



AGENDA

Meeting

of the

FINANCE & HUMAN RESOURCES AND RISK COMMITTEE

of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

Tuesday, October 31, 2017

9:00am

John G. Britton Auditorium

550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE COMMITTEE MEMBERS

Dave Tabor (Chair); Paula Perotte (Director), Olivia Rodriguez (Director)

3. REPORT REGARDING POSTING OF AGENDA

4. APPROVAL OF PRIOR MINUTES - (ATTACHMENT- ACTION MAY BE TAKEN)

The committee will be asked to waive the reading of and approve the draft minutes for the meeting of September 26, 2017.

5. PUBLIC COMMENT

Members of the public may address the Committee on items within the jurisdiction of the Committee that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Committee Chair. Please complete and deliver a *Request to Speak* form including a description of the subject you wish to address, to the MTD Board Clerk before the meeting is convened. These forms are available at the meeting.

6. DRAFT SINGLE AUDIT REPORT - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff and Scott Davis from McGowan Guntermann, who was engaged by the Board to conduct the annual financial audit, will report key results of the draft Single Audit Report to the Finance Committee from fiscal year ending June 30, 2017.

7. STAFF HEALTH AND DENTAL INSURANCE - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff will provide the Finance and Human Resources Committee with an overview of the renewal terms for staff medical, dental and life insurance. Medical with Blue Shield. Dental and life insurance through Guardian.

8. D&O / EPL / FIDUCIARY INSURANCE - (ATTACHMENT - INFORMATIONAL)

Staff will provide the Committee with a progress update on Directors and Officers Insurance (D&O) along with Employment Practices Liability Insurance (EPLI).

9. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)

Committee members will report on other related issues.

10. ADJOURNMENT

AMERICAN WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



MINUTES

Meeting

of the

FINANCE & HUMAN RESOURCES AND RISK COMMITTEE

of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

Tuesday, September 26, 2017

9:00 AM

John G. Britton Auditorium

550 Olive Street, Santa Barbara, CA 93101

1. **CALL TO ORDER**
Chair Tabor called the meeting to order at 9:00am.
2. **ROLL CALL OF THE COMMITTEE MEMBERS**
Chair Tabor reported all members were present.
3. **REPORT REGARDING POSTING OF AGENDA**
Lilly Gomez, Office Administrator, reported that the agenda was posted on Friday, September 22, 2017 at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.
4. **APPROVAL OF PRIOR MINUTES - (ATTACHMENT-ACTION MAY BE TAKEN)**
Director Rodriguez moved to approve the draft minutes for the meeting of May 26, 2017. Chair Tabor seconded the motion. The motion passed unanimously with one abstention.
5. **PUBLIC COMMENT**
None was made.
6. **FY 2016-17 FINANCIAL RESULTS & SINGLE AUDIT UPDATE - (ATTACHMENT – INFORMATIONAL)**
Brad Davis, Assistant General Manager, presented the preliminary financial results on FY 2016-17 with intentions to present to the full Board.
7. **RENEWAL OF SBCC TRANSIT PASS AGREEMENT - (ATTACHMENT – INFORMATIONAL)**
Brad Davis, Assistant General Manager, reviewed the renewal of the Transit Pass Program Agreement with Santa Barbara City College (SBCC). The Committee provided guidance and recommended taking the agreement before the full Board.
8. **OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)**
No other items were discussed.
9. **ADJOURNMENT**
Chair Tabor moved to adjourn the meeting at 9:51am. Director Perotte seconded the motion. The motion passed unanimously.



FINANCE AND HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE: OCTOBER 31, 2017

AGENDA ITEM #: 6

TYPE: ACTION

PREPARED BY: BRAD DAVIS

REVIEWED BY: GENERAL MANAGER

SUBJECT: DRAFT SINGLE AUDIT REPORT FOR FISCAL YEAR 2016-17



Signature


GM Signature

RECOMMENDATION:

Staff recommends that the Committee approve bringing the draft Single Audit Report for the fiscal year ended June 30, 2017, to the full Board at its next scheduled meeting.

DISCUSSION:

The key results of the draft Single Audit Report for the fiscal year ended last June 30 will be presented to the Committee by staff and Scott Davis from McGowan Guntermann. McGowan Guntermann, engaged by the Board to perform the annual financial audit, has completed the bulk of the Audit although items remain before the full report is available. Mr. Davis will brief the committee on the Audit results including the process, financial statements, compliance reports, and any Audit findings.

Assuming approval by the Committee, the Single Audit Report will be included as an agenda item for the next Board meeting.



FINANCE & HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE: October 31, 2017

AGENDA ITEM #: 7

DEPARTMENT: Human Resources

TYPE: Action

PREPARED BY: Mary Gregg



Signature



GM Signature

REVIEWED BY: General Manager

SUBJECT: Staff Health Insurance renewal January 1, 2018

RECOMMENDATION:

Staff recommends that the Finance & HR Committee approve forwarding to the full Board renewal of Staff Medical, Dental and Life Insurance coverage with Blue Shield HMO (Medical) and Guardian (Dental & Life).

DISCUSSION:

Staff will provide the Finance & HR Committee with an overview of the renewal terms for Staff Medical, Dental and Life Insurance for consideration of Staff presenting a recommendation to the full Board. Insurance coverage under these policies is for MTD employees not represented by a Collective Bargaining Agreement.

OVERVIEW:

Staff's medical insurance is a Blue Shield HMO plan brokered by Alliant through Special District Risk Management Authority (SDRMA) Health Benefits, which provides public agencies competitive rates for the small group market through a pooled program with California State Association of Counties Excess Insurance Authority (CSAC-EIA). Staff's dental and life insurance provider is Guardian through Brown & Brown Insurance Services.

FINANCIAL:

The 2018 budget estimated an 8% increase for Medical and Dental insurance. Quotes for the renewal rates came in under budget: Medical at 2.7% and Dental at 0%. Total annual cost for Life increased by \$531, from \$6,372 to \$6,903.

MEDICAL

The overall CSAC-EIA pooled renewal for 2018 was 3.61%; well below trend for California. When SDRMA's rates were adjusted by region and by plan, the HMO plan rates resulted in a to 2.7% increase (the PPO plan, which MTD does not offer, was increased by 4.4%). For 2019, MTD will have an option to add Kaiser HMO for employees living in Ventura County at rates that are comparable to the Blue Shield HMO plan.

Quote	Actual		
2018	2017	2016	2015
2.7%	-9%	10.3%	7.6%

DENTAL

Brown & Brown has negotiated a one year rate pass with Guardian for 2018, as was also the case in 2017. In 2016, due to rising costs associated with health care reform, and fees associated with the Affordable Care Act, MTD experienced a 7% increase. Guardian has an ongoing commitment to MTD to hold rates flat when possible, as they did for the period 2011-2015.

Quote	Actual		
2018	2017	2016	2015
0%	0%	7%	0%

BASIC LIFE

MTD provides \$50,000 Basic Term Life Guarantee Issue coverage for all eligible full time Staff employees. Staff is working with Brown & Brown on rates for optional Voluntary Term Life for employees who would like to elect higher life insurance coverage. This is a program currently only under consideration. Cost for the additional optional insurance would be covered 100% by the employee.

Quote	Actual		
2018	2017	2016	2015
\$0.390/\$1000	\$0.360/\$1000	\$0.360/\$1000	\$0.360/\$1000



FINANCE & HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE: October 31, 2017

AGENDA ITEM #: 8

DEPARTMENT: Risk

TYPE: Informational

PREPARED BY: Mary Gregg

REVIEWED BY: Jerry Estrada

SUBJECT: Informational



Signature


GM Signature

DISCUSSION:

Staff will provide the Committee with a progress update on the following items:

- Employment Practices Liability Insurance (EPLI)
- Public Officials / Directors and Officers Insurance (D&O)
- Fiduciary Liability Insurance