

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 10/8/2025

Staff Report No. 25-373

TO: AC Transit Board of Directors
FROM: Linda A. Nemeroff, Board Administrative Officer/District Secretary
SUBJECT: Board Policy 125

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider review of Board Policy 125 - Health and Welfare Benefits for Retired Elected Officials and consider the adoption of Resolution No. 25-035 terminating health and welfare benefits for retired elected officials, excluding those already receiving benefits, and amending Board Policy No. 138 accordingly.

Staff Contact:

Linda A. Nemeroff, Board Administrative Officer/District Secretary
Aimee L. Steele, General Counsel/Chief Legal Officer

STRATEGIC IMPORTANCE:

There is no strategic importance associated with this report.

BUDGETARY/FISCAL IMPACT:

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

BACKGROUND/RATIONALE:

Board Policy 125 governs the provision of health and welfare benefits provided to retired members of the Board of Directors. It was originally established by Board Resolution 612 on November 26, 1985, and amended by Resolution 2022 on October 11, 2001. The most recent amendment occurred in 2014, which brought the policy into compliance with Government Code section 53201 which specifies that any Director elected after January 1, 1995, must pay the full cost of their health and welfare insurance premiums after retiring from District service.

Board Policy 125 is authorized under Government Code section 53201 et seq. and Public Utilities Code section 99157. The Government Code outlines eligibility and payment responsibilities for retiree health benefits, while the Public Utilities Code limits the level of benefits for retired Directors to those provided to full-time District employees. The District may impose additional conditions on eligibility for these benefits, provided they do not conflict with these legal requirements.

Under Government Code section 53201, the District may offer health and welfare benefits to retired Directors

who meet specific service length and age requirements. However, Directors elected after January 1, 1995, are required to cover the full cost of these benefits themselves.

Currently, two former Directors elected before January 1, 1995, continue to receive District-paid health and welfare benefits in accordance with Board Policy 125 and the laws applicable at the time of their service.

Although staff is not recommending this action, the Board may choose to discontinue health and welfare benefits for retired elected officials moving forward. Currently, only two former Board members-those elected prior to 1995-are receiving these benefits. If the Board determines that it is necessary, appropriate, and fiscally responsible, it may amend Board Policy No. 138 to fully eliminate these benefits for all future retired elected officials, while preserving them for those already receiving them.

Staff recommends that the Board receive this review of Board Policy No. 125. If the Board decides to discontinue health and welfare benefits for future retired elected officials, Resolution No. 25-035 is attached to implement that action.

ADVANTAGES/DISADVANTAGES:

The advantage of reviewing this policy ensures that it is up to date and compliant with applicable laws. There are no disadvantages associated with this report.

ALTERNATIVES ANALYSIS:

Staff has presented all available options for the Board's consideration. While staff initially considered not proposing any changes, the nature of this policy-specifically that it directly affects Board members-warranted bringing forward additional actions for consideration. Under Government Code section 53201, the Board has the discretion to determine whether to offer health and welfare benefits to retired elected officials, including the option to discontinue such benefits in the future.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 13-289a - Resolution 14-004 amending Board Policy 125

ATTACHMENTS:

1. Resolution No. 25-035
2. Board Policy 125
3. Text of Government Code Section 53201

Prepared by:

Linda A. Nemeroff, Board Administrative Officer/District Secretary

Approved/Reviewed by:

Linda A. Nemeroff, Board Administrative Officer/District Secretary

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer