

SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING – NOTICE AND AGENDA  
9:00 A.M. ON THURSDAY, JUNE 6, 2024

The Finance and Audit Committee of the San Joaquin Regional Transit District (RTD) will hold a special meeting at 9:00 A.M., on Thursday, June 6, 2024, in the Boardroom of RTD's Downtown Transit Center, 421 East Weber Avenue, Stockton, California. Chair Michael Restuccia will attend the meeting via videoconference at 259 N. Wilma Avenue, Ripon, California 95366. Please visit <https://sanjoaquinrtd.com/board-of-directors/board-standing-committees> for an electronic copy of this document.

ACCESSIBLE PUBLIC MEETINGS: RTD is committed to ensuring that all meetings are accessible regardless of an individual's ability or access method. RTD will make all reasonable accommodations for persons with disabilities to participate in this meeting. Upon request to the Chief Executive Office, RTD will provide agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number, and a brief description of the requested materials, preferred alternative format, auxiliary aid, or service, before the meeting. Requests should be sent to RTD by mail at 421 East Weber Avenue, Stockton, CA 95202, by phone at (209) 467-6613, by fax at (209) 948-8516, or by e-mail to [BoardSupport@sjRTD.com](mailto:BoardSupport@sjRTD.com).

The RTD Committee members may take action on each item on the agenda. The action may consist of the recommended action, a related action, or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

*For language assistance, interpreter services, please contact (209) 943-1111. Para información en Español, por favor llame al (209) 943-1111.*

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. ROLL CALL
4. PUBLIC COMMENTS

All public comments shall be limited to no more than THREE MINUTES. In addition, applause, loud noises, or any other outbursts or disruptions from the audience are not allowed during or after public comment. At the presiding officer's discretion, those who violate this protocol may be removed from the meeting.

5. DISCUSSION ITEM

- A. SJRTD PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB)  
DISCRETIONARY SUPPLEMENTAL PAYMENTS
  
- 6. QUESTIONS AND COMMENTS FROM DIRECTORS AND/OR STAFF
  
- 7. ADJOURNMENT

DATE POSTED: JUNE 4, 2024



**LEAD STAFF: Robert Kyle, CFO**

**I. RECOMMENDED ACTION:**

Staff recommends the Board of Directors approve the use of the one-time discretionary contribution made by San Joaquin Regional Transit District (SJRTD) of approximately \$6m during 2021 to be included in the calculation for both Pensions (Defined Benefit [DB] and the Other Post Employment Benefits [OPEB]) withholding calculations.

**II. SUMMARY**

- During June 2021, a onetime discretionary contribution was made by SJRTD to the Pension (approximately \$3.3m to the Health Pension and approximately \$2.7m to the Retirement Pension) with the intent of paying down a portion of the Unfunded Actuarial Amortization Liability (UAAL).
- The \$6m one-time discretionary contribution was temporarily excluded from the withholding calculation for both SJRTD and employees three years ago with the intent of higher contribution rates resulting in a quicker payoff of the UAAL.
- This was a one-time contribution by SJRTD without any expectation for a corresponding match by the employees in either pension.
- The impact of this change alone will reduce employee combined pension contribution rates of approximately 3%.

**III. DISCUSSION/BACKGROUND**

Staff is aware there is significant concern by the employees about the magnitude of the pension contribution amounts withheld from wages and is making every effort to reduce the contribution percentage to be more competitive with other public agency rates. Current year combined pension contribution rates are around 22% for RTD's employees. The impact of this particular change would reduce the rate by around 3%. Staff has also learned that almost all public pensions do have an UAAL so strategically, and realistically, it may not be practical to plan on paying off the UAAL as the contribution rates would increase steadily over the next 14 years making it financially difficult for our employees to continue with ever higher rates.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This recommendation aligns with the Board's Strategic Priorities 1, 3, and 4.

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

**V. FINANCIAL CONSIDERATIONS/IMPACT**

There is no related cost to either SJRTD or the employees by adopting this recommendation.

**VI. CHANGES FROM COMMITTEE**

- N/A

**VII. ALTERNATIVES CONSIDERED**

- N/A

**VIII. ATTACHMENTS**

Attachment A: Resolution Dated June 18, 2021

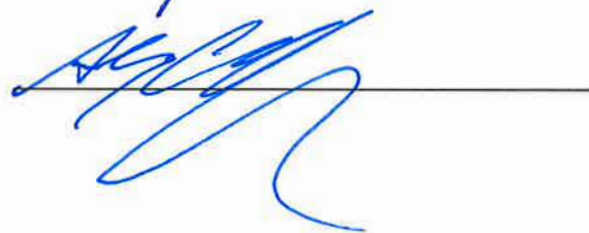
Prepared by: **Robert Kyle, CFO**

**IX. APPROVALS**

Financial Impact Approved:  
Robert Kyle, CFO



Alex Clifford, CEO



Attachment A  
Cover Page

RESOLUTION NO. 5992  
DATED JUNE 18, 2021

RESOLUTION AUTHORIZING ADDITIONAL CONTRIBUTIONS TO THE DEFINED BENEFIT PLAN

WHEREAS, RTD offers a defined benefit plan for union employees and the remaining 12 non-represented employees who were vested into the plan before it closed to non-represented employees on January 1, 2017; and

WHEREAS, the defined benefit plan fund is composed of the pension fund and the medical benefits fund, officially called Other Post-Employment Benefits, or OPEB, in short; and

WHEREAS, based on the revised valuation report of Bartel Associates, LLC (plan's actuary) as of July 1, 2020, the pension fund is 59.5% funded and OPEB is 53.4% funded; and

WHEREAS, RTD's projected year-end financial position is favorable and presents an opportunity to help the plan and provide a nominal decrease in employee contribution through additional contributions.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Directors of San Joaquin RTD hereby:

- 1) Approve RTD contribution to other post- employment benefits (OPEB) plan for \$3,307,000.
- 2) Approve RTD contribution to the defined benefit pension plan for \$2,733,000.
- 3) Shift RTD's contribution from OPEB to pension for FY 22, 23, and 24.
- 4) Split employee contribution to OPEB between pension and employee for FY 22, 23, and 24.

Gloria G. Salazar, the duly appointed, qualified, and acting Secretary of the San Joaquin Regional Transit District, does hereby certify that the foregoing is true and exact copy of the Resolution passed and adopted at a regular meeting of the Board of Directors of said District held on June 18, 2021.

DATED: June 18, 2021

  
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GLORIA G. SALAZAR, SECRETARY