

REGIONAL TRANSIT ISSUE PAPER

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	12/14/15	Open	Action	11/20/15

Subject: Enter Into a Reimbursement Agreement with California Transit Association

ISSUE

Whether to enter into a Reimbursement Agreement with the California Transit Association (CTA).

RECOMMENDED ACTION

Adopt Resolution No. 15-12-_____, Approving a Reimbursement Agreement with the California Transit Association.

FISCAL IMPACT

RT is incurring significant costs in litigating the Section 13(c)/Public Employees' Pension Reform Act (PEPRA) issue, which resulted in RT's loss of federal funding eligibility in 2013 and jeopardized the federal funding of most other transit districts in California as well. The Agreement would reimburse RT for a portion of its costs related to that litigation.

DISCUSSION

RT and the State of California initiated litigation in Federal court against the United States Department of Labor (USDOL) regarding Section 13(c)/PEPRA issues arising from the USDOL's denial of certification of certain transit grants. RT and the State prevailed in the action and, by Order dated December 30, 2014, the U.S. District Court remanded the matter back to the USDOL for further proceedings consistent with the Order. Upon further consideration, the USDOL again denied certification of the subject grants. RT and the State have filed motions with the U.S. District Court seeking a remedy for the USDOL's continuing refusal to certify.

RT has incurred and will continue to incur significant legal expenses in connection with the continuing litigation.

CTA acknowledges that the outcome of this litigation impacts and is of great concern to CTA's member transit agencies, and previously agreed by an Agreement dated March 7, 2015, to reimburse RT for a portion of the legal expenses RT will incur in continuing this litigation. CTA wishes to further reimburse RT for a portion of the legal expenses RT has, or will, incur pertaining to this litigation.

Staff recommends the Board authorize the General Manager/CEO to negotiate, enter, and execute a Reimbursement Agreement with CTA to reimburse RT for a portion of the litigation expenses incurred in pursuit of *State of California, et al. v. US Department of Labor, et al.*

Approved:

Presented:

Final 12/01/15

General Manager/CEO

Chief Counsel

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December

14,

RESOLUTION NO. 15-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2015

**APPROVING A REIMBURSEMENT AGREEMENT WITH
THE CALIFORNIA TRANSIT ASSOCIATION**

WHEREAS, RT and the State of California initiated litigation in Federal court against the United States Department of Labor (USDOL) regarding Section 13(c)/Public Employees' Pension Reform Act (PEPRA) issues arising from the USDOL's denial of certification of certain transit grants (State of California, et al. v. US Department of Labor et al., US District Court, Eastern District of CA, Sacramento Division, Case No. 2:13/CV-02069-KJM-DAD); and

WHEREAS, RT continues to incur significant costs in pursuing this litigation; and

WHEREAS, the California Transit Association (CTA) wishes to further reimburse RT for a portion of the legal expenses RT has, or will, incur pertaining to this ongoing litigation.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to negotiate, enter, and execute an Agreement with the California Transit Association for the reimbursement of a portion of RT's litigation expenses pertaining to its Section 13(c)/PEPRA litigation.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary