

California Vanpool Authority (CalVans)

Minutes of Board Meeting

A regular meeting of the California Vanpool Authority was called to order by Joe Neves, Chairman of the Board at 10:00 a.m. on May 9, 2013, in the conference room of CalVans, 1340 North Drive, Hanford, CA. 93230

California Vanpool Authority Members

AMBAG – Association of Monterey Bay Area Governments
Fresno COG – Fresno Council of Governments
KCAG – Kings County Association of Governments
Kern COG – Kern Council of Governments
MCTC – Madera County Transportation Commission
MCAG – Merced County Association of Governments
NCTPA – Napa County Transportation & Planning Agency
SACOG – Sacramento Area Council of Governments
SBCAG – Santa Barbara County Association of Governments
TCAG – Tulare County Association of Governments
VCTC – Ventura County Transportation Commission

1. CALL TO ORDER

Roll Call – Clerk of the Board

Directors present:

AMBAG	Scott Funk	Primary
Fresno COG	Sylvia Chavez *joined @ 10:01	Primary
KCAG	Joe Neves	Primary
Kern COG	Jon Johnston	Primary
MGAC	Jerry O'Banion	Primary
MCTC	Robert Poythress	Primary
SACOG	Sharon Sprowls *joined @ 10:21	Alternate
SBCAG	Jim Richardson	Primary
TCAG	Rudy Mendoza	Primary
VCTC	James White	Primary

Directors absent:

NCTPA Keith Caldwell/ Tom Roberts

Counsel present: Zack Smith

Staff/Visitors in attendance:

Ron Hughes, Heather Corder, Georgina Cardenas, Gus Banda and Trish Barberick from CalVans.

Also in attendance were Matt Fell and Kent Epperson.

2. UNSCHEDULED APPEARANCES:

There were no unscheduled appearances.

3. CONSENT CALENDAR:

A. Minutes of April 11, 2013

Motion was made, seconded Poythress/Johnston and carried to approve the consent calendar A: Approval of minutes of April 11, 2013. Sylvia Chavez and Rudy Mendoza abstained.

B. Review DBP Program/Plan

Motion was made, seconded O'Banion/Poythress and carried to approve the consent calendar B: Review DBE Program/Plan. Rudy Mendoza abstained.

4. SYSTEM UPDATE.

a. JARC Grant Submittal.

Ron explained that the JARC applications were submitted to Caltrans for the following areas for the amount shown:

Kern County	\$100,000
Merced	\$50,000
Sutter County	\$50,000
Tulare	\$50,000
Yolo	\$50,000

In each case the grants reflect 50% federal funding matched with 50% in toll credits. If approved, the grant funds will be available next January. Staff is currently administering 5 JARC grants in the following Counties:

Madera	\$50,000
Monterey	\$100,000
Santa Barbara	\$101,000
Ventura	\$50,000
Yuba	\$50,000

Ron explained that the grant money in Monterey is an older grant that is closing down and the others will start providing vouchers in January. There is a \$200,000 grant from the Air District in Monterey that can be used.

Grants can be used for Farm Workers and General Vanpools.

Merced, Monterey, Santa Barbara and Ventura have a lot of activity. CalVans is still working on the Yuba area.

b. Presentation at Caltrans training session.

Ron attended the Caltrans training session in Visalia in April. Ron stated that the presentation went well with lots of comments and questions from those in attendance. One gentleman from Caltrans, Office of Traffic Safety (OTS), stated they were really interested in the program to get unlicensed drivers off the road. One Ag van could have 10-14 non-licensed riders on board and would otherwise drive, really impacts the roadways.

The presentation will be on the CalVans' website once it is narrowed down to forty five (45) minutes.

c. Update on LA Metro review process.

Several months ago Staff responded to a call for proposals for the receipt of \$400 a month for a vanpool traveling in or out of the LA Metro area. The initial approval was granted but pulled after a protest was submitted by vRide.

LA Metro also received a letter from Enterprise asking for all information related to the RFP and the proposals that were submitted.

Staff received a letter from LA Metro last week advising Staff they were going to proceed and allow CalVans the ability to provide the subsidy to its vanpool participants. It appears that the funds they are using for the program are local not Federal. For that reason the protest that was filed by vRide was without merit.

d. Revised One-Year Update flyer.

The One-Year update that was prepared by Staff has been condensed to a two page flyer.

Commissioner White commented that it was a great flyer and readable. He stated most people wouldn't take the time to go through an eight (8) page flyer.

5. REVIEW CALPERS APPROVAL PROCESS.

Ron reported that last week Staff received notification that CalPERS issued a formal opinion that CalVans would not be allowed to join CalPERS. It took 18 months for CalPERS to make that determination all the while informing CalVans to continue making contributions through KCAPTA. CalPERS Staff was very positive when the process began and stated the process should take 3-5 months.

This means any service time and contributions from 12/26/2011 will not be recognized. KCATPA Staff and CalVans Staff will be working closely with CalPERS to accurately return all funds remitted on behalf of CalVans employees for the last eighteen (18) months.

Staff has contacted Public Agency Retirement Services (PARS) regarding establishing a retirement package similar to CalPERS. Unlike CalPERS, it does not have a lot of State agencies representing State employees. PARS has over 600 public agencies in California: cities, school districts, community colleges, counties and special districts, covering over 270,000 public employees.

PARS has indicated that CalVans can be a member and is taking the necessary steps to accomplish enrollment by July 1st, 2013. There are very few other public agency options. PARS is an established firm with retirement benefits such as 401(a) that the IRS recognizes as tax qualified.

Staff is working with PARS to recognize the contributions made over the last 18 months paid into CalPERS. The goal is to establish the PARS contract retroactive to December 26, 2011. This way CalVans employee's will not lose their vested time or contributions during the 18 months in question. Actuarial studies are being done and must be made public 15 days before the Board can take action to Join PARS.

Staff recommended the Board to approve all necessary agreements, allowing CalVans to join PARS at the next meeting.

Commissioner Mendoza inquired about the open market in the private sector for a retirement plan for CalVans employees.

Ron replied that PARS mirrored what CalVans employees previously had with CalPERS and had not checked into the open market/private plans.

Commissioner Chavez agreed with the rollover to PARS due to it being the most seamless way and due to the eighteen (18) months in question for the employees. Going out to the open market would take even longer for the employees to have a retirement plan. Commissioner Chavez also questioned if the employees were in agreement with PARS.

Ron stated that the employees were in agreement due to PARS being a plan that is mirrored like CalPERS, a defined benefit plan. Ron stated that all plans have an uncertainty going forward and he recommended employees proceed with the PARS option.

Commissioner Chavez agreed that all plans have an uncertainty and there shouldn't even be an argument if the employees were in agreement in going into PARS.

Ron stated the PARS is better funded then CalPERS currently, due to not having State employees with large salaries and the spiking that has occurred. Going forward PARS has a better long term track record than CalPERS, as far as employer contributions are concerned.

Commissioner Johnston stated he thinks all defined benefit plans whether private or public are in trouble and are a risk.

Commissioner Sprowls commented that SACOG's legal council agrees with CalVans that CalPERS is wrong and made a mistake in not allowing CalVans into CalPERS. And any help SACOG can to have CalVans approved they are willing to assist.

Ron commented that CalVans legal council agrees it is incorrect but has advised CalVans that an appeal process takes approximately two (2) years. CalVans will appeal the decision.

Commissioner Richardson inquired if PARS was similar to CalPERS in that a percentage of contributions is based on the economy and can vary. He also inquired if PARS is working under the same rules and restrictions as CalPERS.

Ron replied that PARS does work under the same rules and restrictions but at this time a recommendation needs to be made. Ron's recommendation is to join PARS, secure the last eighteen (18) months and if the Board wants to look at another benefit plan going forward, we can do so. Ron also explained that at this time we may have some tax liabilities because we have not paid into social security and may have some tax issues if we do not have a defined benefit plan.

Commissioner Spowls questioned if we do not have a retroactive plan would CalVans have social security contribution liabilities that would need to be included in the budget. Ron replied yes there would be social security tax liabilities for the last eighteen (18) months if we do not have a defined benefit plan from December 2011 to current. Ron reiterated that the PARS plan would take care of that.

Commissioner Johnston agreed that CalVans should proceed with joining PARS.

Commissioner Neves stated that CalVans has been working diligently to get CalPERS or a retirement plan in place for CalVans employees. This time is for a discussion and

to share information. If there are strong concerns with a private enterprise now is the time to discuss the options.

Ron stated that at the next Board meeting CalVans is going to ask the Board to approve joining PARS.

Commissioner Neves stated that Staff may need to explore alternatives but there is a timeline that needs to be met.

Commissioner Mendoza strongly recommends research into other plans.

Commissioner Richardson agrees that additional research is needed.

Commissioner Johnston inquired into how much time CalVans has to do this.

Ron stated CalVans doesn't have much time but he will explore other options and bring back to the next meeting.

Commissioner Neves requested anyone with contact information regarding other plans to contact Ron.

6. RECLASSIFY ACCOUNT CLERK I/II POSITION TO ¾ TIME.

Ron explained that one of the bilingual individuals in the accounting department has been working an alternate schedule for the past several months due to family and child care issues. This individual has been with the program since the beginning and has helped develop the system that bills out the vouchers to growers. It is anticipated that the family/child care issues will resolve themselves within the next eighteen (18) months. This employee is currently working 6 hours per day.

Commissioner Johnston inquired why if ¾ times works now why wouldn't ¾ time work going forward.

Ron explained that CalVans is growing and getting busier and has explained to the employee that in future more will be needed from this position. She is in agreement that at that time she will be able to work full time.

Staff recommended the reclassification of one Account Clerk I/II position to ¾ time.

Motion was made, seconded Richardson/Poythress and unanimously carried to approve the reclassification of one Account I/II position to ¾ time.

7. REVIEW FINAL 13/14 BUDGET.

Ron explained that the final budget includes \$30,000 in marketing funds. Staff has also increased the budget by \$167,400 to make funds available for upgrading the

MDTs (Mobil Data Terminals) on the vans. We have been notified that the 2G system our present units operate on will be phased out over the next 18 months to a 4G system. This is an industry wide change affecting all cell towers and will require replacing all older units at a cost of about \$300,000.

Staff recommended the Board adopt the 2013 - 2014 budget.

Commissioner Sprowls inquired where the revenue for the upgrades would come from. Ron replied that the funds would come from increased maintenance fees on the general vanpools and the fees on the farm labor vanpools.

Commissioner White commented that it is great to have more marketing money for public relations and to let people know about our program.

Commissioner Mendoza inquired how those marketing dollars are going to be spent and where. Ron replied that a TAC will be formed to come up with a marketing plan for all areas.

Commissioner Mendoza questioned the total marketing dollars available. TCAG contributes \$25,000 for marketing in their area, in addition to the \$30,000 marketing fund for all locations.

Motion was made, seconded Funk/Chavez and unanimously carried to adopt the 2013 -2014 budget.

8. MISCELLANEOUS COMMENTS FROM THE BOARD AND STAFF.

The next meeting will be a special meeting on June 27th and there will not be a July meeting.

The meeting was adjourned at 10:38 a.m.

Respectfully submitted,



Ronald H. Hughes
Executive Director

5/9/2013 tb