

Budget and Administration/Personnel Committee

Draft MINUTES
Thursday, September 13, 2007
3:30 pm

CAO Conference Room, 5th Floor
701 Ocean St, Santa Cruz

Members Present: Commissioner Ellen Pirie
 Commission Alternate Andy Schiffrin
 Commissioner Jan Beautz
 Commission Alternate Gustavo Gonzalez
 Commissioner Mark Stone

RTC Staff Present: George Dondero
 Luis Mendez
 Tegan Speiser
 Cory Caletti
 Yesenia Parra

Others Present: Les White, SCMTD General Manager

The meeting was called to order at 3:35 pm by Committee Chair Schiffrin.

1. Introductions -None
2. Additions/Changes to Agenda
3. Oral Communications

Deputy Director Luis Mendez reported that the Silicon Valley Leadership (SVLG) group inquired on whether the SCCRTC has taken a position on the High Speed Rail project. The SVLG and the Transportation Agency for Monterey County (TAMC) have taken the position to support the Pacheco Pass alignment. He reported that this will be considered by the SCCRTC at its Transportation Policy Workshop (TPW) meeting on September 20, 2007.

Deputy Director Luis Mendez also reported that the preparation of the FY 07-08 budget amendment is underway, and that it is expected to be on the Committee's agenda for October. He added that the Auditor's TDA revenue estimates are slightly lower than what was received for the 07-08 Budget adopted in March.

CONSENT AGENDA

Consent agenda items #4 and #5 were approved unanimously (Pirie/Beautz)
Item #6 was pulled for discussion by Mr. Schiffrin

4. Approved Minutes of the May 10, 2007 Budget and Administration Committee Meeting
5. Accepted Quarterly Report on Warrants and Credit Card Transactions
6. Accept Quarterly TDA Report

Mr. Schiffrin asked why the committee received the 06/07 TDA report instead of 07/08. Deputy Director Luis Mendez responded that this was the actual revenues for the complete year 06/07 and that the figures for the first quarter of 07/08 are not yet available. Mr. Schiffrin remembers that the Budget and Administration/Personnel Committee (B&A/P) received TDA reports on a monthly basis. Staff will include these reports in the committee packet on a monthly basis. Commissioner Beautz asked for clarification on the shortage for this year's TDA funds. Mr. Mendez responded that the difference is not significant and that there are sufficient surplus funds in FY 06/07 to cover the difference.

REGULAR AGENDA

7. FY 2007 – 2008 Indirect Cost Allocation Plan

Commissioner Pirie asked that corrections be made to dates in the staff report from 2007 to 2006.

Deputy Director Luis Mendez stated that this report is an annual requirement that provides information to Caltrans. This process is necessary to obtain approval for the overhead rate charged to grants with project labor costs. The report is completed based on Caltrans requirements which dictates what can be included and what can't. He distributed information showing how the Indirect Cost Allocation Plan is derived and explained its derivation.

Commissioners asked for details on what is included in the Indirect Cost Allocation Plan. Mr. Mendez distributed information showing how the Indirect Cost Allocation Plan rate is derived and what costs are included.

A motion was made (Pirie/Stone) to accept the staff recommendations to accept the Draft Indirect Cost Allocation Plan for FY 07-08 and authorize the Executive Director to submit the plan to Caltrans and certify the final plan. The motion was approved unanimously.

8. 2007 Triennial Performance Audit of the RTC

Deputy Director Luis Mendez presented the staff report adding that the auditor and staff from RTC and the Santa Cruz Metropolitan Transit District (SCMTD) met and completed the SCMTD audit. Mr. Mendez reviewed the

recommendations in the audit report and work being done to meet those recommendations.

Committee members and staff discussed the audit recommendations, the definition of transit provider under TDA statute and potential responses to the audit recommendations. Commissioner Alternate Schiffrin stated that the staff report already has the responses to the performance audit recommendations and that there is no need to return to the Committee should be able to make recommendations to the RTC at this meeting.

A motion was made (Ellen/Beautz) to recommend that the RTC accept as responses to Triennial Performance Audit the following:

1. Audit recommendation 1: Accept as a process what is outlined in the staff report including the review of the Short Range Transit Plan with the addition that the Short Range Transit Plan be presented to the B&A/P Committee for review;
2. Audit Recommendation 2: All future audits will include the paratransit function, the Volunteer Center and Community bridges and their scope of work will be more detailed regarding the expectations of the auditor with regards to meeting with RTC and SCMTD Board members and staff;
3. Audit Recommendation 3: The required plan will be completed;
4. Audit Recommendation 4: The recommendation resulting from labor negotiations will be considered.
5. Audit Recommendation 5: The need for continuing to Transportation Policy Workshop meetings was assessed and decided to continue to hold those meeting.

The motion carried unanimously.

9. Next Meetings/Adjournment

The meeting adjourned at 3:58 p.m. The next Budget and Administration/Personnel Committee meeting is scheduled for Thursday, October 11, 2007 at 3:30 p.m. in the CAO Conference Room, 5th Floor, 701 Ocean St., Santa Cruz.

Respectfully submitted

Yesenia Parra, Staff