

Hon. Julie Pierce, President
and Members of the Executive Board
Association of Bay Area Governments
Bay Area MetroCenter
375 Beale Street
San Francisco, CA 94105

Dear Julie:

Like you, and no doubt other Board members, over the past few months I have heard from a large number of ABAG retirees, worried and even anguished about their future pension (and in many cases medical) benefits following implementation of the proposed Contract for Services with MTC. I should add that I am an interested party myself, as far as pension, although not medical, benefits are concerned.

Changes by ABAG and MTC in the draft contract have been appreciated, but worries still remain. However, from my discussions as late as this morning, I believe the following fairly simple proposal would go a long way to assuaging these, and I therefore submit this to the Executive Board, in the hope it would be found acceptable by both the Board and the Commission.

REQUESTED CHANGES TO THE DRAFT MTC-ABAG CONTRACT FOR SERVICES

A. Add the following to section 1:

‘ABAG Retiree’ means a current CalPERS annuitant who has retired from ABAG and any person who retires from ABAG.

B. In the definition of ABAG Legacy Employees change the section reference from 5 to 6.

C. Add the word ‘Most’ to the beginning of section 6.1

D. Change section 6.7 to the following:

7. **ABAG RETIREES**

(a) ABAG will retain all liability for meeting its annual obligation for outstanding CalPERS pension obligations and retiree medical benefits, and will make meeting such obligations a budgetary priority.

(b) In the event of need, the first priority for use of excess revenues from ABAG’s new financial services joint powers authority will be to meet the obligations referenced in subsection (a).

(c) In the highly unlikely event that the ABAG dues and revenues described in subsection (b) are insufficient and ABAG is unable to meet the obligations referenced in subsection (a), MTC will use its best efforts and direct the CFO to assist ABAG in raising new revenues required to make these payments.

E. Renumber the sections that follow the new section 7.

Thank you for your consideration, and I hope the requested changes will be supported by the Executive Board and ultimately the Commission.

Sincerely

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Revan Tranter
Executive Director Emeritus