

TO: ABAG Executive Board

FROM: ABAG Retirees - Stephen Attaway, Eileen Barr, Raymond J. Brady, Brenda Brown, Charlene Harrington, Karen Lewis, Gloria Lin, Vina Maharaj, Sharon McCreadie, Jeanne Perkins, Victoria Rutherford, Suzan Ryder, Lynn Shea, Bryan Tse

DATE: March 13, 2017

RE: ABAG Retiree Medical and Pension Benefits
Merger of ABAG/MTC

Dear Hon. President Pierce & Hon. Board Members of the ABAG Executive Board:

We, the retirees of ABAG, have gone through the Draft Contract for Services these past few weeks in an attempt to understand the language which guarantees our pension and health benefits in perpetuity.

We find that as far as ABAG is concerned, this Contract seems to only talk about its Legacy staff, their pension and benefits. The Retirees of ABAG are not included in this Contract. Obviously the language is not clear to us, therefore, our first concern is the clarification and accurate interpretation of language regarding the pension and health benefits of the Retirees.

We understand that the ABAG/MTC staff are currently in negotiations with CalPERS to determine the division of these liabilities among the Legacy Staff and Retirees. If the Legacy staff pensions were to be placed under MTC's obligations and the Retiree pension liabilities were under ABAG's, then we need further language clarification in the Contract which specifies this even more accurately. Language Clarification is our First concern.

Our Second and Foremost concern is the insecure finances of ABAG and the lack of MTC's commitment to backup ABAG's finances in case of budget deficits. The merger intends to leave our already-earned health and pension liabilities separated into an account at ABAG. It wants us to believe that ABAG will still exist as an ongoing independent entity whereas what we see is a broken down ABAG with no staff and assets but only liabilities. While MTC is taking all of ABAG's assets, which is its staff, it is leaving the large pension and health liabilities with ABAG, whose funding source is insecure, now and into the future. This is mentioned in various documents, as follows:

The MTC-ABAG Merger Study Financial Forecast indicates *"CalPERS unfunded liability costs increase from \$1.3M in FY 13-14 to \$2.8M in FY 21-22"*.

Additionally, the memo dated February 13, 2017 clearly states *"the draft CS also recognizes that the cost differences for subsequent years need to be addressed. The draft CS includes a provision where ABAG acknowledges the need to identify additional revenues in the future"*.

It should be unconscionable on anyone's part to do this to the most vulnerable group in this merger? A group who has already paid its dues? We seem to be back to Square One where the merger started. After two years of uncertainty and stress of merger negotiations, we the retirees, did not expect to be excluded and placed in this very insecure position. We feel abandoned and betrayed. In fact, we feel that the retirees of ABAG are asked to carry a heavy burden of insecurity on their shoulders as they age, whereas all others in this merger are made whole.

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The monies which ABAG was putting towards our pensions, is already earned through our many years of dedicated service to ABAG. When we joined ABAG, we were told that as part of our salary and benefits package, ABAG was placing a certain percentage of our salaries into our pension accounts. Our pensions should be regarded as fully funded or a firm conviction should be made in the Contract, so that we can be sure our pension checks and health benefits will be there for us in perpetuity.

We understand that Mr. Heminger is proposing to dedicate ABAG revenues first to its pension and retiree medical obligations, then to other matters. The fact that Mr. Heminger wants these revenues pledged by ABAG does not mean that there are sufficient finances into the future to cover existing ABAG retirement and health costs. And that no one is questioning Mr. Heminger's proposal, knowing fully well that this is funding which may not be there. Even if ABAG does in fact meet its funding deficit this time around, what about the future budgets for e.g. In Yr. 2021 when circumstances will change such as newer board members, newer staff at ABAG/MTC?

We request that since MTC is taking control of all of ABAG's assets such as its employees, they should also be taking ABAG's liabilities that were previously being paid by us, the hard working and long-term serving staff of ABAG. If we are to believe that MTC is doing this in good faith and truly wants this merger to work in everyone's favor, then they should not hesitate to make a commitment in the Contract. We request a firm commitment from MTC, in the form of a few clearly worded paragraphs for ABAG's Retirees indicating that MTC will be responsible for all of ABAG's liabilities relating to its retirees and other obligations. If there are no other avenues of funding then the appropriate amount of money should be charged to the MTC employees, new and old, which is a way we can certainly go.

The retirees of ABAG do not accept this Contract for Services in its current form. In fact, we don't see ourselves included in this Contract at all. We would like to be included in this Contract for Services since we should be regarded as a Compulsory component in this merger. We humbly request that ABAG Executive Board provide us with a 100% firm conviction that our earned pensions and health benefits will be paid to us in perpetuity via a properly worded Contract for Services.

We thank and Salute you for the very honorable, dedicated and hard work that you do.

Sincerely,

Stephen Attaway, retired 2014 after 14 years of service to ABAG
Eileen Barr, retired 11/30/2008 after 15 years of service to ABAG
Brenda Brown, retired 12/31/2008 after 15 years of service to ABAG
Raymond J. Brady, retired 9/26/1996 after 17 years of service to ABAG
Charlene Harrington, retired 12/13/2013 after 13 years of service to ABAG
Karen Lewis, retired 12/31/2008 after 16 years of service to ABAG
Gloria Lin, retired 12/1/2014 after 15 years of service to ABAG
Vina Maharaj, retired 12/30/2013 after 13 years of service to ABAG
Sharon McCreadie, retired 2008 after 13 years of service to ABAG
Jeanne Perkins, retired 2006 after 32 years of service to ABAG
Victoria Rutherford, retired 5/31/2016 after 15 ½ years of service to ABAG
Suzan Ryder, retired 2006 after 8.5 years of service to ABAG
Lynn Shea, retired (due to outsource) 2014 after 5 years, 8 months of service to ABAG
Bryan Tse, retired 11/30/2016 after 28 years of service to ABAG

Fred Castro - ABAG Retiree Benefits

From: <mtk1@comcast.net>
To: <frede@abag.ca.gov>
Date: 3/11/2017 5:19 PM
Subject: ABAG Retiree Benefits
Cc: "Vina" <vinam@comcast.net>

Mr Castro -

We, the retirees of ABAG, have been going through the Draft Contract for Services and the attachments these past few weeks in an attempt to understand exactly where in the contract does it mention that our (ABAG retirees) pensions and health benefits is guaranteed to us in perpetuity. We feel that the way this merger is going to take place, is to leave ABAG's most vulnerable group (retirees) in a very insecure position.

Our pensions and health benefit liabilities, benefits which we expected to be guaranteed to us in perpetuity via this contract, after two years of uncertainty and stress, is going to be left with the entity of ABAG, whose funding source is clearly not secure. How can ABAG's funding be regarded as secure that you would consider leaving our pensions and health benefits there? Why is MTC not taking any responsibility for ABAG's liabilities when they are taking most of ABAG's assets, such as its employees?

When we started the merger process, it was already identified that ABAG needed to bring in additional revenues. We don't understand what the merger will do for the large unfunded pension obligation which is our concern and has been the long-term concern of ABAG's. We are back to square one. It seems like the Legacy staff will be made whole, however, nobody seems to ask questions about the large pension obligation which will be left with ABAG to cover its retirees'. In all of this, it seems like the retirees of ABAG will be left with the burden of feeling insecure as each year we will be left to wonder whether ABAG will have sufficient funds to meet its budget. We can't live our lives based on this fear especially when many of you board members retire and new board members take responsibility for meeting ABAG's budget over the next few decades.

Since MTC is taking control of most or all of ABAG's assets such as its employees, they should also be taking ABAG's liabilities that were previously being paid by us, the hard working, long-term serving staff of ABAG. ABAG's assets include our monies which we paid via our salaries. It is unconscionable on anyone's part not to consider paying off our pension and health liabilities first, before anything else and making sure there is a firm, 100% secure backup plan, in case of funding shortage at ABAG.

The retirees of ABAG will not accept this Contract for Service in its current form. We request a firm commitment from MTC, in the form of a clearly worded paragraph indicating that they will backup and pay ABAG's pension and health obligations to CalPERS in case of funding shortage at ABAG. Or that they can add these costs to all MTC employees, including ABAG's legacy staff who are being transitioned, here and now. We retirees have paid our dues, we have paid our share over the years. We ask that you provide us with a 100% assurance that our pensions and health benefits will be paid to us in perpetuity.

All the retirees are seeking is simply what is fair and owed to us. Please see that this is accomplished.

Terrence Hickman

ABAG Retired 11/01/08

TO: Executive Board Members

DT: March 13, 2017

FM: Marcia Loss, retired ABAG employee

RE: Existing ABAG Retiree Pension and Health Benefits

Dear President Pierce and Board Members of the ABAG Executive Board:

As a retiree of ABAG since 2006, with 34 years of service, I would like to be assured that members of the Executive Board are protecting existing Retirees Pensions and Health Care benefits.

The Draft Contract for Services seems to only address ABAG Legacy employees and does not appear to mention that existing ABAG Retirees Pension and Health Care Benefits are guaranteed.

When I attended the ABAG/MTC Merger Option meetings and GA, I felt assured that every effort would be made to protect the existing Retirees benefits.

Since MTC is taking control of most or all of ABAG's employees and other **assets**, shouldn't they also be responsible for ABAG's **liabilities**? This includes continuing to maintain and pay those liabilities which are related to insuring existing Retirees Pension and Health Care Benefits, as promised when we retired.

The Contract for Services should clearly state that MTC is responsible for all ABAG liabilities even if ABAG cannot meet in the future its financial obligations relating to ABAG Retirees.

Thank you for your consideration and assistance in protecting the pensions and health care benefits of existing ABAG retirees.

TO: ABAG Executive Board

FROM: Vina Maharaj

DATE: March 13, 2017

RE: ABAG Retiree Medical and Pension Benefits
Merger of ABAG/MTC

Dear Hon. President Pierce & Hon. Board Members of the ABAG Executive Board:

Two years ago, when the merger discussions started, we were told that there will be two documents guiding the Merger of ABAG/MTC, namely: A Contract and an MOU.

We are shocked after going through two years of waiting, uncertainty and stress, that we, the ABAG Retirees are not included in any Merger Contracts. Instead of having an all-inclusive Contract pertaining to all matters related to ABAG, ABAG-MTC have created a "Contract for Services" which is only related to the servicing of MTC by ABAG Staff. The Contract mentions ABAG's need to make its contractual obligations to CalPERS, however, I don't feel these cover the liabilities of ABAG which cover my pensions and health benefits. It seems to be written in the context for the Legacy employees of ABAG only.

MTC is dismantling ABAG into pieces, making a Contract with one portion of it, and leaving the rest of the entity to fetch for itself. This is the way we see this merger happening.

ABAG is not going to remain the same entity as before, its biggest asset, its staff is merging with MTC. How does it make sense not having its Retirees be included in any Contract? If not in a "Contract for Services", than we should be on some Contract which promises us our retiree pension and health benefits in perpetuity, after the merger of our agency, ABAG. We are an important component of ABAG, we should not be discarded but included somewhere.

Because this matter involves our entire future, we just want to see something in writing as I am sure you can understand. Verbal promises and supporting documentation will not be a reconciliation on this very essential subject in our lives.

We are certain that the dedicated, honorable members of the ABAG Executive Board will do the right thing for ABAG's Retirees. You won't fail us, you've always done the right thing.

Sincerely,

Vina Maharaj
Retired from ABAG 12/30/2013 after 13 years of Dedicated Service

Fred Castro - How Will ABAG Retiree Benefits Be Paid?

From: Patricia Perry <prpjam@comcast.net>
To: <fredc@abag.ca.gov>
Date: 3/12/2017 11:01 PM
Subject: How Will ABAG Retiree Benefits Be Paid?

Fred,

Please add this to the Executive Board packet if you can or please distribute it to the members before the meeting.

Thank you!!!

Patty

From: "Patricia Perry" <prpjam@comcast.net>
To: jpierce@ci.clayton.ca.us
Sent: Sunday, March 12, 2017 10:58:39 PM
Subject: How Will ABAG Retiree Benefits Be Paid?

March 13, 2017

Hon. Julie Pierce
President
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco CA 94105

Subject: ABAG Retiree Pension and Medical Benefits

Dear Ms. Pierce:

Many ABAG retirees are deeply concerned about the safety of their pensions and medical benefits.

I am requesting that ABAG give its retirees specific information--in writing--about how ABAG intends to pay its future CalPERS pension and medical obligations for the existing retirees.

Retirees need to know that ABAG takes this responsibility seriously.

Retirees also need to know that this responsibility is a high-order agency priority.

I hope that you and the entirety of the Executive Board will address this matter and communicate with retirees before signing the contract for services with MTC.

Thank you in advance for addressing the concerns of my fellow retirees.

Patricia R. Perry
30 Meek Place
Lafayette CA 94549

Fred Castro - FOR THE ATTENTION OF ABAG EXECUTIVE BOARD MEMBERS

From: Fatmah Radovich <m10_15_dp@hotmail.com>
To: "fredc@abag.ca.gov" <fredc@abag.ca.gov>
Date: 3/11/2017 6:00 PM
Subject: FOR THE ATTENTION OF ABAG EXECUTIVE BOARD MEMBERS

Dear Fred Castro:

I am a retired member of CALPERS and I am deeply troubled by information received regarding the ABAG/MTC merger that my former employer, ABAG's (Association of Bay Area Government) financial pension obligations to it's retired staff in perpetuity is in jeopardy. Further troubling as I understand it, the current ABAG/MTC Draft Contract for Services seems to leave ABAG's pension and health benefits to the already retired staff unprotected. I live a very modest lifestyle in an apartment, no longer a car owner, and losing the earned pension benefits would cause serious vulnerability.

We the already retired ABAG staff gave our best working years to being loyal employees. As retirees and at the most vulnerable time of our lives, need to be able to count on our earned and deserved pension and health benefits. It is inconceivable, especially this time of our lives when our most productive working years are behind us, that we are faced with the threat of possibly losing our pension benefits when needed the most!

I request your most serious and thoughtful consideration to do everything you can to reach the most workable and inclusive ABAG/MTC contract possible! I have confidence that it can be done. Please leave no stone unturned in your decision making.

Thank you for your time and efforts in this crucial matter.

Sincerely,

Fatmah Radovich

Fred Castro - For the Attention of ABAG Executive Board Members

From: Suzan Ryder <suzan.ryder@yahoo.com>
To: "fredc@abag.ca.gov" <fredc@abag.ca.gov>
Date: 3/11/2017 5:03 PM
Subject: For the Attention of ABAG Executive Board Members

Dear Sir,

Please print this email and/or forward it to the appropriate ABAG board member before the next meeting.

Please note:

We retirees have paid our dues, we have paid our share over the years. We ask that you provide us with 100% firm conviction that our pensions and health benefits will be paid to us in perpetuity.

The retirees of ABAG will not accept this Contract for Service in its current form. We request a firm commitment from MTC, in the form of a clearly worded paragraph indicating that they will backup and pay ABAG's pension and health obligations to CalPERS in case of funding shortage at ABAG. Or that they can add these costs to all MTC employees, including ABAG's legacy staff who are being transitioned, here and now.

Thank you for your attention to this important matter.

Sincerely,

Suzan L. Ryder (SSN *** ** 0730)

Former Administrative Assistant to the Planning Director Gary Binger, and 3 PDs the followed.

Retired from ABAG in June 2006 after 9 years of service.