

**Budget and Administration/Personnel Committee**

*Draft* MINUTES  
**Thursday October 13, 2005**  
**3:00 pm**

RTC Conference Room  
1523 Pacific Avenue  
Santa Cruz, CA 95060

Attendees: Members: Commissioner Jan Beautz  
Commission Alternate Gustavo Gonzalez  
Commissioner Mike Keogh  
Commissioner Ellen Pirie  
Commission Alternate Andy Schiffrin

Others: Ellen Aldridge, RTC consultant  
Bob Scott, RTC consultant  
Dania Torres-Wong, County Personnel Director  
Fred Keeley, County Treasurer-Tax Collector  
Gary Knutson, County Auditor-Controller  
Les White, SCMTD General Manager

RTC Staff: Pat Dellin, RTC staff  
Karena Pushnik, RTC staff  
Luis Mendez, RTC staff  
Daniel Nikuna, RTC staff  
Tegan Speiser, RTC staff

The meeting was called to order at 3:05 pm by Commission Alternate Schiffrin.

1. Introductions – Self-introductions were made.
2. Additions/Changes to Agenda – Acting Executive Director Dellin distributed replacement pages for Item 10 reflecting changes in TDA revenue estimates and a one-time special allocation to SCMTD.
3. Oral Communications – None

**CONSENT AGENDA**

Commission Alternate Schiffrin requested that agenda item 5 on RTC Autonomy be pulled from the consent agenda. The remaining items on the consent agenda were unanimously approved (Keogh/Gonzalez).

4. Approved Minutes of September 8, 2005 Meeting as submitted.

6. Accepted Caltrans Audit Findings and approved staff recommendations regarding potential changes in RTC accounting procedures. Staff recommendations included to: 1) accept the final Indirect Cost Allocation Plan and overhead rate and approved the final overhead rate; and 2) accept staff recommendations on the accounting findings by Caltrans.

7. Accepted the following information items: a) TDA Revenue Report for July – September 2005; and b) List of Major Staff Assignments effective August 2005.

## **REGULAR AGENDA**

### **5. Approved Staff Recommendations on RTC Autonomy**

The Committee unanimously approved (Keogh/Gonzalez) the amended staff recommendations on autonomy to: 1) accept this update on RTC autonomy; 2) recommend that the RTC direct the Interim Executive Director to enter into an indemnification agreement with the County of Santa Cruz regarding RTC participation in the County's Flexible Spending Account program for 2006; and 3) include in the budget amendment to the RTC budget costs for a 0.5 full time equivalent (FTE) Transportation Planning Technician to assist with one-time tasks for RTC autonomy. Staff confirmed that even with the addition of this half-time position, one-time expenses for RTC autonomy remain well under the \$100,000 approved in the Commission's FY05-06 budget.

### **8. Approved the Staff Recommendations regarding the Recruitment for the Permanent RTC Executive Director (ED)**

Interim Executive Director Dellin outlined the joint recommendations developed by County and RTC staff regarding the selection of a consulting firm to conduct the executive director recruitment and summarized actions taken thus far by the RTC regarding the ED recruitment. The firm being jointly recommended to conduct the recruitment is CPS Executive Search, an affiliate of CSAC Human Advisory Services, with Mr. John Shannon as lead. A proposed scope of work, timeline and cost for the recruitment services of CSAC Human Resource Advisory Services was presented. The four-month recruitment schedule begins in early November 2005 and concludes with the appointment of a new director by the end of February 2006 allowing for a one month overlap with Interim Executive Director Dellin before her departure.

Concerns were expressed regarding hiring the permanent Executive Director during the transition period right before the RTC is scheduled to become fully autonomous. More information on issues such as severance terms, benefits, and whether the RTC could itself legally contract directly with an employee before it was autonomous were raised. Staff offered to return to the committee with a report addressing these issues.

The Committee unanimously approved a motion (Pirie/Beautz) to: 1) approve the proposal from CPS Executive Search /CSAC Human Resources Advisory Services to assist the RTC in recruiting and hiring a permanent Executive Director; 2) direct staff to forward the timeline and scope of work to the RTC for its information; 3) include in the work plan seeking input from two stakeholder groups during the recruitment process: the RTC staff and the Interagency Technical Advisory Committee (ITAC) and 4) return to the committee with a report on the options for contracting with the Executive Director prior to the transition to RTC being fully autonomous.

## 9. Approved Staff Recommendations Regarding Concept and Budget for the Transportation Funding Task Force

Interim Executive Director Dellin said that since the last meeting, RTC staff considered the feedback provided by the Committee and met again with Task Force convener Fred Keeley and the three consultants being recommended to assist with this project to prepare a more detailed scope, budget and funding plan. Mr. Keeley presented the Proposed Overall Concept of the Task Force to the Committee and discussed why he thought such a broad-based approach and investment could be effective for the Commission. He discussed the unique abilities of the consultants being recommended to engage large groups of citizens to participate in the process. A revised budget and funding plan was also presented with staff costs now included in the budget and a more diverse funding plan including over \$50,000 to be raised from private sources.

By a vote of 3 to 2 (Commissioners Beautz, Pirie and Commission Alternate Gonzalez voting yes) the Committee approved a motion (Pirie/Beautz) to: 1) review and recommend that the Regional Transportation Commission approve the Proposed Overall Concept and Proposed Two-Year budget for the Transportation Funding Task Force; 2) recommend that the RTC include line items for the Transportation Funding Task Force in both the amended FY05-06 and next years FY06-07 RTC budgets; 3) direct staff to provide regular reports to the RTC (monthly in writing and quarterly in person); and 4) report back to the Budget and Administration/Personnel Committee about the Funding Task Force's progress before starting Phase 2 of the project.

## 10. Approved Staff Recommendations Regarding Proposed Amendments to the FY05-06 Budget and Work Program and Addition of Staff Positions

Interim Executive Director Dellin outlined the components of this year's fall budget amendment which includes carryovers of unfinished projects, new projects and updated revenues and costs. Highlights of her presentation included: an explanation of TDA surplus revenues (above what's recommended in reserves) and her recommendation of a one-time special allocation of the \$62,926 TDA surplus to SCMTD; increases to other pass-through funds for SCMTD, the Santa Cruz Area TMA and Community Bridges; proposed changes to the RTC work program in three significant areas – the Transportation Funding Task Force, RTC autonomy and implementation of a TDM/Ridesharing Plan during construction of the Highway 1/17 Merge Lanes Project; and proposed staff increases of 1 ½ employees for two-year period to address the significant work program expansion in the areas mentioned above.

County Auditor Controller Gary Knutson spoke to the recent update to his TDA revenue estimate for FY05-06. Although the local sales tax estimate was revised downwards, he said that what is being estimated for the current year is still 3% greater than last year's actual revenues. He explained that sales tax estimates are based on partial information and that sales taxes generally are very elastic to what is happening in the community. This fluctuation is why he continues to recommend that the RTC maintain a 5% TDA reserve, currently \$378,000. New Governmental Accounting Standards call for a minimum reserve of 5% up to 15% or 2 months of working capital.

Commissioners discussed: the need to innovate programs like Bike to Work which seem be dwindling in participation; concerns about spending money on a new voice mail and phone

system; clarification about the current amount of funds in the RTC Commission reserves; rail funding including lease revenues, carryover contracts for acquisition activities, a reduction in the amount budgeted for rail liability insurance due to schedule delays with the acquisition; clarification that the planner position that is being unfrozen is specific to the increased staffing needs of the Transportation Funding Task Force and that should that project fail to go forward in the second phase, the need for this position would end; and clarification about \$67,000 in pass-through funds allocated by the MBUAPCD towards the folding bikes on buses program.

The Budget and Administration/Personnel Committee approved a motion (Pirie/Beautz) to recommend that the RTC: 1) accept the updated estimate from the County Auditor-Controller which reduces the estimate for FY05-06 Transportation Development Act (TDA) revenues by \$68,504; 2) approve allocation of the full Transportation Development Act (TDA) surplus, \$62,926, as a special, one-time allocation to SCMTD; 3) approve the other proposed amendments to the FY05-06 Budget (Attachment 2 - enclosed separately) and the Work Program as discussed in the staff report, including the following new projects: a. Transportation Funding Task Force, b. Establishing the SCCRTC as an autonomous governmental agency, and c. implementation of the TDM/Ridesharing Plan during construction of the Highway 1/17 Merge Lanes Project; 4) include in the budget and approve the addition of 0.5 FTE (full time equivalent) Transportation Planning Technician to assist existing staff on the new projects; 5) approve unfreezing a vacant, budgeted full time Transportation Planner position to assist existing staff on the new projects; 6) request that the County take the necessary steps to add the staff positions and conduct a Transportation Planner recruitment; and 7) reconsider the staffing additions if funding or project needs change, or at the latest, prior to development of the FY07-08 budget.

Commissioner Schiffrin asked that the minutes reflect that he voted yes on the motion, but no on the portion of the item that deals with funding for the Transportation Funding Task Force.

11. Next Meeting Times – (Regular meeting time is the second Thursday of the month at 3pm)

The Budget and Administration/Personnel Committee will meet on these Thursdays at 3pm: November 10, December 8 and January 12.

12. Adjournment - The meeting was adjourned at 5:08 pm.

Respectfully submitted,

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Tegan Speiser, Staff