

Budget and Administration/Personnel Committee

Informational Meeting NOTES

Thursday, June 8, 2006

3:00 pm

CAO Conference Room
701 Ocean Street, Santa Cruz, CA 95060

Attendees: Members: Commissioner Jan Beautz
Commission Alternate Gustavo Gonzalez
Commissioner Ellen Pirie

Others: Ellen Aldridge, RTC Consultant
Ligi Leong, County CAO's Office
Dania Torres-Wong, County Personnel Director
Janet McKinley, County Risk Manager
Les White, SCMTD

RTC Staff: Daniel Nikuna, RTC Staff
George Dondero, RTC staff
Kim Shultz, RTC Staff
Luis Mendez, RTC Staff
Tegan Speiser, RTC staff

Due to lack of a quorum, no official actions were taken. An informational meeting of the Committee was chaired by Commissioner Beautz.

1. Introductions – Self-introductions were made.
2. Additions/Changes to Agenda – None.
3. Oral Communications – None.

CONSENT AGENDA

4. Approve Minutes of May 11, 2006 meeting. (Deferred to 8/10/06 B&A/P Meeting.)

REGULAR AGENDA

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

Mr. Dondero reported that a very productive autonomy coordination meeting was held with County Personnel and Risk Management earlier in the day. County Personnel and Risk Management staff concurred that they are comfortable with the direction, recommendations and decisions being made by the RTC with regards to employee benefits and insurance and offered to continue to provide technical advice as requested.

Ms. Speiser presented the staff report highlighting the following staff recommendations:

1) Accept this status report on the RTC Autonomy Project, including the updated work plan and timeline (Attachment 1); 2) Continue to contract with the County of Santa Cruz for the following employee benefits: dental, vision, life insurance, long term disability, employee assistance program and participation in the County's deferred compensation program; 3) Establish a membership with the CalPERS Health Benefits Program to provide medical insurance benefits to Commission active and retired employees and their dependents and that the RTC continue to pay the same levels of premiums to participate in plans as currently exist under County MOUs and employment agreements utilizing the "unequal method" for retirees; 4) Participate in the Workers' Compensation insurance program offered by the SDRMA JPA; 5) Establish an account with a private rental car company to replace the use of County fleet vehicles for travel to meetings out of the area and continue to purchase fuel and maintenance services through the County's fleet services if possible; 6) Continue to have all of the Commission's funds managed and invested by the County Treasurer in keeping with the current arrangements; and 7) Establish its own account with the state's CalCard credit card program.

Commissioners and meeting participants discussed the following topics related to the staff recommendations:

WORKPLAN: Significant progress is being made towards implementing the workplan.

EMPLOYEE BENEFITS: The RTC meets the definition of successor organization since more than 50% of the employees will be coming from the previous organization (the County). As a successor organization, the intent is to mirror the County's current benefits under the various MOUs during the initial period following autonomy.

CALPERS HEALTH BENEFITS PROGRAM: CalPERS Health will make a presentation at the June 29th TPW meeting including key aspects of the benefit program such as contingency fees, equal and unequal methods of setting benefits, vesting, etc; new requirement to comply with GASB 45 by showing the future cost of retiree health premiums as a liability on RTC books; "unequal" CalPERS benefits between Northern and Southern California and state employees; few alternative medical plans available in our area; and tracking the Bay Area program that SCMTD recently considered switching to.

WORKERS COMP INSURANCE: County staff, RTC staff and the consultant recommend SDRMA WC policy as best for price and coverage for the RTC. This plan is a self-insured insurance risk pool. Claims are paid from first dollar up to \$250,000, then excess insurance up to \$150,000,000. Staff will include JPA agreement and self-insurance documents in TPW packet.

FLEET MAINTENANCE: Although many employees use their own cars and receive mileage reimbursement, rental cars will provide another option. Arrangements re: CNG fueling and servicing of RTC van will be made with County General Services Department. Metro will have CNG fuel available in December.

FUNDS MANAGEMENT & INVESTMENT: Cost of managing funds is deducted from fund earnings and is spread across all of the entities who have funds managed by the Treasurer.

CALCARD CREDIT CARD PROGRAM: No administrative fees. RTC staff already familiar with program. Cards are coded for the specific commodities each cardholder is allowed to buy.

MEET AND CONFER: Two sessions planned to focus on HR and Labor Relations Policies, employees' interest in participating in Social Security and MOUs. Several local agencies including SCMTD, City of Santa Cruz, 911 Comm Center, and half of Watsonville have opted out of Social Security.

Although the staff recommendations were not approved due to lack of a quorum, questions were addressed. Recommendations prepared for this meeting will be brought to the full RTC for consideration at the June 29th TPW Meeting.

6. Accept Update on Costs of RTC Autonomy

Ms. Speiser indicated that historical information about autonomy is included in the staff report and Attachment 4 provides current estimates of significant post-autonomy operating costs for FY06-07.

Shaded areas offer reasonable estimates for costs that are still being firmed up. Figures for property and liability insurance do not include the expense of insuring the rail right of way which will be insured under a separate policy. Staff is currently negotiating to have the RTC's SAFE program bundled into the general liability/property policy rather than insured separately as they are now. Quotes for general liability/property have been secured from SDRMA This coverage would be as a participant in a self insured insurance risk pool with other special districts and public agencies. An additional quote property/liability quote has been requested from CSAC CPEIA.

7. Update on Status of Administrative Services Position

Mr. Mendez reported that since RTC the approved hiring an Administrative Services Officer, staff has been working with the County Personnel to conduct a classification study, assign a position code, approve a freeze exempt form and conduct a recruitment. The County just closed a promotional-only recruitment for this position and has certified an eligibility list. RTC has requested the list and plans to interview candidates. If, after interviewing all of the candidates on the list, none are found to be suitable, the RTC can provisionally hire someone who is not on the list. RTC staff plans to conduct interviews and hire this month.

8. Next Meeting Times - The Budget and Administration/Personnel Committee will meet at 3pm on Thursday August 10th, September 14th and October 12th. Staff proposes moving the B&A/P Committee meetings back to the RTC Offices beginning in August. There may be a need for an extra meeting or two in the fall as there are many documents for the RTC to approve and legal documents to execute prior to autonomy.

9. Adjournment

Respectfully submitted,



Tegan Speiser, Senior Transportation Planner

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