

**Budget and Administration/Personnel Committee**

***Draft* MINUTES  
Thursday May 12, 2005  
3:00 pm**

SCCRTC Conference Room  
1523 Pacific Avenue  
Santa Cruz, CA 95060

Attendees: Members: Commissioner Jan Beautz  
Commission Alternate Andy Schiffrin  
Commission Alternate Edenilson Quintanilla  
Commissioner Ellen Pirie

Others: Pat Dellin, SCCRTC staff  
Luis Mendez, SCCRTC staff  
Tegan Speiser, SCCRTC staff  
Karena Pushnik, SCCRTC staff  
Bob Scott, Technical Advisor to SCCRTC  
Susan Mauriello, County Administrative Officer (CAO)  
Dania Torres Wong, County Personnel Director  
Rahn Garcia, County Counsel  
Les White, SCMTD

The meeting was called to order at 3:17 pm when a quorum was achieved.

1. Introductions – Self-introductions were made.
2. Additions/Changes to Agenda – A handout on TDA Revenue was distributed. A replacement for page 4-3 of the 4/6/05 meeting minutes was distributed.
3. Oral Communications – None
4. Approve Minutes of April 6, 2005 Meeting

Staff distributed a replacement page for page 4-3 of the minutes to reflect that the Committee's action to continue the Executive Director recruitment to January was a recommendation to the Regional Transportation Commission. The County CAO also asked for a change to the minutes to reflect that she and the Personnel Director had distributed recruitment proposals for the RTC Executive Director position, but they had made no recommendation about using an outside consultant for this purpose. The Minutes were unanimously approved as amended. (Pirie/Beautz)

5. Approve Staff Recommendations Regarding Establishing the RTC as an Autonomous Governmental Entity

Acting Executive Director Pat Dellin presented the highlights of the autonomy proposal as outlined in the staff report. She discussed the preparation of the Matrix of Elements Critical to Autonomy that was prepared since the last meeting at the request of the Budget and Administration/Personnel Committee. Ms. Dellin also mentioned updated versions of the draft work plan and timeline, key findings, guiding principles and a budget of one-time costs for consulting services that may be needed to achieve autonomy. She reported on the highly productive meetings that were held with the County Treasurer and Auditor-Controller regarding directly contracting with these entities for fiscal services similar to other local special districts. She also highlighted the staff recommendation to contract with consultant Ellen Aldridge of William Avery & Associates for human resource and labor relations consulting. Senior Transportation Planner Tegan Speiser reviewed progress on preparing the application for a new member valuation study from CalPERS including the preliminary determination made by CalPERS to treat the RTC as a new prospective entity, rather than a merged function.

The County CAO expressed several thoughts about RTC autonomy: 1) that she was unclear about whether the materials and work plan were prepared for implementation or decision-making purposes and that she thought that a new study of the costs and benefits was needed; 2) that the RTC should be responsible for any "tail claims" that it incurred during the time its employees were covered through the County, especially regarding CalPERS; 3) that it may be desirable for some activities to happen sooner than July 1, 2006 such as purchasing workers compensation and liability insurance; 5) that the County would no longer provide fleet maintenance or storage facilities for the RTC if it becomes independent; and 4) there RTC employees may want to explore becoming a bargaining unit before the upcoming contract negotiations to simplify this aspect of the separation come July 1, 2006.

Several of these issues were addressed in the ensuing discussion. Committee members noted that they were indeed on the path to implement autonomy. They also conveyed that the discovery of a fatal flaw during the process could change this course of action. Committee members also agreed that an equitable process should be pursued for addressing tail claims (including PERS) should they be found to exist. This concept was added to the Guiding Principles document.

Specific recommendations were made by Committee members regarding revising the draft work plan, timeline and related autonomy planning documents including:

Matrix: Simplify the draft Matrix of Critical Elements for Autonomy to highlight those elements immediately required and clarify that in areas where the RTC will receive services from County entities, new special district agreements will replace the previous Memorandum of Understanding (MOU) for delivery of services to the RTC as a County department;

Work Plan: Consider purchasing workers compensation insurance in advance of other insurances given the current absence of any open claims; make provisions to contract privately for vehicle maintenance and commercial storage; ensure correct CalPERS balances are recorded;

Key Findings: Consider completing some tasks earlier than July 1, 2006; add a statement about hiring a consultant to assist staff with human resource and labor relations issues pending RTC approval;

Guiding Principles: Add the concept of the RTC assuming existing CalPERS liabilities or assets for current and previous RTC employees.

These changes will be incorporated into the materials forwarded to the Commission for approval on June 2, 2006. The staff recommendations to:

1. Review the draft Matrix of Critical Elements for RTC Autonomy (Attachment 1);
2. Review the revised draft Work Plan, Timeline, Key Findings, Guiding Principles and Preliminary Budget for establishing the RTC as an autonomous governmental entity (Attachments 2 - 6);
3. Forward these materials, with revisions as appropriate, along with the recommendations approved at your last meeting, to the full Commission for consideration at the June 2, 2005 RTC meeting;
4. Recommend that the RTC direct staff to negotiate a contract with Ellen Aldridge for initial assistance with tasks related to human resource management, employee benefits and employee relations;
5. Recommend that the RTC's Chair submit a written response to the County Board of Supervisors indicating the Commission's intention to establish itself as an autonomous governmental entity by July 1, 2006 and in the interim to continue to work with the CAO, the County Auditor-Controller, the County Treasurer, and County Counsel on the definition of tasks and services to be continued for the RTC as an independent entity;
6. Direct staff to return to the June 9, 2005 meeting of the Budget and Administration/ Personnel Committee with an update on autonomy tasks and information; and
7. Direct staff to return to the August 11<sup>th</sup> meeting of the Budget and Administration/Personnel Committee with a detailed work plan for and human resource management and employee relations tasks.

were unanimously approved (Quintanilla/Pirie) with amendments to the various documents as outlined above and with the clarification that the Budget and Administration/Personnel Committee recommends that the RTC pursue autonomy knowing that the RTC could choose to reconsider if a fatal flaw is found. Committee recommendations to the RTC from the previous Committee meeting and this meeting will be presented to the RTC at its June 2<sup>nd</sup> meeting.

6. Approve Staff Recommendations Regarding Amendments to the FY04-05 Budget to Include the Rail Acquisition Financial Plan and Add Funds for the Freeway Service Patrol Towing Services.

The Committee unanimously approved (Pirie/Quintanilla) the staff recommendations to incorporate the approved Rail Acquisition Project Financial Plan into the FY04-05 budget and to add \$1,500 to the Towing line item for the Freeway Service Patrol (FSP) program.

7. Next Meeting Times – (Regular meeting time = second Thursday of the month at 3:00 pm)

The next meeting will be on Thursday, June 9 at 3:00 pm. There will be no July meeting. The August meeting will held on August 11 at 3:00 pm.

8. Adjournment - The meeting was adjourned at 4:50 pm.

Respectfully submitted,

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Tegan Speiser, Staff

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