

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/11/2025

Staff Report No. 25-336

TO: AC Transit Board of Directors
FROM: Linda A. Nemeroff, Board Administrative Officer/District Secretary
SUBJECT: Board Policy 120

BRIEFING ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider receiving a review of Board Policy 120, Annuity Benefits for Elected Officials with no recommended amendments.

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 or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Board Policy 120 is comprised of Resolution Nos. 633 and 654 and concerns the topic of providing annuity benefits to Board members.

On November 12, 1986, the Board of Directors adopted Resolution No. 633 directing the General Manager to purchase appropriate annuity contracts to provide the Board of Directors with annuity benefits. The annuity commencement date was November 1, 1986, had a maximum monthly benefit of \$250, a minimum vesting period of five years, a retirement age of 55 years and provided for joint and survivor benefits. At the time, there was a one-time cost of \$91,000 to establish the annuity contract.

In March of 1998, the Board amended Resolution 633 to change the minimum vesting period to 10 years and provide for monthly contributions by individual Board members of 3% of gross fees (stipend), which was \$500 per month, resulting in a monthly contribution of \$15.00 per Director. Board members who previously approved the District-funded annuity also had to waive their rights and instead pay into the annuity using their own funds deducted from their monthly stipend. At the time, the creation of an annuity benefit for Board members was permissible under the Public Utilities Code; however, later changes to the Public Utilities Code

meant that Board members who took office after January 1, 1989, would not be eligible for the annuity.

The annuity benefit applied to a small number of Board members and staff was recently able to confirm that there is only one former board member receiving a monthly \$250 benefit under the annuity contract. That Board member took office in 1988 and served on the Board for 14 years.

The purpose of this staff report is two-fold: 1) to review the applicability of the policy and determine if it is still relevant; and 2) to document the history of providing an annuity to Board members and the status of the one annuity that is currently active. Staff does not feel it is prudent to make any changes to the “policy”; however, it should remain on the books until the annuity terminates. Staff does not recommend a review of the policy until the latter occurs.

ADVANTAGES/DISADVANTAGES:

There are no notable advantages or disadvantages associated with this report.

ALTERNATIVES ANALYSIS:

There are no alternatives to the course of action recommended in this report. However, once the annuity terminates, the Board may then repeal the policy and its resolutions.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 120 was adopted by Resolution No. 654 in March of 1988

ATTACHMENTS:

1. Board Policy 125

Prepared by:

Linda Nemeroff, Board Administrative Officer/District Secretary

Approved/Reviewed by:

Linda A. Nemeroff, Board Administrative Officer/District Secretary

Aimee L. Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer

Sue Lee, Director of Revenue Management