

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688, Oakland, CA 94604-2688

Board of Directors
Minutes of the 1,837th Meeting
March 28, 2019

A regular meeting of the Board of Directors was held March 28, 2019, convening at 9:02 a.m. in the Board Room, 2040 Webster Street, Oakland, California. President Dufty presided; Patricia K. Williams, District Secretary.

Directors present: Directors Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty.

Absent: None. Director Allen entered the meeting later.

Consent Calendar item brought before the Board was:

1. Approval of Minutes of the Meetings of March 14, 2019 (Special) and March 14, 2019 (Regular).
2. BART Accessibility Task Force Membership Appointment.
3. Amendment to Legal Services Agreement with Glynn & Finley, LLP.
4. Reject All Bids for Contract No. 59EP-110, Real-Time Display Enhancement Project.

Director Saltzman made the following motions as a unit. Director Raburn seconded the motions, which carried by electronic and voice vote. Ayes – 8: Directors Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty. Noes - 0. Absent – 1: Director Allen.

1. That the Minutes of the Meetings of March 14, 2019 (Special) and (Regular), be approved.
2. That the BART Board accepts the recommendations of the Bart Accessibility Task Force (BATF) and appoints the nominated candidate, Larry Bunn, for membership to the BATF for a term beginning March 28, 2019 for one year, or until the Board makes new appointments and/or reappointments for a new term, whichever occurs sooner.
3. That the Board approves the amendment of agreement with Glynn & Finley, LLP to continue its representation of the District to handle the defense of Senior Disability Advocates as necessary.
4. That all Bids for Contract No. 59EP-100, Real-Time Display Enhancement Project, be rejected.

President Dufty called for Public Comment. No comments were received.

Director Simon, Chairperson of the Administration Committee announced that the order of the Administration Committee would change. Director Simon brought the matter of Agreement with iLand Internet Solutions (iLand), for the District's Enterprise Licensing Agreement, before the Board. Mr. Travis Engstrom, Assistant Chief Information Officer, presented the item.

Director Allen entered the meeting.

The item was discussed.

Director Raburn moved that the General Manager or her designee is authorized to negotiate and execute a 5-year Enterprise License Agreement with iLand Internet Solutions in an amount not to exceed \$2,350,000.00 for Disaster Recovery as a Service (DRaaS). Director Li seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Ames, Allen, Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty. Noes - 0. Absent – 0

Director Simon brought the matter of Pension Funding Policy and an Internal Revenue and Service (IRS) §115 Irrevocable Supplemental Pension Trust before the Board. Ms. Grace Crunican, General Manager; Ms. Rose Poblete, Controller/Treasurer; Mr. Michael Jones, Assistant General Manager, Administration; Ms. Diane Iwata, Human Resources, Division Manager; and Ms. Mary Beth Redding, Vice President, Bartel Associates, presented the item.

The item was discussed.

Gena Alexander addressed the Board.

Discussion continued.

Director Saltzman moved that the Board adopts the Pension Funding Policy and authorizes the Controller/Treasurer to establish a District-controlled IRS Section 115 Irrevocable Supplemental Pension Trust or join a group trust with multiple employers. President Dufty seconded the motion. Discussion continued.

Director Allen made a substitute motion that the Board authorizes the Controller/Treasurer to continue investing with CalPERS and lock in the applied amortization base. Director McPartland seconded the substitute motion. Discussion continued.

The substitute motion failed by electronic vote. Ayes - 3: Directors Allen, Ames and McPartland. Noes – 6: Directors Foley, Li, Raburn, Saltzman, Simon and Dufty.

The original motion that the Board adopts the Pension Funding Policy and authorizes the Controller/Treasurer to establish a District-controlled IRS Section 115 Irrevocable Supplemental Pension Trust or join a group trust with multiple employers carried by electronic vote. Ayes - 7: Directors. Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty. Noes – 2: Directors Ames and Allen. (The Policy is attached and hereby made a part of these minutes.)

Director Foley, Chairperson of the Engineering and Operations Committee, brought the matter of Agreements for Temporary Bus Bridge Services, before the Board. Ms. Tamar Allen, Assistant General Manager, Operations; and Mr. Joel Soden, Senior Transportation Engineer, presented the item. The item was discussed.

Director Raburn requested an amendment to include the language “after thirteen weekends of disruptions” to the motion.

Director Raburn moved that the General Manager is authorized to enter into agreements with public and/or private bus operators and vendors, including but not limited to County Connection, to provide temporary bus transportation services and related support expenses in a total amount not to exceed \$60,000 per day for each day that the District is unable to provide complete train service between affected stations due to track maintenance projects. This authorization will expire on December 31, 2019 or after thirteen weekends of disruptions. Director Saltzman seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Ames, Allen, Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty. Noes - 0. Absent – 0

Director Raburn, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, brought the matter of Federal and State Legislation Update before the Board. Mr. Roddrick Lee, Department Manager of Government and Community Relations; and Ms. Amanda Cruz, Program Manager I, Government and Community Relations, presented the item.

The item was discussed.

President Dufty called for the General Manager’s Report.

General Manager Crunican reported on steps she had taken and activities and meetings she had participated in, ridership, upcoming events, and outstanding Roll Call for Introductions items. She noted the addition of Early Bird service at the Fruitvale BART Station and Fleet of the Future car update in the system. Kerry Hamill, Assistant General Manager, External Affairs gave a report on the Transit Driver Appreciation Day.

Director Saltzman requested a monthly update on the Early Bird Express Service.

Director Raburn requested a Fleet of the Future Update.

Director Allen requested ridership numbers for the Early Bird Express Service.

Director Saltzman requested that the website is updated regularly with new fleet information.

President Dufty called for the Independent Auditor’s Report. Mr. Russell Bloom, Independent Police Auditor presented the report.

President Dufty called for Board Member Reports, Roll Call for Introductions, and In Memoriam.

Director McPartland reported he had attended a meeting with BART staff on a briefing for Valley Transportation Authority, the Urban Area Security Initiative (UASI) for the Office of Emergency Services in Dublin, CA, and the California early emergency services great shake out,

earthquake early warning exercise for the Stafford Act which consists of eighteen emergency support functions.

Director Foley inquired about a structured ambassador program at BART for people with special needs. Director Simon and General Manager Crunican addressed the programs and task force that work with the special need community in coordination with transit and BART.

Director Saltzman reported attending the Orinda and San Leandro State of the City addresses, Oscar Grant Foundation 10 Year Gala. Thanked staff for the Transit Driver Appreciation Day. Director Saltzman requested that the meeting be adjourned in honor of Rob Browning a City of Berkeley small business owner and husband of former Berkeley City Councilmember Linda Maio.

President Dufty reported he attended a meeting with BART staff on a briefing for Valley Transportation Authority, the Oscar Grant Foundation 10 Year Gala and thanked staff for participating. He announced that a report to address fare evasion will come forward on May 23, 2019 and looking forward to the unveiling of the Oscar Grant Mural at the Fruitvale Station. President Dufty thanked officer David Touye on his work with the BART Police Department and the community. He thanked and congratulated Assistant General Manager, Kerry Hamill on her retirement and years of service and Martin Gran, Chief Labor Relations Officer on his retirement.

Director Simon thanked Kerry Hamill for her service. She reported on participation in future meetings for a townhall at the Pinole City Hall with West Contra Costa Transportation Advisory Committee (WCCTAC) and would report back, and meeting with Supervisor Gioia and WCCTAC regarding ferry service to increase bus service from Pinole to Oakland.

Director Li reported she had attended with Directors Saltzman and Dufty the first Lesbian, Gay, Bi-Sexual, Transgender, Queer (LGBTQ) leaders conference in Sacramento. She reported participating on a California High Speed Rail working group and thanked Dave Hardt & John Arantes for her tour of the Daly City Yard.

Director Raburn reported attending the American Public Transportation Association Conference in Washington D.C. and the Conference of Minority Transportation Officials Breakfast celebrating Women Who Move The Nation. He thanked Fred Edwards for his assistance, and Operations point of view in Washington D.C.

Director Raburn requested the following as an item under Roll Call for Introductions: Currently BART lacks the ability to offer schools or other large institutional partners a Clipper Card option for group travel that is convenient for both BART and the institution to administer. Providing groups with magnetic stripe tickets is financially complicated by the surcharge and constrains BART's ability to migrate to Clipper.

- What are the best practices employed by other transportation agencies?
- Is this issue a priority to be addressed by Clipper II?
- Is there an interim solution – like the SFSU Gator Pass – that the MTC can provide?

Director Simon seconded the request.

Director Ames reported she had attended the American Public Transportation Association Conference in Washington D.C. and thanked Kerry Hamill for her leadership in Washington D.C.

President Dufty called for Public Comment. No comments were received.

President Dufty announced that the Board would enter into closed session under Item 11-B (Public Employee Employment) of the regular meeting agenda, and that the Board would reconvene in open session upon the conclusion of the closed session.

The Board Meeting recessed at 11:51 a.m.

The Board Meeting reconvened in closed session at 12:00 p.m.

Directors present: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty.

Absent: None.

Director Saltzman exited the meeting.

Director Simon exited the meeting.

The Board Meeting recessed at 12:35 p.m.

The Board Meeting reconvened in open session at 12:36 p.m.

Directors present: Directors Allen, Ames, Foley, Li, McPartland, Raburn, and Dufty.

Absent: Directors Saltzman and Simon.

President Dufty reported there were no announcements to be made.

The Meeting was adjourned at 12:37 p.m. in memory of Rob Browning.

Patricia K. Williams
District Secretary

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

PENSION FUNDING POLICY

AS ADOPTED March 28, 2019

The San Francisco Bay Area Rapid Transit District ("District") has an important responsibility to its riders, the citizens of the Bay Area, and its employees and retirees to manage its CalPERS pension costs and liabilities both in the short term and the long term. It is especially important that the District be able to meet its obligations to make required employer contributions to CalPERS ("CalPERS Contributions"), even in times of economic change and uncertainty. In order to understand the potential for dramatic increases in CalPERS Contributions, the District Board and staff have spent over a year consulting with an outside independent actuary to analyze the trends and drivers of such contributions for the District. The Board and staff have also fully analyzed and considered the various tools available to the District to help it meet its anticipated obligations for CalPERS Contributions. Based on this extensive analysis and its commitment to make all CalPERS Contributions as they come due, the District will establish the following goals and strategies for funding its CalPERS pension obligations:

GOALS

- A. Pay all CalPERS Contributions fully and on a timely basis.
- B. Establish and maintain reserves sufficient to ensure that the District can satisfy its obligations to make CalPERS Contributions and adjust to economic downturns.
- C. Manage District funds and resources to lower overall CalPERS liabilities when appropriate.

STRATEGIES

- 1. Review the District's CalPERS Contributions annually during the annual budget process and adopt a budget that includes adequate funding to meet the required pension contributions.
- 2. At least biennially, update 10-year projections of expected future CalPERS Contributions and incorporate them into the District's financial projections. As part of such biennial review, analyze whether making additional payments towards the District's unfunded actuarial liability would be appropriate.

3. Establish a supplemental pension fund, in the form of an Internal Revenue Code section 115 trust ("Trust") or join an established group Trust with multiple employers, to accumulate monies to be used to fund future pension obligations.
 - a. Contributions to the Trust shall be recommended by District staff, included in the annual budget, and approved by the Board.
 - i. Recommended contributions shall consider expected future required CalPERS Contributions in relation to the District's expected future budget.
 - ii. District staff currently recommends a contribution of \$10 million each year for the next 10 years beginning in FY19. The amounts are projected to accumulate a Trust balance of between approximately 75% and 100% of one year's required CalPERS contribution after 10 years.
 - iii. The District may elect to make additional, non-budgeted contributions to the Trust from year-end surpluses.
 - b. Distributions from the Trust shall only be for pension funding, for Trust administration, to make a payment directly to CalPERS or to reimburse the District for such a payment.
 - c. Distributions from the Trust shall be recommended by District staff and approved by the Board.
 - i. Funds may be used to mitigate the budget impact of increasing CalPERS Contributions, which are currently expected to be highest in about FY33.
 - ii. Funds may be used to mitigate the budget impact of CalPERS Contributions in the event of an economic downturn or an unexpected increase in required CalPERS contributions.
 - iii. This policy does not require the District to make distributions from the Trust if the District can otherwise meet its required obligations.
 - d. At least biennially, the District shall review the Trust's balance in relation to projected CalPERS Contributions and the District's budget and financial forecast.
 - e. An investment policy for the Trust will be recommended by staff and approved by the Board.