



**BOARD ADMINISTRATION AND OPERATIONS COMMITTEE MEETING  
WEDNESDAY, FEBRUARY 2, 2011, 1:00 P.M.  
RIVERSIDE TRANSIT AGENCY BOARD ROOM  
1825 THIRD STREET  
RIVERSIDE, CA 92507**

1. CALL TO ORDER
2. SELF-INTRODUCTIONS
3. PUBLIC COMMENTS– NON-AGENDA ITEMS RECEIVE COMMENTS  
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes
4. APPROVAL OF MINUTES – JANUARY 12, 2011, COMMITTEE MEETING (P. 3) APPROVE
5. CONSENT CALENDAR  
All items on the Consent Calendar will be approved by one motion and there will be no discussion on individual items unless a Board member or member of the public requests a specific item be pulled from the calendar for separate discussion
  - A. TRANSPORTATION CENTER MONTHLY REPORT – DECEMBER 2010 (P. 7) RECEIVE AND FILE
  - B. PERSONNEL REPORT – DECEMBER 2010 (P. 10) RECEIVE AND FILE
6. APPROVAL OF MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT GO-PASS PROGRAM PRICING STRUCTURE AND PROGRAM REQUIREMENTS AND AUTHORIZATION TO PROVIDE INFORMATION FOR STUDENT REFERENDUM (P. 16) APPROVE

*Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.*

*Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.*

7. ADOPT RESOLUTION APPROVING THE IMPLEMENTATION OF PROVISIONS OF THE INTERNAL REVENUE CODE 414(H)(2) TO TAX DEFER MEMBER PAID CONTRIBUTIONS TO CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (P. 19) **APPROVE**
8. BOARD MEMBER COMMENTS AND REMARKS
9. OTHER BUSINESS
10. ADJOURN

RTA BOARD ADMINISTRATION AND OPERATIONS COMMITTEE MEETING  
January 12, 2011

1. CALL TO ORDER:

Committee Chairman Doug McAllister called the Board Administration and Operations Committee meeting to order at 1:00 p.m., on January 12, 2011, in the RTA Board Room.

2. SELF-INTRODUCTIONS:

Self introductions of those in attendance took place.

Attendees:

1. Director Doug McAllister, City of Murrieta Mayor Pro Tem
2. Chairman Bob Buster, County of Riverside, District I
3. Director Don Robinson, City of Banning Councilmember
4. Director Jeff Fox, City of Beaumont Councilmember
5. Director Ella Zanowic, City of Calimesa Mayor
6. Director Ike Bootsma, City of Eastvale Councilmember
7. Director Daryl Hickman, City of Lake Elsinore Councilmember
8. Director Jesse Molina, City of Moreno Valley Mayor Pro Tem

RTA Staff:

1. Larry Rubio, Chief Executive Officer
2. Tom Franklin, Chief Operating Officer
3. Craig Fajnor, Chief Financial Officer
4. Vince Rouzaud, Chief Procurement and Logistics Officer
5. Jim Kneepkens, Director of Marketing
6. Rick Kaczerowski, Director of Information Technology
7. Mark Stanley, Director of Planning
8. Bob Bach, Director of Maintenance
9. Laura Murillo, Director of Human Resources
10. Maricela Hernandez, Clerk of the Board of Directors
11. Virginia Werly, Contract Operations Manager
12. Brad Weaver, Communications Manager
13. Natalie Zaragoza, Contracts Manager
14. Lorelle Moe-Luna, Senior Planner

Other Attendees:

Len Engle, Southland Transit

3. PUBLIC COMMENTS – NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES – OCTOBER 6, 2010, COMMITTEE MEETING:

M/S/C (ZANOWIC/FOX) approving the minutes of October 6, 2010, Committee meeting. The motion carried unanimously.

5. CONSENT CALENDAR:

M/S/C (HICKMAN/ROBINSON) approving the receipt and file of item A – Personnel Report – November 2010. The motion carried unanimously.

M/S/C (HICKMAN/ROBINSON) approving the receipt and file of item B –Transportation Center Monthly Report – November 2010. The motion carried unanimously.

6. RATIFY CALL FOR PROJECTS GRANT APPLICATIONS SUBMITTED TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FEDERAL JOB ACCESS AND REVERSE COMMUTE PROGRAM (SECTION 5316) FUNDS AND SPECIALIZED TRANSIT MEASURE A TO BE UTILIZED FOR OPERATION OF PROPOSED EXTENDED HOURS OF SERVICE ON ROUTES 7, 8, 41, 74, AND 79:

M/S/C (BUSTER/ZANOWIC) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Ratify the Call for Projects Grant Applications submitted to the Riverside County Transportation Commission for Federal JARC (Section 5316) Funds and Specialized Transit Measure A for operation of proposed Extended Hours of Service on Routes 7, 8, 41, 74, and 79.
- Authorize the use of farebox revenue and LTF for local match to complete the funding of the project.

The motion carried unanimously.

7. RATIFY CALL FOR PROJECTS GRANT APPLICATIONS SUBMITTED TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FEDERAL JOB ACCESS AND REVERSE COMMUTE PROGRAM (5316) FUNDS AND SPECIALIZED TRANSIT MEASURE A TO BE UTILIZED FOR OPERATION OF PROPOSED COMMUTERLINK ROUTES 212 AND 217:

Committee Chairman McAllister inquired why three very similar projects were being presented separately. Mr. Rubio replied that these are three separate projects from federal money that was provided to transit operators and administered through RCTC. He stated that if these projects were presented together, the Agency runs the risk of losing all three should approval be denied by the RCTC Board.

M/S/C (FOX/ZANOWIC) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Ratify the Call for Projects Grant Applications submitted to the Riverside County Transportation Commission for Federal JARC (5316) Funds and Specialized Transit Measure A for operation of proposed CommuterLink Routes 212 and 217.
- Authorize the use of farebox revenue and LTF for local match to complete the funding of the project.

The motion carried unanimously.

8. RATIFY CALL FOR PROJECTS GRANT APPLICATIONS SUBMITTED TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FEDERAL NEW FREEDOM PROGRAM (5317) FUNDS, AND MEASURE A FUNDS TO BE UTILIZED FOR OPERATION OF A PROPOSED TRAVEL TRAINING PROGRAM:

M/S/C (ZANOWIC/HICKMAN) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Ratify the Call for Projects Grant Application submitted to the Riverside County Transportation Commission for the New Freedom Program (5317) for the proposed Senior/Disabled Travel Training Program.
- Authorize the use of LTF and CTSA Measure A for the local match.
- Authorize use of Travel Training program funds to hire three full-time and one part-time position to administer the Travel Training program subject to funding.

The motion carried unanimously.

9. AUTHORIZATION TO AWARD AGREEMENT NO.10-004 TO SOUTHLAND TRANSIT INC. (STI) FOR AMERICANS WITH DISABILITIES ACT/DIAL-A-RIDE TRANSPORTATION AND CALL CENTER SERVICES:

Committee Chairman McAllister requested an update be presented at a future date regarding the changes made to Dial-A-Ride in 2010 and any impacts on the Agency's projections.

M/S/C (ZANOWIC/ROBINSON) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to enter into an agreement with Southland Transit Inc. for ADA/Dial-a-Ride Transportation and Call Center Services for a two-year base period with five one-year options in an amount that will not exceed \$70,781,341. Prior to exercising the option year periods, in accordance with FTA requirements, staff will conduct a thorough price analysis to determine if pricing in effect at that time is competitive and considered fair and reasonable.

The motion carried unanimously.

10. AUTHORIZATION TO HOLD A PUBLIC HEARING TO CONSIDER SERVICE MODIFICATIONS FOR THE MAY 8, 2011 SERVICE CHANGES:

M/S/C (FOX/ZANOWIC) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to hold community meetings and a public hearing on February 24, 2011 to consider potential service modifications for the May 8, 2011 service changes.

The motion carried unanimously.

11. BOARD MEMBER COMMENTS AND REMARKS:

Mr. Rubio provided an update on the January 4<sup>th</sup> collision and the condition of the Agency's coach operator.

Director Hickman wished everyone a safe and prosperous new year.

Director Robinson thanked staff for working with Pass Area Transit to coordinate bus service to the Banning campus of Mount San Jacinto College.

12. OTHER BUSINESS:

None.

13. ADJOURNMENT:

The meeting was adjourned at 1:51 p.m.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

February 2, 2011

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Jim Kneepkens, Director of Marketing

SUBJECT: Transportation Center Monthly Report – December 2010

Summary: The Customer Information Center answered 34,516 calls in December 2010, a 25% increase compared to December 2009. Calls included 167 complaints, commendations and general comments. Calls to Dial-A-Ride reached 10,038, a 3% decrease compared to December 2009. A total of 44,554 calls were received between the two call centers, an increase of 17% compared to the same period last year.

The attached report presents call volume history and details complaints, comments and commendations by type.

Recommendation:

Receive and file.

# Riverside Transit Agency

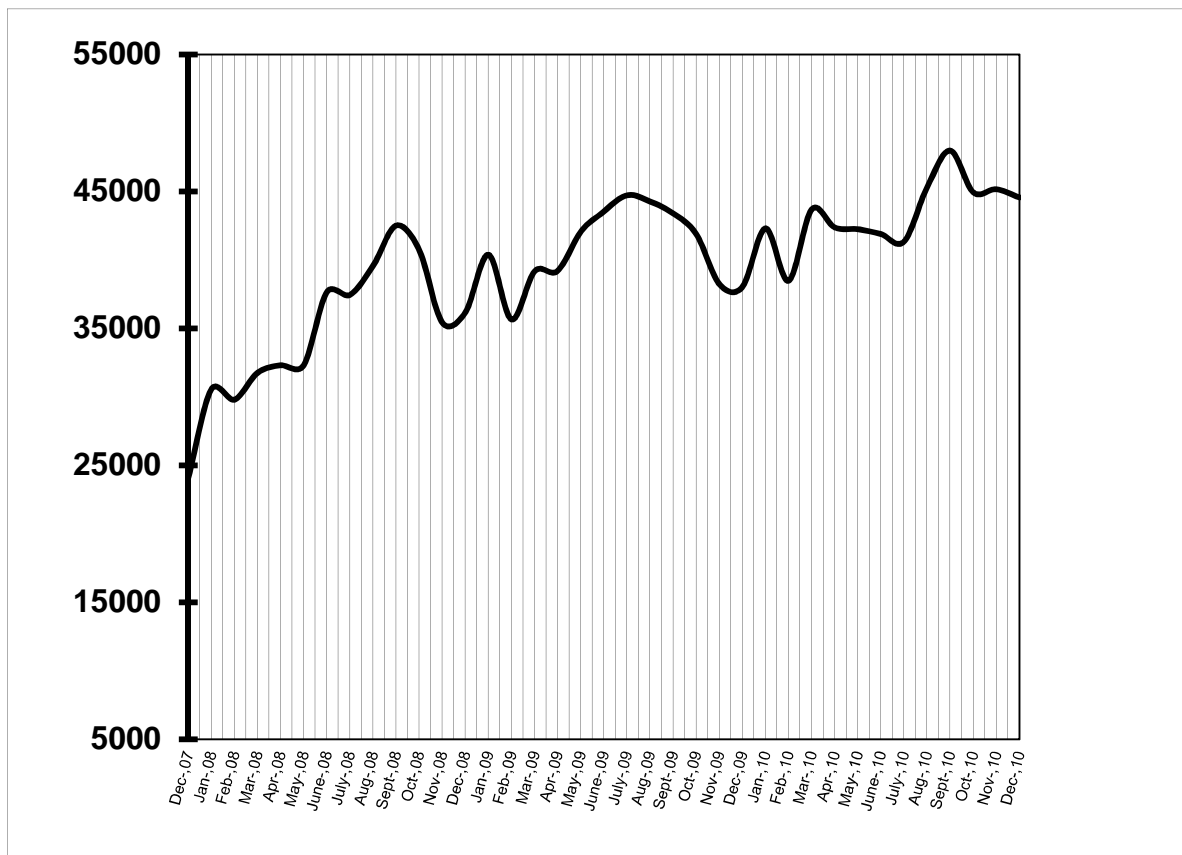
## December 2010 Transportation Center Call Totals

Customer Information Center (CIC)	Same Month		Percent Change
	Current Month	Last Year	
Information Calls	34,349	27,458	25.1%
Complaints	137	146	-6.2%
Comments	18	22	-18.2%
Commendations	12	12	0.0%
<b>Total CIC Calls</b>	<b>34,516</b>	<b>27,638</b>	<b>24.9%</b>

### Dial-A-Ride (DAR)

<b>Total DAR Calls</b>	<b>10,038</b>	<b>10,386</b>	<b>-3.4%</b>
------------------------	---------------	---------------	--------------

<b>Total Calls</b>	<b>44,554</b>	<b>38,024</b>	<b>17.2%</b>
--------------------	---------------	---------------	--------------





# Complaints, Comments & Commendations December 2010

## Complaints

Category	Number This Month	Number This Month Last Year	12 Month Average per Month	Complaints per 10,000 Passengers
Conduct	15	17	17	0.25
Careless Driving	14	17	22	0.24
Early Bus	10	11	12	0.17
Late Bus	19	13	27	0.32
Passed By	21	19	23	0.35
Missed Transfer	6	2	7	0.10
Fare Dispute	1	3	5	0.02
Crowded	0	3	2	0.00
Customer Service	16	44	41	0.27
No Show	8	6	12	0.13
Passenger Conduct	2	3	3	0.03
Bus Stop	13	5	11	0.22
Other	12	3	10	0.20
<b>Total</b>	<b>137</b>	<b>146</b>	191	2.30

## Ridership

	Ridership This Month	Ridership This Month Last Year	12 Month Ridership Average/Month
All services	595,252	615,712	655,395

## Comments

	Number This Month	Number This Month Last Year	12 Month Average/Month	Comments per 10,000 Passengers
General Comments	18	22	35	0.30

## Commendations

	Number This Month	Number This Month Last Year	12 Month Average/Month	Commendations per 10,000 Passengers
General Commendations	12	12	18	0.20

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

February 2, 2011

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Laura Murillo, Director of Human Resources

SUBJECT: Personnel Report – December 2010

Summary: The attached report summarizes personnel activity that occurred in December 2010. The following information is outlined in the report:

- Number of budgeted positions versus number of filled positions by department and position.
- Percentage of minority and female employees by position classification.
- Number of disciplinary actions by gender.
- Percentage of minority and female applicants by position.
- Number of minority and female employees by personnel actions

Recommendation:

Receive and file.

SUMMARY OF BUDGETED POSITIONS  
December 2010

<u>DEPARTMENT AND TITLE</u>	<u>BUDGETED POSITIONS</u>	<u>FILLED POSITIONS</u>
<u>ADMINISTRATION</u>		
Chief Executive Officer	1	1
Executive Assistant/Clerk of the Board	<u>1</u>	<u>1</u>
Department Subtotal	2	2
<u>ACCOUNTING</u>		
Chief Financial Officer	1	1
Performance Reporting & Analysis Manager	1	1
Controller	1	1
Principal Financial Analyst	1	1
Accounting Supervisor	1	1
Planning Analyst	1	1
Payroll Coordinator	1	1
Revenue Account Coordinator	1	1
A/P Clerk	1	1
General Acct. Clerk	1	1
Coin Counter (Full-time)	<u>2</u>	<u>1</u>
Department Subtotal	12	11
<u>HUMAN RESOURCES</u>		
Director of Human Resources	1	1
Labor Relations Officer	1	1
Risk Manager	1	1
Risk Management Specialist	1	1
Human Resources Specialist – Benefits	1	1
Human Resources Specialist – Recruitment	1	1
Human Resources Clerk	1	1
Receptionist	<u>1</u>	<u>1</u>
Department Subtotal	8	8
<u>INFORMATION TECHNOLOGY</u>		
Director of Information Technologies	1	1
ITS Administrator	1	1
Systems Analyst	<u>1</u>	<u>1</u>
Department Subtotal	3	3
<u>MAINTENANCE</u>		
Director of Maintenance	1	1
Maintenance Manager	1	1
Maintenance Quality Control	1	1
Contract Operations Maintenance Supervisor	1	1
Maintenance Supervisor	6	6
Electronic Technician	1	1
Groundskeeper	1	1
Mechanic	27	27
Property Maintainer	1	1
Tire Servicer	1	1
Servicer	<u>11</u>	<u>11</u>
Department Subtotal	52	52

<u>DEPARTMENT AND TITLE</u>	<u>BUDGETED POSITIONS</u>	<u>FILLED POSITIONS</u>
<b><u>MARKETING</u></b>		
Director of Marketing	1	1
Marketing Manager	1	1
Planning & Program Manager	1	1
Customer Information Supervisor	1	1
Customer Information Center Clerk, Full-time	1	1
Customer Information Center Clerk, On-call	<u>16</u>	<u>16</u>
Department Subtotal	21	21
<b><u>OPERATIONS</u></b>		
Chief Operating Officer	1	1
Operations Manager	1	1
Executive Assistant	1	1
Operations Supervisor	13	13
Operations Analyst	1	1
Stops/Zones Supervisor	1	1
Stops/Zones Groundskeeper	8	8
Transit Clerk	1	1
Coach Operator		
Full-Time	182	182
Part-Time	<u>20</u>	<u>24</u> <sup>1</sup>
Department Subtotal	229	233
<b><u>CONTRACT OPERATIONS</u></b>		
Contract Operations Manager	1	1
Contract Operations Analyst	1	1
Contract Operations Specialist	2	2
Customer Service Specialist, Full-time	2	1
Customer Service Specialist, Part-time	<u>0</u>	<u>1</u>
Department Subtotal	6	6
<b><u>PLANNING</u></b>		
Director of Planning	1	1
Senior Planner	1	1
Scheduling Analyst	<u>1</u>	<u>1</u>
Department Subtotal	3	3
<b><u>PURCHASING</u></b>		
Chief Procurement & Logistics Officer	1	1
Contracts Manager	1	1
Contracts Administrator	2	2
Storeroom Supervisor	1	1
Buyer	1	1
Parts Clerk	<u>4</u>	<u>4</u>
Department Subtotal	10	10
<b>Totals</b>	<b>346</b>	<b>349</b>

<sup>1</sup>The Agency experienced the following extended leaves of absences: 10 Coach Operators on workers' compensation; 2 Coach Operators on disability leave.

TOTAL WORKFORCE AND UTILIZATION ANALYSIS

<u>POSITION CLASSIFICATION</u>	<u>TOTAL EMPLOYEES</u>	<u>% OF MINORITY EMPLOYEES</u>	<u>% OF FEMALE EMPLOYEES</u>	<u>2000 CENSUS AVAILABILITY</u>		<u>2000 CENSUS UNDERUTILIZED</u>	
				<u>% MIN.</u>	<u>% FEM.</u>	<u>MIN.</u>	<u>FEM.</u>
Officials/Managers	43	41.9	27.9	29.6	33.2	No	Yes
Professionals	12	41.7	25.0	35.0	63.6	No	Yes
Administrative Support	38	68.4	73.7	46.7	81.7	No	Yes
Craftsmen & Kindred Workers	28	60.7	0.0	50.5	11.4	No	Yes
Operatives	206	70.4	42.7	67.3	25.6	No	No
Laborers	22	59.1	4.5	75.1	29.4	Yes	Yes

DISCIPLINARY ACTIONS

<u>DEPARTMENT</u>	<u>WARNINGS, COUNSELINGS &amp; WRITTEN REPRIMANDS</u>								<u>SUSPENSIONS</u>							
	<u>Male</u>				<u>Female</u>				<u>Male</u>				<u>Female</u>			
	<u>(C</u>	<u>B</u>	<u>H</u>	<u>O<sup>2</sup>)</u>	<u>(C</u>	<u>B</u>	<u>H</u>	<u>O)</u>	<u>(C</u>	<u>B</u>	<u>H</u>	<u>O)</u>	<u>(C</u>	<u>B</u>	<u>H</u>	<u>O)</u>
Maintenance	0	2	3	0	0	1	0	0	0	1	0	0	0	0	0	0
Operations	3	7	8	2	9	7	4	0	0	1	2	0	0	1	3	0
TOTALS	(25)				(21)				(4)				(4)			

APPLICATION ANALYSIS

<u>POSITION TITLE</u>	<u>TOTAL APPLICANTS</u>	<u>%OF MINORITY APPLICANTS</u>	<u>% OF FEMALE APPLICANTS</u>
NA			

<sup>2</sup> C=Caucasian, B=Black, H=Hispanic, O=Other

**Personnel Activity**  
**Full-Time and Regular Part-Time:**

**December 2010**

Personnel Activity	All Employees			Minority Employees Male				Minority Employees Female				Total Minorities	
	Activity	Total	Male	Female	Black	Asian/Pac. Is.	Amer. Indian	Hispanic	Black	Asian/Pac. Is.	Amer. Indian	Hispanic	Total
New Hires	5	4	1	1									1
Promotions	0												0
Transfers	0												0
Demotions	0												0
Terminations	1		1								1		1
Resignations	0												0
Retirements	2	2											0
Other	0												0

FOR FISCAL YEAR 07/01/10 THROUGH 06/30/11  
 FULL-TIME SEPARATIONS:

	<u>ADMINISTRATION</u>	<u>OTHER</u>
Terminations	1	3
Resignations	0	2
Retirements	0	7
Other	0	1

FOR FISCAL YEAR 07/01/09 THROUGH 06/30/10  
 FULL-TIME SEPARATIONS:

	<u>ADMINISTRATION</u>	<u>OTHER</u>
Terminations	1	7
Resignations	1	4
Retirements	2	9
Other	0	0

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

February 2, 2011

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Jim Kneepkens, Director of Marketing

SUBJECT: Approval of Mt. San Jacinto Community College District Go-Pass Program Pricing Structure and Program Requirements and Authorization to Provide Information for Student Referendum

Summary: At the April 22, 2010 meeting, the Board authorized implementation of a one-year Mt. San Jacinto Community College District (MSJC) Go-Pass demonstration program for the 2010-2011 academic year. The Go-Pass program allows all current MSJC students at all four MSJC campuses (Banning, Menifee, San Jacinto and Temecula) to use their valid student ID cards on any RTA fixed-route and CommuterLink bus to ride at no charge.

At that meeting, the Board also approved agreements with the cities of Banning, Beaumont, Canyon Lake, Hemet, Lake Elsinore, Menifee, Murrieta, Perris, San Jacinto, Temecula and Wildomar and the County of Riverside to fund the program for a total of \$18,500. This amount was based on the estimated number of MSJC riders utilizing RTA's services before the program and applying a student fare discount.

The Go-Pass program got off to a fast start and ridership is averaging nearly 15,000 rides per month, far more than was anticipated.

Establishing an Ongoing MSJC Go-Pass Program

The one-year demonstration program will end on August 19, 2011. For it to continue past that date, MSJC students must vote on a referendum to establish a student transportation fee to fund an on-going program. A simple majority vote of those participating in the referendum is required for passage, and the administration has indicated that a referendum vote will likely occur in April or May 2011, subject to approval by the MSJC Board of Trustees.



If the student body referendum passes, the MSJC Board of Trustees must then vote to establish the program.

However, if either of the steps is not successful, the program will expire.

MSJC Go-Pass Pricing

Staff has analyzed the effect on farebox recovery and operational impacts of the Go-Pass and proposes the following fee scale for an on-going five-year Go-Pass program at MSJC:

Academic Year	Per Semester Part-Time Student Fee	Per Semester Full-Time Student Fee
2011-12	\$5.00	\$5.50
2012-13	\$5.00	\$5.50
2013-14	\$5.00	\$5.50
2014-15	\$5.00	\$5.50
2015-16	\$5.00	\$5.50

Note: State regulations require that part-time students be charged a pro-rated fee.

The proposed fees reflect a per ride discount based on the volume of rides projected from the program. Other college and university pass programs also have discounts based on volume.

The initial student fee program period is proposed for five-years. At the conclusion of that program, another student referendum and Board of Trustee vote will be required for renewal.

Additional requirements that staff recommends as necessary to assure a successful program are the following:

1. The fee would be mandatory for all students who carry more than zero units and would be required during registration.
2. The fee would be non-refundable even if a student withdraws from the school or their number of units drops to zero.
3. Each semester, students who withdraw from the school or decrease their number of units to zero would no longer be eligible to participate in the program.
4. The fee would remain fixed even if RTA adjusts fares during the program period.

5. Part-time students would be defined as those carrying below 6 units. Full-time students would be defined as those carrying 6 or more units.
6. The school must implement a program to provide all students with magnetic stripe photo identification cards that are compatible with RTA's fareboxes.

Staff recommends that all of the above criteria be present in any final agreement in order to establish an ongoing program.

#### Next Steps

Any referendum campaign needs to be promoted by the students or the college. As a benefactor, RTA cannot participate in any way except to provide factual information on the proposed Go-Pass program.

If the student referendum and trustee votes are successful, staff will submit a formal program agreement to the Board for approval.

#### Fiscal Impact:

During the proposed five-year program period, RTA would receive an estimated \$201,475 per academic year in Go-Pass fees. The forecasted revenue is based on projected school enrollment numbers of 37,735 students during the academic year.

#### Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Approve the proposed MSJC Go-Pass pricing structure and program requirements.
- Authorize staff to provide the necessary information to MSJC students and administrators to create a student referendum to establish a five-year Go-Pass program.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

February 2, 2011

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Laura Murillo, Director of Human Resources  
SUBJECT: Adopt Resolution Approving the Implementation of Provisions of the Internal Revenue Code 414(h)(2) to Tax Defer Member Paid Contributions to California Public Employees' Retirement System

Summary: The California Public Employees' Retirement System (CalPERS) has requested that the Agency adopt the attached Resolution, No. 2011-03, to implement the provisions of Internal Revenue Code (IRC) 414(h)(2), which provides for CalPERS contributions, whether employee or employer paid, to be taxed deferred.

Although the Agency has historically adhered to the provisions established by IRC 414(h)(2), CalPERS is requesting that such be formalized by way of a resolution to be filed with CalPERS.

Fiscal Impact:

None

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Adopt Resolution No. 2011-03 of the Riverside Transit Agency Board of Directors Authorizing Approval to Implement Provisions of Internal Revenue Code 414(h)(2) to Tax Defer Member Paid Contributions to California Public Employees' Retirement System.

RESOLUTION NO. 2011-03

RESOLUTION OF THE RIVERSIDE  
TRANSIT AGENCY BOARD OF  
DIRECTORS, AUTHORIZING APPROVAL  
TO IMPLEMENT PROVISIONS OF  
INTERNAL REVENUE CODE 414(h)(2) TO  
TAX DEFER MEMBER PAID  
CONTRIBUTIONS TO CALIFORNIA PUBLIC  
EMPLOYEES' RETIREMENT SYSTEM

**WHEREAS**, the governing body of the Riverside Transit Agency has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

**WHEREAS**, the Riverside Transit Agency has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to **ALL EMPLOYEES** who are members of the California Public Employees' Retirement System:

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Riverside Transit Agency will implement the provision of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees' Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
2. That the contributions made by the Riverside Transit Agency to the California Public Employees' Retirement System, although designated as employee contributions, are being paid by the Riverside Transit Agency in lieu of contributions by the employees who are members of the California Public Employees' Retirement System.
3. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the Riverside Transit Agency to the California Public Employees' Retirement System.
4. That the Riverside Transit Agency shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.

5. That the amount of the contributions designated as employee contributions and paid by the Riverside Transit Agency to the California Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 20000, et seq.).
6. That the contributions designated as employee contributions made by the Riverside Transit Agency to the California Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted by the Riverside Transit Agency Board of Directors at a regular meeting held on the 27<sup>th</sup> day of January 2011.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

\_\_\_\_\_  
Bob Buster  
Chairman of the Board of Directors

\_\_\_\_\_  
Kennard R. Smart, Jr.  
Agency General Counsel

#### CERTIFICATION

The undersigned duly qualified Clerk of the Board of Directors of the Riverside Transit Agency certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of said Board of Directors held on January 27, 2011.

ATTEST:

\_\_\_\_\_  
Maricela Hernandez  
Clerk of the Board of Directors