

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/9/2022

Staff Report No. 22-585

TO: AC Transit Board of Directors
FROM: Linda A. Nemeroff, Board Administrative Officer/District Secretary
SUBJECT: Appointments to the AC Transit Retirement Board

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 22-044 reappointing Jeffrey Lewis and Davis Reimer as the two public members to the AC Transit Retirement Board and Chief Financial Officer Chris Andrichak as the non-ATU member on the Retirement Board each for a two-year term expiring on March 31, 2025, or provide direction to staff on how to proceed with making appointments.

Staff Contact:
Linda A. Nemeroff, Board Administrative Officer/District Secretary

STRATEGIC IMPORTANCE:

There is no strategic importance associated with this report.

BUDGETARY/FISCAL IMPACT:

There is no budgetary/fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Ordinance 10 (Attachment 2) sets forth the parameters for making appointments to the five-member AC Transit Retirement Board. It specifies that two members shall be selected by the District's Board of Directors (Board) based on criteria established by the Board, and one member shall be selected by the Board from employees who are not represented by ATU, Local 192. These members serve a two-year term. The two remaining members of the Retirement Board are elected officers of ATU, Local 192.

On November 12, 2020, the Board adopted Resolution No. 20-054 reappointing Jeffrey Lewis and Davis Reimer for a two-year term as the two public members on the Retirement Board commencing on April 1, 2021; and the interim appointment of then Acting Chief Deputy Financial Officer Chris Andrichak to fill an unexpired term as the non-ATU member on the Retirement Board. On March 13, 2021, Mr. Andrichak, who was promoted to Chief Financial Officer, was appointed to a full two-year term commencing on April 1, 2021.

Even though the terms of the two public members and one non-ATU member do not expire until March 31, 2023, staff recommends that the Board consider their reappointment to the Retirement Board at this time.

Staff believes that it is in the best interest of both the Retirement Board and the District to make these reappointments now to ensure continuity on the Retirement Board, especially in light of the upcoming retirement of the current Retirement System Administrator.

Should the Board wish to reappoint the three existing members, Resolution No. 22-044 is provided in Attachment 1 for the Board's consideration. If the Board gives direction to recruit for one or more of the positions, the District Secretary will return to the Board in December with a report outlining the process and timeline.

ADVANTAGES/DISADVANTAGES:

The advantage of reappointing the existing members is to maintain continuity on the Retirement Board. A knowledgeable, responsible and steady Retirement Board is an asset to the beneficiaries of the Retirement Plan and the District. There are no notable disadvantages.

ALTERNATIVES ANALYSIS:

The District Board could consider replacing one or more members of the Retirement Board; however, staff does not recommend this in light of current investment turmoil brought on by inflation, possible recession, and global affairs which require the skill and expertise of an experienced Retirement Board to navigate. In addition, it would be very difficult to replace the many years of financial and investment expertise the current members possess, as well as their extensive knowledge of the inter-workings of the Retirement Board and its interaction with the District

PRIOR RELEVANT BOARD ACTION/POLICIES:

Ordinance 10

ATTACHMENTS:

1. Resolution No. 22-044
2. Ordinance 10

Prepared by:

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Approved/Reviewed by:

Linda A. Nemeroff, Board Administrative Officer/District Secretary
Jill A. Sprague, General Counsel/Chief Legal Officer
Michael A. Hursh, General Manager/Chief Executive Officer