

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 9/24/2025

Staff Report No. 25-489

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Board Policy 226 - Relocation Policy

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider approving amendments to Board Policy 226 - Relocation Policy.

Staff Contact:
James Arcellana, Interim Executive Director of Human Resources

STRATEGIC IMPORTANCE:

Goal - High-Performing Workforce
Initiative - Employee Recruitment, Training and Retention

Board Policy 226 supports the District's strategic goal of cultivating a high-performing workforce by enabling the District to offer relocation assistance for key management-level roles that require competitive recruitment beyond the local region. The policy ensures such employment offers are extended equitably, with clear guidelines on allowable reimbursable expenses, financial caps, and required supporting documentation for approved expenses.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report. Budgetary impact will only occur if and when the relocation policy is utilized.

BACKGROUND/RATIONALE:

Board Policy 226 - Relocation Policy was originally adopted to provide authority to the General Manager to authorize reimbursement for qualified relocation expenses as part of recruiting for specified management level and above positions.

Staff recommends amending the policy to clarify allowable reimbursements, remove references to an IRS document that is no longer relevant, increase the time an applicant must remain with the District in order to be exempt from a repayment obligation, add a requirement to provide multiple quotes if seeking reimbursement for professional moving services, and increase the reimbursement amount that is within General Manager authority.

The most significant recommended change is the increase in authority delegated to the General Manager. The increase in delegated authority from \$10,000 to \$30,000 is recommended to improve the District's ability to remain competitive in high value recruitments. The \$10,000 cap was established nearly a decade ago when the Policy was first created and has never been increased. Staff chose an increase from \$10,000 to \$30,000 after conducting a review of what other public agencies in California offer for relocation reimbursements as well as a review of the Federal government's relocation reimbursement standards.

Staff looked at other government agencies in California to see what their relocation policies allow for. Some agencies, such as SFMTA, Golden Gate Transit and EBMUD do not have relocation reimbursement policies and only one agency reviewed has a reimbursement policy at or less than the District's current \$10,000 limit (VTA's limit is set at \$9,000).

Meanwhile, a number of agencies have established a practice or policy of offering more than the District's current \$10,000 limit. LA Metro has a \$15,000 relocation reimbursement limit. The Orange County Transportation Authority has set a limit of \$35,000 for its relocation reimbursement. BART, Riverside Transit and the Port of Oakland do not have set limits for relocation reimbursement and approach their relocation reimbursements on a case-by-case basis. Both BART and the Port of Oakland approved a \$25,000 reimbursement allowance in their most recent action on the topic.

In BART's case, the BART Board of Directors approved the \$25,000 for their District Secretary position. This amount was approved for the recruitment prior to a candidate being selected.

For the Port of Oakland, relocation reimbursements are approved by the Executive Director and does not require Board Authority. The \$25,000 relocation reimbursement noted above was for a Senior Manager position with a candidate that was moving from Southern California.

Much like the District's current relocation reimbursement limit, staff does not believe the limits set by LA Metro or VTA are high enough to account for the costs of a major move. Additionally, staff believes that having limits this low act as a disadvantage to the recruiting process. High value candidates being recruited from out of state are often targeted by multiple agencies and the ability to offer a competitive relocation reimbursement will help the District ensure it is able to attract the best candidates possible.

When looking at the other comparators, Orange County Transportation Authority is at one end of the spectrum with \$35,000 and BART and the Port of Oakland are at the other end at \$25,000. After careful consideration of the research conducted, staff felt that establishing a maximum reimbursable amount at \$30,000 was reasonable for the District. This number makes the District competitive with other California agencies without jumping to the top of the spectrum.

Similarly, raising the cap to \$30,000 would align the District with Federal standards. The high end of the reimbursement limit is intended for the most costly relocations, such as cross-country moves for families. For a cross country move, the GSA reimburses \$241.62 per 100 pounds moved for moves in excess of 2,500 miles. According to staff research most moving companies estimate that a 3-bedroom home typically moves between 8,000-12,000 pounds. Using a conservative estimate of 8,000 pounds would result in a reimbursement of \$19,329.60. The Federal government also provides reimbursement for a number of costs

associated with the purchase of a new home as the result of a relocation, meaning that the total reimbursement amount would total more than \$19,329.60. While the District does not reimburse for costs associated with the purchase of a new home, it does reimburse for other expenses on top of the cost to move household goods, such as moving a personal car and the cost for the employee and their family to travel themselves.

By increasing the limit in Board Policy 226 to \$30,000, the Board would be giving the General Manager the flexibility to be competitive in negotiations with high value candidates who are located out of state. This would be a major advantage in achieving the District's strategic goal of maintaining a high performing workforce and ensuring that the District is able to attract and hire the best candidates.

Below is a summary of the proposed amendments:

SECTION III(A) - LIMITATIONS

The list of non-reimbursable items has been expanded and the language has been refined to specify that the list is not exhaustive.

SECTION III(B) - FINANCIAL CAP

The amendments to this section remove outdated language referencing an IRS document that is no longer relevant and increases the General Manager's authority to approve relocation expenses from \$10,000 to \$30,000, requiring Board approval for reimbursing expenses over \$30,000.

The amendment to the section also increases the time an applicant must remain with the District before being relieved of a repayment obligation. Under the old version of the Policy, anyone receiving relocation reimbursement would be required to re-pay any reimbursement they received if they voluntarily depart from the District within 12 months of being hired. Now, applicants would be required to re-pay any reimbursement they received if they voluntarily depart from the district within 24 months of being hired.

Clarification has been added to note that reimbursements are taxable income and that the District does not offer "gross up" or "top up" payments to cover what the employee will be responsible for paying in taxes.

Finally, the reference to IRS Publication 521 has been removed. This publication discusses tax exemptions that are no longer applicable, unless the reimbursement expenses are to compensate military members who are relocating for military purposes.

SECTION III(C) - REIMBURSABLE EXPENSES (*New Section*)

This section was added to provide a list of common, acceptable reimbursement expenses. In order to create the list, staff reviewed tax law for military personnel relocation reimbursements and policies from peer transit agencies. The list closely matches those reimbursements that would have been acceptable under the previous policy but does include one significant change. The list now notes that reimbursements for professional moving services will now require the employee seeking reimbursement to supply three separate quotes.

ADVANTAGES/DISADVANTAGES:

These amendments provide clarity, remove outdated references (IRS Publication 521), align the financial cap with the current financial climate, and provide more concrete guidance on allowable and non-allowable relocation expenses.

There are no identified disadvantages to approving the amendments to the Policy.

ALTERNATIVES ANALYSIS:

Staff considered retaining the current policy language; however, the existing Policy includes reference to a no longer relevant IRS document, a cap that is not consistent with the current financial environment, and required users to seek guidance on reimbursable expenses from outside documents. The proposed revisions are intended to address those gaps and ensure consistent application across departments.

PRIOR RELEVANT BOARD ACTION/POLICIES:

There are no reportable relevant Board actions or amendments since the policy adoption in 2016.

ATTACHMENTS:

1. Board Policy 226 - Relocation Policy

Prepared by:

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Approved/Reviewed by:

James Arcellana, Interim Executive Director of Human Resources

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer