

STAFF REPORT



MEETING DATE:	1/24/12
SUBJECT:	Consider Approval of Independently Staffed RTPA and Related Actions
AGENDA ITEM:	3
STAFF CONTACT:	Dan Little

SUMMARY:

An RTPA board subcommittee consisting of chair Moty, vice chair Watkins and past chair Dickerson has been meeting to consider RTPA staffing alternatives to the current arrangement with the County of Shasta. At their last meeting, the subcommittee recommended a special board meeting to consider approval of an independently staffed RTPA.

STAFF RECOMMENDATION:

It is recommended that the board:

1. Take action to establish an independent RTPA with a target date of July 1, 2012;
2. Direct staff to prepare a detailed transition plan for board approval in February; and
3. Establish a new ad-hoc RTPA board subcommittee consisting of the chair, vice chair and past chair that will guide the transition process and make recommendations to the full RTPA board.

DISCUSSION:

In September 2011, the RTPA board directed RTPA legal counsel and staff to proceed with a memorandum of understanding (MOU) to formalize staffing arrangements between the RTPA and the County of Shasta. To guide the MOU development process, a subcommittee was established. The MOU subcommittee is now recommending an independently staffed RTPA and has requested this special meeting.

The subcommittee directed staff to prepare a comparison of RTPA operating costs (Table 1) based on three budget scenarios:

1. The RTPA board adopted Overall Work Program (OWP) for the current fiscal year (FY) 2011/12.
2. The draft FY 2012/13 OWP budget with the addition of previously unreimbursed annual county support costs totaling \$151,178 as calculated by the county (Table 2).
3. A draft FY 2012/13 budget for an independently staffed RTPA assuming facilities and administrative support provided by means other than the county.

The independent RTPA budget essentially replaces all county support and overhead costs with the cost to provide the same services/facilities through private vendors. Because the RTPA already provides for most of the agency needs, these expense factors are limited to less than \$170,000 annually. The estimates for independent RTPA contract services was determined through quotes and/or costs in the budgets of comparable-sized independent RTPAs (Table 3).

The current county cost ratio of salary to benefits is within the range of comparable agencies (Table 1). Comparisons assume the same seven full-time RTPA positions, no change in salaries or the current level of medical benefits, and that employees continue to pay their retirement shares.

County administrative and facility support costs in the amount of \$151,178 annually are currently paid by the county without RTPA reimbursement. Pursuant to MOU subcommittee direction, this comparison assumes the \$151,178 would be reimbursed by the RTPA in future years if the RTPA were to remain part of the county. County support functions compared to estimates for privately contracted functions vary by the line items in Table 1. For example, quotes and comparables for facilities and insurance costs are higher for an independent RTPA. Quotes and comparables for independently provided support services are lower than thru the present county system of interdepartmental charges.

The shaded line items in Table 1, plus computer support, represent the budget variables for an independent RTPA. Given these variables, the annual cost for an independently staffed RTPA is approximately \$30,000 lower than with county support. The difference is negligible and represents less than one-half of one-percent of the RTPA's operating budget.

The attached "Overview of the Shasta County Regional Transportation Planning Agency" details RTPA revenues, expenditures and functions. Chart 7 on page 26 shows a breakdown of the \$1.89 million in planning and administration revenues available to the RTPA in FY 10/11. RTPA revenues have historically increased over time, allowing the RTPA to pass-thru funds to local agencies while also maintaining a substantial reserve. While federal and state funding can be volatile in the current economy, RTPA revenue has been stable because planning dollars are derived from state and federal gas taxes which are constitutionally firewalled from raids for non-transportation purposes. These firewalls were strengthened with recent state passage of the "gas tax swap."

If the board elects to move forward with an independent agency, staff will prepare a detailed transition plan outlining the necessary steps leading to an independent RTPA by July 1. The budget details would be submitted to the board for approval in April as part of the FY 2012/13 OWP.

In order to meet the July 1 target date, staff proposes the formation of an ad-hoc board subcommittee to guide and expedite the transition process, and possibly reduce the need for future special board meetings.

ALTERNATIVES:

The board may continue to pursue an MOU with the county or maintain the current staffing arrangement.

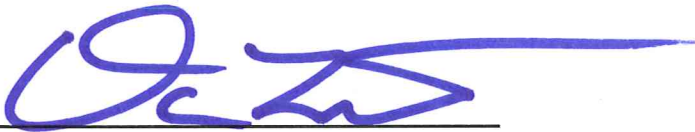
OTHER AGENCY INVOLVEMENT:

Discussions regarding RTPA staffing and county support costs have involved RTPA counsel, county counsel, and Shasta County's chief administrative officer and director of public works.

FINANCING:

The above discussion and attachments detail the costs associated with an independently staffed RTPA. The projected \$30,000 savings associated with an independent RTPA is negligible compared to the total operating budget. The final FY 2012/13 OWP will include adjusted costs based on local competitive bids for facilities and administrative support services.

It is important to note that this analysis does not include one-time startup costs associated with an independent RTPA, such as the cost to relocate offices. These would be evaluated in the transition plan should the board choose to move forward with an independent RTPA.



Daniel S. Little, AICP, Executive Director

Attachments: Table 1 – Cost Comparison of Annual Salaries, Benefits, Workers
 Compensation and Operating Expenses
 Table 2 – Annual Unreimbursed County Support Costs
 Table 3 – Annual Salaries and Benefits Compared to Similar Sized RTPAs
 Overview of the Shasta County Regional Transportation Planning Agency

Shasta County Regional Transportation Planning Agency

Independent RTPA Annual Expense Projections

	A	B	C	D	E
1	Table 1: Cost comparison of salaries, benefits, workers compensation and operating expenses				
2		Adopted FY 11/12 RTPA expenses	FY 12/13 RTPA expenses		FY 12/13 budget based on next year's draft OWP.
3			With county support	Independent	
4	Salaries, benefits and workers compensation				Notes:
5	Salaries	\$ 442,775	\$ 447,545	\$ 447,545	Percentages consistent with comparable sized RTPAs. Assuming same level of salary and benefits for Shasta RTPA employees, cost not expected to change (see Table 3).
6	Medical benefits (medical, dental, vision, life)	\$ 110,881	\$ 110,881	\$ 110,881	
7	PERS - employer portion	\$ 57,472	\$ 58,091	\$ 58,091	
8	*Workers comp experience modification	(paid by county)	\$ 29,250	\$ 29,250	
9	*Leave accumulation	(paid by county)	\$ 13,092	\$ 13,092	
10	Total salaries, benefits and workers compensation	\$ 611,128	\$ 658,859	\$ 658,859	
11					
12	Operating expense (excludes consultant fees for temporary grant-funded projects)				All fixed assets currently owned by RTPA.
13	Communications (phone/cell service)	\$ 4,000	\$ 4,000	\$ 4,000	County provides now. If contracted \$800/mo (quote) + software licensing.
14	Computers (support/licenses/web hosting/networking)	\$ 23,000	\$ 23,000	\$ 14,300	
15	Office (copier lease/paper/office supplies/postage)	\$ 16,300	\$ 16,300	\$ 16,300	
16	Vehicle (fuel/maintenance)	\$ 2,000	\$ 2,000	\$ 2,000	
17	Travel	\$ 20,500	\$ 20,500	\$ 20,500	
18	Memberships (Calcog/APA)	\$ 4,200	\$ 4,200	\$ 4,200	Currently contracted by RTPA.
19	Audit services (TDA audits)	\$ 12,500	\$ 15,000	\$ 15,000	
20	Legal services	\$ 20,000	\$ 25,000	\$ 25,000	Currently contracted by RTPA.
21	Public notices	\$ 9,500	\$ 9,500	\$ 9,500	Compared to similar sized RTPAs. Contract payroll at \$7,500 (quote) and all other support (300hrs@\$125/hr). Advertised lease avg. @\$1.12/sf (2,500'). Plus janitorial/utilities.
22	*Insurance (D&O, emp practices, gen liab, auto)	(paid by county)	\$ 3,971	\$ 7,500	
23	*Support services (accounting/HR/personnel/training)	(paid by county)	\$ 71,017	\$ 45,000	
24	*Facilities (rent/utilities/janitorial)	(paid by county)	\$ 33,848	\$ 35,000	
25	Total operating expense	\$ 112,000	\$ 228,336	\$ 198,300	
26					
27	Total annual expense	\$ 723,128	\$ 887,195	\$ 857,159	
28					
29	Cost comparison summary				
30	*County support not currently reimbursed by the RTPA (see Table 2). All other items are currently paid by the RTPA.	\$ 151,178			
31	Difference in total costs - FY 11/12 vs. FY 12/13 including reimbursement for county administrative support.		\$ 164,067		
32	Difference in total costs - FY 12/13 with county administrative support vs. FY 12/13 independent RTPA and RTPA provided support.			\$ (30,036)	

Shasta County Regional Transportation Planning Agency

Independent RTPA Annual Expense Projections

	A	B	C	D	E	F
1	Table 2: Annual unreimbursed county support costs					
2	Workers compensation experience modification	\$ 29,250				
3	Leave accumulation	\$ 13,092				
4	Liability insurance	\$ 3,971				
5	Support services (accounting/HR/personnel/training)					
6	Public Works Administration	\$ 47,000				
7	A-87 costs	\$ 24,017				
8	Facilities (rent/utilities/janitorial)					
9	Facilities Maintenance Division	\$ 10,900				
10	Utilities	\$ 2,000				
11	Remodel depreciation	\$ 20,948				
12	Total annual unreimbursed county support costs	\$ 151,178				
13	Source: Shasta County					
14						
15	Table 3: Annual salaries and benefits compared to similar sized RTPAs					
16		RTPA with county support	RTPA (independent)	Butte	Placer	El Dorado
17	Number of full-time staff	7	7	12	6.5	6
18	Salaries:					
19	Base salaries	\$ 447,545	\$ 447,545	\$ 1,038,241	\$ 703,710	\$ 423,701
20	Average yearly base salary per employee	\$ 63,935	\$ 63,935	\$ 86,520	\$ 108,263	\$ 70,617
21	Retirement:					
22	Benefit	PERS 2% @ 55	PERS 2% @ 55	PERS 2% @ 55	PERS 2% @ 55	PERS 2% @ 55
23	Employer share	12.98%	12.98%	11%	13.52%	11.89%
24	Employer portion paid by employer? (7%) (* transitioning)	No	No	Yes	Yes	Yes (*)
25	Total retirement benefit cost	\$ 58,091	\$ 58,091	\$ 186,883	\$ 144,401	\$ 80,037
26	Average yearly retirement benefit cost per employee	\$ 8,299	\$ 8,299	\$ 15,574	\$ 22,216	\$ 13,340
27	Medical:					
28	Family coverage paid by employer?	No	Based on county model No	Yes	Yes	Yes
29	Total medical benefit cost	\$ 110,881	\$ 110,881	\$ 201,600	\$ 110,292	\$ 92,232
30	Average yearly medical benefit cost per employee	\$ 24,139	\$ 24,139	\$ 32,374	\$ 39,184	\$ 28,712
31						
32	Total salaries/retirement/medical benefits	\$ 616,517	\$ 616,517	\$ 1,426,724	\$ 958,403	\$ 595,970
33	Average salary/retirement/medical benefits per employee	\$ 88,074	\$ 88,074	\$ 118,894	\$ 147,447	\$ 99,328

MINUTE ORDER



SUBJECT: Establish an Independent Shasta County Regional Transportation Planning Agency

STATE OF CALIFORNIA, COUNTY OF SHASTA

The governing board of the Shasta County Regional Transportation Planning Agency met in regular session on the 24th day of January, 2012, at Redding, California, there being present board members: Hawes, Connick, Jones, Watkins, Moty, Dickerson and Hartman.

ESTABLISH AN INDEPENDENT SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY

On recommendation of executive director Little, and by motion made, seconded and carried, the board unanimously voted to establish an independent Shasta County Regional Transportation Planning Agency with a target date of July 1, 2012.

STATE OF CALIFORNIA, COUNTY OF SHASTA:

I, DANIEL S. LITTLE, AICP, executive director of the Shasta County Regional Transportation Planning Agency, do hereby certify the foregoing to be a full, true and correct copy of the minute order of said transportation planning agency governing board on January 24, 2012.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 24th day of January, 2012.

A handwritten signature in blue ink, appearing to read "D. Little", written over a horizontal line.

Daniel S. Little, AICP, Executive Director
Shasta County Regional Transportation
Planning Agency