



ATTACHMENT - 5

County of Santa Cruz

58

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

March 1, 2004

AGENDA: March 5, 2004

BOARD OF DIRECTORS
Highway 1 Construction Authority
701 Ocean Street
Santa Cruz, California 95060

TRANSITION PLAN AND THE 2003-04 BUDGET FOR THE HIGHWAY 1 CONSTRUCTION AUTHORITY

Dear Members of the Board:

On February 6, 2004 the Highway 1 Construction Authority held its first meeting and among other things:

- determined that the Authority would contract for an Executive Director; and
- requested that staff develop a budget for the remainder of the 2003-04 fiscal year and summary plan and schedule for the transition of the Public Approval/Environmental Document (PA/ED) phase of the Highway 1 project from the Santa Cruz County Regional Transportation Commission to the Authority for your Board's consideration at your March 5, 2004 meeting.

The purpose of this letter is to provide your Board with a report the Authority's transition planning work with the Santa Cruz County Regional Transportation Commission and present a Budget for the remainder of the 2003-04 Fiscal Year.

In summary, the remainder of this fiscal year will be dedicated to various set up tasks which are necessary for the authority to receive and expend the State and Federal Funds which finance the PA/ED work and the recruitment and selection of an Executive Director for the Authority. Once this work is complete on or about June 30, 2004 then the transition of PA/ED work from the Commission to the Authority may commence.

6-29

SERVING THE COMMUNITY - WORKING FOR THE FUTURE

5

Transition Planning

Since the Authority's first meeting, this office, the Department of Public Works, County Counsel and the Auditor-Controller have met with the staff of the Santa Cruz County Regional Transportation Commission regarding the various start up tasks and third party approvals and authorizations required for the Authority to be eligible to receive and expend the State and Federal funds which are financing the PA/ED phase of the Highway 1 project. Table 1 below provides a list of the various agreements and approvals which we have thus far identified.

<p>Table 1 Highway 1 Construction Authority Agreements, Third Party Approvals and Authorizations</p>	
<p>■</p>	<p>Caltrans Agreements, Approvals and Authorizations</p> <ul style="list-style-type: none"> ✓ Master Agreement with Caltrans ✓ Cooperative Agreement with Caltrans ✓ Authorization for Congestion Management Air Quality (CMAC) Funding ✓ Cost Allocation Plan
<p>■</p>	<p>AMBAG</p> <ul style="list-style-type: none"> ✓ Federal Transportation Improvement Program (FTIP) Amendment

The Caltrans agreements and approvals and the AMBAG Amendment are necessary in order for the Authority to be an entity qualified to receive and expend the State and Federal Funds which finance the PA/ED phase of the Highway 1 Project. Once they are secured, which we believe can be accomplished in a few months, then the Authority can begin working with the Santa Cruz Regional Transportation Commission on:

- (1) the transfer of State and Federal Funding for the Highway 1 Project from the Commission to the Authority and the associated reconciliation; and
- (2) the transfer of the Nolte and Dale Dennis Agreements from the Commission to the Authority.

**BOARD OF DIRECTORS
TRANSITION ACTIVITIES AND 2004 BUDGET**

AGENDA: March 5, 2004

Page 3

When the transfers are complete the project management and oversight associated with the \$8,000,000 contract for the PA/ED work on Highway 1 will move from the Commission's staff to the Authority's staff. In summary, the project management and oversight effort includes:

- ✓ supervising the public information process;
- ✓ the project development team meetings;
- ✓ review of consultant work products;
- ✓ review and payment of consultant invoices;
- ✓ assisting the contractor and subcontractor in resolving right of entry problems; and
- ✓ coordination with other governments including the State.

It is essential that the Authority have staff in place before it begins assuming the project management and oversight effort. This will insure that the transition from Commission supervision to Authority supervision is an orderly one and there is continuity in the Highway 1 PA/ED work.

Table 2 summarizes in a calendar format the essential activities and a transition calendar for the duration of 2004. As shown in the calendar we believe that the start up activities, which will be managed by the Department of Public Works, can occur concurrent with the recruitment and selection process.

**Table 2
Transition Calendar and Time Frame for Essential Activities
(2004)**

Item	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1. Startup Activities, Third Party Approvals and Authorizations											
2. Recruitment and Selection of an Executive Director for the Authority											
3. Transition of PA/ED Work from Commission to the Authority											

**BOARD OF DIRECTORS
TRANSITION ACTIVITIES AND 2004 BUDGET**

AGENDA: March 5, 2004

Page 4

Budget for 2003-04

The Authority's budget for 2003-04 will finance the startup activities discussed in the preceding section, the recruitment and selection of an Executive Director for the Authority and Department of Public Works participation in the PA/ED process which is now being administered by the Commission. Until the startup activities are complete and the Authority is eligible to receive and expend State and federal funds, the Commission will continue to hold the funds which finance the PA/ED work. The Commission will also continue the project management and oversight activities until the Authority has staff in place to begin the transition of the project management and oversight responsibilities from the Commission to the Authority.

For the duration of 2003-04 we anticipate total expenditures of approximately \$36,000. In summary, we are recommending:

- \$18,000 in appropriations for staff time for start up activities and other work not associated with the PA/ED work which must be paid by the member agencies; and
- \$18,000 in appropriations for charges which are associated with the PA/ED work or may be allocated in part to the PA/ED funds.

Table 3 below summarizes the recommended budget for 2003-04 which is detailed in Attachment 1 of this letter.

Table 3 Highway 1 Construction Authority 2003-04 Recommended Budget			
Subject No.	Description	Amount	Amount
Expenditures			
3590	Department of Public Works Charges	\$	30,000
3547	County Counsel Charges		2,000
3665	Professional and Special Services Other (CAO)		3,000
3505	Accounting and Auditing		1,000
Total Expenditures		\$	36,000
Revenue			
2044	Member Contributions	\$	18,000
TBD	Revenue from Transportation Commission for PA/ED Work		18,000
Total Revenues		\$	36,000
Balance of Revenues and Expenditures		\$	0

62

**BOARD OF DIRECTORS
TRANSITION ACTIVITIES AND 2004 BUDGET**

**AGENDA: March 5, 2004
Page 5**

Table 4 below shows the amount of each member's contribution for 2003-04 based on the cost sharing formula provided for in the Joint Powers Agreement - Exhibit 1.

**Table 4
Member Contributions for 2003-04**

Member Agency	Share of JPA	2003-04 Member Contribution Amount
■ Santa Cruz Metropolitan Transit District	10.00%	\$ 1,800
■ County of Santa Cruz	59.40%	10,692
■ City of Capitola	4.50%	810
■ City of Scotts Valley	5.10%	918
■ City of Watsonville	21.00%	3,780
Total	100.00%	\$ 18,000

Recommendation

At this time it is RECOMMENDED that your Board:

1. set the 2003-04 Proposed Budget for the Santa Cruz County Highway 1 Construction Authority which is Attachment 1 of this letter for a public hearing on April 2, 2004; and
2. at the conclusion of the public hearing adopt the recommended budget with such changes as you deem appropriate and direct the Department of Public Works to send invoices to the member agencies for their 2003-04 share of cost.

Very truly yours,

Pat Busch
Assistant County Administrative Officer

Attachment

- cc: County Administrative Officer
Auditor-Controller
County Counsel
Director of Public Works
Santa Cruz County Regional Transportation Commission
Member Agencies

63

2003-04 Proposed Budget
Highway 1 Construction Authority

March-04

