)
 - **Regular Full/Part-Time Represented Transit Drivers**
 - ❖ Operating Engineers Plan – Health, Pharmaceutical, Dental, Vision
or
 - ❖ El Dorado County Plan – Health, Pharmaceutical, Dental, Vision
- Sun Life Financial - Long Term Disability
Coverage provides wage loss protection for regular full/part-time employees in the event of prolonged disability
- Sun Life Financial – Life Insurance
\$10,000 policy coverage for regular full-time represented transit operators
\$20,000 policy coverage for regular full-time unrepresented employees
- Paychex
Flexible Benefits Plan (Cafeteria Plan) allows regular full/part-time employees to pay the employee portion of premiums and certain benefits offered under the plan with pre-tax dollars.

Workers Compensation

Workers Compensation premiums are a percentage of payroll (regular hours). Management and staff are completing the necessary steps to take advantage of credit incentives that could reduce premiums by up to 15%.

Service and Supply Accounts

Service and supply account budgets are based on the first six (6) months actual expenses plus a projection for the upcoming fiscal year needs. Minor adjustments have been made to several accounts with the largest changes addresses below.

Communications - Phone

Staff has been working to streamline and optimize the communication needs. Several obsolete options have been removed for an estimated cost savings.

Insurance Premiums/Public Liability

For the preliminary budget, assumptions are made based on a combination of experience levels and prior year performance. As a volatile market exist, a budget increase has been made.

Service Contracts/Equipment

This account includes support and service contracts for telephone, computer support, maintenance software and facility alarm systems. Staff anticipates an increase of these costs for FY 2020/21.

Vehicle Maintenance/Tires & Tubes

This account includes tires and supplies for all fleet vehicles. Staff is anticipating an increase of costs for this account.

Professional Services

There are multiple preliminary engineering and planning studies anticipated in FY 2020/21 including a Zero Emissions Bus (ZEB) Implementation Plan and various passenger facility design projects.

Fuel Purchase

Fuel budget assumptions are calculated based on prior fuel expenditures, planned service mileage and recent market volatility. Staff anticipates a decrease of these costs for FY 2020/21 based on fuel costs incurred during the current fiscal year.

Contingency

Contingency is typically set at ten percent (10%) of preliminary budget per board policy.

PRELIMINARY FISCAL YEAR 2020/21 CAPITAL BUDGET

The FY 2020/21 Preliminary Capital Improvement Plan Budget (CIP) recommends capital projects and identifies funding sources. Projects may carry over multiple fiscal years and include

but are not limited to facility improvements, equipment purchases and replacement, vehicle purchases and replacements, software and hardware upgrades and replacements, safety and security systems and bus stop/park and ride improvements. New fiscal year projects proposed in the CIP are numbered as 21-xx (e.g. 21-01; 21-02 etc.)

In addition to ongoing projects, staff is recommending the following for inclusion in the FY 2020/21 CIP:

- 21-01 On-Board Video Surveillance Data Loss Protectors
- 21-02 Vehicle Replacement – Maintenance Truck
- 21-03 Administration / Maintenance Facility Equipment

SUMMARY

Management opinion is that the financial position of El Dorado Transit is stable. Most tax based funding sources are showing growth.

Staff is requesting that the Board receive and file the proposed Fiscal Year 2020/21 Preliminary Operating and Capital Budgets, as presented, and appoint the Chair and Vice-Chair to form an Ad Hoc Committee to review the proposed budgets. Following at least one meeting and direction from the Budget Review Committee, staff will submit the Fiscal Year 2020/21 Preliminary Operating and Capital Budgets for Board adoption at the regular April 2, 2020 meeting.

EL DORADO COUNTY TRANSIT AUTHORITY
PROPOSED PRELIMINARY OPERATING BUDGET 2020/2021

OPERATING BUDGET		FY 2019/2020	FY 2020/2021	Difference
		Mid-Year	Preliminary	
REVENUE ACCOUNTS		Adopted 02/06/2020	Proposed 03/05/2020	
4000.00	Transportation Development Act (TDA/LTF)	\$5,240,291	\$5,430,343	\$190,052
4270.00	State Transit Assistance (STA)	\$943,000	\$1,585,839	\$642,839
4270.00	State Transit Assistance (STA) Deferred	\$0	\$823,023	\$823,023
4270.01	State Transit Assistance (STA)/State of Good Repair (SGR)	\$248,293	\$253,381	\$5,088
4970.00	Interest Income	\$58,000	\$58,000	\$0
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$509,322	\$538,231	\$28,909
4300.00	Farebox Cash Fares	\$175,000	\$175,000	\$0
4310.00	Contract Services	\$435,000	\$462,000	\$27,000
4320.00	Farebox - Charter Charter Services	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes Commuter Route Fare Media	\$786,000	\$786,000	\$0
4350.00	Bus Pass Local Route Fare Media	\$76,000	\$76,000	\$0
4360.00	Scrip Paper Scrip	\$28,000	\$28,000	\$0
4400.00	Advertising Revenue	\$0	\$16,000	\$16,000
4990.00	Misc. Revenue	\$0	\$1,000	\$1,000
4107.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$331,722	\$334,181	\$2,459
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$250,000	\$250,000	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,374	\$8,374	\$0
TOTAL REVENUES		\$9,094,002	\$10,830,372	\$1,736,370
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$3,786,614	\$4,057,043	\$270,429
5010.02	Temporary Employees	\$100,000	\$100,000	\$0
5010.07	Overtime	\$100,000	\$100,000	\$0
5010.08	On Call Pay	\$7,000	\$7,000	\$0
5010.09	Skill CRDI and Shift Pay	\$20,000	\$20,000	\$0
5020.01	Employee Retirement	\$595,000	\$680,000	\$85,000
5070.01	(OASDI - Payroll Tax) FICA	\$7,000	\$7,000	\$0
5070.02	MEDICARE - Payroll Tax	\$56,000	\$56,000	\$0
5020.02	Health Insurance	\$1,220,000	\$1,722,000	\$502,000
5020.03	Unemployment Insurance	\$10,000	\$10,000	\$0
5020.04	LT Disability/Life Ins	\$39,000	\$39,000	\$0
5020.05	Worker's Comp	\$225,000	\$354,000	\$129,000
TOTAL SALARY & BENEFITS		\$6,165,614	\$7,152,043	\$986,429
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$3,600	\$3,600	\$0
5090.05	Uniforms - Other	\$16,000	\$16,000	\$0
5050.01	Communications - Phone	\$47,000	\$32,000	-\$15,000
5090.20	Communications - Radio	\$0	\$1,000	\$1,000
5090.01	Household Expenses	\$15,750	\$15,750	\$0
5060.01	Insurance Premiums/Public Liability	\$575,000	\$588,000	\$13,000
5060.02	Insurance Premiums/Physical Damage	\$25,000	\$25,000	\$0
5060.03	Insurance Premiums/Commercial	\$14,000	\$14,000	\$0
5060.04	Insurance Premium EPLI Package	\$18,000	\$18,000	\$0
5090.06	Service Contracts/Equipment	\$150,000	\$170,000	\$20,000
5160.07	Park and Ride Maintenance	\$17,000	\$13,000	-\$4,000
5160.01	Maintenance/Buildings	\$5,500	\$6,200	\$700
5160.03	Maintenance/Equipment	\$3,000	\$3,000	\$0
5160.05	Maintenance/Grounds	\$8,500	\$5,500	-\$3,000
5160.09	Maintenance/Bus Stop	\$3,000	\$2,000	-\$1,000
5160.00	Maintenance/Other	\$2,500	\$2,500	\$0
5040.00	Vehicle Maintenance (In-House)	\$380,000	\$380,000	\$0
5040.02	Vehicle Maintenance/Tires & Tubes	\$85,000	\$100,000	\$15,000
5040.03	Vehicle Maintenance/Lubricants	\$28,000	\$31,000	\$3,000
5040.04	Vehicle Maintenance/Small Tools - Shop	\$4,300	\$4,300	\$0
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$45,000	\$43,000	-\$2,000
5090.50	Safety Equipment/Training	\$7,000	\$10,000	\$3,000
5090.40	Memberships	\$8,400	\$4,000	-\$4,400
5090.70	Office Expense	\$15,000	\$15,000	\$0
5090.80	Postage	\$4,500	\$4,000	-\$500
5090.00	Operating Expense - Other	\$1,000	\$1,500	\$500
5030.00	Professional Services	\$170,000	\$270,000	\$100,000
5030.10	Employee Medical Exams	\$9,000	\$9,000	\$0
5030.30	Background Checks	\$2,000	\$2,000	\$0
5090.08	Pubs/Legal Notices	\$4,000	\$2,000	-\$2,000
5090.75	Printing	\$15,000	\$15,000	\$0
5120.02	Rents/Leases - Equipment	\$21,000	\$21,000	\$0
5120.03	Rents/Leases Park and Rides	\$9,000	\$9,000	\$0
5140.01	Equipment Purchase - Data Processing	\$1,000	\$1,000	\$0
5140.05	Equipment Purchase - Office	\$4,000	\$2,000	-\$2,000
5150.00	Special Department Expense	\$5,000	\$1,500	-\$3,500
5150.01	Marketing	\$15,000	\$10,000	-\$5,000
5090.30	Staff Development/Travel	\$41,000	\$25,000	-\$16,000
5040.01	Fuel Purchase	\$828,000	\$700,000	-\$128,000
5090.72	Bank Charges	\$800	\$400	-\$400
5090.73	Credit Card Charge Fees	\$5,000	\$3,500	-\$1,500
5090.74	Connect Card Administration Expenses	\$40,000	\$40,000	\$0
5050.02	Utilities	\$54,000	\$54,000	\$0
5050.03	Utilities/ Park & Rides	\$26,000	\$20,000	-\$6,000
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
6270.00	Contingency	\$196,538	\$984,579	\$788,041
TOTAL SERVICES AND SUPPLIES		\$2,928,388	\$3,678,329	\$749,941
TOTAL OPERATING EXPENSES		\$9,094,002	\$10,830,372	\$1,736,370

El Dorado County Transit Authority

Proposed Capital Improvement Plan Budget FY 2020/21

Approved Capital Projects											
Status	Priority	CIP Project Number	Project Description	Budget	Deferred STA*	FTA Section 5307	FTA Section 5310	FTA Section 5339	PTMISEA 10/11	CTSGP-CTAF	CMAQ
					\$3,053,113	\$276,756	\$666,000	\$1,355,747	\$1,430,620	\$99,000	\$1,100,000
ACTIVE		12-06	Western Placerville Interchange (WPI) Park and Ride	\$2,865,620	\$335,000				\$1,430,620		\$1,100,000
PLANNED		14-03	Metal Fabrication Tools	\$11,942	\$11,942						
ACTIVE		15-08	Park-and-Ride Parking Lot Maintenance	\$250,000	\$250,000						
ACTIVE		17-03	Bus Stop Improvements - Upper Broadway	\$392,550	\$392,550						
ACTIVE		17-05	Maintenance Facility - Safety and Equipment	\$52,000	\$52,000						
ACTIVE		18-02	Bus Shelter Amenities	\$165,000	\$165,000						
ACTIVE		18-04	Vehicle Replacement - Local Fixed Route - Gillig	\$2,135,404	\$583,404	\$196,253		\$1,355,747			
ACTIVE		18-06	Radio System	\$110,231	\$11,231					\$99,000	
ACTIVE		19-01	IT Upgrade and Replacement 5 Year Plan	\$140,635	\$140,635						
PLANNED		19-03	Administration Building Safety Improvements	\$24,150	\$24,150						
ACTIVE		19-04	Vehicle Replacement - Demand Response	\$1,019,030	\$409,030		\$610,000				
PLANNED		20-01	Facility Surveillance Upgrade	\$16,500	\$16,500						
PLANNED		20-02	Automatic Bus Washer Retrofit	\$110,000	\$29,497	\$80,503					
PLANNED		20-03	Administration / Maintenance Facility Equipment	\$40,000	\$40,000						
PLANNED		20-04	Maintenance Facility Swamp Cooler and Steam Cleaner Modifications	\$151,335	\$151,335						
PLANNED		20-05	Vehicle Replacement - Local Fixed Route	\$1,078,000							
ACTIVE		20-06	Vehicle Replacement - Demand Response - Transit Van	\$86,900	\$30,900		\$56,000				
PROPOSED		21-01	On-Board Video Surveillance Data Loss Protectors	\$31,442	\$31,442						
PROPOSED		21-02	Vehicle Replacement - Maintenance Truck	\$32,000	\$32,000						
PROPOSED		21-03	Administration / Maintenance Facility Equipment	\$40,000	\$40,000						
Project Totals				\$8,752,739	\$2,746,616	\$276,756	\$666,000	\$1,355,747	\$1,430,620	\$99,000	\$1,100,000
Remaining Funds Available					\$306,497	\$0	\$0	\$0	\$0	\$0	\$0

AGENDA ITEM 3 A
Information Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Brian James, Planning and Marketing Manager

SUBJECT: Fiscal Year 2019/20 6-Month Administrative Operations Report

REQUESTED ACTION:

BY MOTION,

None. Information Only.

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) provides public transportation under authority of a Joint Powers Agreement (JPA) with the County of El Dorado and the City of Placerville.

The Fiscal Year 2019/20 6-Month Administrative Operations Report (Administrative Operations Report) provides an overview of El Dorado Transit operations for the reporting period July 1, 2019 through December 31, 2019.

As a recipient of Transportation Development Act (TDA) funds, El Dorado Transit is required to report performance measure statistics as defined in the TDA Public Utilities Code Chapter 4, Transportation Development Article 1 – General Provisions and Definitions Section 99247. The Administrative Operations Report includes required statistical analysis and other Board approved performance measures.

The Administrative Operations Report presents performance measures on a route, service type and total systemwide basis which is above and beyond the mandated reporting format. This reporting provides the public, policy makers and management a detailed comparison down to the individual route level. For comparison purposes, the Administrative Operations Report also includes data from the prior fiscal year.

DISCUSSION

As noted in the Administrative Operations Report, El Dorado Transit provides three (3) distinct types of public transportation: Demand Response Service, Local Fixed Routes and Commuter Bus Service. The purpose of each service varies, therefore, goals and objectives for performance are considered separately. The following sections discuss the general performance of the various

services providing a snapshot of how the system has performed during the July 2019 to December 2019 reporting period.

- Demand Response Service ridership increased by 1.0% in one-way passenger trips during the period. The largest year-to-year change was in the M.O.R.E. client transportation service which showed an increase of 16.9% or 1,585 one-way passenger trips. M.O.R.E services are contracted and ridership fluctuates according to client enrollment. The goal for on-time performance for Demand Response services is 90%, and El Dorado Transit achieved 91.8%.
- Local Fixed Route ridership decreased by 1.3% in one-way passenger trips during the period. This is likely due in part to the discontinuation of hourly bus service in El Dorado Hills during the reporting period. The largest year-to-year change was in Route 40 Cameron Park/Shingle Springs which showed a ridership increase of 19.4% or 1,285 one-way passenger trips. The goal for on-time performance for Motor Bus services is 85%, and El Dorado Transit achieved 84.1%.
- Commuter Bus Service ridership increased by 5.5% in one-way passenger trips during the period. The goal for on-time performance for Commuter Bus services is 90%, and El Dorado Transit achieved 89.5%.
- System wide ridership increased by 3,053 one-way passenger trips or 1.7%. Systemwide farebox recovery was 20.44% which was an increase of 5.1%, and well above the required 12.2%.

FISCAL IMPACT

None

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EL DORADO TRANSIT



Fiscal Year 2019/20

6-Month Administrative Operations Report

March 5, 2020

Prepared by: El Dorado County Transit Authority
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Diamond Springs, CA 95619
(530) 642-5383
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Fiscal Year 2019/20

6-Month Administrative Operations Report

El Dorado County Transit Authority

2020 Board of Directors

Chair:	John Hidahl, El Dorado County Board of Supervisors, District 1
Vice Chair:	Kara Taylor, Placerville City Council
	Shiva Frentzen, El Dorado County Board of Supervisors, District 2
	Brian Veerkamp, El Dorado County Board of Supervisors, District 3
	Mark Acuna, Placerville City Council
Executive Director:	Matthew Mauk, El Dorado County Transit Authority

Mission Statement *To provide safe, reliable, courteous, attractive, effective and comfortable public transit, coordinate transit services, reduce vehicle miles traveled on the Western Slope of El Dorado County and actively support reducing emissions to improve air quality.*

Introduction

The El Dorado County Transit Authority (El Dorado Transit) provides public transportation on the western slope of El Dorado County under authority of a Joint Powers Agreement (JPA) with the County of El Dorado and the City of Placerville.

The El Dorado Transit Fiscal Year 2019/20 6-Month Administrative Operations Report is prepared to apprise the board and general public on transit operations over the first six months of the fiscal year (FY) 2019/20 (July 1, 2019 to December 31, 2019). In addition, this report presents a comparison of performance measures for the prior fiscal year.

Service Description

Public transportation services provided by El Dorado Transit include Demand Response, Motor Bus (Local Fixed Routes), Commuter Bus (Commuter Services) and Special Event Services which include annual services funded through local air quality management grants for vehicle emission reduction.

Demand Response

Demand Response services include Dial-A-Ride and subscription Dial-A-Ride, Americans with Disabilities Act (ADA) Complementary Paratransit, SAC-MED, Mother Lode Rehabilitation Enterprises (M.O.R.E.) and the Older Adult Day Services program transportation.

Dial-A-Ride is a reservation service that operates seven (7) days a week providing curb-to-curb transportation to the general public. Seniors and persons with disabilities are given priority when scheduling these trips. El Dorado Transit Dial-A-Ride provided 7,851 one-way passenger trips during the reporting period. Subscription Dial-A-Ride is provided to a limited number of passengers traveling to standing appointments for such things as dialysis or cancer treatments. Federal regulations limit the percentage of paratransit trips an operator can provide on a subscription basis. For the reporting period, El Dorado Transit scheduled an average of three (3) subscription Dial-A-Ride trips per day.

ADA Complementary Paratransit service is a reservation based, shared ride service providing origin to destination transportation to eligible persons with disabilities. ADA Complementary Paratransit service is provided the same days and hours as the local fixed route bus services, within $\frac{3}{4}$ mile of the route service area. El Dorado Transit ADA Complementary Paratransit provided 313 one-way passenger trips during the reporting period. It should be noted that

separate ADA Complementary Paratransit service was instituted beginning August 5, 2014. Prior to this date ADA service was provided via local fixed route deviation.

SAC-MED is a non-emergency medical transportation service for seniors, persons with disabilities and the general public traveling to medical appointments in Sacramento and Placer Counties. The service operates on Tuesday and Thursday each week using wheelchair lift-equipped buses or vans. SAC-MED provided 163 one-way passenger trips during the reporting period.

M.O.R.E. client transportation is a contracted service. ALTA California Regional Center (ALTA) provides funding for the M.O.R.E client transportation through an agreement with El Dorado Transit. Clients are transported from home or an agreed pickup location to the M.O.R.E. program facility in Placerville and back. El Dorado Transit provided 10,947 one-way passenger trips during the reporting period.

Older Adult Day Services clients are transported from home to the facilities in Placerville and El Dorado Hills and back on an individual subscription basis, Monday through Friday. El Dorado Transit provided 2,444 one-way passenger trips during the reporting period.

The following table provides a year-to-year comparison of demand response services, noting an increase of 1.0% in one-way passenger trips during the period. The largest year to year change was in the M.O.R.E. client transportation service which showed an increase of 16.9% or 1,585 one-way passenger trips. M.O.R.E services are contracted, and ridership fluctuates according to client enrollment.

DEMAND RESPONSE COMPARISON				
Reporting Period: July 1, 2019 – December 31, 2019				
	FY 2019/20 (current)	FY 2018/19 (prior)	Difference	Percentage +/-
TRIPS	21,718	21,499	+219	+1.0%
HOURS	7,593	7,986	-393	-4.9%
MILES	145,460	154,975	-9,515	-6.1%

Motor Bus (Local Fixed Routes)

El Dorado Transit provides weekday connecting bus service within the communities of Pollock Pines, Camino, Placerville, Diamond Springs, El Dorado, Shingle Springs and Cameron Park with connections to El Dorado Hills and Folsom. Saturday service is provided by the Route 25 Saturday Express between Placerville and Pollock Pines and the Route 35 Diamond Springs Saturday route. Hourly bus service was provided throughout El Dorado Hills until June 3, 2019 when the service was discontinued due to low ridership.

The following table provides a year-to-year comparison of Motor Bus services and indicates a decrease of 1.3% in one-way passenger trips during the period. The largest year-to-year change was in Route 40 Cameron Park/Shingle Springs which showed an increase of 19.4% or 1,285 one-way passenger trips.

MOTOR BUS COMPARISON				
Reporting Period: July 1, 2019 – December 31, 2019				
	FY 2019/20 (current)	FY 2018/19 (prior)	Difference	Percentage +/-
TRIPS	87,171	88,344	-1,173	-1.3%
HOURS	13,143	14,593	-1,450	-9.9%
MILES	250,238	274,040	-23,802	-8.7%

Commuter Bus

Commuter Bus services provide transportation between El Dorado County and downtown Sacramento during peak commute times, Monday through Friday. Eleven (11) one-way routes operate both in the morning and afternoon between park-and-ride facilities in El Dorado County and several downtown stops. In addition, two (2) Reverse Commute routes are available for passengers traveling from Sacramento to El Dorado County in the morning and from El Dorado County to Sacramento in the afternoon. The Reverse Commute services are offered on buses that would otherwise be empty while returning from or traveling to Sacramento to perform regular commuter routes.

The following table provides a year-to-year comparison of commuter services, noting an increase of 5.5% in one-way passenger trips during the period.

COMMUTER BUS COMPARISON				
Reporting Period: July 1, 2019 – December 31, 2019				
	FY 2019/20 (current)	FY 2018/19 (prior)	Difference	Percentage +/-
TRIPS	76,769	72,762	+4,007	+5.5%
HOURS	4,740	4,490	+250	+5.6%
MILES	140,880	137,097	+3,783	+2.8%

Special Event and Charter Services

El Dorado Transit operates special event services which include grant funded annual public services. El Dorado Transit also provides limited charter services as allowed per State and Federal guidelines. There were no special event or charter services provided during the reporting period.

Performance Measures

Mandated Performance Reporting

The TDA guidelines require that public transit agencies report certain annual performance measures to their governing bodies, the regional transportation planning agency and to the office of the California State Controller.

The following table summarizes and compares the system wide performance measures required under the TDA for the reporting period:

SYSTEM WIDE COMPARISON				
Reporting Period: July 1, 2019 – December 31, 2019				
	FY 2019/20 (current)	FY 2018/19 (prior)	Difference	Percentage +/-
TRIPS	185,658	182,605	+3,053	+1.7%
HOURS	25,476	27,069	-1,593	-5.9%
MILES	536,578	566,112	-29,534	-5.2%

During the reporting period, statistics indicated a 1.7% increase in passenger trips coupled with fewer hours and miles indicating a positive trend in systemwide productivity. Overall, the cost per passenger remained consistent at \$21.60 in the prior year and \$21.62 in the current period. Passenger trips per revenue hour trended slightly upward from 6.7 in the prior year to 7.3 in the current period.

The Fare-Box Recovery (FBR) percentage represents the ratio of fare revenue collected to operating expenses. The TDA guidelines require that the overall FBR for the agency be at least 12.2%. El Dorado Transit recovered 20.44% in FBR during the reporting period; well above the minimum requirement and higher than the 19.44% from the previous year.

Passenger Trips per Revenue Hour represents the average number of passenger boardings per service hour in all vehicle types. Systemwide passenger trips per revenue hour increased from 6.7 to 7.3 or 9.0%.

The following tables (Figures 1 and 2) summarize system wide performance measures required under the TDA guidelines for the first 6 months of FY 2019/20 and FY 2018/19:

Figure 1 Comparative Report for All Services as per TDA guidelines

FISCAL YEAR KEY PERFORMANCE MEASURES FOR ALL SERVICES	2019/20	2018/19	Difference	Percentage Change +/-
Farebox Recovery Ratio (FBR)	20.44%	19.44%	+1.00	+5.1%
Passenger Fares	\$820,368	\$766,788	+\$53,580	+7.0%
Average Fare/Passenger	\$4.42	\$4.20	+\$0.22	+5.2%
Operating Expenses	\$4,013,069	\$3,943,810	+\$69,259	+1.8%
Operating Cost/Passenger	\$21.62	\$21.60	+\$0.02	+0.1%
Operating Cost/Revenue Hour	\$157.52	\$145.69	+\$11.83	+8.1%
Operating Cost/Revenue Mile	\$7.48	\$6.97	+\$0.51	+7.3%
Road Calls	69	69	+0	+0.0%
Employees/Full-Time Equivalent (FTE)	70	72	-2	-2.8%

Figure 2 Passenger Trips per Revenue Hour Report for All Services as per TDA guidelines

PASSENGER TRIPS PER REVENUE HOUR	2019/20	2018/19	Difference	Percentage Change +/-
Demand Response	2.9	2.7	+0.2	+7.4%
Motor Bus (Local Fixed Routes)	6.6	6.1	+0.5	+8.2%
Commuter Bus	16.2	16.2	+0.0	+0.0%
Systemwide Passenger Trips per Revenue Hour	7.3	6.7	+0.6	+9.0%

Additional Performance Measures

Although not required by the TDA, El Dorado Transit prepares mid-year and annual reports of performance measures by mode and route. Annual statistical data summarized by service and mode are included for review as Attachment A (FY 2019/20) and Attachment B (FY 2018/19).

El Dorado Transit compares actual performance with performance standards for FBR and operating subsidy per passenger. The SLRTP includes goals for Service Efficiency, Farebox Return Ratio and Operating Subsidy per Passenger.

The following table (Figure 3) shows the performance standards and the actual performance numbers for comparison:

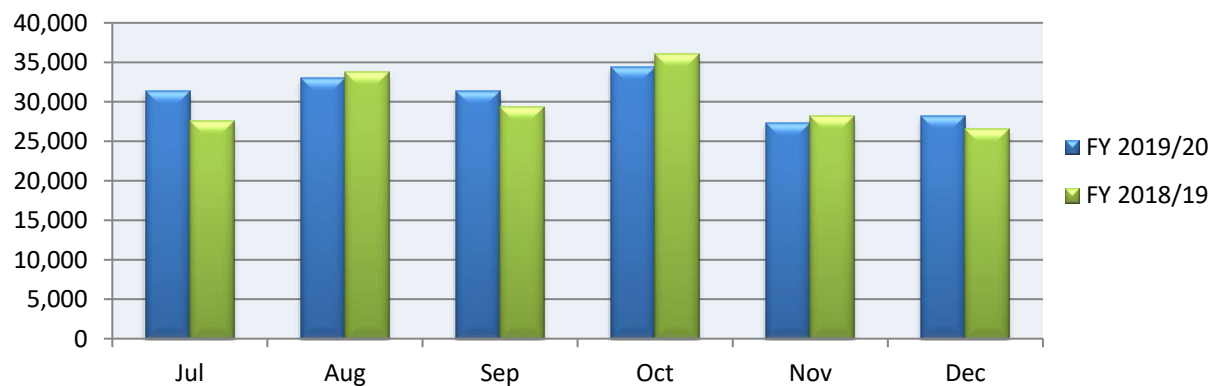
Figure 3 Comparative Report between Actual 2019/20 and Performance Standards

COMPARISON OF ACTUAL PERFORMANCE AND PERFORMANCE STANDARDS	Farebox Recovery Ratio	Operating Subsidy per Passenger	Passenger Trips per Revenue Hour
Motor Bus Routes Standard/Goal	>10.0%	<\$15.00	>5.0
Route 20 - Placerville	5.90%	\$19.33	6.6
Route 25 – Saturday Express	5.98%	\$24.01	6.1
Route 30 – Diamond Springs/El Dorado	6.49%	\$15.81	8.6
Route 35 – Diamond Springs Saturday	3.39%	\$37.59	3.6
Route 40 – Cameron Park/Shingle Springs	4.71%	\$30.29	4.9
Route 50X – 50 Express	5.11%	\$24.07	6.8
Route 60 – Pollock Pines	6.59%	\$21.42	6.8
Total Motor Bus Routes – Average	5.72%	\$21.70	6.6
Demand Response Standard/Goal	N/A	<\$35.00	>2.0
Total Demand Response - Average	23.65%	\$40.91	2.9
Commuter Bus Standard/Goal	>50.0%	<\$5.00	>10.0
Total Commuter Bus – Average	51.05%	\$5.38	16.2

Monthly Ridership Trends

The following graph (Figure 4) compares monthly passenger boardings for the first 6 months of FY 2019/20 and FY 2018/19 for all services:

Figure 4 Fiscal Year Monthly Boardings



Complaints and Compliments

El Dorado Transit is in the process of implementing a new system for tracking and managing customer compliments and complaints. Full reporting is anticipated for the FY 2020/21 Administrative Operations Report.

On-Time Performance Standards

El Dorado Transit service on-time performance is regularly measured to evaluate actual performance compared to adopted targets. Figure 6 shows the percentage of on-time arrivals by mode compared to adopted targets.

Figure 5 On-Time Performance FY 2019/20

Service Type	Adopted Target	Actual Performance
Demand Response	90%	91.8%
Motor Bus Routes	85%	84.1%
Commuter Bus Routes	90%	89.5%

Road Calls by Service Type

Service effectiveness may be measured in several ways, one of which is the miles between road calls. Road calls are recorded when a mechanic responds to a mechanical problem on a disabled transit vehicle in the field. The number of road calls during the period was 69 in FY 2018/19 and 69 in FY 2019/20. The following table shows the miles between road calls by service type:

Figure 6 Average Miles between Road Calls FY 2019/20

Service Type	Average Miles Between Road Calls
Demand Response	11,189
Motor Bus Routes	5,440
Commuter Bus Routes	14,088
System Wide	7,776

Marketing and Outreach

The following were developed and/or conducted by El Dorado Transit staff, as appropriate, to heighten public awareness and promote transit services:

Passenger Materials

El Dorado Transit provides complete route and schedule information in printed brochures, and on the agency website which is available in more than 100 languages. Schedules and route maps are updated regularly and made available on transit vehicles, bus stops and distributed through a network of outlets within the service area.

The agency website is maintained in-house and provides easy access to the most popular types of information including:

- Trip Planner
- Connect Card information
- Transit fares, passes and scrip ticket information and ordering
- Schedule and route information
- Americans with Disabilities Act (ADA) services
- Press Releases
- Legal Notices
- Service Alerts
- Employment information

Print Advertising and Local Media

El Dorado Transit staff develops and distributes timely Press Releases to local news outlets to identify noteworthy activities and events. These commonly include:

- New, expanded or modified services
- Opening of new facilities
- Delivery of new vehicles
- Special services
- Ridership growth
- Introduction of targeted promotional activities

In addition to news releases, the staff works with local news reporters to develop feature articles about the benefits of using transit.

Direct Outreach

An ongoing public speaking program and mobility training is conducted to build a positive image within the community, build awareness of the services El Dorado Transit offers and instructs both potential riders and gatekeepers on how to use the transit system. El Dorado Transit staff makes personal on-site presentations to business and community leaders, gatekeepers, potential rider groups, partner organizations, and human services providers. When necessary, presentations are targeted and timed to coincide with implementation of new, expanded or modified services.

One-on-one transit training (mobility training) is an important tool that is available to potential riders to assist them in maintaining their independence and to access life-line services or employment opportunities. Passengers may schedule special training sessions, in-home appointments or escorted transit rides with staff, depending on individual needs. Mobility training is particularly effective in helping potential or first-time passengers become familiar with the available services and overcome any anxiety about using transit.

Glossary of Terms/Definitions

Demand Response -	Shared ride service or services, generally origin-to-destination (curb-to-curb), performed upon request or by advance reservation; as in Dial-A-Ride or SAC-MED
Americans with Disabilities Act (ADA) -	a wide-ranging civil rights law enacted by the U.S. Congress in 1990 that prohibits, under certain circumstances, discrimination based on disability
Charter -	Transportation provided at the request of a third party for the exclusive use of a bus or van for a negotiated price (excludes public, demand response services)
Transportation Development Act (TDA) -	provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales and transit performance
Farebox Recovery Ratio (FBR) -	the ratio of fares collected to operating expenses on a given service or services, represented as a percentage
Trip -	represents the boarding of a single transit passenger for the purposes of travel in one direction (one-way)
Ridership -	cumulative total of trips recorded on a service or services during a given timeframe
Hours (revenue) -	represents the time during which a vehicle was either transporting passengers or available for public boarding (excludes vehicle travel time to and from base before or after passenger service)
Miles (revenue) -	represents the miles recorded on a vehicle while either transporting passengers or available for public boarding (excludes distance travelled to and from base before or after passenger service)
Operating Cost -	All costs in the operating expense object classes exclusive of depreciation and costs associated with providing charter service
Operating Cost per Passenger -	calculation of operating cost divided by the trips recorded

Operating Cost per Hour -	calculation of operating cost divided by the revenue hours
Operating Cost per Mile -	calculation of operating cost divided by the revenue miles
Passenger Trips per Revenue Hour -	calculation of total passenger trips divided by the revenue hours
Average Fare per Passenger -	calculation of actual fare revenue divided by the passenger trips
Road Calls -	cumulative total of mobile responses to a disabled transit vehicle, while in passenger service
Employee Full-Time Equivalent (FTE) -	number of total hours worked divided by the maximum number of compensable hours in a full-time schedule as defined by law

El Dorado County Transit Authority

6-Month Administrative Operations Report

Fiscal Year 2019 / 2020

Reporting Period July 1, 2019 through December 31, 2019

Demand Response						Motor Bus										Commuter Bus			Special Services		SYSTEMWIDE
DIAL A RIDE	SAC-MED	M.O.R.E.	OLDER ADULT DAY SERVICES	COMP PARA-TRANSIT	Subtotal	#40 CP/SHINGLE SPRINGS	#30 DIAMOND SPRINGS	#25 SATURDAY EXPRESS	#60 POLLOCK PINES	#20 PLACERVILLE	#35 DIAMOND SPRINGS SATURDAY	50 EXPRESS	Subtotal	COMMUTER	REVERSE COMMUTE	Subtotal	ED COUNTY FAIR	Subtotal	TOTALS		
7,851	163	10,947	2,444	313	21,718	7,911	13,813	2,529	19,473	21,137	747	21,561	87,171	76,313	456	76,769	0	0	185,658		
4,930	197	1,922	380	164	7,593	1,627	1,610	417	2,868	3,222	208	3,191	13,143	4,370	371	4,740	0	0	25,476		
82,896	4,866	46,942	7,905	2,851	145,460	32,262	25,463	8,244	58,465	36,786	2,779	86,239	250,238	128,841	12,039	140,880	0	0	536,578		
\$ 466,895.36	\$ 22,548.58	\$ 7,040.41	\$ 35,101.76	\$ 16,374.72	\$ 547,960.83	\$ (207.84)	\$ 146,024.73	\$ 41,915.27	\$ 288,413.72	\$ 263,724.52	\$ 18,703.57	\$ 375,954.39	\$ 1,134,528.36	\$ 88,536.10	\$ 44,361.83	\$ 132,897.93	\$ -	\$ -	\$ 1,815,387.12		
\$ 136,303.64	\$ 5,406.35	\$ 54,013.52	\$ 10,664.09	\$ 4,612.06	\$ 210,999.66	\$ 45,328.38	\$ 44,938.32	\$ 11,649.75	\$ 79,958.20	\$ 89,872.41	\$ 5,811.71	\$ 88,752.74	\$ 366,311.51	\$ 121,770.77	\$ 10,404.39	\$ 132,175.16	\$ -	\$ -	\$ 709,486.32		
\$ 60,618.10	\$ 2,438.88	\$ 23,617.07	\$ 4,633.02	\$ 2,021.64	\$ 93,328.71	\$ 19,972.59	\$ 19,758.01	\$ 5,156.61	\$ 35,178.84	\$ 39,540.75	\$ 2,567.65	\$ 39,157.86	\$ 161,332.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,661.00		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,202.98	\$ 9,797.04	\$ 125,000.02	\$ -	\$ -	\$ 125,000.02		
\$ 23,523.97	\$ 946.62	\$ 9,164.39	\$ 1,797.60	\$ 784.46	\$ 36,217.04	\$ 7,750.05	\$ 7,666.74	\$ 2,001.06	\$ 13,650.47	\$ 15,343.11	\$ 996.41	\$ 15,194.61	\$ 62,602.45	\$ 20,810.30	\$ 1,769.69	\$ 22,579.99	\$ -	\$ -	\$ 121,399.49		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,767.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,767.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,767.19		
\$ 40,898.00	\$ 1,730.00	\$ 224,426.97	\$ 7,405.50	\$ 696.00	\$ 275,156.47	\$ 11,837.89	\$ 15,166.96	\$ 3,864.37	\$ 29,438.21	\$ 25,624.93	\$ 984.09	\$ 27,946.78	\$ 114,863.23	\$ 428,067.96	\$ 2,280.00	\$ 430,347.96	\$ -	\$ -	\$ 820,367.66		
\$ 728,239.07	\$ 33,070.43	\$ 318,262.36	\$ 59,601.97	\$ 24,488.88	\$ 1,163,662.71	\$ 251,448.26	\$ 233,554.76	\$ 64,587.06	\$ 446,639.44	\$ 434,105.72	\$ 29,063.43	\$ 547,006.38	\$ 2,006,405.05	\$ 774,388.11	\$ 68,612.95	\$ 843,001.06	\$ -	\$ -	\$ 4,013,068.82		
747	20	464	85	75	1391	146	129	49	458	268	9	139	1198	141	1	142	0	0	2,731		
\$ 345,429.89	\$ 13,979.21	\$ 134,532.28	\$ 26,593.67	\$ 11,416.22	\$ 531,951.27	\$ 113,808.42	\$ 112,629.81	\$ 29,310.05	\$ 200,490.07	\$ 225,383.04	\$ 14,598.43	\$ 223,154.02	\$ 919,373.84	\$ 305,615.70	\$ 26,100.81	\$ 331,716.51	\$ -	\$ -	\$ 1,783,041.63		
\$ 187,609.88	\$ 7,614.22	\$ 73,005.95	\$ 14,283.79	\$ 6,255.10	\$ 288,768.94	\$ 61,691.26	\$ 61,018.71	\$ 16,010.63	\$ 108,598.65	\$ 122,121.43	\$ 7,973.13	\$ 120,941.97	\$ 498,355.78	\$ 165,636.05	\$ 14,146.86	\$ 179,782.91	\$ -	\$ -	\$ 966,907.61		
\$ 93,507.81	\$ 5,497.47	\$ 52,955.20	\$ 8,871.05	\$ 3,238.30	\$ 164,069.83	\$ 36,466.86	\$ 28,762.95	\$ 9,300.84	\$ 66,028.86	\$ 41,561.23	\$ 3,135.13	\$ 97,365.41	\$ 282,621.28	\$ 145,525.14	\$ 13,559.43	\$ 159,084.57	\$ -	\$ -	\$ 605,775.65		
\$ 101,691.49	\$ 5,979.53	\$ 57,768.93	\$ 9,853.46	\$ 3,579.26	\$ 178,872.67	\$ 39,481.72	\$ 31,143.29	\$ 9,965.54	\$ 71,521.86	\$ 45,040.02	\$ 3,356.74	\$ 105,544.98	\$ 306,054.15	\$ 157,611.22	\$ 14,805.85	\$ 172,417.07	\$ -	\$ -	\$ 657,343.87		
\$ 728,239.07	\$ 33,070.43	\$ 318,262.36	\$ 59,601.97	\$ 24,488.88	\$ 1,163,662.71	\$ 251,448.26	\$ 233,554.76	\$ 64,587.06	\$ 446,639.44	\$ 434,105.72	\$ 29,063.43	\$ 547,006.38	\$ 2,006,405.05	\$ 774,388.11	\$ 68,612.95	\$ 843,001.06	\$ -	\$ -	\$ 4,013,068.76		
5.62%	5.23%	70.52%	12.42%	2.84%	23.65%	4.71%	6.49%	5.98%	6.59%	5.90%	3.39%	5.11%	5.72%	55.28%	3.32%	51.05%	#DIV/0!	#DIV/0!	20.44%		
\$92.76	\$202.89	\$29.07	\$24.39	\$78.24	\$53.58	\$31.78	\$16.91	\$25.54	\$22.94	\$20.54	\$38.91	\$25.37	\$23.02	\$10.15	\$150.47	\$10.98	#DIV/0!	#DIV/0!	\$21.62		
\$147.72	\$167.57	\$165.56	\$157.00	\$149.62	\$153.26	\$154.52	\$145.04	\$154.98	\$155.73	\$134.72	\$140.06	\$171.44	\$152.66	\$177.22	\$185.19	\$177.84	#DIV/0!	#DIV/0!	\$157.52		
\$8.78	\$6.80	\$6.78	\$7.54	\$8.59	\$8.00	\$7.79	\$9.17	\$7.83	\$7.64	\$11.80	\$10.46	\$6.34	\$8.02	\$6.01	\$5.70	\$5.98	#DIV/0!	#DIV/0!	\$7.48		
1.6	0.8	5.7	6.4	1.9	2.9	4.9	8.6	6.1	6.8	6.6	3.6	6.8	6.6	17.5	1.2	16.2	#DIV/0!	#DIV/0!	7.3		
\$5.21	\$10.61	\$20.50	\$3.03	\$2.22	\$12.67	\$1.50	\$1.10	\$1.53	\$1.51	\$1.21	\$1.32	\$1.30	\$1.32	\$5.61	\$5.00	\$5.61	#DIV/0!	#DIV/0!	\$4.42		
\$87.55	\$192.27	\$8.57	\$21.36	\$76.02	\$40.91	\$30.29	\$15.81	\$24.01	\$21.42	\$19.33	\$37.59	\$24.07	\$21.70	\$4.54	\$145.47	\$5.38	#DIV/0!	#DIV/0!	\$17.20		
5	0	8	0	0	13	8	5	1	7	11	0	14	46	10	0	10	0	0	69		
																				70	

El Dorado County Transit Authority

6-Month Administrative Operations Report

Fiscal Year 2018 / 2019

Reporting Period July 1, 2018 through December 31, 2018

Demand Response						Motor Bus										Commuter Bus			Special Services		SYSTEMWIDE
DIAL A RIDE	SAC-MED	M.O.R.E.	ADULT DAY SERVICES	COMP PARA-TRANSIT	Subtotal	#40 CP/ SHINGLE SPRINGS	#30 DIAMOND SPRINGS	#25 SATURDAY EXPRESS	#60 POLLOCK PINES	#20 PLACERVILLE SHUTTLE	# 35 DIAMOND SPRINGS SATURDAY	#70 CP/ EL DORADO HILLS	50 EXPRESS	Subtotal	COMMUTER	REVERSE COMMUTE	Subtotal	ED COUNTY FAIR	Subtotal	TOTALS	
8,558	172	9,362	3,023	384	21,499	6,626	14,034	2,384	18,847	22,254	760	2,416	21,023	88,344	72,451	311	72,762	0	0	182,605	
5,224	210	1,840	533	179	7,986	1,575	1,605	416	2,849	3,209	208	1,573	3,159	14,593	4,222	268	4,490	0	0	27,069	
92,346	5,051	43,216	11,168	3,194	154,975	28,262	24,093	8,388	59,091	36,975	2,530	27,760	86,941	274,040	128,088	9,009	137,097	0	0	566,112	
\$ 566,546.84	\$ 25,855.29	\$ 46,472.88	\$ 57,429.64	\$ 19,760.59	\$ 716,065.24	\$ 66,267.98	\$ 164,575.77	\$ 47,378.30	\$ 323,940.20	\$ 307,478.25	\$ 20,945.64	\$ 180,953.60	\$ 412,303.55	\$ 1,523,843.29	\$ 149,351.67	\$ 35,691.59	\$ 185,043.26	\$ -	\$ -	\$ 2,424,951.79	
\$ 31,064.22	\$ 1,098.71	\$ 11,225.71	\$ 3,688.46	\$ 1,226.67	\$ 48,303.77	\$ 9,633.91	\$ 9,964.85	\$ 2,353.32	\$ 17,640.72	\$ 19,828.57	\$ 1,176.66	\$ 9,661.49	\$ 19,378.13	\$ 89,637.65	\$ 25,647.53	\$ 1,516.79	\$ 27,164.32	\$ -	\$ -	\$ 165,105.75	
\$ 58,925.24	\$ 2,361.97	\$ 20,730.79	\$ 6,000.52	\$ 2,016.27	\$ 90,034.79	\$ 17,752.05	\$ 18,092.78	\$ 4,748.06	\$ 32,131.27	\$ 36,174.05	\$ 2,371.93	\$ 17,742.56	\$ 35,613.50	\$ 164,626.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,660.98	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,782.42	\$ 6,384.25	\$ 104,166.67	\$ -	\$ -	\$ 104,166.67	
\$ 22,764.50	\$ 912.31	\$ 8,008.90	\$ 2,318.18	\$ 779.05	\$ 34,782.94	\$ 6,858.03	\$ 6,989.55	\$ 1,835.02	\$ 12,413.07	\$ 13,974.74	\$ 916.70	\$ 6,854.43	\$ 13,758.10	\$ 63,599.64	\$ 18,377.25	\$ 1,181.59	\$ 19,558.84	\$ -	\$ -	\$ 117,941.42	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,195.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,195.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,195.28	
\$ 44,786.00	\$ 1,890.00	\$ 191,581.50	\$ 8,356.00	\$ 1,119.00	\$ 247,732.50	\$ 8,589.35	\$ 13,795.14	\$ 3,453.79	\$ 28,018.30	\$ 25,011.64	\$ 902.97	\$ 2,926.02	\$ 24,482.09	\$ 107,179.30	\$ 410,321.52	\$ 1,555.00	\$ 411,876.52	\$ -	\$ -	\$ 766,788.32	
\$ 724,086.80	\$ 32,118.28	\$ 278,019.78	\$ 77,792.80	\$ 24,901.58	\$ 1,136,919.24	\$ 219,296.60	\$ 213,418.09	\$ 59,768.49	\$ 414,143.56	\$ 402,467.25	\$ 26,313.90	\$ 218,138.10	\$ 505,535.37	\$ 2,059,081.36	\$ 701,480.39	\$ 46,329.22	\$ 747,809.61	\$ -	\$ -	\$ 3,943,810.21	
609	10	697	49	85	1450	162	45	7	314	213	7	11	97	856	126	0	126	0	0	2,432	
\$ 350,569.69	\$ 14,088.98	\$ 123,347.89	\$ 35,731.76	\$ 11,950.97	\$ 535,689.29	\$ 105,679.30	\$ 107,703.23	\$ 27,987.61	\$ 191,251.71	\$ 215,343.64	\$ 13,983.99	\$ 105,594.06	\$ 211,994.42	\$ 979,537.96	\$ 283,252.60	\$ 18,060.52	\$ 301,313.12	\$ -	\$ -	\$ 1,816,540.32	
\$ 174,476.13	\$ 7,215.85	\$ 61,189.35	\$ 17,744.31	\$ 5,963.65	\$ 266,589.29	\$ 52,573.24	\$ 53,642.80	\$ 13,794.32	\$ 95,191.77	\$ 107,222.03	\$ 6,900.21	\$ 52,545.65	\$ 105,668.67	\$ 487,538.69	\$ 141,199.72	\$ 8,928.76	\$ 150,128.48	\$ -	\$ -	\$ 904,256.50	
\$ 95,050.50	\$ 5,220.64	\$ 44,585.27	\$ 11,525.15	\$ 3,283.93	\$ 159,665.49	\$ 29,119.91	\$ 24,831.26	\$ 8,550.21	\$ 60,911.54	\$ 38,098.92	\$ 2,575.51	\$ 28,600.37	\$ 89,606.56	\$ 282,294.28	\$ 132,043.33	\$ 9,156.11	\$ 141,199.44	\$ -	\$ -	\$ 583,159.20	
\$ 103,990.48	\$ 5,592.81	\$ 48,897.27	\$ 12,791.58	\$ 3,703.03	\$ 174,975.17	\$ 31,924.15	\$ 27,240.80	\$ 9,436.35	\$ 66,788.54	\$ 41,802.66	\$ 2,854.19	\$ 31,398.02	\$ 98,265.72	\$ 309,710.43	\$ 144,984.74	\$ 10,183.83	\$ 155,168.57	\$ -	\$ -	\$ 639,854.18	
\$ 724,086.80	\$ 32,118.28	\$ 278,019.78	\$ 77,792.80	\$ 24,901.58	\$ 1,136,919.24	\$ 219,296.60	\$ 213,418.09	\$ 59,768.49	\$ 414,143.56	\$ 402,467.25	\$ 26,313.90	\$ 218,138.10	\$ 505,535.37	\$ 2,059,081.36	\$ 701,480.39	\$ 46,329.22	\$ 747,809.61	\$ -	\$ -	\$ 3,943,810.20	
6.19%	5.88%	68.91%	10.74%	4.49%	21.79%	3.92%	6.46%	5.78%	6.77%	6.21%	3.43%	1.34%	4.84%	5.21%	58.49%	3.36%	55.08%	#DIV/0!	#DIV/0!	19.44%	
\$84.61	\$186.73	\$29.70	\$25.73	\$64.85	\$52.88	\$33.10	\$15.21	\$25.07	\$21.97	\$18.09	\$34.62	\$90.29	\$24.05	\$23.31	\$9.68	\$148.97	\$10.28	#DIV/0!	#DIV/0!	\$21.60	
\$138.60	\$153.01	\$151.07	\$145.90	\$139.27	\$142.36	\$139.28	\$132.97	\$143.59	\$145.36	\$125.44	\$126.51	\$138.70	\$160.06	\$141.11	\$166.15	\$172.86	\$166.55	#DIV/0!	#DIV/0!	\$145.69	
\$7.84	\$6.36	\$6.43	\$6.97	\$7.80	\$7.34	\$7.76	\$8.86	\$7.13	\$7.01	\$10.88	\$10.40	\$7.86	\$5.81	\$7.51	\$5.48	\$5.14	\$5.45	#DIV/0!	#DIV/0!	\$6.97	
1.6	0.8	5.1	5.7	2.1	2.7	4.2	8.7	5.7	6.6	6.9	3.7	1.5	6.7	6.1	17.2	1.2	16.2	#DIV/0!	#DIV/0!	6.7	
\$5.23	\$10.99	\$20.46	\$2.76	\$2.91	\$11.52	\$1.30	\$0.98	\$1.45	\$1.49	\$1.12	\$1.19	\$1.21	\$1.16	\$1.21	\$5.66	\$5.00	\$5.66	#DIV/0!	#DIV/0!	\$4.20	
\$79.38	\$175.75	\$9.23	\$22.97	\$61.93	\$41.36	\$31.80	\$14.22	\$23.62	\$20.49	\$16.96	\$33.44	\$89.08	\$22.88	\$22.09	\$4.02	\$143.97	\$4.62	#DIV/0!	#DIV/0!	\$17.40	
2	0	6	0	0	8	6	7	0	4	27	0	0	7	51	6	0	10	0	0	69	
																				72	

AGENDA ITEM 3 B
Information Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Christine Parker, Safety Coordinator

SUBJECT: Public Transportation Agency Safety Plan (PTASP)

REQUESTED ACTION:

BY MOTION,
None. Information Only.

BACKGROUND

On July 19, 2018, The Federal Transit Administration (FTA) published the Public Transportation Agency Safety Plan (PTASP) Final Rule, 49 CFR Part 673. The PTASP regulation requires recipients and subrecipients of financial assistance under the Urbanized Area Formula Program (FTA Section 5307) to have an Agency Safety Plan in place no later than July 20, 2020. These Agency Safety Plans support application of a proactive, risk-based approach to managing transit safety, including processes and procedures to implement standardized safety management systems.

The Agency Safety Plan (ASP) is intended to be a top-down organizational plan that includes four components: safety management policy, safety risk management, safety assurance and safety promotion. Per the FTA regulation, the ASP must be adopted by the implementing agency's governing body and reviewed/revised as necessary at least annually.

DISCUSSION

Under the PTASP Rule, El Dorado Transit is considered a small transportation provider and State Department of Transportation is responsible for drafting and certifying each small provider's plan unless a small provider notifies the State that it is opting-out of the State-drafted plan and will draft its own plan. To improve the agency's safety policies and enhance the agency's internal capacity to assess, manage and promote safety at all levels of the organization, El Dorado Transit staff is developing an ASP in house. Staff anticipates completion of a draft ASP in time for Board adoption at the regular June 2020 meeting and will provide the California Department of Transportation with all required certifications well before the regulatory deadline.

A key component of the PTASP rule is the necessary commitment of executive leadership, management and employees to integrate safety into all decision-making processes. Leadership's dedication and accountability for safety as well as the establishment of robust processes for

identification, assessment and mitigation of risk will lead to a better performance and lower costs related to safety occurrences, lost productivity and maintenance.

Initial components of the ASP include designation of an Accountable Executive, Safety Officer and drafting of a Safety Management Policy Statement. Per the draft El Dorado Transit ASP, the Executive Director will serve as the Accountable Executive and the Safety Coordinator will be designated as the Safety Officer. The draft Safety Management Policy Statement is attached for review and comment.

FISCAL IMPACT

None.

Safety Management Policy

Safety Management Policy Statement

El Dorado Transit is committed to Safety Management as a systematic and comprehensive approach to identifying safety hazards and risks associated with transit system operations and related maintenance activities. El Dorado Transit will maintain an active Safety Management System (SMS) that encourages the open sharing of information on all safety issues. To continue a culture of safety, we expect all employees to report their safety concerns to agency management and not to compromise safety for the sake of completing the job.

Our overall safety objective is to proactively manage safety hazards and their associated safety risks, with the intent to eliminate unacceptable safety risks in our transit operations.

To that end, we will continuously examine our operations for hazards. We will establish a non-punitive employee safety reporting program, train staff on safety management, document our findings and safety risk mitigations, and strive for continuous improvement of our safety performance.

As required by the Federal Transit Administration, we have established annual safety performance targets to help us measure the safety of our transit service.

In addition, to address our overall safety objective, we will conduct hazard identification workshops with all frontline, supervisory, and management personnel during this calendar year. We will also work to increase the annual number of voluntary reports received from employees by 10 percent and actively track our safety risk mitigations. To ensure we meet this objective, our safety department will report out each quarter to our entire agency on the number of:

- Hazard identification workshops carried out in the quarter;
- Number and type of hazard reports received per employee in the quarter versus the same quarter last year; and
- Number and type of safety risk mitigations implementation in the quarter.

Ultimate responsibility for safety at El Dorado Transit rests with the Accountable Executive.

Responsibility for making our operations safer for everyone lies with each one of us – from executive management to frontline employees. Each manager is responsible for implementing the SMS in their area of responsibility and will be held accountable to ensure all reasonable steps are taken to perform activities established as part of the SMS.

AGENDA ITEM 3 C
Information Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Christine Parker, Safety Coordinator

SUBJECT: 2019 Safe Driving Awards

REQUESTED ACTION:

BY MOTION,

None. Information only.

BACKGROUND

On an annual basis, safe driving awards are presented to eligible El Dorado County Transit Authority (El Dorado Transit) Transit Operators that have driven a minimum of 1,800 hours in revenue service and have not been involved in an on-the-job moving violation or chargeable accident.

These Transit Operators have demonstrated exceptional driving skill and have consistently provided safe transport for members of the general public, seniors, persons with disabilities and students. El Dorado Transit services include public and contracted routes within and between the County of El Dorado; City of Placerville; Sacramento County; City of Folsom and City of Sacramento. El Dorado Transit Operators drive daily on paved, unpaved and gravel roads, state highways and the urban downtown Sacramento corridor. The Safe Driving Award program provides an opportunity to acknowledge those who consistently provide safe passenger transport.

El Dorado Transit operators are certified and licensed to operate all fleet vehicles including mini-vans, 16-27 passenger buses and 32-57 passenger diesel-powered Local Fixed Route and Commuter coaches with air brakes. These professional operators are trained on all routes and can successfully transition from commuter routes to local routes as needed. In calendar year 2019, El Dorado Transit Operators provided 367,766 passenger trips, traveled 1,075,639 miles in revenue service and clocked 68,763 in-service driving hours.

DISCUSSION

El Dorado Transit is pleased to present twenty-three (23) safe driving awards to Transit Operators who met the criteria for the 2019 Safe Driving Award program. Of special note, El Dorado Transit recognizes Transit Operators who earn consecutive annual safe driving awards.

El Dorado Transit Management is proud of the caliber of all Transit Operators and will formally recognize each 2019 Safe Driving Award recipient at the annual all staff training session on Saturday, April 25, 2020.

2019 Safe Driving Award Recipients:

<u>1 Year of Safe Driving</u>	Tom House Julie Lirette Chris Shelton Robert Bennett Wendy Cook John Cowper
<u>2 Year of Safe Driving</u>	Susie Saulter Ernie Garcia Joe Achterberg Aaron (Dee) Paxton Jeff Vernon
<u>3 Years of Safe Driving</u>	Bob Maxwell Chris Stoeckle
<u>4 Years of Safe Driving</u>	Michael Koenig Stephen Powell Denyse Provost Jayson Ravens Gabe Schranz Steve Kubat
<u>5 Years of Safe Driving</u>	Arthur Laarveld Ken Umphred
<u>10 Years of Safe Driving</u>	Bob Nobriga
<u>11 Years of Safe Driving</u>	Brad Goode