

AGENDA: February 3, 2005

TO: Regional Transportation Commission
FROM: Pat Dellin, Acting Executive Director
REGARDING: Amendments to the FY04-05 Budget

RECOMMENDATIONS

The Budget and Administration/Personnel Committee and staff recommend that the Regional Transportation Commission approve a resolution (Attachment 1) amending the FY04-05 Budget (Attachment 2 – enclosed separately) and Work Program to:

1. Accommodate oversight of the Highway 1 Widening/HOV Project Approval/Environmental Document (PA/ED) for the second half of the fiscal year;
 2. Accommodate a temporary increase in staff work to purchase the Santa Cruz branch line rail right of way; and
 3. Shift staff resources allocated to other work elements in order to provide adequate staffing to these high priority projects.
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DISCUSSION

The following amendments to the FY04-05 Budget are recommended. The proposed amended budget is included as Attachment 2 (enclosed separately). This recommended budget will be reviewed by the Budget and Administration/Personnel committee at a meeting on January 27th, after this packet is prepared. Staff will inform the Commission at your meeting if the Budget Committee had any changes to staff's recommendations.

1. Highway 1 Widening/HOV Lane PA/ED

At its meeting on January 7, 2005, the Highway 1 Construction Authority (HCA) Board of Directors received a report from its County Public Works staff about the difficulty in securing permission from Caltrans to take over oversight of the Project Approval/Environmental Document (PA/ED) funds and contract for the Highway 1 Widening/HOV Lane project. HCA staff recommended and the Board concurred that the HCA would change its meeting schedule from monthly to quarterly, and request that the RTC retain oversight of the Highway 1 PA/ED.

The adopted fiscal year RTC budget had assumed that the transfer of oversight of the PA/ED to the HCA would occur by January 1st 2005. In order to continue to have the

RTC oversee the PA/ED for the remainder of the fiscal year, it is necessary to amend the current fiscal year Budget and Work Program.

Page 16 of the budget has been revised to show full year costs for RTC staff and the Commission's consultant, Dale Dennis, to provide staff support to the RTC on oversight of the PA/ED. These additional costs are funded by PA/ED dedicated funding that was reserved for PA/ED oversight tasks.

The input of new funds to the RTC budget helps the RTC's tight budget. On the other hand, the increased tasks have an impact on the ability of the Commission to completely fulfill discretionary tasks at the levels contemplated in the current approved budget. This issue will be discussed later in the staff report.

2. Acquisition of the Santa Cruz Branch Rail Line

The Letter of Intent with Union Pacific to purchase the Santa Cruz Branch Line, which was approved by the RTC in December, includes a final decision on the purchase and close of escrow by the end of summer 2005. At the January RTC meeting, the RTC approved a task-level schedule which includes a large number of time-sensitive and time-consuming tasks for staff and decisions by the Commission to occur during the second half of the fiscal year.

The proposed budget amendment includes transfer of staff resources and Commission Reserve funds from other lower priority projects to the rail line acquisition.

3. Reassignment of Staff Resources

The increased rail line acquisition tasks as well as the Highway 1 tasks for the second half of the fiscal year will necessitate reductions in levels of effort for other tasks. Other priorities beside the Highway 1 Widening and Rail Line Acquisition projects include continued coordination on the Highway 1/17 project and state-mandated responsibilities to develop a 2005 Regional Transportation Plan and to assist project proponents in accessing their state and federally programmed funds. Other projects have to be downscaled or limited at least temporarily. All other programs (Planning, SAFE and FSP, Rideshare and Administration) are affected. Examples of reductions are:

- Postpone addressing a countywide transportation ballot measure/funding package until the fall (approved by the RTC at its January meeting)
- Further decrease customer services and outreach activities in the Rideshare program
- Do not pursue ADA and digital upgrade of the SAFE call box system this fiscal year
- Do not prepare a Traffic Monitoring Report this year
- Do not prepare an Annual Report for the Commission (second year in a row)

- Do not hold a committee appreciation/transportation awards event (third year in a row)
- Continue to postpone redesign and upgrade of the Commission's website
- Postpone investigation of potential efficiency improvements such as improving coordination of the accounting and budgeting system

In addition, new projects that are not high priorities will be postponed. This is true for planning for the Monterey Bay Scenic Sanctuary Trail. Congressman Farr has secured \$400,000 in federal funds for the Sanctuary Trail in the AMBAG region, of which \$184,000 is available to the SCCRTC for its planning activities. Although TAMC is poised to award its share of the funds for a consultant contract for this project, the SCCRTC does not have the extra staff resources to complete the pre-planning necessary to begin the RFP process in the near future. In addition, it seems prudent to wait to see how the rail line negotiations conclude before embarking on a consultant contract for the Sanctuary Trail project. Until adequate staff resources become available, staff will continue to coordinate with AMBAG and TAMC on this project and do limited planning as time permits.

4. Staff Resources and Costs

Staff has performed a mid-year review of staff resources for this fiscal year. The review took into account the recent departures of the RTC's Executive Director, the temporary appointment of existing staff to the Executive Director and Deputy Director positions, the departure of a Transportation Planner III and the promotion of a Transportation Planner Technician to a Transportation Planner I position. These personnel actions leave the Commission with three vacant positions: two full-time Transportation Planner positions (one unbudgeted over the last year and a half to reduce costs; the second temporarily assigned to the Deputy Director position) and one full-time Transportation Planning Technician position. The two budgeted positions need to be filled in order to continue to implement the work program efficiently and effectively. Staff plans to fill the vacant Transportation Planning Technician position on a permanent basis and the vacant, budgeted Transportation Planner position on a temporary basis. The temporary Transportation Planner position is also proposed to be carried through to next fiscal year.

Staff recalculated staff costs for this fiscal year based on the personnel actions above, and including payment of the prior Executive Director's vacation time through April. The recalculation did not result in an increase to staff costs because the vacant positions cannot be filled immediately and because the promoted positions are being paid at lower steps than the prior appointees.

5. Status of Reserve Funds

The addition of responsibilities for the PA/ED and the Rail/Trail authority are covered by PA/ED and Rail/Trail Reserve funds and by transfer of Commission Reserve funds from the Planning and Administration programs to the Rail/Trail Authority program. In the end, there is a net decreased use of Commission Reserve funds and the previous deficit in the Commission's Reserve fund is erased. The SAFE Reserve Fund also shows a modest increase in funds. Having healthy balances in these two Reserve Funds will help the Commission get through the next fiscal year if programmed STIP funds for planning and the Freeway Service Patrol continue to be unavailable.

SUMMARY

The proposed budget amendment includes updated costs, revenues and tasks for oversight of the Highway 1 Widening/HOV PA/ED and the Rail Line Acquisition project; reassignment of staff to these higher priority projects and downscaling or postponement of other projects.

Attachment 1: Resolution

Attachment 2: Proposed Budget (enclosed separately)