

AGENDA: October 5, 2006

TO: Regional Transportation Commission
FROM: Tegan Speiser, Senior Transportation Planner
REGARDING: Update on the RTC Autonomy Project

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission:

1. Accept this report on the RTC Autonomy Project;
 2. Approve a new separation date of November 4, 2006;
 3. Approve November 4th as the new effective date for establishing the RTC's membership in the CalPERS retirement program; and
 4. Approve amending the effective date to November 4, 2006 of post autonomy policies already adopted by the Commission.
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BACKGROUND

The Commission approved establishing the RTC as an autonomous governmental entity in June 2005 for reasons of operational efficiency and flexibility, direct control of the agency by the Commission, and various risk management concerns. The RTC authorized the Budget and Administration/Personnel Committee to direct staff and consultants in the implementation of autonomy tasks. Staff has worked closely with the Budget and Administration/Personnel Committee to implement the tasks outlined in an autonomy work plan with the goal of establishing the RTC as an independent organization by October 2006.

DISCUSSION

Today's report provides the Commission with an update on RTC Autonomy and proposes a new separation date of November 4, 2006 for transferring RTC employees from the County over to the RTC. November 4th would also be the new effective date for the RTC's membership in the CalPERS retirement system, and for the RTC's new Human Resources Policies and Administrative and Fiscal Policies.

Autonomy Accomplishments

The majority of the Commission's objectives for RTC Autonomy have now been achieved. New human resources, administrative and fiscal policies have been adopted, employee benefit programs have been purchased, and retirement programs established. Insurance policies for workers compensation, liability, property and crime coverage are all in place and effective October 1st. Agreements with various County departments for continuation of services on a contract basis are well on their way to completion. Applications for credit cards

have been submitted and contracts with rental car companies are being established. Finalizing MOUs with the RTC's two employee bargaining units is being managed by the Commission's Autonomy consultant Ellen Aldridge.

More Time Needed for Payroll Programming and Testing

In July, RTC staff confirmed with the County Auditor's Office that the Commission planned to continue contracting with the County for payroll and claims processing services. While all was on track for an October 21st transition, on September 19th staff was apprised by the County Auditors Office and Information Services Department that they will need additional time to complete the payroll programming and testing to meet the Commission's needs and ensure that there will not be any problems. By delaying autonomy implementation by one additional pay period, until November 4th, County staff feels they will have sufficient time to adequately test all of the new payroll coding and systems before they are put into active use. The demands on County accounting staff to complete year-end closing and to finalize the new County budget contributed to the delay.

Before agreeing to a new implementation date for transferring employees from the County over to the Commission, RTC staff conferred with CalPERS to request an extension of the actuarial valuation study results which had previously been valid until October 31, 2006. An extension until November 4th was approved. The RTC's membership in the CalPERS retirement system will begin on November 4, 2006.

Staff recommends that the Commission approve a new target date for completing the separation from the County of November 4th. Staff further recommends changing the effective dates of policies already adopted by the Commission, including the RTC's new Human Resources Policies and Administrative and Fiscal Policies, to November 4, 2006. Employees will cease being County employees and become RTC employees on this date.

Staff will continue to provide reports to the Budget and Administration/Personnel Committee and the RTC as the final milestones to RTC autonomy are reached.

SUMMARY

A new target date of November 4, 2006 is recommended for completing RTC autonomy. Staff further recommends that the effective date of post autonomy policies already adopted by the Commission be changed to November 4, 2006 as well.