Yolo County Transportation District Board of Directors

DIRECTORS: Don Saylor (Chair, Yolo County), Tom Stallard (Vice-Chair, Woodland), Lucas Frerichs (Davis), Chris Ledesma (West Sacramento), Jesse Loren (Winters), Matt Dulcich (UCD, ex-officio), Greg Wong (Caltrans, ex-officio)

ZOOM WEBINAR WEB ADDRESS: https://zoom.us/j/94926173219
ZOOM WEBINAR PHONE NUMBER: (669) 900-6833
ZOOM WEBINAR ID: 949 2617 3219
All participants will be entered into the webinar as attendees.

MEETING DATE: **Monday, September 12, 2022**
MEETING TIME: **7:00 PM**

Pursuant to the Government Code section 54953(e)(1), members of the Yolo County Transportation District Board of Directors and staff will participate in this Meeting via teleconference. This Executive Order authorizes local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public.

Further instructions on how to participate and submit your public comments can be found in the instructions note at the end of this agenda.

To submit a comment in writing, please email public-comment@yctd.org. In the body of the email, include the item number and/or title of the item (if applicable) with your comments. All comments received by 4:00 PM on Monday, September 12, 2022 will be provided to the YCTD Board of Directors in advance. During the meeting, comments can be made by using the Zoom 'raise hand' feature. Comments submitted via email during the meeting shall be made part of the record of the meeting, but will not be read aloud or otherwise distributed during the meeting.

Estimated Time		***The Chairman reserves the right to limit speakers to a reasonable length of time on any agenda item, depending upon the number of people wishing to speak and the time available.***	**Informational**	**Action Item**
7:00 PM	1.	Determination of Quorum (Voting members: Woodland, Davis, West Sacramento, Winters, Yolo County) (Nonvoting members: Caltrans, UCD)		X
7:05 PM	2.	Comments from public regarding matters on the consent calendar, or items NOT on the agenda but within the purview of YCTD. Please note, the Board is prohibited from discussing items not on the agenda.	X	

CONSENT CALENDAR

7:10	3a.	Approve Agenda for September 12, 2022 Meeting ***(pp 1-4)***		X
	3b.	Approve YCTD Board Minutes for Regular Meeting of July 11 2022 ***(Koh) (pp 5-8)***		X
	3c.	Approve Resolution 2022-12 Authorizing Signature Authority for Interim Chief Finance Officer (Leo Levenson) and Deputy Director of Transit Operations and Planning (Erik Reitz) for all YCTD Bank Accounts with WestAmerica and Yolo County ***(Levenson) (pp 9-11)***		X
	3d.	Adopt Resolution Authorizing a Tax-Deferred Deduction Plan for CalPERS Service Credit Purchases ***(Levenson) (pp 12-14)***		X
	3e.	Update YCTD Associate Planner Position Description and Salary Range ***(Levenson) (pp 15-19)***		X

	3f.	Approve Updated YCTD Purchasing Card Policy ***(Levenson) (pp 20-22)***		**X**
	3g.	Invitation to Bid (IFB) for CNG Retanking ***(Levenson, Reitz) (pp 23-24)***		**X**
	3h.	Adopt Resolution No. 2015-13 to Appoint the Executive Director as the Primary Representative and the Deputy Director of Transit Operations and Planning as the Alternate Representative to the Board of Directors of the California Transit Indemnity Pool ***(Bernstein) (pp 25-26)***		**X**
	3i.	Renewal of Resolution 2022-09 Authorizing Renewal of Remote Meetings of the YCTD Board of Directors Pursuant to Assembly Bill 361 Renewal ***(Bernstein) (pp 27-31)***		**X**

REGULAR CALENDAR

7:15	4.	**Administrative Reports** ***(Bernstein) (pp 32-33)*** Discussion regarding subjects not specifically listed is limited to clarifying questions. • Board Members' Reports • Ad Hoc Committee on 80 Managed Lanes Report • Transdev's Report • Executive Director's Oral Report • Receive CAC and TAC meeting minutes • Long Range Calendar	**X**	
7:30	5.	Preliminary Financial Status Report on Close of FY 21-22 ***(Levenson) (pp 34-99)***	**X**	
7:40	6.	Microtransit Update and First Amendment to FY 2022 Capital Budget ***(Mazur) (pp 100-104)***	**X**	
8:00	7.	**Closed Session** Public Employment, Employee Appointment or Evaluation Pursuant to Government Code Section 54957 Position Title: Executive Director		**X**
8:30	8.	Adjournment		**X**

UNLESS CHANGED BY THE YCTD BOARD, THE NEXT MEETING OF THE YOLO COUNTY TRANSPORTATION DISTRICT BOARD OF DIRECTORS WILL BE OCTOBER 10, 2022 AT 7:00 PM IN THE YCTD BOARD ROOM, 350 INDUSTRIAL WAY, WOODLAND, CA 95776 OR BY ZOOM IF RECOMMENDED FOR THE SAFETY OF THOSE INVOLVED.

The Board reserves the right to take action on all agendized items, including items under the Executive Director's Report, at any time during the meeting, except for timed public hearings. Items considered routine or non-controversial are placed on the Consent Calendar. Any Consent Calendar item can be separately addressed and discussed at the request of any member of the YCTD Board.

I declare under penalty of perjury that the foregoing agenda was posted on or before Friday, September 9, 2022 at the Yolo County Transportation District Office (350 Industrial Way, Woodland, California). Additionally, copies were FAXED or transmitted electronically to the Woodland, Davis, West Sacramento, and Winters City Halls, as well as to the Clerk of the Board for the County of Yolo.

Mimi Koh, Clerk to the Board

Public Participation Instructions

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please do the following:

1. You are encouraged to participate in the September 12, 2022 Board of Directors meeting remotely via the Zoom platform using the following meeting details:
   a. Via PC: https://zoom.us/j/94926173219
      Webinar ID: 949 2617 3219
   All participants will be entered into the webinar as attendees.

   b. Via Phone: Phone Number: (669) 900-6833
      Webinar ID: 949 2617 3219
   All participants will be entered into the webinar as attendees.

2. If you are joining the webinar via Zoom and wish to make a comment on an item, click the "raise hand" button. If you are joining the webinar by phone only, press *9 to raise your hand. Please wait for the host to announce the comment period has opened and indicate that you wish to make a comment at that time. The Clerk of the Board will notify the Chair, who will call you by name or phone number when it is your turn to comment. Speakers will be limited to 2:00 minutes.

3. If you choose not to observe the YCTD Board of Directors meeting but wish to make a comment on a specific agenda item, please submit your comment via email by 4:00 p.m. on Monday, September 12, 2022 to Clerk of the Board, at public-comment@yctd.org or by phone at 530-402-2819 noting in the subject line: For Public Comment. Your comment will be placed into the record at the Board meeting.

Yolo County Transportation District Board:
Vision, Values and Priorities

Vision Statement

*The **vision statement** tells us what we intend to become or achieve in the next 3 to 5 years.*

Yolo County residents enjoy innovative and efficient mobility options connecting them to places they want to go.

Values

*A **core value** describes our individual and organizational behaviors and helps us to live out our vision.*

- Collaboration
- Efficiency
- Transparency
- Innovation
- Service
- Safety
- Economic Sustainability
- Environmental Stewardship
- Equity/Social Justice

District-Wide Priorities

***Priorities** align our vision and values with our implementation strategies.*

- Effective and sustainable business model.
- Efficient, seamless, and easy to use transit system.
- Strong regional mobility partnerships enhance District services.
- Decision making that is data driven decision making and transparent.
- Environmentally sustainable operations.
- Leverage state of the art technology.

Revised 1/13/20

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Approve YCTD Board Minutes for Regular Meeting of July 11 2022	**Agenda Item#:** **Agenda Type:**	**3b** **Action**
		Attachments: Yes No
Prepared By: M.Koh		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Staff recommends for the Yolo County Transportation District (YCTD) Board of Directors approve the Minutes for the Regular Meeting of July 11, 2022.

JULY 11, 2022 BOARD MEETING MINUTES:

YOLO COUNTY TRANSPORTATION DISTRICT
BOARD OF DIRECTORS MEETING
July 11, 2022
Yolo County Transportation District (via videoconference)
350 Industrial Way, Woodland, CA 95776

Vice-Chair Stallard called the meeting to order at 7:05 pm and requested roll call to confirm quorum was in attendance through Zoom remote participation.

Vice-Chair Stallard noted that Chair Saylor was currently participating via phone and asked him to begin the meeting until he is able to join via zoom.

The following individuals were in attendance:

Board Member	Jurisdiction	In Attendance	Absent
Don Saylor (Chair)	Yolo County	X	
Lucas Frerichs (Primary)	Davis	X	
Chris Ledesma (Primary)	West Sacramento	X	
Jesse Loren (Primary)	City of Winters	X	
Tom Stallard (Primary)	City of Woodland	X	
Matt Dulcich (Ex-Officio)	UC Davis	X	
Alex Padilla (Ex-Officio)	Caltrans	X	

YCTD staff in attendance were Executive Director Autumn Bernstein, Clerk to the Board Mimi Koh, and Senior Planners Kristen Mazur and Brian Abbanat.

Additional attendee(s) included: Senior Deputy for Yolo County Counsel Hope Welton, Trandev's General Manager Michael Klein

Vice-Chair Stallard asked for public comments for items not on the agenda; Mr. Hirsch provided public comments.

<u>Agenda Items 3a, 3b, 3c</u> — Consent Calendar*

Director Frerichs made the motion, seconded by Director Loren to approve the following items on the Consent Calendar:

3a. Approve Agenda for July 11, 2022 meeting
3b. Approve YCTD Board Minutes for Regular Meeting of June 6, 2022
3c. Resolution 2022-09 Authorizing Renewal of Remote Meetings of the YCTD Board of Directors Pursuant to Assembly Bill 361 Renewal

Roll Call for Agenda Items 3a, 3b, 3c — Consent Calendar

AYES	NOES	ABSENT	ABSTAIN	STATUS OF MOTION
Saylor				Motion passed
Frerichs				
Stallard				
Loren				
Ledesma				

<u>Agenda Item 4</u> — Administrative Reports
Item 4 is a non-action item and for informational purposes only.

The following items were presented during the Administrative Reports section:

- Board Member Reports
    - Director Loren provided comments regarding SACOG's article on microtransit and Yolo County
    - Vice-Chair Stallard provided comments of appreciation to the YCTD staff on the presentation of the rideshare program in Woodland. He also provided comments of the 2-day conference held by SACOG that he and Chair Saylor attended.
- Ad Hoc Committee on 80 Managed Lanes Report
    - Ms. Bernstein noted that a presentation on the 80 Managed Lanes project will be presented a little later during the meeting
- Transdev Report
    - Mr. Klein reported on driver updates
- Executive Director Report
    - Ms. Bernstein included the following updates:
        - Climate Action and Adaptation Efforts
        - Driver updates
        - RFQ for the Yolo Active Transportation Corridors Project
        - Long-Range Calendar

Vice-Chair Stallard asked for public comments for agenda item #4; there were no public comments.

<u>Agenda Item 5</u> — Woodland Microtransit

Ms. Mazur provided an overview of the staff report.

Vice-Chair Stallard commented that he appreciated the presentation and all the hard work.

Vice-Chair Stallard asked for public comments for agenda item #5; Mr. Hirsch provided public comments. Mr. Furillo also provided public comments.

Director Frerichs thanked staff and Ms. Mazur for the presentation. He asked Vice-Chair Stallard his thoughts of what Woodland is most interested in. Vice-Chair Stallard provided a response.

Director Ledesma asked questions and provided comments regarding contracts and negotiations, thoughts on performance measures and indicators in goal achievement, and how the City of woodland and YCTD will align routes in tracking performance. Vice-Chair Stallard and Ms. Mazur provided comments.

Director Loren complimented Ms. Mazur on the work. She provided additional comments on equity. Vice-Chair Stallard echoed Director Loren's comments around equity.

Ms. Mazur requested action from the Board to approve Resolution 2022-10 authorizing the Executive Director to negotiate and execute a contract with RideCo US, Inc. for a Microtransit Technology Platform, conditioned upon YCTD receiving no protests.

Director Loren made the motion to adopt the staff recommended action, seconded by Director Ledesma.

Roll Call for Agenda Item 5 – Woodland Microtransit

AYES	NOES	ABSENT	ABSTAIN	STATUS OF MOTION
Saylor				Motion passed
Frerichs				
Stallard				
Loren				
Ledesma				

<u>Agenda Item 6</u> — Yolo 80 Managed Lanes Project

Ms. Bernstein and Mr. Abbanat provided an overview of the staff report.

Vice-Chair Stallard asked for public comments for items not on the agenda; Mr. Hirsch provided public comments.

Director Loren provided comments thanking Mr. Wong from Caltrans for his attendance. She provided additional comments on the importance of the relationship between YCTD and Caltrans. Director Frerichs expanded on Director Loren's comments.

Director Frerichs made the motion to adopt the staff recommended action authorizing staff to procure professional consulting services related to highway tolling for the 80 Yolo Corridor Improvement project either via SACOG on-call consulting agreements or via Request for Proposals, for up to $115,000. The motion was seconded by Director Loren.

Mr. Wong thanked the committee for their comments.

Roll Call for Agenda Item 6 – Yolo Managed Lanes Project

AYES	NOES	ABSENT	ABSTAIN	STATUS OF MOTION
Saylor				Motion passed
Frerichs				
Stallard				
Loren				
Ledesma				

<u>Agenda Item 7</u> — Closed Session

The YCTD Board of Directors had a closed session regarding Public Employment, Employee Appointment or Evaluation, Pursuant to Government Code Section 54957 for position the Executive Director position.

<u>Agenda Item 8</u> — Adjournment
There being no further regular business, Chair Saylor adjourned the regular meeting at 8:05 pm.

Respectfully submitted:

Mimi Koh, Clerk to the Board

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Approve Resolution 2022-12 Authorizing Signature Authority for Interim Chief Finance Officer (Leo Levenson) and Deputy Director of Transit Operations and Planning (Erik Reitz) for all YCTD Bank Accounts with WestAmerica and Yolo County	**Agenda Item#:** **Agenda Type:**	**3c** **Action**
		Attachments: Yes No
Prepared By: L.Levenson		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Staff recommends the YCTD Board of Directors approve Resolution No. 2022-12 authorizing signature authority for Interim Deputy Director, Finance and Administration (Leo Levenson) and Deputy Director of Transit Operations and Planning (Erik Reitz) for all YCTD Bank Accounts with WestAmerica and Yolo County.

BACKGROUND:

The County and WestAmerica Bank require Board approval for individuals authorized to sign checks and approve electronic withdrawal of funds from YCTD's bank accounts held at their institutions.

Executive Director Autumn Bernstein already has Board-approved signature authority. Prior Deputy Directors have also been granted such authority. This action will provide Board authorization for YCTD Interim Deputy Director, Finance and Administration Leo Levenson and Deputy Director of Transit Operations and Planning Erik Reitz to have signature authority for YCTD bank accounts held at the County and WestAmerica Bank.

Special Districts and Other Agencies Authorization Form - FY 2022-2023

COUNTY OF YOLO
DEPARTMENT OF FINANCIAL SERVICES
P.O. BOX 1268
WOODLAND, CA 95776
(530) 666-8190

Fund: 361, 360, 362 363
District Name: Yolo County Transportation District
Address: 360 Industrial Way
Phone number: 530-402-2816
Contact: Leticia Ambriz

1 PICK UP GENERAL CHECKS	3 GENERAL CLAIMS APPRVL	5 DEPOSIT APPRVL	7 JE/TSF DOC. APPRVL	8 BUDGET MOD. APPRVL	9				AUTHORIZED SIGNATURE OF EMPLOYEE
x	x	x	x	x					Signature: Print: Autumn Bernstein
x	x	x	x	x					Signature: Print: Leo Levenson
x	x	x	x	x					Signature: Print: Erik Reitz
x									Signature: Print: Leticia Ambriz
x									Signature: CGrajeda Print: Cristina Grajeda
x									Signature: Daisy Romero Print: Daisy Romero
									Signature: Print:

The persons listed above are authorized to perform the above duties on behalf of our governing board as approved in our Minutes recorded at a regular district meeting.

Board Chairman Signature	Date	Board Member Signature	Date
Print Name:		Print Name:	
Board Member Signature:	Date	Board Member Signature:	Date
Print Name:		Print Name:	
Board Member Signature:	Date	Board Member Signature:	Date
Print Name:		Print Name:	
Board Member Signature:	Date	Board Member Signature:	Date
Print Name:		Print Name:	

RESOLUTION NO. 2022-12

APPROVE SIGNATURE AUTHORITY FOR INTERIM DEPUTY DIRECTOR, FINANCE AND ADMINISTRATION (LEO LEVENSON) AND DEPUTY DIRECTOR OF TRANSIT OPERATIONS AND PLANNING (ERIK REITZ) FOR ALL YCTD BANCK ACCOUNTS WITH WESTAMERICA AND YOLO COUNTY

Resolved, that the YCTD Board of Directors authorizes Interim Chief Financial Officer Leo Levenson and Deputy Director of Transit Operations and Planning Erik Reitz to have signature authority for approving withdrawal of funds from all YCTD bank accounts held with Yolo County and WestAmerica bank in accordance with YCTD financial management policies and procedures, and as long as they remain employed with YCTD. This authorization may be revoked at any time by action of the Board of Directors or the YCTD Executive Director.

____

Don Saylor, Chair

Board of Directors

ATTEST:

____

Mimi Koh, Clerk

Board of Directors

Approved as to Form:

____

Hope P. Welton, District Counsel

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Adopt Resolution Authorizing a Tax-Deferred Deduction Plan for CalPERS Service Credit Purchases	**Agenda Item#:**	**3d**
	Agenda Type:	**Action**
		Attachments: Yes No
Prepared By: A.Bernstein		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Staff recommends the YCTD Board of Directors adopt the attached Resolution Authorizing a Tax-Deferred Deduction Plan for CalPERS Service Credit Purchases.

BACKGROUND:

The attached resolution is required by CalPERS in order to allow YCTD employees to participate in a tax-deferred payroll deduction plan if they have eligible prior service credit they can apply toward their CalPERS pension eligibility, such as service with the U.S Peace Corps or the U.S. military.

CalPERS determines the amount employees are required to pay for purchase of prior service credit, based on their estimate as to the actuarial cost of providing that credit to the retirement system. Accordingly, such service credit purchases do not add any unfunded amount to YCTD's pension liability.

There is one YCTD employee with eligible prior service who wishes to take advantage of this potential option.

This action would not result in any extra costs for YCTD, and only minor administrative set-up time within YCTD's payroll system.

The attached resolution uses a template provided by CalPERS.

Amendment to Agreement No. 30075

CalPERS ID: 6966686954

EMPLOYER RESOLUTION
TAX DEFERRED DEDUCTION PLAN
FOR SERVICE CREDIT PURCHASES

WHEREAS, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a Tax-Deferred payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2);

WHEREAS, the Yolo County Transportation District (YCTD) has the authority to implement the provisions of IRC section 414(h)(2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

WHEREAS, the Yolo County Transportation District (YCTD) elects to participate in the Tax-Deferred payroll deduction plan for all employees in the following CalPERS employee groups or classifications (i.e., miscellaneous, safety, police, fire, etc.):

Miscellaneous Category

NOW, THEREFORE, BE IT RESOLVED:

I. That the Yolo County Transportation District (YCTD) will implement the provisions of IRC section 414(h)(2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the Tax-Deferred payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases, thereby resulting in tax deferral of employee contributions.

II. That the contributions made by the Yolo County Transportation District (YCTD) to CalPERS, although designated as employee contributions, are being paid by the Yolo County Transportation District (YCTD) in lieu of contributions by the employees who are members of CalPERS.

III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the Yolo County Transportation District (YCTD) to CalPERS.

IV. That the Yolo County Transportation District (YCTD) shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.

V. That the effective date for commencement of the Tax-Deferred payroll deduction plan cannot be any earlier than the date the completed resolution is received and approved by CalPERS.

VI. That the governing body of the Yolo County Transportation District (YCTD) shall participate in and adhere to requirements and restrictions of the Tax-Deferred payroll deduction plan by reporting Tax-Deferred payroll deductions when authorized by CalPERS for those employees of the above stated employee groups or classifications who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the Yolo County Transportation District (YCTD) this 12th day of September, 2022.

BY ____

(Signature of Official)

____

(Title of Official)

BOARD COMMUNICATIONS: **YOLO COUNTY TRANSPORTATION DISTRICT**

350 Industrial Way, Woodland, CA 95776----(530) 661-0816

Topic:	Agenda Item#:	3e
Update YCTD Associate Planner Position Description and Salary Range	**Agenda Type:**	**Deliberation/*Action**
		Attachments: **Yes** **No**
Prepared By: A. Bernstein		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Approve the attached resolution to Amend the FY 2022-23 Budget Table 1.1b FTE and Salary Ranges to reflect the reclassification of one Assistant Transportation Planner position to an Associate Transportation Planner Position, and to increase the salary range for the Associate Transportation Planner position from its current range of $66,096 - $81,594 (effective January 2016), to a new range of $80,609 - $99,001, and update the Associate Planner position description to more closely reflect current duties. The ongoing budget impact is approximately $15 thousand per year and for FY 2022-23 can be accommodated within the existing labor budget.

REASON FOR RECOMMENDATION:

The FY 2022-23 budget included 2 Assistant Planner FTE and 2 Senior Planner FTE, but no Associate Planner positions. The Executive Director has determined that it is advantageous to YCTD to have a ladder of skills and responsibilities within the planning team by converting one Assistant Planner FTE to an Associate Planner position.

In December 2021, the Board acted to update YCTD salary ranges for current filled and vacant positions to reflect an April 2021 salary comparison survey, which found YCTD salaries ranges to be from 5% to 24% below the salary ranges for comparable positions at comparable jurisdictions. That action increased the Assistant and Senior Transportation Planner Positions by an average of 17.29% at the low end of the range and 16.69% at the high end of the range. The Board approved a further 3.98% COLA to the ranges in the FY 2022-23 budget.

The Associate Transportation Planner position was not included in the salary survey or December 2021 Board action because there were not current occupants of that position. The existing Associate Transportation Planner salary range dates back to January 2016 and with the high end of the range actually below the new Assistant Transportation Planner salary range.

The proposed salary range adjustment would increase the Associate Transportation Planner position low and high end of the range by the average increase of the Assistant and Senior Transportation Planner low and high end salary ranges from the December 2021 action, along with applying the 3.98% COLA provided in the YCTD FY 2022-23 budget.

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BUDGET IMPACT:

The impact of replacing one Assistant Transportation Planner with an Associate Transportation Planner FTE is approximately $15 thousand annually. The amount can be accommodated within YCTD's existing FY 2022-23 budget.

Resolution No. _______

Amendment to Authorized Position and Salary Resolution

The YCTD Board of Directors hereby approves and authorizes the Chair to sign an amendment to the YCTD FY 2022-23 Budget Table 1.1b Authorized FTE and Classification Ranges as shown in the table below, and to update the Associate Transportation Planner position description as shown in Attachment 1.
:

Amended YCTD FY 2022-23 Budget Table 1.1b. Authorized FTE and Classification Ranges Effective July 1, 2022

The proposed new salary ranges incorporate a 3.98% Cost of Living Adjustment, calculated per Chapter 8 of the Yolo County Transportation District Personnel Policy, as approved December 2021. This is equal to the change in the California All Urban Consumers Consumer Price Index (CPI) from April 2020 (283.006) and April 2021 (294.274).

	FTE			Annual Salary Range, February 2022		Annual Salary Range effective July 1, 2022	
Classification Title	21-22	22-23 Original	22-23 Amended 9/12/22	Low	High	Low	High
Deputy Director Operations	1	1	1	$135,890	$164,300	$141,298	$170,839
Deputy Director, Finance & HR	1	1	1	$132,174	$162,491	$137,435	$168,958
IT Specialist	1	1	1	$97,951	$123,295	$101,849	$128,202
IT Systems Support Tech	1	1	1	$53,875	$66,595	$56,019	$69,245
Senior Project Manager	1	0	0	$96,474	$119,519	$100,314	$124,276
Senior Transportation Planner	1	3	3	$96,473	$124,519	$100,313	$129,475
Associate Transportation Planner	*0*	*0*	*1*	*$66,096*	*$81,594*	*$80,609*	*$99,001*
Assistant Transportation Planner	1	2	1	$65,741	$81,768	$68,357	$85,022
Communications/Marketing Specialist	1	1	1	$80,086	$95,370	$83,273	$99,166
Executive Assistant/Clerk of the Board	1	1	1	$71,623	$93,212	$74,474	$96,922
Procurements and Grants Specialist	1	0	0	$74,748	$100,565	$77,723	$104,567
Senior Finance and HR Associate	1	2	2	$61,380	$77,569	$63,823	$80,656
Finance Associate	1	0	0	$51,112	$62,377	$53,146	$64,860
Total Authorized FTE	12	13	13				

APPROVED BY THE YCTD BOARD OF DIRECTORS
RESOLUTION NO.: ____________________ DATE: ____________   BY: ______________________________ , CHAIR   ATTEST: Autumn Bernstein, Executive Director, YCTD   BY: ______________________________ ,

Attachment 1. Updated Position Description

ASSOCIATE TRANSPORTATION PLANNER **Established: June 12, 2006**
Revised: September 12, 2022

Definition: Under direction, to perform a variety of transportation planning and transit operations activities including short- and long-range service planning, grant preparation and implementation, preparation and presentation of reports, studies, and memos, monitoring of transit operations contract, procurements, community outreach, data collection and reporting, development and plan review, and other related duties as assigned.

Distinguishing Characteristics: This classification involves a broad range of assignments requiring independent thinking; excellent planning, administrative, financial, and public transportation knowledge; and excellent written and oral communication skills.

Typical Tasks:

- ***Transit Planning*** - Design and analyze short and long range plans, establish or modify routes and service areas, perform transit service scheduling for fixed route transit, microtransit, and/or ADA paratransit service. Assist YCTD's jurisdictions with trip reduction ordinances, transportation management associations, and transportation systems management issues.
- ***Transit Operations*** **–** Monitor transit operations contract compliance including missed trips, customer service complaints, vehicle maintenance etc. Coordinate with contractor on service changes, detours, fare collection systems, data collection and reporting, and procurements. Support contractor with troubleshooting and resolving day-to-day operations challenges.
- ***Development and Plan Review*** **–** As directed, review, contribute and respond to draft plans, development proposals, environmental documents, and other documents prepared by local, regional, and state partner agencies. Meet with community development departments, developers, air district representatives and other groups relative to projects that affect the transportation network.
- ***Multimodal Planning and Programs*** **–** As directed, perform planning, data analysis and outreach tasks to assist in preparing multimodal transportation plans, such as congestion management plans, active transportation plans, micromobility programs, VMT reduction programs, transportation equity programs.,.
- ***Grant Preparation*** **–** As directed, prepare local, state, and federal grant applications and all associated documentation, agreements, and reports.
- ***Customer Service*** **–** Assist customer service team as needed, including with updates to Customer Service Manual and training on new routes or service changes.
- ***Meetings*** **-** Organize, prepare, and conduct meetings and workshops with partner agencies, community-based organizations and the public on transportation related matters. Prepare draft staff reports and slide decks and provide staff support for YCTD Board and Committee meetings and Yolo Commute Board meetings. Perform other related duties as assigned.

Experience: Minimum two year's recent experience in transit service planning, transportation planning, land use planning, environmental planning, transportation engineering, or closely related field. A four-year degree in a related field may be substituted for one year of the experience requirement.

Applicant shall have recent experience in as many of the following areas as possible:

- Scheduling and Run-cutting (including the art of interlining)
- FTA and Caltrans grant applications and/or grant project management
- Database Management
- Land Use Planning
- Environmental Review and Reporting

Education: Minimum four-year degree in transportation engineering or planning, land use planning, environmental planning, public administration, or closely related field, from an accredited college or university. College level coursework or professional experience in the following areas are desirable:

- Statistics
- Land use or environmental planning
- Transportation planning
- Transit service planning
- Transportation engineering

Experience in a related field may be substituted for up to two years of college education on a year-for-year basis.

License: A valid California Driver's license is required.

Skills and Experience

- Knowledge of theory, principles, and practices of governmental and transportation planning and operations;
- Knowledge of current trends in federal, state, regional and local transportation planning;
- Knowledge of environmental regulations,
- Knowledge of statistical and research methods as applied to the collection of data, laws, ordinance, rules and regulations affecting land use.
- Ability to collect, analyze and compile statistical and technical information pertaining to public transportation planning,
- Ability to organize, conduct, coordinate, and present major planning research studies,
- Ability to prepare comprehensive planning reports that are clear and concise,
- Ability to explain planning issues, land use ordinances, environmental impact issues, and proposed plans to members of the public and government officials,
- Ability to communicate effectively, both orally and in writing, establish and maintain a cooperative working relationship with others, and complete projects on schedule. Speaking and written knowledge of Spanish is desirable, though not required.

Physical Requirements: This class will require light physical effort which may include frequent lifting of up to ten pounds and occasional lifting of up to twenty-five pounds. Some bending, stooping, and/or squatting may be required. Considerable walking may be required.

BOARD COMMUNICATION: **YOLO COUNTY TRANSPORTATION DISTRICT**
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Approve Updated YCTD Purchasing Card Policy	**Agenda Item#:** **Agenda Type:**	**3f** **Deliberation/Action**
		Attachments: **Yes** **No**
Prepared By: L. Levenson		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Staff recommends that the Board approve the attached Purchasing Card Policy update to increase the maximum purchase threshold from the current $500 to match the Micro-Purchase amount in YCTD's Procurement Policy, currently $10,000.

BACKGROUND:

In February 2022, the YCTD Board approved a new Purchasing Card Policy, setting a default maximum limit for such purchases at $500, while allowing for larger purchases under limited circumstances.

Since then, YCTD has found that the Purchasing Card is a useful means to pay for a variety of vendor invoices, where vendors have set up on-line portals that accept credit cards. This includes for making recurring payments for items such as utility bills, recurring software licensing fees, etc. Staff has found that use of the Purchasing Card for amounts over $500 could be advantageous to YCTD for obtaining supplies and minor equipment cost-effectively from such vendors as Costco and online retailers.

The current $500 limit on use of the YCTD Purchasing Card has caused employees to request to use their personal credit cards for purchases over $500. This creates more administrative work for staff to reimburse employees individually rather than paying a consolidated YCTD Purchasing card bill.

YCTD's Procurement Policy, last updated by the YCTD Board in March 2022 adopts the federal definition of "Micro-Purchases" (currently purchases no more than $10,000), and adopts federal guidelines that as long as the purchaser has determined that the price is fair and reasonable, such purchases do not require documentation of multiple quotations or a formal bidding or proposal process.

The proposed updated Purchasing Card Policy establishes that the Executive Director or designee must establish guidelines for authorizing Purchasing Card purchases. In practice, YCTD requires staff to obtain authorization for Purchasing Card purchases in the same way that authorization is required for purchases using other methods, such as checks and ACH transactions. YCTD staff are also responsible for verifying the amount and business purpose of each Purchasing Card purchase that appears on YCTD's Purchasing Card statement. The Executive Director has limited distribution of YCTD Purchasing cards only to limited number of employees with a regular need to complete such purchases.

Yolo County Transportation District (YCTD) Purchasing Card Policy

Adopted February 14, 2022
Amended September 12, 2022

Purpose: The purpose of this policy is to promote the responsible use of purchase cards as an efficient method to pay for low cost and emergency purchases in accordance with YCTD procurement policies.

Policy

1. The Purchasing Card may be used for work-related purchases under the YCTD Purchasing Policy Micro-Purchase Threshold.

2. The Purchasing Card shall not be used to:

    a. Pay for any non-work-related expenses, even if the employee intends to reimburse YCTD.
    b. Circumvent YCTD procurement policies or to obtain goods or services normally obtained through purchase order
    c. Obtain cash.
    d. Any other purchases that may be prohibited by law, regulation, or policy, including expenses deemed unallowable under federal guidelines contained in 2 CFR Part 200, Subpart E. Such costs include, but are not limited to.
        i. Alcoholic beverages;
        ii. Entertainment expenses (unless as part of a registration fee) and entertainment expense for guests;
        iii. Incidental expenses, which include personal expenses incurred during travel that are for the benefit of the employee and not directly related to the official purpose of the travel. Examples include, but are not limited to, the purchase of personal hygiene items, magazines, books, movie rentals, and other miscellaneous items;
        iv. Political expenses;
        v. Travel insurance expenses;
        vi. The cost of traffic fines and parking tickets.

    e.

3. **Cardholder responsibilities:** The cardholder is the individual whose name is printed on the purchase card. Individual cardholders are responsible for:

    a. Ensuring that the card issued to them is not used for unauthorized transactions.
    b. Maintaining proper documentation and receipts for all transactions;
    c. Reviewing and certifying the correctness and business necessity of transactions listed on the monthly statements;
    d. Maintaining the security of the physical purchasing card, the account number, the expiration date, and security code.
    e. Resolving exceptions and disputes directly with vendors or the Purchasing card issuer..
    f. Promptly notifying the bank and Program Administrator of any suspicious transactions.

4. **YCTD Purchasing Card Program Administrator:** The YCTD Executive Director or their designee shall serve as YCTD's Purchasing Card Program Administrator. The Purchasing Card Program Administrator is responsible for:

    a. Determining which staff will be issued Purchasing cards.
    b. Establishing internal controls, including designating employees to:
        i. Confirm items listed on Purchasing Card statements are for expenditures authorized under this policy (including initials or signature and date of employee conducting the review, for audit trail purposes);
        ii. Enter transactions into YCTD's accounting system of record;
        iii. Pay monthly Purchasing Card bills.

5. **Fuel Cards**
   YCTD may elect to initiate a Fuel Card program, which would provide for purchasing cards to be checked out or stored in YCTD vehicles for the sole purpose of purchasing fuel for those vehicles. Such cards may be used only for fuel or vehicle maintenance supplies purchased at the fuel station. Such cards may not be used for purchase of personal items or fuel for any other vehicle aside from the one the card is assigned to.

BOARD COMMUNICATIONS: **YOLO COUNTY TRANSPORTATION DISTRICT**

350 Industrial Way, Woodland, CA 95776----(530) 661-0816

Topic: Approve Issuance of Invitation for Bids for Replacement of CNG Tanks on up to 5 Orion VII CNG Buses	**Agenda Item#:** **Agenda Type:**	**3g** **Deliberation/*Action** **Attachments:** **Yes** **No**
Prepared By: E. Reitz and L. Levenson		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Approve issuance of the attached draft Invitation for Bid for replacement of CNG tanks on up to 5 Orion VII CNG buses, for an amount not to exceed the balance of FY 2022-23 Capital Budget CNG Retanking Project FR-2.

REASON FOR RECOMMENDATION:

YCTD's Procurement Policy requires Board approval for Invitations for Bid and Requests for Proposal that are expected to exceed the $250,000 Formal Purchase threshold, as is the case with this procurement.

YCTD owns 11 Orion VII CNG Buses which were manufactured in 2007, whose CNG tanks have reached, or will reach the end of their 15-year certification period in July, October and November, 2022. YCTD is not permitted to operating the buses once the tanks are no longer certified.

In order to avoid impacts on service, in August, 2022, YCTD entered into a $220K contract with Complete Coach Works to retank four of these buses, using Simplified Acquisition Procedures for amounts under $250,000.

YCTD is proposing to issue the attached Invitation for Bids for retanking up to five additional Orion VII buses.

YCTD currently active fleet has 57 full size transit buses including, 6 diesels, 45' MCI over the road coaches, and 6 battery electric, 40' Proterra transit buses. Of the 57 transit buses 26 or 47% have exceeded their useful life of 12 years or 500,000 miles with 10 of the buses having over 750,000 miles.

BUDGET IMPACT:

YCTD's FY 2022-23 Capital Budget pPoject FR-2 includes $675,000 set aside for retanking nine CNG buses, of which $598 thousand (88.53%) ($598 thousand) is anticipated to be reimbursed with FTA Section 5307 Congestion Mitigation and Air Quality Improvement (CMAQ) funds, and the balance of $77 thousand coming from YCTD's STA funds reserved for capital projects. Pending receipt of bids, staff estimates that the work proposed in this IFB, along with the 4 retankings already under contract, can be completed within the existing Project FR-2 budget.

APPROVED BY THE YCTD BOARD OF DIRECTORS
RESOLUTION NO.: ______________________________ DATE: __________________ BY: ____ , CHAIR ATTEST: Autumn Bernstein, Executive Director, YCTD BY: ____ ,

BOARD COMMUNICATION: **YOLO COUNTY TRANSPORTATION DISTRICT**
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Adopt Resolution No. 2022-13 to Appoint the Executive Director as the Primary Representative and the Deputy Director of Transit Operations and Planning as the Alternate Representative to the Board of Directors of the California Transit Indemnity Pool	**Agenda Item#:** **Agenda Type:**	**3h** **Action**
		Attachments: **Yes** **No**
Prepared By: M.Koh		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Staff recommends that the YCTD Board of Directors adopt Resolution No. 2022-13 to appoint the Executive Director as the primary representative and the Deputy Director of Transit Operations and Planning as the alternate representative to the Board of Directors of the California Transit Indemnity Pool (CalTIP).

BACKGROUND:

In 2015, the YCTD Board adopted Resolution No. 2015-01 appointing the position of Deputy Director Finance, Grants and Procurements as the primary representative, and the Executive Director as an alternate to the Board of Directors of the California Transit Indemnity Pool (CalTIP).

Resolution No. 2022-13 will replace Resolution No. 2015-01.

YOLO COUNTY TRANSPORTATION DISTRICT
RESOLUTION NO. R 2022-13

Resolution Approving Appointments to the Board of Directors of the California Transit Indemnity Pool (CalTIP)

NOW, THEREFORE, IT IS HEREBY RESOLVED, ORDERED, AND FOUND that the Board of Directors of the Yolo County Transportation District, County of Yolo, State of California, does hereby approve the appointment of the Executive Director as the primary representative and the Deputy Director of Transit Operations and Planning as the alternate representative, to the Board of Directors of the California Transit Indemnity Pool.

PASSED AND ADOPTED by the Board od Directors of the Yolo County Transportation District, County of Yolo, State of California, this 12th day of September 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Don Saylor, Chair
Board of Directors

____
Mimi Koh, Clerk
Board of Directors

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Renewal of Resolution 2022-09 Authorizing Renewal of Remote Meetings of the YCTD Board of Directors Pursuant to Assembly Bill 361 Renewal	**Agenda Item#:** **Agenda Type:**	**3i** **Action**
		Attachments: Yes No
Prepared By: M. Koh		**Meeting Date: September 12, 2022**

RECOMMENDATION:

YCTD staff recommends that the YCTD Board of Directors approve the renewal of Resolution 2022-09 Authorizing Renewal of Remote Meetings of the YCTD Board of Directors Pursuant to Assembly Bill 361 Renewal be approved.

REASON FOR RECOMMENDATION:

Renew authorization for remote (teleconference/videoconference) meetings pursuant to Assembly Bill 361 on the basis that (a) the COVID-19 pandemic state of emergency is ongoing, and (b) meeting in person would present imminent risks to the health or safety of attendees. The proposed resolution will allow the current Yolo County Transportation District Board meeting to be held virtually.

BACKGROUND:

AB361 Findings
The recommended action is required by Assembly Bill 361 to continue meeting remotely during a declared state of emergency. The Board has been meeting remotely pursuant to AB 361 since September 28, 2021. Most Board members returned to meeting in-person on May 23, 2022 with various measures to minimize in-person attendance by YCTD staff and provide options for continued public participation by ZOOM. Renewing the AB 361 findings is nonetheless appropriate and, if adopted, the findings will allow Board members to continue to participate remotely if needed or desired.

AB 361 amended the Brown Act to add simplified procedures that make it easier to hold remote meetings during a state of emergency proclaimed by the Governor (a local emergency is insufficient). See Gov. Code § 54953(e). To meet remotely during a proclaimed emergency, the legislative body must find either of the following circumstances is present: (a) state or local officials continue to impose or recommend measures to promote social distancing; or (b) as a result of the declared emergency, the legislative body finds by majority vote that meeting in person would present imminent risks to the health or safety of attendees.

Through March 2022, the Board relied on social distancing recommendations of the County Health Officer in adopting AB 361 findings. Like many other county health officers, however, Dr. Sisson is no longer recommending social distancing and the Board must therefore consider the "imminent risks" finding to continue meeting remotely. A resolution adopted by the Board on April 12, 2022 included facts and conclusions sufficient to support such a finding, such as:

- Like many other facilities throughout the County, the Board Chambers were not designed to ensure that attendees can remain six feet apart to reduce the possibility of infection with the ensure that attendees can remain six feet apart to reduce the possibility of infection with the virus that causes COVID-19;
- Prior to the COVID-19 pandemic, Board meetings would often attract significant attendance and community members and staff would be in close proximity (seated or standing immediately next to one another) for up to eight hours; and
- Holding in-person meetings would encourage community members to come to County facilities to participate in local government, and some of them are likely to be at high risk for serious illness from COVID-19 and/or live with someone who is at high risk.

All of these facts remain applicable presently, and the local case rate has increased significantly since adoption of the resolution on April 12. Altogether, staff believe the Board can appropriately make the findings necessary to allow continued implementation of AB 361.

Finally, continuing to authorize remote meetings pursuant to AB 361 does not require the Board to meet remotely--it merely allows one or Board members to do so as necessary or convenient. Staff anticipate that going forward, most or all Board members and essential staff will attend meetings in-person, and other staff and members of the public will likely choose to participate remotely for the sake of convenience. Staff will also take reasonable precautions in the Board Chambers including:

- Physical distancing - in a hybrid format staff would set up the Board Chambers to have physical distancing where at least every other seat for the public is out of service to ensure distance between attendees.
- Air Filtration – Staff have added HEPA filtration to the Board Chambers to ensure filtration of air to remove viral particles

As a reminder, the YCTD has a vaccination policy and over 90% of YCTD staff is vaccinated.

Collaborations (including Board advisory groups and external partner agencies) County Administrator, County Health Officer.

BUDGET IMPACT:

None.

//

PASSED AND ADOPTED by the Board of Directors of the Yolo County Transportation District, County of Yolo, State of California, this 12th day of September, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____

Don Saylor, Chair

Board of Directors

ATTEST:

____

Mimi Koh, Clerk

Board of Directors

Approved as to Form:

____

Hope P. Welton, District Counsel

County of Yolo
www.yolocounty.org

To: The Chair and Members of the Board of Supervisors

Consent-General Government # 6.

Board Governance Session County Counsel

Meeting Date: 08/02/2022

Brief Title: AB 361 Renewal

From: Philip J. Pogledich, County Counsel

Staff Contact: Philip J. Pogledich, County Counsel, x8172

Subject

Renew authorization for remote (teleconference/videoconference) meetings pursuant to Assembly Bill 361 on the basis that (a) the COVID-19 pandemic state of emergency is ongoing, and (b) meeting in person would present imminent risks to the health or safety of attendees. (No general fund impact) (Pogledich)

Recommended Action

Renew authorization for remote (teleconference/videoconference) meetings pursuant to Assembly Bill 361 on the basis that (a) the COVID-19 pandemic state of emergency is ongoing, and (b) meeting in person would present imminent risks to the health or safety of attendees.

Strategic Plan Goal(s)

Not applicable, as this is an administrative action only.

Reason for Recommended Action/Background

AB361 Findings

The recommended action is required by Assembly Bill 361 to continue meeting remotely during a declared state of emergency. The Board has been meeting remotely pursuant to AB 361 since September 28, 2021. Some supervisors returned to meeting in-person on May 23, 2022 with various measures to minimize in-person attendance by County staff and provide options for continued public participation by ZOOM. Renewing the AB 361 findings is nonetheless appropriate and, if adopted, the findings will allow Board members to continue to participate remotely if needed or desired.

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community members and staff would be in close proximity (seated or standing immediately next to one another) for up to eight hours; and
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- Physical distancing - in a hybrid format staff would set up the Board Chambers to have physical distancing where at least every other seat for the public is out of service to ensure distance between attendees.
- Air Filtration -- Staff have added HEPA filtration to the Board Chambers to ensure filtration of air to remove viral particles

As a reminder, the County has a vaccination policy and over 90% of County staff is vaccinated.

Collaborations (including Board advisory groups and external partner agencies)

County Administrator, County Health Officer.

Fiscal Information

No Fiscal Impact

Fiscal Impact of this Expenditure

Total cost of recommended action	
Amount budgeted for expenditure	
Additional expenditure authority needed	$0
On-going commitment (annual cost)	

Source of Funds for this Expenditure

General Fund	$0

Attachments

No file(s) attached.

Form Review

Inbox	Reviewed By	Date
Phil Pogledich	Phil Pogledich	07/27/2022 02:29 PM
Joanne Van Hoosear	Joanne Van Hoosear	07/27/2022 02:33 PM
Form Started By: Phil Pogledich		Started On: 07/06/2022 07:40 AM
Final Approval Date: 07/27/2022		

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Administrative Reports	**Agenda Item#:** **Agenda Type:**	**4** **Informational**
		Attachments: **Yes** **No**
Prepared By: M.Koh		**Meeting Date: September 12, 2022**

BACKGROUND:

This section of the agenda is reserved for administrative reports.

This month the Board will receive the following:

- Ad Hoc Committee on 80 Managed Lanes Report
- Transdev's Report
- Executive Director's Report
  - Long-range Calendar

Previously, the YCTD Executive Director provided a monthly written report to the Board as part of the Board packet and augmented that with an oral report during the meeting. Beginning with the March 2022 board meeting, the YCTD Executive Director will provide an oral report only. Additionally, the Executive Director will provide a biweekly email update to the Board of Directors, the Citizens Advisory Committee, Technical Advisory Committee, and interested stakeholders.

October Agenda Items

- Review and Update Vision, Values and Goals for YCTD
- Update on Yolo Active Transportation Corridors Project
- Update/Possible Action on Yolo 80 Managed Lanes
- Update/Possible Action on Winters 505 Overcrossing Project

November Agenda Items

- FY 22-23 1st Quarter Financial Status Report
- 12-month status report on 3/6/12 month goals and preliminary discussion of goals for next 12 months
- Update on Woodland Microtransit

December Agenda Items

- Approve YCTD goals for next 12 months
- YCTD Meeting Dates for 2023
- Schedule of YCTD Holiday Dates for 2023

BOARD COMMUNICATION: YOLO COUNTY TRANSPORTATION DISTRICT
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: FY 2021-22 Pre-audit Year-end Financial Status Report	**Agenda Item#:** **Agenda Type:**	**5** **Info/Discussion**
		Attachments: Yes No
Prepared By: L. Levenson		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Receive YCTD's FY 2021-22 Pre-audit Year-end Financial Status Report and updated CalPERS Classic and PEPRA pension actuarial reports

BACKGROUND:

1. FY 2021-22 Pre-audit Year-end Financial Status Report

The attached Yolo County Transportation District (YCTD) FY 2021-22 Pre-audit Year-end Financial Status Report shows pre-audit actual operating expenditure and revenue data as of June 30, 2022.

Highlights include:

- The report projects $1.95 million net operating surplus, reducing the estimated use of fund balance in FY 21-22 from the budgeted $2.6 million to a pre-audit value of $700 thousand.
- The prior budget status report presented to the Board on May 9, 2022 anticipated operating savings of $740K. The change of $1.2 million compared to the earlier projection is primarily due to:
    - $490K in Davis federal American Recovery Plan (ARP) funds authorized to reimburse YCTD for running A&L lines during the driver shortage. This funding was not in the original FY 2021-22 budget and was not included in the prior projection.
    - $275K in State Transit Assistance funds direct to YCTD, programmed for capital expenditures (supplementing the State of Good Repair Allocation).
    - $190K improvement in outside fuel sales and low carbon/renewable energy credits received compared to the prior projection.
    - $100K claim for final 6 months of federal fuel excise tax refunds under a program that sunset 12/31/21.

2. CalPERS July 2022 Pension Actuarial Reports

The attached CalPERS Actuarial Reports dated July 2022 show the YCTD Pension plan status for our Classic Miscellaneous plan, and the new PEPRA miscellaneous plan employees. Highlights include:

- Funding status for the Classic Miscellaneous Plan has risen from 70.7% as of 6/30/20 to 82.1% funded as of 6/30/21, with the Unfunded Accrued Liability (UAL) decreasing from $1.4M to $953K. After payments budgeted for FY 2022-23, our anticipated UAL as of 6/1/2023 is $769K. Our current plan would fully pay off the UAL by FY 2028-29, with total future payments including interest of $925K.
- Funding status for the PEPRA Miscellaneous Plan has risen from 89.6% to $105.2%, dropping the UAL to $0.
- Paying off the estimated $769K liability early could save an estimated $155K in interest costs due under

our current payment plan. We will put forward a recommendation on whether to pay down the UAL early at a future Board meeting.

FY 2021-22 Administration Budget Status

Administration Operating Revs	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
LTF - Woodland	$521,358	$521,358	$0
LTF - Davis	$582,438	$582,438	$0
LTF - West Sacramento	$569,936	$569,936	$0
Subtotal Operating LTF	**$1,673,731**	**$1,673,732**	**$0**
Non-Transportation Revenues (Interest)	$50,000	$57,277	$7,277
Auxiliary Revenue - Trillium CNG royalties	$85,909	$333,416	$247,507
Low Carbon/Renewable Energy Credits	$150,000	$263,020	$113,020
Advertising	$36,000	$77,804	$41,804
Yolo TMA	$30,000	$30,000	$0
Miscellaneous revenue	$0	$105,755	$105,755
Cache Creek Mitigation Revenue	$711,312	incl in FR	($711,312)
Local Operating Assistance (Carryover)	$1,451,803	$1,451,803	$0
Total Administration Operating Revs	**$4,188,755**	**$3,992,807**	**($195,949)**

Administration Operating Exps	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
Salaries & Benefits	$1,989,192	$1,489,103	$500,089
Services	$875,234	$563,767	$311,467
Fuel	$56,000	$53,475	$2,525
Materials & Supplies	$87,960	$54,638	$33,322
Communications/Utilities	$146,170	$29,894	$116,276
Insurance	$711,919	$692,841	$19,078
Miscellaneous	$176,282	$101,265	$75,017
Contingencies	$150,000	$0	$150,000
Total Administration Operating Exps	**$4,192,756**	**$2,984,982**	**$1,207,775**

Net FY 2021-22 Admin Surplus (Shortfall)			**$1,011,827**

FY 2021-22 Fixed Route Operating Budget Status

Fixed Route Operating Revs	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
LTF - Woodland	$711,450	$711,450	$0
LTF - Davis	$1,420,842	$1,420,842	$0
LTF - West Sacramento	$1,628,731	$1,628,731	$0
Subtotal Fixed Route Operating LTF	**$3,761,023**	**$3,761,023**	**$0**
Fares	$872,047	$969,334	$97,287
FTA 5307 Sacramento UZA Formula Funds	$968,000	$777,253	($190,747)
FTA 5307 Woodland UZA Formula Funds	$790,400	$336,671	($453,729)
FTA 5307 CMAQ Funds for Route 42 Expansion	$404,667	$0	($404,667)
FTA Davis ARP Funds for A&L Lines Support	$0	$488,590	$488,590
FTA/SacRT 5307 Causeway Connection	$396,776	$184,106	($212,670)
FTA 5307 Davis UZA Formula Funds	$150,000	$206,153	$56,153
FTA 5311 Rural Funds	$154,009	$154,009	$0
Cache Creek Mitigation Revenue	$531,412	$1,400,315	$868,903
LCTOP for Route 42 Expansion	$260,189	$0	($260,189)
State of Good Repair Funds & STA	$215,058	$490,524	$275,466
UC Davis for Causeway Connection	$396,776	$184,106	($212,670)
Local Operating Assistance (Carryover)	$754,125	$754,125	$0
Total Fixed Route Operating Revs	**$9,654,482**	**$9,706,209**	**$51,727**

Fixed Route Operating Exps	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
Purchased Transportation	$7,779,592	$7,319,713	$459,879
Fuel	$1,306,888	$1,181,638	$125,250
Communications	$165,240	$315,124	($149,884)
Maintenance-Equipment	$215,058	$215,058	$0
Maintenance-Bldgs. & Improvements	$132,899	$96,193	$36,706
Printing	$44,350	$0	$44,350
Professional & Spec. Services	incl in admin	$37,195	($37,195)
Small Tools & Minor Equipment	$10,456	$0	$10,456
Total Fixed Route Operating Exps	**$9,654,482**	**$9,164,921**	**$489,562**

Net Fixed Route Surplus (Shortfall)			**$541,290**

FY 2021-22 Demand-Responsive Operating Budget Status

Demand-Responsive Operating Revs	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
LTF - Davis	$340,075	$340,075	$0
LTF - West Sacramento	$285,229	$285,229	$0
LTF - Woodland	$763,642	$763,642	$0
LTF- Winters	$127,810	$127,810	$0
LTF - County of Yolo	$113,111	$113,111	$0
Subtotal Demand-Responsive Operating LTF	**$1,629,867**	**$1,629,867**	**$0**
FTA 5307	$478,919	$0	($478,919)
Passenger Fares	$57,545	$47,623	($9,922)
Organization-Paid Fares	$13,430	$50,585	$37,155
Mitigation Revenue	$59,754	$66,339	$6,585
Local Operating Assistance (Carryover)	$432,527	$432,527	$0
Total D-R Operating Revs	**$2,672,042**	**$2,226,942**	**($445,100)**

Demand-Responsive Operating Exps	FY 21/22 Bgt	Pre-Audit Final, 9/6/22	Projected Surplus (Shortfall)
Purchased Transportation	$2,187,955	$1,518,848	$669,107
Fuel	$279,610	$129,872	$149,738
Insurance-Public Liability	$184,476	$178,972	$5,504
Contingencies	$20,000	$0	$20,000
Total D-R Operating Exps	**$2,672,041**	**$1,827,692**	**$844,349**
Net D-R Projected Surplus (Shortfall)			**$399,249**

Combined Operating Budget View, Rounded	Pre-Audit Final, 9/6/22
Combined Revenue Surplus (Shortfall)	**($590,000)**
Combined Expenditure Savings (Overage)	**$2,540,000**
Combined Net Operating Surplus	**$1,950,000**

Prior Year Fund Balance Budgeted	**$2,638,455**
Net PY Fund Balance Used after Operating Savings	**$688,455**

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2022

Miscellaneous Plan of the Yolo County Transportation District (CalPERS ID: 6966686954)
Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool*" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	14.06%	$175,607
Projected Results		
2024-25	*14.1%*	*$165,000*

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary

Actuarial Valuation
as of June 30, 2021

for the
Miscellaneous Plan
of the
Yolo County Transportation District
(CalPERS ID: 6966686954)

Required Contributions
for Fiscal Year
July 1, 2023 - June 30, 2024

Table of Contents

Section 1

Plan Specific Information for the Miscellaneous Plan of the Yolo County Transportation District

(CalPERS ID: 6966686954)
(Rate Plan ID: 3247)

Table of Contents

Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Yolo County Transportation District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Yolo County Transportation District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the Miscellaneous Plan of the Yolo County Transportation District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Yolo County Transportation District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

Required Employer Contributions	Fiscal Year 2023-24
Employer Normal Cost Rate	**14.06%**
Plus	
Required Payment on Amortization Bases[1]	**$175,607**
Paid either as	
1) Monthly Payment	**$14,633.92**
Or	
2) Annual Prepayment Option*	**$169,925**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid* ***(which must be received in full no later than July 31)****.*

	Fiscal Year 2022-23	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	19.55%	21.30%
Surcharge for Class 1 Benefits[2]		
a) FAC 1	0.62%	0.72%
Phase out of Normal Cost Difference[3]	0.00%	0.00%
Plan's Total Normal Cost	20.17%	22.02%
Formula's Expected Employee Contribution Rate	7.96%	7.96%
Employer Normal Cost Rate	12.21%	14.06%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[3] The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is $175,607. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the “Amortization Schedule and Alternatives” section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
$52,237	$175,607	$0	$175,607	$227,844

Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP[1]	Total UAL Contribution	Estimated Total Contribution
5 years	$52,237	$175,607	$4,951	$180,558	$232,795

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	$5,373,014	$5,763,112
2. Entry Age Accrued Liability (AL)	4,816,970	5,317,493
3. Plan's Market Value of Assets (MVA)	3,403,747	4,363,688
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	1,413,223	953,805
5. Funded Ratio [(3) / (2)]	70.7%	82.1%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
Fiscal Year	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
	Rate Plan 3247 Results					
Normal Cost %	14.06%	14.1%	14.1%	14.1%	14.1%	14.1%
UAL Payment	$175,607	$165,000	$154,000	$144,000	$133,000	$133,000

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 3247. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	Fiscal Year 2022-23	Fiscal Year 2023-24
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	$892,757	$707,429
Estimated Employer Normal Cost	$93,833	$78,034
Required Payment on Amortization Bases	$142,162	$175,607
Estimated Total Employer Contributions	$235,995	$253,641
Estimated Total Employer Contribution Rate (illustrative only)	26.43%	35.85%

Cost

Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	$1,425,110
Transferred Members	610,628
Terminated Members	107,010
Members and Beneficiaries Receiving Payments	3,174,745
Total	$5,317,493

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$5,317,493
2.	Projected UAL balance at 6/30/2021	1,398,923
3.	Pool's Accrued Liability[1]	20,794,529,023
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/2021[1]	4,597,734,264
5.	Pool's 2020/21 Investment (Gain)/Loss[1]	(2,338,185,055)
6.	Pool's 2020/21 Non-Investment (Gain)/Loss[1]	(84,077,623)
7.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (2)] ÷ [(3) - (4)] × (5)	(565,689)
8.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (3) × (6)	(21,500)
9.	Plan's New (Gain)/Loss as of 6/30/2021: (7) + (8)	(587,189)
10.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	60,407,898
11.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (3) × (10)	15,447
12.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	495,172,731
13.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (3) × (12)	126,624
14.	Offset due to Funding Risk Mitigation	(131,634)
15.	Plan's Net Investment (Gain): (7) – (14)	(434,055)

[1] Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

16.	Plan's UAL: (2) + (9) + (11) + (13)	$953,805
17.	Plan's Share of Pool's MVA: (1) - (16)	$4,363,688

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Side Fund	2013 or Prior	No Ramp		2.80%	1	97,895	101,169	0	0	0	0
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	1	356,080	367,988	0	0	0	0
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	1	(3,589)	(3,709)	0	0	0	0
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	1	316,873	327,470	(1)	0	(1)	(1)
Assumption Change	6/30/14	100%	Up/Down	2.80%	1	193,156	199,615	0	0	0	0
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	1	(305,966)	(316,198)	0	0	0	0
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	1	361	373	0	0	0	0
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	1	200,357	207,057	0	0	0	0
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	1	(17,274)	(17,852)	0	0	0	0
Assumption Change	6/30/16	100%	Up/Down	2.80%	1	79,896	82,568	0	0	0	0
Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	1	246,570	254,816	(1)	0	(1)	(1)
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	1	(32,142)	(33,217)	0	0	0	0
Assumption Change	6/30/17	100%	Up/Down	2.80%	1	95,726	98,927	0	0	0	0
Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	1	(131,833)	(136,242)	0	0	0	0
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	1	(7,054)	(7,290)	0	0	0	0
Assumption Change	6/30/18	80%	Up/Down	2.80%	1	146,821	151,731	0	0	0	0
Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	1	(39,386)	(40,703)	0	0	0	0
Method Change	6/30/18	80%	Up/Down	2.80%	1	39,943	41,279	0	0	0	0
Non-Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	1	20,343	21,023	0	0	0	0
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	1	20,850	21,547	0	0	0	0

Schedule of Plan's Amortization Bases (Continued)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Investment (Gain)/Loss	6/30/19	60%	Up Only	0.00%	1	19,107	19,746	0	0	0	0
Fresh Start	6/30/20	No Ramp		0.00%	9	0	(1,321,146)	1,365,326	186,366	1,265,570	186,366
Investment (Gain)/Loss	6/30/20	40%	Up Only	0.00%	1	86,063	88,941	0	0	0	0
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	1	16,126	16,665	0	0	0	0
Assumption Change	6/30/21	No Ramp		0.00%	20	15,447	(2,596)	19,180	(2,669)	23,242	2,090
Net Investment (Gain)	6/30/21	20%	Up Only	0.00%	20	(434,055)	0	(463,571)	0	(495,094)	(10,642)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	20	(21,500)	0	(22,962)	0	(24,523)	(2,205)
Risk Mitigation	6/30/21	No Ramp		0.00%	1	126,624	(2,638)	137,961	(2,712)	150,145	155,166
Risk Mitigation Offset	6/30/21	No Ramp		0.00%	1	(131,634)	0	(140,585)	0	(150,145)	(155,166)
Total						**953,805**	**119,324**	**895,347**	**180,985**	**769,193**	**175,607**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternate Schedules			
			5 Year Amortization		0 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2023	769,193	175,607	769,193	180,558	N/A	N/A
6/30/2024	640,019	164,967	634,902	180,557		
6/30/2025	513,057	154,325	491,480	180,557		
6/30/2026	388,459	143,684	338,306	180,558		
6/30/2027	266,386	133,043	174,715	180,558		
6/30/2028	147,008	133,042				
6/30/2029	19,513	20,166				
6/30/2030						
6/30/2031						
6/30/2032						
6/30/2033						
6/30/2034						
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6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
Total		**924,834**		**902,788**		**N/A**
Interest Paid		**155,641**		**133,595**		**N/A**
Estimated Savings				**22,046**		**N/A**

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)	Additional Discretionary Payments
2016 - 17	10.069%	$64,963	N/A
2017 - 18	10.110%	73,412	N/A
2018 - 19	10.609%	85,508	N/A
2019 - 20	11.432%	98,629	0
2020 - 21	12.361%	109,461	0
2021 - 22	12.20%	124,558	
2022 - 23	12.21%	139,468	
2023 - 24	14.06%	175,607	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2012	$2,607,700	$1,693,361	$914,339	64.9%	$670,122
06/30/2013	2,889,691	2,015,230	874,461	69.7%	644,217
06/30/2014	3,460,809	2,662,737	798,072	76.9%	518,154
06/30/2015	3,679,569	2,759,059	920,510	75.0%	649,294
06/30/2016	3,821,780	2,668,133	1,153,647	69.8%	590,703
06/30/2017	4,172,651	3,040,168	1,132,483	72.9%	610,084
06/30/2018	4,424,292	3,145,955	1,278,337	71.1%	507,908
06/30/2019	4,719,021	3,395,956	1,323,065	72.0%	522,072
06/30/2020	4,816,970	3,403,747	1,413,223	70.7%	527,910
06/30/2021	5,317,493	4,363,688	953,805	82.1%	341,988

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	**Projected Employer Contributions**				
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
3.0% (5th percentile)					
Normal Cost Rate	14.1%	14.1%	14.1%	14.1%	14.1%
UAL Contribution	$169,000	$167,000	$169,000	$175,000	$196,000
10.8% (95th percentile)					
Normal Cost Rate	14.4%	14.6%	14.9%	15.2%	15.5%
UAL Contribution	$161,000	$143,000	$0	$0	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	**Required Employer Contributions**	**Projected Employer Contributions**
	2023-24	**2024-25**
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	14.06%	14.1%
UAL Contribution	$175,607	$191,000
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	14.06%	14.1%
UAL Contribution	$175,607	$178,000

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate disco unt rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	27.78%	22.02%	17.65%
b) Accrued Liability	$6,047,188	$5,317,493	$4,718,808
c) Market Value of Assets	$4,363,688	$4,363,688	$4,363,688
d) Unfunded Liability/(Surplus) [(b) - (c)]	$1,683,500	$953,805	$355,120
e) Funded Ratio	72.2%	82.1%	92.5%

Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	23.14%	22.02%	20.04%
b) Accrued Liability	$5,517,174	$5,317,493	$4,879,178
c) Market Value of Assets	$4,363,688	$4,363,688	$4,363,688
d) Unfunded Liability/(Surplus) [(b) - (c)]	$1,153,486	$953,805	$515,490
e) Funded Ratio	79.1%	82.1%	89.4%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	22.38%	22.02%	21.69%
b) Accrued Liability	$5,426,105	$5,317,493	$5,217,399
c) Market Value of Assets	$4,363,688	$4,363,688	$4,363,688
d) Unfunded Liability/(Surplus) [(b) - (c)]	$1,062,417	$953,805	$853,711
e) Funded Ratio	80.4%	82.1%	83.6%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	**June 30, 2020**	**June 30, 2021**
1. Retired Accrued Liability	$1,497,491	$3,174,745
2. Total Accrued Liability	4,816,970	5,317,493
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.31	0.60

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	**June 30, 2020**	**June 30, 2021**
1. Number of Actives	6	4
2. Number of Retirees	11	12
3. Support Ratio [(1) / (2)]	0.55	0.33

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	$3,403,747	$4,363,688
2. Payroll	527,910	341,988
3. Asset Volatility Ratio (AVR) [(1) / (2)]	6.4	12.8
4. Accrued Liability	$4,816,970	$5,317,493
5. Liability Volatility Ratio (LVR) [(4) / (2)]	9.1	15.5

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.37	0.70	5.0	6.8
06/30/2018	0.33	0.60	6.2	8.7
06/30/2019	0.32	0.55	6.5	9.0
06/30/2020	0.31	0.55	6.4	9.1
06/30/2021	0.60	0.33	12.8	15.5

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to seven months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] at 1.00%	Funded Ratio	Unfunded Termination Liability at 1.00%	Hypothetical Termination Liability[1,2] at 2.25%	Funded Ratio	Unfunded Termination Liability at 2.25%
$4,363,688	$11,959,982	36.5%	$7,596,294	$9,866,271	44.2%	$5,502,583

[1] The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

[2] The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

Participant Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
Active Members		
Counts	6	4
Average Attained Age	53.14	54.93
Average Entry Age to Rate Plan	36.64	39.65
Average Years of Credited Service	16.48	15.28
Average Annual Covered Pay	$87,985	$85,497
Annual Covered Payroll	$527,910	$341,988
Present Value of Future Payroll	$2,928,316	$2,111,308
Transferred Members	8	9
Separated Members	1	1
Retired Members and Beneficiaries		
Counts*	11	12
Average Annual Benefits*	$11,166	$19,849

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group					
Member Category	Misc	Misc	Misc	Misc	Misc	
Demographics						
Actives	No	Yes	No	No	No	
Transfers/Separated	Yes	Yes	No	Yes	No	
Receiving	Yes	Yes	Yes	Yes	Yes	
Benefit Provision						
Benefit Formula	2% @ 60	2.5% @ 55		2% @ 60		
Social Security Coverage	No	No		No		
Full/Modified	Full	Full		Full		
Employee Contribution Rate		8.00%				
Final Average Compensation Period	One Year	One Year		One Year		
Sick Leave Credit	Yes	Yes		Yes		
Non-Industrial Disability	Standard	Standard		Standard		
Industrial Disability	No	No		No		
Pre-Retirement Death Benefits						
Optional Settlement 2	Yes	Yes		Yes		
1959 Survivor Benefit Level	Level 3	Level 3		Level 3		
Special	No	No		No		
Alternate (firefighters)	No	No		No		
Post-Retirement Death Benefits						
Lump Sum	$500	$500	$500	$500	$500	
Survivor Allowance (PRSA)	No	No	No	No	No	
COLA	2%	2%	2%	2%	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

CalPERS

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2022

PEPRA Miscellaneous Plan of the Yolo County Transportation District (CalPERS ID: 6966686954)
Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	7.68%	$0	7.75%
Projected Results			
2024-25	*7.7%*	*$0*	*TBD*

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary

Actuarial Valuation as of June 30, 2021

for the PEPRA Miscellaneous Plan of the Yolo County Transportation District

(CalPERS ID: 6966686954)

Required Contributions for Fiscal Year July 1, 2023 - June 30, 2024

Table of Contents

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Yolo County Transportation District

(CalPERS ID: 6966686954)
(Rate Plan ID: 27234)

Table of Contents

Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Yolo County Transportation District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Yolo County Transportation District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the PEPRA Miscellaneous Plan of the Yolo County Transportation District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Yolo County Transportation District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

Required Employer Contributions	Fiscal Year 2023-24
Employer Normal Cost Rate	**7.68%**
Plus	
Required Payment on Amortization Bases[1]	**$0**
Paid either as	
1) Monthly Payment	**$0.00**
Or	
2) Annual Prepayment Option*	**$0**
Required PEPRA Member Contribution Rate	**7.75%**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid* ***(which must be received in full no later than July 31)****.*

For additional detail regarding the determination of the required PEPRA member contribution rate see section on PEPRA Member Contribution Rates.

	Fiscal Year 2022-23	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	14.22%	15.43%
Surcharge for Class 1 Benefits[2]		
None	0.00%	0.00%
Phase out of Normal Cost Difference[3]	0.00%	0.00%
Plan's Total Normal Cost	14.22%	15.43%
Plan's Employee Contribution Rate	6.75%	7.75%
Employer Normal Cost Rate	7.47%	7.68%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[3] The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is $0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
$25,797	$0	$0	$0	$25,797

Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP[1]	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	$658,589	$845,018
2. Entry Age Accrued Liability (AL)	147,070	229,558
3. Plan's Market Value of Assets (MVA)	131,770	241,539
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	15,300	(11,981)
5. Funded Ratio [(3) / (2)]	89.6%	105.2%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
Fiscal Year	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
	Rate Plan 27234 Results					
Normal Cost %	7.68%	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Payment	$0	$0	$0	$0	$0	$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 27234. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	Fiscal Year 2022-23	Fiscal Year 2023-24
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	$892,757	$707,429
Estimated Employer Normal Cost	$93,833	$78,034
Required Payment on Amortization Bases	$142,162	$175,607
Estimated Total Employer Contributions	$235,995	$253,641
Estimated Total Employer Contribution Rate (illustrative only)	26.43%	35.85%

Cost

Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	$193,570
Transferred Members	25,914
Terminated Members	10,074
Members and Beneficiaries Receiving Payments	0
Total	$229,558

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$229,558
2.	Projected UAL balance at 6/30/2021	13,941
3.	Pool's Accrued Liability[1]	20,794,529,023
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/2021[1]	4,597,734,264
5.	Pool's 2020/21 Investment (Gain)/Loss[1]	(2,338,185,055)
6.	Pool's 2020/21 Non-Investment (Gain)/Loss[1]	(84,077,623)
7.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (2)] ÷ [(3) - (4)] × (5)	(31,127)
8.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (3) × (6)	(928)
9.	Plan's New (Gain)/Loss as of 6/30/2021: (7) + (8)	(32,055)
10.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	60,407,898
11.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (3) × (10)	667
12.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	495,172,731
13.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (3) × (12)	5,466
14.	Offset due to Funding Risk Mitigation	(9,995)
15.	Plan's Net Investment (Gain): (7) – (14)	(21,132)

[1] Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

16.	Plan's UAL: (2) + (9) + (11) + (13)	($11,981)
17.	Plan's Share of Pool's MVA: (1) - (16)	$241,539

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	(11,981)	(2,247)	(10,474)	(2,171)	(8,943)	0
Total						**(11,981)**	**(2,247)**	**(10,474)**	**(2,171)**	**(8,943)**	**0**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternate Schedules			
			N/A Year Amortization		N/A Year Amortization	
Date	Balance	Payment	Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
6/30/2027						
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6/30/2029						
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6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
Total		**N/A**		**N/A**		**N/A**
Interest Paid		**N/A**		**N/A**		**N/A**
Estimated Savings				**N/A**		**N/A**

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)	Additional Discretionary Payments
2017 - 18	6.533%	$83	N/A
2018 - 19	6.842%	687	N/A
2019 - 20	6.985%	1,054	0
2020 - 21	7.732%	2,350	0
2021 - 22	7.59%	2,485	
2022 - 23	7.47%	2,694	
2023 - 24	7.68%	0	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	$6,537	$6,220	$317	95.2%	$92,418
06/30/2016	5,889	5,133	756	87.2%	175,788
06/30/2017	34,325	33,323	1,002	97.1%	212,229
06/30/2018	77,087	71,484	5,603	92.7%	252,813
06/30/2019	137,534	127,442	10,092	92.7%	348,136
06/30/2020	147,070	131,770	15,300	89.6%	295,067
06/30/2021	229,558	241,539	(11,981)	105.2%	309,196

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
3.0% (5th percentile)					
Normal Cost Rate	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Contribution	$20	$270	$760	$1,500	$2,500
10.8% (95th percentile)					
Normal Cost Rate	7.9%	8.1%	8.3%	8.5%	8.7%
UAL Contribution	$0	$0	$0	$0	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	**2024-25**
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	7.68%	7.7%
UAL Contribution	$0	$1,200
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	7.68%	7.7%
UAL Contribution	$0	$510

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate disco unt rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	19.32%	15.43%	12.47%
b) Accrued Liability	$294,243	$229,558	$180,873
c) Market Value of Assets	$241,539	$241,539	$241,539
d) Unfunded Liability/(Surplus) [(b) - (c)]	$52,704	($11,981)	($60,666)
e) Funded Ratio	82.1%	105.2%	133.5%

Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.27%	15.43%	14.03%
b) Accrued Liability	$242,061	$229,558	$207,980
c) Market Value of Assets	$241,539	$241,539	$241,539
d) Unfunded Liability/(Surplus) [(b) - (c)]	$522	($11,981)	($33,559)
e) Funded Ratio	99.8%	105.2%	116.1%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.71%	15.43%	15.18%
b) Accrued Liability	$233,276	$229,558	$226,115
c) Market Value of Assets	$241,539	$241,539	$241,539
d) Unfunded Liability/(Surplus) [(b) - (c)]	($8,263)	($11,981)	($15,424)
e) Funded Ratio	103.5%	105.2%	106.8%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	**June 30, 2020**	**June 30, 2021**
1. Retired Accrued Liability	$0	$0
2. Total Accrued Liability	147,070	229,558
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	**June 30, 2020**	**June 30, 2021**
1. Number of Actives	4	4
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	$131,770	$241,539
2. Payroll	295,067	309,196
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.4	0.8
4. Accrued Liability	$147,070	$229,558
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.5	0.7

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.2	0.2
06/30/2018	0.00	N/A	0.3	0.3
06/30/2019	0.00	N/A	0.4	0.4
06/30/2020	0.00	N/A	0.4	0.5
06/30/2021	0.00	N/A	0.8	0.7

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to seven months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] at 1.00%	Funded Ratio	Unfunded Termination Liability at 1.00%	Hypothetical Termination Liability[1,2] at 2.25%	Funded Ratio	Unfunded Termination Liability at 2.25%
$241,539	$669,698	36.1%	$428,159	$431,937	55.9%	$190,398

[1] The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

[2] The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

Participant Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
Active Members		
Counts	4	4
Average Attained Age	35.43	36.43
Average Entry Age to Rate Plan	32.51	32.51
Average Years of Credited Service	2.90	3.91
Average Annual Covered Pay	$73,767	$77,299
Annual Covered Payroll	$295,067	$309,196
Present Value of Future Payroll	$3,732,171	$4,041,310
Transferred Members	4	3
Separated Members	1	2
Retired Members and Beneficiaries		
Counts*	0	0
Average Annual Benefits*	$0	$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	6.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 3	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions, and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2023, based on 50% of the total normal cost rate as of the June 30, 2021 valuation.

		Basis for Current Rate		Rates Effective July 1, 2023			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
27234	Miscellaneous PEPRA Level	13.735%	6.75%	15.43%	1.695%	Yes	7.75%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

BOARD COMMUNICATION: **YOLO COUNTY TRANSPORTATION DISTRICT**
350 Industrial Way, Woodland, CA 95776---- (530) 661-0816

Topic: Microtransit Update and First Amendment to the Fiscal Year (FY) 2023 Capital Budget	**Agenda Item#:**	**6**
	Agenda Type:	**Action**
		Attachments: Yes No
Prepared By: K. Mazur		**Meeting Date: September 12, 2022**

RECOMMENDATION:

Receive an update on Microtransit and Adopt Resolution No. 2022-14, approving Amendment 1 to the Fiscal Year (FY) 2023 Capital Budget.

BACKGROUND:

YCTD currently operates microtransit service in Knights Landing (with connections to Woodland) and Winters (with connections to Davis and Vacaville). In early 2023, YCTD plans to replace select fixed route services in the City of Woodland with intracity microtransit service and to enhance the microtransit technology it uses in all microtransit service areas. To prepare for these microtransit service expansions and enhancements, staff has procured a new microtransit technology platform and is going to procure small transit vehicles to use in the microtransit service.

Technology platform and service update

At the July YCTD Board meeting, the Board authorized the Executive Director to execute a contract with RideCo US, Inc. for a Microtransit Technology Platform. In the fall, staff will work with RideCo, the City of Woodland, key stakeholders and the public to finalize the plans for the new Woodland microtransit service (e.g., fares, hours of service, fixed route transfer points). Per the YoloGo recommendations, in coordination with this microtransit planning effort, staff will also be evaluating whether to modify the schedule or alignment of the remaining local fixed route services in Woodland (Routes 211, 212) to better complement the new microtransit service.

Vehicles update and FY 2023 Capital Budget Amendment

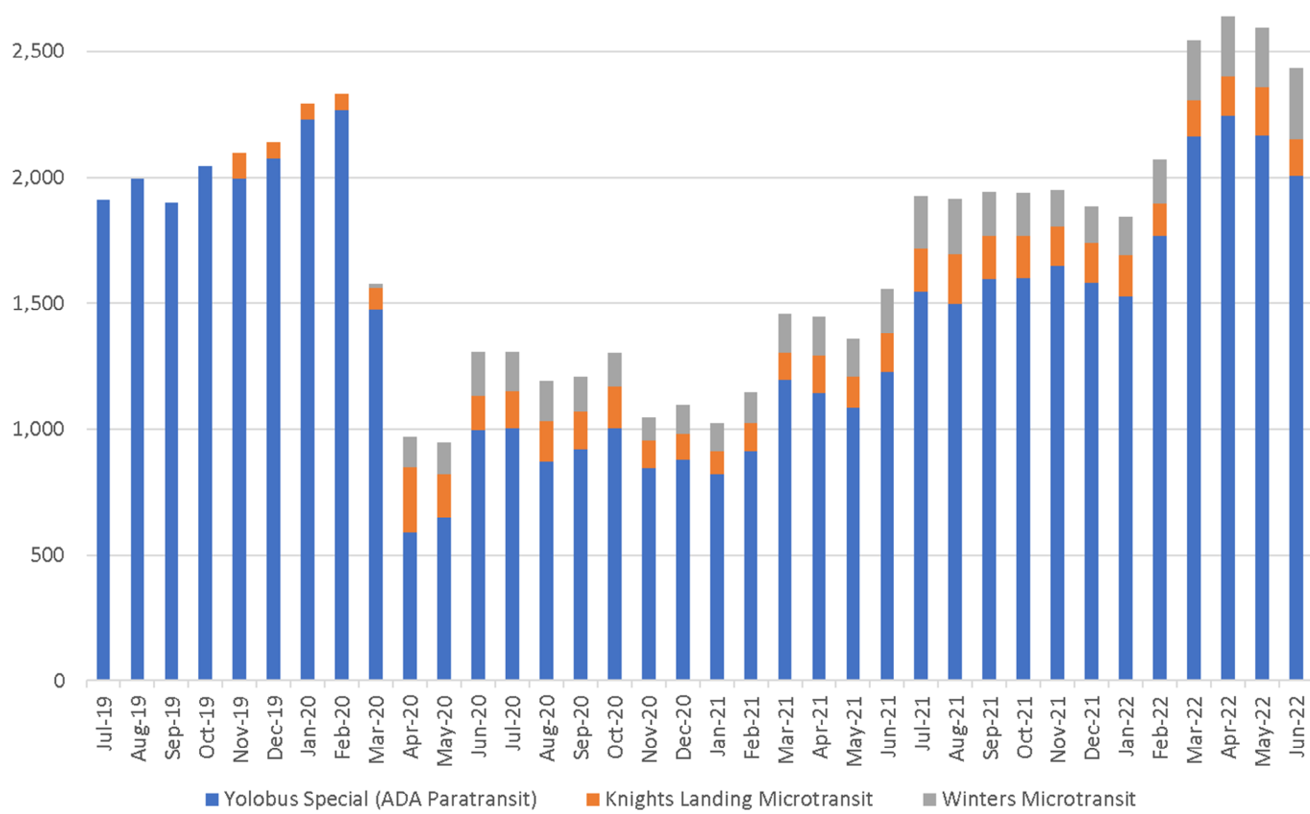
At the July meeting, staff also updated the Board on the microtransit vehicle procurement, including the potential need to purchase a mix of both wheelchair accessible vehicles (WAVs) and non-wheelchair accessible vehicles (non-WAVs) for the microtransit fleet due to supply chain issues and vehicle shortages. The Board was supportive of the mixed fleet concept, and was also supportive of staff's request to explore various fuel types (battery electric, gasoline) in an effort to find the most readily-available vehicles. Staff's recommendation in July was to explore options use the $560,000 in the FY23 Capital Budget for microtransit vehicles to purchase 4 to 8 non-WAV vans and minivans, and potentially 1-2 WAV minivans.

Over the past two months staff has been researching which vehicle and fuel types are eligible for various funding sources, and which of those vehicles are available on an expedited timeline (aiming for a December 2022 delivery and a potential January 2023 service launch). While conducting this research, we learned that the vehicle availability issues are even more challenging than we had understood in July. We therefore decided to evaluate whether we should be purchasing any additional demand response vehicles as part of this procurement, so that they will be available to support our existing ADA paratransit ("Yolobus Special") service and/or our existing YOUR Ride microtransit service in Winters and Knights Landing.

For the reasons listed below, staff recommends that the Board amend the FY 2023 Capital Budget to broaden the scope of the vehicle procurement to include both ADA Paratransit ("Yolobus Special") and microtransit vehicles—which can be used flexibly on either service as needed—and to increase the budget for demand response vehicles from $560,000 to $1.3 million.

- Ridership on YCTD's existing demand response services, including the ADA paratransit ("Yolobus Special") and the Knights Landing and Winters microtransit services, is at record high levels, exceeding pre-COVID ridership. See Figure 1 for YCTD's FY 2020 to FY2022 demand response ridership.
- YCTD currently has 12 demand response vehicles in its fleet, with an average age of 6 years and an average mileage of 182,000 miles. The expected useful life of a vehicle of this size is seven years or 200,000 miles. Two thirds of the vehicles already exceed the 200,000 mile useful life benchmark.
- When 100% of YCTD's demand response vehicles are in service, there is only one spare vehicle. If two vehicles are out of service at the same time, demand response service is adversely impacted. Given COVID-related supply chain issues, operating with such a small spare ratio leaves us vulnerable to service impacts related to parts shortages and availability.
- Recently, we had several demand-response vehicles out of service simultaneously, which led to some passengers having longer wait times.
- We are now in the process of converting a YCTD staff vehicle (non-WAV passenger van) into a demand response vehicle for microtransit trips.

Figure 1. YCTD Monthly Demand Response Ridership
(ADA Paratransit + Microtransit) FY20 to FY22



By increasing the capital budget from $560,000 to $1.3 million, we will be able to purchase 8+ demand response vehicles and all associated equipment (fareboxes, DVRs, routers, etc.) instead of just the 4 microtransit vehicles included in the original budget. The revenues originally identified for the microtransit vehicle purchase were FTA Section 5307 Urbanized Area funds ($448,000) and Fund Balance/State Transit Assistance (STA) funds ($112,000). With this amendment, staff recommends using the following fund sources to pay for the $740,000 budget increase:

$592,000 FFY 2018 Section 5307 Urbanized Area funds (80% federal share)
<u>$148,000 Non-Federal Capital Reserves (from ~$870,000 YCTD capital reserves on hand)</u>
$740,000 Total

In September and October, staff will make final decisions about the vehicle make/model in consultation with City of Woodland staff, and will issue Purchase Orders for the selected vehicles.

RESOLUTION NO. 2022-14

APPROVING THE FIRST AMENDMENT TO THE FISCAL YEAR (FY) 2023 CAPITAL BUDGET

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE YOLO COUNTY TRANSPORTATION DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the First Amendment to the Fiscal Year 2023 Capital Budget, as set out in Exhibit A.

Adopted at a regular meeting of the Board of Directors at Woodland, CA, this 12th day of September, 2022.

Signed: ________________________________

Chair of the Board

Attest: ________________________________

Clerk to the Board

Exhibit A: Summary of FY23 Capital Budget Amendment 1

Project No.	Project Name	FY 2023 Budget Amount Original Amount	FY 2023 Budget After Amendment 1
MT-1	Microtransit Vehicle Fleet Expansion (4 Vehicles) for Woodland Microtransit Services	$560,000	$0
DR-1	Demand Response Fleet Expansion (8+ vehicles and equipment) for Microtransit and ADA Paratransit (“Yolobus Special”)	N/A (not in budget)	$1,300,000